

Approved for tabling

REPUBLIC OF KENYA



SN A
17/3/2020

THE NATIONAL ASSEMBLY



TWELFTH PARLIAMENT (FOURTH SESSION)

DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING

REPORT ON THE CONSIDERATION OF THE PUBLIC FINANCE MANAGEMENT
(AMENDMENT) (NO. 4) BILL (N.A. BILLS NO. 78 OF 2019)

CLERKS CHAMBERS
DIRECTORATE OF COMMITTEE SERVICES
PARLIAMENT BUILDINGS
NAIROBI

MARCH, 2020

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CHAIRPERSON'S FOREWORD

This report contains the Committee's proceedings on the consideration of the Public Finance Management (Amendment) (No. 4) Bill (N.A. Bills No. 78 of 2019), which was published on 18th November, 2019 and read a first time on **4th December, 2019** pursuant to Standing Order 127.

The Bill has four (4) clauses and it seeks to amend the Public Finance Management Act, 2012 in order to institutionalise its oversight role with regards to the budget process and ensure that the Debt Management Strategy Paper (DMS) is submitted to the National Assembly together with the Budget Policy Statement (BPS) and is examined and scrutinised independently by the sectoral committees and a report tabled in the House with recommendations therefore by the Budget and Appropriations Committee.

In processing the Bill, the Clerk of the National Assembly invited comments from the public by placing advertisements in the print media on **Thursday, 5th March, 2020** pursuant to Article 118 of the Constitution. At the end of the period of submission of memoranda, the Committee had not received any memorandum on the Bill. The Committee held a meeting with the National Treasury on Thursday, 5th March, 2020 to seek their comments on the Bill.

On behalf of the Departmental Committee on Finance and National Planning and pursuant to provisions of Standing Order 199 (6), it is my pleasant privilege and honour to present to this House the Report of the Committee on its consideration of the Public Finance Management (Amendment) (No. 4) Bill (N.A. Bills No. 78 of 2019).

The Committee is grateful to the Offices of the Speaker and the Clerk of the National Assembly for the logistical and technical support accorded to it during its sittings. The Committee further wishes to thank the sponsor of the Bill, Hon. Samuel Atandi, M.P. and the National Treasury for their participation in scrutinizing the Bill. Finally, I wish to express my appreciation to the Honorable Members of the Committee who made useful contributions towards the preparation and production of this report.

It is my pleasure to report that the Committee has considered the Public Finance Management (Amendment) (No. 4) Bill (N.A. Bills No. 78 of 2019) and have the honour to report back to the National Assembly with the recommendation that the Bill should be **approved with amendments**.

Hon. Joseph Limo, M.P.

Chairperson, Departmental Committee on Finance and National Planning

1. PREFACE

1.1 ESTABLISHMENT OF THE COMMITTEE

1. The Departmental Committee on Finance & National Planning is one of the fifteen Departmental Committees of the National Assembly established under *Standing Order 216* whose mandates pursuant to the *Standing Order 216 (5)* are as follows:
 - a. To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;
 - b. To study the programme and policy objectives of Ministries and departments and the effectiveness of their implementation;
 - c. **To study and review all the legislation referred to it;**
 - d. To study, access and analyze the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;
 - e. To investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House;
 - f. To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order No.204 (Committee on appointments);
 - g. To examine treaties, agreements and conventions;
 - h. To make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;
 - i. To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and
 - j. To examine any questions raised by Members on a matter within its mandate.
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1.2 MANDATE OF THE COMMITTEE

2. In accordance with the Second Schedule of the Standing Orders, the Committee is mandated to consider, public finance, monetary policies, public debt, financial institutions (excluding those in securities exchange), investment and divestiture policies, pricing policies, banking, insurance, population revenue policies including taxation and national planning and development.
3. In executing its mandate, the Committee oversees the following Government Ministries and Departments;
 - a. The National Treasury and Planning
 - b. Ministry of Devolution and ASALs
 - c. The Commission on Revenue Allocation (CRA)
 - d. Office of the Controller of Budget
 - e. Salaries and Remuneration Commission (SRC)

1.3 COMMITTEE MEMBERSHIP

4. The Departmental Committee on Finance and National Planning was constituted by the House in December, 2017 and comprises of the following Members:-

Chairperson

Hon. Joseph K. Limo, MP
MP for Kipkelion East Constituency

Jubilee Party

Vice-Chairperson

Hon. Isaac W. Ndirangu
M.P for Roysambu Constituency

Jubilee Party

Members

Hon. Jimmy O. Angwenyi, MP
MP for Kitutu Chache North Constituency

Jubilee Party

Hon. Christopher Omulele, MP
MP for Luanda Constituency

ODM Party

Hon. Dr. Enoch Kibunguchy, MP
MP for Likuyani Constituency

FORD-K

Hon. Shakeel Shabbir Ahmed, MP
MP for Kisumu Town East

Independent Member

Hon. Abdul Rahim Dawood, MP
MP for North Imenti Constituency

Jubilee Party

Hon. Daniel E. Nanok, MP
MP for Turkana West Constituency

Jubilee Party

Hon. Andrew A. Okuome, MP
MP for Karachuonyo Constituency

ODM Party

Hon. David M. Mboni, MP
MP for Kitui Rural Constituency

CCU Party

Hon. Francis K. Kimani, MP
M.P. Molo Constituency

Jubilee Party

Hon. Joseph M. Oyula, MP
MP for Butula Constituency

ODM Party

Hon. Joshua C. Kandie, MP
MP for Baringo Central Constituency

MCC Party

The Hon. Lydia H. Mizighi, MP
MP for Taita Taveta County

Jubilee Party

Hon. Mohamed A. Mohamed, MP
MP for Nyali Constituency

Independent Member

Hon. Purity W. Ngirici, MP
MP for Kirinyaga County

Jubilee Party

Hon. Samuel Atandi, MP
MP for Alego Usonga Constituency

ODM Party

Hon. Stanley M. Muthama, MP
MP for Lamu West Constituency

MCC Party

The Hon. Edith Nyenze, MP
MP for Kitui West Constituency

WDM-K

1.4 COMMITTEE SECRETARIAT

5. The Committee is facilitated by the following Members of the Secretariat:-

Head of the Secretariat

Ms. Leah W. Mwaura

Senior Clerk Assistant

Ms. Jennifer Ndeto
Principal Legal Counsel I

Ms. Laureen Wesonga
Clerk Assistant II

Mr. Josephat Motonu
Fiscal Analyst I

Mr. Chelang'a Maiyo
Research Officer II

Mr. John Njoro
Serjeant-At-Arms

Ms. Euridice Nzioka
Audio Officer

2. OVERVIEW OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) (NO. 4) BILL (N.A. BILLS NO. 78 OF 2019)

2.1 ANALYSIS OF THE BILL

6. The Bill seeks to amend the Public Finance Management Act, 2012 in order to institutionalise its oversight role with regards to the budget process and ensure that the Medium Term Debt Management Strategy Paper (DMS) is submitted to the National Assembly together with the Budget Policy Statement (BPS) and is examined and scrutinised independently by the sectoral committees and a report tabled in the House with recommendations therefore by the Budget and Appropriations Committee
7. **Clause 1:** provides the short title of the Bill.
8. **Clause 2:** seeks to provide for the definition of the Kenya government external debt register.
9. **Clause 3:** seeks to entrench the oversight role of Parliament in law by ensuring that the National Assembly scrutinizes the debt management strategy paper with a view to approving them with or without amendments.
10. **Clause 4:** of the Bill seeks to specify the exact role of the Cabinet Secretary in accounting to the National Assembly on the function of the Debt Management Office given the strategic role that the Office plays in debt management.
11. The Bill does not delegate legislative powers and neither does it limit fundamental rights and freedoms.
12. The Bill concerns county governments in terms of Article 110(1)(a) of the Constitution as it affects the functions and powers of county governments as set out in the Fourth Schedule of the Constitution.
13. The Bill is not a money bill within the meaning of Article 114 of the Constitution.

3. PUBLIC PARTICIPATION/STAKEHOLDER CONSULTATION

14. Following a call for memorandum through placement of advertisements in the print media on 15th March, 2020, the Committee did not receive any memorandum from members of the public. In a bid to carry out public participation as per Article 118 of the Constitution, the Committee held a meeting with the National Treasury on Thursday, 5th March, 2020 to deliberate on the Bill. The Director General/Budget, Fiscal and Economic Affairs, Mr. Albert Mwenda submitted that:-

3.1 NATIONAL TREASURY

15. The National Debt Register is usually part of the Appropriations Account which is often submitted by the Auditor General. Submitting the National Debt Register as proposed by the Bill would therefore mean that the National Treasury publishes a register that has not been audited by the Auditor General.

16. The debt register is a voluminous document and as such the cost of publishing the it the gazette notice and in newspapers would be too high and would amount to duplication. They proposed that the register should be published in the National Treasury's website and a notification be made on the newspapers of wide circulation notifying the public on the published debt register.

17. The Committee agreed with the National Treasury to have the debt register publishes in the National Treasury's website and an advert be done on two daily newspapers notifying the public of such publication.

18. Section 31 (1) of the Public Finance Management Act requires that the National Treasury submits to the National Assembly reports of all the new loans every four months. The said Section 33(1) of the PFM Act provides that the National Treasury submits to the National Assembly medium term debt management strategy on or before 15th February each year and the National Treasury also submits to the National Assembly the Annual Public Debt Management Report in accordance with Section 64(2)(c) of the PFM Act.

4. COMMITTEE RECOMMENDATION

19. The Committee having considered the Public Finance Management (Amendment) (No. 4) Bill (N.A. Bills No. 78 of 2019) recommends that the House approves the Bill with amendments as proposed in the schedule.

5. SCHEDULE OF PROPOSED AMENDMENTS

The Committees proposed the following amendments to be considered by the House in the Committee stage:-

CLAUSE 3

20. **THAT**, the Bill be amended—

- (a) in paragraph (a) in the proposed new sub-section (3A) by deleting the words “the relevant committee of the National Assembly” and substituting therefor the words “the relevant committee responsible for finance in the national Assembly”;

Justification

21. This is to specify the Committee of the National Assembly that will review the debt management strategy paper.

- (b) in paragraph (b) by deleting the proposed new sub-section (5) and substituting therefor the following new sub-section (5) –

(5) The Cabinet Secretary shall ensure that –

(a) the Kenyan government debt register is published on the National Treasury website within three months after the end of the financial year; and

(b) a notice is published in the two newspapers of nationwide circulation informing the public that the Kenyan government debt register may be accessed on the national treasury website.

Justification

22. This is because the debt register is a voluminous document and as such the cost of publishing it in the gazette notice and in newspapers would be too high.

New Clause 3A

23. The principal Act is amended in section 50 by inserting the following new sub-section immediately after sub-section (7) –

(7a) Without prejudice to the provisions of sub-section (7), the Cabinet Secretary shall ensure that any external loan or borrowing by the national government is used for development projects.

Justification

24. This is to enhance accountability.

SIGNED.......... DATE.....17-3-2020.....

THE HON. JOSEPH LIMO, MP

CHAIRPERSON

DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING

MINUTES OF THE 4TH SITTING OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING HELD ON SATURDAY, 14TH MARCH, 2020 AT HILTON GARDEN INN HOTEL IN MACHAKOS COUNTY AT 2.30 PM

PRESENT

1. Hon. Joseph K. Limo, MP - **Chairperson**
2. Hon. Isaac W. Ndirangu, MP - **Vice Chairperson**
3. Hon. Jimmy O. Angwenyi, MGH, MP
4. Hon. Christopher Omulele, MP
5. Hon. Daniel E. Nanok, MP
6. Hon. Andrew A. Okuome, MP
7. Hon. Francis K. Kimani, MP
8. Hon. Joseph M. Oyula, MP
9. Hon. Joshua C. Kandie, MP
10. Hon. Lydiah Mizighi, MP
11. Hon. Mohamed A. Mohamed, MP
12. Hon. Purity Ngirici, MP
13. Hon. Samuel Atandi, MP

ABSENT WITH APOLOGY

1. Hon. Dr. Enoch Kibunguchy, MP
2. Hon. Shakeel Shabbir Ahmed, CBS, MP
3. Hon. Abdul Rahim Dawood, MP
4. Hon. David M. Mboni, MP
5. Hon. Stanley M. Muthama, MP
6. Hon. Edith Nyenze, MP

INATTENDANCE

SECRETARIAT

1. Ms. Leah Mwaura - Senior Clerk Assistant/Head of the Secretariat
2. Ms. Jennifer Ndeto - Principal Legal Counsel I
3. Ms. Laureen Wesonga - Clerk Assistant II
4. Mr. Josephat Motonu - Fiscal Analyst I
5. Mr. Joshua Lenambeti - Serjeant-At-Arms
6. Ms. Euridice Nzioka - Audio Officer
7. Mr. Vitalis Augo - Office Assistant
8. Mr. Faustine Rotich - Intern

AGENDA

1. Prayers
2. Communication from the Chairperson
3. Confirmation of Minutes
4. Matters Arising
5. **Adoption of the Reports on the consideration of the:-**
 - i. **Parliamentary Pensions (Amendment) (No. 3) Bill (N.A. Bills No. 57 of 2019);**
 - ii. **Public Finance Management (Amendment) Bill (Senate Bill No. 3 of 2019);****and**

iii. Public Finance Management (Amendment) (No. 4) Bill (N.A. Bills No. 73 of 2019)

6. Adjournment/ Date of the next meeting

MIN.NO.NA/F&NP/2020/018: COMMUNICATION FROM THE CHAIRPERSON

The meeting was called to order at 2.35pm and a prayer was said. The Chairperson then welcomed the meeting to deliberate the day's agenda.

MIN.NO.NA/F&NP/2020/019: CONFIRMATION OF MINUTES

Agenda deferred

MIN.NO.NA/F&NP/2020/020: ADOPTION OF THE REPORT ON THE CONSIDERATION OF THE PARLIAMENTARY PENSIONS (AMENDMENT) (NO. 3) BILL (N.A. BILLS NO. 57 OF 2019)

The report on the consideration of the Parliamentary Pensions (Amendment) (No. 3) Bill (N.A. Bills No. 57 of 2019) was adopted having been proposed and seconded by Hon. Lydia Mizighi, MP and Hon. Joseph Oyula, MP respectively. The Committee agreed on the following amendments:-

Clause 2

THAT, the Bill be amended in clause 2 by deleting the proposed new section 2 (2).

Justification

The amendment is intended to remove the retroactive application of this provision. The provision of section 3A require that a member elects before the benefits of either gratuity or pension. Further, under Article 116 of the Constitution, ".....an Act of Parliament that confers direct pecuniary interest on members of parliament shall not come into force until the next general election of members of parliament."

Clause 3

THAT, the Bill be amended in clause 3 (a) by deleting paragraph (ii) and substituting therefor the following paragraph-

- (ii) deleting paragraph (b) and substituting therefor the following new paragraph-
- (b) is under twenty-five years of age and is undergoing a course of full-time education;

Justification

The amendment is intended to define a child as any child of the deceased member who is under twenty-five but still under-going schooling. The amendment also removes the exclusion of a female child who is married or cohabiting with any person. The previous provision was discriminating against married female children.

Clause 8

THAT, the Bill be amended in the proposed new section 7 by deleting sub-section (4) and substituting therefor the following sub-section (4) –

- (4) If after receiving gratuity under subsection (2) the Member elects to pay pension contributions under section 4, the Member may if he so desires–

repay all the gratuity paid to the member plus, interest at the rate of three percent per month for a period of fifteen months, from the date he elects to be pensionable; and
pay the contributions under section 4 for the entire period of non-contribution to match up with existing contributors.

Justification

The amendment is intended to provide that a member who opts to join the pension scheme, then they should pay up pension contributions for the period they did not make contribution.

Clause 11

THAT, the Bill be amended in clause 11 (b) in the proposed paragraph (a) by deleting the word “that” appearing immediately after the word “less” and substituting therefor the word “than”.

Justification

The amendment is a grammatical correction.

MIN.NO.NA/F&NP/2020/021: ADOPTION OF THE REPORT ON THE CONSIDERATION OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) BILL (SENATE BILLS NO. 3 OF 2019)

The report on the consideration of the Public Finance Management (Amendment) Bill (Senate Bills No. 3 of 2019) was adopted having been proposed and seconded by Hon. Andrew Okuome, MP and Hon. Purity Ngirici, MP respectively. The Committee agreed on the following amendments:-

Clause 2

THAT, clause 2 of the Senate amendments be amended—

- (a) in the proposed new section 160A –
 - (i) by inserting the words “within one year from the coming into force of this Act.”, immediately after the words “collection system” in sub-section (1);

Justification

This is to give timelines for the development of the county revenue collection system.

- (ii) by inserting the following new subsection immediately after subsection (1)
 -
 - (1a) The county revenue collection system shall –
 - (a) be transparent, efficient, effective and verifiable;
 - (b) be simple and easy to use;
 - (c) be easy manage and control to ensure accountability;
 - (d) be adequately secure to prevent and fraud, losses or any other violations;
 - (e) respect and promote the distinctiveness of national government and the county government; and
 - (f) provide for separate accounting and reporting.

Justification

The responsibility to develop the county revenue collection system lies with the Institutions listed in sub-clause (1) and not with the county executive member.

- (iii) by inserting the words “within one year and” immediately after the expression “sub-section (1)” in sub-section (2);

Justification

This is to give timelines for the implementation of the county revenue collection system.

- (iv) by deleting sub-section (3).

Justification

The responsibility to develop the county revenue collection system does not lie with the county executive member but with the institutions listed in sub-clause (1).

(b) in the proposed new section 160B–

- (i) by deleting the words “submit bi-annual statements and an annual report” appearing in sub-section (1) and substituting therefor the words “submit quarterly statements and a quarterly report”;
- (ii) by deleting the words “copies of the bi-annual statements and an annual report” appearing in sub-section (2) and substituting therefor the words “copies of the quarterly statements and quarterly report”;
- (iii) by deleting the words “the bi-annual statements and the annual report” appearing in sub-section (3) and substituting therefor the words “the quarterly statements and the quarterly report”;

Justification

This is to enhance oversight of revenue collection by the county assemblies.

(c) by deleting the proposed section 160C and substituting therefor the following new section–

160C. The National Treasury may, on the recommendation of the Senate, and pursuant to Article 225(3) of the Constitution, stop the transfer of a county’s share of revenue raised by the national government, if the County Treasury fails to–

- (a) implement a county revenue collection system; or
- (b) report on the status of the county revenue collection and performance, as required under this Act.

Justification

The county treasury is only charged with the responsibility to implement the county revenue collection system and not to develop it.

MIN.NO.NA/F&NP/2020/022: ADOPTION OF THE REPORT ON THE CONSIDERATION OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) (NO. 4) BILL (N.A. BILLS NO. 78 OF 2019)

The report on the consideration of the Public Finance Management (Amendment) (No. 4) Bill (N.A. Bills No. 78 of 2019) was adopted having been proposed and seconded by Hon. Joshua Kandie, MP and Hon. Jimmy Angwenyi, MP respectively. The Committee agreed on the following amendments:-

CLAUSE 3

THAT, the Bill be amended–

- (a) in paragraph (a) in the proposed new sub-section (3A) by deleting the words “the relevant committee of the National Assembly” and substituting therefor the words “the relevant committee responsible for finance in the national Assembly”;

Justification

This is to specify the Committee of the National Assembly that will review the debt management strategy paper.

- (b) in paragraph (b) by deleting the proposed new sub-section (5) and substituting therefor the following new sub-section (5) –

(5) The Cabinet Secretary shall ensure that –

- (a) the Kenyan government debt register is published on the National Treasury website within three months after the end of the financial year; and
- (b) a notice is published in the two newspapers of nationwide circulation informing the public that the Kenyan government debt register may be accessed on the national treasury website.

Justification

This is because the debt register is a voluminous document and as such the cost of publishing it in the gazette notice and in newspapers would be too high.

NEW CLAUSE 3A

The principal Act is amended in section 50 by inserting the following new sub-section immediately after sub-section (7) –

- (7a) Without prejudice to the provisions of sub-section (7), the Cabinet Secretary shall ensure that any external loan or borrowing by the national government is used for development projects.

Justification

This is to enhance accountability.

MIN.NO.NA/F&NP/2020/023: ANY OTHER BUSINESS

The Chairperson informed the meeting that the Leader of the Majority Party in the National Assembly had congratulated the Committee for being one of the best Committees in terms of considering the business referred to it. The Chairperson thanked Members of the Committee and the Secretariat for the good work that they were doing.

MIN.NO.NA/F&NP/2020/024: ADJOURNMENT/DATE OF NEXT MEETING

There being no other business to deliberate on, the meeting was adjourned at 4.28p.m. The next meeting will be held on Tuesday, 17th March, 2020 at 10.00 a.m.

HON. JOSEPH K. LIMO, MP

(CHAIRPERSON)

SIGNED..........DATE.....17/3/2020.....

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MINUTES OF THE 3RD SITTING OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING HELD ON SATURDAY, 14TH MARCH, 2020 AT HILTON GARDEN INN HOTEL IN MACHAKOS COUNTY AT 10.30 AM

PRESENT

1. Hon. Joseph K. Limo, MP - **Chairperson**
2. Hon. Isaac W. Ndirangu, MP - **Vice Chairperson**
3. Hon. Jimmy O. Angwenyi, MGH, MP
4. Hon. Christopher Omulele, MP
5. Hon. Daniel E. Nanok, MP
6. Hon. Andrew A. Okuome, MP
7. Hon. Francis K. Kimani, MP
8. Hon. Joseph M. Oyula, MP
9. Hon. Joshua C. Kandie, MP
10. Hon. Lydiah Mizighi, MP
11. Hon. Mohamed A. Mohamed, MP
12. Hon. Purity Ngirici, MP
13. Hon. Samuel Atandi, MP

ABSENT WITH APOLOGY

1. Hon. Dr. Enoch Kibunguchy, MP
2. Hon. Shakeel Shabbir Ahmed, CBS, MP
3. Hon. Abdul Rahim Dawood, MP
4. Hon. David M. Mboni, MP
5. Hon. Stanley M. Muthama, MP
6. Hon. Edith Nyenze, MP

INATTENDANCE

SECRETARIAT

1. Ms. Leah Mwaura - Senior Clerk Assistant/Head of the Secretariat
2. Ms. Jennifer Ndeto - Principal Legal Counsel I
3. Ms. Laureen Wesonga - Clerk Assistant II
4. Mr. Josephat Motonu - Fiscal Analyst I
5. Mr. Joshua Lenambeti - Serjeant-At-Arms
6. Ms. Euridice Nzioka - Audio Officer
7. Mr. Vitalis Augo - Office Assistant
8. Mr. Faustine Rotich - Intern

AGENDA

1. Prayers
2. Communication from the Chairperson
3. Confirmation of Minutes
4. Matters Arising
5. **Clause by clause consideration of the:-**
 - i. **Public Finance Management (Amendment) Bill (Senate Bill No. 3 of 2019); and**

ii. **Public Finance Management (Amendment) (No. 4) Bill (N.A. Bills No. 73 of 2019)**

6. Adjournment/ Date of the next meeting

MIN.NO.NA/F&NP/2020/013: COMMUNICATION FROM THE CHAIRPERSON

The meeting was called to order at 10.47am and a prayer was said. The Chairperson then welcomed the meeting to deliberate the day's agenda.

MIN.NO.NA/F&NP/2020/014: CONFIRMATION OF MINUTES

Agenda deferred

MIN.NO.NA/F&NP/2020/015: CLAUSE BY CLAUSE CONSIDERATION OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) BILL (SENATE BILLS NO. 3 OF 2019)

The meeting deliberated and agreed on the following amendments:-

Clause 2

160A. Amend sub-clause (1) by inserting the words 'within a year' after the word 'system'.

Justification

This is to give timelines for the development of the county revenue collection system.

160A. Harmonise sub-clauses (1) and (3)

Justification

The responsibility to develop the county revenue collection system does not lie with the county executive member but with the institutions listed in sub-clause (1).

160B. Amend sub-clauses (1), (2) and (3) by deleting the words 'bi-annual statements' and replacing with the words 'quarterly reports'.

Justification

This is to enhance oversight of revenue collection by the county assemblies.

160C. amend the marginal note by deleting the word 'develop' and replacing with the word 'implement'.

Justification

The county executive member does not develop the county revenue collection system but implements it.

160C. amend sub-clause (1) by deleting the words 'coming into force of this Act' and replacing with the words 'completion of the system'

Justification

This is because the Public Finance Management Act is already in force.

MIN.NO.NA/F&NP/2020/016: CLAUSE BY CLAUSE CONSIDERATION OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) (NO. 4) BILL (N.A. BILLS NO. 78 OF 2019)

The Committee deliberated and agreed on the following amendments to the Bill:-

Clause 3

Amend sub-clause (3A) by deleting the words ‘relevant committee’ and replacing with the words ‘committee in charge of finance’.

Justification

This is to specify the committee that will review the debt management strategy paper.

Amend sub-clause (5) by deleting the words ‘Kenya Gazette and one local newspaper of wide circulation’ and replacing with the words ‘National Treasury’s website and a notification be made on the newspapers of wide circulation notifying the public on the published debt register’.

Justification

This is because the debt register is a voluminous document and as such the cost of publishing it in the gazette notice and in newspapers would be too high.

NEW CLAUSE

Insert a new clause providing that any new loan must be for a specific purpose.

Justification

This is to enhance accountability.

MEMBERS’ DELIBERATION

1. The meeting noted that it was important to create an independent debt management body through legislation. The Committee Secretariat was directed to draft a bill establishing the body for the Committee’s review and adoption.
2. Members also noted that it was important to have a meeting with the National Treasury and discuss the need for National Treasury to submit loans that they intend to procure to the National Assembly for scrutiny before taking such loans. The meeting will determine the Committee’s cause of action on the matter.
3. In conclusion, Members noted that there is need for consideration of all parts of the country when contracting debts because loans are repaid by all Kenyans but the projects do not benefit all parts of the country equitably.

MIN.NO.NA/F&NP/2020/017: ADJOURNMENT/DATE OF NEXT MEETING

There being no other business to deliberate on, the meeting was adjourned at 12.30p.m. The next meeting will be held at 2.30 p.m.

HON. JOSEPH K. LIMO, MP

(CHAIRPERSON)

SIGNED..........DATE.....27/3/2020.....

REPUBLIC OF KENYA



NATIONAL ASSEMBLY
DEPARTMENTAL COMMITTEE ON FINANCE & NATIONAL PLANNING
ADOPTION SCHEDULE

ADOPTION SCHEDULE FOR THE REPORT ON THE CONSIDERATION OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) (NO. 4) BILL (N.A. BILLS NO. 78 OF 2019)

DATE: 14TH MARCH, 2020

NAME	SIGNATURE
1. HON. JOSEPH K. LIMO, MP – CHAIRMAN	
2. HON. ISAAC W. NDIRANGU – VICE-CHAIRMAN	
3. HON. JIMMY O. ANGWENYI, MP	
4. HON. CHRISTOPHER OMULELE, MP	
5. HON. SHAKEEL SHABBIR AHMED, MP	
6. HON. DR. ENOCH KIBUNGUCHY, MP	
7. HON. ABDUL RAHIM DAWOOD, MP	
8. HON. DANIEL E. NANOK, MP	
9. HON. ANDREW A. OKUOME, MP	
10. HON. DAVID M. MBONI, MP	
11. HON. KURIA KIMANI, MP	
12. HON. JOSEPH M. OYULA, MP	
13. HON. JOSHUA KANDIE, MP	
14. HON. LYDIA H. MIZIGHI, MP	
15. HON. MOHAMED ALI, MP	
16. HON. PURITY NGIRICI, MP	
17. HON. SAMUEL ATANDI, MP	
18. HON. STANLEY M. MUTHAMA, MP	
19. HON EDITH NYENZE, MP	