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REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY

TWELFTH PARLIAMENT – FIFTH SESSION – 2021
DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING

REPORT ON-

THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) BILL (NATIONAL ASSEMBLY
BILL NO. 39 OF 2020)

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| THE NATIONAL ASSEMBLY PAPERS LAID | |
| DATE: 05 AUG 2021 | DAY: Thurs |
| TABLED BY: | Hon. Gladys Wanga Chair, Finance |
| CLERK AT THE TABLE: | Mairah Wanjiku |

CLERKS CHAMBERS
DIRECTORATE OF DEPARTMENTAL COMMITTEES
PARLIAMENT BUILDINGS
NAIROBI

AUGUST 2021

TABLE OF CONTENTS

| | |
|--|----|
| CHAIRPERSON'S FOREWORD..... | 3 |
| PART ONE..... | 5 |
| 1 PREFACE..... | 5 |
| 1.1 ESTABLISHMENT OF THE COMMITTEE..... | 5 |
| 1.2 COMMITTEE'S SUBJECTS..... | 5 |
| 1.3 COMMITTEE MEMBERSHIP..... | 6 |
| 1.4 COMMITTEE SECRETARIAT..... | 7 |
| PART TWO..... | 8 |
| 2 OVERVIEW OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 39 OF 2020)..... | 8 |
| 2.1 INTRODUCTION..... | 8 |
| 2.2 ANALYSIS OF THE BILL..... | 8 |
| PART THREE..... | 10 |
| 3 PUBLIC PARTICIPATION/STAKEHOLDERS CONSULTATION..... | 10 |
| 3.1 THE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF KENYA (ICPAK).... | 10 |
| 3.2 KENYA PORTS AUTHORITY..... | 11 |
| 3.3 MINISTRY OF FOREIGN AFFAIRS..... | 12 |
| 3.4 PUBLIC SECTOR ACCOUNTING AND STANDARDS BOARD (PSASB)..... | 12 |
| 3.5 NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG- CDF) 14 | 14 |
| 3.6 KENYA NATIONAL COMMISSION ON HUMAN RIGHTS (KNCHR)..... | 15 |
| 3.7 HEADS OF ACCOUNTING AND FINANCE UNITS IN THE PUBLIC SECTOR..... | 15 |
| 3.8 KENYA RURAL ROADS AUTHORITY (KERRA)..... | 16 |
| 3.9 MR. WASONGA TWITTY..... | 17 |
| 3.10 OFFICE OF THE AUDITOR-GENERAL (OAG)..... | 17 |
| 3.11 THE NATIONAL TREASURY AND PLANNING..... | 19 |
| PART FOUR..... | 20 |
| 4 COMMITTEE OBSERVATIONS..... | 20 |
| PART FIVE..... | 21 |
| 4 COMMITTEE RECOMMENDATION..... | 21 |
| PART SIX..... | 22 |
| 6 SCHEDULE OF PROPOSED AMENDMENTS..... | 22 |
| ANNEXTURES..... | 26 |

CHAIRPERSON'S FOREWORD

This report contains the proceedings of the Departmental Committee on Finance and National Planning on its consideration of the Public Finance Management (Amendment) Bill (*National Assembly Bill No. 39 of 2020*) which was published on 20th November 2020.

The Bill went through the First Reading on 25th March 2021 and was thereafter committed to the Departmental Committee on Finance and National Planning pursuant to Standing Order 127.

The Bill has fifteen (15) clauses and seeks to amend the Public Finance Management Act, 2012 in order to reduce the time for submission of financial statements by public entities to the Auditor-General from three months after the end of a financial year to one month. This will give the Auditor-General six (6) months to audit the financial statements as provided by Article 229(4) of the Constitution.

The additional time will enable the Auditor-General to submit the audited reports to Parliament and county assemblies within the Constitutional timelines. It will also increase the time within which the reports are prepared hence improve the scope and quality of the reports.

Following placement of adverts in the print media on 20th April 2021 requesting for comments on the Bill from members of the public and relevant stakeholders pursuant to Article 118(1) (b) of the Constitution and Standing Order 127(3), the Committee received eleven (11) written memoranda. The Committee further discussed the Bill with Stakeholders on Thursday, 15th July 2021 at Emara Ole Sereni Hotel in Nairobi. Six (6) stakeholders attended the meeting while the rest submitted written memoranda.

Most stakeholders were opposed to the amendment noting that it will be difficult to submit the reports within the new timelines for various reasons including late release of funds to public entities by the National Treasury, some public entities are not connected to the Integrated Financial Management Information System (IFMIS) (some use the manual system) hence require time to feed information to the System, some public entities have offices spread all over the country hence it takes time to collate data from the offices and prepare the reports, most finance and accounts units in public entities are understaffed among other reasons.

The stakeholders proposed that the timeline should be revised from one to two months to enable accounting officers to prepare the reports and take them for quality review by the National Treasury before submitting them to the Office of the Auditor General (OAG). Further, they proposed that the accrual accounting system should be implemented. Additionally, the OAG should be devolved and adequately staffed to effectively discharge its mandate. Details of the stakeholders' submissions are contained in Part III of the report. All the stakeholders' comments were put into consideration while preparing the proposed Committee's amendments and some of the proposals were adopted forming part of the proposed Committee's amendments.

While considering the Bill, the Committee noted that the issues raised by stakeholders were valid and therefore reviewed the timeline for submission of the financial statements to the Auditor-General from one month to two months. The Committee observed that there is need to put measures in place to ensure that the OAG submits the audited reports to Parliament and county assemblies within the Constitutional timelines as this will make it possible for Parliament and county assemblies to have

early information on whether the funds allocated and appropriated have been used or managed in compliance with the laws and regulations they have legislated for the benefit of the people that they represent and enable legislators to make informed budget decisions.

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) Bill, 2020. The Committee is grateful to the Offices of the Speaker and Clerk of the National Assembly for the logistical and technical support accorded to it during its sittings. The Committee further wishes to thank all the stakeholders who participated in the consideration of 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) Bill (National Assembly Bill No. 39 of 2020) and have the honour to report back to the National Assembly with the recommendation that the Bill be approved with amendments as contained in the report.

Hon. Gladys Wanga, CBS, MP

Chairperson, Departmental Committee on Finance and National Planning

PART ONE

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:-

- i. *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;*
- ii. *To study the programme and policy objectives of Ministries and departments and the effectiveness of their implementation;*
- iii. ***To study and review all the legislation referred to it;***
- iv. *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;*
- v. *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;*
- vi. *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);*
- vii. *To examine treaties, agreements and conventions;*
- viii. *To make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;*
- ix. *To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and*
- x. *To examine any questions raised by Members on a matter within its mandate.*

1.2 COMMITTEE'S SUBJECTS

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:-
 - i. National Treasury and Planning
 - ii. State Department for Devolution
 - iii. Commission on Revenue Allocation
 - iv. Office of the Controller of Budget
 - v. Salaries and Remuneration Commission

1.3 COMMITTEE MEMBERSHIP

4. The Departmental Committee on Finance and National Planning was constituted by the House in July, 2020 and comprises of the following Members:-

Chairperson

Hon. Gladys Wanga, CBS, MP
Homabay County

ODM Party

Vice-Chairperson

Hon. Isaac W. Ndirangu, MP
Roysambu Constituency

Jubilee Party

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

Jubilee Party

Hon. Christopher Omulele, CBS, MP
Luanda Constituency

ODM Party

Hon. Shakeel Shabbir Ahmed, CBS, MP
Kisumu East Constituency

Independent Member

Hon. Daniel Nanok, MP
Turkana West Constituency

Jubilee Party

Hon. (Dr.) Christine Ombaka, MP
Siaya County

ODM Party

Hon. Andrew Okuome, MP
Karachuonyo Constituency

ODM Party

Hon. David Mboni, MP
Kitui Rural Constituency

CCU Party

Hon. Francis K. Kimani, MP
Molo Constituency

Jubilee Party

Hon. Joseph Oyula, MP
Butula Constituency

ODM Party

Hon. Joshua Kandie, MP
Baringo Central Constituency

MCC Party

Hon. Stanley Muthama, MP
Lamu West Constituency

MCC Party

Hon. Edith Nyenze, MP
Kitui West Constituency

WDM-K

Hon. Catherine Waruguru, MP
Laikipia County

Jubilee Party

Hon. James Gichuhi Mwangi, MP
Tetu Constituency

Jubilee Party

Hon. (Prof.) Mohamud Muhamed, MP
Wajir South Constituency

Jubilee Party

Hon. Peter Lochakapong, MP
Sigor Constituency

Jubilee Party

Hon. Qalicha Gufu Wario, MP
Moyale Constituency

Jubilee Party

1.4 COMMITTEE SECRETARIAT

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

Ms. Leah W. Mwaura
Senior Clerk Assistant/Head of Secretariat

Ms. Jennifer Ndeto
Principal Legal Counsel 1

Ms. Laureen O. Wesonga
Clerk Assistant II

Mr. Josephat Motonu
Senior Fiscal Analyst

Mr. Chelang'a Maiyo
Research Officer II

Mr. John Njoro
Serjeant-At-Arms

Ms. Christine Maeri
Audio Officer

Mr. Vitalis Augo
Office Assistant

PART TWO

2 OVERVIEW OF THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 39 OF 2020)

2.1 INTRODUCTION

6. Public audit is an integral part of public financial management in Kenya. The Public Finance Management Act (2012) provides a framework for effective management of public finances by the national and county governments and spells out the oversight responsibilities of Parliament and county assemblies. The Office of the Auditor General (OAG) is a critical office in ensuring that Parliament carries out effective oversight over public resources. To ensure that the OAG effectively plays its role, there is need to give the office sufficient time to carry out audit and prepare quality audit reports.
7. The main objective of the Public Finance Management (Amendment) Bill (National Assembly No.39 of 2020) is to amend the Public Finance Management Act, 2012 in order to reduce the time for submission of financial statements to the Auditor-General by public entities from three months after the end of a financial year to one month. The Auditor-General is required to carry out the mandate of audit of public sector accounts within six months after the end of a financial year pursuant to Article 229(4) of the Constitution. However, the Public Finance Management Act, 2012 requires accounting officers of public funds to submit their financial statements to the Auditor-General within three months and the consolidated financial statements within four months after the end of a financial year. This reduces the time that the Auditor-General has to audit the accounts to three months making it difficult for the Auditor-General to meet the constitutional timeline and affects the scope and quality of audit reports.
8. The Bill remedies the above problem by ensuring that the Office of the Auditor General has adequate time to carry out required audits and prepare the required reports for submission to Parliament and county assemblies.

2.2 ANALYSIS OF THE BILL

The Bill proposes the following amendments:

9. **Clauses 2, 3, 4(b), 6, 7, 8, 9, 10, 11, 13, 14 and 15** of the Bill propose to reduce the time required to submit annual financial statements by the accounting officers of national and county funds from within three months to within one month. The clauses amend sections 23(1), 24(10)(b), 68(2)(k), 81(4), 82(3), 82(4), 84(3), 115(1), 116(7)(b), 149(2)(k), 164(4), 165(3) and 167(3).
10. **Clauses 5 and 12** of the Bill proposes to reduce the time required to submit consolidated annual financial statements by the National and county treasuries pursuant to sections 80(4) and 163(4) from within four months to within two months.
11. **Clause 4(b)** of the Bill amends section 68(4) of the Act to include the Auditor-General in the list of those to whom the National Assembly should submit the report in respect of a report submitted by the Controller of Budget on the implementation of the budget of the national government.

12. **Clause 4(c)** of the Bill proposes to introduce sanctions for non-compliance by accounting officers with regard to implementation of recommendations made by a committee of the National Assembly in respect of a report submitted by the Controller of Budget under Article 228(6).
13. The Bill does not delegate legislative power to the Cabinet Secretary and neither does it limit fundamental rights and freedoms.
14. The Bill affects the functions of county governments as it sets out timelines within which administrators of county funds and county treasuries shall submit consolidated financial statements in respect of their county government to the Auditor-General and is therefore a Bill concerning county governments for purposes of the Standing Orders.
15. Enactment of this Bill shall not occasion additional expenditure of public funds to be provided for through the annual estimates.

PART THREE

3 PUBLIC PARTICIPATION/STAKEHOLDERS CONSULTATION

16. Following the call for memoranda from the public through the placement of adverts in the print media on 20th April, 2021 and vide a letter REF: NA/DDC/F&NP/2021/31 dated 8th July 2021 inviting stakeholders for a meeting, the Committee received memoranda from the following stakeholders:
- i. Institute of Certified Public Accountants of Kenya (ICPAK)
 - ii. Kenya Ports Authority (KPA)
 - iii. Ministry of Foreign Affairs
 - iv. Public Service Accounting and Standards Board (PSASB)
 - v. National Government Constituencies Development Fund Board
 - vi. Kenya National Commission on Human Rights (KNCHR)
 - vii. Heads of Accounting and Finance Units in the Public Sector
 - viii. Kenya Rural Roads Authority (KERRA)
 - ix. Mr. Wasonga Twitty
 - x. Office of the Auditor General
 - xi. National Treasury and Planning

The stakeholders submitted as follows:

3.1 THE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF KENYA (ICPAK)

17. The Chief Executive Officer of the Institute of Certified Public Accountant of Kenya CEO Mr. Edwin Makori appeared before the Committee on Thursday, 15th July 2021. He submitted that the timeline should be reviewed to **two months** (that is, August 31st) as opposed to the one month proposed in the Bill. Consequently, he proposed that clauses 2, 3, 4(a), 6, 7, 8, 9, 10, 11, 13, 14 and 15, of the Bill should be amended by deleting the words '*one month*' and substituting therefore the words '*two months*'.

Committee's Observation

The Committee carried the proposal to review the timeline from one to two months.

Policy Recommendations

18. In order to improve the time taken to publish annual reports by the Office of the Auditor-General (OAG), the Annual Report should be separated from the Financial Statements to allow public agencies to submit the full Annual Report and financial statements by September 30th or October 31st having been audited for the financial statements by the Auditor General. This will ensure that the OAG publishes annual reports as the Office of the Auditor General (OAG) will have finalized their audit in the period between 1st August and 30th September.
19. The Auditor-General should increase interim audits to reduce what needs to be audited at the end of the financial year. This will ensure faster audits and reduced reporting time by the OAG.
20. Devolve the services of the Auditor-General and have county offices like the Judiciary with independent offices from the auditees for seamless operations. This will ensure the OAG receives financial statements in a timely manner from all entities at the county level.

21. Implement the amendment proposed in the Bill in a phased manner to assure success and provide the required resources. The changes should be delinked from the sanctions in section 199 of the Public Finance Management Act, 2012.
22. All public financial reporting units should be adequately staffed with fully qualified financial reporting professionals who have the capacity to generate accurate and complete financial statements compliant with the international Public Sector Accounting Standards (PSAS) and the International Financial Reporting Standards (IFRS). There should be a definition of the adequate/minimum staffing level for a reporting unit and ensure all units have attained that staffing level before implementing the change proposed in the Bill.
23. Ensure implementation of a fully integrated organization wide reliable financial reporting system in all ministries, state departments, agencies, state corporations, independent offices and commissions to facilitate real time reporting and also ensure effective consolidation of the Government entities' financial reports and monthly accounts closings. All public entities should be automated to comply with the proposed timelines.
24. Ensure full implementation of the accrual accounting system which has already been initiated by the National Treasury for all public entities.
25. The Institute proposed the following additional amendment to the PFM Act; delete section 94(1)(a)(IV) and replace with the following new sub-section; *“Is more than thirty days late in submitting its annual financial statements to the Auditor-General in accordance with this Act or any other legislation”*. This is because leaving the section to read sixty days gives a public entity about five months for it to be considered to have committed a serious material breach which may be misused by some public entities.

Committee's Observation

The Committee carried this proposal as it will provide the Auditor-General more time to review the documents.

3.2 KENYA PORTS AUTHORITY

The Kenya Ports Authority (KPA) submitted their written memorandum through their letter dated 26th April 2021. They submitted as follows, **THAT—**

26. Directors of large entities require adequate time to confirm the completeness of the accounting records which are relied upon to prepare annual reports and financial statements.
27. Reducing the time for submission of financial statements by public entities from three months after the end of a financial year to one month may compromise internal checks and controls and result into reports that are not fully reviewed by the internal oversight mechanism to assure full disclosures in compliance with financial reporting requirements.

Committee's Observation

The Committee noted the Authority's concerns and reduced the timeline from one month to two months.

3.3 MINISTRY OF FOREIGN AFFAIRS

The Principal Secretary Ministry of Foreign Affairs, Amb. Macharia Kamau, CBS appeared before the Committee on Thursday, 15th July 2021. He submitted that the Ministry was opposed to the amendment proposed in the Bill based on the following reasons:-

28. The National Treasury delays to disburse the Ministry's budgetary allocation sometimes towards the end of the Fourth Quarter (April to June) for supplementary budgets which means that exchequer is received at the end of the financial year or in early July posing a challenge in spending and finalizing the reporting of those funds in the shortened time period.
29. The Ministry has fifty six (56) mission stations abroad. As such, it takes time to collate the financial data on revenue and expenditure from all the units especially since they are not on the IFMIS platform. Due to logistical issues, late disbursement of funds being the key challenge, the revenue and expenditure returns from most missions are received up to the end of July. It is then that the processes of examination of voucher begin which means that the capturing of expenditure on IFMIS takes up to mid-August to complete.
30. Draft Financial statements are normally reviewed for quality assurance by the National Treasury before submission to the OAG and other required statutory offices. Hence, with the proposed timelines, the review may not be possible and this will have an effect on the quality of financial statements presented to the Auditor-General.
31. The financial statements are supposed to be reviewed by internal stakeholders i.e. the management team, the internal audit team and the Ministerial Audit Committee before they are submitted to the OAG and other external stakeholders. These reviews are done to assure completeness and accuracy of the reports. Reviewing the timeline to one month will make it difficult for the reports to be reviewed internally.
32. Currently, the Ministry reports all the financial activities of the missions abroad on IFMIS. In the absence of this interface, real time reporting is currently not practically feasible.

Committee's Observation

The Committee noted the Ministry of Foreign Affairs concerns and revised the timeline from the one month proposed in the Bill to two months.

3.4 PUBLIC SECTOR ACCOUNTING AND STANDARDS BOARD (PSASB)

The Chief Executive Officer of the Public Sector Accounting and Standards Board, CPA Fred Riaga appeared before the Committee on Thursday, 15th July 2021. He submitted as follows, **THAT—**

33. Clause 2 of the Bill be amended by deleting the words "*one month*" and substituting with the words "*two months*". Additionally, amend clauses 5 and 12 by deleting the words "*two months*" and replacing with the words "*three months*". This because among other reasons, the Board undertakes annual reviews of the applicable reporting templates to take into account changes to the parent standards as required by section 194(2) of the PFM Act. To facilitate adoption, PSASB undertakes training for users, specifically reporting accountants on the amended reporting templates in the months of June and July.

Committee's Observations

- i. The amendment proposed to clause 2 of the Bill was carried by the Committee.
- ii. The Committee rejected the amendments to clauses 5 and 12 because they will reduce the time within which the Auditor General is supposed to edit the financial statements and summaries by one month.

To augment the proposal for the 31st August reporting date, they recommended that:

34. The budgetary capacity of the OAG should be enhanced to enable it to recruit and train more technical staff to undertake quality and timely audits.
35. The OAG should adopt the strategy of continuous audits. One such strategy would be breaking down the Office's audit timetable to undertake quarterly audits so that at the end of the financial year, the auditor is left with a quarter's expenditure and programmes to review and pave way for speedy conclusion of the audit process.
36. Conclusion of the government-wide automation process to limit manual end of year closing procedures which delay the process to present the draft accounts for audit.

Additional amendments to the Act

37. Section 2 of the principal Act should be amended to include the following definitions: "*Risk means the probability of harmful consequences or expected losses (deaths, injuries, property, livelihoods, economic activity disrupted or environment damaged) resulting from interactions between natural or human-induced hazards and vulnerable conditions*"; "*Governance means the combination of processes and structures implemented by the Board of Directors to inform, direct, manage and monitor the activities of the entity toward the achievement of its objectives*"; and "*Risk management means the process to identify, assess, manage and control potential risks to provide reasonable assurance regarding the achievement of an entity's objectives*". This is because the words have been used in the Act but have not been defined. The definitions will offer clarity on application.
38. Section 37(9) of the principal Act to be amended so as to read as follows, "*Upon approval of the budget estimates by the National Assembly, the Cabinet Secretary shall prepare and submit an Appropriation Bill and Finance Bill of the approved estimates to the National Assembly*". This is because the current provision goes contrary to Article 220 of the Constitution which anticipates that the budget is made up of Estimates of Revenues and Expenditure as well as proposals regarding expected borrowing levels.
39. Section 194 of the principal Act be amended by inserting the following new paragraph, "*(h) Prescribe risk management framework, guidelines and procedures*". Risk management is an integral part of governance that enables a proactive approach to identifying, assessing, managing risks and informing risk-based decision making which promotes improvement, efficiency and effectiveness in government operations. It also allows for suitable systems of accountability that promote compliance with laws and regulations.

Committee's Observation

The additional amendments proposed by PSASB expand the scope of the Bill. Additionally, the amendments have not gone through public participation as required by Article 118(1) (b) of the Constitution and Standing Order 127(3).

3.5 NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)

The Chief Executive Officer of the National Government Constituency Board (NGCDF), Mr. Yusuf Mbuno submitted a written memorandum dated 26th April 2021. He stated **THAT—**

40. The Bill should be dropped on the grounds that the timeline proposed is impractical considering the enormity of the tasks and processes involved in preparation of the annual reports and financial statements.
41. The Bill did not take into consideration the distinct nature of the NG-CDF which is required by Section 39 (4) of the NG-CDF Act, 2015 to submit separate Financial Statements of the NG-CDF (The Fund), the NG-CDF Board (The Secretariat) and for the 290 Constituencies, making it a total of 292 Annual Reports and Financial Statements.

Reasons for opposing the Bill

42. Due to the manual-based financial system, the year-end cut off procedures for the primary accounting records require a minimum of 15 days for purposes of updating and closing books of accounts before commencing preparation of annual reports and financial statements.
43. The financial and non-financial information for each of the 290 constituencies' performance require a collaborative approach between National and Sub-County Treasuries, NG-CDF Committees, PMCs and other government departments across the country. This takes between 3 to 4 weeks to prepare a draft annual report and financial statement considering the interdependency of the stakeholders mentioned above.
44. The draft annual reports and financial statements for each of the 290 constituencies are subjected to technical reviews by the Board before the constituency financial reports are approved by the NG-CDF Committees. The NG-CDF Board requires 20-30 days to provide the technical support required for the 290 constituencies which are spread across the country, posing logistical challenges.
45. Once approved by the NG-CDF Committees, the 290 annual reports and financial statements are submitted to the NG-CDF Board for review by internal audit to ensure compliance with the prescribed framework and format before submission to the Office of the Auditor General.
46. On the account of activities required to be undertaken as above, the CEO submitted that these processes cannot be accomplished within 30 days after the year-end as proposed in the Bill. He proposed the gradual implementation to allow for seamless transition and reduction of the KSh. 10 million fine to a more accommodative figure for agencies such as Constituency Committees.

Committee's Observations

- i. **The Committee noted the Board's comments on the timeline for submission of the reports and statements to the OAG and increased the timeline from one month to two months.**
- ii. **On the reduction of the fine from KSh. 10 million, the Committee observed that the figure should remain as proposed in the Bill in order to encourage compliance.**

3.6 KENYA NATIONAL COMMISSION ON HUMAN RIGHTS (KNCHR)

The Chief Executive Officer of the Kenya National Human Rights Commission, Dr. Bernard Mogesa submitted a memorandum dated 26th April 2021. He submitted as follows, **THAT—**

47. If the Bill is passed in the current form, it will occasion a conflict of laws with regard to auditing/reporting timelines given that the amendment does not amend section 47 of the Public Audit Act, 2015 which retains the period of three months as the period within which a public entity is to submit financial statements to the Auditor-General.
48. The proposed amendment reduces time for preparation of financial reports and also reduces the time for internal review by the public entities as well as quality assurance by the National Treasury. This may result in public entities submitting financial statements full of errors thereby resulting in wastage of time for both the public entities and the OAG in revising the financial statements.
49. The last exchequer request for all the financial years have always been disbursed by the National Treasury in the first week of July. The exchequer disbursed may not be sufficient to make all payments and entities are therefore forced to reverse certain entries and reconcile the same. Further, IFMIS is not working at optimum level to guarantee generation of accurate reports and most government entities accounting departments are not adequately staffed because of the moratorium on hiring of new staff.
50. In order to enable the Office of the Auditor General to achieve the intended objective of the Bill, the following administrative and policy measures are necessary:
 - (i) Allocate adequate resources to the OAG so as to computerize the audit process;
 - (ii) Allocate adequate resources to public entities to facilitate computerization of financial management systems;
 - (iii) Framework of linkage of the two systems above;
 - (iv) Resource allocation to the OAG to fully utilize section 23 of the Public Audit Act on outsourcing of auditing services;
 - (v) Timely submission of accurate financial reports should form part of performance targets of accounting officers and designated officers responsible for preparation of financial statements;
 - (vi) Adoption of continuous auditing methodology by the OAG.

Committee's Observation

The Committee noted the Commission's concerns and reviewed the timeline for submission of the reports and statements to two months.

3.7 HEADS OF ACCOUNTING AND FINANCE UNITS IN THE PUBLIC SECTOR

CPA Chrispus Mbogo appeared before the Committee on Thursday, 15th July 2021 to present a memorandum on behalf of the Heads of Accounting and Finance Units in the Public Sector. He stated that the accountants were opposed to the proposed amendments in the Bill because of the following reasons:

51. Many public entities are not manned by skilled and fully qualified accountants in their financial reporting departments and units. In some cases, the head of the accounting unit may have the

required experience and qualification but those reporting to him/her do not have the requisite qualifications. Further, most of the accounting units are not adequately staffed.

52. Draft financial statements are usually reviewed for quality assurance by the National Treasury before submission to the OAG and other required offices. The Bill was silent on quality assurance review which has contributed positively to the quality of financial reporting the public sector.
53. There is a delay in release of budgetary allocation disbursements to public entities, sometimes towards the end of the financial year or in July. It will therefore be hard to finalize the reporting of those funds in the shortened time period.
54. Many public entities have no ICT systems. For the intended reporting timeline to be achieved, there needs to be a robust and reliable integrated financial reporting system encompassing all financial activities of the government entity with capacity to report in real time.
55. Some public entities have widely dispersed offices and cost centers. It therefore takes time to collate the financial data on revenue and expenditure from all the units especially since most are not automated.
56. The Annual Report and Financial Statements are intertwined such that the Annual Report cannot be prepared until the Financial Statement has been prepared. The current practice is that both documents are submitted as one package to the OAG.

Committee's Observation

The Committee noted concerns raised by the heads of accounting and finance units in the public sector and reviewed the timeline for submission of the reports and statements to two months.

3.8 KENYA RURAL ROADS AUTHORITY (KERRA)

The Kenya Rural Roads Authority (KERRA) submitted their written memorandum vide a letter dated 26th April 2021. They submitted that the timeline should be revised to two months because the proposal to reduce the reporting time for end year accounts to one month for government entities would be challenging due to the following reasons:

57. KeRRA is currently using a manual system for the preparation of financial statements and consolidation of the manual financial reports from the 47 regions and therefore the proposed one month window period may not be accurate.
58. The PFM Act requires that the financial statements be approved by the governing bodies which require the statements to be reviewed 14 days before the Board meeting. Given that management needs to review and approve the documents before forwarding to the Board, the proposed timelines will be challenging to adhere to.
59. Challenges presented by inadequate staffing coupled with the use of a manual system would compromise the quality of financial reports presented.

Policy Recommendations

60. There should be provision in the Bill with timelines for all stakeholders involved in the review of the financial statements. All government institutions and agencies should adopt financial reporting systems which will enhance timelines and quality of reports generated. This will be through provision of adequate budget entrenchment of the ERP's in the performance contracting systems of Government institutions.
61. The staffing levels of accounting units in public entities should be increased by lifting the moratorium on employment. Additionally, a regulatory framework on how internal stakeholders will be able to validate the accuracy of financial statements before submission within one month.
62. To help improve the Auditor-General's reporting timeline, an interim audit could be conducted as at 30th April, so that the final year Audit only focuses on May and June thus shortening the Auditor-General reporting time by the two months.

Committee's Observation

The Committee adopted their proposal to revise the timeline from one month to two months.

3.9 MR. WASONGA TWITTY

Mr. Wasonga Twitty submitted his comments on the Bill through email on 26th April 2021. He stated that the proposed one month timeline to submit financial statements should be increased to two months due to the following reasons:

63. The proposed one month is too short that if adopted will compromise the quality of financial reports given that most public-sector organizations are still using manual accounting systems. Given the manual system, it implies that the accounts have to be reviewed manually by management this also takes time.
64. Before the financial statements are submitted, they have to be presented and approved by the Board of Management who also need at least 14 days to internalize the document.
65. They also proposed that section 80(4) and section 163(4) be amended to three months to allow for consolidation.

Committee's Observations

- i. **The Committee carried the proposal to review the timeline from one to two months.**
- ii. **The Committee rejected the amendments to section 80(4) and 163(4) of the Act because they will reduce the time within which the Auditor General is supposed to edit the financial statements and summaries by one month.**

3.10 OFFICE OF THE AUDITOR-GENERAL (OAG)

The Auditor General, CPA Nancy Gathungu appeared before the Committee on Thursday, 15th July 2021. She stated that Office was in support of the proposed amendments to the PFM Act, 2012 to

reduce timelines for submission of financial statements for public entities to the Auditor General because of the following reasons:

66. Timely reporting by public sector entities will improve the relevance and usefulness of the information reported. Thus, it will enable management to take remedial action early enough if required hence enhance the relevance and implementation of audit and Parliamentary recommendations.
67. Timely financial reporting indicates the responsiveness of the government to the public's concerns and informs superior managerial capability and greater openness and transparency about how the peoples' business is conducted. It also helps build trust and confidence in government thereby increasing the confidence of investors and development partners in the government.
68. Timely financial reporting will enable Parliament and county assemblies to have early information on whether the funds allocated and appropriated have been used or managed in compliance with the laws and regulations they have legislated for the benefit of the people that they represent. Parliament and county assemblies will be able to make informed budget decisions.
69. The OAG will be able to carry out more in-depth audits on lawfulness and effectiveness in the use and management of public resources as mandated by Article 229(6) of the Constitution. The audits will enable the Office to carry out comprehensive physical verification of projects. Additionally, there will be improved efficiency in auditing as the Auditor-General will gain two more months.

Additional Amendments

70. They proposed that sub-section 165(4) of the Act be amended as follows: Delete the words "*two months*" and insert the words "*one month*"; and Insert the words "*Auditor-General*" immediately after the words "*county assembly*".
71. Amend sub-section 68(4) of the principal Act by inserting the words "*or the Auditor-General under Article 229(7) of the Constitution*" immediately after the word "*Constitution*".
72. Amend sub-section 149(3) of the principal Act by inserting the words "*or the Auditor-General under Article 229(7) of the Constitution*" immediately after the word "*Constitution*".
73. Amend sub-section 149(3)(b) of the principal Act by inserting the words "*Auditor-General*" immediately after the word "*County Treasury*".
74. Amend section 149 of the principal Act by inserting the following new sub-section immediately after sub-section 3; "*3A. An accounting officer who does not implement the recommendations made under sub-section (3) shall be liable to the penalty provided for under section 199*".

Committee's Observation

The Committee carried all the additional amendments proposed by the Auditor-General.

3.11 THE NATIONAL TREASURY AND PLANNING

The Chief Administrative Secretary for the National Treasury, Hon. Nelson Gaichuhie appeared before the Committee on Thursday, 15th July 2021 and submitted on behalf of the National Treasury as follows-

75. Clauses 2, 3, 4(a), 6, 7, 8, 9, 10, 11, 13, 14 and 15 of the Bill be amended by deleting the words “*one month*” and substituting with the words “*two months*”. This is to allow public entities adequate time to prepare financial statements, complete internal approvals and National Treasury quality reviews before submission to the OAG.
76. The Bill be amended by deleting sub-clause 4(b). This is to allow public entities adequate time to prepare financial statements, complete internal approvals and National Treasury quality reviews before submission to the OAG.
77. The Bill be further amended by deleting paragraph 4A. This is because it is already provided for under section 197, 198 and 199 of the PFM Act.
78. Clauses 5 and 12 of the Bill be amended by deleting the words “*two months*” and substituting with the words “*three months*”. This is to allow public entities adequate time to prepare financial statements, complete internal approvals and National Treasury quality reviews before submission to the OAG.

Additional Amendments

79. Amend sub-sections 83(3), 166(3) and 168(3) of the PFM Act by deleting the words “*fifteen days*” and substituting with the words “*thirty days*”.
80. Amend section 85 of the PFM Act by inserting the words “*not later than thirty days after the end of each quarter*” immediately after the words “*Accounting Standards Board*”.
81. Amend sub-section 83(5) of the PFM Act by deleting the words “*forty-five days*” and substituting with the words “*sixty days*”.
82. Amend sub-section 166(4) of the PFM Act by deleting the words “*one month*” and substituting with the words “*forty-five days*”.

Committee’s Observation

The Committee rejected all the additional amendments proposed by the National Treasury. The aim of the Bill is to increase efficiency in the audit process while the amendments are increasing timelines hence against the spirit of the Bill.

PART FOUR

4 COMMITTEE OBSERVATIONS

Upon reviewing the Bill, the Committee observed the following:

83. The OAG has never been able to submit the audited reports to Parliament and county assemblies within the Constitutional timelines due to the limited time accorded to the OAG;
84. If enacted, the legislation will increase the time for auditing financial statements by the OAG. This will improve the quality and scope of their reports;
85. The accrual accounting system should be adopted as opposed to cash basis system of accounting. This will address the challenges that have been experienced by accounting officers in public entities while preparing the annual reports and financial statements due to late disbursement of funds by the National Treasury;
86. Some public entities use the manual system of accounting while some use digital systems that are not linked to the IFMIS. Accounting systems in public entities should be automated and linked to the IFMIS in order to make it easier for accountants to prepare the annual reports and financial statements;
87. Most finance and accounts units in public entities are understaffed because of a moratorium imposed by the Government on employment; and
88. The OAG does not have enough human resource capacity to effectively execute its mandate.
89. There is need to include the time limit within which compliance and enforcement of recommendations of Audit Committees of Parliament and county assemblies and ensure a tracking mechanism on the implementation of such recommendations even when the life of Parliament ends. This will greatly improve public audit accountability and hence avoid the recurring audit queries.

PART FIVE

4 COMMITTEE RECOMMENDATION

90. The Committee having reviewed the Public Finance Management (Amendment) Bill (*National Assembly Bill No. 39 of 2020*) recommends that the House approves the Bill with amendments as proposed in the schedule in chapter 6.

PART SIX

6 SCHEDULE OF PROPOSED AMENDMENTS

The Committee proposed the following amendments to be considered by the House in the Committee Stage:

CLAUSE 2

91. **THAT**, the Bill be amended in clause 2 by deleting the words “*one month*” and substituting therefor the words “*two months*”.

Justification

The amendment is to provide that the National Treasury shall submit financial statements in respect of the Contingency Fund to the Auditor General within two months after the end of the financial year.

CLAUSE 3

92. **THAT**, the Bill be amended in clause 3 by deleting the words “*one month*” and substituting therefor the words “*two months*”.

Justification

The amendment is to provide that the administrator of a national government fund shall submit financial statements in respect of that fund to the Auditor General within two months after the end of the financial year.

CLAUSE 4

93. **THAT**, clause 4 of the Bill be amended in paragraph (a) by deleting the words “*one month*” and substituting therefor the words “*two months*”.

Justification

The amendment is to provide that every accounting officer shall prepare financial statements within two months after the end of the financial year

CLAUSE 5

94. **THAT**, clause 5 be amended by deleting the words “*two months*” and substituting therefor the words “*three months*”.

Justification

The amendment is to provide that the National Treasury submit the financial statements and summaries to the Auditor-General and a copy to the Controller of Budget and the Commission on Revenue Allocation within three months after the end of the financial year.

CLAUSE 6

95. **THAT**, clause 6 of the Bill be amended by deleting the words “*one month*” and substituting therefor the words “*two months*”.

Justification

The amendment is to provide that not later than two months after the end of each financial year, the accounting officer of a public entity shall submit the entity's financial statements to the Auditor-General and a copy of the statement to the Controller of Budget, the National Treasury and the Commission on Revenue Allocation.

CLAUSE 7

96. **THAT**, clause 7 of the Bill be amended by-

- a. deleting the words "*one month*" appearing in paragraph (a) and substituting therefor the words "*two months*"; and
- b. deleting the words "*one month*" appearing in paragraph (b) and substituting therefor the words "*two months*".

Justification

The amendments are to provide annual reporting by receivers of revenue at least two months after the end of the financial year.

CLAUSE 8

97. **THAT**, clause 8 of the Bill be amended by deleting the words "*one month*" and substituting therefor the words "*two months*".

Justification

The amendment is to provide that not later than two months after the end of each financial year, the administrator of a national public fund shall submit the financial statements prepared under this section to the Auditor-General.

NEW CLAUSE

98. **THAT**, the Bill be amended by inserting the following new clause immediately after clause 8-8A. The principal Act is amended in section 94 (1) (a) (iv) by deleting the words "*sixty days*" and substituting therefor the words "*thirty days*".

Justification

The amendment is to provide that a state organ or public entity is more than thirty days late in submitting its annual financial statements to the Auditor-General, constitutes persistent material breach.

CLAUSE 9

99. **THAT**, clause 9 of the Bill be amended by deleting the words "*one month*" and substituting therefor the words "*two months*".

Justification

The amendment is to provide that where an Emergency Fund has been established for a county government, the County Treasury shall, not later than two months after the end of

each financial year, prepare and submit to the Auditor-General, financial statements in respect of the Emergency Fund for that year.

CLAUSE 10

100. THAT, clause 10 of the Bill be amended by deleting the words “one month” and substituting therefor the words “two months”.

Justification

The amendment is to provide that the administrator of a county public fund shall not later than two months after the end of the financial year submit the financial statements.

CLAUSE 11

101. THAT, the Bill be amended by deleting clause 11 and substituting therefor the following new clause-

11. The principal Act is amended in section 149 –

- a) in subsection (2) by deleting the words “three months” and substituting therefor the words “two months”;
- b) in subsection (3) by
 - i. inserting the word “or Auditor General under Article 229(7) of the Constitution” immediately after the word “Constitution”;
 - ii. inserting the words “and the Auditor-General” immediately after the word “County Treasury”;
- c) by inserting the following new subsection immediately after subsection (3)-
(3A) An accounting officer who does not implement the recommendations made under subsection (3) shall be liable to the penalty under section 199.

Justification

The amendment is to provide that not later than two months after the end of each financial year, an accounting officer shall prepare annual financial statements for that financial year and submit them to the Auditor-General for audit, with a copy to the County Treasury. Further the amendment is to provide that the Auditor General should receive a copy of the report of the county assembly.

CLAUSE 13

102. THAT, clause 13 of the Bill be amended by deleting the words “one month” and substituting therefor the words “two months”.

Justification

The amendment is to provide that within two months an accounting officer for a county entity should submit the same to the Auditor General.

CLAUSE 14

103. THAT, the Bill be amended by deleting clause 14 and substituting therefore the following new clause-

14. The principal Act is amended in section 165-

- a. in subsection (3) by deleting the words “three months” and substituting therefor the words “two months”;
- b. in subsection (4) –
 - i. by deleting the words “two months” and substituting therefor the word “one month”; and
 - ii. by inserting the words “Auditor General” immediately after the words “county assembly”.

Justification

The amendment provide for annual reporting by a receiver of revenue for a county government within two months after the end of the financial year.

CLAUSE 15

104. **THAT**, clause 15 of the Bill be amended by deleting the words “one month” and substituting therefor the words “two months”.

Justification

The amendment is to provide for annual reporting by administrators of a county public fund within two months after the end of the financial year.

SIGNED..... DATE.....



5th August 2021

HON. GLADYS WANGA, CBS, MP
CHAIRPERSON

DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING

ANNEXTURES

1. Adoption Schedule
2. Minutes of the 13th, 54th, 55th and 57th sittings
3. Newspaper Advertisement – Submission for Memoranda for Public Participation

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) BILL (N.A. BILL NO. 39 OF 2020)

DATE:

| NAME | SIGNATURE |
|--|------------------|
| 1. HON. GLADYS WANGA, CBS, MP – CHAIRPERSON | |
| 2. HON. ISAAC W. NDIRANGU – VICE-CHAIRPERSON | |
| 3. HON. JIMMY O. ANGWENYI, MGH, MP | |
| 4. HON. CHRISTOPHER OMULELE, CBS, MP | |
| 5. HON. SHAKEEL SHABBIR AHMED, CBS, MP | |
| 6. HON. DANIEL E. NANOK, MP | |
| 7. HON. (DR.) CHRISTINE OMBAKA, MP | |
| 8. HON. ANDREW A. OKUOME, MP | |
| 9. HON. DAVID M. MBONI, MP | |
| 10. HON. FRANCIS KURIA KIMANI, MP | Virtual |
| 11. HON. JOSEPH M. OYULA, MP | |
| 12. HON. JOSHUA KANDIE, MP | |
| 13. HON. STANLEY M. MUTHAMA, MP | |
| 14. HON EDITH NYENZE, MP | |
| 15. HON. CATHERINE WARUGURU, MP | Virtual |
| 16. HON. JAMES GICHUHI MWANGI, MP | |
| 17. HON. PROF. MOHAMUD SHEIKH MOHAMED, MP | Virtual |
| 18. HON. PETER LOCHAKAPONG, MP | |
| 19. HON. QALICHA GUFU WARIO, MP | |

MINUTES OF THE 65TH SITTING OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING HELD IN COMMITTEE ROOM 9, MAIN PARLIAMENT BUILDINGS ON THURSDAY, 5TH AUGUST, 2021 AT 10:30 A.M.

PRESENT

1. Hon. Gladys Wanga, CBS, MP - Chairperson
2. Hon. Isaac W. Ndirangu, MP - Vice Chairperson
3. Hon. Jimmy O. Angwenyi, MGH, MP
4. Hon. Andrew A. Okuome, MP
5. Hon. David M. Mboni, MP
6. Hon. Edith Nyenze, MP
7. Hon. James Gichuhi Mwangi, MP
8. Hon. Joshua C. Kandie, MP
9. Hon. Francis K. Kimani, MP
10. Hon. Catherine Waruguru, MP
11. Hon. (Prof.) Mohamud Sheikh Mohamed, MP

ABSENT WITH APOLOGY

1. Hon. Christopher Omulele, CBS, MP
2. Hon. Shakeel Shabbir Ahmed, CBS, MP
3. Hon. Daniel E. Nanok, MP
4. Hon. (Dr.) Christine Ombaka, MP
5. Hon. Joseph M. Oyula, MP
6. Hon. Stanley M. Muthama, MP
7. Hon. Peter Lochakapong, MP
8. Hon. Qalicha Gufu Wario, MP

INATTENDANCE

SECRETARIAT

1. Ms. Leah Mwaura - Senior Clerk Assistant/Head of Secretariat
2. Ms. Brigitta Mati - Legal Counsel II
3. Mr. John Njoro - Serjeant-At-Arms
4. Ms. Christine Maeri - Audio Officer
5. Ms. Hannah Mwangi - Intern

AGENDA

1. Prayers
2. Communication from the Chairperson
3. Confirmation of Minutes from the previous sitting(s) and Matters Arising
4. **Adoption of Reports on the following Bills:**
 - i. Report on the Pensions (Amendment) Bill (*National Assembly Bill No. 26 of 2020*)
 - ii. Report on the Public Procurement and Asset Disposal (Amendment) Bill (*National Assembly Bill No. 34 of 2020*)
 - iii. Report on the Public Finance Management (Amendment) Bill (*National Assembly Bill No. 39 of 2020*)
 - iv. Report on the Kenya Deposit Insurance (Amendment) Bill, 2020 (*National Assembly Bill No. 43 of 2020*)
 - v. Report on the Central Bank of Kenya (Amendment) Bill (*National Assembly Bill No. 47 of 2020*)

- vi. Report on the Public Procurement and Asset Disposal (Amendment) Bill (*National Assembly Bill No. 49 of 2020*)
- vii. Report on the Central Bank of Kenya (Amendment) Bill (*National Assembly Bill No. 10 Of 2021*)
- viii. Report on the Trustees (Perpetual Succession) (Amendment) Bill (*National Assembly Bill No. 23 of 2021*)
- ix. Report on the Perpetuities and Accumulations (Amendment) Bill, 2021 (*National Assembly Bill No.24 of 2021*)

- 5. Any Other Business
- 6. Adjournment/Date of Next Meeting

MIN.NO.NA/F&NP/2021/298: COMMUNICATION FROM THE CHAIRPERSON

The meeting was called to order at 10:10 a.m and a prayer was said.

MIN.NO.NA/F&NP/2021/299: CONFIRMATION OF MINUTES
Agenda deferred

MIN.NO.NA/F&NP/2021/300: ADOPTION OF REPORTS ON BILL

The Chair invited Members to consider the following Reports which were subsequently adopted as follows: -

1. Report on the Pensions (Amendment) Bill (National Assembly Bill No. 26 of 2020)
Proposed by- Hon. Jimmy O. Angwenyi
Seconded by -Hon. James G. Mwangi
2. Report on the Public Procurement and Asset Disposal (Amendment) Bill (National Assembly Bill No. 34 of 2020)
Proposed by- Hon. Isaac W. Ndirangu
Seconded by -Hon. David M. Mboni
3. Report on the Public Finance Management (Amendment) Bill (National Assembly Bill No. 39 of 2020)
Proposed by- Hon. Edith Nyenze
Seconded by -Hon. Jimmy Angwenyi
4. Report on the Kenya Deposit Insurance (Amendment) Bill, 2020(National Assembly Bill No. 43 of 2020)
Proposed by- Hon. Jimmy O. Angwenyi
Seconded by -Hon. James G. Angwenyi
5. Report on the Central Bank of Kenya (Amendment) Bill (National Assembly Bill No. 47 of 2020)
Proposed by- Hon David M. Mboni
Seconded by -Hon Jimmy O. A
6. Report on the Public Procurement and Asset Disposal (Amendment) Bill (National Assembly Bill No. 49 of 2020)

Proposed by- Hon. James Gichuhi, M.P
Seconded by – Hon. David Mboni, M.P

7. Report on the Central Bank of Kenya (Amendment) Bill (National Assembly Bill No. 10 Of 2021)
Proposed by- Hon. David Mboni, M.P
Seconded by -Hon. Jimmy Angwenyi, M.P
8. Report on the Trustees (Perpetual Succession) (Amendment) Bill (National Assembly Bill No. 23 of 2021)
Proposed by- Hon. Jimmy Angwenyi, M.P
Seconded by - Hon. Waihenya Ndirangu, M.P
9. Report on the Perpetuities and Accumulations (Amendment) Bill, 2021 (National Assembly Bill No.24 of 2021)
Proposed by- Hon. Jimmy Angwenyi, M.P
Seconded by - Hon. David Mboni, M.P

MIN.NO.NA/F&NP/2021/301: ADJOURNMENT/DATE OF NEXT MEETING

There being no other business to deliberate on, the meeting was adjourned at 11:28 a.m. The next meeting will be held on notice.

HON. GLADYS WANGA, CBS, MP
(CHAIRPERSON)

SIGNED.....

.....DATE.....

5th August 2021

MINUTES OF THE 54TH SITTING OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING HELD IN TALEK CONFERENCE ROOM AT EMARA OLE-SERENI HOTEL ON THURSDAY, 15TH JULY 2021 AT 9:00 A.M.

PRESENT

1. Hon. Gladys Wanga, CBS, MP - **Chairperson**
2. Hon. Isaac W. Ndirangu, MP - **Vice Chairperson**
3. Hon. Jimmy O. Angwenyi, MGH, MP
4. Hon. Christopher Omulele, CBS, MP
5. Hon. Shakeel Shabbir Ahmed, CBS, MP
6. Hon. Daniel E. Nanok, MP
7. Hon. (Dr.) Christine Ombaka, MP
8. Hon. Andrew A. Okuome, MP
9. Hon. David M. Mboni, MP
10. Hon. Francis K. Kimani, MP
11. Hon. Joseph M. Oyula, MP
12. Hon. Joshua C. Kandie, MP
13. Hon. Stanley M. Muthama, MP
14. Hon. Edith Nyenze, MP
15. Hon. James Gichuhi Mwangi, MP
16. Hon. (Prof.) Mohamud Sheikh Mohamed, MP
17. Hon. Peter Lochakapong, MP
18. Hon. Qalicha Gufu Wario, MP

ABSENT WITH APOLOGY

Hon. Catherine Waruguru, MP

INATTENDANCE

SECRETARIAT

1. Ms. Leah Mwaura - Senior Clerk Assistant/Head of Secretariat
2. Ms. Jennifer Ndeto - Principal Legal Counsel I
3. Ms. Laureen Wesonga - Clerk Assistant II
4. Mr. Chelang'a Maiyo - Research Officer II
5. Mr. Yaqub Ahmed - Media Relations Officer III
6. Mr. John Njoro - Serjeant-At-Arms
7. Ms. Christine Maeri - Audio Officer

MINISTRY OF FOREIGN AFFAIRS

1. Amb. Macharia Kamau
2. Mr. Abel Njuguga
3. Mr. Vincent Kimeli
4. CPA Zachaeus Psenjen
5. CPA Joel Jego

INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF KENYA (ICPAK)

1. CPA Edwin Makori
2. Mr. Elias Wakhisi
3. Mr. Hillary Onami
4. Mr. Evance Juma
5. Ms. Nancy Moraa

HEADS OF ACCOUNTING AND FINANCE UNITS IN THE PUBLIC SECTOR

1. CPA Chrispus Mbogo
2. CPA Evans Moturi

PUBLIC SERVICE ACCOUNTING STANDARDS BOARD

1. CPA Fred Riaga
2. Mr. Benuel Bosire

OFFICE OF THE AUDITOR GENERAL

1. CPA Nancy Gathungu
2. Mr. Sylvester Kiini
3. Ms. Milcah Ondiek
4. Mr. Antony Waiganjo
5. Mr. Jesse Mutua

SALARIES AND REMUNERATION COMMISSION

1. CPA Sophie Moturi
2. Ms. Nelly Ashubwe
3. Ms. Anne Gitau
4. Ms. James Sitienei

MEDIA

1. Mr. Eliud Kibii - The Star
2. Mr. Moses Odhiambo - The Star

AGENDA

1. Prayers
2. Communication from the Chairperson
3. **Briefing on the Public Finance Management (Amendment) (No. 3) Bill, 2020; the Pensions (Amendment) Bill, 2020; and the Kenya Deposit Insurance (Amendment) Bill, 2020**
4. **Stakeholder engagement on the Public Finance Management (Amendment) (No. 3) Bill, 2020**
5. **Meeting with Salaries and Remuneration Commission to consider the Pensions (Amendment) Bill, 2020**
6. Any Other Business
7. Adjournment/Date of Next Meeting

MIN.NO.NA/F&NP/2021/247

COMMUNICATION FROM THE CHAIRPERSON

The meeting was called to order at 9.23 a.m. and a prayer was said. The Chairperson then welcomed the Legal Counsel to brief the Committee on the Public Finance Management (Amendment) (No. 3) Bill, 2020; the Pensions (Amendment) Bill, 2020; and the Kenya Deposit Insurance (Amendment) Bill, 2020.

MIN.NO.NA/F&NP/2021/248:

CONFIRMATION OF MINUTES

Agenda deferred

MIN.NO.NA/F&NP/2021/249:

BRIEFING ON THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) (NO. 3) BILL, 2020; THE PENSIONS (AMENDMENT) BILL, 2020; AND THE KENYA DEPOSIT INSURANCE (AMENDMENT) BILL, 2020

The Legal Counsel, Ms. Jennifer Ndeto, briefed the Committee on the amendments proposed in the three Bills.

On the Kenya Deposit Insurance (Amendment) Bill, 2020, Members noted that the figure of compensation had been reviewed from KSh. 100,000 to KSh. 500,000 in 2020 through Regulations.

On the Pensions (Amendment) Bill, 2020, the meeting observed that the timeline is important as it will ensure that retirees are paid their pension soon after retirement.

MIN.NO.NA/F&NP/2021/250:

STAKEHOLDER ENGAGEMENT ON THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) (NO. 3) BILL, 2020

The stakeholders were invited into the meeting. The Chairperson called for introduction of those present before inviting stakeholders to make submissions on the Bill. They submitted as follows:

Ministry of Foreign Affairs

Were opposed to the amendment because of the following reasons:

1. Delay in disbursement of budgetary allocation to the Ministry sometimes towards the end of the fourth quarter which poses a challenge in spending and finalizing the reporting of those funds in the shortened time period;
2. The Ministry has 56 Mission stations abroad and it therefore takes time to collate the financial data on revenue and expenditure from all the units especially since they are not automated (not in the IFMIS platform);
3. Draft financial statements are normally reviewed for quality assurance by the National Treasury before submission to the Office of the Auditor General and other required offices. The review may not be possible with the proposed timeline;
4. The proposed timeline will shorten the time to prepare financial statements and key reports that make up the annual reports and financial statements and have them internally reviewed; and
5. The Ministry does not have any alternative system outside the IFMIS for reporting on all financial activities of the Missions abroad. In the absence of this interface, real time reporting is currently not practically feasible.

MEMBERS' DELIBERATIONS

1. On whether it is possible to submit piecemeal reports to the Office of the Auditor General, the meeting was informed that this is not possible because the OAG wants a comprehensive report. National Treasury demands full reporting of the amounts issued to the Ministry.
2. On why all Mission stations are not on the IFMIS system, the meeting was informed that this has been caused by lack of exchequer and internet connectivity in some missions. The Ministry is however working on completing connection of all Missions to the system in the next three years depending on availability of exchequer.
3. On whom the sanctions in the Bill are directed to, the meeting was informed that the sanctions are directed to the accounting officers. The sanctions can be more meaningful as opposed to serving a jail term of five years.

Institute of Certified Public Accountants of Kenya (ICPAK)

For the timeline to be revised, measures have to be put in place to ensure that there is fiscal discipline and National Treasury disburses exchequer to Government Agencies in time.

They proposed that the timeline should be changed to two months (31st August) as opposed to the one month proposed in the Bill. This will facilitate compliance and ensure that good quality reports are submitted. The one month timeline may result in submitting substandard work and it will not be possible to carry out quality review which has improved public financial reporting.

MEMBERS' DELIBERATIONS

On why they were requesting for a review of the timeline to two months, they stated that this is because of late disbursement of funds by National Treasury and due to complexities in Government.

Heads of Accounting and Finance Units in the Public Sector

Some state agencies still use the manual system for financial reporting. It will therefore be difficult for them to submit their reports within the revised timeline. Additionally, some government offices are located in places where there is no internet coverage.

They proposed that the timeline should be revised to two months.

Public Service Accounting and Standards Board (PSASB)

They submitted that the one month proposed in the Bill may not be sufficient for internal auditors to review the report.

They noted that the Office of the Auditor General should be strengthened. Additionally, Government operations should be automated in order to make it easier for the reports to be prepared.

The capacity of government accountants should be enhanced. This is because there have been no systemic errors in the IFMIS System but there have been human errors.

MEMBERS' DELIBERATIONS

1. On what should be done to ensure that National Treasury disburses funds in time, the meeting was informed that cash-flows may not make it possible for National Treasury to disburse funds earlier in the quarter. Measures should be put in place to enable accrual accounting to be done.
2. On why internal audit is done yet the Auditor General audits the accounts too, the meeting was informed that internal audit is an internal process to provide internal assurance to the management and should therefore be delinked from external audit.

Office of the Auditor General

The Office supported the proposed amendment because:

1. It will improve relevance and usefulness of the information reported;
2. Enables management to take any remedial action early enough if required;
3. Indicates the responsiveness of the government to the public's concerns and informs superior managerial capability and greater openness and transparency about how peoples' business is conducted;
4. Helps to build trust and confidence in government thereby increasing the confidence of investors and development partners in government;
5. Is a basis for performance evaluation;

6. Improves financial and managerial discipline;
7. Synchronization of the budgeting and accountability cycles;
8. Evaluation of performance of government;
9. Enable Parliament and county assemblies make informed budget decisions;
10. Make it possible for in-year audits to be done; and
11. Improved efficiency in auditing.

MEMBERS' DELIBERATIONS

1. On how reporting can be done within the shortened timeline despite late disbursement of funds by National Treasury, the Auditor General stated that there is need to introduce accrual accounting. An end should be brought to the National Treasury sending money at the end of a financial year and forcing it to be accounted for in the previous financial year. Parliament should ensure that the cut off period is adhered to by all government entities.
2. On how the quality of reports can be improved, the meeting was informed that this can be done by empowering internal audit departments in government offices.
3. On whether the Auditor General has met the Constitutional timeline of auditing, the Auditor General stated that her office has never met the timeline due to late submission of reports by government agencies.
4. On what can be done to increase fiscal discipline, the Auditor General stated that this can be done by enforcing the Public Finance Management Act and the Public Finance Management Regulations.

Details of the amendments proposed by stakeholders on the Bill are contained in Part III of the Report on the consideration of the public Finance Management (Amendment) (No. 3) Bill (N.A. Bill No. 39 of 2020).

MIN.NO.NA/F&NP/2021/251: MEETING WITH SALARIES AND REMUNERATION COMMISSION TO CONSIDER THE PENSIONS (AMENDMENT) BILL, 2020

The Chairperson called for introduction of those present before inviting SRC to make their submission on the Pensions (Amendment) Bill, 2020.

Ms. Anne Gitau, CEO, SRC submitted that the proposal to have a timeline for payment of pension is good. It is however important to find out reasons that have been hindering processing of pension in time and address them.

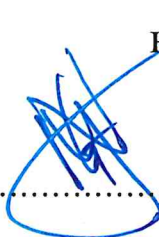
Details of the amendments proposed by SRC on the Bill are contained in Part III of the Report on the consideration of the Pensions (Amendment) Bill (N.A. Bill No. 26 of 2020).

MIN.NO.NA/F&NP/2021/252: ADJOURNMENT/DATE OF NEXT MEETING

There being no other business to deliberate on, the meeting was adjourned at 2.24 p.m. The next meeting will be held at 3.00 p.m.

**HON. GLADYS WANGA, CBS, MP
(CHAIRPERSON)**

SIGNED.....DATE.....



5th August 2021

**MINUTES OF THE 55TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
FINANCE AND NATIONAL PLANNING HELD IN TALEK CONFERENCE ROOM
AT EMARA OLE-SERENI HOTEL ON THURSDAY, 15TH JULY 2021 AT 3:00 P.M.**

PRESENT

- | | | |
|---|---|-------------------------|
| 1. Hon. Gladys Wanga, CBS, MP | - | Chairperson |
| 2. Hon. Isaac W. Ndirangu, MP | - | Vice Chairperson |
| 3. Hon. Jimmy O. Angwenyi, MGH, MP | | |
| 4. Hon. Christopher Omulele, CBS, MP | | |
| 5. Hon. Shakeel Shabbir Ahmed, CBS, MP | | |
| 6. Hon. Daniel E. Nanok, MP | | |
| 7. Hon. (Dr.) Christine Ombaka, MP | | |
| 8. Hon. Andrew A. Okuome, MP | | |
| 9. Hon. David M. Mboni, MP | | |
| 10. Hon. Francis K. Kimani, MP | | |
| 11. Hon. Joseph M. Oyula, MP | | |
| 12. Hon. Joshua C. Kandie, MP | | |
| 13. Hon. Stanley M. Muthama, MP | | |
| 14. Hon. Edith Nyenze, MP | | |
| 15. Hon. James Gichuhi Mwangi, MP | | |
| 16. Hon. (Prof.) Mohamud Sheikh Mohamed, MP | | |
| 17. Hon. Peter Lochakapong, MP | | |
| 18. Hon. Qalicha Gufu Wario, MP | | |

ABSENT WITH APOLOGY

Hon. Catherine Waruguru, MP

INATTENDANCE

SECRETARIAT

- | | | |
|------------------------|---|--|
| 1. Ms. Leah Mwaura | - | Senior Clerk Assistant/Head of Secretariat |
| 2. Ms. Jennifer Ndeto | - | Principal Legal Counsel I |
| 3. Ms. Laureen Wesonga | - | Clerk Assistant II |
| 4. Mr. Chelang'a Maiyo | - | Research Officer II |
| 5. Mr. Yaqub Ahmed | - | Media Relations Officer III |
| 6. Mr. John Njoro | - | Serjeant-At-Arms |
| 7. Ms. Christine Maeri | - | Audio Officer |

NATIONAL TREASURY AND PLANNING

1. Hon. Nelson Gaichuhie
2. Mr. Michael Kagika, EBS
3. Ms. Alice Nyariki

KENYA DEPOSIT INSURANCE CORPORATION

1. Mr. Mohamud A.M.
2. Mr. Paul Manga
3. Mr. Chrispus Yanken

AGENDA

1. Prayers
2. Communication from the Chairperson
3. **Meeting with the National Treasury to consider the Public Finance Management (Amendment) (No. 3) Bill, 2020; and the Pensions (Amendment) Bill, 2020**
4. **Meeting with Kenya Deposit Insurance Corporation to consider the Kenya Deposit Insurance (Amendment) Bill, 2020**
5. Any Other Business
6. Adjournment/Date of Next Meeting

MIN.NO.NA/F&NP/2021/253 COMMUNICATION FROM THE CHAIRPERSON

The meeting was called to order at 3.13 p.m. and a prayer was said. The Chairperson then called for introduction of those present before inviting National Treasury to make their submissions on the Public Finance Management (Amendment) (No. 3) Bill, 2020; the Pensions (Amendment) Bill, 2020; and the Kenya Deposit Insurance (Amendment) Bill, 2020.

MIN.NO.NA/F&NP/2021/254: CONFIRMATION OF MINUTES Agenda deferred

MIN.NO.NA/F&NP/2021/255: MEETING WITH THE NATIONAL TREASURY TO CONSIDER THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) (NO. 3) BILL, 2020; AND THE PENSIONS (AMENDMENT) BILL, 2020

The Chief Administrative Secretary, National Treasury, Hon. Nelson Gaichuhie submitted as follows:

Pensions (Amendment) Bill, 2020

National Treasury supports the amendment proposed in the Bill as it will expedite processing of pension to retirees. They will draft regulations that will ensure that the law is operationalized.

The Pensions Department is well capacitated to process pension in time but the delays are occasioned by delays in submitting documentation from government agencies that the pensioners were employed in.

MEMBERS' DELIBERATIONS

1. On how delays in the processing of pensions for teachers and police officers are being addressed, the meeting was informed that 30 officers from the Pensions Department have been assigned to TSC and National Police Service for document verification so that payment is made in time.
2. On the quantum of pension that becomes payable after retirement, the meeting was informed that the initial payment is a quarter of the pension amount (lump sum) and the balance is paid monthly.
3. The Committee requested the National Treasury to provide a list of documents required for pension to be processed.

Public Finance Management (Amendment) (No. 3) Bill, 2020

National Treasury proposed that the timeline is amended to two months in order to allow public entities adequate time to prepare financial statements, complete internal approvals and National Treasury quality reviews before submission to the Auditor General.

MEMBERS' DELIBERATIONS

On why National Treasury has been late in disbursing funds to public entities, Hon. Gaichuhie stated that this is because KRA has not been able to meet their revenue targets except the last FY where they surpassed their target.

Details of the submissions made by National Treasury on the two Bills are contained in Part III of the Report on the consideration of the Pensions (Amendment) Bill (N.A. Bill No. 26 of 2020) and the Public Finance Management (Amendment) Bill (N.A. Bill No. 39 of 2020).

MIN.NO.NA/F&NP/2021/256: MEETING WITH THE KENYA DEPOSIT INSURANCE CORPORATION TO CONSIDER THE KENYA DEPOSIT INSURANCE (AMENDMENT) BILL, 2020

The Chairperson invited the CEO, KDIC to make their submission on the Kenya Deposit Insurance (Amendment) Bill, 2020. Mr. Mohamud submitted as follows: KDIC did not support the amendments proposed in the Bill because there was a review of the coverage limit from KSh. 100,000 to KSh. 500,000 vide LN. NO. 159 of 2020 which was communicated vide gazette notice No. Vol. CXXII-NO. 159 on 28th August 2020.

Increasing the coverage limit to KSh. 1,000,000 will increase the Corporation Fund exposure to KSh. 950 billion against the current fund of KSh. 130 billion which. The difference will have to be funded from the exchequer pursuant to section 20(4) of the KDI Act.

MEMBERS' DELIBERATIONS

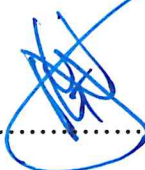

1. On where KDIC invests the premiums collected from banks, Mr. Mohamud informed the meeting that KDIC collects between KSh. 5 billion and KSh. 6 billion from banks per year which is invested in Government securities. The fund is currently at KSh. 139 billion.
2. On how many depositors are covered with the coverage limit of KSh. 500,000, the meeting was informed that the amount covers 99% of the depositors.
3. KDIC was encouraged to engage more with the Committee.

Details of the submissions made by Kenya Deposit Insurance Corporation on the Bill are contained in Part III of the Report on the consideration of the Kenya Deposit Insurance (Amendment) Bill (N.A. Bill No. 43 of 2020).

MIN.NO.NA/F&NP/2021/257: ADJOURNMENT/DATE OF NEXT MEETING

There being no other business to deliberate on, the meeting was adjourned at 5.25 p.m. The next meeting will be held on Friday, 16th July 2021 at 9.00 a.m.

**HON. GLADYS WANGA, CBS, MP
(CHAIRPERSON)**

SIGNED..........DATE..........

**MINUTES OF THE 13TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
FINANCE AND NATIONAL PLANNING HELD VIRTUALLY ON THURSDAY, 8TH
APRIL, 2021 AT 10:00 AM**

PRESENT

1. Hon. Gladys Wang'a, MP - **Chairperson**
2. Hon. Isaac W. Ndirangu, MP - **Vice Chairperson**
3. Hon. Jimmy O. Angwenyi, MGH, MP
4. Hon. Christopher Omulele, CBS, MP
5. Hon. Shakeel Shabbir Ahmed, CBS, MP
6. Hon. Andrew A. Okuome, MP
7. Hon. David M. Mboni, MP
8. Hon. Francis K. Kimani, MP
9. Hon. Joseph M. Oyula, MP
10. Hon. Joshua C. Kandie, MP
11. Hon. Stanley M. Muthama, MP
12. Hon. Edith Nyenze, MP
13. Hon. Catherine Waruguru, MP
14. Hon. James Gichuhi Mwangi, MP
15. Hon. (Prof.) Mohamud Sheikh Mohamed, MP

ABSENT

1. Hon. Daniel E. Nanok, MP
2. Hon. (Dr.) Christine Ombaka, MP
3. Hon. Peter Lochakapong, MP
4. Hon. Qalicha Gufu Wario, MP

INATTENDANCE

SECRETARIAT

1. Ms. Leah Mwaura - Senior Clerk Assistant/Head of Secretariat
2. Ms. Jennifer Ndeto - Principal Legal Counsel I
3. Ms. Laureen Wesonga - Clerk Assistant II
4. Mr. Josephat Motonu - Senior Fiscal Analyst
5. Mr. Chelang'a Maiyo - Research Officer II
6. Ms. Christine Maeri - Audio Officer
7. Ms. Jeruto Kosgey - Intern

AGENDA

1. Prayers
2. Communication from the Chairperson
3. **Meeting to be briefed on:**
 - i. **The Excise Duty (Amendment) Bill, 2020; and**
 - ii. **The Public Finance Management (Amendment) (No. 3) Bill, 2020**
4. Matters arising
5. A.O.B.

MIN.NO.NA/F&NP/2021/061: COMMUNICATION FROM CHAIRPERSON

The meeting was called to order at 10:20 a.m. and a prayer was said. The Chairperson then welcomed the Legal Counsel to brief the Committee on the Excise Duty (Amendment) Bill, 2020.

MIN.NO.NA/F&NP/2021/062: CONFIRMATION OF MINUTES

Agenda deferred.

MIN.NO.NA/F&NP/2021/063: BRIEFING ON THE EXCISE DUTY (AMENDMENT) BILL, 2020

The Legal Counsel, Ms. Jennifer Ndeto informed the Committee that the intention of the Bill is to introduce a 30% excise duty on imported furniture of any kind with an aim of promoting the local furniture industry. Members noted the following issues on the Bill:

1. The intention of the Bill is good but research needs to be done to establish whether the local furniture market is able to meet the demand and the effects of the Bill on forests in the country;
2. The excise duty of 30% is a bit too high;
3. Tax on imported timber should be reduced before raising excise duty on the imported finished products;
4. The Chairperson undertook to speak to Hon. Jude Njomo, M.P. (Sponsor of the Bill) so that the amendment can be carried in the Finance Bill, 2021 together with other amendments; and
5. The Fiscal Analyst was tasked to prepare a brief on the furniture industry detailing:
 - i. How much furniture is imported into Kenya and how much is manufactured locally; and
 - ii. The taxes imposed on the furniture, both local and imported.

MIN.NO.NA/F&NP/2021/064: BRIEFING ON THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) BILL, 2020

The Legal Counsel, Ms. Jennifer Ndeto informed the meeting that the intention of the Bill is to reduce the time for submission of financial statements by public entities to the Auditor General from three months to one month after the end of a financial year. This is aimed at ensuring that the Office of the Auditor General has adequate time to carry out required audits and prepare the required reports. The Bill also proposes sanctions for non-compliance by accounting officers.

Members noted that:


1. The amendments proposed in the Bill will ensure that there is accountability in financial reporting; and
2. The proposed amendments will also ensure that the Auditor General's Reports are up to date unlike the current scenario where audits are done years after the end of a financial year.

MIN.NO.NA/F&NP/2021/065: ADJOURNMENT/DATE OF NEXT MEETING

There being no other business to deliberate on, the meeting was adjourned at 11:21 a.m. The next meeting will be held on Tuesday, 13th April, 2021 at 10.00 a.m.

HON. GLADYS WANGA, CBS, MP
(CHAIRPERSON)

SIGNED.....



.....DATE.....

5th August 2021

STANDARD TUESDAY APRIL 20, 2021

PFM

The Standard, Tuesday, April 20, 2021

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
TWELFTH PARLIAMENT (FIFTH SESSION)

INVITATION FOR PUBLIC PARTICIPATION & SUBMISSION OF MEMORANDA
(Article 118 (1) (b) of the Constitution and National Assembly Standing Order 127(3))

In the matters of consideration by the National Assembly: -

1. The Public Finance Management (Amendment) (No. 3) Bill (National Assembly Bill No. 39 of 2020);
2. The Landlord and Tenant Bill (National Assembly Bill No. 3 of 2021); and
3. The Public Private Partnerships Bill (National Assembly Bill No. 6 of 2021).

Article 118(1) (b) of the Constitution provides that, "Parliament shall facilitate public participation and involvement in the legislative and other businesses of Parliament and its Committees". Standing Order (S.O.) 127(3) provides that "the Departmental Committee to which a Bill is committed shall facilitate public participation and take into account the views and recommendations of the public when the Committee makes its report to the House".

Pursuant to Article 118(1) (b) of the Constitution and Standing Order 127(3) of the National Assembly Standing Orders, the Clerk of the National Assembly hereby invites members of the public and relevant stakeholders to submit memoranda on the following Bills:

1. **The Public Finance Management (Amendment) (No. 3) Bill (National Assembly Bill No. 39 of 2020)** introduced by the **Chairperson, Departmental Committee on Finance & National Planning** seeks to amend the Public Finance Management Act, 2012 by reducing the time for submission of financial statements by public entities from three months after the end of a financial year to one month after the end of a financial year. This aims at ensuring that the Office of the Auditor General has adequate time to carry out required audits and prepare the required reports.
2. **The Landlord and Tenant Bill (National Assembly Bill No. 3 of 2021)** introduced to the House by the **Leader of the Majority Party in the National Assembly** seeks to repeal the Distress for Rent Act (Cap. 293), Rent Restriction Act (Cap. 296) and the Landlord and Tenant (Shops, Hotels and Catering Establishments) Act (Cap. 301).
The Bill seeks to introduce a legal framework which balances the interests of landlords and tenants in a free market economy by ensuring that landlords earn reasonable income from their investment in housing and also protects the tenant. The Bill consolidates the laws relating to the renting of business and residential premises and seeks to regulate the relationship between the landlord and tenant.
3. **The Public Private Partnerships Bill (National Assembly Bill No. 6 of 2021)** introduced to the House by the **Leader of the Majority Party in the National Assembly** seeks to provide for the participation of the private sector in the financing, construction, development, operation or maintenance of infrastructure or development projects through public private partnerships; to streamline the regulatory framework for public private partnerships; and to repeal the Public Private Partnerships Act, 2013.

The Bills were read a First Time on Thursday, 25th March 2021 and committed to the **Departmental Committee on Finance and National Planning** (The Public Finance Management (Amendment) (No. 3) Bill, 2020 & the Public Private Partnerships Bill, 2021) and the **Departmental Committee on Transport, Public Works and Housing** (The Landlord and Tenant Bill, 2021) for consideration in accordance with the provisions of Standing Order 127(3).

Copies of the Bills are available at the National Assembly Table Office, or on www.parliament.go.ke/the-national-assembly/house-business/bills.

The memoranda may be addressed to the **Clerk of the National Assembly, P.O. Box 41842-00100, Nairobi**; hand-delivered to the **Office of the Clerk, Main Parliament Buildings, Nairobi**; or emailed to clerk@parliament.go.ke; to be received on or before **Monday, 26th April 2021 at 5.00 p.m.**

MICHAEL R. SIALAI, CBS
CLERK OF THE NATIONAL ASSEMBLY
20th April, 2021



REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY
TWELFTH PARLIAMENT (FIFTH SESSION)

INVITATION FOR PUBLIC PARTICIPATION & SUBMISSION OF MEMORANDA

(Article 118 (1) (b) of the Constitution and National Assembly Standing Order 127(3))

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MICHAEL R. SIALAI, CBS
CLERK OF THE NATIONAL ASSEMBLY
20th April, 2021

