



Institute of
Economic Affairs

Comments on The Public Finance Management (Amendment) Bill 2020

This Bill proposes various amendments that are progressive and timely, in improving the Public Finance Management system in Kenya. A significant concern however, is that Parliament should address the failure by accounting officers to provide **Complete and Accurate** financial statements in their reporting. The Institute of Economic Affairs in a previous [study](#) noted this as one of the primary concerns limiting accountability in public finance management and proposes this as one of the areas requiring urgent reforms¹. As the National Assembly addresses the issue of timeliness in reporting, the accuracy and completeness of financial reports should be addressed by providing sanctions similar to those provided in Section 199 of the Public Finance Management Act of 2012, with severe consequences for accounting officers who breach the provisions.

Section	Proposed Amendment/Input	Justification /Comments
68(4)a	Add a provision to the effect that any accounting officer who violates this subsection shall not hold public office for a specified period of time (say 15 years). The clause should be triggered automatically by failure to adhere to this law.	The National Assembly should consider innovative provisions on how to sanction non-compliant accounting officers. The provision should not be limited to Section 199 of the Act. All government entities must adhere to strict reporting and prudent management of public resources
81	Add a provision to make it mandatory for accounting officers to provide a complete list of asset registers.	Public entities must adhere to effective use of resources whether financial or non-financial, including assets. This will facilitate the National Assembly in querying other concerns like value for money
84(4)	Add a provision requiring that the Administrator of the Fund shall submit the a copy of the Report to the Cabinet Secretary responsible for National Treasury and the Controller of Budget	The reporting should be aligned for all Ministries, Departments and Agencies and administrators of funds as a standard measure on its own.
149(2)k	Add a provision that makes it mandatory for accounting officers to provide a list of asset registers	This will facilitate Senate and County Assemblies in querying other concerns like value for money

¹ Kagume, J., Wamalwa, N., Kemboi, L.K., et al (2019). *Analysis of the Auditor General's Reports on the Financial Statements of National Government*. Institute of Economic Affairs. Available at: <https://www.ieakenya.or.ke/publications/research-papers/analysis-of-the-auditor-general-a-s-reports-on-the-financial-statements-of-national-government>[Accessed 26 Apr. 2021].