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REPUBLIC OF KENYA

PARLIAMENT

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SENATE BILLS  
(Bill No. 40 of 2023)



**THE PUBLIC FINANCE MANAGEMENT  
(AMENDMENT) BILL, 2023**

(A Bill published in the Kenya *Gazette* Supplement No. 160 of 1<sup>st</sup> September, 2023 and passed by the Senate, with amendments, on 5<sup>th</sup> December, 2024.)

**THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) BILL, 2023**

**A Bill for**

**AN ACT of Parliament to amend the Public Finance Management Act and for connected purposes.**

**ENACTED** by the Parliament of Kenya, as follows—

Short title.

**1.** This Act may be cited as the Public Finance Management (Amendment) Act, 2023.

Insertion of new sections in Cap. 412A.

**2.** The principal Act is amended by inserting the following new sections immediately after section 160 —

Establishment of Committee.

**160A.** (1) There is established a Revenue Collection System Committee which shall consist of—

- (a) the Cabinet Secretary or a person designated in writing;
- (b) the Principal Secretary for matters related to Devolution;
- (c) the Controller of Budget or a person designated in writing;
- (d) the Commissioner General of the Kenya Revenue Authority or a person designated in writing; and
- (e) two persons nominated by the Council of Governors.

(2) The Committee shall, within nine months of the coming into force of this Act, design, develop and coordinate integrated county revenue system which shall—

- (a) be transparent, efficient, effective and verifiable;
- (b) ensure data accuracy and protection;
- (c) respect and promote the distinctiveness of the national and county governments;
- (d) be adequately secure to prevent any fraud, losses or leakages; and
- (e) provide for separate accounting and reporting

(3) Within three months of the development of the system under subsection (3), each county government shall adopt and implement the integrated county revenue management system.

Reports.

**160B.** (1) A county treasury shall prepare and submit a quarterly report on the status of the adoption and implementation of the integrated county revenue management system.

(2) A report under subsection (1) shall be submitted to the respective county assembly, the Senate and the Controller of Budget.

Insertion of new Part in No. 18 of 2012.

**3.** The Public Finance Management Act, hereinafter the principal Act, is amended by inserting the following new Part immediately after section 191E-

**PART VA – FUNDING TRANSFERRED FUNCTIONS**

Functions transferred to National Government.

**191F.** (1) Where the National Government has transferred a function to a county government pursuant to Article 187 of the Constitution, the Cabinet Secretary shall in consultation with the respective county executive committee member determine the cost of the transferred function.

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(2) The National Assembly shall appropriate such monies as may be required for the implementation of the transferred function in accordance with the determination made under subsection (1) and the allocation shall not be less than the amount appropriated by the National Assembly in the preceding financial year.

(3) The monies appropriated under subsection (2) shall be transferred to the county revenue fund of the respective county government.

(4) A county government or county government entity to which a National Government function has been transferred shall submit a quarterly report to the Senate and the respective county assembly on the status of the discharge of the transferred function.

(5) The Auditor-General shall, no later than three months after the end of a financial year, prepare a special audit report on the financial and non-financial performance of a county government or county government entity to which a county government function has been transferred.

(6) A report prepared under subsection (5) shall be submitted to the National Assembly and the Senate.

Functions transferred to county governments.

**191G.** (1) Where a county government has transferred a function to the National Government pursuant to Article 187 of the Constitution, the county executive in consultation with the national government shall determine the cost of the transferred function.

(2) The respective county assembly shall appropriate such monies as may be required for the implementation of the transferred function in accordance with the determination made under subsection (1) and the allocation shall not be less

than the amount appropriated by the County Assembly in the preceding financial year.

(3) The monies appropriated under subsection (1), shall be transferred to the national government.

(4) A national government entity to which a county government function has been transferred shall submit a quarterly report to the Senate and the respective county assembly on the status of the discharge of the devolved function.

(5) The Auditor-General shall, no later than three months after the end of a financial year, prepare a special audit report on the financial and non-financial performance of an entity to which a county government function has been transferred.

(6) A report prepared under subsection (5) shall be submitted to the Senate and the respective county assembly.

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I certify that this printed impression is a true copy of the Bill as passed by the Senate on Thursday, 5<sup>th</sup> December, 2024.

  
*Clerk of the Senate*

Endorsed for presentation to the National Assembly in accordance with the provisions of standing order 161(1) of the Senate Standing Orders.

  
*Speaker of the Senate*



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**REPUBLIC OF KENYA**  
**THIRTEENTH PARLIAMENT - (THIRD SESSION)**  
**THE NATIONAL ASSEMBLY**  
**MESSAGES**  
**MESSAGE FROM THE SENATE**  
*(No. 030 of 2024)*

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**APPROVAL OF THE NOMINATION OF MR. GERALD NYAOMA ARITA FOR  
APPOINTMENT TO THE POSITION OF DEPUTY GOVERNOR OF THE  
CENTRAL BANK OF KENYA**

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**Honourable Members,**

1. Pursuant to the provisions of Standing Order 41(4) relating to *Messages from the Senate*, I wish to report to the House that I have received a Message from the Senate regarding the approval of the nomination of **Mr. Gerald Nyaoma Arita** for appointment to the position of Deputy Governor of the Central Bank of Kenya.
2. **Honourable Members**, you will recall that the approval hearings for the nominee for the position of Deputy Governor of the Central Bank of Kenya were jointly conducted by the respective committees of the Houses of Parliament. Indeed, on Wednesday, 27<sup>th</sup> November 2024, the National Assembly approved the appointment of Mr. Gerald Nyaoma Arita as the Deputy Governor of the Central Bank of Kenya.
3. **Honourable Members**, the approval by the Senate now concludes the bicameral consideration of the matter. I am informed that this decision has already been conveyed to the office of the Head of the Public Service for appropriate action.
4. The House is accordingly guided.

**I thank you!**

  
**THE RT. HON. (DR.) MOSES F.M. WETANG'ULA, EGH, MP**  
**SPEAKER OF THE NATIONAL ASSEMBLY**

Thursday, 5<sup>th</sup> December 2024

