



REPUBLIC OF KENYA

THIRTEENTH PARLIAMENT– (FOURTH SESSION)

THE NATIONAL ASSEMBLY

COMMUNICATION FROM THE CHAIR

_____ (No. 014 of 2025) _____

ON

**GUIDE ON CONSIDERATION OF PROPOSED AMENDMENTS TO THE
PUBLIC FINANCE MANAGEMENT (AMENDMENT) (NO.2) BILL
(NATIONAL ASSEMBLY BILL NO. 26 OF 2024)**

Honourable Members,

1. Before the House proceeds to the next Order, which is Committee of the Whole House on various Bills, I wish to provide guidance with respect to consideration of the amendments to the Public Finance Management (Amendment) (No.2) Bill (National Assembly Bill No. 26 of 2024).
2. **Honourable Members,** as you are aware, it is now an established practice that, whenever considering any matter that has money Bill implications, the House may only proceed in accordance with the provisions of Article 114 of the Constitution. For clarity, Article 114(2) of the Constitution provides that, and I quote –

"If, in the opinion of the Speaker, a motion makes provisions for a matter listed in the definition of "a Money Bill", the Assembly may proceed only in accordance with the recommendation of the relevant Committee after taking into account the views of the Cabinet Secretary for Finance."

- 3. Honourable Members,** under Article 114(3) of the Constitution, a “money Bill” includes matters that contain provisions dealing with, *inter alia*, **taxation**; the imposition of charges on a public fund; the appropriation, receipt, custody, investment or issue of public money; and, the raising and guaranteeing of any loan or its repayment.
- 4. Honourable Members,** the principal object of the Public Finance Management (Amendment) (No.2) Bill, 2024 before the House is to amend the Public Finance Management Act (CAP.412A) to align the timelines for the consideration and passage of the Finance Bill by the County Assemblies and the National Assembly. However, Honourable Members, you will notice that certain proposed amendments to the Bill by the Departmental Committee on Finance and National Planning contain a disclaimer as indicated in the Supplementary order paper for this afternoon’s sitting. I therefore wish to guide the House as follows with regard to manner of consideration of these various amendments.
- 5. Honourable Members,** I have analysed the amendments proposed to the said Bill and noted that New Clauses 4F, 4G, 4H, and 4I contain proposals touching on matters listed in the definition of a “Money Bill” pursuant to the provisions of Article 114(2) of the Constitution. The amendments propose the creation of the Public Sector Accounting Standards Board as a body corporate. This will lead to additional public expenditure contrary to Article 114 of the Constitution. New Clause 4H, in particular, provides that the Funds of Boards shall include monies appropriated by the National Assembly. In view of the recent Cabinet directive dated 21st January 2025, on rationalization of State Corporations, there is need to undertake further consultations on the establishment of this Board. As such, I direct that the Committee of the House shall not consider any of the amendments that have been published in the Order Paper with a disclaimer.

6. **Honourable Members**, the Bill will therefore proceed without referring to the proposed amendments, and will be considered as though the amendments have been withdrawn. The House is accordingly guided.

I thank you!

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

Thursday, 13th March 2025

