SPECIAL ISSUE

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REPUBLIC OF KENYA

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NATIONAL ASSEMBLY BILLS, 2025

NAIROBI, 24th April, 2025

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THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) BILL, 2025

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, 2025.

Repeal of section 191A of Cap 412A.

2. The Public Finance Management Act, (hereinafter referred to as the "principal Act") is amended by repealing section 191A.

Repeal of section 191B of Cap 412A.

3. Section 191B of the principal Act is hereby repealed.

Repeal of section 191C of Cap 412A.

4. Section 191C of the principal Act is hereby repealed.

Repeal of section 191D of Cap 412A.

5. Section 191D of the principal Act hereby repealed.

Repeal of section 191E of Cap 412A.

6. Section 191E of the principal Act is hereby repealed.

MEMORANDUM OF OBJECTS AND REASONS

The purpose of the Bill is to amend the Public Finance Management Act, in order to ensure that there shall be no duplication in management of additional allocations through intergovernmental agreements.

Statement on the delegation of legislative powers and limitation of fundamental rights and freedoms

The Bill does not limit fundamental rights and freedoms neither does it delegate any legislative power.

Statement on how the Bill concerns County Governments

The Bill is one that concerns County Governments in terms of Article 110(1) (a) of the Constitution.

Statement that the Bill is not a money Bill, within the meaning of Article 114 of the Constitution

This is not a money Bill within the meaning of Article 114 of the Constitution.

Dated the 15th April, 2025.

KIMANI ICHUNG'WAH,
Leader of Majority Party.

Section 191A of Cap 412A which is intended to be repealed

Intergovernmental agreements

191A (1) The National Treasury shall enter into an agreement with the respective county government for the transfer of the respective conditional allocation made to the county government pursuant to this Act.

(2) An agreement under subsection (1) shall set out any conditions that may be attached to the conditional allocations made under this Act.

(3) Where a county government intends to enter into an agreement under subsection (1), the county executive committee member shall submit the agreement to the respective County Assembly for approval.

(4) The County Assembly shall, within fourteen days of submission of an agreement under subsection (3), approve or reject the agreement.

(5) Where a County Assembly fails to consider an agreement under subsection (3) within fourteen days, the agreement shall be deemed to be approved.

(6) An agreement under subsection (1) shall set out all conditions attached to an allocation made under this Act.

(7) The respective county government shall forward the agreement approved under this section to the Controller of Budget within seven days of approval.

Section 191B of Cap 412A which is intended to be repealed

191B. The county executive committee member shall facilitate public participation on any agreement made pursuant to section 191A.

Section 191C of Cap 412A which is intended to be repealed

Execution of agreement for conditional allocation

191C. An agreement under section 191A shall be—

(a) signed by an authorized person or officer; and

(b) published in the Kenya Gazette within a period of seven days of the agreement.

Section 191D of Cap 412A which is intended to be repealed

Submission to Senate

191D (1) The National Treasury shall, within seven days of entering into an agreement under section 191A, submit to the Senate and the Controller of Budget, the

agreement together with any other documents relating to the agreement.

(2) The National Treasury shall publish and publicize all agreements entered into pursuant to section 191A.

Section 191E of Cap 412A which is intended to be repealed

Requisition of funds

191E Requisition of funds from the county revenue fund for the purposes of a conditional grant shall be supported by the intergovernmental agreement approved under section 191A.