REPUBLIC OF KENYA

PARLIAMENT

NATIONAL ASSEMBLY BILLS
(*No. 17 of 2025*)

THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) BILL, 2025



(A Bill published in the Kenya *Gazette* Supplement No. 59 (National Assembly Bills No. 17 of 24th April, 2025 and passed by the National Assembly, with amendments, on 26th August, 2026)

N.A. /B/No. 17/2025

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—

PART I— PRELIMINARY PROVISIONS

Short title.

1. This Act may be cited as the Public Finance Management (Amendment) Act, 2025.

Amendment of section 2 of Cap. 412A

2. Section 2 of the Public Finance Management Act (hereinafter referred to as the "principal Act") is amended by inserting the following new definition in the proper alphabetical sequence–

"revenue" has the meaning assigned to it under section 2 of the Commission on Revenue Allocation Act;

Repeal and replacement of section 42 of Cap. 412A.

3. The principal Act is amended by deleting section 42 and substituting therefor the following new section—

Consideration by Parliament of Bills allocating revenue and additional allocations.

42. Parliament shall consider the annual Division of Revenue Bill, the County Allocation of Revenue Bill, the County Governments Additional Allocations Bill (National Government Revenue Share Financing) and the County Governments Additional Allocations (Proceeds from Development Partner Loans and Grants Financing) Bill not later than thirty days after the Bills have been introduced with a view to approving them, with or without amendments.

Amendment of section 119 of Cap.412A.

4. Section 119 of the Public Finance Management Act is amended—

(a) in subsection (1), by inserting the words "with the prior written approval of the National Treasury" immediately after the words "The County Treasury"; and

(b) in subsection (2), by deleting the words "or a bank approved by the County Treasury" appearing immediately after the words "at the Central Bank of Kenya".

Amendment to section 187 of Cap.412A.

5. Section 187 of the principal Act is amended—

(a) in subsection (1), by inserting the following new paragraphs immediately after paragraph (h)—

(i) the Clerk of the National Assembly;

(j) the Clerk of the Senate;

(k) the Chief Registrar of Judiciary;

(l) County governors;

(m) the Controller of Budget;

(n) a representative of the Attorney-General;

(o) the chairperson of the Salaries and Remuneration Commission; and

(p) the chairperson of the County Assemblies Forum.

(b) in subsection (4), by deleting the words "National Treasury" appearing immediately after the introductory word "The" and substituting therefor the words "Office of the Deputy President"

Insertion of a new section 187A in Cap.412A.

6. The principal Act is amended by inserting the following new section immediately after section 187—

Co-option of Auditor General.

187A. The Council may co-opt the Auditor-General into any of its meetings.

Amendment of section 191 of Cap. 412.A

7. Section 191 of the principal Act is amended–

(a) by deleting subsection (1) and substituting therefor with the following new subsection—

(1) Each year when the Budget Policy Statement is introduced, the Cabinet Secretary shall submit to Parliament the Division of Revenue Bill, the County Allocation of Revenue Bill, the County Governments Additional Allocations Bill (National Government Revenue Share Financing) and the County Governments Additional Allocations (Proceeds from Development Partner Loans and Grants Financing) Bill prepared by the National Treasury as provided in this Act for the financial year to which that Budget relates.

(b) by inserting the following new subsection immediately after subsection (3A)—

(3B) A Bill making allocation under Article 202(2) of the Constitution shall specify any other allocations to the counties financed from proceeds of loans and grants by development partners and any conditions to which those

allocations shall be made.

8. Section 191A of principal Act is hereby repealed. Repeal of section 191A of Cap. 412A.

9. Section 191B of the principal Act is hereby repealed. Repeal of section 191B of Cap. 412A.

10. Section 191C of the principal Act is hereby repealed. Repeal of section 191C of Cap. 412A.

11. Section 191D of the principal Act is hereby repealed. Repeal of section 191D of Cap. 412A.

12. Section 191E of the principal Act is hereby repealed. Repeal of section 191E of Cap. 412A.

I certify that this printed impression is a true copy of the Bill passed by the National Assembly on 26th August 2026.

Clerk of the National Assembly

Endorsed for presentation to the Senate in accordance with the provisions of Standing Order 142 of the National Assembly Standing Orders.

Speaker of the National Assembly