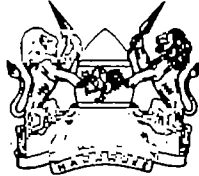


NATIONAL COUNCIL FOR  
LAW REPORTING  
LIBRARY

**SPECIAL ISSUE**

*Kenya Gazette Supplement No. 55 (National Assembly Bills No. 16)*

---



REPUBLIC OF KENYA

---

**KENYA GAZETTE SUPPLEMENT**

**NATIONAL ASSEMBLY BILLS, 2022**

---

**NAIROBI, 5th April, 2022**

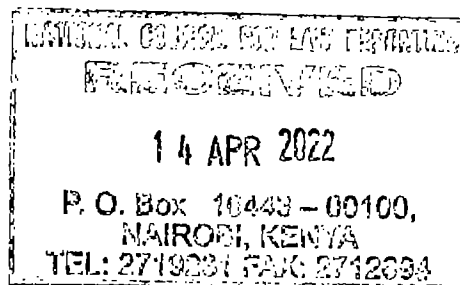
---

CONTENT

Bill for Introduction into the National Assembly—

PAGE

The Public Finance Management (Amendment) Bill, 2022 .....465



PRINTED AND PUBLISHED BY THE GOVERNMENT PRINTER, NAIROBI

**THE PUBLIC FINANCE MANAGEMENT  
(AMENDMENT) BILL, 2022**

**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—

1. This Act may be cited as the Public Finance Management (Amendment) Act, 2022. Short title.

2. The Public Finance Management Act, 2012 (hereinafter referred to as the “principal Act”) is amended in section 2 by inserting the following new definition in the proper alphabetical sequence—

“Institute” means the Institute of Certified Public Accountants of Kenya established under section 3 of Accountants Act.

3. is amended by deleting section 192 and substituting therefor the following new section—

Amendment of  
section 192 of No.  
18 of 2012.

Establishment of the  
Board.

**192.** (1) There is established a board to be known as the Public Sector Accounting Standards Board.

(2) The Board shall be a body corporate with perpetual succession and a common seal, and shall in its corporate name, be capable of—

- (a) suing and being sued;
- (b) taking, purchasing or otherwise acquiring, borrowing, holding, charging or disposing of movable and immovable property; and
- (c) doing or performing all such other things or acts necessary for the proper performance of its functions which may lawfully be done by a body corporate.

(3) The Board shall be a successor of the Accounting Standards Board which

existed immediately before the commencement of this Act.

4. The principal Act is amended in section 193 by deleting subsection (5).

Amendment of section 193 of No. 18 of 2012.

5. Section 194 of the principal Act is amended —

Amendment of section 194 of No. 18 of 2012.

(a) in subsection (1) by inserting the following new paragraph immediately after paragraph (g)—

(h) prescribe a framework for implementation of accrual accounting in Government; and

(i) prescribe a risk management framework.

(b) by inserting the following new subsection immediately after subsection (5)—

(6) Without prejudice to the generality of subsection (1) (h), the framework for implementation of accrual accounting shall provide for a three-year transition period from the date of commencement of this Act.

6. The principal Act is amended by inserting the following new sections immediately after section 195—

Insertion of new section in No. 18 of 2012.

Chief Executive Officer.

**195A.** (1) The Public Sector Accounting Standards Board shall appoint a chief executive officer through a competitive process and, on such terms and conditions as it may determine.

(2) A person shall be qualified for appointment as a chief executive officer, if the person—

- (a) has a degree in accounting or finance;
- (b) is a certified member in good standing with the Institute;
- (c) has at least five years experience in management; and
- (d) meets the requirements of chapter six of the Constitution.

(3) The chief executive shall hold office for a period of four years but shall be eligible for reappointment for a further term of four years.

(4) The chief executive shall, subject to the general direction and control of the Board, be charged with the direction of the affairs and transactions of the Board, the exercise, discharge and performance of its objectives, functions and duties, and the administration and control of the staff of the Board.

Staff of the Board.

**195B.** (1) The Public Sector Accounting Standards Board may recruit such number of staff, through a competitive process, as may be necessary for the proper and efficient performance of the functions of the Board.

(2) The Public Service Commission may, on the request of the Board, second to the board such number of public officers as may be necessary for the performance of the functions of the Board.

Common seal.

**195C.** (1) The common seal of the Board shall be kept in such custody as the Board shall direct and shall not be used except on the order of the Board.

(2) The affixing of the common seal shall be authenticated by the chairperson or any other person authorized in that behalf by a resolution of the Board.

(3) The common seal of the Board when affixed to a document and duly authenticated shall be judicially and officially noticed and unless the contrary is proved, any necessary order or authorization of the Board under this section shall be presumed to have been duly given.

Funds of the Board

**195D.** The funds of the Board shall consist of—

- (a) such monies as may be appropriated by the National Assembly
- (b) such moneys as may be imposed by the Board in the performance of its functions; or
- (c) such grants, donations or endowment received by the Board.

Financial year.

**195 E.** The financial year of the Board shall be the period of twelve months ending on the thirtieth of June in each year.

Annual estimates.

**195 F.** (1) Before the commencement of each financial year, the Board shall cause to be prepared estimates of the revenue and expenditure of the Board for that year.

(2) The annual estimates shall make provision for all the estimated expenditure of the Board for the financial year concerned and, in particular, shall provide for the—

- (a) payment of the salaries, allowances and other charges in respect of the staff of the Board;
- (b) payment of pensions, gratuities and other charges and in respect of benefits which are payable out of the funds of the Board;
- (c) maintenance of the buildings and grounds of the Board;
- (d) creation of such funds to meet future or contingent liabilities in respect of benefits, insurance or replacement of buildings or installations, equipment and in respect of such other matters as the Board may think fit.