



REPUBLIC OF KENYA

PARLIAMENT

NATIONAL ASSEMBLY BILLS
(No. 26 of 2024)

**THE PUBLIC FINANCE MANAGEMENT
(AMENDMENT) (NO. 2) BILL, 2024**

(A Bill published in the Kenya *Gazette* Supplement No. 90 of
16th April, 2024 and passed by the National Assembly, with
amendments, on 14th March, 2025)

N.A. /B/No. 26/2024

**THE PUBLIC FINANCE MANAGEMENT
(AMENDMENT) (NO. 2) BILL, 2024**

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—

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|--|---------------------------------------|
| 1. This Act may be cited as the Public Finance Management (Amendment) (No. 2) Act, 2025. | Short title. |
| 2. The Public Finance Management Act, hereinafter referred to as the “principal Act”, is amended in section 23 by deleting the words “three months” appearing in sub-section (1) and substituting therefor the words “two months”. | Amendment of section 23 of Cap. 412A. |
| 3. The principal Act is amended in section 24 (10) by deleting the words “three months” appearing in paragraph (b) and substituting therefor the words “two months”. | Amendment of section 24 of Cap. 412A. |
| 4. The principal Act is amended in section 68—

(a) in the introductory statement by inserting the words “or the Auditor-General under Article 229(7) of the Constitution” immediately after the word “Constitution”;

(b) in subsection (2) by deleting the words “three months” appearing in paragraph (k) and substituting therefor the words “two months”;

(c) in subsection (4) (b) by inserting the words “Auditor General” immediately after the word “national Treasury”; and

(d) by inserting the following subsection immediately after sub-section (4) —

“(4A) An accounting officer who does not implement the recommendations made under sub-section (4) shall be liable to the penalty provided for under section 199.” | Amendment of section 68 of Cap. 412A. |
| 5. The principal Act is amended in section 80 by deleting the words “four months” appearing in subsection (4) and substituting therefor the words “two months”. | Amendment of section 80 of Cap. 412A. |

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6. The principal Act is amended in section 81 by deleting the words “three months” appearing in subsection (4) and substituting the words “two months”.

Amendment of section 81 of Cap. 412A.

7. The principal Act is amended in section 82 —

Amendment of section 84 of Cap. 412A.

(a) by deleting the words “three months” appearing in subsection (3) and substituting therefor the words “two months”; and

(b) by deleting the words “three months” appearing in subsection (4) and substituting the words “two months”.

8. The principal Act is amended in section 115 by deleting the words “three months” appearing in subsection (1) and substituting therefor the words “two months”.

Amendment of section 115 of Cap. 412A.

9. The principal Act is amended in section 116 (7) by deleting the words “three months” appearing in paragraph (b) and substituting therefor the words “two months”.

Amendment of section 116 of Cap. 412A.

10. Section 129 of the principal Act is amended in subsection (2)(a) by deleting the words “except the Finance Bill,”.

Amendment of section 129 of Cap. 412A.

11. The principal Act is amended by inserting the following new section immediately after section 131—

Insertion of a new section into Cap. 412A.

Submission, consideration and passing of the County Finance Bill.

131A. (1) County Executive Committee member for finance shall submit to the County Assembly, on or before 30th April, the County Finance Bill setting out the revenue measures for the County Government

(2) Following submissions of the County Finance Bill by County Executive Committee member for finance, the relevant committee of the County Assembly shall introduce the Bill in the County Assembly.

(3) The County Assembly shall consider and pass the County Finance Bill, with or without amendments, in time for it to be presented for assent by 30th June each year.

(4) Any recommendations made by the relevant committee of the County Assembly or resolution passed by the County Assembly on revenue matters shall—

- (a) ensure the total amount of revenue raised is consistent with the approved fiscal framework;
- (b) take into account the principles of equity, certainty and ease of collection;
- (c) be open and accountable, including public participation;
- (d) consider the impact of the proposed changes on the composition of the tax revenue with reference to direct and indirect taxes;
- (e) consider domestic, regional and international tax trends;
- (f) consider the impact on development, investment, employment and economic growth; and
- (g) take into account the taxation and other tariff agreements and obligations that Kenya has ratified, including taxation and tariff agreements under the East African Community Treaty.

(5) The recommendation of the County Executive Committee member for finance shall be included in a report and tabled in the County Assembly.

133. **12.** The principal Act is amended by repealing section

Repeal of section
133 of Cap. 412A.

13. The principal Act is amended in section 149—

Amendment of
section 149 of
Cap. 412A.

- (a) in the introductory statement by inserting the words “or the Auditor-General under Article

229(7) of the Constitution” immediately after the word “Constitution”;

(b) in subsection (2) by deleting the words “three months” appearing in paragraph (k) and substituting therefor the words “two months”;

(c) in subsection (3) by deleting paragraph (b) and substituting therefor the following new paragraph—

“(b) submit the report to the county assembly with a copy to the County Treasury, Controller of Budget and Auditor-General.”

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

“(3A) An accounting officer who does not implement the recommendations made under subsection (3) shall be liable to the penalty provided for under section 199.”

14. The principal Act is amended in section 163 by deleting the words “four months” appearing in subsection (4) and substituting therefor the words “two months”. Amendment of section 163 of Cap. 412A.

15. The principal Act is amended in section 164 by deleting the words “three months” appearing in subsection (4) and substituting therefor the words “two months”. Amendment of section 164 of Cap. 412A

16. The principal Act is amended in section 165 by deleting the words “three months” appearing in subsection (3) and substituting therefor the words “two months”. Amendment of section 165 of Cap. 412A


17. The principal Act is amended in section 167 by deleting the words “three months” appearing in subsection (3) and substituting therefor the words “two months”. Amendment of section 167 of Cap. 412A.

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I certify that this printed impression is a true copy of the Bill passed by the National Assembly on the 14th March, 2025


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