THE NATIONAL ASSEMBLY
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THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026

DIRECTORATE OF DEPARTMENTAL COMMITTEES

DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING

REPORT ON:

THE CONSIDERATION OF THE SENATE AMENDMENTS TO THE PUBLIC AUDIT (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 4 OF 2024)

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CHAIRPERSON'S FOREWORD

This report contains proceedings of the Departmental Committee on Finance and National Planning on its consideration of the Senate Amendments to the Public Audit (Amendment) Bill, 2024 (National Assembly Bill No. 4 of 2024), which was passed by the National Assembly on 11th March 2025 and submitted to the Senate pursuant to the provisions of Standing Order 142 of the National Assembly Standing Orders on 8th July 2025. The Senate, on 21st July, 2026, passed the Bill with amendments and referred back the amendments via a Message (No. 23 of 2026) conveyed on 21st July, 2026

The Committee met on Thursday, 1st October 2026, to consider the Senate Amendments to the Public Audit (Amendment)Bill (National Assembly Bill No. 4 of 2024). The Committee adopted all the Senate proposed amendments to Clauses 7, 12, 13, 21, 22, 23, 24, 31, and 32 of the Bill.

The Committee is grateful to the Offices of the Speaker and Clerk of the National Assembly for the logistical and technical support accorded to it during its sittings. The Committee also thanks the Senate for their input into the Bill.

Finally, I wish to express my appreciation to the Honourable Members of the Committee and the Committee Secretariat who made useful contributions towards the preparation and production of this report.

On behalf of the Departmental Committee on Finance and National Planning and pursuant to the provisions of Standing Order 199 (6), it is my pleasant privilege and honour to present to this House the Report of the Committee on its consideration of the Senate Amendments to the Public Audit (Amendment) Bill, 2024 (National Assembly Bill No. 4 of 2024)

It is my pleasure to report that the Committee has considered the Senate Amendments to the Public Audit (Amendment) Bill (National Assembly Bill No. 4 of 2024) and has the honour to report back to the National Assembly with the recommendation that the House adopts the Committee's recommendations on the Senate Amendments.

Hon. FCPA Kuria Kimani, CBS, MP
Chairperson, Departmental Committee on Finance and National Planning

CHAPTER ONE

1 PREFACE

1.1 ESTABLISHMENT AND MANDATE OF THE COMMITTEE

1. The Departmental Committee on Finance and National Planning is one of twenty departmental committees of the National Assembly established under **Standing Order 216,** whose mandate pursuant to **Standing Order 216 (5)** is as follows:

    a) *To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;*
    b) *To study the programme and policy objectives of ministries and departments and the effectiveness of the implementation;*
    c) *To, on a quarterly basis, monitor and report on the implementation of the national budget in respect of its mandate;*
    d) *To study and review all legislation referred to it;*
    e) *To study, assess and analyse the relative success of the ministries and departments as measured by the results obtained as compared with their stated objectives;*
    f) *To investigate and inquire into all matters relating to the assigned ministries and departments as they may deem necessary, and as may be referred to them by the House;*
    g) *To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on Appointments);*
    h) *To examine treaties, agreements and conventions;*
    i) *To make reports and recommendations to the House as often as possible, including recommendations of proposed legislation;*
    j) *To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and*
    k) *To examine any questions raised by Members on a matter within its mandate.*

2. The Second Schedule to the National Assembly Standing Orders assigns the Committee the mandate to consider matters on public finance, public audit policies, monetary policies, financial institutions, economy, investment policies, competition, banking, insurance, national statistics, population, revenue policies including taxation, national planning and development, digital finance, including digital currency.

3. In executing its mandate, the Committee oversees the following Ministries/Departments:

    a) The National Treasury.
    b) State Department for Economic Planning.
    c) State Department for Public Investments and Asset Management.
    d) The Commission on Revenue Allocation (CRA)
    e) Office of the Controller of Budget.

1.2 COMMITTEE MEMBERSHIP

4. The Departmental Committee on Finance and National Planning was constituted by the House on 27th October 2022; it was reconstituted on Wednesday, 5th March 2025, and further reconstituted on Thursday, 28th May 2026. The Committee comprises the following Members:

Chairperson
Hon. FCPA Kuria Kimani, CBS, MP.
Molo Constituency
UDA Party

Vice-Chairperson
Hon. (Amb.) FCPA Langat Benjamin Kipkirui, CBS, MP
Ainamoi Constituency

Hon. Peter Kaluma, CBS, MP
Homa Bay Town Constituency
ODM Party

Hon. Sunkuyia, R. George, MP
Kajiado West Constituency
UDA Party

Hon. FCPA Oyula, Joseph H. Maero, MP
Butula Constituency

ODM Party

Hon. Dr. Gathoni Wamuchomba, HSC, MP
Githunguri Constituency
UDA Party

Hon. Mboni, David Mwalika, MP
Kitui Rural Constituency
WDM Party

Hon. Sheikh Umul Sheikh, MP
Mandera County
UDM Party

Hon. Okuome Adipo Andrew, MP
Karachuonyo Constituency
ODM Party

Hon. (Dr.) Shadrack Mwiti, MP
South Imenti Constituency
Jubilee Party

Hon. CPA Rutto Julius Kipletting, MP
Kesses Constituency
UDA Party

Hon. Paul Biego, MP
Chesumei Constituency
UDA Party

Hon. Machele M. Soud, MP
Mvita Constituency
ODM Party

1.3 COMMITTEE SECRETARIAT

5. The Committee is facilitated by the following staff:

Ms. Tracy Chebet
Principal Clerk Assistant II

Ms. Jennifer Ndeto
Deputy Director, Legal Services

Mr. Benson Kamande
Clerk Assistant III

Ms. Winfred Kambua
Clerk Assistant III

Mr. Salem Lorot
Senior Legal Counsel

Mr. Eugene Luteshi
Audio Officer III

Ms. Nelly W. Ondieki
Research Officer III

Mr. George Ndenjeshe
Fiscal Analyst II

Mr. James Macharia
Media Relations Officer

Ms. Joyce Wachera
Hansard Reporter II

Mr. Benson Muthuri
Assistant Serjeant-At-Arms

Mr. Jared Onyancha
Protocol Officer

Mr. Allan Ngugi
Administrative Officer II

CHAPTER TWO

2.0 CONSIDERATION OF SENATE AMENDMENTS TO THE PUBLIC AUDIT (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO. 4 OF 2024)

2.1 INTRODUCTION

6. The Public Audit (Amendment) Bill (National Assembly Bill No. 4 of 2024), sponsored by the Leader of the Majority Party, was published on 2nd February, 2024.

7. The Bill was read a First Time on 28th February, 2024 and committed to the Departmental Committee on Finance and National Planning for consideration. The National Assembly passed the Bill on 11th March, 2025 and forwarded it to the Senate for consideration on 20th March, 2025.

8. The Senate considered and passed the Bill with amendments on 5th August, 2026 and transmitted the amendments to the National Assembly seeking concurrence.

2.2 AMENDMENTS PROPOSED BY THE SENATE

9. The Senate proposed amendments to clauses 7, 12, 13, 21, 22, 23, 24, 31, and 32 of the Bill.

10. The Senate Amendments are provided below-

Clause 7

11. **THAT,** the Bill be amended by deleting clause 7.

Committee's Observation

The Committee observed that the clause provides for the establishment of a Directorate in the Office of the Auditor-General to be known as 'Public Service Human Resources Audit Directorate', responsible for conducting and preparing audits on human resources in the public service.

The Committee further observed that the rationale for the Senate's deletion of the clause was because:

(i) The audits carried out by the Auditor-General include opinions on legal compliance, financial performance, and human resource management; and

(ii) Establishing offices or directorates in the Office of the Auditor-General in law is too prescriptive and would undermine growth and adaptation to emerging trends.

The Committee also observed that the Senate passed an amendment to the Bill to introduce a new paragraph in the Bill to include Human Resource audit as a type of audit to be carried out by the Auditor-General.

Therefore, the Committee agreed to the amendment because it offers flexibility, retains the House's original intention, and recognizes that the Auditor-General's audits include the human resource component.

Clause 12

12. **THAT** Clause 12 of the Bill be amended in the proposed new subsection (1) by deleting the word "Senior" appearing immediately after the words "shall be a".

Committee's Observation

The Committee observed that the amendment seeks to provide for the Deputy Auditor-General as the principal administrative assistant to the Auditor-General whose role shall be to assist the Auditor-General carry out the administrative functions of the office except any function assigned to the Auditor-General under Article 229 of the Constitution. The Committee agreed with the amendment.

Clause 13

13. **THAT** Clause 13 of the Bill be amended in paragraph (a) in the proposed new subsection (1) by deleting the word "Senior" appearing immediately before the words "Deputy Auditor-General".

Committee's Observation

The Committee observed that the amendment seeks to provide for the Deputy Auditor-General as the principal administrative assistant to the Auditor-General whose role shall be to assist the Auditor-General carry out the administrative functions of the office, except any function assigned to the Auditor-General under Article 229 of the Constitution. The Committee agreed with the amendment. The Committee agreed with the amendment.

Clause 21

14. **THAT** the Bill be amended by deleting Clause 21 and substituting therefor the following new clause—

Repeal of section 25 of Cap. 412B.	**21.** Section 25 of the principal Act is repealed.

Committee's Observation

The Committee made the following observations:

(i) **the effect of the amendment is to repeal section 25 of the Act, which establishes an Audit Advisory Board that had been declared unconstitutional;**

(ii) **Paragraph 116 of the Judgement in *Transparency International (TI Kenya) v Attorney General & 2 others [2018] eKLR, Petition No. 388 of 2016,* declared that the function of the Audit Advisory Board as unconstitutional in the following terms—**

> ***116. Looking at the principal function of the Audit Advisory Board, it leaves no doubt that it is required to advise the Auditor General on how to discharge his mandate under the Constitution.***

This is an interference with his institutional and individual independence. This, without a doubt, alters the constitutional architecture of the independent office of the Auditor General and the principles of independence contemplated by the Constitution. It also violates Article 249(2) (b), which states that he is independent and not subject to direction or control of any person or authority.

There can be no doubt on the function of the Audit Advisory Board to advice the Auditor General in the performance of his functions under the constitution violates Constitutional values and principles of independence of the Auditor General in Articles 229 and 249(2).

(iii) Therefore, the Bill had sought to cure the unconstitutionality by limiting the functions of the Audit Advisory Board to the provision of advisory on budget plans and estimates, human resource management and development, and any other matter that might be referred to the Board by the Auditor-General. However, deletion of the provisions on Audit Advisory Board, as the Senate has passed, may be advisable to prevent an adverse finding in courts on its unconstitutionality; and

(iv) The Committee therefore agreed with the amendment.

Clause 22

15. **THAT** the Bill be amended by deleting Clause 22 and substituting therefor the following new clause—

Repeal of section 26 of Cap. 412B.

22. Section 26 of the principal Act is repealed.

Committee's Observation

The Committee observed that the effect of the amendment is to repeal section 26 of the Act, which makes reference to meetings and procedure of the Audit Advisory Board. The Committee agreed with the amendment for the same reasons given in the Senate's amendment to Clause 21.

Clause 23

16. **THAT** the Bill be amended by deleting clause 23 and substituting therefor the following new clause—

Repeal of section 27 of Cap. 412B.	**23.** Section 27 of the principal Act is repealed.

Committee's Observation

The Committee observed that the effect of the amendment is to repeal section 27 of the Act, which makes reference to the functions of the Audit Advisory Board. The Committee agreed to the amendment for the same reasons given in the Senate's amendment to clause 21.

Clause 24

17. **THAT** Clause 24 of the Bill be amended in the proposed new section 31(1) by inserting the following new paragraph immediately after paragraph (b)—

(ba) at the end of an audit process on a public entity, there shall be an exit meeting between the officers of the Auditor-General and the accounting officer of the respective entity to deliberate on an issue raised in the audit report.

Committee's Observation

The Committee observed that the amendment seeks to clarify the audit process steps in regard to an exit meeting between the auditor and the substantive head of the entity being audited to discuss issues raised in the management letter. The Committee agreed with the amendment.

Clause 31

18. **THAT** the Bill be amended by deleting clause 31 and substituting therefor the following new clause—

Amendment of section 38 of Cap. 412B.	**31.** Section 38 of the principal Act is amended by deleting the words "lawfully and in an effective way" appearing immediately after the words "were done" and substituting therefor the words "in a lawful economic, effective and efficient manner".

Committee's Observation

The Committee observed that the amendment seeks to amend section 38 of the Public Audit Act, which provides for procurement audits. The amendment further enriches the provision on the parameters the Auditor-General would use in the examination of public procurement and asset disposal process. Therefore, the Committee agreed with the amendment.

Clause 32

19. **THAT** the Bill be amended by deleting Clause 32 and substituting therefor the following new clause—

Insertion of new sections in Cap. 412B.	**32.** The principal Act is amended by inserting the following new sections immediately after section 38—	
	Citizen accountability audits.	**38A.** The Auditor-General may conduct periodic citizen accountability audits, upon request or at his or her own initiative, to ensure public contribution or participation in the audit process pursuant to Article 10 and 201 of the Constitution.
	Compliance audits.	**38B.** The Auditor-General may conduct compliance audits to examine whether a public entity has complied with relevant laws, regulations and policies in the management of public resources.
	Human resource audits.	**38C.** The Auditor-General may conduct human resource audits in public institutions.
	Any other audit.	**38D.** The Auditor-General may conduct any other audit that he or she may deem necessary for better carrying out of his or her functions under the Act.

Committee's Observation

The Committee observed that the amendment seeks to provide for the following additional types of audits:

(a) **Citizen accountability audits: The amendment seeks to provide for carrying out of periodic citizen accountability by the Auditor-General upon request or at her or his own initiative to ensure public contribution or participation in the audit process pursuant to Articles 10 and 201 of the Constitution;**

(b) **Compliance audits: These are to examine whether a public entity has complied with relevant laws, regulations and policies in the management of public resources; and**

(c) **Human resource audits.**

Further, the Committee observed that clause 7 of the Bill had provided for the establishment of a Directorate in the Office of the Auditor-General to be known as Public Service Human Resources Audit Directorate, responsible for conducting and preparing audits on the human resources in the public service. With the deletion of clause 7, the Senate amendment has provided for it in a different form as a function of the Auditor-General in conducting human resource audits.

The Committee agreed to the amendments as they are proper since they seek to provide for additional types of audits, thus enriching the Bill.

NEW CLAUSES

20. **THAT** the Bill be amended by inserting the following new clause immediately after clause 40—

Amendment of section 47 of Cap. 412B.	**40A.** Section 47 of the principal Act is amended—
	(a) in subsection (1) by deleting the word "three" appearing immediately after the words "Auditor-General within" and substituting therefor the word "two"; and
	(b) by inserting the following new subsection immediately after subsection (1)—
	(1A) An accounting officer shall submit the financial statements under subsection (1) in both hard copy and electronic form.

Committee's Observation

The Committee observed that the amendment seeks to require accounting officers to submit financial statements two months following the end of each financial year. Further, the amendment seeks to provide for the use of technology to enhance efficiency in meeting statutory timelines.

The Committee further observed that the amendment aligns the Bill with the recently assented Public Finance Management (Amendment) Act, 2026 (No. 27 of 2016). The Act was assented to on 8th September, 2026 and commenced on 25th September, 2026. The Act provides for a reduced time for submission of financial statements by public entities from three months after the end of a financial year to two months after the end of a financial year.

The Committee agreed with the amendments.

CHAPTER THREE

3 COMMITTEE RECOMMENDATIONS

21. The Committee, having considered the Senate Amendments to the Public Audit (Amendment) Bill (National Assembly Bills No. 4 of 2024), recommends that the House **agrees** with Senate amendments to the Bill.

SIGNED..... **DATE**..13th October 2026.....

HON. FCPA KURIA KIMANI, CBS, MP
CHAIRPERSON,
DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING

