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**SPEECH DELIVERED BY**

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VICE CHAIRMAN**

**INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF  
KENYA-ICPAK,  
ON WEDNESDAY, 6th DAY OF APRIL 2016,**

**DURING THE OFFICIAL OPENING OF ANNUAL PFM  
CONFERENCE HELD AT WHITESANDS HOTEL, MOMBASA**

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**INTRODUCTION**

- The ICPAK Council Members present – Rose, Obare, Okello (Committees)
- The CEO - CPA Dr. Patrick Ngumi & team
- Our Chief Guest – The Senator of Mombasa County, Hon Hassan Omar
- The Chairman of our Host Branch & team
- Any past Chairmen & past Council Members
- FCPAs
- My fellow accountants
- Other branch officials
- Distinguished guests
- Facilitators
- Ladies and gentlemen

**GOOD MORNING.**

**Apologies from the National Chairman**

Let me start by extending a warm welcome to all participants to this great event and to the city of Mombasa. I am grateful that you have made time to be here.

Numbers don't lie: 90, 250, 400. Statistically – 2<sup>nd</sup> largest conference after the Annual Seminar – CLAP!

Before I give my opening remarks on the conference let me give a few key updates:

- The reviewed strategic plan 2016 – 2018
  - New direction
  - Higher targets
  - Interactive – it's your strategy
  - Need your support – give us feedback, to serve you better
- The amendment of the Accountants Act
  - Definition of who an accountant is; non accountants doing our jobs
  - Diversity of the accountancy profession
  - Public sector consulting – PS accounting, Public finance, Internal auditor, OAG, Planning & budgeting
  - Multiple licences
  - Specialise & practice
- The Research & Development function
  - New Dept, new committee of council
  - Leverage on Institutional capacity – Rwanda, Burundi, Mauritius
  - Opportunities for our members
- Recruitment drive
  - Phase 2 – 50%, May 2016
  - Appreciate support for phase 1 – CLAP
  - Let's grow the Institute, lets develop the profession, lets work with accountants we can regulate
- 2016/7 Budget submissions
  - Open – as part of Budget making process
  - Your proposals – Tax and fiscal policy
- The Branches & the Devolution Agenda
  - 9 branches – 47 counties, appreciate participants from the counties
  - Devolution agenda – is the agenda in the country
  - Let's devolve the profession
  - Let's take it to the people
  - Join a branch of your choice – free, online

- The ICPAK elections – *(recognise any contestants present)*
  - The campaigns for ICPAK council are ongoing
  - Let's participate – less than 50% of members vote
  - Let's do it professionally – Appeal to contestants and members
  - Will still be CPAs after May
  - The law of abundance – no losers, opportunity to serve in a diff capacity

**Fellow CPAs, Ladies & Gentlemen,**

It gives me great pleasure to welcome all our distinguished delegates from across our beautiful country. I am delighted and honored to see so many of you here to debate, shape and realize the vision and mission of Public Finance Management in our country.

Harv Eker once said that,

*“The only way to permanently change the temperature in the room is to reset the thermostat. In the same way, the only way to change your level of financial success 'permanently' is to reset your financial thermostat. But it is your choice whether you choose to change.”*

I believe it is our time as accounting professionals serving in the public sector to reset our financial management thermostat so as to ensure high class service delivery to our Republic, for the country is crying out for help!

We have no excuse but to rise up to the occasion and bequeath to our motherland unrivalled professionalism. As our credo puts it, we exist to uphold public interest. This is our mission. A mission that cannot afford to be ignored, misrepresented or relegated to historical dustbin. Aware of this immense responsibility bestowed upon us, particularly those of us serving in the public sector, the Institute has organized this Annual PFM conference as a way of

providing a platform for exchanging ideas in regard to public finance management.

The Theme of this year's conference is:

***Excellence in Public Financial Management,***”.

The conference is intended to equip accountant professionals in the public sector with requisite expertise required for us to execute our responsibilities in an efficient and effective manner, and, consequently, succeed in our respective mandates.

### **Constitution of 2010 and PFM Act 2012**

Following the enactment of the constitution in 2010, issues relating to fiscal decentralization and public financial management are now at the centre of policy reforms.

The Public Financial Management Act 2012 was signed into law on July 23, 2012. The Act:

- Sets out to promote transparency and accountability in the management of public finances at the National and County Government levels.
- It details how resources will be shared in the country between the national government and the county government, and,
- Also creates new Institutions with a public financial mandate. The Institutions are:

- the Commission on Revenue Allocation (CRA);
- the Office of the Controller of Budget;
- the Office of the Auditor General;
- Salaries & Remuneration Commission, amongst others.

These Institutions have distinct functions aimed at enhancing efficiency within the sector.

On the other hand the PFM Act sets the rules for how government at national and county levels can raise and spend money. The PFM Act, 2012, along with the Constitution 2010, is the main document that tells the President, MPs, Governors, Senators, County Assembly Members and ordinary people what role they have to play in decisions about how public money is used. **If you care about how the government spends your money, and want to know how you can influence government spending, we should care about the PFM Act.** (*Underline, Bible, Quran*)

The need for reforms in the public financial management sector in Kenya arose out of previous challenges faced and gaps identified that lead to embezzlement of public funds, inequities arising in resource redistribution nationally and centralized systems of governance with inadequate checks and balances. The PFM reforms in Kenya were aimed at making public financial management more efficient, effective, participatory and transparent resulting in improved accountability and better service delivery.

As Thomas Paine put it, *“Society is produced by our wants, and government by wickedness; the former promotes our happiness positively by uniting our affections, the latter negatively by restraining our vices. The one encourages intercourse, the other creates distinctions. The first is a patron, the last a punisher.”*

This explains why the Constitution, PFM Act and other rules exist to address our own inequities. But such rules and laws are not worth paper they are written

on if there is no one to obey and follow them. **This explains why we are here today.**

## **Outcomes of PFM Conference**

It is my sincere hope that, at the end of this conference the participants will be in a position to address many challenges experienced in the public service delivery. In addition, the outcome of this conference is expected to play a pivotal role of sustaining the achievements attained in the previous phases of the Programme.

According to the conference program, the participants will learn and discuss:

- Status and Future of Public Finance Management in Kenya and Africa;
- Auditing government projects;
- Fiscal transparency;
- Public debt management; and
- Actuarial accounting, among other topics which have been chosen to address strategic changes in planning and management processes through appropriate techniques that reflect both internal and external factors affecting the public service delivery.

I am confident that this program will provide an interactive forum for those of us working in the government to share, explore and discuss concepts and issues related to change management. I urge participants to earnestly discuss the change management concept as a tool to develop workable objectives and formulate action plans to facilitate effective Public Finance Management.

I look forward to a successful conference and I strongly encourage you all to become actively engaged in the various conference sessions and discussions. It

is my confidence that you have all the energy and ability to go through this tight conference programme and come up with the desired outputs. I am also convinced that the outcome will be significant.

**My Fellow CPAs, Ladies and Gentlemen,**

Remember “**Excellence in Public Financial Management**”

The key word is “**Excellence**”

And we must pause and ask ourselves pertinent questions:

- *With the recent revelations of mismanagement of public resources in various ministries, departments, agencies and county governments – **what is our role as accountants?***
- *The 2015 Corruption Perception Index published by the Transparency International ranks Kenya very poorly. Kenya scored 25 on a scale of zero to 100 (with zero perceived to be highly corrupt, and 100 very clean) and sits at position 139 out of 168 countries and territories ranked – **Are we playing our professional role effectively as leaders? Are you refusing to sign to cover your trucks or are you saying NO influencing policy.***

*“Remember whatever we do is a self - portrait of ourselves. Let us autograph our work with excellence. If we give the best we have to our country, the best will come back to us”*

*Indeed:*

*“Quality is never an accident, it is always the result of intelligent effort. It is always the result of high intention, sincere effort, intelligent direction, tenacity of purpose and skillful execution; it represents the wise choice of many alternatives. **We must re-invent ourselves to manage perceptions!***

*“Supreme excellence consists in breaking the enemy's resistance without fighting” **and,** “Excellence is not a destination; it is a continuous journey that never ends. We are a self-portrait of what we do. Let us autograph ourselves with Excellence.*

With those few remarks may I now declare PFM 2016 Conference officially open.

Thank you for your attention.

**FCPA JULIUS MWATU**  
**VICE-CHAIRMAN - ICPAK**