

NATIONAL CONFERENCE FOR LADY ACCOUNTANTS

OPPORTUNITIES AND CHALLENGES IN PUBLIC FINANCE MANAGEMENT

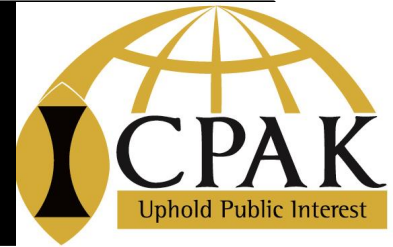
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National Vice Chair, AWAK
12th July 2017

OUTLINE

1. → INTRODUCTION
2. → OBJECTIVES
3. → PFM IN KENYA
4. → PFM CHALLENGES
5. → PFM OPPORTUNITIES FOR
LADY ACCOUNTANTS
- CONCLUSION / Q & A



INTRODUCTION – LEGAL FRAMEWORK



- **PFM is an instrument** to implement public policies;
- *Public finance policies*
 - Tax policy
 - Public expenditure policy
 - Debt policy
- *National and sector policies*
 - Poverty Reduction Strategy
 - Sector plans, etc
- ✓ The main tasks of PFM are to ensure aggregate fiscal discipline, resource allocation in conformity with policy objectives and efficient public service delivery
- ✓ Budget management is a core component of PFM

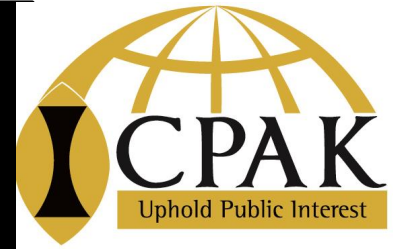
- ❑ PFM is anchored in Chapter 12 of the Constitution
- ❑ PFM Act, 2012 & The Constitution, 2010 provides a clear set of principles that spell out the role of public finances in promoting an **equitable society**, **public participation** in the **budget process** and **transparent financial reporting**.

3 basic elements of public finance:

- Public expenditure
- Revenues
- Government debt



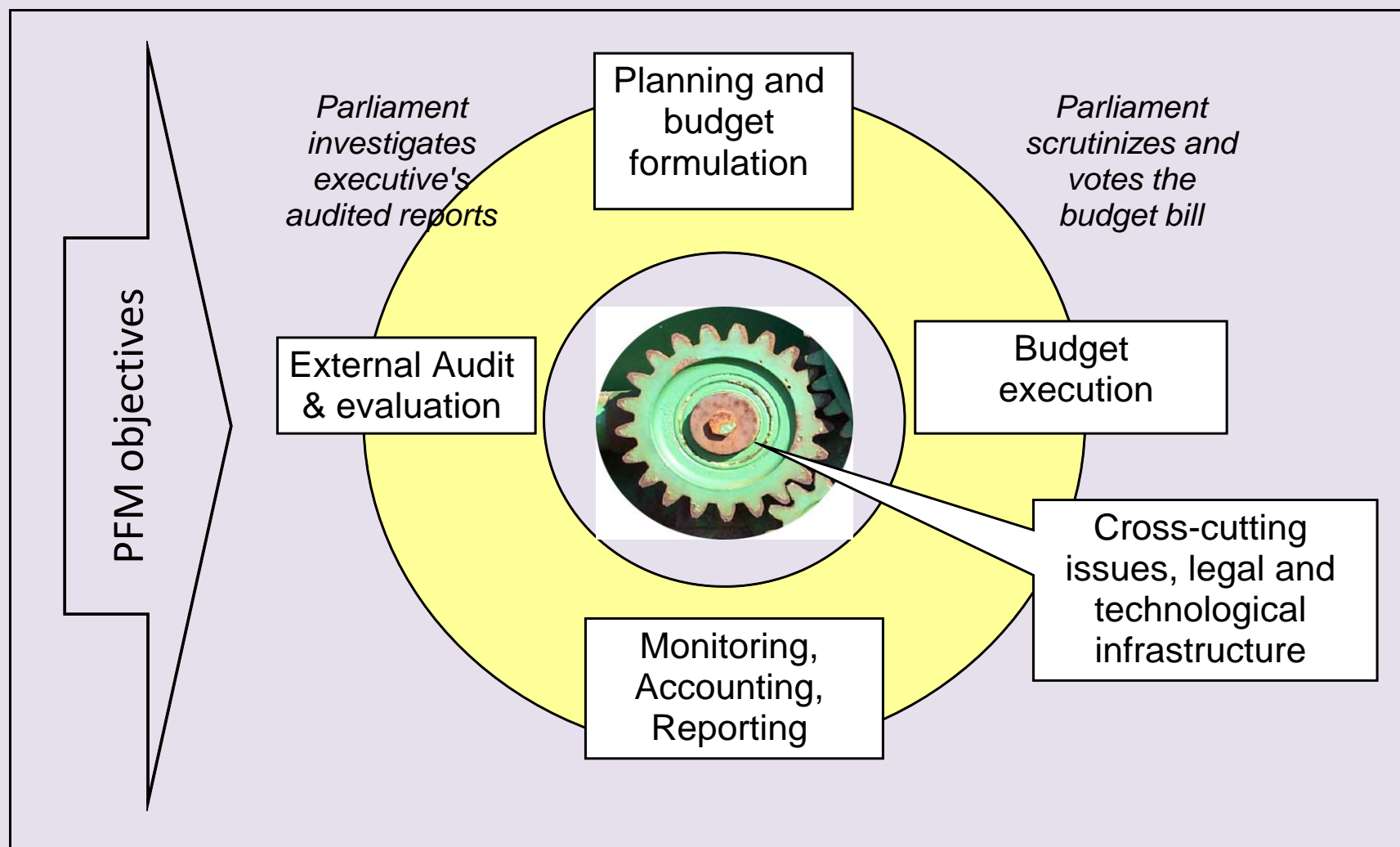
INTRODUCTION – LEGAL FRAMEWORK



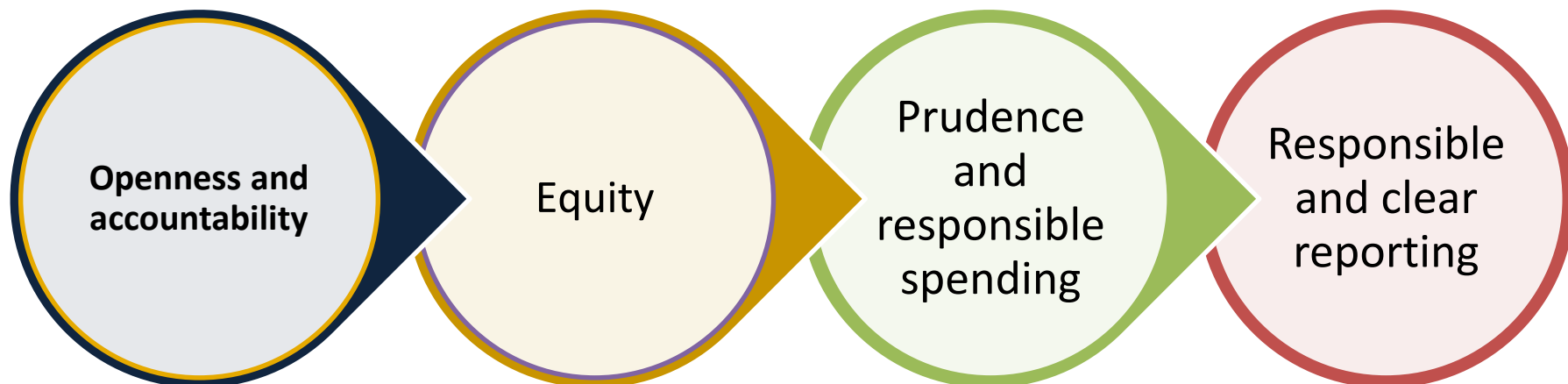
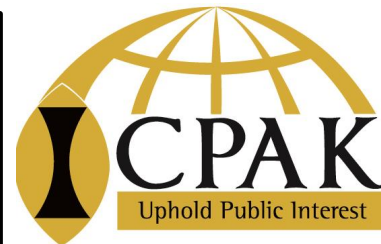
- ❑ The Government identified early in the 2000s that a well-functioning PFM system is a cornerstone to achieving national development.
- ❑ In the Vision 2030, the Government is specifically committed to accelerating reforms in public financial management in order to
 - ❑ Improve efficiency &
 - ❑ Enhance transparency and accountability under a coordinated strategy



PFM OBJECTIVES



PUBLIC FINANCE PRINCIPLES (ART 201)



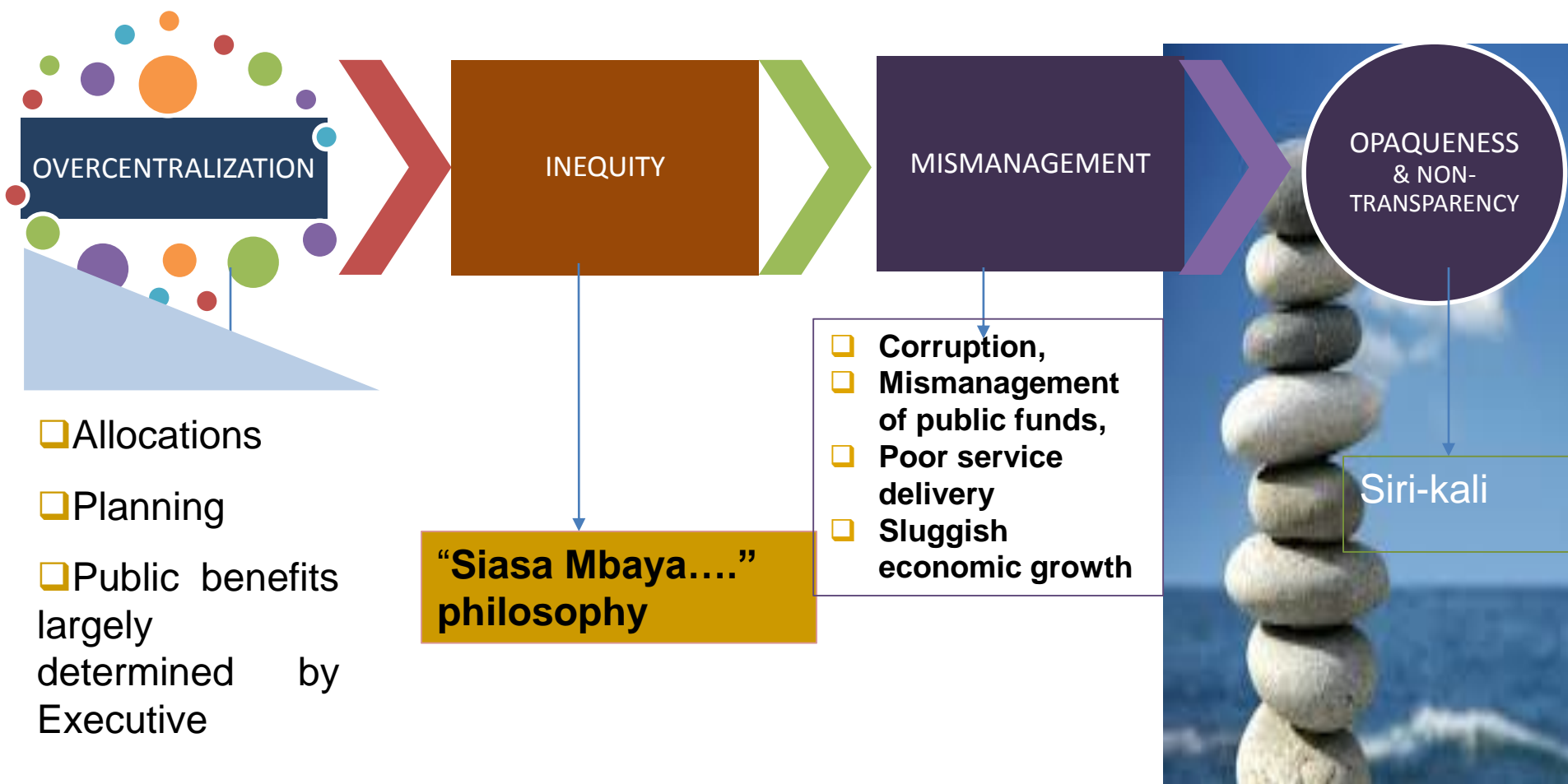
- Fair sharing of taxation burden
- Equitable (not equal) sharing of revenue
- **Special provision for marginalized groups**
- Intergenerational equity

The PFM principles, together with

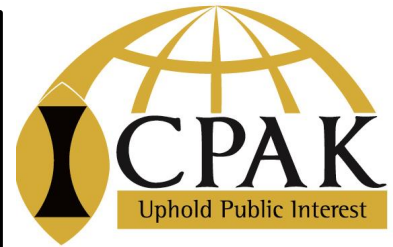
- ❑ Establishment of County Governments
- ❑ Establishment of new institutional roles (i.e OCOB, CRA)

Significantly changed the PFM architecture

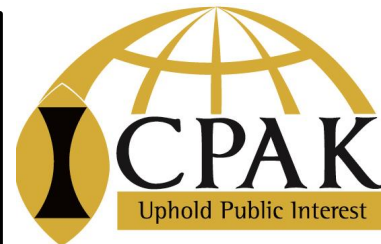
PRE-2010 PFM CHALLENGES



POST-2012 PFM IMPLEMENTATION CHALLENGES



POST-2012 PFM CHALLENGES



Ineffectiveness of coordination mechanism



Delays in enacting key legislations- (PFMR 2015) were only recently passed after considerable delay which has affected a number of reform actions that were dependent on them

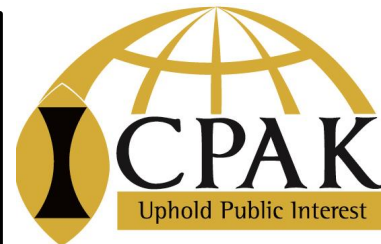


Incomplete institutional Reforms



Funding limitations- Delaying the implementation of some of the key reforms including the introduction of the contributory scheme, cleansing of the pensions payroll and modernisation of pension systems, payroll reforms among others

POST-2012 PFM CHALLENGES



Weak and insufficient monitoring framework

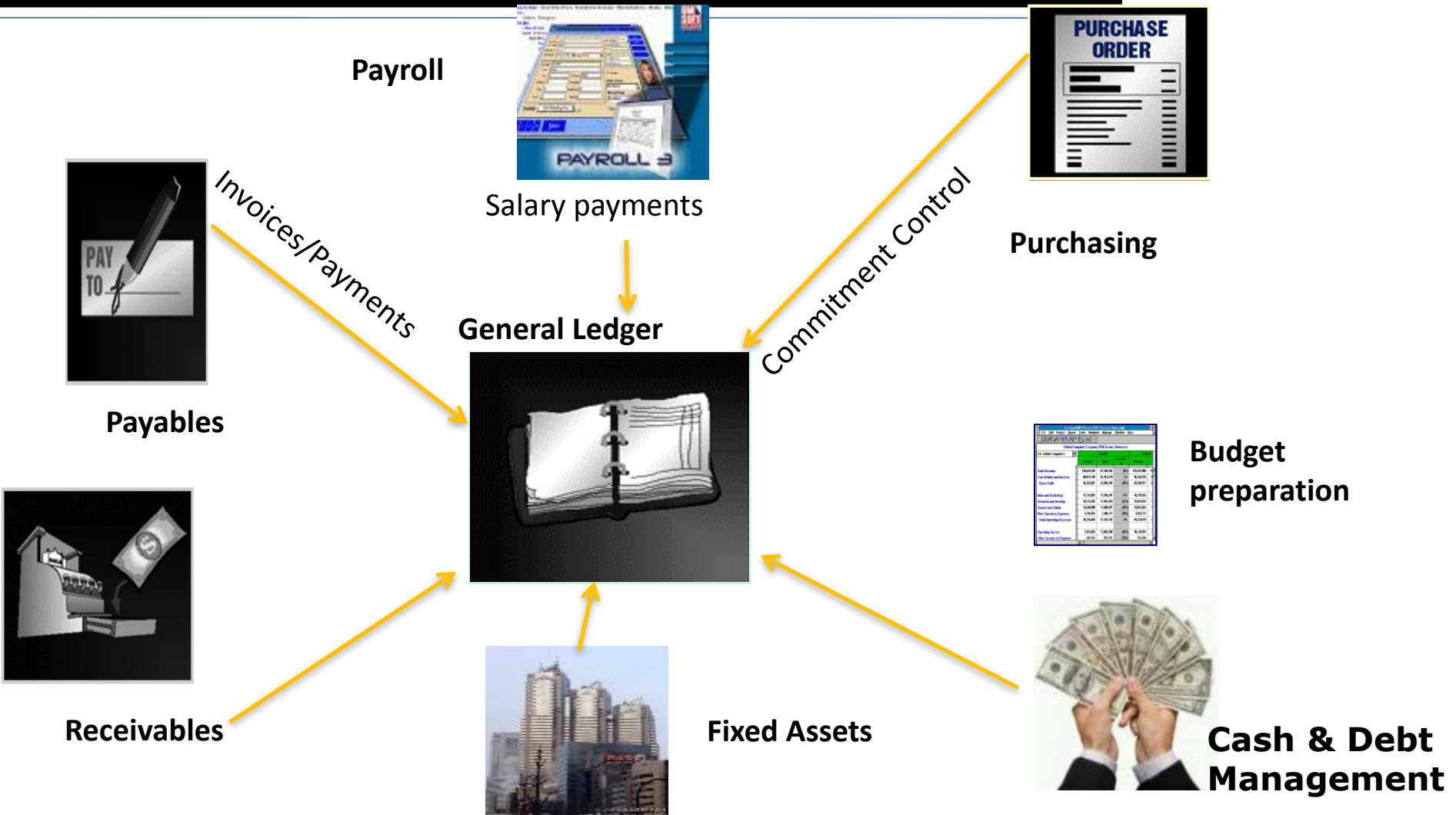
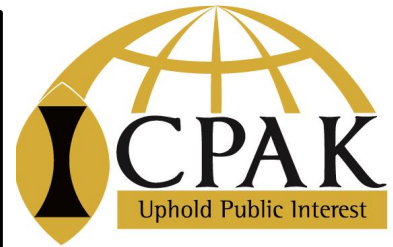


Staff and capacity issues



IFMIS System down-times

The Eléphant - Modules in IFMIS



97: Membership to the National Assembly

97(1)(b): Forty-seven women, each elected by the registered voters of the counties, each county constituting a single member constituency

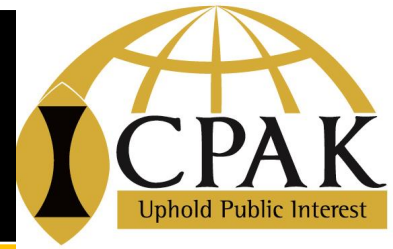
98: Membership to Senate

98(1)(b): sixteen women members who shall be nominated by political parties according to their proportion of members of the Senate elected under clause (a) in accordance with Article 90;

127: Parliamentary Service Commission.

4/7 shall be nominated equally from both Houses by the party or coalition of parties forming the national government, of whom at least 2/3 shall be women,,,,,,,,

WOMEN EMPOWERMENT- ENABLING LEGISLATIONS



Public Procurement & Disposal Act

53(6) All procurement and asset disposal planning shall reserve a minimum of thirty per cent of the budgetary allocations for enterprises owned by women, youth, persons with disabilities and other disadvantaged groups.


61(5) Tender securities shall not be required in procurements reserved for small and micro-enterprises or enterprises owned by women

157(10) Despite subsection (2) or any other provisions of this Act, every procuring entity shall ensure that at least thirty percent of its procurement value in every financial year is allocated to the youth, women and persons with disability.

157 (13) (b) provide data disaggregated to indicate the number of youth, women and persons with disability whose goods and services have been procured by the procuring entity

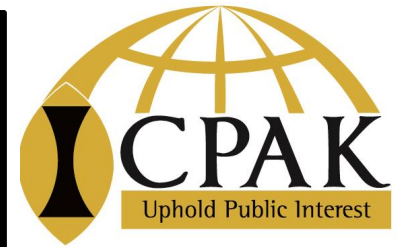
Governance Principles in Board Constitution

Diversity

- 
- ☐ Gender
 - ☐ Skills
 - ☐ Ethnicity
 - ☐ Regional balance

Mwongozo Code

PFM & OPPORTUNITIES FOR LADY ACCOUNTANTS



AGPO

Access To Government Procurement Opportunities



SHEROES
BEYOND HEROES

INSTITUTIONS UNDER THE PFM



OPPORTUNITIES FOR LADY ACCOUNTANTS

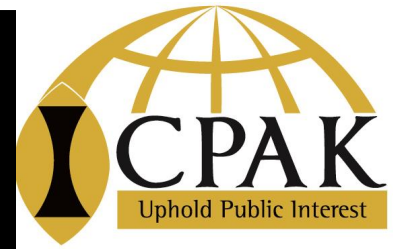
- Parliament – both National Assembly and Senate
- Parliamentary Budget Office
- County Governments and County Assemblies
- National Treasury, County Treasuries (47)
- Commission on Revenue Allocation
- Controller of Budget
- Auditor General
- Cabinet Secretary/County Executive Member, Finance
- Intergovernmental Institutions e.g. IBEC
- Oversight Committees – Audit Committees





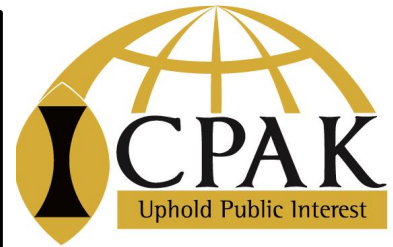
- ❑ Women comprise 51 percent of Kenya's population
- ❑ Approximately 30-40 percent of the National Budget (1.8 Trillion KES (21 B US\$) is dedicated to public procurement
- ❑ The Preference and Reservations Scheme (2011) was set up to promote inclusive economic growth and supplier diversity with a focus on disadvantaged groups which include women

The Multiplier Effect



- ☐ How Many opportunities have come our way?
- ☐ How many more opportunities have we created?
- ☐ How many more business establishments have been borne?
- ☐ Are we playing in the economic development arena?
- ☐ What are those basic things that make us miss opportunities e.g. procurement, appointments etc?

WOMEN IN BOARDS - AFRICA



According to the AfDB (2015) report on WHERE ARE THE WOMEN: Inclusive Boardrooms in Africa's top listed companies?



12.7%
OF BOARD
DIRECTORSHIPS
IN AFRICA

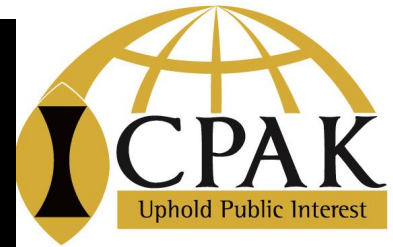
↓
4.6%
LOWER THAN



17.3%
OF BOARD
DIRECTORSHIPS
GLOBALLY

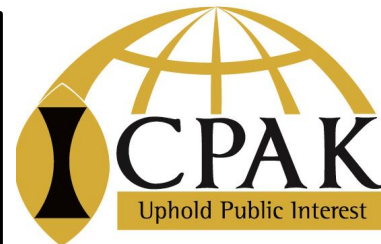
Women hold 12.7% of board directorships (364 out of 2,865) in 307 listed companies based in 12 African countries. This is 4.6% lower than the 17.3% women's representation on the boards of the 200 largest companies globally

WHERE ARE THE WOMEN?

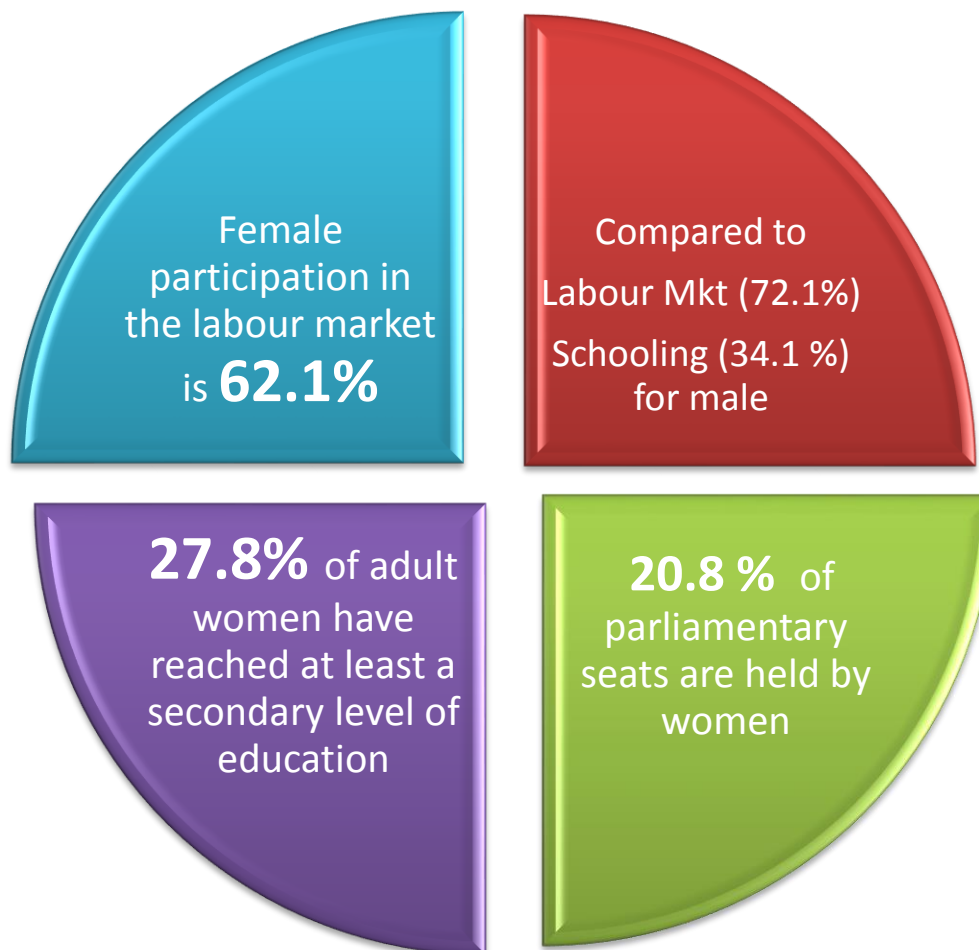


- ARE WE **BOLD**?

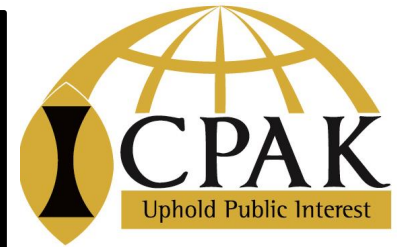
WOMEN IN KENYA



According to the UNDP Human Development Report (HDR) 2016, IN KENYA:

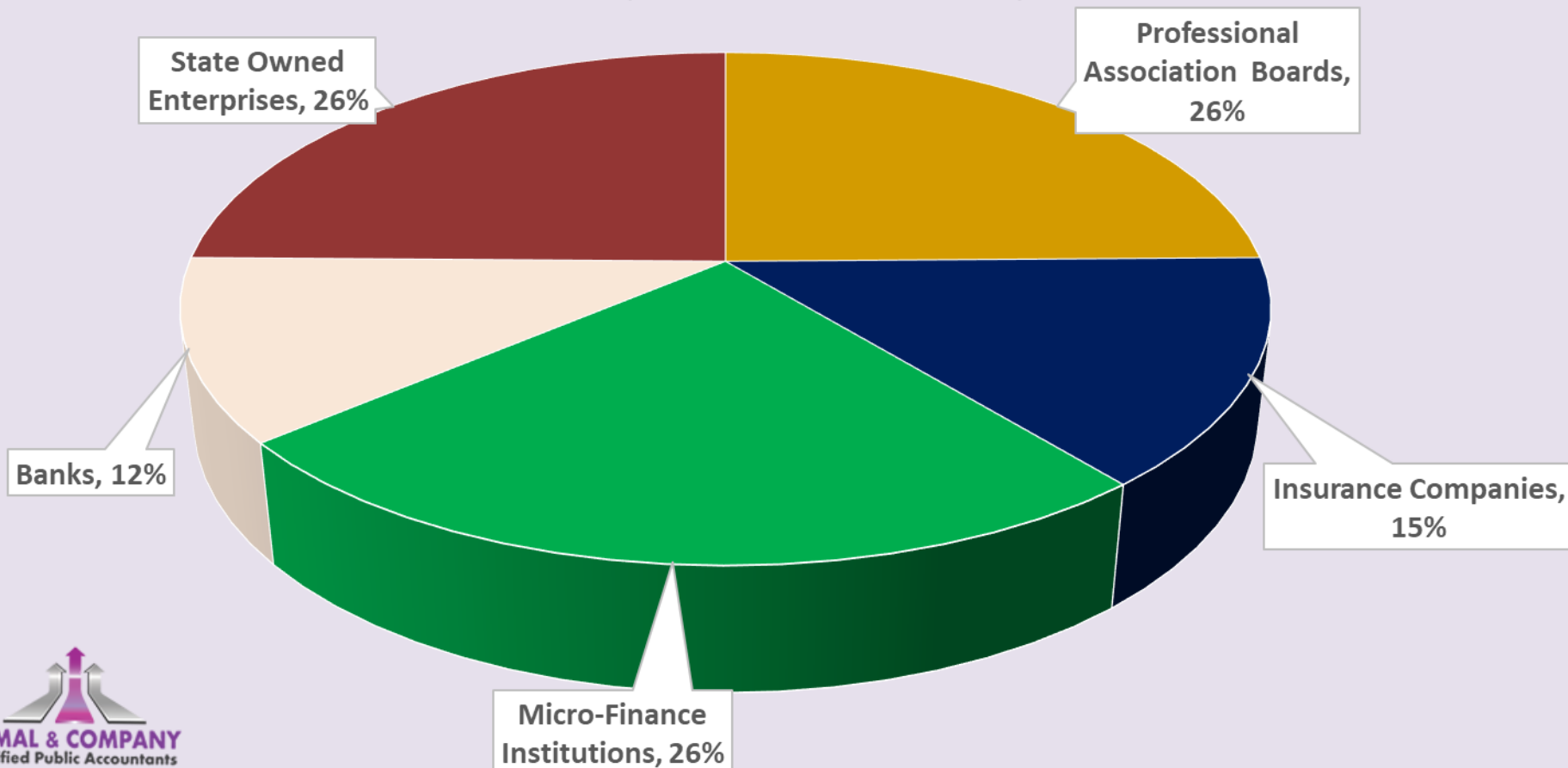


WOMEN REPRESENTATION TO BOARDS IN KENYA



According to the Institute of Directors (IOD) 2015 report,

Women Representation in Boards in Kenya



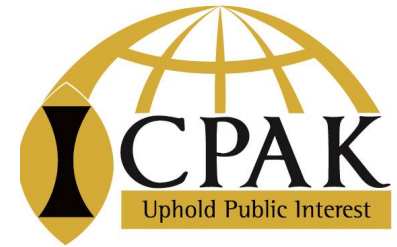
What Legacy Comes into mind?



“No British woman this century can come close to her achievements in grasping power. Someone of the wrong sex and the wrong class broke through what looked like invincible barriers to reach into the heart of the establishment”

----although female power and masculine power may have different languages, different metaphors, different gestures, different traditions, different ways of being glamorous or nasty, they are equally strong, equally valid ... No one can ever question whether women are capable of single-minded vigour, of efficient leadership, after Margaret Thatcher. She is the great unsung heroine of British feminism. *Natasha Walter, [The New Feminism](#)*

Who Inspires You?



- “For me, Nairobi will be remembered as having made that leap from a time when we were divided along this developed and developing divide.

We are Proud of You: Her Exc.
Margaret Kenyatta to CS Amina
Mohamed-

Can Anyone Remember Her Good Deeds?

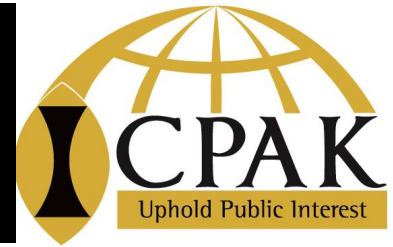


- “Through hurriedly registered companies owned by proxies and faceless individuals, Waiguru planned, programmed, orchestrated and supervised the large-scale theft at the ministry through double payments, inflation of tenders and contracts,”

She has dusted herself off
and Moved on!

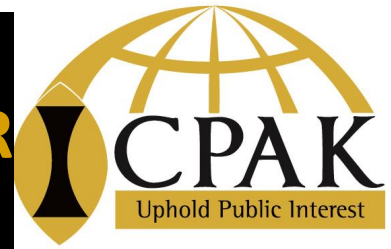
***What lessons can we learn
from Ann?***

The Hot Seats- How Have they Remained at the Top?



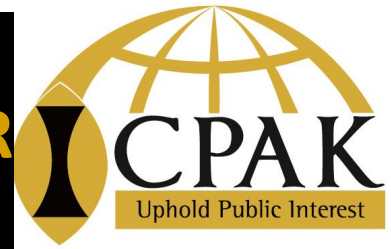
- ☐ Integrity, beliefs and values
 - ☐ Soft power
 - ☐ Assertiveness
- ☐ Steady and consistency
- ☐ Authority over subject matter

CONCLUSION- HOW DO WE MOVE FORWARD



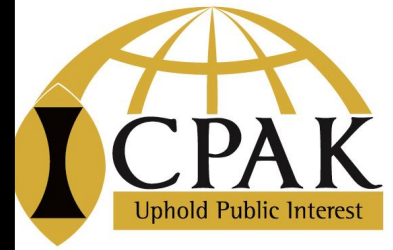
- ☐ Discover your authentic leadership-
Leadership emerges from our life story. You can not be someone else.
- ☐ Self awareness – Most capability that leaders develop.
- ☐ Inspire and empower others – We must invest in our personal growth and development
- ☐ Practice your values and principles – Do preach water and drink wine.

CONCLUSION- HOW DO WE MOVE FORWARD



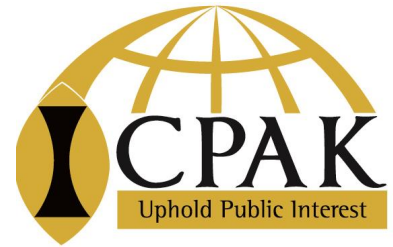
- ❑ Build our support team – We can not succeed on our own, we need accountability partners to stay on course.
- ❑ Integrating life by staying grounded – Work, family, community, church, friends.

Interactive Session



THANK YOU

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