

COAST BRANCH ANNUAL SUMMIT 2018

PUBLIC FINANCIAL MANAGEMENT – THE INCREASING ROLE OF CPAs

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**Presented by : Fredrick Riaga, Chief Manager - Public Policy and Research, ICPAK
@ Flamingo Hotel, Mombasa**

LEARNING OBJECTIVES

Overview of
PFM Legal
Framework

Review Budget
Monitoring &
Reporting in
Kenya

Discuss the Missed
Steps in Budget
Monitoring &
Reporting in Kenya

Recommend
Way Forwards
in Budget
Monitoring &
Reporting

It took political will, the determination of an “evangelical accountant” and persistent diplomacy to move Whitehall’s finance professionals from the bean-counting hinterlands to a central position where they could begin to ensure that the machinery of government was not only well-oiled, but cost-effective. (UK Civil Service 2012d)

Article 201 of the Constitution

Openness

Accountability

Prudent and responsible
use of public funds

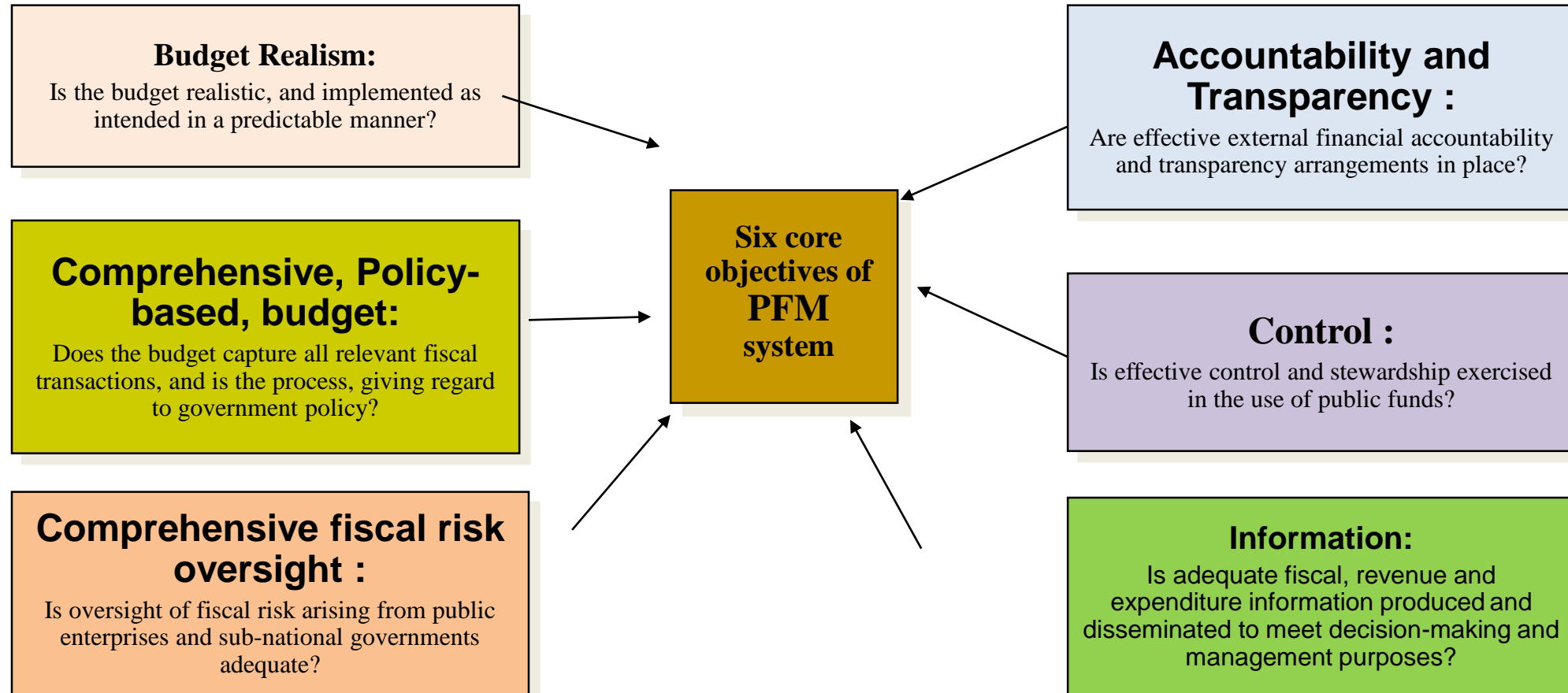
Public participation

Responsible financial
management and clear fiscal
reporting

PFM Steps



PFM Systems – Areas of Focus for CPAs



BUDGET OVERSIGHT – Accountants' Support



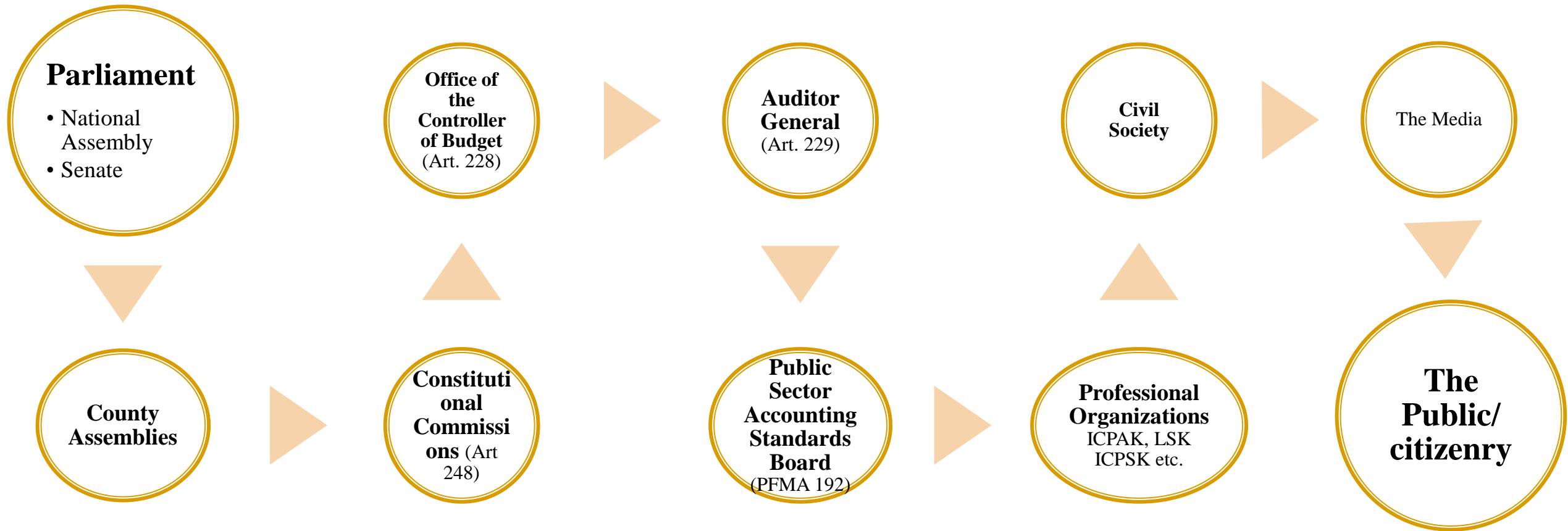
❑ Oversight is a constitutional mandate of the legislature-Parliament & the National Assembly , Commissions & Independent Offices and other statutory bodies

❑ Through oversight, public entities are accountable to the people

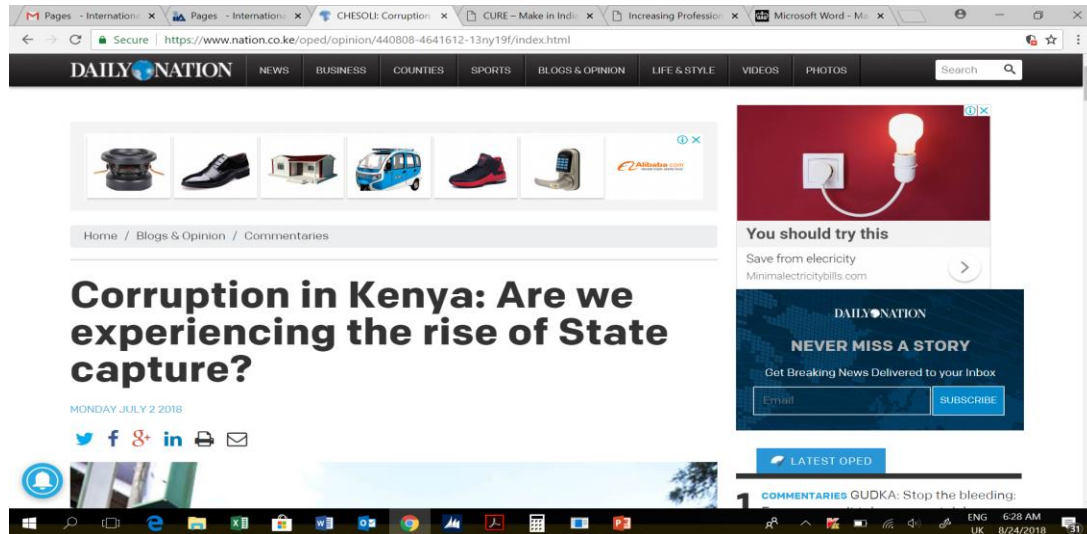
❑ Oversight ensures prudent utilization of public resources

1. To detect & prevent abuse, arbitrary behavior or illegal and unconstitutional conduct;
2. To hold the government to account in the taxpayers' money is used.
3. Through oversight, government policies are delivered.
4. Helps improve the transparency of government operations and enhance public trust in the government.
5. Adhere to principles of Public Finance--- (Article 201) calls for openness, accountability and public participation in financial matters hence the need for strong oversight institutions.

CPA Collaborators on the PFM Agenda



Situational Analysis

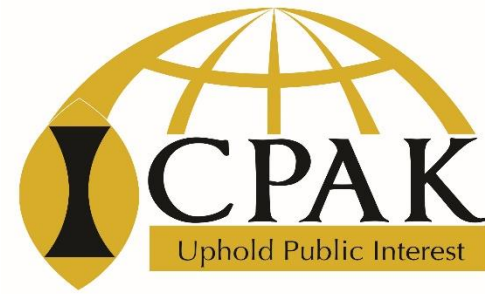


Where are the accountants in all these?

What role can accountants play to avert the integrity and ethical crisis Kenya is facing?



PFM Ethical Dilemmas for CPAs



Truth vs. Loyalty

Polite vs. Authentic

Justice vs. Mercy

Fair vs. Equal

Self vs. Community

Fantasy vs. Reality

Short Term vs. Long Term

Competition vs. Collaboration

Key PFM Reform Areas

A reform path must be created identifying four areas of focus:

- people— ensuring that the right people with the right skills are in the right place;
- finance operating model – appropriately position at strategic levels with an aim to establish an efficient, and influential finance function;
- data analytics—ensuring relevant, high-quality, and timely financial data; and
- planning and performance—tools for better financial decision-making.

An Effective Professional in PFM



Move from
bean-
counting
to....

Leadership – drive value

Be a strong communicator

Drive decision making

Be an effective manager of people
and act as a role model

Strategic – add value

Plan for the long term

Shape the future of the department
and the wider Civil Service

Provide contextual clarity

**A Good Finance
Director**

Technical – protect value

Be a qualified accountant

Be central to decision making

Protect and support the accounting
officer

Functional

Demonstrate a commercial approach
to finance

Lead transformational change

Apply influence and leverage

Leadership Gap



Can accountants step in to fill the leadership gap?

Yes We Can.....through



- Regularity of Actions – every action structured to be compliant with laws and regulations
- Propriety of behaviour – adopting high standards of public conduct, including robust governance especially around the tenet of transparency



Dealing with the Iceberg

Q & A

