

PFM – INCREASING ROLE OF CPA'S

Nyanza Branch Annual Summit 2018

Dr. CPA Mumo

Credibility .

Professionalism

.

AccountAbility

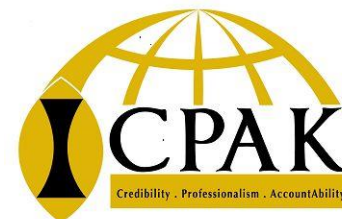
Presentation Outline



- ❑ Levels of Engagement
- ❑ The PFM Cycle –Areas of Intervention
- ❑ Mechanisms

Some reality checks!!!

For amusement sake.....BUT.....



Why accountants don't appear on talk shows

Do you do your own stunts?

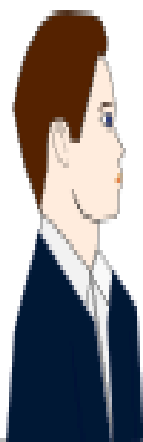
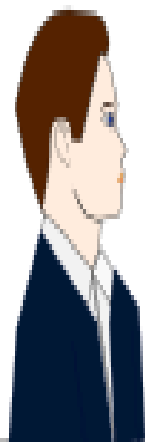
As an accountant, I
don't do many stunts

What is the most exciting or
unusual accounting you've done

Keeping a straight face while
justifying a high goodwill
entry on a balance sheet

Given your exciting life, do you
find yourself surrounded by groupies?

During tax season I'm the
most popular person I know

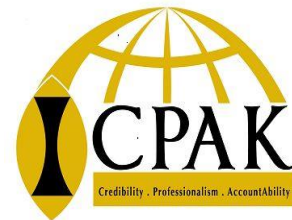


Levels of Engagement



- ☐ As a patriotic Citizen
- ☐ As a professional

Obligations as a Citizen



- **Article 1 (2) (4):** All sovereign power belongs to the people of Kenya and shall be exercised only in accordance with the Constitution. The people may exercise their sovereign power either directly or through their democratically elected representatives
- **Article 10 (2) (a)** National values include democracy and participation of the people
- **Article 35** The right to information is a fundamental right necessary for the enjoyment of all other rights.

Article 201 of the Constitution

Openness

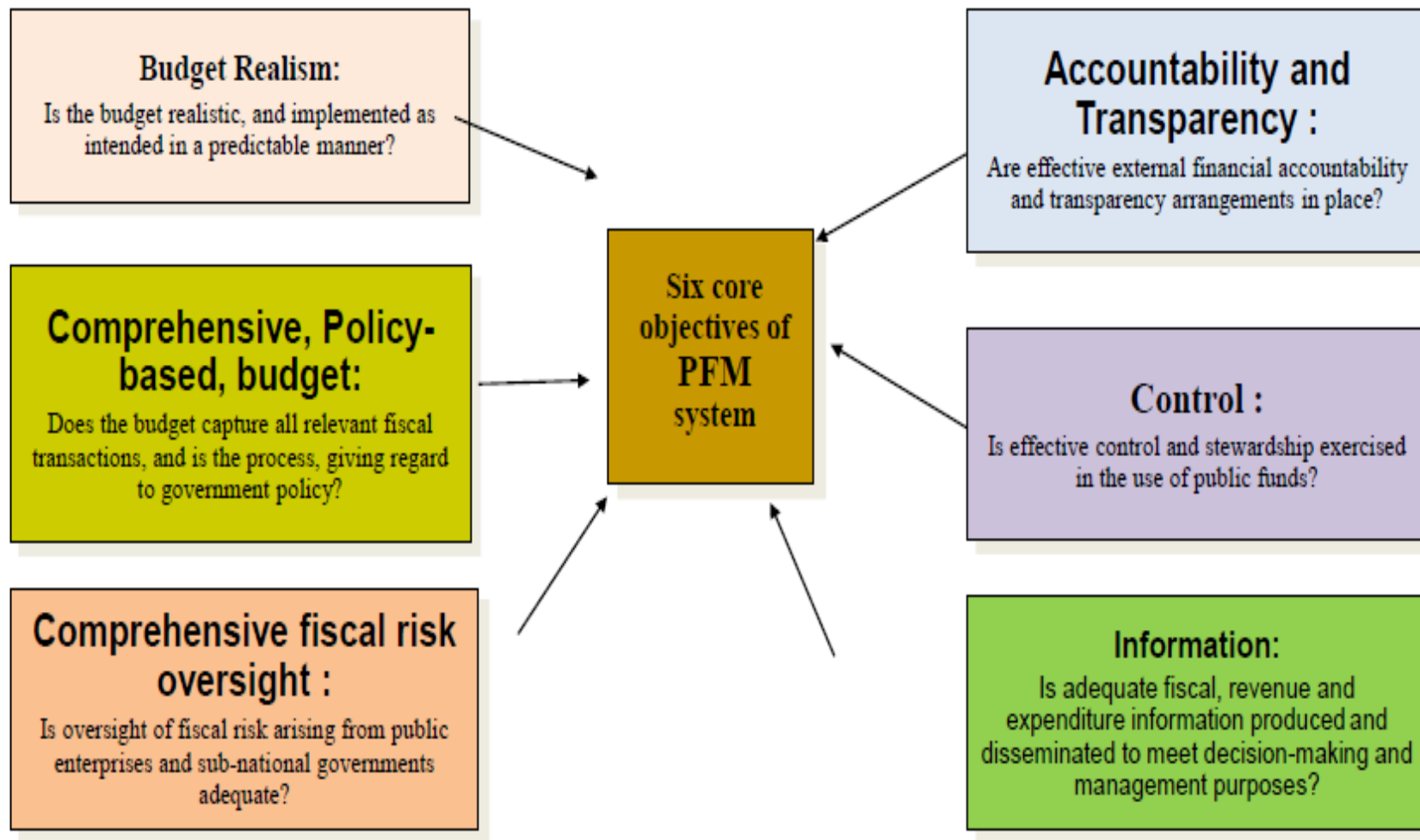
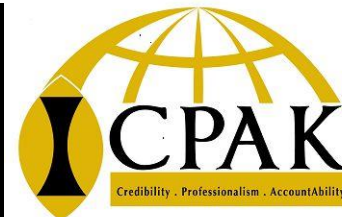
Accountability

Prudent and responsible
use of public funds

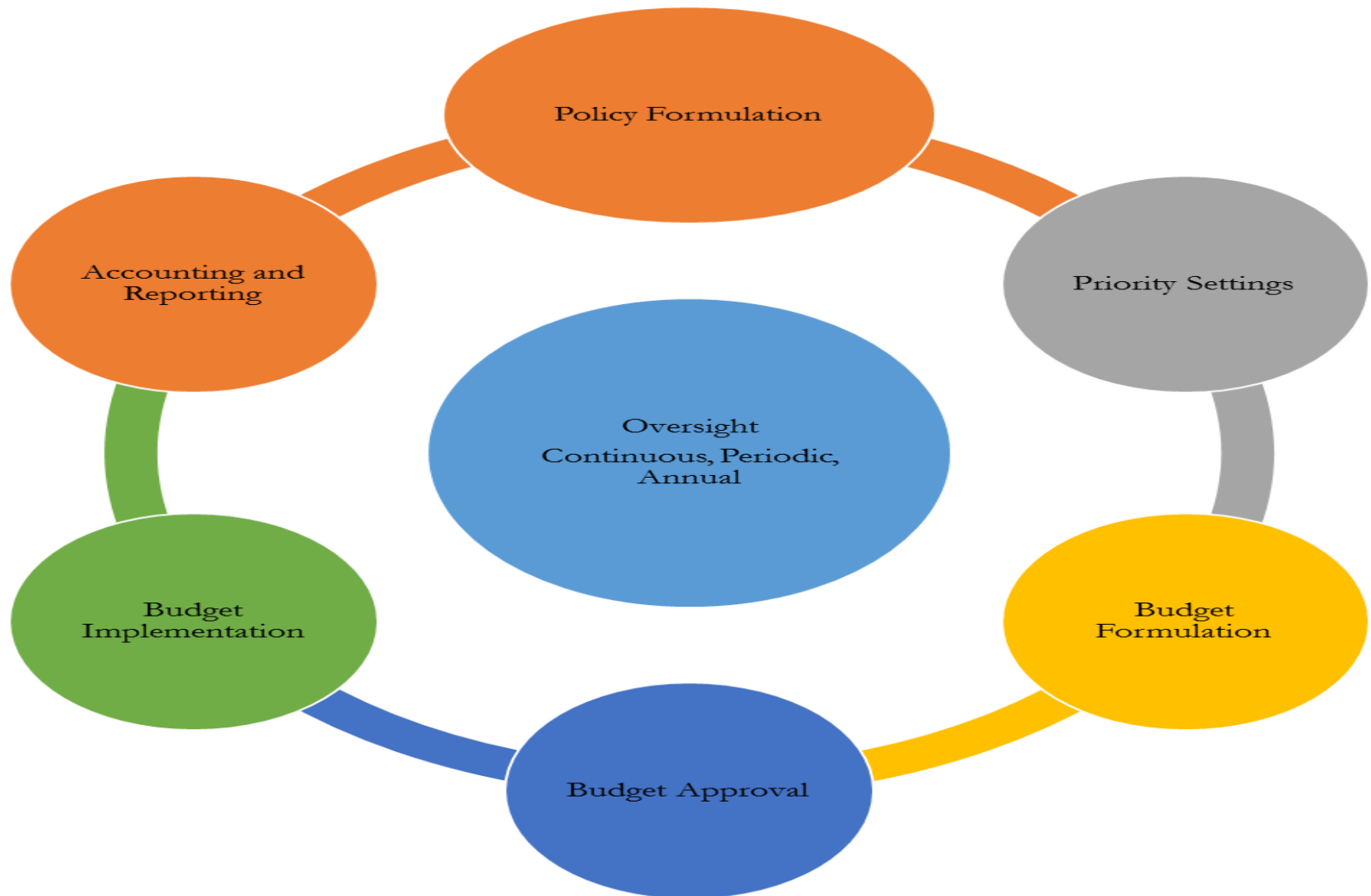
Public participation

Responsible financial
management and clear fiscal
reporting

PFM Systems: Areas of Focus by CPAs



PFM Cycle: What to look for as CPAs



Policy Formulation & Priority setting



- ☐ This sets the foundation framework for spending public resources
- ☐ Critical decisions with extremely significant implications to the welfare of society are done at this stage are
- ☐ Be on the look-out for:
 - New legislations –finance related
 - Miscellaneous amendments
 - Planning documents:
 - ✓ Medium term plans –MTPIII, CIDP, Sectoral plans etc
 - ✓ Annual development plan –Annul priorities
 - ✓ Budget & Review outlook papers (BROP; C-BROP) – Performance evaluation
 - ✓ Budget Policy Statements/ C-FSP – resource sharing
 - ✓ Debt Management Strategy

Budget Formulation



- MTEF Hearings –sector ceilings
- Action areas
- ✓ Attend –awareness
- ✓ Engage –facilitate discussions
- ✓ Comparatives with previous budgets –not for conformity with law

Budget Approvals



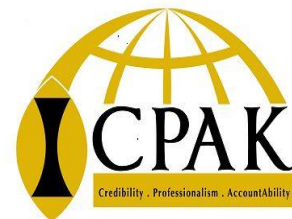
- Budget Hearings -BAC
- Action areas
- ✓ Attend –awareness
- ✓ Engage – elected leaders/representatives if you can
- ✓ Make written submissions

Budget Implementation & Reporting



- COB reports –compliance
- Quarter returns
- Annual returns
- External audit reports
- Value for money

Oversight & Governance roles



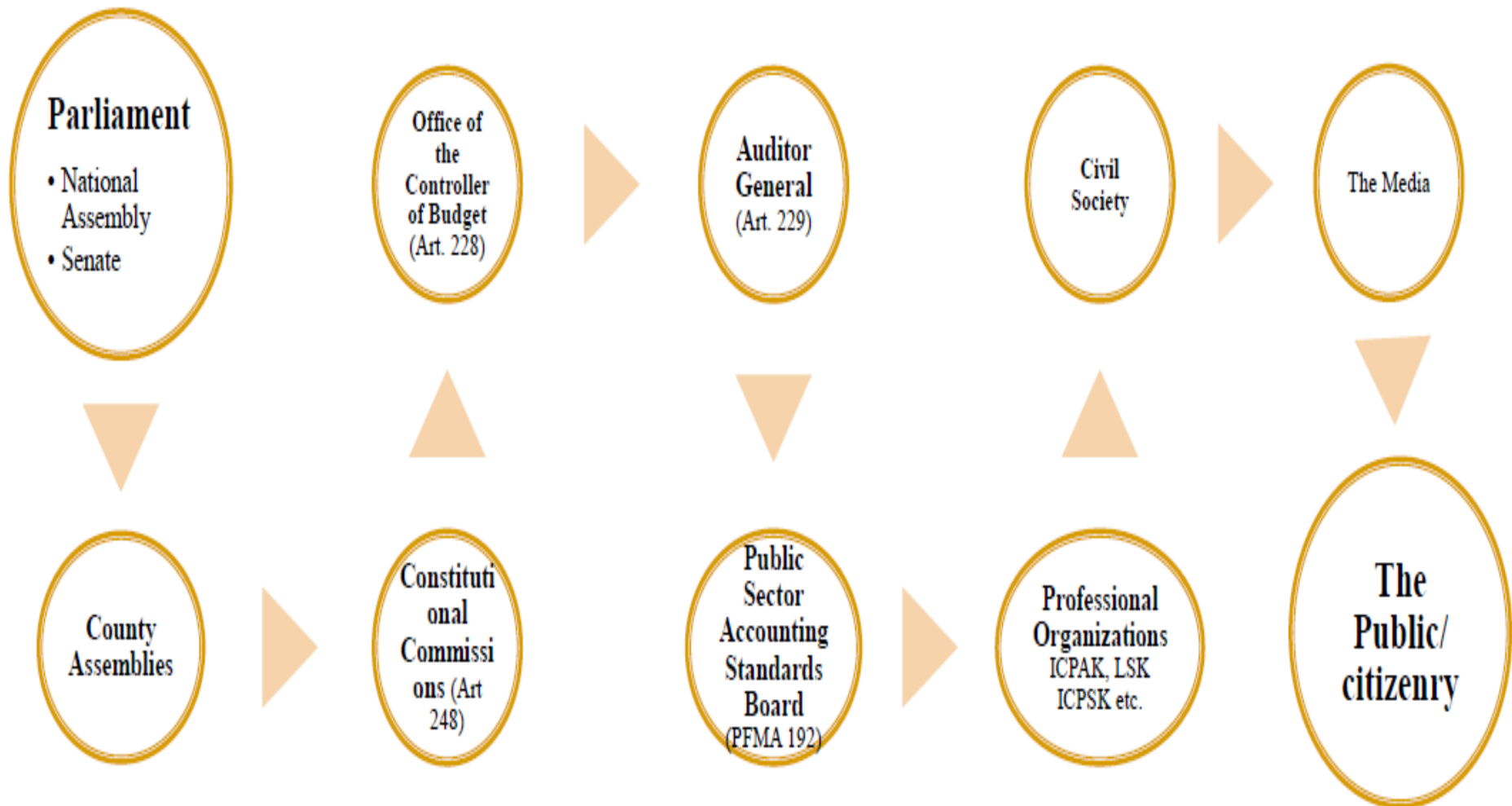
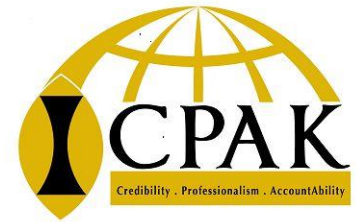
- PAC & PIC –professional inputs/advisory
- Audit Committees –apply & Join
- Make contributions through ICPAK or other platforms provided from time to time

Direct Roles



- Elective politics if you can
- Support members running for public office
- Engage through the media –print or otherwise
- Mobilize communities into town hall type of meetings –civic education & meaningful participation

Collaborations



Situation Analysis



Where are the accountants in all these?

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

Champions...!!



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

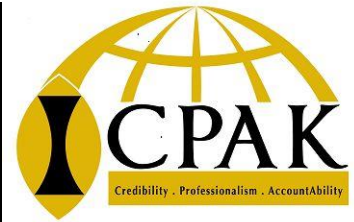
Functional

Demonstrate a commercial approach
to finance

Lead transformational change

Apply influence and leverage

Public Trust



Leadership Gap



Can accountants step in to fill the leadership gap?

And Finally.....

