



COUNCIL OF GOVERNORS



**PEER LEARNING ON PUBLIC FINANCE MANAGEMENT (STEPS TO A CLEAN
FINANCIAL AUDIT) IN COUNTY GOVERNMENTS
HOSTED BY NYANDARUA COUNTY, KENYA**

Theme: Upholding Accountability in Public Finance Management

**COMMUNIQUÉ AT THE END OF THE PEER LEARNING FORUM ON PUBLIC
FINANCE MANAGEMENT (STEPS TO A CLEAN FINANCIAL AUDIT) IN COUNTY
GOVERNMENTS FROM MONDAY 4TH TO 5TH NOVEMBER 2019 AT LAKE OL
BOLOSAT RESORT PARK LODGE LTD, NYANDARUA**

Preamble

On the 4th and 5th November 2019, County governments held a learning forum on upholding accountability in public finance management. The objective was to gain insights on the steps to a clean financial audit report.

The learning forum was convened by Maarifa Centre and the Finance, Planning & Economic Affairs and ICT Committee of the Council of Governors in collaboration with County Government of Nyandarua, and with financial support by the World Bank. The learning drew from three perspectives, namely: (1) the County Audit Process; (2) the Public Expenditure and Financial Accountability (PEFA) Assessment and; (3) Open Government Partnership (OGD) Initiative.

Participants of the forum included ECMs of Finance, Chief Officers of Finance/Economic Development and County Directors in charge of Planning and Budgeting, Finance, Revenue, Procurement, and Internal Audit, as well as County Directors in charge of Partnerships and/or Resource Mobilization. The peer learning forum also benefitted from insights from key stakeholders, including the Commission on Revenue Allocation (CRA), the Office of the Controller of Budget, and the Office of the Auditor General. Others were the

Institute of Economic Affairs, the World Bank, the NEPAD/APRM Kenya Secretariat, and a NEPAD/APRM/NPA Ugandan delegation from the Ministry of Finance, Planning and Economic Development.

Resolutions

The PFM Peer Learning forum made the following resolutions in line with the forum's theme, *Upholding Accountability in Public Finance Management*, to guide structured improvement in public finance practices by County governments, to improve PFM standards and increase the number of Counties that receive clean (unqualified) financial audit reports from the Auditor General.



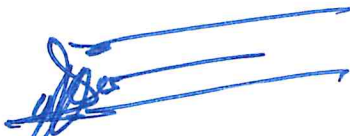



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1. **THAT** prudent public finance management is the key determinant of a County's overall performance, the County's image and value for money in service delivery to citizens. In this regard, Counties shall progressively seek to improve PFM practices for improved service delivery and as part of corruption risk mitigation.
2. **THAT** Counties shall strengthen County Internal Audit Units by ensuring their independence, allocating a dedicated budget, adequate staffing with professional personnel and providing logistical support to facilitate the units to discharge their mandate effectively. In this regard, Counties shall also establish an effective mechanism for coordinating activities of Internal Auditors.
3. **THAT** Counties shall support/undertake structured capacity strengthening of Officers in charge of facilitating PFM in priority areas in collaboration with the National Government, other independent offices such as the Commission on Revenue Allocation, the Office of the Controller of Budget, the Kenya School of Government, local universities and Development Partners. In this regard, Counties will prioritize PFM capacity needs, including Internal Audit, procurement and IFMIS.
4. **THAT** as part of strengthening the capacity of Counties, County governments shall adopt supportive strategies, initiatives and innovations that strengthen governance and accountability in PFM. These may include but are not limited to implementing recommendations of audit reports, Open Procurement, digitization of financial records, County Peer Review Mechanism and supporting the scaling up of Public Expenditure and Financial Accountability (PEFA) Assessments.
5. **THAT** Counties shall ensure PFM-related risk-mitigation measures during all forms of transitions, to minimize vulnerability of PFM systems and processes to abuse.
6. **THAT** County governments shall set aside adequate funds for implementing initiatives that seek to improve PFM in counties.

7. **THAT** Individual Counties shall make reference to the report of the PFM Learning Forum held in Nyandarua County to support implementation of the recommendations in this Communiqué.
8. **THAT** the PFM Peer Learning Forum for County Governments should be convened at least once in a financial year to provide a platform for sharing information, lessons, new knowledge and strategies for continuous improvement in County Financial Audit and IFMIS, among others.

And lastly,

9. **THAT** the Council of Governors will convene a high-level meeting to deliberate on how to support Counties to improve PFM in view of the recommendations herein.

<p>Signed:</p>  <p>Representative of the Directors' Caucus Finance</p> <p><i>NAKURU COUNTY</i></p> <p>Date: ... <i>05/11/2019</i></p>	<p>Signed:</p>  <p>Chairperson, CEC Caucus Finance</p> <p>Date: ... <i>05/11/19</i></p>
<p>Approved:</p>  <p>H.E Wycliffe Wangamati Chairman, Finance Committee, Council of Governors</p> <p>Date: ... <i>05/11/2019</i></p>	<p>Witnessed by:</p>  <p>H.E Francis Kimemia, EGH, CBS Governor, Nyandarua County</p> <p>Date: ... <i>05/11/2019</i></p>

