



LEGAL NOTICE NO.....

THE PUBLIC FINANCE MANAGEMENT ACT

(Cap. 412A)

IN EXERCISE of the powers conferred by section 12(1)(e) of the Public Finance Management Act, the Cabinet Secretary for the National Treasury and Economic Planning, makes the following Regulations—

THE PUBLIC FINANCE MANAGEMENT (INTEGRATED COUNTY REVENUE MANAGEMENT SYSTEM) REGULATIONS, 2025

PART 1-PRELIMINARY

Citation.

1. These Regulations may be cited as the Public Finance Management (Integrated County Revenue Management System) Regulations 2025

Interpretation.

2. In these Regulations unless the context otherwise requires—

Cap. 412A.

“Act” means the Public Finance Management Act;

“Auditor General” means the Auditor General appointed under Article 229 of the Constitution;

Cap. 265.

“County Chief Officer” has the meaning assigned under section 2 of the County Governments Act;

“County Executive Committee member for finance” has the meaning assigned under section 2 of the Act;

“Commission on Revenue Allocation” means the Commission on Revenue Allocation established by Article 215 of the Constitution;

“Controller of Budget” means the Controller of Budget appointed under Article 228 of the Constitution;

“County Government” means the county government provided for under Article 176 of the Constitution;

“own source revenue” means property rates, entertainment taxes and any other tax that County Governments are authorized to impose under Article 209 of the Constitution or by an Act of Parliament or

County Assembly and includes fees, levies and charges for services provided by a County;

“relevant oversight and advisory bodies” includes the Commission on Revenue Allocation Controller of Budget, the Auditor General, National Assembly, Senate and County Assembly;

“System” means the Integrated County Revenue Management System established under regulation 5; and

“System administration” management and oversight of the System’s infrastructure and operational policies to ensure its secure and efficiently functioning.

Application.

3. (1) These Regulations shall apply to the National and County Governments for the purposes of the management of the System.

(2) The provisions of these Regulations shall govern the access to the System by relevant oversight and advisory bodies.

Purpose of Regulations.

4. The purpose of these Regulations shall be to—

(a) establish a centralized system for the management of own-source revenue aimed at enhancing transparency, accountability, and efficiency in county revenue collection processes in line with the Act and Articles 190, 201 and 209 of the Constitution;

(b) standardize own source revenue collection and management across all county governments;

(c) ensure reporting, monitoring, and auditing for enhanced transparency;

(d) ensure there is a standardized format for data collection, storage and use of the data collected including integrations with systems in other government agencies and departments while ensuring compliance with the Data Protection Act; and

Cap. 411C

(e) complement and enhance the provisions of the Constitution and other related legislations including the County Governments Act and the Public Procurement and Asset Disposal Act in relation to facilitating compliance with national and international public financial management standards.

Cap. 265.

Cap. 412C.

PART II— ESTABLISHMENT OF THE INTEGRATED COUNTY REVENUE MANAGEMENT SYSTEM

Establishment of
the system.

5. (1) There is established a System to be known as the Integrated County Revenue Management System.

(2) The System shall, pursuant to section 12(1)(e) of the Act, facilitate transparent financial management and standard financial reporting as contemplated by Article 226 of the Constitution.

Objectives of the
system

6. The main objectives of the System shall be to—

- (a) facilitate efficient and effective service delivery, enhancing county revenue, transparency and accountability;
- (b) enhance data security and management and facilitate county data ownership;
- (c) automate the collection of various fees, levies, charges and taxes and reduce or eliminate manual processes and minimizing errors and other inherent risks;
- (d) provide real-time data and reporting tools for visibility into revenue performance and management;
- (e) support multiple payment channels including digital channels or bank deposits, to make it easier for citizens and businesses to pay taxes, levies, fees and any other related charges;
- (f) ensure adherence to financial management and regulatory standards, with built-in auditing and record-keeping functionalities;
- (g) provide insights and analytics to assist in financial planning and policy formulation for sustainable growth; and
- (h) standardize own source revenue collection and management across all county governments.

Administration of
the system.

7. (1) The System shall be hosted, administered and maintained by the National Treasury.

(2) The National Treasury shall—

- (a) maintain the integrity and security of the System;
- (b) ensure integration of the System with other government systems and authorized payment channels or systems;

Cap. 411C.

- (c) ensure that information maintained in the System is confidential and is used only for the purpose to which it is intended in line with the Data Protection Act;
- (d) ensure regulated access to reports generated by the System by the public and other stakeholders;
- (e) Develop and disseminate policy guidelines and standard operating procedures for the System; and
- (f) provide technical support for the deployment of the system across all the county governments;
- (g) be responsible for the location and core infrastructure of the System;
- (h) conduct internal audits of the System;
- (i) build capacity and knowledge transfer for the counties technical support for the effective use of the System; and
- (j) be responsible for business continuity and disaster management in relation to the System.

(3) The National Treasury shall endeavor to maintain system uptime and availability, however where there is an interruption in a transaction undertaken in the System, the National Treasury shall notify the users of any foreseeable and unforeseen service interruption within prescribed timelines and provide an alternative method of access to the services of the System.

Capabilities of the System.

8. The National Treasury shall develop a System that shall—

- (a) ensure scalability and security to manage county revenue effectively;
- (b) have clear delineation of responsibilities to prevent unauthorized access or manipulation of data
- (c) be built with modular components to cover various aspects of own source revenue streams in line with Article 209 of the Constitution;
- (d) ensure interoperability with other authorized systems for seamless data flow and reporting;

- (e) have real-time data processing capability to capture, record, and report transactions as they occur; and
- (f) ensure automatic bank reconciliation of revenue collected.

Implementation of the system.

9. (1) The National Treasury shall, upon establishment of the System, notify the County Governments of the availability of the system for use.

(2) The County Executive Committee Member responsible for matters relating to finance at the County Government level shall be responsible for the implementation of the system.

Multi-agency Technical Committee.

10. The Cabinet Secretary shall constitute a multi-agency technical committee comprising members from both levels of government to advise on emerging issues, trends and technical challenges related to the System.

Standard Operating Procedures.

11. The National Treasury shall, in consultation with the County Governments develop standard operating procedures for the use of the System.

Roles of county government.

12. Each County government shall—

- (a) have local administration rights to the System to manage own county processes;
- (b) use the system for all own-source revenue collection and management;
- (c) be responsible for daily operation and reporting in line with standards developed under regulation 11 and any other relevant law;
- (d) ensure compliance with the Act, and timely submission of revenue reports;
- (e) conduct internal audits of the System;
- (f) ensure that all revenue-receiving bank accounts are integrated with the system for transparency and accountability; and

Role of Commission on Revenue Allocation.

13. The Commission on Revenue Allocation shall have access to reports approved by the County Executive Committee Member generated by the System to monitor revenue generation across counties and advise the national and county governments on revenue allocation.

Role of the Auditor General.

14. The Auditor General shall have access to and conduct audits on the System to ensure that revenue collected and managed by county governments complies with the Public Finance

Management Act and Public Finance Management Regulations.

Role of the
Controller of
Budget.

15. The Controller of Budget shall have access to reports approved by the County Executive Committee Member generated by the System to monitor revenue generation across counties and advise on budget implementation.

PART III— GENERAL PROVISIONS

Audit of electronic
documents.

16. Where any law provides for the audit of documents, records or information, that law shall also apply to the audit of documents, records or information processed and maintained in electronic form in the System.

Compliance with
related legislation.

17. (1) The National Treasury shall develop a System that complies with the provisions of the Access to Information Act, the Data Protection Act and any other related legislation.

(2) Any data processed through the System shall be retained in accordance with applicable laws and regulations.

Transition.

18. (1) The National Treasury and county governments shall, within twelve months of the development of the System under regulation 8, comply with the provisions of these Regulations.

(2) Notwithstanding sub-regulation (1), where a County Government is under a contractual obligation to implement an existing system and is unable to comply with these Regulations, the county government shall liaise with the National Treasury on the requisite timelines to be onboarded into the System.

Made on the....., 2025.

JOHN MBADI,
Cabinet Secretary,
The National Treasury and Economic Planning.