



CPA ADVANCED LEVEL

ADVANCED PUBLIC FINANCIAL MANAGEMENT

THURSDAY: 27 April 2023. Morning Paper. Time Allowed: 3 hours.

Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.

QUESTION ONE

- (a) In a Public Private Partnerships (PPP) workshop, one of the facilitator's noted that "there are different types of PPP arrangements which include; , , and finance operate (DBFO) among others".

Explain each of the public private partnership arrangements (PPP) mentioned above. (6 marks)

- (b) In managing complex and specialised procurement contracts under section 151 of the Public Procurement and Asset Disposal Act, the accounting officer of a procuring entity should have in place a contract implementation team that should be in charge of reviewing contract performance and preparing status reports.

Required:

- (i) Summarise THREE areas of the contract that the contract implementation team could review and report on. (3 marks)
- (ii) Analyse FOUR contract risks that the contract implementation team could monitor and report on in their status report. (4 marks)

- (c) One of the public financial management reforms undertaken by the Government of Kenya is the implementation and operationalisation of the Integrated Financial Management System (IFMIS) which continuously aims at enhancing accountability and transparency.

Required:

- (i) Identify THREE key components of the IFMIS. (3 marks)
- (ii) Explain FOUR challenges faced by the government in its effort to streamline the operationalisation of the IFMIS. (4 marks)

(Total: 20 marks)

QUESTION TWO

- (a) Accounting officers may seek supplementary budgets by preparing supplementary budget estimates which should be within the guidelines of the supplementary budget circular and in conformity with budget guidelines issued by the Cabinet Secretary for National Treasury.

Required:

- (i) Highlight TWO purposes for which a supplementary budget may be sought by accounting officers. (2 marks)
- (ii) Explain FIVE matters that might be included in the supplementary budget estimates as per the Public Finance Management Regulations, 2015. (5 marks)

- (b) Accounting Officers or receivers of revenue should prepare quarterly reports in respect of revenue collected by their entities not later than the 15th day after the end of the quarter.

Required:

- Analyse ~~TWO~~ **TWO** of these quarterly reports. (2 marks) The Public Investment Committee is responsible for the examination of the working of the public investments.

Required:

- (d) Summarise ~~THREE~~ **TWO** that the Committee may not deal with in course of its work. (3 marks)

A case study examined public funds mismanagement during emergencies such as Coronavirus (COVID-19) pandemic, where the data established that, despite robust policies and legal framework in most countries, misuse of public funds set aside for emergencies or contingencies continue to thrive unabated.

Required:

As a public finance management expert, recommend **FOUR** measures that could be adopted to enhance the accountability, transparency and effectiveness of public fund management during emergencies. (8 marks)

(Total: 20 marks)

### QUESTION THREE

- (a) County Treasuries are required to prepare a County Budget Review and Outlook Paper in respect of the county for each financial year.

Required:

Evaluate **FOUR** specific matters that must be included in the County Budget Review and Outlook Paper as per Section 118 of the Public Finance Management Act. (8 marks)

- (b) The implementation of Public Financial Management best practices continues to face different hurdles especially those arising from the legislature. Some of the newly elected members of National Assembly might not understand their role in the Public Financial Management cycle.

Required:

Analyse **FOUR** roles of the legislature in respect to Public Financial Management (PFM) cycle. (8 marks)

- (c) Kenya Investment Authority (KenInvest) is a statutory body established in the year 2004 and currently operating through an Act of Parliament (Investment Promotion Act No. 6 of 2004).

Required:

Discuss **TWO**

core mandates of this Authority. (4 marks)

(Total: 20 marks)

### QUESTION FOUR

- (a) Explain the term “treasury single account (TSA)” as provided by the Public Finance Management Act, 2012, in relation to:

(i) National government. (2 marks)

(ii) County government. (2 marks)

- (b) During a conference on *Comprehensive Own Source Revenue Potential and Tax Gap Study of County Governments*, the key note speaker noted that “County governments have the potential to collect up to Sh. 216 billion in revenue from their key revenue streams compared to the present Sh. 31 billion annually and as such each county government should work closely with the Revenue Enhancement Committee at the office of Commission on Revenue Allocation to boost its financial standing.

Required:

- (i) Evaluate **FOUR** responsibilities of the Revenue Enhancement Committee as mandated by Commission on Revenue Allocation. (8 marks)

- (ii) Propose **FOUR** challenges faced by county governments that have led to sub-optimal performance in respect to own source revenue collection. (8 marks)

(Total: 20 marks)



QUESTION FIVE

- (a) Pursuant to Regulation 74 of the Public Procurement and Asset Disposal Regulations, 2020, upon opening of tenders, the evaluation committee should first conduct a preliminary evaluation.

With reference to the above provision, outline FIVE reasons for conducting preliminary evaluation of open tenders. (5 marks)

- (b) Discuss FIVE functions of the Debt Recording and Settlement Department of the National Treasury. (5 marks)

- (c) According to the Public Audit Act, 2015. The Office of Auditor General (OAG) while conducting its audit function is required to undertake different types of public sector audits.

With reference to the above statement, explain FIVE types of public sector audits that OAG is required to undertake. (10 marks)

(Total: 20 marks)

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