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**SPECIAL ISSUE**

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REPUBLIC OF KENYA

**KENYA GAZETTE SUPPLEMENT**

**SENATE BILLS, 2022**

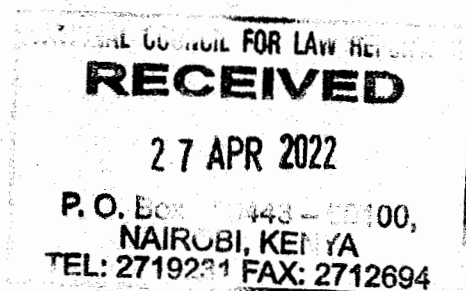
**NAIROBI, 8th April, 2022**

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**THE COUNTY ALLOCATION OF REVENUE BILL,  
2022**

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**FIRST SCHEDULE**

Allocation of Each County Governments' Equitable Share of Revenue Raised Nationally, Financial Year 2022/2023.

**SECOND SCHEDULE**

County Government Budget Ceilings of Recurrent Expenditure in Financial Year 2022/2023.

**THE COUNTY ALLOCATION OF REVENUE BILL,  
2022**

**A Bill for**

**AN ACT of Parliament to provide for the equitable allocation of revenue raised nationally among the county governments for the 2022/2023 financial year; the responsibilities of national and county governments pursuant to such allocation; and for connected purposes.**

**ENACTED** by Parliament of Kenya, as follows—

**1.** This Act may be cited as the County Allocation of Revenue Act, 2022.

Short title.

**2.** In this Act —

Interpretation.

“Cabinet Secretary” means the Cabinet Secretary for the time being responsible for matters relating to finance; and

“revenue” has the meaning assigned to it under section 2 of the Commission on Revenue Allocation Act.

No.16 of 2011

**3.** The object of this Act is to—

Object.

(a) provide, pursuant to Article 218(1)(b) of the Constitution, for the allocation of an equitable share of revenue raised nationally among the county governments, in accordance with the resolution approved by Parliament under Article 217 of the Constitution for the financial year 2022/23; and

(b) facilitate the transfer of allocations made to counties under this Act from the Consolidated Fund to the respective County Revenue Funds.

**4.** (1) Each county governments’ equitable share of revenue raised nationally, on the basis of the revenue sharing formula approved by Parliament in accordance with Article 217 of the Constitution in respect of the financial year 2022/23 shall be as set out in Column H of the First Schedule.

Equitable allocation of county governments’ share of revenue.

(2) Each county government’s allocation under subsection (1) shall be transferred to the respective County Revenue Fund, in accordance with a payment schedule

No. 18 of 2012.

approved by the Senate and published in the gazette by the Cabinet Secretary in accordance with section 17 of the Public Finance Management Act, 2012.

5. The budget ceilings for recurrent expenditure for county governments for the financial year 2022/2023 shall be as set out in the Second Schedule.

Budget ceilings for recurrent expenditure.

6. (1) Where a county government has transferred functions to the national government pursuant to Article 187 of the Constitution, the county executive in consultation with the national government shall determine the cost of the transferred functions.

Funding of transferred functions.

(2) The respective county assembly shall appropriate such monies as may be required for the transferred functions in accordance with the determination made under subsection (1) and the allocation shall not be less than the amount appropriated by the County Assembly in the preceding financial year.

(3) The monies appropriated under subsection (1), shall be transferred to the national government.

(4) A national government entity to which a county government function has been transferred shall submit a quarterly report to the Senate and the respective county assembly on the status of the discharge of the devolved function.

(5) The Auditor-General shall, no later than three months after the end of a financial year, prepare a special audit report on the financial and non-financial performance of an entity to which a county government function has been transferred.

(6) A report prepared under subsection (5) shall be submitted to the Senate and the respective county assembly.

7. The National Treasury and Planning shall publish a monthly report on actual transfers of all allocations to county governments.

Report on actual transfers.

8. (1) Each county treasury shall reflect all transfers by the national government to the county governments in its books of accounts.

Books of accounts to reflect national government transfers.

(2) The estimates of revenue of each county shall separately reflect the total equitable revenue share under section 4 of this Act transferred to the County Revenue Fund.

(3) A county treasury shall as part of its consolidated quarterly and annual reports required under the Public Finance Management Act, 2012 report on actual transfers received by the county government from the national government, up to the end of that quarter or year in the format prescribed by the Public Sector Accounting Standards Board or in the absence of a format prescribed by the Board, in the format prescribed by the National Treasury.

No. 18 of 2012

9. Despite the provisions of any other law, any serious or persistent non-compliance with provisions of this Act constitutes an offence under the Public Finance Management Act, 2012.

Financial  
Misconduct.

10. For the avoidance of doubt the allocation of the equitable share of revenue to county governments under section 4 of this Act shall be in accordance with the third determination of the basis of the division of revenue among counties approved by Parliament pursuant to Article 217 (7) of the Constitution.

Applicable  
revenue-sharing  
formula.