

**THE EXCHEQUER AND AUDIT (AMENDMENT)
ACT, 1985**

No. 12 of 1985

Date of Assent: 6th September, 1985

Date of Commencement: 13th September, 1985

An Act of Parliament to amend the Exchequer and Audit Act to provide for the appointment, duties and powers of the Auditor-General (Corporations) and for connected purposes and to make consequential amendments to other written laws

ENACTED by the Parliament of Kenya as follows:—

1. This Act may be cited as the Exchequer and Audit (Amendment) Act, 1985. Short title.

2. Section 2 of the Exchequer and Audit Act, in this Act referred to as the principal Act, is amended— Amendment to section 2 of Cap. 412.

(a) by inserting the following definitions in their proper alphabetical sequence—

“Auditor-General (Corporations)” means the person appointed as such under section 29;

“Public Investments Committee” means the select committee of the National Assembly designated by that name;

(b) by deleting the definition of “statutory board, commission or body” and inserting the following—

“statutory board, commission or body” means any body corporate established and incorporated by an Act, and includes a company incorporated under the Companies Act which is wholly owned or controlled by the Government or by a statutory corporation and a bank or financial institution licensed under the Banking Act the whole or the controlling majority of the shares of which is owned by the Government or a statutory corporation, but does not include the Central Bank of Kenya established under the Central Bank of Kenya Act.

Cap. 486.

Cap. 488.

Cap. 491.

Replacement
of Part VII
of Cap. 412.

3. The principal Act is amended by repealing Part VII and inserting the following—

**PART VII—CONTROL OF THE FINANCES, ETC. OF
STATUTORY BOARDS, COMMISSIONS AND BODIES**

Appointment
and powers
of the
Auditor-
General
(Corpora-
tions).

29. (1) There shall be an Auditor-General (Corporations) whose office shall be an office in the public service and who shall be responsible for the auditing of the accounts of the statutory boards, commissions or bodies.

(2) The Auditor-General (Corporations) shall have the power to examine, inquire into and audit the accounts of statutory boards, commissions and bodies and in exercise of his powers may—

(a) call upon any officer of the statutory board, commission or body to offer explanation and information which the Auditor-General (Corporations) may require in order to enable him to discharge his duties;

(b) with the approval of the Minister, authorize any person registered and practising as an accountant under the Accountants Act or any officer to inspect, examine or audit the books and accounts of any statutory board, commission or body which he may be required to examine and audit under this section, and that person or officer shall report thereon to the Auditor-General (Corporations) in such manner as the Auditor-General (Corporations) may direct.

Cap. 531.

(3) In exercise of his duties under this section, the Auditor-General (Corporations), or any person duly authorized by him in writing, shall have access to all records, books, vouchers, reports and other documents which in his opinion relate to any of the accounts of a statutory board, commission or body.

(4) There may be appointed such officers as are necessary to assist the Auditor-General (Corporations) in the performance of his duties.

Inspector of
Statutory
Boards.

30. (1) There shall be an Inspector of Statutory Boards whose office shall be an office in the public service and whose duties shall be—

- (a) to advise the Government on all matters affecting the effective running of statutory boards, commissions or bodies;
- (b) to report periodically to the appropriate Ministers on management practices within statutory boards, commissions or bodies;
- (c) to report to the Auditor-General (Corporations) any cases where moneys appropriated by Parliament are not being applied by statutory boards, commissions or bodies for the purposes for which they were appropriated.

(2) For the purposes of carrying out his duties under subsection (1), the Inspector of Statutory Boards shall have the following powers—

- (a) to call for and inspect all books, records, vouchers, reports and other documents which in his opinion relate to the accounts of, or to execution of the functions of, any statutory board, commission or body;
- (b) to inspect the premises, including any plant and installation thereon, of any statutory board, commission or body;
- (c) to attend meetings of any statutory board, commission or body if in his opinion it is necessary to do so for the effective carrying out of his duties under this section.

(3) The Auditor-General (Corporations) may require the Inspector of Statutory Boards to conduct special investigations on his behalf and to report his findings to him.

(4) There may be appointed such officers as are necessary to assist the Inspector in the performance of his duties under this section.

Submission of
accounts of
statutory
boards, etc.

30A. Every statutory board, commission or body shall cause to be prepared and submitted to the Auditor-General (Corporations) not more than four months or such longer period as the National Assembly may by resolution appoint after the end of every financial year—

- (a) a balance sheet showing in detail the assets and liabilities of the statutory board, commission or body at the end of the financial year;
- (b) the trading and profit and loss accounts or statements of income where these are appropriate to the business or functions of the statutory board, commission or body;
- (c) other statements or accounts as may be necessary to fully disclose the undertakings, assets, liabilities, trading profits or loss and discharge of the functions of the statutory board, commission or body.

(2) On receipt of the accounts prescribed by subsection (1), the Auditor-General (Corporations) shall cause them to be examined and audited and shall, within a period of seven months (or such longer period as the National Assembly may by resolution appoint) after the end of the financial year to which the accounts relate, certify in respect of each account the result of the examination and audit and shall within that period prepare and submit to the appropriate Minister a report upon the examination and audit of all the accounts together with the certified copies of the accounts.

(3) The Auditor-General (Corporations) may, at any time after consultation with the Treasury, submit to the appropriate Minister a special report on any matter incidental to his powers and duties under this section.

(4) The appropriate Minister shall within fourteen days of receipt by him of a report under subsection (3) lay it before the National Assembly.

(5) The appropriate Minister shall, within seven days of receipt by him of a report under subsection (3), submit it to Public Investments Committee except that the appropriate Minister shall not be precluded from laying that report before the National Assembly.

(6) If the appropriate Minister fails to submit any report or documents as is required by subsections (4) and (5), the Auditor-General (Corporations) shall forthwith transmit a copy thereof to the Speaker of the National Assembly to be presented by him to the National Assembly.

Financial
year of
statutory
boards, etc.

30B. Notwithstanding anything to the contrary in any written law, the financial year of every statutory board, commission or body shall be the period of twelve months ending on the 30th June in each year.

4. The several written laws specified in the first column of the Schedule are amended, in relation to the provisions thereof specified in the second column, in the manner specified in the third column.

Amendment
of other
written laws.

SCHEDULE			(s. 5)
<i>Written Law</i>	<i>Provision</i>	<i>Amendment</i>	
The Housing Act (Cap. 117).	s. 5 (6)	Delete the definition of "auditor" and insert "auditor" means the Auditor-General (Corporations)".	
The Higher Education Loans Fund Act (Cap. 213).	s. 10 (1)	Delete "the Controller and Auditor-General" and substitute "the Auditor-General (Corporations)".	
The Kenya National Examinations Council Act (Cap. 225A).	s. 13 (3)	Delete "the Controller and Auditor-General" and substitute "the Auditor-General (Corporations)".	
The Science and Technology Act (Cap. 250).	s. 18 (5)	Delete "the Controller and Auditor-General" and substitute "the Auditor-General (Corporations)".	
The Local Government Loans Act (Cap. 270).	s. 5 (1) and (2)	Delete the expression "the Controller and Auditor General" wherever it occurs and substitute "the Auditor-General (Corporations)".	
The Local Authorities Provident Fund Act (Cap. 272).	s. 21 (5)	Delete the expression "the Controller and Auditor-General" appearing in the definition of "auditor" and substitute "the Auditor-General (Corporations)".	
The Gold Mines Develop-	s. 14 (1)	Delete the expression "by the Controller	

SCHEDULE

<i>Written Law</i>	<i>Provision</i>	<i>Amendment</i>
ment Loans Act (Cap. 311).		and Auditor-General" and substitute "by the Auditor-General (Corporations)".
The Agriculture Act (Cap. 318).	s. 171	Delete subsection (2) and substitute the following— (2) The accounts of the Fund shall be examined, audited and reported upon annually by the Auditor-General (Corporations).
The Agricultural Finance Corporation Act (Cap. 323).	s. 41	Delete subsection (2) and substitute the following— (2) The accounts of the Corporation shall be examined, audited and reported upon annually by the Auditor-General (Corporations).
The Cereals and Sugar Finance Corporation Act (Cap. 329).	s. 12	Delete "the Controller and Auditor-General" and substitute "the Auditor-General (Corporations)".
The Coffee Act (Cap. 333).	s. 30 (2)	Delete and substitute the following— (2) The accounts of the Board shall be examined, audited and reported upon annually by the Auditor-General (Corporations).
The Tea Act (Cap. 343)	s. 21 (2)	Delete "the Controller and Auditor-General" and substitute "the Auditor-General (Corporations)."
The Mombasa Pipeline Board Act (Cap. 373).	s. 13 (2)	Delete "the Controller and Auditor-General" and substitute "the Auditor-General (Corporations)."
The Kenya Ports Authority Act (Cap. 391).	s. 20 (1) and (2)	Delete "the Controller and Auditor-General" and substitute "the Auditor-General (Corporations)".
The Kenya Railways Corporation Act (Cap. 397).	s. 26 (2)	Delete "the Controller and Auditor-General" and substitute "the Auditor-General (Corporations)".
The Kenya Posts and Telecommunications Act (Cap. 411)	s. 102	Delete the expression "the Controller and Auditor-General" wherever it occurs and insert "the Auditor-General (Corporations)".
The Kerio Valley Development Authority Act (Cap. 441).	s. 12 (2) and (3)	Delete "the Controller and Auditor-General" and substitute "the Auditor-General (Corporations)".
	s. 13 (2)	Delete "the Controller and Auditor-General's report" and substitute the Auditor-General (Corporations)".
The Lake Basin Development Authority Act (Cap. 442).	s. 12 (2), (3) and (4)	Delete "the Controller and Auditor-General" and substitute "the Auditor-General (Corporations)".
	s. 13 (2)	Delete "the Controller and Auditor-General's report" and substitute "the report of the Auditor-General (Corporations)".
The Tana and Athi Rivers Development Authority Act (Cap. 443).	s. 12 (2)	Delete the expression "by the Controller and Auditor-General" and substitute "by the Auditor-General (Corporations)".