AAAG

AFRICAN ASSOCIATION OF ACCOUNTANTS GENERAL

AAAG MODEL PUBLIC FINANCIAL MANAGEMENT ACT, 2026

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Explanatory Note

This Model Public Financial Management Act provides a non-authoritative harmonised legislative framework that AAAG member countries may adapt when drafting, reviewing or modernising national PFM legislation. It establishes a benchmark for lawful, transparent, accountable, planning-linked and sustainable management of public resources.

The model is country-neutral. It recognises common law, civil law and mixed legal traditions across Anglophone, Francophone and Lusophone Africa. Countries should adapt institutional names, authorising officer arrangements, public accountant arrangements, audit institutions, fiscal year dates and legal terminology to their constitutions and administrative systems.

The model draws from the Drafting Guidelines and comparable benchmarks, including PEFA, SADC Model PFM Law, IMF fiscal transparency principles, OECD budgetary governance, IPSAS and GFSM classifications, INTOSAI principles, UEMOA/CEMAC experience, Lusophone PFM practice, and African peer-learning through AAAG and CABRI.

Status of this model

This document is a model legislative framework. It is not a binding Act and should be adapted by national legal drafters, Attorneys-General, Ministries of Finance, Accountant-General offices, Treasuries, Parliaments and Supreme Audit Institutions before adoption.

Arrangement of Sections

Part I - Preliminary Provisions

Part II - National Planning, Fiscal Responsibility and Macro-Fiscal Framework

Part III - Institutional Framework and Responsibilities

Part VI - Revenue Collection and Management

Part VII - Treasury and Cash Management

Part VIII - Public Debt, Guarantees and Fiscal Risk Management

Part IX - Management of Public Assets, Liabilities and Investments

Part X - Accounting, Reporting and Consolidation

Part XI - Internal Audit, Internal Control and Risk Management

Part XII - External Audit, Oversight and Accountability

Part XIII - State Owned Enterprises, Statutory Bodies and Public Corporations

Part XIV - Transparency, Citizen Participation and Publication

Part XV - Offences, Sanctions and Enforcement

Part XVI - Regulations, Transitional and Miscellaneous Provisions

African Association of Accountants General - Model Legislative Framework

An Act to provide for the control and management of public finances; the operation of the Consolidated Fund and other public funds; the authorisation of revenues, expenditures, commitments and appropriations; the management of public cash, public debt, guarantees, fiscal risks, public assets, public liabilities and public investments; the preparation, submission, audit and publication of financial statements and fiscal reports; the establishment of systems of internal control, internal audit and risk management; the accountability of public bodies, State Owned Enterprises and statutory bodies; the promotion of fiscal responsibility, transparency, citizen participation, value for money, digital integrity and sustainable management of public resources; and for matters connected with or incidental to the foregoing.

[Date of Assent: insert date]

ENACTED by the Parliament or competent legislative authority of [insert country] as follows:

Part I - Preliminary Provisions

1. Short title and commencement

(1) This Act may be cited as the Public Financial Management Act, 2026.

(2) This Act shall come into operation on the date appointed by the Minister by statutory instrument, and different dates may be appointed for different provisions to allow phased implementation.

(3) Where a country chooses to adopt this Model Act, references to 2026, the Minister, Parliament, the Treasury, the Accountant-General, the Auditor-General, the Court of Accounts, local government, and other institutional terms shall be adapted to the national Constitution and legal drafting practice.

2. Interpretation

(1) In this Act, unless the context otherwise requires, the following expressions have the meanings assigned to them in this section.

(2) "Accounting Officer" or "Authorising Officer" means a public officer designated under this Act or any other written law to be responsible for the financial management, commitment, control, accounting and reporting of a vote, programme, reporting entity or public body; provided that, where the national legal tradition separates the authorising officer from the public accountant, the functions shall be allocated in a manner that preserves segregation of duties.

(3) "Accountant-General" means the public officer, office or institution responsible for public sector accounting policy, accounting systems, financial reporting, consolidation of government accounts, and such other functions as may be prescribed; and includes an equivalent office such as Director of Public Accounting, Treasury Accountant, Contador Geral or any other national equivalent.

(4) "Annual budget" means the annual estimates of revenues, grants, financing, other receipts, expenditure, commitments, statutory payments, transfers, appropriations and other authorised uses of public resources for a financial year, prepared and submitted for approval in accordance with the Constitution and this Act.

(5) "Appropriation" means legal authority granted by Parliament or the competent legislative body to withdraw, commit or expend public money for an approved purpose, programme, vote or service.

(6) "Budget cycle" means the integrated sequence of planning, macro-fiscal forecasting, budget preparation, legislative approval, execution, accounting, reporting, audit, oversight, evaluation and follow-up.

(7) "Commitment" means a legal or administrative obligation, including a contract, purchase order, grant agreement, payroll obligation, guarantee, letter of undertaking or other arrangement, that is expected to result in expenditure from public resources.

(8) "Consolidated Fund" means the principal public fund into which public revenues and other moneys are paid and from which authorised expenditures are made, subject to the Constitution and this Act.

(9) "Fiscal risk" means a factor that may cause actual fiscal outcomes to differ materially from forecasts, including debt, guarantees, public-private partnerships, State Owned Enterprise exposures, arrears, litigation, disasters, climate shocks, natural resource volatility, financial sector support, subnational obligations and other contingent liabilities.

(10) "Financial year" means a period of twelve months commencing on the date prescribed in the Constitution or other written law, or, where not prescribed, on a date specified by regulations made under this Act.

(11) "Minister" means the Minister responsible for finance or the national equivalent.

(11A) "national development plan" means a long-term or medium-term national development plan, strategy or equivalent framework approved under the Constitution or any other written law that sets national development priorities, results and resource allocation objectives;

(11B) "planning institution" means the ministry, department, commission, agency or other body responsible for national development planning or coordination, whether separate from or integrated with the Ministry responsible for finance;

(12) "Principal Treasury Authority" means the Secretary to the Treasury, Permanent Secretary responsible for finance, Director-General of Treasury, National Treasury, Directorate of Public Accounting, or any other officer or institution designated by national law to administer treasury functions under this Act.

(13) "Public body" means an organ of State, ministry, department, agency, constitutional office, statutory body, commission, local authority, subnational government, public fund, extra-budgetary fund, social security fund, State Owned Enterprise, public corporation, entity established by enabling legislation to deliver a public service, or any other entity prescribed by regulations.

(14) "Public money" means all money received, collected, held, administered, controlled, borrowed, lent, granted, guaranteed or expended by or on behalf of the Government or a public body, including taxes, fees, fines, charges, grants, loans, deposits, resource revenues, donor funds, retained revenues and any money held for a public purpose.

(15) "Public resources" means public money, public assets, public stores, public investments, inventories, receivables, rights, interests, guarantees, liabilities, natural resource revenues and any other economic resource owned, held, controlled, administered or managed by Government or a public body for a public purpose.

(16) "Reporting entity" means a ministry, department, agency, fund, programme, local government, public corporation, statutory body, project, grant arrangement or any other entity required to prepare financial statements or financial reports under this Act or applicable accounting standards.

(17) "Treasury" means the ministry, department or institution responsible for overall public financial management, treasury operations, cash management, budget execution, financial policy and related functions.

3. Application

(1) This Act applies to all organs of State, ministries, departments, agencies, constitutional offices, statutory bodies, commissions, subnational governments, local authorities, public funds, extra-budgetary funds, social security funds, State Owned Enterprises, public corporations, and entities established by enabling legislation to deliver public services.

(2) This Act also applies to any public or private body that collects, receives, manages, controls, commits, expends, administers or reports on public resources; draws resources from public coffers; receives public guarantees; manages assets on behalf of the Government; or is prescribed by regulations.

(3) The application of this Act to Parliament, the Judiciary, constitutional commissions, the Auditor-General or Court of Accounts, and independent offices shall respect their constitutional independence, while requiring compliance with public finance principles, accounting, reporting, audit and accountability obligations.

(4) Where a specialised law governs revenue administration, procurement, public debt, public-private partnerships, State Owned Enterprises, local government, social security funds, natural resources or audit, that specialised law shall be read together with this Act. The specialised law shall

apply to sector-specific or technical matters only to the extent that it is not inconsistent with the core public financial management obligations established under this Act.

4. Supremacy of the Act

(1) Subject only to the Constitution, this Act is the primary and overriding law governing the raising, receipt, custody, management, commitment, expenditure, borrowing, lending, investment, accounting, reporting, auditing, oversight, write-off and disposal of public resources.

(2) Where any other law contains provisions relating to public finance, that law shall be read together with this Act and, to the extent of any inconsistency on a public financial management matter, this Act shall prevail unless the Constitution expressly provides otherwise.

(3) Nothing in this Act shall be construed as limiting the constitutional independence of the Auditor-General, Court of Accounts, Parliament, the Judiciary or other independent institutions. Such independence does not exempt any institution from lawful use of public resources, fiscal responsibility, financial reporting, internal control, audit, transparency and accountability obligations under this Act.

5. Purpose of the Act

(1) The purpose of this Act is to establish a coherent, transparent, accountable, planning-linked, digital, risk-based and performance-oriented framework for the management of public resources.

(2) The Act seeks to promote fiscal responsibility, national planning and policy alignment, sustainable development, service delivery, macroeconomic stability, debt sustainability, credible budgeting, sound internal control, high-quality financial reporting, public participation and effective oversight.

(3) The Act further seeks to align national PFM systems with recognised international and regional benchmarks, including PEFA, IMF fiscal transparency principles, OECD budgetary governance, IPSAS and GFSM classifications, INTOSAI principles, open budget practices, and relevant African regional frameworks.

6. Guiding principles

(1) All public officers and public bodies shall be guided by legality, supremacy of this Act on public finance matters, national planning and policy alignment, fiscal responsibility, sustainability, transparency, accountability, stewardship, equity, inclusion, economy, efficiency, effectiveness, value for money, risk management, resilience, anticipatory and future-focused decision-making, digital integrity and adaptability.

(2) Public resources shall be raised, allocated and used only under lawful authority and for authorised public purposes.

(3) Budgets and financial reports shall be comprehensive and shall cover, to the greatest extent practicable, all revenues, expenditures, assets, liabilities, guarantees, funds, transfers, grants and reporting entities within the public sector boundary.

(4) Fiscal decisions shall be forward-looking and shall be made with due regard to present and future generations, early-warning information, scenario analysis, climate and disaster risks, social inclusion, gender-responsive budgeting, youth priorities and service delivery to vulnerable groups.

(5) Digital PFM systems shall maintain secure access controls, reliable audit trails, data quality, cybersecurity safeguards, interoperability and preservation of electronic records.

Part II - National Planning, Fiscal Responsibility and Macro-Fiscal Framework

7. National planning and fiscal policy alignment

(1) The Government shall ensure that fiscal policy, the Medium-Term Fiscal Framework, the annual budget, public investment plans, borrowing decisions and expenditure priorities are aligned with the approved national development plan, medium-term development plan, sector strategies or equivalent policy frameworks approved in accordance with the Constitution or any other written law.

(2) The Minister shall, in consultation with the Minister or institution responsible for national planning where such function is separate from the Ministry responsible for finance, ensure that national and sector plans are realistically costed, prioritised and assessed against available fiscal space before they are used as the basis for budget preparation.

(3) A ministry, department, agency, local authority, State Owned Enterprise, statutory body or other public body shall not submit programmes, projects or policy proposals for inclusion in the budget unless the proposals are linked to approved national or sector priorities, supported by realistic cost estimates, and accompanied by expected outputs, outcomes and performance indicators.

(4) The annual budget documentation shall demonstrate the relationship between proposed allocations and approved national priorities, sector objectives, service delivery targets, public investment plans and the Medium-Term Fiscal Framework.

(5) Where there is a material deviation between the annual budget and an approved national development plan, medium-term development plan, sector strategy or public investment plan, the Minister shall disclose the reason for the deviation in the Fiscal Strategy Paper or budget documentation.

8. Objectives of fiscal and macroeconomic policy

(1) Fiscal and macroeconomic policy shall be designed to maintain macroeconomic stability, achieve sustainable development, safeguard debt sustainability, promote equitable service delivery and protect the fiscal position of the State for present and future generations.

(2) Fiscal policy shall ensure that public resources are allocated in accordance with approved national development priorities, sector strategies, service delivery objectives and available fiscal space.

(3) The Government shall maintain a medium-term perspective in national planning, fiscal policy, budget preparation, public investment decisions, debt management and fiscal risk management.

(4) Fiscal policy shall be transparent, evidence-based and consistent with national development plans, sector strategies, macroeconomic forecasts and commitments approved by Parliament or the competent authority.

9. Principles of fiscal responsibility

(1) The Government shall manage public finances in a manner that is lawful, prudent, affordable, realistic, transparent, sustainable, predictable and consistent with approved fiscal rules and national planning priorities.

(2) Fiscal decisions shall be guided by plan-budget alignment, value for money, intergenerational equity, anticipatory and risk-informed decision-making, service delivery impact and protection of public resources.

(3) Borrowing shall be undertaken only for purposes and within limits authorised by law and shall take account of debt sustainability, repayment capacity, fiscal risks and approved development priorities.

(4) Fiscal risks shall be identified, quantified where practicable, disclosed and managed through appropriate mitigation measures before they materially affect public finances or service delivery.

(5) Temporary deviations from fiscal targets shall be permitted only in circumstances prescribed by law and shall be accompanied by transparent disclosure, a fiscal impact assessment and a time-bound correction plan.

10. Medium-term national development and sector planning

(1) The Government shall maintain a medium-term national development plan or equivalent planning framework to guide public resource allocation, public investment, sector priorities and service delivery.

(2) Each ministry, department, agency, local authority, State Owned Enterprise, statutory body and other public body shall prepare sector, institutional or corporate plans that are consistent with the national development plan, the Medium-Term Fiscal Framework and applicable sector strategies.

(3) A plan prepared under subsection (2) shall include policy priorities, programmes, projects and activities to be implemented, estimated costs over the medium term, expected outputs and outcomes, implementation risks and mitigation measures, procurement and cash-flow implications, and monitoring and reporting arrangements.

(4) The Minister may issue regulations, Treasury instructions, planning and budget guidelines, templates or circulars prescribing the form, content, approval process, costing methodology and reporting requirements for national, sector, institutional and public investment plans.

11. Charter for Fiscal Responsibility

(1) The Minister shall prepare and submit to Parliament a Charter for Fiscal Responsibility within a period prescribed by regulations.

(2) The Charter shall set out the Government's fiscal policy objectives, fiscal rules, medium-term targets, national planning alignment, risk management approach, reporting obligations and corrective mechanisms.

(3) The Charter shall be reviewed at least once in every medium-term planning cycle or when a material fiscal shock, change in national development priorities or significant fiscal risk requires revision.

12. Medium-term fiscal and expenditure framework

(1) The Treasury shall prepare a Medium-Term Fiscal Framework and, where applicable, a Medium-Term Expenditure Framework covering at least three financial years.

(2) The framework shall include macroeconomic assumptions, revenue forecasts, expenditure ceilings, debt projections, financing requirements, fiscal risks, policy priorities and the alignment of available resources with the national development plan, sector plans and public investment priorities.

(3) The Minister shall ensure that annual budget ceilings are consistent with the Medium-Term Fiscal Framework, approved national planning priorities and fiscal responsibility requirements unless Parliament approves a justified departure.

(4) Where the available resource envelope requires the revision, deferral or sequencing of planned programmes or projects, the Minister shall disclose the fiscal reasons and the service delivery implications in the budget documentation.

13. Fiscal responsibility targets and rules

(1) The Minister shall propose fiscal responsibility targets covering debt, deficit, expenditure growth, arrears, guarantees, contingent liabilities, recurrent and capital expenditure balance, or other fiscal indicators appropriate to the national context.

(2) Fiscal rules shall be simple, transparent, measurable and consistent with macroeconomic stability, debt sustainability, national development priorities and intergenerational equity.

(3) The annual budget shall explain how the proposed estimates are consistent with the fiscal rules, medium-term targets, the Medium-Term Fiscal Framework and approved national planning priorities.

(4) Where a fiscal rule is breached or likely to be breached, the Minister shall report the reasons to Parliament and propose corrective measures.

14. Fiscal strategy paper

(1) The Minister shall prepare a Fiscal Strategy Paper or equivalent budget policy statement before the annual budget is finalised.

(2) The Fiscal Strategy Paper shall state the macroeconomic outlook, fiscal strategy, proposed ceilings, priority programmes, revenue measures, debt strategy, fiscal risks, public investment priorities and the relationship between fiscal policy, the national development plan and sector priorities.

(3) The Fiscal Strategy Paper shall disclose any proposed deviation from approved fiscal targets or planning priorities and shall state the reasons for the deviation and the expected fiscal and service delivery implications.

(4) The Fiscal Strategy Paper shall be submitted to Parliament and published within the time prescribed by regulations.

15. Fiscal risk statement

(1) The Minister shall prepare and publish a Fiscal Risk Statement as part of the budget documentation.

(2) The Fiscal Risk Statement shall disclose major fiscal risks arising from macroeconomic assumptions, public debt, guarantees, on-lending, subnational governments, State Owned Enterprises, public-private partnerships, public investment projects, litigation, arrears, disasters, climate change, natural resource revenue volatility, financial sector exposures and any other prescribed source.

(3) The Treasury shall establish procedures for identifying, monitoring, mitigating and reporting fiscal risks across the public sector and shall require public bodies to provide information necessary for that purpose.

16. Independent fiscal advice

(1) A country may establish or designate an independent fiscal council, parliamentary budget office, macro-fiscal unit or other advisory body to provide independent analysis of fiscal policy, forecasts, national planning assumptions, debt sustainability, fiscal risks and compliance with fiscal rules.

(2) The mandate, independence, access to information, reporting and funding of such body shall be prescribed by law or regulations consistent with the Constitution.

17. Temporary deviations and correction mechanisms

(1) Temporary deviation from fiscal targets may be allowed only in the event of a natural disaster, severe economic shock, public health emergency, conflict, substantial revenue collapse or other exceptional circumstance prescribed by law.

(2) A deviation shall be approved by Parliament or reported to Parliament within the period prescribed by law.

(3) The Minister shall submit a correction plan indicating the fiscal impact, expected duration, measures, timeline, protection of priority service delivery and approved development priorities, and reporting arrangements for returning to the fiscal targets.

18. Publication of fiscal and planning documents

(1) The Minister shall ensure timely publication of the national development plan or equivalent planning framework, public investment plan, budget, Fiscal

Strategy Paper, Medium-Term Fiscal Framework, Fiscal Risk Statement, debt reports, in-year budget execution reports, annual financial statements, audit reports, correction plans and other fiscal or planning documents prescribed by regulations.

(2) Published fiscal and planning documents shall be accessible to the public in formats that are understandable, machine-readable where practicable, and available through digital and appropriate non-digital channels, including appropriate multilingual communication where necessary.

Part III - Institutional Framework and Responsibilities

19. Responsibility of the Minister

(1) The Minister is responsible for the overall policy direction of public financial management and for ensuring that the Government's fiscal policy, budget, debt management and reporting arrangements comply with this Act.

(2) The Minister shall present the annual budget, fiscal reports and debt reports to Parliament in accordance with the Constitution and this Act.

(3) The Minister shall not issue a direction that is inconsistent with an appropriation, the independence of an oversight institution, segregation of duties, or any requirement of this Act.

20. Treasury and principal treasury authority

(1) The Treasury shall be the central institution responsible for administering this Act, coordinating budget execution, managing public cash, setting financial management policies and monitoring compliance.

(2) The Principal Treasury Authority shall perform the functions assigned to the Secretary to the Treasury or equivalent office under national law and shall ensure that the Treasury operates in accordance with this Act.

(3) Where a country does not have the office of Secretary to the Treasury, references to that office in any subsidiary instrument shall be read as references to the equivalent principal treasury authority designated under national law.

21. Functions of the Treasury

(1) The Treasury shall coordinate macro-fiscal management, budget preparation and execution, cash management, debt management, fiscal risk management, financial reporting policy, and compliance monitoring across public bodies.

(2) The Treasury shall issue Treasury instructions, financial circulars, accounting directions, reporting templates and other instruments necessary to implement this Act.

(3) The Treasury shall maintain a register of public bodies and reporting entities covered by this Act.

22. Accountant-General

(1) The Accountant-General shall be responsible for public sector accounting policy, the standard chart of accounts, accounting systems, consolidation of public accounts, preparation of financial statements and reporting guidance.

(2) The Accountant-General shall prescribe accounting policies and procedures with the approval of the Minister or Principal Treasury Authority, as appropriate under national law.

(3) The Accountant-General shall maintain or oversee the central accounting system and shall ensure that accounting records support accurate, timely and complete reporting of public resources.

(4) The Accountant-General shall not authorise expenditure unless national law expressly combines accounting and authorising functions, in which case adequate segregation of duties and internal controls shall be prescribed.

23. Budget office

(1) The Treasury may establish or designate a budget office responsible for budget policy, budget circulars, ceilings, programme structures, budget submissions, budget documentation and monitoring of budget execution.

(2) The budget office shall ensure that budget proposals are consistent with the medium-term fiscal framework, national development plan, sector plans, performance objectives and fiscal responsibility requirements.

24. Accounting officers and authorising officers

(1) Each vote, ministry, department, agency, fund, programme, project or reporting entity shall have an accounting officer or authorising officer designated in accordance with this Act.

(2) An accounting officer or authorising officer is responsible for ensuring that public resources under his or her control are used lawfully, efficiently, economically, effectively and for the purposes authorised by Parliament or the competent authority.

(3) An accounting officer or authorising officer shall authorise commitments and expenditures only within the limits of an appropriation, allotment, warrant, cash plan, procurement approval and any other control prescribed under this Act.

(4) An accounting officer or authorising officer shall prepare and submit financial, performance and other reports for the reporting entity in accordance with this Act, regulations and applicable standards.

25. Responsible ministers and portfolio oversight

(1) A responsible minister shall provide policy oversight over public bodies within the ministerial portfolio without interfering with statutory financial

responsibilities assigned to boards, accounting officers, authorising officers or accounting authorities.

(2) A responsible minister shall ensure that public bodies under the portfolio operate consistently with approved policy, fiscal rules, transparency obligations and performance objectives.

(3) Where a responsibility under this section overlaps with another office, the regulations shall allocate the function to avoid duplication and preserve accountability.

26. Parliament and legislative oversight

(1) Parliament shall approve appropriations, authorise borrowing where required by law, scrutinise fiscal reports, consider audit reports and hold the Executive accountable for the management of public resources.

(2) The Minister and public bodies shall provide Parliament and its committees with the information required to discharge their oversight responsibilities.

(3) Where national law establishes a Parliamentary Budget Office or similar institution, it shall be supported with timely access to budget and fiscal information subject to confidentiality safeguards.

27. Auditor-General or Court of Accounts

(1) The Auditor-General, Court of Accounts or equivalent Supreme Audit Institution shall exercise its mandate in accordance with the Constitution, the Public Audit Act or other applicable law.

(2) This Act shall not establish, limit or direct the constitutional mandate of the Supreme Audit Institution, but shall require public bodies to keep records and provide access to information necessary for audit.

(3) References in this Act to the Auditor-General include the Court of Accounts, Tribunal de Contas, Cour des Comptes or any equivalent national audit institution.

28. Limited delegation of functions

(1) A function under this Act may be delegated only where delegation is expressly permitted by law, made in writing, limited in scope and consistent with segregation of duties.

(2) The Minister shall not delegate the approval of regulations, submission of the budget, authorisation of borrowing, approval of fiscal rules, or any function that the Constitution or this Act requires the Minister personally to perform.

(3) A delegation does not relieve the delegating authority of responsibility for ensuring that the delegated function is lawfully performed.

Part IV - Budget Preparation and Approval

29. Annual budget cycle

(1) The Treasury shall issue an annual budget calendar specifying deadlines for macro-fiscal forecasts, budget ceilings, submissions, review, Cabinet approval, legislative submission, approval and publication.

(2) The annual budget cycle shall allow adequate time for consultation, scrutiny by Parliament and alignment with the medium-term framework.

(3) Budget preparation shall be integrated with strategic planning, public investment planning, procurement planning, debt management and cash planning.

30. Preparation of the budget

(1) Each accounting officer or authorising officer shall prepare budget estimates for the vote or reporting entity in the form and within the ceilings issued by the Treasury.

(2) Budget estimates shall be based on realistic revenue forecasts, costed policies, approved staffing structures, existing commitments, public investment priorities, service delivery obligations and fiscal responsibility requirements.

(3) The Treasury shall consolidate budget submissions and advise the Minister on affordability, policy consistency, fiscal risks and compliance with this Act.

31. Contents of budget documentation

(1) The annual budget documentation shall include revenue estimates, expenditure estimates, financing requirements, debt service, statutory expenditures, transfers, grants, public investment projects, fiscal risks, contingent liabilities and performance information.

(2) The budget documentation shall disclose assumptions, policy changes, new revenue measures, expenditure priorities, gender and inclusion considerations, climate or disaster-related fiscal risks where material, and major deviations from the previous framework.

(3) The Minister shall submit such other information as Parliament may reasonably require for scrutiny of the budget.

32. Programme and performance budgeting

(1) The budget may be structured by programmes, sub-programmes, outputs, outcomes and performance indicators in addition to administrative, economic and functional classifications.

(2) Performance information shall be relevant, measurable, verifiable and linked to public service delivery and national development objectives.

(3) The Treasury shall issue guidance on programme structures, indicators, baselines, targets and reporting.

33. Appropriation Bill and approval

(1) The Minister shall submit the Appropriation Bill and budget estimates to Parliament in accordance with the Constitution and the budget calendar.

(2) No public money shall be withdrawn from the Consolidated Fund or any public fund except under an appropriation, statutory authority or other authority recognised by the Constitution.

(3) An appropriation shall specify the vote, programme, purpose, amount, financial year and any conditions approved by Parliament.

34. Vote on account and temporary authority

(1) Where the Appropriation Act is not enacted before the beginning of a financial year, the Minister may seek authority for a vote on account or temporary expenditure in accordance with the Constitution.

(2) Temporary authority shall be limited to essential services and shall not be used to initiate new policies, major projects or commitments unless expressly authorised by Parliament.

35. Supplementary appropriations

(1) Where additional expenditure is necessary and cannot be met through approved reallocations, the Minister shall submit a supplementary appropriation request to Parliament.

(2) A supplementary appropriation request shall state the source of financing, fiscal impact, effect on fiscal targets, reasons for the request and measures to avoid recurrence where the expenditure results from poor planning or control failure.

(3) Supplementary appropriations shall not be used to regularise unauthorised expenditure without accountability action.

36. Virements and reallocations

(1) Virements and reallocations may be permitted only within limits and conditions prescribed by this Act, the Appropriation Act or regulations.

(2) No virement shall alter the purpose approved by Parliament, increase a statutory charge, transfer funds from capital to recurrent expenditure beyond prescribed limits, or affect a donor-funded project without required consent.

(3) All approved virements shall be recorded and reported in in-year budget execution reports.

37. Contingencies and emergency expenditure

(1) A Contingencies Fund or equivalent emergency provision may be established for urgent and unforeseen expenditure that cannot be delayed without serious harm to the public interest.

(2) Withdrawals from the Contingencies Fund shall be authorised by the Minister, reported to Parliament and regularised through supplementary appropriation within the period prescribed by law.

(3) Emergency expenditure shall be subject to procurement, accounting, reporting and audit requirements, with proportional procedures prescribed by regulations.

Part V - Budget Execution, Expenditure and Commitments

38. Authority to incur expenditure

(1) An accounting officer or authorising officer shall not incur expenditure unless there is an approved appropriation or other lawful authority, an allotment or warrant where required, a cash limit where applicable, and compliance with procurement and commitment control requirements.

(2) Expenditure shall be incurred only for the purpose for which funds were authorised and in accordance with the approved budget and this Act.

(3) Any expenditure incurred without authority shall constitute unauthorised expenditure and may result in surcharge, disciplinary action or other sanctions.

39. Commitment control

(1) The Treasury shall establish a commitment control framework to prevent the creation of arrears and ensure that commitments are made only within approved budget, cash and procurement limits.

(2) All commitments shall be recorded promptly in the approved financial management system and shall be linked to the relevant appropriation, programme, contract and supplier or beneficiary.

(3) A commitment made in breach of this section shall not bind the Government unless ratified under procedures prescribed by law, and the responsible officer may be held personally liable.

40. Procurement and contract integration

(1) No contract, purchase order or procurement commitment shall be approved unless funds are available or the commitment is authorised as a multi-year commitment under this Act.

(2) Procurement plans shall be aligned with approved budgets, cash plans and public investment plans.

(3) The financial management system and procurement system shall be integrated or reconciled to ensure timely recording of commitments, invoices, payments and contract variations.

41. Multi-year commitments

(1) A public body shall not enter into a multi-year contract or commitment unless authorised by law, approved by the Treasury or other competent authority, and disclosed in budget documentation.

(2) A multi-year commitment shall identify the total cost, annual budgetary impact, financing source, fiscal risk and termination obligations.

(3) Regulations shall prescribe thresholds, approvals, reporting and controls for multi-year commitments.

42. Payroll and personnel expenditure controls

(1) Payroll expenditure shall be controlled through approved establishments, verified personnel records, authorised pay scales and regular reconciliation between payroll, human resource and financial systems.

(2) No person shall be paid from public resources unless the appointment, engagement or entitlement is lawfully approved and recorded in the prescribed system.

(3) Accounting officers shall certify payroll accuracy and report payroll irregularities in accordance with regulations.

43. Payment controls and arrears

(1) Payments shall be made only for valid, verified and authorised obligations supported by appropriate documentation and recorded in the financial management system.

(2) The Treasury shall prescribe procedures for invoice receipt, verification, payment prioritisation, supplier records and prevention of arrears.

(3) Each accounting officer shall report outstanding commitments, unpaid invoices and arrears in the manner and frequency prescribed by the Treasury.

44. In-year budget monitoring

(1) The Treasury shall monitor budget execution during the financial year and may issue expenditure controls, cash limits or corrective measures where fiscal risks or budget deviations arise.

(2) Accounting officers shall submit in-year financial and performance reports comparing actual revenue, expenditure, commitments and outputs against approved budget.

(3) Material variances shall be explained and corrective actions shall be reported.

Part VI – Revenue Collection and Management

45. Legal authority to collect public revenue

(1) No tax, levy, fee, fine, charge, royalty or other public revenue shall be imposed, collected, waived, reduced or retained except under lawful authority.

(2) Every public officer or public body authorised to collect revenue shall do so efficiently, transparently and in accordance with the law and prescribed systems.

(3) Revenue collection functions shall be segregated from accounting, reconciliation and write-off functions unless regulations provide adequate compensating controls.

46. Types of public revenue

(1) Public revenue includes taxes, duties, fees, charges, royalties, dividends, fines, penalties, grants, donations, loan proceeds, natural resource revenues, public corporation returns, asset disposal proceeds, interest, investment income and any other money received for a public purpose.

(2) Regulations may prescribe the classification, coding and reporting of each type of public revenue under the standard chart of accounts.

47. Consolidated Fund

(1) There is established or recognised a Consolidated Fund into which all public revenues and other public money shall be paid unless the Constitution or an Act of Parliament provides otherwise.

(2) Money shall not be withdrawn from the Consolidated Fund except under lawful authority and in accordance with this Act.

(3) The Treasury shall maintain records of receipts, withdrawals, balances and reconciliations of the Consolidated Fund.

48. Special funds, retained revenues and extra-budgetary funds

(1) A special fund, retained revenue arrangement or extra-budgetary fund shall be established only by law or with authority expressly provided by law.

(2) Each such fund shall have a defined purpose, governance arrangement, accounting officer, reporting obligation, audit requirement, bank account arrangement and termination or review mechanism.

(3) Retained revenues and extra-budgetary funds shall be disclosed in budget documentation and financial statements.

49. Grants, donor funds and external assistance

(1) Grants, donations and external assistance received by or on behalf of Government or a public body shall be recorded, budgeted, accounted for and reported in accordance with this Act and the applicable agreement.

(2) No grant or external assistance arrangement shall create a liability, tax exemption, guarantee, counterpart funding obligation or fiscal risk without approval under this Act.

(3) Donor funds shall be subject to audit and oversight in accordance with the Constitution, the applicable agreement and this Act.

50. Revenue forecasting and reporting

(1) The Treasury, in collaboration with revenue authorities and relevant public bodies, shall prepare credible revenue forecasts for the budget and medium-term framework.

(2) Revenue forecasts shall disclose key assumptions, policy changes, risks, tax expenditures and other material factors affecting revenue performance.

(3) Revenue collectors shall submit periodic collection and arrears reports in the manner prescribed by the Treasury.

51. Collection, custody and remittance

(1) All public revenue shall be collected through approved systems, receipted, recorded and remitted to the Consolidated Fund, Treasury Single Account or approved public account within the period prescribed by regulations.

(2) Public money shall not be retained, diverted, offset, applied or used at source except under lawful authority.

(3) Electronic revenue systems shall maintain audit trails, user access controls, reconciliation functionality and integration with accounting systems where practicable.

52. Refunds, remissions and write-offs of revenue

(1) A refund, remission, waiver or write-off of public revenue shall be made only under lawful authority, on documented grounds and in accordance with procedures prescribed by regulations.

(2) All refunds, remissions, waivers and write-offs shall be recorded and reported to the Treasury and, where material, disclosed in fiscal reports.

(3) A public officer who unlawfully waives, reduces, refunds or writes off revenue is liable to sanctions under this Act and any other applicable law.

Part VII - Treasury and Cash Management

53. Treasury Single Account

(1) The Treasury shall establish and operate a Treasury Single Account or equivalent unified banking arrangement for the consolidation and management of public cash.

(2) All public bank accounts shall form part of the Treasury Single Account structure unless exempted by law or approved by the Treasury under prescribed conditions.

(3) The Treasury Single Account shall support timely cash visibility, cash forecasting, reconciliation, payment control and reporting.

54. Opening and operation of bank accounts

(1) No public body shall open or maintain a bank account for public money without prior written authority of the Treasury in accordance with procedures issued by the Accountant-General or other competent authority.

(2) An approval to open a bank account shall specify the purpose, authorised signatories, reporting requirements, reconciliation frequency and closure conditions.

(3) The Treasury may order the closure, consolidation or transfer of balances in any public bank account that is no longer required or is operated contrary to this Act.

55. Cash planning and forecasting

(1) The Treasury shall prepare and update cash flow forecasts based on approved budgets, revenue projections, expenditure plans, debt service schedules and other cash requirements.

(2) Accounting officers shall submit cash plans and payment forecasts in the form and frequency prescribed by the Treasury.

(3) Cash releases shall be aligned with approved priorities, available resources and fiscal responsibility requirements.

56. Disbursements and payment systems

(1) Payments from public accounts shall be made only through approved payment systems and in accordance with authorisation, verification and segregation of duties requirements.

(2) The Treasury shall promote safe, efficient and traceable digital payment methods while ensuring access for persons and communities where digital channels are not readily available.

(3) Payment systems shall maintain audit trails and shall be reconciled with accounting records and bank statements.

57. Bank reconciliation

(1) Each public bank account shall be reconciled regularly in the manner prescribed by the Accountant-General or Treasury.

(2) Unreconciled items, stale cheques, suspense accounts and unidentified receipts shall be investigated and cleared within prescribed timelines.

(3) Reconciliation reports shall be reviewed by the accounting officer and made available to internal audit and external audit.

58. Investment of temporary cash surpluses

(1) The Treasury may invest temporary cash surpluses in secure and liquid instruments in accordance with an investment policy approved by the Minister.

(2) Investment decisions shall prioritise capital preservation, liquidity and transparency over return.

(3) Investment income shall be credited to the Consolidated Fund or other lawful fund and reported in accordance with this Act.

Part VIII - Public Debt, Guarantees and Fiscal Risk Management

59. Authority to borrow

(1) The Government may borrow only under authority of the Constitution, this Act, a public debt law, an Appropriation Act or other written law.

(2) Borrowing shall be undertaken by the Minister or an authorised public debt management office in accordance with the approved debt strategy, fiscal rules and debt limits.

(3) No public body shall borrow, issue debt instruments, enter into finance leases or create debt-like obligations except as authorised by law and approved by the Treasury.

60. Instruments of borrowing

(1) Borrowing instruments may include treasury bills, bonds, loans, overdrafts, supplier credit, finance leases, Islamic finance instruments, guarantees called, or any other instrument prescribed by law.

(2) Each borrowing instrument shall be recorded in the public debt register and disclosed in debt reports.

(3) Borrowing terms shall be assessed for cost, risk, currency exposure, maturity, refinancing risk and consistency with the debt strategy.

61. Debt management strategy

(1) The Minister shall prepare and publish a Medium-Term Debt Management Strategy at intervals prescribed by regulations.

(2) The strategy shall set out the objectives, risk indicators, preferred financing mix, domestic and external borrowing plans, debt sustainability analysis and measures for managing refinancing, exchange rate and interest rate risks.

(3) Annual borrowing plans shall be consistent with the debt management strategy and the approved budget.

62. Public debt register

(1) The Treasury or debt management office shall maintain a complete and up-to-date public debt register covering all central government debt, guaranteed debt, on-lending, sub-loans and other debt-related obligations.

(2) The register shall include the creditor, debtor, currency, amount, maturity, interest rate, repayment schedule, security, guarantee and other terms prescribed by regulations.

(3) The debt register shall be reconciled regularly with accounting records, creditor statements and financial statements.

63. Guarantees, indemnities and on-lending

(1) No guarantee, indemnity, comfort letter, on-lending arrangement, sub-loan or similar fiscal commitment shall be issued except with the approval required by law and after assessment of fiscal risk.

(2) An entity receiving a guarantee or on-lending shall provide financial information, risk reports, repayment plans and security where required by the Treasury.

(3) Guarantees and on-lending shall be recorded, monitored and disclosed in budget documentation, debt reports and financial statements.

64. Borrowing by subnational governments and public bodies

(1) A subnational government, local authority or public body may borrow only within the limits, purposes and approval procedures prescribed by law.

(2) Borrowing approvals shall consider debt sustainability, repayment capacity, fiscal risk, intergovernmental fiscal arrangements and any national debt limits.

(3) The Treasury shall monitor and report subnational and public body borrowing where such borrowing may create a fiscal risk to the Government.

65. Fiscal risk management framework

(1) The Treasury shall establish a fiscal risk management framework for identifying, assessing, monitoring, disclosing and mitigating fiscal risks across the public sector.

(2) Public bodies shall submit fiscal risk information to the Treasury in the form and frequency prescribed by regulations.

(3) The fiscal risk management framework shall cover State Owned Enterprises, guarantees, public-private partnerships, arrears, litigation, disasters, climate risks, natural resource volatility and other material risks.

66. Public-private partnerships

(1) A public-private partnership or similar long-term contractual arrangement shall be entered into only after assessment of affordability, value for money, fiscal risk, contingent liabilities and budgetary impact.

(2) The Treasury shall review and approve the fiscal implications of a public-private partnership before the Government or a public body enters into the arrangement.

(3) Public-private partnership obligations shall be recorded, monitored and disclosed in the fiscal risk statement and financial statements.

67. Debt and fiscal risk reporting to Parliament

(1) The Minister shall submit debt and fiscal risk reports to Parliament at the intervals prescribed by law.

(2) Debt reports shall include debt stocks, new borrowing, debt service, guarantees, arrears, on-lending, debt sustainability analysis and compliance with debt limits.

(3) Fiscal risk reports shall explain material changes in risk exposure and measures taken to mitigate such risks.

Part IX - Management of Public Assets, Liabilities and Investments

68. Stewardship of public assets

(1) Public assets shall be acquired, recorded, safeguarded, maintained, used, valued and disposed of in accordance with this Act and regulations.

(2) Each accounting officer is responsible for stewardship of public assets under the control of the reporting entity.

(3) Public assets shall be used for public purposes and shall not be used for private benefit except as authorised by law or approved policy.

69. Asset registers and verification

(1) Each reporting entity shall maintain an asset register for assets under its control in the form prescribed by the Accountant-General or Treasury.

(2) Asset registers shall record acquisition, location, custody, condition, valuation, depreciation or impairment where applicable, maintenance, transfer and disposal information.

(3) Physical verification of assets shall be conducted regularly and differences between registers and physical assets shall be investigated and reported.

70. Inventory and public stores

(1) Inventory and public stores shall be recorded, controlled, safeguarded, verified and issued only for authorised purposes.

(2) The Treasury shall prescribe procedures for stock records, reorder levels, obsolete stock, stores losses, and disposal of unusable or surplus inventory.

(3) Accounting officers shall ensure that stores management supports service delivery and value for money.

71. Disposal of public assets

(1) Public assets shall be disposed of only under lawful authority, through transparent, competitive and value-for-money procedures unless regulations permit an alternative method.

(2) Disposal decisions shall be supported by valuation, approval, record update, proceeds collection and reporting.

(3) No public officer shall acquire a public asset through disposal except in accordance with conflict-of-interest safeguards prescribed by law.

72. Public liabilities and arrears

(1) Each reporting entity shall record, monitor and report liabilities, commitments, unpaid invoices, employee benefit obligations, legal claims, provisions and arrears.

(2) The Treasury shall maintain a framework for arrears prevention, verification, clearance and reporting.

(3) A public body shall not incur obligations that are likely to create arrears without lawful authority and a credible financing plan.

73. Public investment management

(1) Major public investment projects shall be appraised, selected, budgeted, implemented, monitored and evaluated in accordance with procedures prescribed by the Treasury.

(2) Project appraisal shall assess strategic relevance, economic and financial viability, affordability, procurement readiness, recurrent cost implications, environmental and social risks, climate resilience and value for money.

(3) No major project shall be included in the budget unless it meets the readiness and appraisal criteria prescribed by regulations, except where emergency procedures apply.

74. Sustainability and climate-related fiscal considerations

(1) The Treasury may prescribe requirements for reporting climate-related fiscal risks, environmental liabilities, natural resource revenues, disaster-related expenditures and other sustainability-related information relevant to public finances.

(2) Public investment and major fiscal decisions shall take into account climate resilience, disaster risk, maintenance obligations and long-term fiscal sustainability where material.

(3) This section shall be implemented progressively in accordance with national capacity and applicable reporting standards.

75. Losses and recovery

(1) A loss, deficiency, damage, theft, misuse or unauthorised disposal of public resources shall be reported, investigated and recorded in accordance with regulations.

(2) The responsible officer may be surcharged or subjected to disciplinary, civil or criminal proceedings where negligence, misconduct or unlawful conduct contributed to the loss.

(3) Recovered amounts shall be credited to the appropriate public account and reported.

Part X - Accounting, Reporting and Consolidation

76. Accounting standards

(1) The Government shall prepare financial statements in accordance with accounting standards prescribed by the Minister on the advice of the Accountant-General.

(2) The prescribed standards may include IPSAS or nationally adopted public sector accounting standards aligned to IPSAS, implemented through a phased transition plan where necessary.

(3) Any departure from prescribed standards shall be disclosed and explained in the financial statements.

77. Standard chart of accounts

(1) The Accountant-General shall prescribe a standard chart of accounts for all reporting entities covered by this Act.

(2) The standard chart of accounts shall support budget classification, accounting, reporting, consolidation, statistical reporting and, where practicable, alignment with GFSM 2014 or subsequent recognised classifications.

(3) No reporting entity shall maintain a parallel chart of accounts inconsistent with the prescribed standard chart without approval.

78. Accounting systems and records

(1) Each reporting entity shall maintain complete, accurate, timely and reliable accounting records in the form prescribed by the Accountant-General.

(2) Accounting systems shall support budget control, commitment control, cash management, asset management, liability management, grants, debt, reporting and audit trails.

(3) Electronic records shall have legal validity where generated, stored and preserved in accordance with this Act and applicable laws.

79. Reporting entity financial statements

(1) Each reporting entity shall prepare annual financial statements and other financial reports required by this Act, regulations and applicable accounting standards.

(2) Financial statements shall include, as applicable, statements of financial position, financial performance, cash flows, changes in net assets or equity, comparison of budget and actual amounts, notes and other statements required by the prescribed standards.

(3) The accounting officer shall certify that the financial statements have been prepared from the records of the entity and, to the best of his or her knowledge, comply with applicable requirements.

80. Consolidated financial statements

(1) The Accountant-General shall prepare consolidated financial statements for the Government or the public sector boundary prescribed by law and applicable standards.

(2) All reporting entities required for consolidation shall submit financial statements and consolidation schedules within the timelines prescribed by the Accountant-General.

(3) The consolidated financial statements shall disclose the consolidation boundary, basis of accounting, significant accounting policies, related public bodies and material exclusions.

81. Submission and audit of financial statements

(1) Annual financial statements shall be submitted to the Auditor-General, Court of Accounts or other competent audit institution within the period prescribed by the Constitution, this Act or regulations.

(2) The Auditor-General or Court of Accounts shall audit and express an opinion or issue a report in accordance with the Constitution and applicable audit law.

(3) The Auditor-General or Court of Accounts shall not be required by this Act to certify that the financial statements present a true and fair view; the audit opinion or report shall state the auditor's conclusion in accordance with applicable audit standards.

82. In-year, quarterly and mid-year reporting

(1) The Treasury shall prepare and publish in-year budget execution reports and a mid-year fiscal report within the timelines prescribed by regulations.

(2) In-year reports shall include revenue, expenditure, commitments, arrears, financing, debt, cash balances and explanations of material variances.

(3) Reporting entities shall submit monthly, quarterly or other periodic reports required by the Treasury.

83. Publication of financial statements

(1) The Minister or Accountant-General shall publish audited annual financial statements and unaudited in-year reports in accordance with this Act and applicable law.

(2) Published financial statements shall be accompanied by the audit report when issued and by a citizen-friendly summary where practicable.

(3) Where publication is delayed, the Minister shall explain the reasons and the expected publication date.

84. Retention and preservation of records

(1) Accounting records, supporting documents, contracts, electronic records and audit trails shall be retained for the periods prescribed by regulations or records management law.

(2) Destruction of public financial records shall occur only under lawful authority and after ensuring that audit, legal, accountability and archival requirements have been met.

(3) Detailed procedures for retention, archiving, digitisation and destruction of records shall be prescribed in regulations or Treasury instructions.

85. Digital financial management systems

(1) The Treasury shall promote integrated digital financial management systems that support budgeting, accounting, procurement, payroll, revenue, cash, debt, assets, reporting and audit.

(2) Digital systems shall include secure user access, segregation of duties, change logs, audit trails, data backup, cybersecurity controls and interoperability standards.

(3) Detailed technical requirements for audit trails, electronic records and system administration shall be prescribed by regulations or Treasury instructions.

Part XI - Internal Audit, Internal Control and Risk Management

86. Internal control framework

(1) Every public body shall establish and maintain an effective system of internal control to provide reasonable assurance on legality, reliability of reporting, safeguarding of assets, prevention of fraud, efficiency of operations and compliance with this Act.

(2) The internal control framework shall include segregation of duties, authorisation controls, reconciliations, physical controls, system controls, risk management, monitoring and corrective action.

(3) Accounting officers are responsible for internal controls and shall not transfer that responsibility to internal auditors.

87. Establishment and independence of internal audit

(1) Each ministry, department, agency, subnational government and public body shall establish or have access to an internal audit function appropriate to its size, risk and complexity.

(2) The internal audit function shall be operationally independent from the activities it audits and shall have direct access to the accounting officer, audit committee and internal audit authority where established.

(3) Internal auditors shall not be assigned operational responsibilities that impair independence or objectivity.

88. Chief Audit Executive and internal audit authority

(1) A Chief Audit Executive or equivalent head of internal audit shall be appointed for each significant public body or shared audit service.

(2) The Chief Audit Executive shall prepare risk-based audit plans, manage audit execution, report findings, monitor follow-up and advise on risk management processes without assuming management responsibility for risks.

(3) A central internal audit authority may issue standards, methodology, quality assurance requirements and professional guidance for internal audit across government.

89. Risk-based internal audit planning

(1) Internal audit plans shall be based on a documented assessment of risks, including fiscal, operational, compliance, fraud, information technology, procurement, payroll, asset, project and service delivery risks.

(2) The annual internal audit plan shall be approved by the audit committee or other appropriate governance body and communicated to the accounting officer.

(3) The internal audit plan may be revised during the year to respond to emerging risks, fraud indicators, fiscal shocks or requests from oversight bodies.

90. Audit execution and reporting

(1) Internal audit engagements shall be conducted in accordance with standards prescribed by the central internal audit authority or recognised professional standards.

(2) Internal audit reports shall state the objective, scope, criteria, findings, risk rating, root causes, recommendations, management responses and implementation timelines.

(3) Significant internal audit findings shall be reported to the accounting officer and audit committee, and may be reported to the Treasury or other competent authority where required.

91. Follow-up of internal audit findings

(1) Accounting officers shall prepare action plans for implementing internal audit recommendations and shall report progress to the audit committee.

(2) Internal audit shall monitor implementation of recommendations and report overdue or unresolved matters.

(3) Persistent failure to implement agreed recommendations may constitute financial misconduct where it exposes public resources to material risk.

92. Risk management by public bodies

(1) Each public body shall establish a risk management framework appropriate to its mandate, resources and risks.

(2) Accounting officers shall identify, assess, mitigate, monitor and report risks that may affect achievement of objectives, service delivery, financial performance or compliance.

(3) Internal audit may provide assurance and advisory support on risk management but shall not own or manage the risks on behalf of management.

93. Audit committees

(1) Each ministry, department, agency, significant public body or cluster of public bodies shall have an audit committee or shared audit committee established in accordance with regulations.

(2) An audit committee shall review internal control, risk management, internal audit plans, audit reports, financial reporting, management responses and implementation of audit recommendations.

(3) Audit committee members shall have appropriate independence, competence and integrity, and their appointment, tenure, reporting and remuneration shall be prescribed by regulations.

Part XII - External Audit, Oversight and Accountability

94. Relationship with public audit legislation

(1) The establishment, mandate, independence, powers, funding and reporting of the Auditor-General, Court of Accounts or equivalent Supreme Audit Institution shall be governed by the Constitution and the Public Audit Act or equivalent law.

(2) This Act shall complement the public audit framework by requiring public bodies to maintain records, prepare financial statements, provide information and respond to audit findings.

(3) A provision of this Act shall not be interpreted in a manner that compromises the independence of the Supreme Audit Institution.

95. Access to information for audit

(1) Every public body and public officer shall provide the Supreme Audit Institution with access to books, records, systems, bank accounts, contracts, assets, premises and information required for audit.

(2) Access to confidential information shall be subject to safeguards prescribed by law, but confidentiality shall not be used to obstruct lawful audit.

(3) Failure to provide information required for audit constitutes an offence or financial misconduct under this Act or other applicable law.

96. Submission and consideration of audit reports

(1) Audit reports shall be submitted and considered in accordance with the Constitution, the Public Audit Act and parliamentary rules.

(2) The Minister, Treasury, accounting officers and public bodies shall provide responses to audit reports within prescribed timelines.

(3) Audit reports and responses shall be published unless restricted by law for reasons of national security, privacy or other legitimate public interest.

97. Treasury memorandum and executive responses

(1) The Treasury shall coordinate the preparation of a Treasury memorandum or equivalent executive response to audit recommendations considered by Parliament or the competent oversight body.

(2) The memorandum shall state actions taken, responsible officers, timelines, recoveries, sanctions and measures to prevent recurrence.

(3) Detailed procedures for preparation, clearance and follow-up of Treasury memoranda may be prescribed by regulations.

98. Parliamentary oversight

(1) Parliament and its committees may require the Minister, Treasury, accounting officers, boards of public bodies and other responsible persons to appear and provide information on public finance matters.

(2) Parliamentary recommendations on audit and budget oversight shall be tracked and reported on by the Treasury or other competent authority.

(3) The Treasury shall support timely follow-up of parliamentary recommendations without limiting the independence of Parliament.

99. Special audits, investigations and forensic reviews

(1) The Supreme Audit Institution may conduct special, performance, compliance, forensic, environmental, information systems or other audits in accordance with its legal mandate.

(2) The Treasury, internal audit authority or accounting officer may request internal investigations or reviews where serious control weaknesses, suspected fraud or fiscal risks arise.

(3) An internal investigation shall not interfere with or substitute for the mandate of law enforcement agencies or the Supreme Audit Institution.

Part XIII - State Owned Enterprises, Statutory Bodies and Public Corporations

100. Financial responsibilities of public corporations and State Owned Enterprises

(1) A State Owned Enterprise, statutory body, public corporation or similar public entity shall manage its finances in accordance with this Act, its establishing law, applicable corporate governance requirements and any directions lawfully issued by the Treasury or responsible minister.

(2) Each such entity shall have an accountable board or governing body, an accounting authority or chief executive, and clear responsibility for financial management, internal control, reporting and audit.

(3) Where the entity performs commercial functions, public service obligations and subsidies shall be transparently identified, budgeted and reported.

101. Corporate plans, budgets and performance agreements

(1) State Owned Enterprises and statutory bodies shall prepare corporate plans, annual budgets, investment plans and performance targets in the form prescribed by law or regulations.

(2) Corporate plans and budgets shall disclose expected fiscal support, borrowing, guarantees, capital injections, dividends, major risks and public service obligations.

(3) The Treasury may review plans and budgets to assess fiscal affordability and consistency with national fiscal policy.

102. Financial reporting and audit by public corporations

(1) State Owned Enterprises, statutory bodies and public corporations shall prepare financial statements in accordance with applicable accounting standards and submit them for audit within prescribed timelines.

(2) Audited financial statements, audit reports and annual reports shall be submitted to the Treasury, responsible minister and Parliament or competent oversight body.

(3) The Treasury may require consolidated or summary reporting of State Owned Enterprise financial performance and fiscal risks.

103. Dividends, transfers and fiscal support

(1) Dividend policy, profit transfers, subsidies, capital injections, guarantees and other fiscal support to or from State Owned Enterprises shall be transparent, approved under lawful authority and reflected in budget and fiscal reports.

(2) No public body shall provide fiscal support to a State Owned Enterprise without an approved budget, authority and disclosure of fiscal impact.

(3) Dividends and transfers due to Government shall be collected and reported as public revenue.

104. Borrowing and guarantees by State Owned Enterprises

(1) A State Owned Enterprise or statutory body shall not borrow or create a debt-like obligation that may expose Government to fiscal risk without approval under this Act or applicable law.

(2) Borrowing proposals shall be assessed for affordability, repayment capacity, business viability, public policy purpose and fiscal risk.

(3) Guaranteed and non-guaranteed debt of State Owned Enterprises shall be monitored and disclosed where material.

105. Governance, transparency and accountability

(1) Boards and management of State Owned Enterprises and statutory bodies shall observe principles of transparency, accountability, integrity, value for money and prudent risk management.

(2) Appointments, remuneration, related party transactions, procurement, borrowing, investments and disposal of major assets shall comply with applicable law and governance standards.

(3) The Treasury may prescribe minimum financial governance requirements for public corporations and statutory bodies.

106. Restructuring, liquidation and fiscal exposure

(1) Restructuring, liquidation, merger or significant reorganisation of a State Owned Enterprise or statutory body shall be preceded by assessment of fiscal, legal, employee, service delivery and creditor implications.

(2) The fiscal impact of restructuring or liquidation shall be disclosed to Parliament where it requires public funding, guarantees, debt assumption or other fiscal support.

(3) Regulations may prescribe procedures for financial oversight during restructuring and liquidation.

Part XIV - Transparency, Citizen Participation and Publication

107. Transparency and access to fiscal information

(1) The Government shall promote public access to fiscal information that is timely, complete, reliable, understandable and accessible.

(2) Public bodies shall make available the fiscal information required by this Act, subject to lawful restrictions for privacy, national security, commercial confidentiality or other legitimate public interest.

(3) A restriction on access shall be narrowly interpreted and shall not be used to conceal mismanagement, illegality or fiscal risk.

108. Publication of key fiscal documents

(1) The Minister shall ensure publication of the pre-budget statement or fiscal strategy paper, executive budget proposal, enacted budget, citizens budget, in-year reports, mid-year review, year-end financial statements, audit reports and other documents prescribed by regulations.

(2) Publication shall occur within the timelines specified in the fiscal reporting calendar.

(3) Where internet access is limited, the Treasury shall make reasonable arrangements for non-digital dissemination.

109. Fiscal transparency portal and open data

(1) The Treasury may establish a fiscal transparency portal for publication of budgets, expenditure reports, debt reports, procurement information, fiscal risks, financial statements and audit follow-up information.

(2) Data published on the portal shall, where practicable, be machine-readable, downloadable, comparable over time and accompanied by explanations for non-specialist users.

(3) The Treasury shall maintain data quality standards and cybersecurity safeguards for the portal.

110. Public participation in the budget process

(1) The Treasury and public bodies shall provide reasonable opportunities for public participation in budget preparation, budget execution monitoring and evaluation of service delivery.

(2) Participation mechanisms may include public hearings, consultations, digital submissions, sector working groups, local government consultations and targeted engagement with women, youth, persons with disabilities and vulnerable groups.

(3) Public participation shall be designed to inform decision-making and shall not replace the constitutional authority of the Executive and Parliament over the budget.

111. Citizen accountability report

(1) The Treasury shall prepare an annual citizen accountability report or equivalent citizen-friendly summary of budget execution, service delivery performance, financial statements and audit follow-up.

(2) The report shall explain, in plain language, how public resources were raised, allocated, spent, accounted for and audited.

(3) The report shall be published in formats and languages appropriate to the national context.

Part XV - Offences, Sanctions and Enforcement

112. Financial misconduct

(1) A public officer commits financial misconduct if the officer wilfully or negligently contravenes this Act, incurs unauthorised expenditure, creates unauthorised commitments, misuses public resources, fails to collect revenue, falsifies records, conceals fiscal risks, obstructs audit, or fails to implement lawful financial controls.

(2) Financial misconduct may be dealt with through administrative, disciplinary, civil or criminal proceedings according to the nature and gravity of the conduct.

(3) A board member, chief executive, accounting officer, authorising officer, revenue collector, accountant, internal auditor, system administrator or other responsible person may be held accountable under this Act.

113. Unauthorised, irregular, fruitless and wasteful expenditure

(1) Regulations shall prescribe the identification, reporting, investigation, recovery and disclosure of unauthorised, irregular, fruitless and wasteful expenditure or equivalent categories used in national law.

(2) An accounting officer shall report such expenditure promptly and take corrective action.

(3) Regularisation of expenditure shall not prevent recovery, surcharge, disciplinary action or prosecution where misconduct occurred.

114. Surcharge and recovery

(1) A person who causes loss to the Government or a public body through negligence, misconduct or unlawful action may be surcharged in accordance with procedures prescribed by law.

(2) A surcharge shall be proportionate, procedurally fair and subject to review or appeal as prescribed by law.

(3) A surcharge does not prevent criminal prosecution, civil recovery or disciplinary action.

115. Administrative sanctions

(1) Administrative sanctions under this Act may include warning, reprimand, suspension of financial authority, withdrawal of access to financial systems, recovery of loss, surcharge, disciplinary referral or recommendation for removal from office.

(2) Sanctions shall be imposed in accordance with due process and applicable public service, employment, corporate governance or disciplinary laws.

(3) Regulations may prescribe penalty scales, responsible authorities and procedures.

116. Offences relating to public resources and records

(1) A person commits an offence if that person steals, misappropriates, diverts, conceals, knowingly misapplies, unlawfully retains or otherwise deals with public money or public resources in a manner not authorised by this Act or any other written law.

(2) A person commits an offence if that person falsifies, destroys, conceals, alters, manipulates or causes the falsification, destruction, concealment, alteration or manipulation of financial records, accounting records, accounting systems, audit trails, contracts, procurement records, asset registers, fiscal reports or any other record required to be kept under this Act.

(3) A person commits an offence if that person knowingly authorises, approves, certifies, processes or causes payment to be made for goods, works or services that have not been received, verified, certified, lawfully procured, lawfully contracted or are otherwise not lawfully due.

(4) A person who commits an offence under this section is liable, upon conviction, to a fine not exceeding [insert prescribed amount or penalty units], or to imprisonment for a term not exceeding [insert number of years], or to both such fine and imprisonment.

(5) Where an offence under this section results in loss, damage or prejudice to the Government or any public body, the court may, in addition to any penalty imposed under subsection (4), order the person convicted to repay, restore or compensate the full amount of the loss, damage or prejudice suffered.

(6) The imposition of a penalty under this section does not prevent the Government or a public body from taking administrative, disciplinary, civil recovery or surcharge proceedings against the person concerned.

117. Obstruction of officials and auditors

(1) A person shall not obstruct, intimidate, mislead or fail to cooperate with a public officer, internal auditor, external auditor, investigator or oversight body lawfully performing functions under this Act.

(2) Obstruction includes denial of access to records, systems, premises, bank accounts, assets or information required for lawful inspection, audit or investigation.

(3) A person who obstructs a lawful function under this Act is liable to sanctions prescribed by law.

118. Whistleblower protection and reporting wrongdoing

(1) A public officer or other person who, in good faith, reports suspected financial misconduct, fraud, corruption, waste, abuse or breach of this Act shall be protected in accordance with whistleblower, anti-corruption and employment laws.

(2) A person shall not retaliate against, intimidate, dismiss, demote, harass or disadvantage a whistleblower for making a protected disclosure.

(3) Reports of wrongdoing shall be handled confidentially and referred to the appropriate authority for action.

119. Enforcement and cooperation

(1) The Treasury, accounting officers, internal audit, the Supreme Audit Institution, anti-corruption bodies, law enforcement agencies and other competent authorities shall cooperate in enforcing this Act.

(2) Where a matter involves suspected criminal conduct, it shall be referred to the competent law enforcement authority.

(3) Enforcement action shall be reported in the manner prescribed by regulations, subject to confidentiality and due process.

Part XVI - Regulations, Transitional and Miscellaneous Provisions

120. Power to make regulations

(1) The Minister may make regulations for the better carrying out of this Act.

(2) Regulations may provide for budget procedures, fiscal rules, accounting standards, reporting formats, chart of accounts, internal controls, internal audit, cash management, debt management, asset management, records retention, digital systems, public body reporting, sanctions, and any other matter required under this Act.

(3) Regulations shall be published and laid before Parliament in accordance with national law.

121. Treasury instructions, manuals and circulars

(1) The Treasury may issue Treasury instructions, accounting manuals, internal audit manuals, debt procedures, cash management procedures, chart of accounts manuals, templates and circulars consistent with this Act and regulations.

(2) Treasury instructions may provide operational detail that should not be placed in the principal Act, including system procedures, forms, workflows, thresholds and reporting templates.

(3) Public bodies shall comply with Treasury instructions issued under this section.

122. Transitional arrangements

(1) The Minister shall prepare an implementation roadmap for reforms introduced by this Act, including institutional responsibilities, systems, capacity building, regulations and phased commencement dates.

(2) The roadmap may sequence implementation of accrual accounting, consolidation, Treasury Single Account expansion, standard chart of accounts, digital systems, internal audit reforms, SOE reporting and fiscal transparency reforms.

(3) Existing regulations, instructions, approvals, bank accounts, funds and reporting arrangements shall continue to apply to the extent that they are not inconsistent with this Act until replaced or revoked.

123. Repeals and savings

(1) The laws specified in a schedule may be repealed or amended to the extent necessary to give effect to this Act.

(2) Anything lawfully done under a repealed law remains valid to the extent that it is not inconsistent with this Act.

(3) Rights, obligations, liabilities, investigations, proceedings and sanctions commenced under a repealed law may continue as if commenced under this Act, unless the repealing law provides otherwise.

124. Periodic review of the Act

(1) The Minister shall cause this Act to be reviewed at least once every five years or earlier where significant constitutional, fiscal, technological, accounting or institutional reforms require review.

(2) The review shall consider implementation experience, audit findings, PEFA or other diagnostic assessments, international standards, regional obligations and stakeholder feedback.

(3) A report of the review shall be submitted to Cabinet, Parliament or other competent authority in accordance with national practice.

125. Interpretation in case of doubt

(1) Where doubt arises in applying this Act to a public finance matter, the interpretation that best promotes legality, transparency, accountability, fiscal responsibility, service delivery, value for money and protection of public resources shall be preferred.

(2) This section does not authorise an interpretation inconsistent with the Constitution or a binding decision of a competent court.

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Note: Adaptation of the Model Act

Countries should review this model against their Constitution, legal drafting conventions, institutional mandates, fiscal capacity, language requirements and implementation readiness before adoption.

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