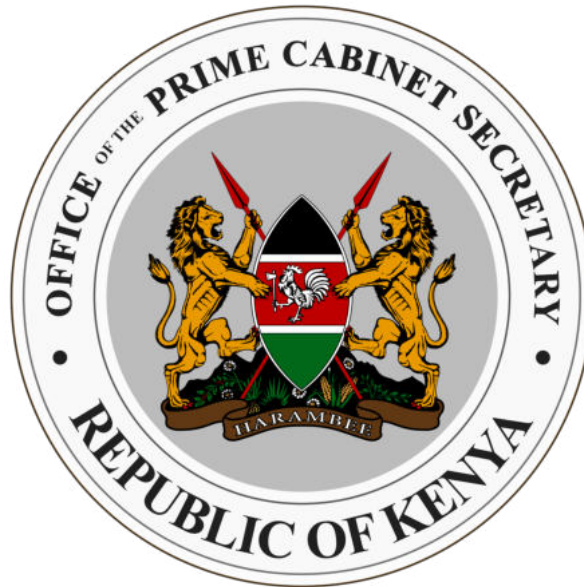




SPEECH BY H.E. HON. DR MUSALIA MUDA VADI, EGH., PRIME CABINET SECRETARY OF THE REPUBLIC OF KENYA, DURING THE SENSITIZATION WORKSHOP OF PRINCIPAL SECRETARIES/ACCOUNTING OFFICERS ON FISCAL REFORMS ON ASSET AND INVENTORY MANAGEMENT IN GOVERNMENT



**SPEECH BY H.E. HON. DR MUSALIA MUDA VADI, EGH.,
PRIME CABINET SECRETARY OF THE REPUBLIC OF
KENYA, DURING THE SENSITIZATION WORKSHOP OF
PRINCIPAL SECRETARIES/ACCOUNTING OFFICERS ON
FISCAL REFORMS ON ASSET AND INVENTORY
MANAGEMENT IN GOVERNMENT;**

FRIDAY AUGUST 4, 2023



SPEECH BY H.E. HON. DR MUSALIA MUDAVADI, EGH., PRIME CABINET SECRETARY OF THE REPUBLIC OF KENYA, DURING THE SENSITIZATION WORKSHOP OF PRINCIPAL SECRETARIES/ACCOUNTING OFFICERS ON FISCAL REFORMS ON ASSET AND INVENTORY MANAGEMENT IN GOVERNMENT

The Cabinet Secretary, National Treasury and Economic Planning;

The Principal Secretaries;

The Director General, Kenya School of Government;

The Principal Administrative Secretaries;

Director Generals;

Directors;

Distinguished Ladies and Gentlemen;

Good Morning:

1. It is my pleasure to join you for this workshop on assets and inventory management. The holding of this workshop could not have come at any other opportune time. As you are aware, Governments have one goal with respect to asset management which is to; **"maximize the value of their investment portfolio over time, while maintaining an acceptable level of risk"**. The





SPEECH BY H.E. HON. DR MUSALIA MUDAVADI, EGH., PRIME CABINET SECRETARY OF THE REPUBLIC OF KENYA, DURING THE SENSITIZATION WORKSHOP OF PRINCIPAL SECRETARIES/ACCOUNTING OFFICERS ON FISCAL REFORMS ON ASSET AND INVENTORY MANAGEMENT IN GOVERNMENT

Government of Kenya, to which you are an essential cog, is no exception.

2. In order to achieve the goal of ***maximizing the value of Government investments***, the National Treasury has initiated fiscal reforms to automate *assets and inventory management* in Ministries, State Departments and Agencies (MDAs), and County Governments. These fiscal reforms will be pursued in line with the government's Bottom - Up Economic Transformation Agenda (BeTA). For avoidance of doubt, the reforms are in tandem with our resolve to automate all Government processes and services, key among them, the management of public assets.
3. The current manual inventory management has inefficiencies that limit visibility and control of inventory levels, is time-consuming, is prone to human errors, and prevents the optimal use of human resources. To this extent, I am glad to note that the National Treasury is operationalizing of the Inventory Assets Management Module in IFMIS, to address these inefficiencies.

Ladies and Gentlemen;





SPEECH BY H.E. HON. DR MUSALIA MUDAVIDI, EGH., PRIME CABINET SECRETARY OF THE REPUBLIC OF KENYA, DURING THE SENSITIZATION WORKSHOP OF PRINCIPAL SECRETARIES/ACCOUNTING OFFICERS ON FISCAL REFORMS ON ASSET AND INVENTORY MANAGEMENT IN GOVERNMENT

4. Digitization of public financial management processes is a key component of cost-saving reforms meant to protect public resources from malfeasance by increasing efficiency and enhancing service delivery. Additionally, the changes provide for real-time tracking of inventory levels and enhance supply chain management practices. Importantly, the changes improve decision-making through data mining and analytics. The decision to pilot these reforms in the Executive Office of the President and the National Treasury, before being rolled out to MDAs, shows the level of Government commitment to see this process through.
5. May I therefore remind us that the Government policy stance on fiscal reforms is very clear and is anchored under the ***Policy on Asset and Liability Management in the Public Sector***. Be reminded also that statutory and non-statutory reports to oversight institutions on assets and inventory administration and management, should be geared towards enhancing optimization, transparency, and accountability of public assets; while supporting decision-making at the top management.
6. Internally, the purpose of these fiscal reforms should be a boon to Accounting Officers. You will have a bird's eye view of all inventory and assets under your control while





SPEECH BY H.E. HON. DR MUSALIA MUDAVADI, EGH., PRIME CABINET SECRETARY OF THE REPUBLIC OF KENYA, DURING THE SENSITIZATION WORKSHOP OF PRINCIPAL SECRETARIES/ACCOUNTING OFFICERS ON FISCAL REFORMS ON ASSET AND INVENTORY MANAGEMENT IN GOVERNMENT

facilitating optimal assets and inventory utilization. The reforms will also help you address the perennial concerns of the Auditor General about inadequate management of Government assets.

7. In order to ensure that these fiscal reforms are given the serious stimulus required, asset management is included as one of the key performance indicators in the 20th Performance Reporting Cycle. MDAs are henceforth required to ensure proper management and disposal of Government assets under them. The inclusion of the indicator is to ensure public sector entities prepare and maintain accurate and reliable asset registers. in safeguarding Government assets; standardization of identification, recording, disclosure and reporting on public sector assets is mandatory.
8. Meanwhile, fiscal reform requires adequate asset management structures to be in place to ensure prudent management of public assets. To this end, the National Treasury will continue to prescribe efficient and effective; but automated, simple, and easy-to-understand and use, public finance management systems. This will be in accordance with Section 12 (1) (e) of the Public Finance Management Act, 2012.





SPEECH BY H.E. HON. DR MUSALIA MUDAVADI, EGH., PRIME CABINET SECRETARY OF THE REPUBLIC OF KENYA, DURING THE SENSITIZATION WORKSHOP OF PRINCIPAL SECRETARIES/ACCOUNTING OFFICERS ON FISCAL REFORMS ON ASSET AND INVENTORY MANAGEMENT IN GOVERNMENT

Distinguished Ladies and Gentlemen;

9. I hope you don't feel overwhelmed by what is demanded of you. Implementing reforms is part of the responsibility you undertook to serve Kenyans. These fiscal reforms are the precursor to the full adoption of accrual accounting in the public sector which is a key pillar in ongoing Public Finance Management Reforms. While we also aim to enhance oversight by the National Assembly and County Assemblies, Kenyans will, in turn, immensely benefit and be grateful when there is certainty in the administration and management of their assets.
10. As I indicated, the National Treasury is operationalizing the Assets Module in IFMIS. This will provide a real-time automated platform for capturing Government assets data and reporting on assets using the prescribed templates. As Accounting Officers, you will have tracking dashboards. To protect you against unnecessary apprehension, adequate resources for implementation have been allocated for these overdue fiscal reforms. We are ready for the reform agenda; so should you be.

Ladies and Gentlemen;





SPEECH BY H.E. HON. DR MUSALIA MUDAVADI, EGH., PRIME CABINET SECRETARY OF THE REPUBLIC OF KENYA, DURING THE SENSITIZATION WORKSHOP OF PRINCIPAL SECRETARIES/ACCOUNTING OFFICERS ON FISCAL REFORMS ON ASSET AND INVENTORY MANAGEMENT IN GOVERNMENT

11. May I bring to your attention that the 19th Performance Reporting Cycle has come to an end? MDAs that have yet to submit annual assets reports to the National Treasury should do so before the 15th of August, 2023, which is about a week from today. Note that there will be no extension.

It is, therefore, my humble privilege to declare this workshop officially open.

God Bless You All

ASANTENI SANA

H.E. HON. DR MUSALIA MUDAVADI, EGH.,

PRIME CABINET SECRETARY,

THE REPUBLIC OF KENYA.

