



**PUBLIC SERVICE COMMISSION**

**ADMINISTRATIVE OFFICERS' EXAMINATION**

**APRIL, 2023**

**PAPER CODE: 104**

**PUBLIC FINANCE MANAGEMENT**

**DATE: WEDNESDAY 19<sup>th</sup> APRIL, 2023**

**TIME: 2.00 P.M. – 5.00 PM (3 HOURS)**

**INSTRUCTIONS TO CANDIDATES:**

1. This paper consists of **six** questions each carrying 20 marks.
2. Answer any **five** questions.
3. Answer all the questions in the answer booklet provided.

1. a) During a public baraza in your area of jurisdiction, the business community did not understand taxes and fines they pay to the Government. Explain to them **six** differences between a tax and a fine as sources of Government revenue. **(12 marks)**  
  
b) Internal auditors are expected to assist all levels of management in the effective discharge of their duties through continuous reviews and evaluations. Highlight **four** such reviews and evaluations internal auditors may carry out in a State Department. **(8 marks)**
2. a) As an Assistant Secretary deployed in a ministry headquarters, you have been approached by a bidder who complained that the procurement process was faulty and wish to apply for a review. Highlight **five** requirements that must be met for such a review to be accepted. **(10 marks)**  
  
b) A need has arisen to procure a new vehicle which had not been budgeted for in a ministry. Describe the procedure to be followed to incorporate this expenditure in the ministry's budget for the current financial year 2022/2023. **(10 marks)**
3. a) National Government Constituency Development Fund projects are implemented by various Project Management Committees (PMC's). Explain **five** challenges that PMC's may face in the procurement process. **(10 marks)**  
  
b) It is a requirement by the Government Financial Regulations and Procedures to provide certain information before payment is made to enhance accountability of public funds. Explain **five** such kind of information. **(10 marks)**
4. a) The Government Financial Regulations and Procedures require that Currency other than Central Bank of Kenya notes and coins should not be used in Government financial transactions unless special arrangements have been made by the Accounting Officer. Explain **five** possible reasons for this requirement. **(10 marks)**  
  
b) A State Department may incur losses in the course of transacting business. Highlight **five** payments that may be categorized as losses. **(10 marks)**
5. a) Outline **four** functions of the Senate Budget Committee in management of public finance in Kenya. **(8 marks)**  
  
b) A Government department had initiated disposal proceedings of her idle assets but has recently terminated the proceedings. Explain **six** circumstances that may have led to such termination. **(12 marks)**

6. a) The National Treasury is mandated by law to design and prescribe a financial management system for the National and County Governments. Explain **five** merits of having one financial management system for both National and County Governments. **(10 marks)**
- b) A Government department intends to purchase stationery worth Ksh.20,000 through low value procurement method. Outline **five** requirements that should be met for such a method to be used. **(10 marks)**