

Concept Note

Theme: Strengthening Legislative Oversight of Public Funds: Training for PAC and Health Committee Members on Audit Scrutiny KPIs

1. Background

Public Financial Management (PFM) reforms are most effective when oversight institutions, particularly Public Accounts Committees (PACs) and relevant sector committees such as Health Committees, play an active and informed role in scrutinizing public expenditure and holding government to account. However, many legislatures across Africa continue to face capacity constraints in effectively reviewing audit reports, conducting public hearings, and ensuring follow-up on audit findings.

As per Kenya's 2023 PEFA assessment, the overall performance of the external audit and legislative scrutiny functions remains weak, posing a significant challenge to effective service delivery. In particular, the indicator on legislative scrutiny of audit reports was rated as D (poor performance), highlighting critical weaknesses across the accountability chain. The review noted significant delays in parliamentary scrutiny—with audit reports taking on average 12 to 13 months to be reviewed after submission by the Office of the Auditor General (OAG).

Moreover, there is no formal, systematic mechanism for PAC to track the implementation of its recommendations, further undermining accountability. Of the four sub-indicators under this PEFA dimension (PI-31), three were rated D, indicating weak performance, while only the indicator on legislative follow-up on audit recommendations received a basic rating. The hearing of audit findings could not be rated due to the absence of reliable data, and transparency was rated low due to delays in publishing PAC reports online.

The absence of a structured framework—such as an action plan or performance tracking system—for PAC recommendations limits the effectiveness of parliamentary oversight and poses a serious risk to transparency, accountability, and the delivery of public services, particularly in critical sectors such as health.

The African Organization of Public Accounts Committees (AFROPAC), in partnership with the Global Fund, is implementing a two-year multi-country initiative (2025–2026) to enhance legislative oversight and accountability in public financial management, with a strategic focus on the health sector. This initiative recognizes that effective legislative oversight is not only a governance imperative but also a critical enabler of improved health outcomes, particularly in the context of public and donor-funded programs.

While Supreme Audit Institutions (SAIs) generate audit reports that identify financial and operational irregularities, it is the Public Accounts Committees (PACs) that play a pivotal role in ensuring these findings are acted upon. By bridging the gap between audit reporting and implementation, PACs help close the accountability loop — a process especially vital in the health sector, where inefficiencies or misuse of funds can directly impact service delivery and population well-being.

The initiative also recognizes the crucial role of Departmental Committees, such as the Committee on Health, which are mandated to provide sector-specific legislative and policy oversight. These committees contribute valuable expertise on public health priorities, implementation bottlenecks, and citizen concerns, complementing the work of PACs in ensuring that audit findings translate into real improvements in health services. When PACs and Health Committees work in synergy, they reinforce the accountability ecosystem—linking financial scrutiny to sectoral outcomes and policy reforms.

The collaboration with AFROPAC aims to empower both PACs and Health Committees to scrutinize health-related expenditures more effectively, particularly those supported by grants. In doing so, the initiative reinforces the principle that fiscal accountability is inseparable from health equity and access.

Through targeted in-country training and technical support, the initiative will strengthen the analytical and oversight capabilities of legislators and committee staff. This will enable both PACs and the Health Committee to translate audit findings into actionable recommendations, track their implementation, and engage stakeholders more effectively — ultimately fostering a culture of accountability that supports better governance, prudent financial management, and improved health service delivery in Kenya.

More specifically, the training will dissect the PEFA **Indicator PI-31**, which provides an internationally recognized benchmark to assess legislative scrutiny of audit reports. These indicators are central to evaluating the strength of legislative oversight, which is essential for accountability, transparency, and improved service delivery, especially in the health sector, where public and donor funds are significant.

This training aims to build and calibrate the capacity of PAC and Health Committee members to understand, interpret, and act on audit reports using PEFA's KPIs. Strengthening these skills will enable better governance, protect public resources, and help deliver better health outcomes.

2. Objectives of the Training

- Build technical understanding of legislative scrutiny indicators (PEFA PI-31) among PAC and health committee members.
- Strengthening the role of the legislature in audit scrutiny, hearings, and recommendation tracking.
- Promote greater transparency and public trust in how audit findings are addressed and easily accessed.
- Improve skills in interrogating audit reports and formulating actionable, SMART recommendations.
- Enhance cross-sector collaboration between PAC and the Health Committee to improve oversight in health spending.
- Facilitate understanding of PAC members with skills and knowledge for reviewing and amending frameworks to provide timelines for scrutiny and follow-up of inspection, audit, and budget implementation reports by the ISC, Parliament and County Assemblies, respectively. (As per Key Result Area 7 of [Kenya PFMR 2023-2028](#))

3. Target Audience

- Members of the National Assembly Public Accounts Committee (PAC) & Departmental Committee on Health.
- Parliamentary clerks, advisors, and staff supporting these committees
- Representatives from the Auditor General's offices, Civil Society Organizations (CSOs), and development partners (as observers or facilitators)

4. Proposed themes/topics

- Overview of PAC roles in budget oversight and audit review
- Analysis of the Auditor-General's health sector audit reports
- **Timing of audit report scrutiny**; understanding acceptable timelines for reviewing audit reports and implications of delays. (PI.31.1)
- **Hearings on audit findings**; enhancing skills for conducting effective public hearings that engage auditors and audited entities. (PI.31.2)
- **Recommendations by legislature**; developing systems for drafting, recording, and tracking implementation of recommendations made by PACs and health sector committee (PI.31.3).
- **Transparency of legislative scrutiny**; enhancing public access to audit scrutiny processes and reporting back to citizens (PI.31.4)-
- Benchmarks for measuring PAC performance

5. Methodology

- Workshop format with interactive sessions, case studies, simulations, and peer learning.
- Presentations by experts and country practitioners on good practices SAI, PFMI, or WACI, Parliament, or PFMRI.
- Use of real audit reports (especially health sector-related) for practical exercises. (SAI support)
- Joint PAC–Health Committee sessions to foster collaborative oversight.

6. Expected Outcomes

- Improved understanding of audit scrutiny KPIs and their practical application.
- Stronger collaboration between PACs and sectoral committees (Health Committee).
- Action plans for improving legislative scrutiny and follow-up mechanisms.
- Greater accountability in the use of public funds, particularly in the health sector.
- Improved capacity of PAC members to analyze audit reports and conduct hearings effectively
- Understanding inter-committee collaboration for effective health sector oversight