

COUNTY GOVERNMENT OF NAIROBI CITY



NAIROBI CITY COUNTY ASSEMBLY

FIRST ASSEMBLY – FOURTH SESSION

REPORT OF THE COUNTY ASSEMBLY BUDGET AND APPROPRIATIONS
COMMITTEE

ON

THE ANNUAL DEVELOPMENT PLAN: 2015-2016

APRIL 2016

*Paper read on the
Floor of the Assembly
by Hon. E. Otieno
on 19/04/2016.
A.A.J.
P.L.A.(e)
17/4/16.*

Mr. Speaker Sir, the Annual Development Plan (ADP) is an extract of the County Integrated Development Plan and a document that is meant to help the County implement the county master plan. The Leader of the Majority Party tabled in this Assembly the Annual Development Plan and the document stood committed to the Budget and Appropriations Committee for consideration.

Mr. Speaker Sir, the provisions of Standing Order 187 (e) gives the Budget and Appropriations Committee the responsibility to evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays. The ADP is one such document that is aimed at effecting the economic and budgetary policies of the County and giving life to the very hard facts about the County budget.

Mr. Speaker Sir, the County Assembly Budget & Appropriations Committee comprises of the following 19 Members:

- | | |
|------------------------------------|----------------------|
| 1. Hon. Michael Okumu, MCA | Chairperson |
| 2. Hon. George Ochola, MCA. | Vice Chairman |
| 3. Hon. Fredrick Obenge, MCA. | |
| 4. Hon. Caroline Muga, MCA | |
| 5. Hon. Helen Katangie, MCA | |
| 6. Hon. Osman Ibrahim, MCA | |
| 7. Hon. Jackson Gikandi, MCA | |
| 8. Hon. Kenneth Muroki, MCA | |
| 9. Hon. David Kairu, MCA | |
| 10. Hon. Catherine Akoth, MCA | |
| 11. Hon. Herman Azangu, MCA | |
| 12. Hon. Magdalene Mbogori, MCA | |
| 13. Hon. Jane Muasya, MCA | |
| 14. Hon. Peter Isuha, MCA | |
| 15. Hon. Isaac Ngige, MCA | |
| 16. Hon. Ngaruiya Chege, MCA | |
| 17. Hon. Samuel Irungu, MCA | |
| 18. Hon. Bernadette Wangui, MCA | |
| 19. Hon. Victoria Alali, MCA | |

Committee's Mandate

Mr. Speaker Sir, the Nairobi County Assembly Budget and Appropriations Committee is constituted under the provisions of Standing Order 187. Its mandate pursuant to Standing Order 187(3) is to:-

- a) *investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the county budget;*
- b) *discuss and review the estimates and make recommendations to the County Assembly;*
- c) *examine the County Fiscal Strategy Paper presented to the County Assembly;*
- d) *examine Bills related to the county budget, including Appropriations Bills; and*
- e) *evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlay*


Examination of the County Annual Development Plan

In reviewing the 2015-2016 Nairobi County Annual Development Plan, the Committee held a total of five (5) sittings. During this undertaking the County Treasury was accorded the opportunity to take members through the document in addition to shedding light on the gray areas identified by the Committee. These discussions were crucial at helping the Committee come up with informed decisions on the Plan.

Acknowledgment

Mr. Speaker Sir, the Committee thanks the Offices of the Speaker and the Clerk for the support extended during the execution of its mandate. Specifically, the Committee wishes to pay special gratitude to the County Assembly Fiscal Analysts and Legal Counsels who gave it invaluable technical advice during the scrutiny of this Plan.

Mr. Speaker Sir, It is therefore my pleasant duty and privilege, on behalf of the Budget & Appropriations Committee to table this Report and recommend it to the Assembly for adoption.

SIGN.......... DATE.....*19/4/13*.....

Hon. Michael O. Okumu, MCA Chairman

SCRUTINY OF THE NAIROBI CITY COUNTY ANNUAL DEVELOPMENT PLAN (2015-2016)

A. BACKGROUND INFORMATION

1. **Mr. Speaker Sir**, annual plan is a blueprint that brings together the policy formulators and implementers with an aim of having a predictable and organized way of rolling out development projects in the County. In the process of implementing any plan, the contributions of the the elected representatives, the development partners, non-governmental organizations, the general public and the County Executive cannot be overemphasized. In fact the provisions of Section 102 of the County Governments Act 2012 dictate that the County Integrated Development Plan (CIDP) from which the Annual Development Plan is extracted should at very least endeavor to integrate the national values in all processes; protect and integrate rights and interests of minorities and marginalized groups; protect and develop natural resources in a manner that aligns national and county government policies; align county financial and institutional resources to agreed policy objectives and programmes; engender effective resource mobilization for sustainable development; promote the pursuit of equity in resource mobilization within the County; provide a platform for unifying planning, budgeting, financing, programme implementation and performance review as well provide a basis for engagement between county government and the citizenry, other stakeholders and interested groups.
2. **Mr. Speaker Sir**, the CIDP and by extension the ADP has far reaching effects on the budget of the County for any given financial year and that is why the provisions of Section 104 of the County Government Act, 2012 decrees that a county government shall plan for the county and no money shall be appropriated outside a planning framework developed by the county executive committee and approved by the county assembly. This provision of the law is clear on who has the original and culminate roles of developing the Annual Development Plan. It is the anticipation of the law that in coming up with any such plan, the County Executive Committee Member for Economic Planning shall seek to involve all stakeholders in the budget process. It cannot be gainsaid that there are enough provisions in the law that have given emphasis on the importance of having all-inclusive consultations on matters that affect the public. This, the Budget Committee confirms has been adequately done.

B. COMPLIANCE OF THE COUNTY ANNUAL DEVELOPMENT PLAN (2015-2016) TO THE PREVAILING LEGISLATION

3. **Mr. Speaker Sir**, as has been said, there are superfluous provisions in law that have underscored the importance of having a plan as a basis for budgeting in any financial year. The Constitution of Kenya 2010 and the enabling legislations; County Governments Act, 2012 and the Public Finance Management Act, 2012 have enough provisions dedicated to providing guidelines on how to develop and approve such plans. For a start, the provisions of Section 125 of the Public Finance Management (PFM) Act, 2012 records that the budget process in any financial year shall consist of integrated development planning process which shall include both long term and medium term planning. Further Section 126 (3) of the same Act is explicit that not later than 1st September of each year the County Executive Committee Member for planning shall submit the development plan to the County Assembly for its approval. Whereas the law does not provide the legal timelines for approval of the document, the formulators of the law were able to discern that an early approval of the ADP would have a positive effect on all the subsequent budget processes without incurring any major hitches or delays. In fact, Section 107 of the County Governments (CGA) Act, 2012 provides that the plan would be able to guide, harmonize and facilitate development with the County.
4. **Mr. Speaker Sir**, the Committee during the deliberations on this ADP found a lacuna in the law on the timelines for approval of the Annual Development Plan. The Committee was at pains to understand whether the Assembly should be considering the ADP for the FY 2015/16 or the FY 2016/17. It was the considered view of the Budget Committee that approving the ADP for the FY 2015/16 late into the financial year would mean that the County would be running a budget for at least an entire quarter without an enabling plan. Further it was the unreserved opinion of the Committee that since the law does not give timelines for the approval of this document, it remains a logical possibility that the County Assembly would be within the legal parameters to approve it even at the tail end of the financial year. Further **Mr. Speaker**, the Budget Committee was not convinced that the provisions of Section 125 of the Public Finance Management Act, 2012 should be applied separately with regard to the Annual Development Plan. The quoted provisions of the law are explicit on the chronological events involved in the County budget process and are clear that planning should be starting point on that process. From the foregoing it is the understanding that budget approval should be the end product of the budget process and not the annual development plan.
5. **Mr. Speaker Sir**, the Committee has however received an advisory from the Office of the Controller of Budget (OCOB) that the County Assembly should approve the ADP for the FY 2015/16. Whereas the letter from the OCOB provided some light on some of the issues related to quagmire at hand it did not fully address the aforementioned concerns of the Budget Committee. The Budget Committee further wrote to the Controller of Budget,

the earlier advisory notwithstanding, for clarifications of the above matters, and the Office provided it with a detailed response to the issues raised. In summary the COB was in agreement with the Committee that there exists a lacuna in the law on the timelines for approval of the Plan. The Office also agreed with the Committee that the County should be considering and approving the ADP for the FY 2016/17 as a document that would inform the budget for the coming financial year. However, it was the opinion of the Office that since the County had thus not approved any Annual Development Plan, it would have been a good starting point to approve the ADP for the FY 2015/16 even as we process the ADP for the FY 2016/17. The Committee commends the Office of the Controller of Budget for having been steadfast in addressing the concerns of the Budget Committee

6. **Mr. Speaker Sir**, Section 126 (1) of the PFM Act, 2012 dictates that the Annual Development Plan shall include:

- *strategic priorities for the medium term that reflect the county government's priorities and plans;*
- *a description of how the county government is responding to changes in the financial and economic environment;*
- *programmes to be delivered with details for each programme of—*
 - (i) the strategic priorities to which the programme will contribute;*
 - (ii) the services or goods to be provided;*
 - (iii) measurable indicators of performance where feasible; and*
 - (iv) the budget allocated to the programme;*
- *payments to be made on behalf of the county government, including details of any grants, benefits and subsidies that are to be paid;*
- *a description of significant capital developments;*
- *a detailed description of proposals with respect to the development of physical, intellectual, human and other resources of the county, including measurable indicators where those are feasible;*
- *a summary budget in the format required by regulations; and*
- *such other matters as may be required by the Constitution or this Act.*

7. **Mr. Speaker**, in comparing the presented document and the requirements of the above provisions of the law the Committee noted that the ADP had made great attempts to comply with the law except for a few areas that may need to be corrected. The plan has rightly evaluated the strategies that the County would be embarking on in the FY 2015/16 with some mention of the priority concerns. The plan has also undertaken major appraisal of the problems that the County is grappling with and enumerated how it intends to handle them going forward.

8. **Mr. Speaker Sir**, the ADP contains the programmes that the County wants to implement with details of their budget requirement fully captured in the book. The Committee during its scrutiny of the document was persuaded that the indicators therein were realistic and measurable. In relation to the requirements of Section 12 (1) (g) that requires that the ADP contains a summary budget in format required by regulations, the Committee notes that the plan failed to provide a brief of the County budget. It was the expectation of the Budget and Appropriations Committee that the plan would have contained a budget for the County for the period under review. Given the provisions of Section 12 of the Second Schedule of the PFM Act, 2012 the budget must be program based. The Committee hence recommends that the plan be amended by inserting this summary budget as required by the Act.

C. OBSERVATIONS OF THE BUDGET AND APPROPRIATIONS COMMITTEE ON THE SECTORS PROGRAMMES AND PROJECTS

9. **Mr. Speaker Sir**, the Budget and Appropriations Committee held extensive deliberations with the County Treasury officials for them to disseminate the specifics of the projects and programmes enlisted in the ADP and from the discussions the Committee managed to come up with a number of observations. This section of the report would endeavor to record some of the observations of the Committee on selected Sectors programmes as well as propose ways of dealing with any identified gaps.
10. The Budget Committee as the Select Committee that directly oversees the Finance Department continues to commend the **Finance and Economic Planning Sector** for having been in the front row in safeguarding the financial matters in the County. The Committee during this review noted that the issues identified by the Sector in the report were in the tandem with the prevailing realities. The Committee was specifically interested in understanding how the implementation of contemporary methods of financial probity had taken effect. One of those instruments include the introduction of Integrated Financial Management Information System, E-procurement and e-payment that jointly and individually aim to limit human errors associated with money contact and financial discretion. The Committee appreciates all these as timely plans that would limit the loss of revenue and permanently seal the few remaining leakages. The latest report of the Controller of Budget has taken cognizance of the steps the County has undertaken to roll out effective financial management systems.

11. **Mr. Speaker Sir**, this County and most so elected officials of this County will be judged on how well they have been able to either implement or influence development across the County. In this regard therefore, the success of devolution or otherwise for this County is directly proportional to how **the Public Works, Roads and Transport Sector** would be able to roll up it sleeves and start implementing the plans as enumerated in the County Integrated Development and the recently launched Strategic Plan. The Committee and indeed the whole Assembly appreciates the importance of this Sector and that's why we have continued to allocate huge sums of money for it to roll out development projects across the eighty-five wards. It is worth reminding Members that in the financial year 2015/16 the Sector was allocated in excess of Kshs. 6billion for among others cleaning up the drainage system, improving the non motorized transport system, increasing the coverage of public lighting and sanitizing the transport sector.
12. **Mr. Speaker Sir**, in the ADP, the Committee noted that the County through this Sector aims to develop and implement the storm water drainage master plan so as to curtail the drastic effects of flooding in the City. This the Committee appreciates this as a timely reprieve for most residents who over the years have lived in fear of rains and downpour. In addition, the Sector targets to develop a Transport Master plan which is long overdue so as to ease the traffic congestions that plague Nairobi residents. Without negating the importance of some of these ventures the Committee has insisted on the County Treasury to ensure that all programmes to be implemented are pulled out of the County Integrated Development Plan and the public priorities as contained in the Medium Term Expenditure Report 2015. Whereas the Committee noted that the development of the transportation masterplan was not one of the projects which had been flagged out in the CIDP, it is an important initiative that needs to be undertaken without any further delays. Measures should also be put in place to ensure that all the programmes are integrated in the Plan. While the Committee continues to lament the lackluster performance of the Sector over the past three years, it was convinced that fidelity to the proposed programmes would bring nothing short of progress.
13. **Mr. Speaker**, during consideration of various documents that have been presented before the Committee, it has been consistently noted that most of the development funds for the **Physical Planning, Lands and Housing Sector** have been earmarked for baseline studies. Without underrating the importance of such surveys, the Committee is of the view that they have taken too long and it is time that the Sector needs to get down to some real work. In this Plan, the Physical Planning, Lands and Housing aims to improve the condition of the 16,829 council housing units by making the more secure and habitable. The Committee notes that this would

lead to more compliance in payment of rents thereby having the multiplier effect of expanding the revenue kitty. Further the Committee was convinced that plans to re-activate the AD-manager system would enhance service delivery and bolster revenue collection.

14. **Mr. Speaker Sir**, the ADP has earmarked that the **Office of the Governor** will be focusing on improving the working conditions of the County Staff which is vital for motivation and hence seamless delivery of services in the County. One of the departments under the Office being the Security and Compliance Department which would revolve around training of officers and equipping them to ensure professionalism in enforcement and safeguarding of the County Properties for the welfare of the residents. The Committee learnt that with regards to Disaster management the Sector will be recruiting and offering world class training to the firemen, equipping them state of art technology and building fire stations to booster protection of the residents and ensure vigilance in case of disasters. In increasingly digital world the ICT sector will be pulling the County out of outdated manual era by installation of ICT infrastructure in all service delivery points to ensure fast service, minimal disruptions and safekeeping of vital information. While the Budget Committee lauds the ICT Sector for having rolled out measures to make the County operate in the modern technology, it still believes that there is much to be done to totally automate systems in the County.

15. **Mr. Speaker Sir**, the Committee noted that in the recent past the County residents have faced shortage of safe drinking water due to rationing and limited capacity of the Nairobi Water and Sewerage Company to meet the County requirements. Further, the Committee has been consistent in echoing the sentiments of most residents that there is an urgent need to manage garbage collection and make the City clean once again. The City has faced instances of piling of garbage due to illegal dumping and excess generation of waste by the ever increasing population, not to mention the outdated sewage network in Nairobi that frequently bust exposing the residents to toxic waste. It's on the stated happenings that the **Water, Environment, Forestry and Natural Resources Sector** has come up with mitigating strategies among them installation of electronic waste management systems, purchase of machinery, rehabilitation of sewer lines, construction of toilets and the restoration of the Nairobi Dam. The Committee agrees with the Sector that these are impressive moves that if strictly implemented would achieve the Sector vision and mission.

16. **Mr. Speaker Sir**, Members will recall that during the deliberations on the County Integrated Development Plan (2013-2017) the Committee decried the rate at which the **Agriculture Sector** was rolling out urban agriculture as well strengthening the

existing extension services. Given that the County does not enjoy the unique characteristics that make agriculture prosper in rural areas, it is important for structures to be developed to make it conducive for farming. During its review of this Plan, the Committee noted that most of the plans proposed by the Sector remain abstract and without clear implementation plan would remain only paperwork. The ADP documents that the Sector would in the coming year be engaging itself in promotion of agricultural technologies to support crop, livestock and fisheries through the urban agriculture programs. In addition, the Sector would be aiming to tap in to the products from neighboring Counties by promoting food processing technologies. These, the Committee agrees are well thought out commitments that would be beneficial if rolled out with the zeal and due diligence required.

17. **Mr. Speaker Sir**, the importance of informal sector in an economy with an employment rate that conservantly stands at over 60% cannot be gainsaid. From this understanding, it is agreeable that the programmes initiated by the **Trade, Industrialization, Co-operative and Tourism Sector** draw a lot of interest to the Honorable Members of this Assembly. In this regard, the Committee appreciates that Sector plans to develop policies that would provide clear roadmap on its operations. Plans to rehabilitate markets, expand the smaller markets as well undertake comprehensive capacity building of the Small and Medium Enterprises (SMEs) are without a doubt good undertakings that we all should support. The Budget Committee has time and again been steadfast to assert the Sector has been above average performer in revenue generation. However, the Committee remains persuaded that the Sector is still far off from reaching its optimal revenue figures. With these initiatives it is the hope of the Committee that the revenue collection from heads that have not hit the ground like betting fees and liquor charges would improve. The Committee also recommends that the County Treasury and the Sector need to finalize discussions with national government institutions on the legality of the Counties levying some of these charges.

18. **Mr. Speaker Sir**, the Budget Committee also noted additional issues in the ADP that it would wish addressed in finalizing the Plan and in any other subsequent plans to be submitted to the County Assembly. The Plan is filled with too many roll over projects some of which are past their expected completion dates. The Committee is of the view that these too many roll over projects continue to advance the case that the County has not been keen on achieving the development projects. Further, the Committee noted during these deliberations that the Plan lacked some projects that had been indicated as rolled overs. In this regard, the Committee found omitted projects like Renovation and refurbishments of offices and City Hall Buildings. The Committee additionally noted that the Plan failed to make mention of the

development projects that should be undertaken by the County Assembly. Mr. **Speaker Sir**, whereas it is anticipated that the County Assembly shall have a strategic plan, its development budget should form part of the ADP like all other consumers of County funds. It is important that the identified gaps are corrected when coming up with the final document.

19. **Mr. Speaker Sir**, the last part of the ADP provides a revenue and expenditure framework for FY2015/16. It enumerates how the County government aims to raise the revenues to fund the County expenses. The Committee noted that some of the revenue projections were overly ambitious but left the same for reaffirming in the subsequent budget documents.

D. COMMITTEE'S RECOMMENDATIONS


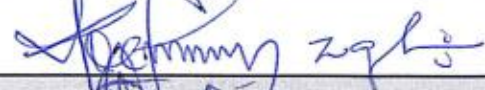


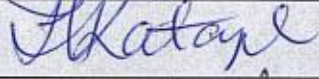

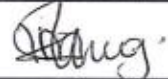
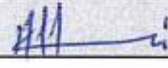
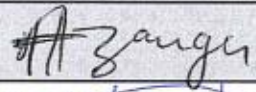
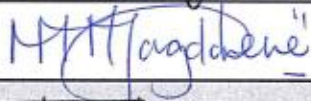
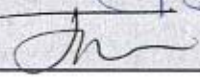




20. **Mr. Speaker Sir**, in summary and pursuant to the provisions of Section 126 (3) of the PFM Act, 2012 the Committee recommends that this Assembly resolves as follows:

- i. That the Annual Development Plan must in future be submitted to this Assembly for approval in a timely manner and specifically that the ADPs for the FYs 2016/17 and 2017/18 must be submitted to the County Assembly for approval by September 1st 2016;
- ii. That the ADP be amended by deleting all projects that have either been completed or are past their intended completion dates;
- iii. That the ADP be amended to include the development projects for the County Assembly;
- iv. That all the amounts allocated for development programmes should be amended to ensure they are consistent with the figures approved in the budget estimates for the FY 2015/16

Mr. Speaker Sir, in conclusion and pursuant to the provisions of Section 126 (3) of the Public Finance Management Act 2012 the County Budget and Appropriations Committee recommends that:

“This County Assembly adopts the Report of the Budget and Appropriations Committee on the Annual Development Plan for the FY 2015-16”

We the undersigned Members of the Budget and Appropriations Committee affirm that this is the approved report of the Committee on the Annual Development Plan for the FY 2015-16 and over the Medium Term:

NAME	SIGNATURE
1. Hon. Michael Okumu, MCA	
2. Hon. George Ochoa, MCA.	
3. Hon. Fredrick Obenge, MCA.	
4. Hon. Caroline Muga, MCA	
5. Hon. Helen Katangie, MCA	
6. Hon. Osman Ibrahim, MCA	
7. Hon. Jackson Gikandi, MCA	
8. Hon. Kenneth Muroki, MCA	
9. Hon. David Kairu, MCA	
10. Hon. Catherine Akoth, MCA	
11. Hon. Herman Azangu, MCA	
12. Hon. Magdalene Mbogori, MCA	
13. Hon. Jane Muasya, MCA	
14. Hon. Peter Isuha, MCA	
15. Hon. Isaac Ngige, MCA	
16. Hon. Ngaruiya Chege, MCA	
17. Hon. Samuel Irungu, MCA	
18. Hon. Bernadette Wangui, MCA	
19. Hon. Victoria Alali, MCA	

**MINUTES OF THE 23RD SITTING OF 2016 OF THE NAIROBI CITY COUNTY
BUDGET AND APPROPRIATIONS COMMITTEE HELD ON WEDNESDAY 6TH
APRIL 2016 AT 2PM AT LAKE NAIVASHA RESORT.**

- | | | |
|-----|--------------------------------|----------------------|
| 1. | Hon. Michael Ogada, MCA | Chairman |
| 2. | Hon. George Ochola, MCA | Vice Chairman |
| 3. | Hon. Osman Adow, MCA | |
| 4. | Hon. Victoria Alali, MCA | |
| 5. | Hon. Peter Isuha, MCA | |
| 6. | Hon. Fredrick Obenge, MCA | |
| 7. | Hon. Jackson Kiama, MCA | |
| 8. | Hon. Kenneth Muroki, MCA | |
| 9. | Hon. Jane Muasya, MCA | |
| 10. | Hon. Bernadette Wangui, MCA | |
| 11. | Hon. David Kairu, MCA | |
| 12. | Hon. Ngaruiya Chege, MCA | |
| 13. | Hon. Caroline Muga, MCA | |

ABSENT

- | | | |
|-----|------------------------------|--|
| 14. | Hon. Herman Azangu, MCA | |
| 15. | Hon. Isaac Ngige, MCA | |
| 16. | Hon. Magdalene Mbongori, MCA | |
| 17. | Hon. Catherine Akoth, MCA | |
| 18. | Hon. Samuel Irungu, MCA | |
| 19. | Hon. Hellen Katangie, MCA | |

In Attendance

- | | |
|---------------------------|--------------|
| a) Mr. Gregory Mwakanongo | CECM Finance |
|---------------------------|--------------|

b) Mr. Luke Gatimu	Ag. Chief Officer Finance
c) Mr. James Ngunjiri	Ag. Head of Budget
d) Mr. Nick Otieno	Ag. Head of County Revenue
e) Mr. Kefa Omanga	Head of County Economic Planning
f) Mr. Shaban Asman	Chief Revenue Officer
g) Mr. Cyrus Kamau	Budgeting
h) Ms. Alice Mundia	Credit Controller
i) Ms. Elizabeth Nderitu	Accountant
j) Ms. Peris Wanjiru	Accountant
k) Mr. Sianga Chenge	Economist
l) Ms. Irene Kihara	Administrator
m) Mr. Andrew Kigen	Economist
n) Ms. Grace Chabari	Economist

SECRETARIAT

1. Mr. Fredrick Macharia	Senior Finance Planning Officer
2. Mr. Erick Otieno	Fiscal Analyst/Clerk Assistant
3. Mr. Farah Gabow	Finance Officer
4. Mr. Moses Senator	Fiscal Analyst

MIN79/BAC/APRIL/2015: Preliminaries

The Chairman called the meeting to order at five minutes past twelve o'clock with opening prayers being led by Hon. Kenneth Thugi.

1. Preliminaries
2. **Workshop**
3. Any Other Business
4. Adjournment

MIN80/BAC/APRIL/2015: Workshop

Presentations and Deliberations on Medium Term Debt Strategy Management Paper (Ms. Alice Mundia)

The Credit control officer took the members through the debt paper reiterating the Medium Term Debt Strategies set out the debt management strategy of the county over the medium term with respect to actual and potential liabilities for both loans and creditors.

In plenary the following issues were raised:

1. The Committee enquired whether the County Executive had made effort to discuss the contingency loans guaranteed by the national government with the aim to writing them off. The Ag. Head of Budget informed the members that after an effort it was realized that the debts were missing from the National Treasury records hence the need for Assembly resolution to have them written off.
2. The Committee asked if the county had started the debt swap strategies in the paper, the officer replied that the negotiations meant to actualize the strategy were on going.
3. The Committee enquired if the county has been paying net salaries without remitting statutory deductions. The officer answered that the existing statutory debts were inherited from the Defunct Councils.

Resolution

The members resolved that the debts be audited by an external Audit firm of high reputation to establish their authenticity.

Deliberation on the County Annual Development Plan Report (Mr. Eric Otieno)

Mr. Otieno told the participants that the Annual Development Plan provided the linkages with the Annual Budget, the County Integrated Development Plan. He went ahead to state that the plan enumerated each sectors Development priorities for the financial year 2015/16 while providing a detailed list of the County ongoing projects, new projects to be initiated, donor funded/co-funded projects and their budget allocation.

In his conclusion the officer took the participants through the Budget and Appropriations Committee report on the Annual Development Plan. (Annex)

During planning the following issues were raised:

1. The Director Economic Planning raised concerns over the proposal by the Committee to have the amounts allocated for development amended so as to be in line with the Approved budget citing that it would not be possible; the Committee Clerk informed him that the requirement was only for the current financial year as the ADP was been approved after the adoption of budget and not for all subsequent ADP projects.
2. The Committee prompted the Executive officers to ensure continuity of the ADP and alignment with CIDP to ensure that particular capital projects do not become permanent in the ADP.
3. The members raised concerns that despite having an approved ADP, the executive had continued implementing different projects and wondered if the committee really needed to approve the paper since this was becoming a norm; The Chief officer finance informed the committee that it was important to approve the paper for compliance purposes. However in the current case where there have been delays in the approval the County continued to implement the projects as per the approved budget.

Resolution

The Committee adopted the report with no amendments after being proposed by Hon.Victoria Alali and seconded by Hon.Ngaruiya Chege.

MIN81/BAC/ APRIL /2016: Adjournment.

The time being twenty minutes to five O'clock, the Chair adjourned the meeting.

CONFIRMED AS TRUE RECORD OF PROCEEDINGS

Sign.....

Date.....

Hon. Michael O. Ogada (Chairman)

MINUTES OF THE 138TH SITTING OF 2015 OF THE NAIROBI CITY COUNTY BUDGET AND APPROPRIATIONS COMMITTEE HELD ON WEDNESDAY 25TH NOVEMBER 2015 AT 12PM CHARTER HALL, CITY HALL BUILDINGS.

PRESENT

- | | |
|-------------------------------|---------------|
| 1. Hon. Michael Ogada, MCA | Chairman |
| 2. Hon. George Ochola, MCA | Vice Chairman |
| 3. Hon. Emmaculate Musya, MCA | |
| 4. Hon. Ngaruiya Chege, MCA | |
| 5. Hon. Victoria Alali, MCA | |
| 6. Hon. Maurice Akuk, MCA | |
| 7. Hon. Alexina Mudi, MCA | |
| 8. Hon. Osman Adow, MCA | |
| 9. Hon. David Kairu, MCA | |
| 10. Hon. Kenneth Muroki, MCA | |
| 11. Hon. Samuel Irungu, MCA | |
| 12. Hon. Hellen Katangie, MCA | |
| 13. Hon. Joash Omwenga, MCA | |
| 14. Hon. Ken Oduru, MCA | |
| 15. Hon. Herman Azangu, MCA | |

ABSENT

16. Hon. Bernadette Wangui, MCA
17. Hon. Isaac Ngige, MCA
18. Hon. Jackson Kiama, MCA
19. Hon. Fredrick Obenge, MCA

SECRETARIAT

1. Mr. Fredrick Macharia Senior Finance and Planning Officer.

2. Mr. Erick Otieno Fiscal Analyst/ Clerk to BAC.
3. Mr. Moses Senator Fiscal Analyst

MIN560/BAC/ NOVEMBER /2015: Preliminaries

The Chairman called the meeting to order at twelve o'clock with opening prayers being led by Hon. Herman Azangu.

The following agenda was adopted for the meeting after being proposed by Hon. David Kairu and being seconded by Hon. George Ochola

1. Preliminaries
2. Confirmation of Minutes
3. Matters Arising
4. Letter from Office of Controller of Budget (OCOB) on Annual Development Plan (ADP)
5. Nairobi City County Assembly Board Supplementary Estimates
6. Any Other Business
7. Adjournment

MIN561/BAC/NOVEMBER/2015: Confirmation of Minutes.

The agenda was postponed to the next meeting.

MIN562/BAC/NOVEMBER/2015: Letter from OCOB on Annual Development Plan

The Clerk to the Committee presented the Members a letter from the Office Controller of Budget requiring the County Assembly to approve the Annual Development Plan for the FY 2015/16. The Chairman took the Committee through the letter by the Controller of Budget expressing concerns over the non-approval of the Annual Development Plan for the FY2015/16 by the County Assembly as required by provisions of Section 126(3) of the Public Finance Management Act, 2012.

The Committee resolved to have the agenda slotted in the program of the Committee workshop scheduled for Naivasha starting 29th November 2015.

MIN563/BAC/ NOVEMBER/2015: Consideration of the Nairobi City County Assembly Service Board Supplementary Estimates

The Committee Clerk informed the meeting that the Supplementary Estimates had been tabled in the County Assembly and committed to the Budget Committee for consideration and reporting by Tuesday 1st December 2015. The Chair welcomed the County Assembly Senior Finance Officer to take it through the contents of the estimates.

The Senior Finance and Planning Officer while taking the Committee through the contents of the estimates explained that the document had been occasioned by underfunding in the budget for the F Y 2014/15 to the tune of Kshs.309million despite a commitment by the County Executive Committee Member for Finance to do so. This failure, he said, was attributed to the underperformance of county revenues collection in the previous financial year. The Committee was informed that the underfunding had resulted in pending bills totaling up to Kshs.39million and a further Kshs.270million emanating from the ongoing renovations of the County Assembly Chambers. The Senior Finance Officer informed the Committee that due to the aforesaid commitment to remit the funds before the lapse of the FY 2014/15, these expenditures had not been appropriated in the budget for the FY 2015/2016.

Having listened to the presentation on the proposed supplementary estimates, the Committee expressed concerns on the budget performance for the County Assembly especially use of requisitioned amounts for payments of salaries and allowances. Members wanted to know how excess amounts not paid to Members who did not qualify for full Committee and plenary sittings were spent. The Members agreed that there was need to undertake a thorough audit of the budget for the County Assembly over the last two years to determine how the amounts not actually used for payment of salaries/ allowances were utilized.


Finally, the Committee approved the presented Supplementary Budget but insisted on the Finance Officer to ensure that the Assembly obtained a written commitment from the County Executive Committee Member for Finance on the availability on funds for the

budgeted amounts.

MIN564/BAC/ NOVEMBER/2015: Adjournment.

The time being one o'clock the Chair adjourned the meeting

CONFIRMED AS TRUE RECORD OF PROCEEDINGS

Sign.....

Date.....*19/11/16*.....

Hon. Michael O. Ogada (Chairman)

MINUTES OF THE 114TH SITTING OF 2015 OF THE NAIROBI CITY COUNTY BUDGET AND APPROPRIATIONS COMMITTEE, HELD ON FRIDAY 2ND, OCTOBER 2015 AT 9AM AT MASADA HOTEL, NAKURU COUNTY.

PRESENT

- | | |
|---------------------------------|---------------|
| 1. Hon. Michael Ogada, MCA | Chairman |
| 2. Hon. George Ochola, MCA | Vice Chairman |
| 3. Hon. Emmaculate Musya, MCA | |
| 4. Hon. Osman Adow, MCA | |
| 5. Hon. Kenneth Muroki, MCA | |
| 6. Hon. Herman Azangu, MCA | |
| 7. Hon. David Kairu, MCA | |
| 8. Hon. Alexina Mudi, MCA | |
| 9. Hon. Samuel Irungu, MCA | |
| 10. Hon. Victoria Alali, MCA | |
| 11. Hon. Ken Oduru, MCA | |
| 12. Hon. Hellen Katangie, MCA | |
| 13. Hon. Fredrick Obenge, MCA | |
| 14. Hon. Ngaruiya Chege, MCA | |
| 15. Hon. Jackson Kiama, MCA | |
| 16. Hon. Maurice Akuk, MCA | |
| 17. Hon. Joash Omwenga, MCA | |
| 18. Hon. Bernadette Wangui, MCA | |
| 19. Hon. Isaac Ngige, MCA | |

COUNTY EXECUTIVE OFFICERS

- | | |
|-----------------------|---|
| 1. Mr. Kefa Omanga | Director, Economic Planning |
| 2. Mr. James Ngunjiri | Acting Head of County Treasury, Budgeting |
| 3. Mr. Nixon Otieno | Acting Head of County Treasury, Revenues |
| 4. Mr. Shaban Asman | Acting Chief Revenue Officer |

5. Mr. Joseph Ndungu	Acting Deputy Chief Revenue Officer
6. Mr. Patrick Wanjohi	Accountant
7. Ms. Martha Wambugu	Accountant
8. Ms. Irene Kihara	Administrator
9. Mr. Andrew Kigen	Economist
10. Mr. Sianga Chege	Economist
11. Ms. Grace Beatrice	Economist
12. Ms. Grace Chabari	Economist
13. Mr. Dixon Mwangi	Finance Intern

STAFF OF THE COUNTY ASSEMBLY

1. Mr. Fredrick Macharia	Senior Finance Planning Officer
2. Mr. Erick Otieno	Fiscal Analyst/Clerk to Committee
3. Ms. Irene Chebet	Legal Counsel
4. Mr. Moses Senator	Fiscal Analyst
5. Ms. Evelyn Akinyi	Clerical Officer

MIN 465/BAC/OCTOBER/2015: Official Opening and Introductory Remarks

The meeting was officially opened by the Hon. Samuel Irungu. In his introductory remarks he thanked all the participants for attending the crucial workshop to address the matters that were integral to the annual budget process. He noted that the Plan and Bill were crucial towards ensuring that the approved budget estimates were implemented as planned.

Having opened the Session, the Hon. Irungu welcomed the Chairman to the Budget Committee to make his introductory remarks. In his remarks, the Chair said that the Committee had done well thus far and called upon them to continue with the same zeal and ensure that the few remaining documents were dispensed with. The Chair said that the public had been faithful at submitting very good and workable proposals to the Committee and it was only fair that they considered their submissions expeditiously. The Chair called upon the Director Economic Planning to make his opening remarks on behalf of the County Executive.

The Director presented the commitment of the County Executive towards ensuring that the documents are passed in time in order to pass their intended purposes as per the law.

MIN466/BAC/OCTOBER/2015: Deliberation on The Annual Development Plan 2014/15: Presented by Mr. Kefa Omanga (Director, Economic Planning).

Mr. Omanga took the members through the contents of the County Annual Development Plan 2014/15 as had been submitted to the County Assembly (attached). In his presentation, he noted that the plan was aimed at helping implement the approved budget for the FY 2015/16. He went ahead to highlight the major projects in each sector that the County Executive planned to execute in the financial year 2015/16. The Director Economic Planning informed the Committee that though the absorption of development budget had been low in the past financial years as evidenced by high rollover of projects the County Government was putting in place strategies to ensure a better implementation in the financial year 2015/16. It was his submission that cash flow challenges were partly to blame for the snail pace of rolling out some of the capital initiatives.

During plenary the members raised the following issue and the responses were as indicated:

- i. Status of Revenue Collection by the County: Members enquired from the County Executive officers how the County was fairing in revenue collection and projects implementation during the first quarter, of the FY 2015/16. The County Executive officers present informed the meeting that they were not in a position to outline the performance at the moment;
- ii. Progress of implementation of Ward Development Fund Projects: The Committee enquired on the progress of the WDF projects for the financial year 2015/2016. In this regard, the County Director, Economic Planning informed the Committee that the projects were still under identification stage by the Ward Committees;
- iii. Missing projects in the Annual Development Plan: Members raised concerns that some projects included in the Budget were missing from the Plan. The Economists undertook to have the issues addressed in the meantime;
- iv. Rolling over of Ward Development Fund projects: Members were concerned that the WDF projects were being rolled over year in year out. The Head of County Budgeting reminded the meeting that the WDF Act anticipated that the funds for the Fund were maintained in the Account at the end of each financial year. However, he emphasized that this had not happened due to intermittent revenue inflows of the County; and

- v. Timeline for the passage of the Annual Development Plan: Concerns were raised on the timelines for the passage of the Plan by the County Assembly. Members were of the view that the Plan was at least a year late and the County was supposed to be considering the Annual Development Plan for the FY 2016/17. The Director, Economic Planning informed the meeting that the Plan was purely as it aimed to implement both the County Integrated Development Plan and the Annual Budget. He informed the meeting that the Office of the Controller of Budget was in consensus that the County needed to approve the plan for the FY 2014/15. Members requested the Fiscal Analyst/ Clerk to the Committee and the Legal on the legal and procedural timelines for the passage of the document. The Fiscal Analyst reminded the meeting of the provisions of Section 104 of the County Governments Act which are explicit that the County shall budget based on a plan. In addition, the Analyst noted that the provisions of Section 125 of the Public Finance Management Act, 2012 explained the procedure for the budget process with planning being the starting point of that process. The Legal Counsel on her part presented to the Committee it would have been a façade for the law to anticipate that a plan on implementation of the Budget would be considered and passed more than nine months into the Financial Year. The Committee having considered the differing opinions agreed that it could not continue considering the document. It was resolved that any further review of the document be suspended until a harmonized position on its legality was received from both the Clerk of the County Assembly and the Office of the Controller of Budget.

MIN467/BAC/OCTOBER/2015: Adjournment

And the time being twenty minutes to one O'clock, the Chair adjourned the meeting.

CONFIRMED AS TRUE RECORD OF PROCEEDINGS

Sign.....

Date.....12/4/18

Hon. Michael O. Ogada (Chairman)

MINUTES OF THE 111TH SITTING OF 2015 OF THE NAIROBI CITY COUNTY BUDGET AND APPROPRIATIONS COMMITTEE HELD ON WEDNESDAY 23RD SEPTEMBER 2015 AT 12PM CHARTER HALL, CITY HALL BUILDINGS.

PRESENT

1. Hon. George Ochola, MCA Ag. Chairman
2. Hon. Samuel Irungu, MCA
3. Hon. Fredrick Obenge, MCA
4. Hon. Ken Oduru, MCA
5. Hon. Emmaculate Musya, MCA
6. Hon. Ngaruiya Chege, MCA
7. Hon. Victoria Alali, MCA
8. Hon. Maurice Akuk, MCA
9. Hon. Joash Omwenga, MCA
10. Hon. Alexina Mudi, MCA

ABSENT

11. Hon. Bernadette Wangui, MCA
12. Hon. Hellen Katangie, MCA
13. Hon. Michael Ogada, MCA
14. Hon. Osman Adow, MCA
15. Hon. Herman Azangu, MCA
16. Hon. David Kairu, MCA
17. Hon. Kenneth Muroki, MCA
18. Hon. Jackson Kiama, MCA
19. Hon. Isaac Ngige, MCA

SECRETARIAT

1. Mr. Moses Senator Fiscal Analyst

MIN 454/BAC/ SEPTEMBER /2015: Preliminaries

The Chairman called the meeting to order at twelve o'clock. The opening prayers were read by the Hon. Ngaruiya Chege.

The following agenda was adopted for the meeting after being proposed by Hon. Ken Oduru and being seconded by Hon. Fredrick Obenge:

1. Preliminaries
2. **Confirmation of Minutes.**
3. **Matters Arising.**
4. **Annual Development Plan 2015/16**
5. Any Other Business
6. Adjournment

MIN455/BAC/ SEPTEMBER /2015: Confirmation of Minutes.

The minutes of the 99th sitting of 2015 were read through and confirmed as true records of the deliberations of the Budget Committee after being proposed by the Hon. Alexina Mudi and seconded by the Hon. Fredrick Obenge.

The minutes of the 100th sitting of 2015 were read through and confirmed as true records of the deliberations of the Budget Committee after being proposed by the Hon. Emmaculate Musya and seconded by the Hon. Ken Oduru.

MIN456/BAC/ SEPTEMBER /2015: Annual Development Plan 2015/16

The Fiscal Analyst informed the Committee that the Annual Development Plan was tabled on 22nd of September and subsequently committed to the Budget Committee. The Committee resolved to consider the plan during the workshop earlier planned for between 25th and 28th September 2015.

MIN457/BAC/ SEPTEMBER /2015: Adjournment.

The time being ten minutes past twelve noon o'clock the Chair adjourned the meeting

Confirmed as True Record of Proceedings

Sign.....

Date.....

Hon. Michael O. Ogada (Chairman)