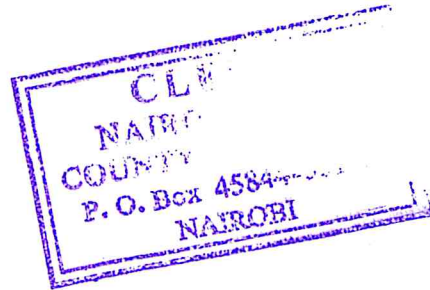


GOVERNMENT OF NAIROBI CITY COUNTY

*Paper laid  
on Thursday  
21/2/19 @  
2:30pm.  
Sm Clerk Des  
21/2/19*



THE NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

SECOND ASSEMBLY-THIRD SESSION

NBI CA. PLC. 2018 / (020)

21<sup>st</sup> February, 2019

PAPER LAID

Pursuant to Standing Order 191 (6) I beg to lay the following Paper on the Table of the Assembly, today Thursday 21<sup>st</sup> February, 2019.

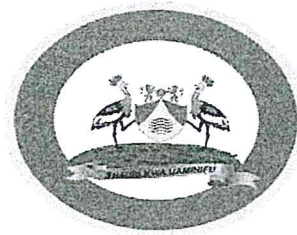
THE REPORT OF THE SECTORAL COMMITTEE ON TRADE, TOURISM AND COOPERATIVES ON THE TRAINING WORKSHOP ON FINANCIAL PROCEDURES AND BUDGET MAKING HELD FROM 15<sup>TH</sup> TO 18<sup>TH</sup> OF NOVEMBER 2018 AT SAI ROCK BEACH HOTEL, MOMBASA COUNTY.

(Chairperson, Sectoral Committee Trade, Tourism and Cooperatives)

*Approved for tabling*  
*[Signature]*  
*Thu/21/Feb/2019*

Copies to:  
The Speaker  
The Clerk  
Hansard Editor  
Hansard Reporters  
The Press





**THE NAIROBI CITY COUNTY ASSEMBLY**

**SECOND ASSEMBLY – SECOND SESSION**

**THE REPORT OF THE SECTORAL COMMITTEE ON TRADE, TOURISM AND CO-  
OPERATIVES**

**ON**

**THE TRAINING WORKSHOP ON FINANCIAL PROCEDURES AND BUDGET  
MAKING PROCESS HELD FROM 15<sup>TH</sup> TO 18<sup>TH</sup> NOVEMBER, 2018 AT SAI ROCK  
BEACH HOTEL, MOMBASA COUNTY**

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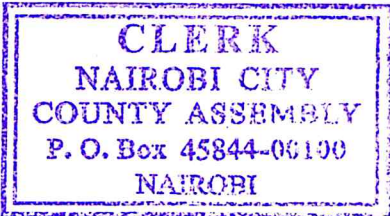
Clerk's Chambers,  
CITY HALL,  
**NAIROBI.**

Edition: Feb, 2019



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## 1.0. PREFACE

### Establishment and Mandate

Hon. Speaker,

The Sectoral Committee on Trade, Tourism and Cooperatives was established pursuant to the Standing Order 203, the Committee's mandate amongst others, as outlined under Standing Orders 203 (6) is to:

- a. investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments;
- b. study the programme and policy objectives of departments and the effectiveness of the implementation;
- c. study and review all county legislation referred to it;
- d. study, assess and analyze the relative success of the departments as measured by the results obtained as compared with their stated objectives;
- e. investigate and inquire into all matters relating to the assigned departments as they may deem necessary, and as may be referred to them by the County Assembly;
- f. to vet and report on all appointments where the Constitution or any law requires the County Assembly to approve, except those under Standing Order 196 (Committee on Appointments); and
- g. make reports and recommendations to the County Assembly as often as possible, including recommendation of proposed legislation.

In accordance with the Third Schedule to the Standing Orders, the Sectoral Committee on Trade, Tourism and Cooperatives is mandated to consider all matters relating to: - ***“trade development and regulation, including markets, trade licenses (excluding regulation of professions), fair trading practices, local tourism and cooperative societies, Betting and Casinos and other forms of gambling and liquor licensing”***.

### Committee Membership

The Committee Membership comprises of:

1. **Hon. Charles Thuo Wakarindi, MCA** – Chairman
2. **Hon. Jeremiah Karani Themendu, MCA** – Vice-Chairman

3. Hon. Lawrence Otieno Odhiambo, MCA
4. Hon. Samuel Ng'ang'a Mwangi, MCA
5. Hon. Paul Ndung'u Irungu, MCA
6. Hon. Jayendra Virchand Malde, MCA
7. Hon. Maurice Ochieng Onyango, MCA
8. Hon. Naftaly Wagura Mathenge, MCA
9. Hon. Wilson Ongele Ochola, MCA
10. Hon. Benson Mwangi Macharia, MCA
11. Hon. Millicent Wambui Mugadi, MCA
12. Hon. Wilfred Oluoch Odalo, MCA
13. Hon. Redson Otieno Onyango, MCA
14. Hon. Doris Ngoyo Kanario, MCA
15. Hon. Jacinta Wanjiru, MCA
16. Hon. Mary Njuguna Njambi, MCA
17. Hon. Cecilia Achieng Ayot, MCA
18. Hon. Eve Malenya, MCA
19. Hon. Jane Muasya, MCA

**Hon. Speaker,**

The County Assembly Committees are extensions of the Assembly established under the County Assembly Standing Orders and in accordance with Section 14 of the County Governments Act, 2012. The Committees are supposed to perform functions that the Assembly is not well fitted to consider in plenary.

The Sectoral Committee on Trade, Tourism and Cooperatives exercises its oversight role on the operations and administration of the Commerce, Tourism and Cooperatives Sector. Pursuant to the provisions of Standing Order 203 (6) (b), (d) and (e), the Sectoral Committee on Trade, Tourism and Cooperatives is supposed to study the programme of the Commerce, Tourism and Cooperatives Sector and the effectiveness of the implementation; study, assess, and analyze the success of the Sector as measured by the results obtained; and inquire into all matters relating to the Sector.

**Hon. Speaker,**

Pursuant to Article 185 of the Constitution of Kenya, 2010, the power to approve plans and policies for the management and exploitation of the County resources; and development and management of County infrastructure of a County is vested and exercised by the County Assembly. The County Assembly is to receive and approve Government Development plans that are necessary for effective performance of the functions of the County Government as provided for in Part Two of the Fourth Schedule to the Constitution.

For the Committee to have effective scrutiny and consideration of Government Development plans, a training workshop was organized for the Members to be trained on the financial procedures, process of budget making and budget documents. It was part of the training programmes organized by the County Assembly to build capacity of members of the Committee on Budget Making process. The training programme was conceptualized to address financial procedures constraints facing the County Assembly Committees which may affect the effectiveness in delivering on their mandate.

**Hon. Speaker,**

Sectoral Committee on Trade, Tourism and Cooperatives held its training workshop from 15<sup>th</sup> to 18<sup>th</sup> November, 2018 at Sai Rock Beach Hotel, Mombasa County.

The objectives of the training workshop included the following;

- To equip the Members with the knowledge of the Budget Making process in Kenya
- To enable Members to understand the Budget Documents - from CIDP, ADP, CFSP, Budget Estimates, Supplementary Estimates and the implementation of the Documents; and
- To enable the Members to gain skills on consideration and scrutinize the Budget Documents committed to the Committee;



## Acknowledgement

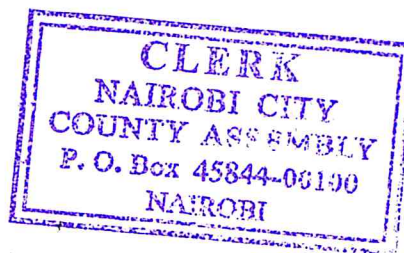
Hon. Speaker,

I wish to acknowledge with gratitude the offices of the Speaker and the Clerk of the County Assembly for the support extended to the Committee to facilitate its training workshop.

Finally, much thanks to the Members of the Committee and the Secretariat for their dedication, untiring commitment and valuable contributions during the training workshop.

Hon. Speaker,

It is therefore my pleasant duty and privilege, on behalf of the Members of the Sectoral Committee on Trade, Tourism and Cooperatives to table the report of the Sectoral Committee on Trade, Tourism and Cooperatives on the training workshop on financial procedures and budget making process held from 15<sup>th</sup> to 18<sup>th</sup> November, 2018 at Sai Rock Beach Hotel, Mombasa County.



Signed *Ch. Thuo Wakarindi*.....

Hon. Charles Thuo Wakarindi, MCA

Chairman

Date *20/2/2019*.....

## 2.0. PROCEEDINGS OF THE TRAINING WORKSHOP

### Introduction

1. The County Assembly Committees are extensions of the Assembly established under the County Assembly Standing Orders and in accordance with Section 14 of the County Governments Act, 2012. The Committees are supposed to perform functions that the Assembly is not well fitted to consider in plenary. As a function of good governance, Financial Management (FM) forms an integral part of the development process in all operations and is crucial to achieving financial goals of any institution or even individuals. A robust financial management system plays a critical role in the successful implementation of resources by enabling fiduciary control and reducing fiduciary risks, by improving budget absorption, accountability, transparency and control over financial activities, and by achieving the overall objectives of an organization.
2. Robust financial management system is one of the most fundamental tenets of any modern and civilized democratic society where public resources are utilized jealously. The process of developing financial procedures and budget making process is as critical as the product. However, County Assembly being entirely new entity, the effective exercise of this budget making function by Assembly has to a large extent been hindered by inter alia a lack of sufficient financial procedures capacity, the absence of proper systems and structures at the County level.
3. For the Committee to have effective scrutiny and consideration of Government Development plans, a training workshop was organized for the Members to be trained on the financial procedures, process of budget making and budget documents. It was part of the training programmes organized by the County Assembly to build capacity of members of the Committee on Budget Making process. The training programme was conceptualized to address financial procedures constraints facing the County Assembly Committees which may affect the effectiveness in delivering on their mandate.
4. The training workshop entailed the Constitutional and Legal Underpinnings of financial procedures; overview of the budget process in Kenya- Paradigm Shift in Management of Public Finances in Kenya; the various financial documents such as

Integrated Development Plan, Annual Development Plan, County Fiscal Strategy Paper, Budget Estimates among others; scrutinisation and examination of the various Budget Documents, role of the Committee and areas of consideration in the scrutiny of the documents; revenue raising measures and the role of the Committee in the implementation of the Budget Estimates.

### **Proceedings of the Training Workshop**

5. During the workshop several presentations were made by the facilitators experienced in constitutional underpinnings, parliamentary practice and procedure on financial matters and budget making process. The presentations were based on the subject matter being discussed per session as follows: -

#### **SESSION 1: OFFICIAL OPENING**

6. The workshop was officially opened by a word of prayer by the Chairman before welcoming Members to the meeting. The Chair urged Members to actively participate in the proceedings to enable them grasp the basics of financial procedures and budget making process. He urged the Members to be attentive and ask more questions for gain more for the betterment of the Committee whose main mandate is to oversight the County Sector budget.
7. The Facilitator took the Members through the objectives of the training which included the following;
  - ✓ equip the Members with the knowledge of the Budget Making process in Kenya
  - ✓ enable Members to understand the Budget Documents - from CIDP, ADP, CFSP, Budget Estimates, Supplementary Estimates and the implementation of the Documents;
  - ✓ enable the Members to gain skills on consideration and scrutinize the Budget Documents committed to the Committee;
  - ✓ Enable Members the role of the Committee in the implementation of the approved Sector budget

## SESSION 2: CONSTITUTIONAL AND LEGAL UNDERPINNINGS ON FINANCIAL PROCEDURES

*Session Chair: - Hon. Charles Thuo, MCA – Chairman*

### Topic 1: Constitutional and Legal Underpinnings on Financial Procedures in Kenya

**Facilitator: -**

While briefing the Committee, the Facilitator submitted that;

#### Legal underpinning on Financial procedures

8. That Chapter Twelve and from Article 201 the Constitution of Kenya provides the broad principles of public finance, whereas the Public Finance Management Act, 2012 sets out the rules of how the National and County Governments can raise and spend money. Part XI of the County Governments act, 2018 provides for the County Planning which includes principles of planning and development facilitation, obligation of the County to plan, types and purposes of the County Plans among others.
9. That prior to key budget reforms, Kenya used to prepare two budgets namely a recurrent budget and development budget. As the economy evolved and become more complex, reforms were also undertaken:
  - Program Review and Forward Budget – adopted in 1970s PRFB was one of the major reforms in budgeting process. The rationale behind the forward budget was to provide a mechanism that linked the annual budgets to developments plans.
  - Budget Rationalization Programme (BRP) – rationale of introducing BRP was to ensure improvement in the allocation of available resources and that there was close linkage between affordability and the priorities that would lead to faster growth.
  - Public Investment Programme (PIP) – amid confusion in public finance arena, the Government introduced PIP which was geared towards strengthening the forward budget by providing more comprehensive instrument for planning and prioritization of public expenditure. Despite this.... many projects have stalled at almost 90 percent, pending bills and deficit on a commitment basis had gone up as the hard budget constraints translated into informal funding.

- Medium Term Expenditure Framework (MTEF) – link the annual budget to long term development policies, objectives, and plans, improve macroeconomic growth targets by developing consistent and realistic resource envelop, improve allocation of resources to agreed strategic priorities both between and within sectors, generate commitment of ministries to increased predictability in resource allocations and increase incentives for more effective and more efficient utilization of resources.

### **Brief on Budget procedures**

10. The Facilitator briefed the Committee on the procedure in budget making process. He stated that Section 125 of the Public Finance Management Act, 2012 provides the procedure to be followed in the budget making process at the county level as outlined below:

- a) Development of an integrated development planning process, which includes both long term and medium term planning;
- b) Planning for and establishing financial and economic priorities for the county over the medium term;
- c) Making an overall estimation of the county government's revenues and expenditure;
- d) Adoption of the County Fiscal Strategy Paper;
- e) Preparing budget estimates for the county government and submitting estimates to the county assembly;
- f) Debate and approval of the budget estimates by the county assembly;
- g) Enactment of the appropriation law and any other laws required to implement the county government's budget;
- h) Implementation of the county government's budget;

### **Budget Documents and timelines**

11. The Facilitator briefed the Committee on budget documents and times as follows;
- a) Budget Circulars guidelines issued by the County Executive Committee Member for Finance by 30<sup>th</sup> August. Section 128 of the Public Finance and

Management Act, 2018. The circular contains methodology for review and projection of revenues and Estimates, the format for which the budget will take, timelines for the rest of the budget process, identifying Sectors and dividing related ministries/departments into Sectors and macro-environment/economic state of the county;

- b) County Development Plan – Section 126 of the Public Finance and Management Act, 2018. Submitted to the County Assembly by 1<sup>st</sup> of September;
- c) County Budget Review and Outlook Paper – Section 118 of the Public Finance and Management Act, 2018. Submitted to the County Assembly by 30<sup>th</sup> of September;
- d) County Fiscal Strategy Paper – Section 117 of the Public Finance Management Act, 2012. Submitted to the County Assembly by 28<sup>th</sup> February;
- e) Annual Estimates – Section 129 of the Public Finance Management Act, 2018. Submitted to the County Assembly by 30<sup>th</sup> April;
- f) Appropriation Bill – Section 131 of the Public Finance Management Act, 2012. Submitted to the Assembly by 30<sup>th</sup> June; and
- g) Finance Bill – Section 133 of the Public Finance Management Act, 2012. Submitted to the Assembly not later than 90 days after passing Appropriation Bill.

### **SESSION 3: FINANCIAL PROCEDURES; EXAMINATION OF BUDGET DOCUMENTS**

*Session Chair: - Hon. Redson Otieno, MCA*

#### **Topic 2: Scrutinsation and examination of the Budget Documents CIDP, ADP, CFSP**

*Facilitator: - Mr. Erick Otieno*

The facilitator submitted that: -

#### **Legislatures Involvement in Budgeting**

12. The Facilitator submitted to the Committee the rationale of the involvement of legislatures in budgeting to improve acceptability, instill openness, ensure Accountability in management of public finances, advance equity in distribution of

resources, promote good governance, enhance fiscal transparency and act as a guard the public purse.

### **Role of the County Assembly in Budget Process and constitutional principles**

13. The Facilitator briefed the Committee on the role of the County Assembly in Budget process as follows;

- Review and Approval of budget estimates and other related documents;
- Facilitating public participation in the budget process;
- Holding the Executive accountable on the budget proposals;
- Monitoring implementation of the budget as gatekeepers of the public purse;

14. He submitted the constitutional principles that guides in the budget making process which includes; openness and accountability; public finance system that promotes an equitable society; prudent and responsible use of public money; clear fiscal reporting; equitable revenue sharing between National Government and County Government; and Equity in sharing burdens and benefits of the use of the resources and public borrowing.

### **Guiding Fiscal Responsibility Principles**

15. That stated the following as the principles that guides in fiscal responsibility; that development expenditure shall not be less than 30% of the County Government budget (Section 107 (2) (b) on allocation and Regulation 25 (g) on actual expenditure; Wages and benefits to not exceed 35% of total County revenue to be set in regulations; borrowings for development expenditure only (debt service cost, level of county debt, amending loan commitments and how to take bank overdrafts; County Public debt to be maintained at a sustainable level; the level of Debt not to exceed the level specified annually by resolution of County Assembly; Fiscal risks should be managed prudently; level of tax rates and tax bases to have reasonable degree of predictability; ceilings for the County Government on development and personnel be binding for two budget years and the CECM for finance to ensure compliance with the FRP and report on implementation to the County Assembly.

## **County Integrated Development Plan (CIDP) and Annual Development Plan (ADP)**

16. That facilitator informed the Committee that Article 220 (2) of the Constitution 2010, Part XI of the County Governments Act, 2012 and Sections 108 and 126 of the Public Finance Management Act, 2012 provides for the CIDP and ADP. The Documents provides for economic priorities and financial priorities which guides budgeting and that no money should be spend outside the CIDP. He stated that in considering the CIDP, the Committee should consider the following; if the CIDP is comprehensive and equitable; if the plans contain review of the past Sector performance; Sectoral objectives properly translated into specific targets; effective tool for monitoring and evaluation; clear programmes with budgets assigned; measurable performance indicator and programme output and how they relate to the Sector objectives.

## **County Budget Review and Outlook Paper**

17. The Facilitator informed that the County Budget Review and Outlook Paper is submitted to the County Assembly by 30<sup>th</sup> of September pursuant to Section 118 of the Public Finance Management Act, 2012. The document analyzes budget performance for the previous year, comparing actual performance against the budget; Information on any changes in the forecasts compared to the CFSP, compliance with the FRP, financial objectives of the CFSP; reasons for any deviations from financial objectives in CFSP and proposals to address the deviation and time for doing so; what the National and County Government economic environment looked like and relation to performance; the impact on future expenditure and revenues. It sets preliminary Sector ceilings based on the revenue review. Section 1: Introduction (basis for preparation and significance); Section 2: Review of County Fiscal Performance (revenue, expenditure, fiscal balance); recent Economic Developments and Outlook (GDP, inflation, interest rates, G, I, S); Section 4: Resource Allocation Framework (adjustments, MTEF, projected budgets).



## **SESSION 4: FINANCIAL PROCEDURES; EXAMINATION OF BUDGET DOCUMENTS**

*Session Chair: - Hon. Jeremiah K. Themendu, MCA –Vice- Chairman*

### **Topic 3: Scrutiny and examination of the Budget Documents CFSP, Budget Estimates, Supplementary Estimates**

*Facilitator: - Mr. Erick Otieno*

The facilitator submitted that: -

#### **County Fiscal Strategy Paper (CFSP)**

18. The Facilitator informed that County Fiscal Strategy Paper is a policy document that communicates to the spending agencies, and other stakeholders on the financial status and objectives of the County as well as stipulating the total limits within which a County can afford to spend for the financial year and over the medium term. This is founded on the expected flows from the national government as well as the revenues mobilized locally. It promotes fiscal discipline as well as transparent resource allocation criteria which should work towards reducing poverty levels and stimulating employment by re-orienting expenditure to the high impact areas and reducing on non-priority spending.
19. The main objectives of a CFSP are to specify the broad strategic priorities and policy goals that will guide the County government in preparing its budget for the coming financial year and over the medium term. The financial outlook with respect to County government revenues, expenditures and borrowing for the coming financial year and over the medium term. an assessment of the current financial year and the projected state of the economy for the succeeding three years; targets for overall revenues, total aggregate expenditure and domestic and external borrowing for the succeeding financial year and the medium term; the total resources to be allocated to individual programmes within a sector for the period identified, indicating the outputs expected from each such programme during that period; the criteria used to allocate or apportion the available public resources among the various programmes; forecast financial position for the financial year to which the budget relates and the next two financial years.

20. The Facilitator informed that role of the County Fiscal Strategy Paper is to provide information to the County Assemblies and public about Government priorities through policies; It also gives an update of available resources and sets firm ceilings of resources and expenditure priorities which must be approved by County Assembly.
21. That while scrutinising the County Fiscal Strategy Paper, the Committee should consider the following;
- ✓ Does the CFSP provide for all the Sector priorities??
  - ✓ Are the ceilings sound and realistic??
  - ✓ Are the ceilings alive to the fiscal rules, non-discretionary expenditures and expenditure priorities?
  - ✓ Resources earmarked for public hearing
  - ✓ Mismatch between the contents of the CFSP and what the Departments present to the various Committees
  - ✓ Legislative understanding of the CFSP
  - ✓ Are the expenditures matched to the Program Based approach to budgeting?

### **Budget Estimates**

22. The Facilitator informed that programme based budget is a way of compiling budget information so that decision makers chose among competing alternatives. In the programme based budget, the budget makers inform on what was to be accomplished; ways to accomplish the goal; amount to be spent to accomplish the goal; key performance Indicators to measure the achievement and if whether the expenditure to attain the goal value for money.
23. The Facilitator briefed the Committee on its role in considering the budget estimates. He stated that the Committee is to; analyze overall budget expenditure in line with effect on the overall economy and buildup to achievement of the vision 2030 objectives and the millennium development goals; scrutinize program key outputs, performance indicators and targets in line with Programme Based Budget criteria; analyze and approve the allocation per vote, Administrative department

and County department in line with the overall budget allocation; determine the deviation of overall ceilings and vote ceilings as set under the approved CPS; analyze sectoral performance of the previous budget per sector and department i.e. this involves determining the absorptions rate of resources and capacity to spend allocated funds, adherence to fiscal rules in the estimates and recurrent and development allocations for the county department and overall budget

24. He informed that in examining the budget estimates, the Committee to confirm that the estimates have same priorities as the CFSP; the estimate have the Sectors complied with the approved ceilings; comprehensive explanation for any deviations; the fiscal underpinning of the CFSP and link with the Estimates, any deviations in revenue figures should be explained; any additional financing requirements ought to be explained and that the Budget estimates and the CFSP must be linked to the Medium Term Debt Management Strategy.

### **Supplementary Estimates**

25. The Facilitator informed the Committee on the provision of Section 135 of the Public Finance Management Act, 2012 on the pending of un appropriated money by a County Government under the following conditions;
- a. If the amount appropriated is insufficient
  - b. If a need has arisen for which no amount has been appropriated by the Act
  - c. If money has been withdrawn from the County Government's Emergency Fund (Report, Re-appropriate, Replenish)
26. He stated that a County Government may seek additional resources due to the following reasons;
- a. To finance additional costs (inadequate budget)
  - b. To fund emerging needs for which no amount was appropriated
  - c. To adjust the budget when additional revenue is realized
  - d. To reallocate budgeted funds that cannot be spent due unavoidable circumstances
  - e. To reduce expenditure when revenue falls short of target
  - f. When money has been withdrawn from the Emergency Funds

## Public Participation in Budget Making Process

27. The Facilitator emphasized the importance of public participation in budget making process. He reviewed the judicial review excerpts on public participation. In the excerpt, he informed that public views ought to be considered in decision making processes and as far as possible the product of legislation ought to be a true reflection of public participation. That County Assemblies ought to do whatever is reasonable to ensure that there is understanding of intention of legislation, and if legislation involves taxes levies the duty is even more onerous. The County should make use of churches, mosques, temples, public barazas, national radio stations and other avenues where the public are known to converge to engage the public on all County matters; that County Government should facilitate the local communities to participate in development, implementation and review of the County Integrated Development Plans; preparation, implementation and monitoring of Annual Development Plans and budgets.
28. He stated that in undertaking public participation, the County should have mechanism to at least provide for how to deal with petitions and complaints; public meetings and hearings; Consultative sessions and feedback procedures. In addition, the County should take into account interests of special needs including person who cannot read and write; persons with disabilities; women and youth; and other marginalized groups. He further stated that notice on public participation should be done through publication in at least two dailies of National circulation; publication in county website; radio broadcasting across County and any other media including social media. In addition, the County Government should provide accessible venue; use of understandable language and avoid meeting to promote, oppose or discuss any elected leader.

## SESSION 5: MONITORING AND EVALUATION OF THE BUDGET DOCUMENTS

*Session Chair: - Hon. Jeremiah K. Themendu, MCA –Vice- Chairman*

### Topic 4: Monitoring and Evaluation of the Budget Documents - the role of the Committee in the Implementation of the Budget

*Facilitator: - Mr. Erick Otieno*

The facilitator submitted that: -

#### Budget Implementation

29. In budget implementation, the Facilitator took the Members through the tenets of budget implementation as follows;

- Accounting Officers prepare and submit to the County Treasury the Annual Cash Flow Plans (CFP);
- The plans form basis for requisitions from County Treasury;
- In preparing CFPs, the AOs are guided by departmental annual work-plans and procurement plan;
- Accounting officers spend according to approvals given in annual appropriations except in cases where supplementary is passed
- Funds released from CRF by Controller of Budget

30. He briefed the Committee on the key tools available for the Assembly to under budget implementation oversight. Some of the tools include, quarterly reports on budget implementation, public memoranda/ petitions and media and non-State Actors briefings

31. The facilitator briefed with the Committee on the key actors in budget monitoring which include; the County Assembly Budget Committee, the Sectoral Committees, the Office of the Controller of Budget, Commission on Revenue Allocation, the County Treasury, the Non-Governmental Organizations, the Media and the Public. in additional, he stated that indicators of an effective budget performance include fiscal discipline, expenditure prioritization and projects completion.

## Procedure for Consideration of the County Plans, CFSPS and Budget Estimates by Sectoral Committees

32. The Facilitator guided the Committee on the steps followed in examination of public documents as follows;

- ✓ Step 1: Submission of CFSP, County Plans and Budget Estimates
- ✓ Step 2: Meeting of Sectoral Committees
- ✓ Step 3: Briefing by the Fiscal Analysts
- ✓ Step 4: Public Participation
- ✓ Step 5: Meeting with The County Executive
- ✓ Step 6: Submission of Sectoral Committee Report to The Budget Committee
- ✓ Step 7: Tabling of Report for Approval

33. In his final presentation, the Facilitator briefed the Committee on the dos and don'ts in consideration of budget documents. He informed that;

- Sectoral Committees only make recommendations on matters that fall within their mandate;
- As much as possible, in line with the provisions of Section 131 (3) (a), any increase in expenditure in a proposed appropriation should be balanced by a reduction in expenditure in another proposed appropriation;
- Proposals for introductions of new projects and programmes are based on the approved County plans; and
- Emphasis be given to submissions from the public during public hearings, site visits, petitions, memoranda and views presented during other public fora.

34. In addition, the Facilitator guided the Committee on the sample of questions the Members should ask while considering budget documents. i.e

- a) Are reasons given for the choices taken in the budget;
- b) What are the priority areas in the budget;
- c) Does the budget have the same priorities as the County's ADP and CIDP;
- d) Does the budget have a deficit and how the same would be funded;

- e) How much money does the County intend to raise through taxes and are the same tenable;
- f) How does the budget intend to address issues of public participation;
- g) Is the spending outline consistent with the Fourth Schedule of the Constitution;
- h) Are the lines of expenditure disaggregated and simple to understand;

35. Having been trained on the financial procedures and the budget making process, the Members were challenged to answer if Legislatures (MCAs) lead to better utilization of public resources.

36. Having listened to the presentations, the Vice-Chairman thanked the participants for the contributions towards the successful workshop.

**3.0. CONCLUSION**

37. The training workshop on financial procedure and budget making process was successful despite low turn-up by Members due to women caucus running parallel with the workshop. The workshop provided Members present a platform to understand more on management public resource and their role in budget making process which is vital in the course of discharging the mandate. It also provided Members with an opportunity to understand the contents in the various budget documents, timelines and process of examination of such documents. This critical in ensuring that the public opinion is considered in County decisions especially development of the County.

38. The training was an eye opener to the Members on the tools available to them in exercising their oversight role on the County Executive especially with regard to budget implementation. The Members gained vital information of importance of public participation and the various actors in budget implementation.

XXXXXXXXXXXXXXXXXXXXXXXXXX**END**XXXXXXXXXXXXXXXXXXXXXXXXXX

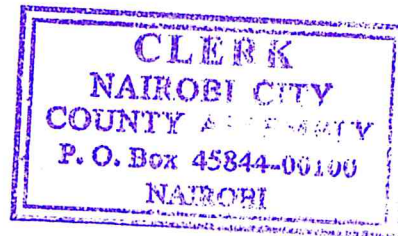




MINUTES OF THE 3<sup>RD</sup> SITTING OF THE NAIROBI CITY COUNTY ASSEMBLY SECTORAL COMMITTEE ON TRADE, TOURISM AND COOPERATIVES HELD ON TUESDAY, 19<sup>TH</sup> FEBRUARY, 2019 AT 11.30 AM IN COMMITTEE ROOM 9, CITY HALL BUILDING.

PRESENT

1. Hon. Jeremiah Karani Themendu, MCA – Vice-Chairman
2. Hon. Cecilia Achieng Ayot, MCA
3. Hon. Samuel Ng'ang'a Mwangi, MCA
4. Hon. Redson Otieno Onyango, MCA
5. Hon. Jacinta Wanjiru, MCA
6. Hon. Doris Ngoyo Kanario, MCA
7. Hon. Jayendra Virchand Malde, MCA
8. Hon. Eve Malenya, MCA
9. Hon. Maurice Ochieng Onyango, MCA
10. Hon. Lawrence Otieno Odhiambo, MCA
11. Hon. Jane Muasya, MCA
12. Hon. Naftaly Wagura Mathenge, MCA
13. Hon. Millicent Wambui Mugadi, MCA
14. Hon. Wilson Ongele Ochola, MCA



ABSENT

1. Hon Charles Thuo Wakarindi, MCA – Chairman
2. Hon. Paul Ndung'u Irungu, MCA
3. Hon. Mary Njuguna Njambi, MCA
4. Hon. Benson Mwangi Macharia, MCA
5. Hon. Wilfred Odalo Oluoch, MCA

SECRETARIAT

1. Mr. Kevin Wasike – Clerk Assistant
2. Ms. Violet Akinyi – Intern

MIN.012/SC-TTC/FEB/2019 – PRELIMINARIES

Hon. Cecilia Ayot called the meeting to order at 11.30 am and said the opening prayers. She then welcomed the Members present to the meeting and read the agenda which was adopted for discussion as proposed by Hon. Samuel Mwangi and seconded by the Vice-Chairman as follows: -

1. Preliminaries (prayers & adoption of the Agenda)
2. Confirmation of Minutes – 1<sup>st</sup> and 2<sup>nd</sup> Sittings
3. Matters Arising
4. Review of the Nairobi City County Trade Licensing Bill, 2018
5. Review of the Petition by Dandora I Total Stalls Traders
6. Consideration and adoption of draft reports on workshops
7. Any Other Business
8. Adjournment

MIN.013/SC-TTC/ FEB /2019 – CONFIRMATION OF MINUTES

Hon. Cecilia Ayot read the Minutes of the 1<sup>st</sup> sitting of the Third Session held on 13<sup>th</sup> February, 2019. The Minutes were confirmed to be true record of the proceedings as proposed by Hon. Lawrence Otieno and seconded by Hon. Eve Malenya.

The Minutes of the 2<sup>nd</sup> Sitting held on 14<sup>th</sup> February, 2019 were read by Hon. Ayot. The Minutes were confirmed to be true record of the proceedings as proposed Hon. Samuel Mwangi and seconded by Hon. Jacinta Wanjiru.

MIN.014/SC-TTC/ FEB /2019 – MATTERS ARISING

There were no matters arose from the Minutes

MIN.015/SC-TTC/ FEB /2019 – REVIEW OF THE NAIROBI CITY COUNTY TRADE LICENSING BILL, 2018

The Committee resolved to consider the Bill in the next meeting of the Committee.

MIN.016/SC-TTC/ FEB /2019 – REVIEW OF THE PETITION BY DANDORA I TOTAL STALLS TRADERS

The Committee resolved to consider the Petition in the next meeting of the Committee.

MIN.017/SC-TTC/ FEB /2019 – CONSIDERATION AND ADOPTION OF THE DRAFT REPORT ON THE TRAINING WORKSHOP ON CONCEPTUALIZATION AND DEVELOPMENT OF LEGISLATIVE PROPOSALS HELD FROM 29<sup>th</sup> OCTOBER TO 1<sup>st</sup> NOVEMBER, 2018 AT SAI ROCK BEACH HOTEL, MOMBASA COUNTY

The Secretariat tabled the draft report on the training workshop on conceptualization and development of legislative proposals held from 29<sup>th</sup> October to 1<sup>st</sup> November, 2018 at Sai Rock Beach Hotel, Mombasa County. Hon. Ayot took the Members through the draft report where the Committee noted the need to come up with legislative proposals to streamline the Sector of Trade, Tourism and Cooperatives. The report was adopted for tabling in the Assembly as proposed by Hon. Maurice Ochieng and seconded by Hon. Doris Kanario.

MIN.018/SC-TTC/ FEB /2019 – CONSIDERATION AND ADOPTION OF THE DRAFT REPORT ON THE TRAINING WORKSHOP ON FINANCIAL PROCEDURES AND BUDGET MAKING PROCESS HELD FROM 15<sup>TH</sup> TO 18<sup>TH</sup> NOVEMBER, 2018 AT SAI ROCK BEACH HOTEL, MOMBASA COUNTY

The Secretariat tabled the draft report on the training workshop on Financial Procedures and Budget Making Process held from 15<sup>th</sup> to 18<sup>th</sup> November, 2018 at Sai Rock Beach Hotel, Mombasa County. The Committee considered the draft report and adopted it for tabling in the Assembly as proposed by Hon. Lawrence Otieno and seconded by the Vice-Chairman.

MIN.019/SC-TTC/ FEB /2019 - A.o.B

Sub-Committees to oversight revenue collection in markets – the issue to be considered in the subsequent meeting.

MIN.020/SC-TTC/FEB/2019 - ADJOURNMENT

There being no other business and time being twenty minutes to One O'clock, the Chair adjourned the meeting. The next meeting was scheduled for Wednesday, 20<sup>th</sup> February, 2019 at 11.30 am.

CONFIRMED AS TRUE RECORD OF THE PROCEEDINGS

SIGNATURE F. W. Komeni  
.....  
(Chairperson)

DATE 20<sup>th</sup> Feb, 2019  
.....

SIGNATURE [Signature]  
.....  
(Clerk Assistant)

DATE 20/2/2019  
.....

