

GOVERNMENT OF NAIROBI CITY COUNTY



THE NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

THIRD ASSEMBLY

(SECOND SESSION)

NCCA
APPROVED
18 MAY 2023
Sign: _____
HON. SPEAKER
18/5/2023

NCCA/TJ/PL/2023(36)

18TH MAY 2023

PAPER LAID

SUBJECT: REPORT OF COMMITTEE

Pursuant to Standing Order 196, I beg to lay the following Paper on the Table of this Assembly, today Thursday 18th May 2023.

— THE 9TH REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET AND APPROPRIATIONS ON THE SECOND SUPPLEMENTARY BUDGET ESTIMATES FOR THE FY 2022-2023 FOR NAIROBI CITY COUNTY GOVERNMENT AND COUNTY ASSEMBLY.

(Chairperson, Select Committee on County Finance, Budget and Appropriations)

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

Paper laid by Hon. Speaker
@ 9:30am on 18/5/23
Richard

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GOVERNMENT OF NAIROBI CITY COUNTY



THE NAIROBI CITY COUNTY ASSEMBLY

THIRD ASSEMBLY
(SECOND SESSION)

18TH MAY 2023

NCCA
APPROVED
18 MAY 2023
Sign: HON. SPEAKER
[Handwritten signature]
18TH MAY 2023

NOTICE OF MOTION

Subject: Adoption of report

Hon. Speaker, I beg to give notice of the following motion:-

— THAT, this Assembly adopts THE 9TH REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET AND APPROPRIATIONS ON THE SECOND SUPPLEMENTARY BUDGET ESTIMATES FOR THE FY 2022-2023 FOR NAIROBI CITY COUNTY GOVERNMENT AND COUNTY ASSEMBLY, laid on the Table of the Assembly today Thursday 18th May 2023.

(Chairperson, Select Committee on County Finance, Budget and Appropriations)

Notice given by Hon. Wilfred Odalo on 18/5/23 @ 9.30am
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COUNTY GOVERNMENT OF NAIROBI CITY



NAIROBI CITY COUNTY ASSEMBLY

THIRD ASSEMBLY – SECOND SESSION

**9TH REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET
AND APPROPRIATIONS**

ON

**THE SECOND SUPPLEMENTARY BUDGET ESTIMATES FOR THE FY 2022-23 FOR
THE NAIROBI CITY COUNTY GOVERNMENT AND COUNTY ASSEMBLY**

MAY

2023

1.0 PREAMBLE

1.1 Background

Mr. Speaker Sir, the desire of an ideal society is that of properly designed transport systems, well planned urban centers, garbage free environments, efficient and effective communication networks, empowered citizenry through provision of affordable education, ever running taps, quality healthcare, quick response to emergencies and disasters, high life expectancy levels, food safety, zero corruption cases, availability of well-paying jobs and adherence to the rule of law. The secret to these successes are dependent on robust and visionary leadership who not only remain accountable but also take full responsibility for their actions. This outcome must be realized in a space characterized by utilization of scarce resources to ensure maximum payoffs are derived and that manpower are matched with the right skills which is key to highest productivity. The continued desire towards achieving this ideal scenario is therefore greatly dependent on how those entrusted with management of public funds shall remain true and faithful to this cause as a needle to the pole. In achieving this, it is generally agreed that proper planning that encompasses a predictable budget process is core and that such a process will endeavor to implement the planned priorities at the estimated costs without any alterations whatsoever. The law however in anticipation that the Governments operate in an uncertain economic environment that cannot be forecasted with utmost accuracy laid beforehand the provisions for preparation of Supplementary estimates as spelt out in Section 135 of the Public Finance Management (PFM) Act 2012 that is intended to ensure that any unforeseen matters are introduced midway the budget process and funded.

Mr. Speaker Sir, as contemplated by this legal backing, the County Government has submitted the second supplementary estimates to the County Assembly for consideration and eventual approval. These Supplementary II Revenue and Expenditure Estimates for the FY 2022-23 were submitted to the County Assembly and therefore tabled on 4th May 2023 pursuant to the provisions of Section 135 of PFM Act, 2012, the Public Finance Management (County Government) Regulations 2015 and Standing Order 234.

Having been laid the estimates were committed and considered by the Nairobi City County Assembly Finance, Budget & Appropriations Committee established pursuant to the provisions of Standing Order 205 and mandated 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 programs with direct budget outlay*

Mr. Speaker Sir, the County Assembly Finance, Budget & Appropriations Committee that spearhead the consideration of these supplementary estimates is made up of the following 22 Members:

1. **Hon. Wilfred Oluoch Odalo, MCA** – Chairperson
2. **Hon. Emily Oduor, MCA** – Vice Chairperson
3. Hon Anthony Kiragu, MCA
4. Hon. Moses Ogeto, MCA
5. Hon Mark Mugambi, MCA
6. Hon. Jeckoniah Onyango, MCA
7. Hon. Catherine Apiyo Okoth, MCA
8. Hon. Jane Muasya, MCA
9. Hon. Redson Otieno Onyango, MCA
10. Hon. Asli Muhamed, MCA
11. Hon. Rosemary Masitsa, MCA
12. Hon. Perpetua Mponjiwa, MCA
13. Hon. Collins Ogenga, MCA
14. Hon. Fathiya Abdillahi Mohamed, MCA
15. Hon. Sam Kago, MCA
16. Hon. Anthony Ngaruiya Jasho, MCA
17. Hon Paul Ndungu, MCA
18. Hon Ciciliah Wairimu Njathi, MCA
19. Hon Waruguru Kanyi, MCA
20. Hon Joyce Kamau Muthoni, MCA

21. Hon Waithera Chege, MCA

22. Hon Susan Makungu, MC

1.2 Committee Secretariat

The County Assembly Budget Office offered technical support to the Committee during the consideration of the revised estimates under the guidance of the following officers: -

1. Mr. Erick Otieno - Principal Fiscal Analyst
2. Mr. Wilfred Manyi - Senior Clerk Assistant/ Committee Clerk
3. Mr. Alphonse Ouma - Senior Fiscal Analyst

1.3 Examination of the Supplementary Estimates (II) for the FY 2022-23

Mr. Speaker Sir, in adherence to Article 196(1) (b) of the Constitution that requires the County Assembly to facilitate public participation and involvement in the legislative and other business of the assembly and its committees, an advert inviting the public for a physical hearing as well as submission of memoranda was made. Moreover, in line with the County Assembly Standing Orders 228 and 234 that require the engagement of other stakeholders on the budget before any determination on the estimates, the Committee had a consultative meeting during which it heard submissions from the County Executive led by the Executive Committee Member for Finance, the Chief Officer for Finance and the County Assembly Service Board represented by the Clerk to the County Assembly. These deliberations focused on the rationale for the proposed reallocations on the approved Supplementary Budget Estimates (I) as well as policy issues on the need to instill fiscal discipline in the budget implementation and monitoring process.

The Committee after receiving these submissions from the stakeholders met to make determinations on the proposals whose end product is this report that has been submitted for the County Assembly's approval.

1.4 Acknowledgment

Mr. Speaker Sir, the Committee expresses its gratitude to: -

- a) Offices the Speaker for granting permission for the Committee to meet at a time the House was on a short recess;

- b) The office of the Clerk for the support accorded during the entire process of consideration of the revised estimates;
- c) The County Treasury led by the County Executive Committee Member for Finance and the Chief Officer for Finance for appearing before the Committee to explain the rationale for the proposed changes;
- d) Members of the Finance, Budget and Appropriations Committee who forfeited their short recess and dedicated their time to ensure that the consideration of these revised estimates is achieved within stringent timelines; and
- e) The County Assembly Budget Office who continually provided guidance to the Committee on the estimates.

Mr. Speaker Sir, on behalf of the Committee it is therefore my utmost privilege to table this report on the Second Supplementary Budget Estimates for the FY 2022-23 and recommend it to the Assembly for adoption.

Signed.......... Date.....17/05/2023.....

Hon. Wilfred Oluoch Odalo, MCA
Chairman: Finance, Budget and Appropriations Committee

2.0 SCRUTINY OF THE NAIROBI CITY COUNTY SUPPLEMENTARY BUDGET ESTIMATES (II) FOR THE FY 2022-23

2.1 OVERVIEW OF THE APPROVED BUDGET AND THE SUPPLEMENTARY BUDGET ESTIMATES (I) FOR THE FY 2022-23

- 1. Mr. Speaker Sir,** in the annual estimates for the FY 2022-23, the County Assembly had approved a total budget of Ksh. 39.6billion with Ksh. 27.6billion meant for recurrent expenses and Ksh. 11.9billion for development programmes. The allocated resources were meant to provide a smooth landing ground for the third County Government while at the same time ensuring that the unfinished business from the previous regime are also factored in. The budget was also prepared in preparation for receiving back county core functions initially handed over to NMS following the expiry of the Deed of Transfer of Functions.
- 2.** Due to other unforeseen events and the requirement to align the approved budget estimates following the enactment of Additional Conditional Grant Act, 2022 as well as the desire to effect the changes in the budget of the County Assembly as recommended by the Controller of Budget, the County Executive prepared and submitted Supplementary Estimates I that was intended to address the three key matters already outlined. The County Assembly consequently approved a revised estimate to the tune of Ksh.39.6billion of which Ksh.27.7billion was for recurrent and a further Ksh.11.8billion set aside for development initiatives.
- 3.** The Supplementary I Estimates upon its approval and subsequent enactment of Supplementary Appropriation (I) Bill,2023 saw considerable sums allocated for refurbishment/ branding of City Hall Annex, settlement of development related pending bills under Finance and Economic Planning Sector, ongoing projects under Urban Renewal and Housing and KISP. Moreover, additional allocations were made for insurance of county assets, building of stadia, payment of legal dues/fees/arbitration and compensation payment as well as reclassifying the amounts initially budgeted for under the development expenditure by County Assembly on the advice of The Controller of Budget. The Committee shall in the remainder of this report be detailing its finding during the consideration of the submitted revised budget estimates.

2.2 COMPLIANCE OF THE SUBMITTED SUPPLEMENTARY II BUDGET ESTIMATES TO THE PREVAILING LEGISLATION

4. **Mr. Speaker Sir**, in support of the County Assembly in its oversight role, the huge burden of ensuring prudent financial management of County resources has been placed upon the shoulders of the Budget Committee. In advancing this task, the Committee has been in the forefront in reminding this Honorable House on the procedural matters that guide the development, consideration and approval of supplementary estimates and in particular the fact that supplementary budgets should only be prepared to take care of matters that were unforeseen during the preparation of annual budget estimates and which must remain unavoidable during the time of preparing the supplementary budget. Moreover, the Committee has been ensuring that all players in the budget process adhere to the provisions of Section 135 (7) of the PFM Act that requires the county government not to spend more than ten percent of the amount appropriated by the county assembly for that year unless that county assembly has in special circumstances approved a higher percentage. This requirement is further reinforced by the provisions of Regulation 39 of the PFM (County Government) Regulations 2015 that limits the Accounting Officers expenditure to 10% of the approved budget estimates of a program of sub vote and with any over expenditure above the set threshold requiring the express concurrence of the County Executive Committee Member responsible for Finance.

5. During the consideration of the First Supplementary Estimates, **Mr. Speaker Sir**, the Committee was informed by the Chief Officer for Finance that a massive review of the budget was expected to happen around the month of March and April that would necessitate the preparation of the second supplementary estimates. Arising from the foregoing, the statement has come to fruition and thereby paved way for the submission of the Second Supplementary Estimates. The Committee during the consideration of the first revised estimates and in relation to the statement was of the considered view that planning for preparation of a second supplementary budget in advance amounted to poor fiscal planning, gambling with resource allocation and laying over-emphasis on budget realignments at the expense of budget implementation. Further, the rationale fronted for the preparation of the second revised estimates in as much as they are legally sound, could have been avoided had proper planning had been embraced. The law did not forecast in any way that supplementary budgets should

become part and parcel of the budget cycle hence their preparation should be spontaneously forced by matters which are unavoidable and beyond control. The Committee urges the County Treasury to be alive to these provisions in any event they wish to come up with a supplementary budget.

2.3 SUMMARY OF ADJUSTMENTS TO THE APPROVED SUPPLEMENTARY BUDGET

6. In the preparation and approval of the First Supplementary Estimates, **Mr. Speaker Sir**, the County Treasury had summarily informed the County Assembly that the supplementary budget had been necessitated by the need to incorporate in the budget the additional resources made available as a result of the enactment of the County Governments Additional Allocations Act, 2022, need to reclassify allocations for Car Loan and Mortgage for the MCAs as guided by the Controller of Budget, the administration's push to accelerate payment of pending bills and the need to focus development on areas of optimal returns. The Supplementary I Estimates saw the County budget retained at Ksh.39.6billion with recurrent expenditure increased marginally to Ksh.27.7billion compared to Ksh.27.6billion in the approved estimates. The development budget also decreased slightly from the Ksh.11.9billion in the approved annual estimates to Ksh.11.8billion in the revised estimates with the overall revenue figures equaling those of anticipated expenditure areas.

7. **Mr. Speaker Sir**, the rationale for this second supplementary as submitted by the County Treasury include reallocations within sectors so as to guarantee smooth and seamless operations for service delivery within the County departments. The County Treasury is also cognizant of the fact that the financial year is almost coming to an end and therefore the funds allocated toward capital projects may after all remain unutilized. The County also plans to rationalize personnel emoluments as well as address the negative vote book balances. Towards this end, the proposed key budget line reallocations amongst others are as contained hereunder;
 - i. Additional allocation of Ksh.250million for Emergency Fund to combat Disaster and Response Recovery within Office of the Governor and Deputy Governor sector;

- ii. Setting aside of Ksh. 20million for purchase of inspectorate uniforms, Ksh.35million for partitioning of offices at CBK Towers and Ksh.40million for purchase of office furniture within Office of the Governor and Deputy Governor sector;
- iii. That in order in order to reduce pending legal bills an additional Ksh.420million be set aside for payment of legal creditors and a further Ksh.420million for other creditors;
- iv. In a bid towards bolstering revenue collection an additional Ksh.150million has been proposed for ICRMS as well as additional Ksh.18million for E-cabinet under ICT sector;
- v. In ensuring prudent fiscal discipline intended to safeguarding the interest of those who trade with the county an additional Ksh.100million development allocation for settlement of pending bills as well as a further Ksh.150million for insurance costs have been proposed within Finance and Economic Planning Sector;
- vi. The Heath Sector be granted an additional allocation of Ksh.250million and Ksh.50 million for purchase of medical drugs and other non-pharmaceuticals medical items respectively geared towards for improving health care in health centres and dispensaries within the County as well as Ksh. 40million for purchase of NHIF complaint computers and fingerprint scanner for the 118 health facilities;
- vii. In order to enhance solid waste management an additional allocation of Ksh.100million be made for sanitary and cleaning materials under the Water, Energy, Environment, Forestry and Natural Resources Sector;
- viii. In ensuring infrastructural development, the Public Works, Transport and Infrastructure sector be granted additional allocation as follows;
 - Ksh.400 million for road maintenance material costs.
 - Ksh.40million for purchase of vehicles.
 - Ksh.100million for maintenance of streetlights.
 - Ksh.25million for rehabilitation of Gaikuyi Charna link and Olumbui roads in Umoja 1 ward as well purchase of specialized equipment at Ksh.25million.
- ix. In improving trade within the County some new allocation of Ksh.56million be made for trade shows and exhibitions;

- x. That some additional allocation of Ksh.1.03billion be set aside for personnel emoluments majorly consisting of Ksh.288million for inspectorate staff, Ksh.109million for finance and almost Ksh.610million for medical staff salaries and allowances;
- xi. To ensure safety of staff an additional allocation of Ksh.568million be made for medical insurance within the Public Service Management Sector.
- xii. The contracted guards and cleaning services operation and maintenance cost be reduced by a whopping Ksh.581million under the Water, Energy, Environment, Forestry and Natural Resources Sector;
- xiii. Rationalize the County Assembly's development expenditure downwards by Ksh.57million and increase the recurrent expenditure for its operations and maintenance by Ksh.28million;
- xiv. That the overall development allocation be reduced by Ksh.2.1billion with major reductions as follows;
 - Ksh.1.5billion for public works, road maintenance and infrastructure with the decrease ranging from Ksh.1 million to almost Ksh.95million across the wards.
 - Ksh.239million for several health projects especially construction works and equipping of health centers spread among the wards.
 - Ksh.110million for ECDEs and a further Ksh.132million earmarked for construction, rehabilitation of stadiums and social halls. The construction of a washroom at Mac Millan Library initially allocated Ksh.2million scrapped.
 - Ksh.53.5million for construction of common user facility for micro and small enterprise manufacturing for textile and furniture entirely scrapped.
 - Constructions and completion of several markets estimated at Ksh.52.5million with some markets being abandoned key being Karen and Kahawa West.
 - The PSM digitization project reduced by Ksh.10million;
 - The Water, Energy, Environment, Forestry and Natural Resources Sector diverse projects reduced cumulatively by Ksh.202million;
 - Urban renewal sector projects key being renovation of estate houses reduced by Ksh.67.5million and the KISM project which was initially allocated Ksh.100million has been scrapped.

2.4 OBSERVATIONS OF THE COMMITTEE ON THE SUPPLEMENTARY II BUDGET ESTIMATES

8. **Mr. Speaker Sir**, the Committee after scrutiny of the submitted Supplementary II Budget Estimates together with the submissions made by the County Treasury, County Assembly and members of the public has made numerous observations that shall inform part of the recommendations.

9. **Mr. Speaker Sir**, the success of all the County planned priorities depend on the revenues that it can generate and over time non achievement of the same has resulted in the ever accumulating pending bills that the county has been grappling with. The County Treasury in FY2022-23 projected that the County would collect Kshs.18billion as own source revenue. However, the Third Quarter Revenue and Expenditure Report from the County Treasury reveals that the County has just managed a paltry Ksh.7.3 billion from internal sources by the end of 31st March 2023 implying that the County was about Kshs. 10billion shy of the annual target. The past statistics do not paint a rosy picture either with the 3rd quarter always being the peak period for collections and all indications shows that the County revenue may once again dip further and even fail to hit the Ksh.9billion mark. The Committee has been consistent in its call for the County Treasury to plan with realistic revenues based on the past trends.

10. On conditional grants **Mr. Speaker Sir**, the Committee observed that the grant from the World Bank for Universal Health Care Project of Kshs.87 million has been scrapped off the budget estimates. The Committee has in the past reiterated the need to ensure timely compliance with the attendant conditions in order to access the allocated funds. The Committee further noted that the unutilized CRF balances from the FY 2021-22 increased by Kshs.472.6 million yet it is not clear the reason for the increase late into the current Financial Year. It is also the view of the Committee that budgets carry with them hopes and aspirations and as such there is for confirmation of funding sources to avoid leaving projects in limbo as they impact negatively on the lives of the citizens. The Committee has agreed with the County Treasury on the need for timely reconciliation for CRF balances and budgeting for the same.

11. Mr. Speaker Sir, during the consideration of Supplementary I Estimates the Committee lauded the efforts demonstrated by the County Treasury to allocate Ksh.1.4billion to settle pending financial commitments that had hit over Ksh.100billion mark by the beginning of January 2023. Even though the amounts were inadequate, the Committee noted it was a positive step towards settlement of pending bills that had remained in the budget books for a long time. Moreover, the Committee was aware that His Excellency the Governor had gazetted a Committee on Review, Scrutiny and Verification of Pending Legal Bills that was expected to review and advise on the legible pending legal bills. In this second revised estimates, an additional allocation has been made of Ksh.420million for settlement of legal pending bills and a further Ksh.420million for payment of other creditors. The Committee appreciates this great attempt to settle pending bills but reiterates that the taskforce report should be finalized and implemented. Further, **Mr. Speaker Sir,** the Committee appreciates that the County Government has made a conscious decision to win the confidence of those that trade with the County. In this regard, the Finance and Economic Planning sector has been allocated an additional Ksh.100million to settle development relates pending bills. The Committee notes that the progress being made should be enhanced within the confines of the law as a footpath towards fiscal discipline thereby avoiding incurring new bills.

12. Mr. Speaker Sir, in the past the Committee has been vocal in arresting any temptation to introduce new programs, projects and policy directions in supplementary budgets. In this revised budget, the Committee observed that there was an additional allocation of Ksh. 150million for ICRMS and Ksh.18million for E-cabinet under the ICT sector. In as much as the ICRMS is a positive project towards bolstering revenue collection, it has been observed that in the past such allocation had been knocked off the budget due existing collaboration framework between the National Treasury and all Counties on development of prototype. From the onset the Committee could not determine what became of the collaboration with the national Treasury on the development of ICRMS. However, during deliberations on these estimates, the Committee heard from the County Treasury that the development of the ICRMS by the National Treasury had taken inordinately too long with no clear time of completion and roll out. The Committee hence agreed with the County Treasury on the need to have a reliable and

efficient revenue system to support the expansive mandate of the soon to be formed Nairobi City County Revenue Authority.

13. Mr. Speaker Sir, the Committee has been reminding the County Executive that the path to fiscal discipline is not achievable without proper planning and adherence to the various provisions of the law. During the considerations of these revised estimates, it came to the fore that there is need for an additional allocation of Ksh.1.09 billion for personnel emoluments. The Committee reviewed the aims of employment and noted that some of them are for critical service delivery functions but was concerned on the flippy floppy allocation for medical insurance. It was noted that in the annual budget the allocations for medical insurance was placed at Kshs. 1.2billion, a figure that was reduced to Kshs. 691million in the First Supplementary Estimates and is hereby proposed to be enhanced to Kshs. 1.259billion if approved as contained in the submitted Supplementary Estimates (II). The Committee was informed that the latest increase was due to the recall of staff previously seconded to the Nairobi Metropolitan Services to undertake transferred functions.

14. Mr. Speaker Sir, the Committee on its review of the various budget items that were approved in the first revised estimates noted that the development projects have been rationalized downwards by Ksh.2.1billion. This will result in the development budget ratio falling to 24% which is below the 30% threshold required by law. Moreover, the worst hit sector is Mobility and Works with overall budget reduction of Ksh.1.5billion with almost all development priorities reduced across all wards despite being the fulcrum for infrastructural development that make Nairobi the City of Dignity. The County Treasury through the Chief Officer for Finance submitted to the Committee that the reductions affect ongoing projects that were initiated under the defunct Nairobi Metropolitan Services and whose contracts have not been transferred. The Committee in review of these estimates informed the County Treasury on the need to consistently comply with the provisions of the fiscal responsibility principles outlines in Section 107 of the Public Finance Management Act, 2015 and Regulation 25 of the Public Finance (County Government) Regulations, 2015.

- 15. Mr. Speaker Sir**, concerning the implementation of emergency fund, the Committee notes that an additional Ksh.250million has been requested in comparison to the Ksh.200million that was granted in the Supplementary I Estimates but urges that the implementation of the same be guided by the provisions of Sections 110-115 of the PFM Act, 2012 that require that the Fund does not become a hoarding ground for county resources. The Committee hereby reminds the administrators of the fund that once money has been withdrawn from the fund the same should be reported, re-appropriated and replenished at the earliest opportunity.
- 16.** There has been a worrying tendency **Mr. Speaker Sir**, where sectors put forth request for allocation of funds which in essence they do not require. For the fifth year in a row the County has allocated in the annual budget amounts to the tune of Ksh.100million for start-up of the Car Loan and Mortgage scheme for the County Executive staff but keeps knocking off the same in the supplementary budgets. The digitization of record under PSM and renovation of offices at City Hall, has likewise exhibited the same trend. The tenability of these specific expenditure lines need interrogation and the Committee is of the considered opinion that budgeting should not be a mere academic exercise of filling figures along the budget lines. The Committee directed the relevant sectors to review the tenability of the budget lines before consideration of the annual budget. To support the County staff to access affordable housing and car credit the Committee shall be recommending that the allocation for staff Car loan and mortgage be reinstated in the budget and utilized in the next financial year.
- 17. Mr. Speaker Sir**, finally the Committee noted that the submitted Supplementary II Estimates for FY 2022-23 did not provide the budget summary as required by law. Further it was noted that the targets in the Programme Based Budget were not fully aligned to the resource allocation as adjusted in the itemized budget. The Committee during the consideration of these revised estimates requested and received the relevant information on the above issues. Generally, the Finance, Budget and Appropriations Committee has scrutinized the submitted Supplementary II Budget Estimates and is contented that the proposed adjustments and reallocations are well intentioned and shall be proposing the various areas that require amendments for consideration by the House.

III. RECOMMENDATIONS

1.1. POLICY ISSUES

18. **Mr. Speaker Sir**, having reviewed these revised budget estimates, the Committee identified several the following issues that it proposes be addressed: -

- 1) That going forward and in compliance with the provision of Section 130(1)(a) of the PFM Act, 2012 the County Treasury must submit a budget summary which at a glance would provide a synopsis on the rationale for revised estimates;
- 2) That in all supplementary budgets the targets contained in the Program Based Budget must be aligned to the itemized budget in line with the adjustments in the resource allocations;
- 3) That supplementary budgets submitted for approval must contain information on the extent of budget implementation for both recurrent and development vote;
- 4) That amounts allocated for Emergency Fund be utilized in line with the provisions of Section 110-115 of the PFM Act, 2012;
- 5) That measures be initiated to improve performance of Own Source Revenue and such measures be submitted to the County Assembly periodically for review; and
- 6) That Supplementary budgets submitted for approval should contain information on amounts already utilized and the new amounts being requested.

1.2. DEVELOPMENT BUDGET ALLOCATION

- 1) That in compliance with the provisions of Section 107 (2) (b) of the Public Finance Management Act, 2012, the County Executive Committee Member for Finance shall ensure that over the medium term i.e. FYs 2022-23, 2023-24 and 2024-25, the allocation and expenditure on development does not fall below 30% of the overall budget.

1.3. BUDGET REDUCTIONS

- 1) That the development allocation for the County Assembly be reduced by Kshs. 1.019billion.

1.4. BUDGET INCREASES



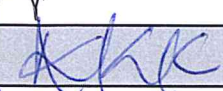
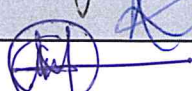

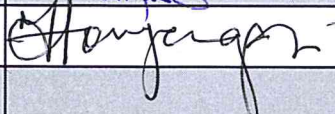
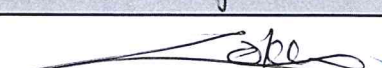
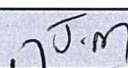


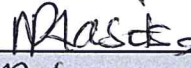



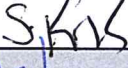


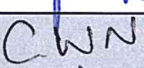
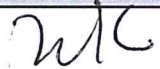

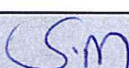
- 1) That the allocation for payment of development related pending bills be increased by Kshs. 443million
- 2) That the allocation for legal pending bills be increased by Kshs. 200million.

- 3) That the development allocation for public lighting under Mobility and Works Sector be increased by Kshs. 80million
- 4) That the budget for the Water Sub- Sector under Green Nairobi be increased by Kshs. 50million, with Kshs. 30million being recurrent and Kshs. 20million being development.
- 5) That the recurrent budget for the Agriculture Sub- Sector under Green Nairobi be increased by Kshs. 20million.
- 6) That the recurrent budget for the Finance and Economic Affairs Sector be increased by Kshs. 26million.
- 7) That the budget for Education Sub- Sector under the Talents, Skills Development and Care Sector be increased by Kshs. 50million, with Kshs. 30million being recurrent and Kshs. 20million being for development expenditure.
- 8) That the allocation for medical insurance be increased by Kshs. 40million.
- 9) That the allocation for Environment Sub- Sector under Green Nairobi Sector be increased by Kshs. 30million to cater for purchase of protective gear for laborers.
- 10) That Kshs. 70million be allocated under the Office for Governor for activities related to facilitation of the upcoming UN Habitat Assembly.
- 11) That that the allocation for Sub County Administration Sub- Sector be increased by Kshs. 10million.

Mr. Speaker Sir, in conclusion and pursuant to the provisions of Section 135, 154 of the Public Finance Management Act 2012 and Standing Order 234 the Select Committee on County Finance, Budget and Appropriations recommends that:

“This County Assembly adopts the 9th Report of the Select Committee on County Finance, Budget and Appropriations on the Second Supplementary Budget Estimates for the Nairobi City County Government and County Assembly for the FY 2022-23”

We the undersigned Members of the Finance, Budget and Appropriations Committee affirm that this is the approved report of the Committee on the Consideration of the Supplementary Budget Estimates (II) for the FY 2022-23 as adopted by the Committee on the 17th day of May 2023

NAME	SIGNATURE
1. Hon. Wilfred Oluoch Odalo, MCA	
2. Hon. Emily Oduor, MCA	
3. Hon Anthony Kiragu, MCA	
4. Hon. Moses Ogeto, MCA	
5. Hon Mark Mugambi, MCA	
6. Hon. Jeckoniah Onyango, MCA	
7. Hon. [REDACTED], MCA	
8. Hon. Catherine Apiyo Okoth, MCA	
9. Hon. Jane Muasya, MCA	
10. Hon. Redson Otieno Onyango, MCA	
11. Hon. Asli Muhamed, MCA	
12. Hon. Rosemary Masitsa, MCA	
13. Hon. Perpetua Mponjiwa, MCA	
14. Hon. Collins Ogenga, MCA	
15. Hon. Fathiya Abdillahi Mohamed, MCA	
16. Hon. Sam Kago, MCA	
17. Hon. Anthony Ngaruiya Jasho, MCA	
18. Hon Paul Ndungu, MCA	
19. Hon Ciciliah Wairimu Njathi, MCA	
20. Hon Waruguru Kanyi, MCA	
21. Hon Joyce Kamau Muthoni, MCA	
22. Hon Waithera Chege, MCA	
23. Hon Susan Makungu, MCA	

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