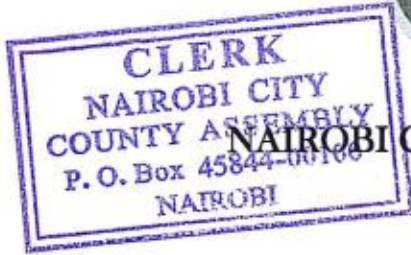


Kenya  
by Hon. Ogada  
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COUNTY GOVERNMENT OF NAIROBI CITY



NAIROBI CITY COUNTY ASSEMBLY

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**REPORT OF THE BUDGET AND APPROPRIATIONS COMMITTEE  
WORKSHOP**

**HELD TO**

**RECEIVE AND DISCUSS REPORTS OF SECTORAL COMMITTEES ON  
THE COUNTY FISCAL STRATEGY PAPER, 2015/2016 AND OVER THE  
MEDIUM TERM**

**Wednesday 25<sup>th</sup> March 2015, Kiambu County, Kenya**

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### **Background Information**

The provisions of Standing Order 206(3) require that once the County Fiscal Strategy Paper has been tabled it stands committed to each of the Sectoral Committees to review and report back their recommendations to the Budget and Appropriations Committee. The Budget Committee is further required by Standing Order 187 (6) to consult Chairpersons of Sectoral Committees while considering the budget. In this regard and pursuant to the above provisions, the Budget Committee organized for workshop to receive and deliberate on the reports of the Committees on the paper. The objectives of the workshop were to:

- i. Receive the reports of the Sectoral Committees on the CFSP;
- ii. Deliberate on the reports with the aim of reaching an agreement on any areas of disagreement;
- iii. Any other connected matters.

### **Official Opening and Introductory Remarks**

The meeting commenced with a word of prayer from Mr. Musa Senator. The Chair started the meeting by inviting those present for a round of introductions. The Chair reminded the meeting of the role of the Committee and the Sectoral Committees during consideration of the budget especially the County Fiscal Strategy Paper. He informed the meeting that the stringent timelines was limiting the work of the Committee but he nonetheless communicated the resolve of the Committee to ensure that the documents are dealt with in a timely manner. There were initial concerns from the members on whether there was adequate public participation in coming up with the document. The executive confirmed that public participation had been undertaken and the views of the public incorporated in the final CFSP. However, there was consensus that the mechanisms being employed to receive the public views were not effective and needed to be changed.

To enable the Committee finalize consideration of the document, the Chair urged the Members to be patient as the work ahead was going to be exhaustive.

### **Topic 1: Discussion on the Report of the Sectoral Committee on Health Services**

The Chair of the Health Services Committee presented on the budget for the public health department and made recommendations to the Budget and Appropriations Committee. He highlighted to the Committee the achievements for the Sector in the ongoing financial year which he noted included upgrade of various hospitals among

others. The Health Services Committee reported to the Budget Committee that they were comfortable with the Sector budgets as provided. He urged the Budget Committee not to alter the ceilings as provided since they intended to undertake various activities in the coming financial year which included hiring of key staff for some understaffed facilities.

In response to the report presented by the Sectoral Chair, the Budget Committee Chair thanked them for having done well to reallocate funds within the Sector. *(See Annex 2 for the detailed presentation)*

As a follow to the presentation on the report for the public health department, the following issues were raised by the Committee members and the responses were as indicated:

- i. Members were concerned that the Sector intended to employ additional staff despite the high number of staff already devolved in the Health Sector: The Chair explained that there were specific cadre of staff which the County was lacking and hence needed to recruit;
- ii. Status of revenue collection: Members wanted to know the status of revenue collection in the County. The Head of County Revenue informed the meeting that the sector was collecting revenue at sub-optimal level due to a number of issues including partnerships that the County had entered into;

### **Topic 2: Discussion on the Report of the Sectoral Committee on Trade, Tourism and Cooperative Development**

The Chair while presenting the report for the Committee informed the meeting that the roles of the Committee were among others to oversee fair trading practices, local tourism, and cooperative societies among others. Having taken the meeting through the mission, vision and strategic priorities for the Sector, the Chair briefed the Committee on how it had utilized its budget for the FY 2014/15. The Chair emphasized that the contribution of the department to the revenue basket was significant and hence needed to be allocated adequate funds to continue influencing positively the forward progress of the county. He pleaded with the Committee to ensure the Sector is facilitated so that it continues affecting the lives of the residents. The Trade Chair went ahead to highlight to the Committee the strategic priorities for the various departments under the sector and their targets for the coming financial year. On the recommendations the Chair informed the meeting that the Sector was in need of approximately Kshs. 1.2billion for development expenses:

The Committee in response raised the following issues:

- i. The Committee was concerned that the Sector had slow absorption rate of development funds. The Chair to the Committee raised issues that the slow procurements process was limiting the utilization of the funds. He nonetheless assured the Members that the amounts had been committed;

### Topic 3: Discussion on the Report of the Sectoral Committee on Justice and Legal Affairs

The report for the Sector was delivered by the Chair of the Justice and Legal Affairs Committee, Hon. JafferKassam, who told the Budget Committee that the sector had put in measures to ensure there is financial discipline in the department. The Chair emphasized to the Committee that the County was losing enormous amount of revenue due to lacklustre enforcement and this hence underscored the need for additional enforcement officers. He informed the meeting that the Sector anticipated to recruit approximately one thousand seven five hundred employees to carter for the dire deficit. In addition the Committee made the following recommendations to the Budget and Appropriations Committee:

- i. That the ceiling for Governor's Office be retained as proposed; and
- ii. That the ceiling for the Information, Communication & E-Governmnet should be retained as proposed

*(See Annex 2 for the detailed presentation).*

In response the Committee raised the following issues:

- i. Members were concerned that despite there being a pending training the Sector had not set aside amounts for that purpose. The Committee confirmed that there were allocations for the training. The budget committee nonetheless was unconvinced that there was need to hire new staff instead of doing internal promotions. The Chair to the Justice and Legal Affairs Committee informed the meeting that the department was willing to retrain officers who were retrainable;
- ii. The Members wanted to know the optimal number of city inspectorate that the sector intended to employ. The Chair informed the meeting that the adequate number of city askaris was slightly over five thousand five hundred. He said at the moment, the County had less than two thousand officers serving in the city inspectorate department. The County Treasury however called for caution in any future employment with a view of restraining any further growth of the ballooning wage bill;

- iii. Whether there was background check on the needs assessment for the sectors: The County Treasury informed the Budget Committee that the CFSP had not budgeted for any new recruitments and that would only be done once the needs assessment for the entire county was complete;
- iv. The Committee was shocked to learn that the employees thus recruited in the financial year 2014/15 had not been budgeted for during the year. The Head of County Revenue was categorical that there was no budgetary allocation for any new recruitments;
- v. Reduced revenue collection due to demoralization: The Committee was alarmed that the employment of Sub-County Administrators who were highly paid compared to the revenue collectors working under Decentralization thereby reducing their morale to work;
- vi. Over-expenditure in wages and salaries: Members pointed out that the County was spending more in revenues than the recommended revenues: salaries ceiling of 30%. The Committee resolved to freeze all employments in the County;

#### **Topic 4: Discussion on the Reports of the Sectoral Committees of Water and Sanitation and the Sectoral Committee on Agriculture, Environment and Natural Resources**

The Chair to the Agriculture Committee in his presentation informed the members that his Committee was comfortable with the allocations for the Agriculture and Livestock Development Sector but requested for reallocation as follows:

- i. Development expenditure to be increased by Kshs. 16million; and
- ii. Recurrent expenditure be reduced by Kshs. 16million

On the ceilings for the Environment and Forestry Sector, the Committee recommended that the ceiling be adjusted upwards to Kshs. 1.674billion with Kshs. 724million to be used for development expenditures and Kshs. 950million to be used for recurrent expenditures.

The Sectoral Committee on Water and Sanitation on their part told the Budget Committee that their performance for the period had been good as they had been able to extend water supply by 5.79km in the formal areas, extended water supply in the informal sectors by 14.85km, constructed water kiosks, extended the sewer line by 4.03km in the informal settlements and restoration of the Nairobi Dam among others. In the following financial year, the Committee was informed, the Sector would aim to provide water tanks, continue restoration of Nairobi Dam,

Construction of Public toilets as well as continuation of sewer line improvement. In conclusion the Committee requested for an addition of Kshs. 146.3million for various projects while the overall development ceiling was proposed to be raised to Kshs. 260million.

*(See Annex 2 for the detailed presentation).*

The following observations were made by the participants:

- i. There was incessant projects that had been allocated funds in the past like Nairobi Dam;
- ii. Members were concerned that the development projects were skewed to specific projects in Eastlands at the expense of other regions in the city especially Embakasi;
- iii. Most of the Members were of the view that the Environment Department was performing below par in its functions. It was the view of the Budget Committee that the sector had failed the city;
- iv. Some of the projects to be undertaken in the next financial year like promoting urban agriculture were unachievable;
- v. The Committee urged the Environment sector to consider separating the waste at the source as well employing modern waste disposal methods;
- vi. Members were concerned that despite huge budget requests, there was no clear action plan on how the Sector wanted to manage the wastes;
- vii. Members resolved that the budget for paying garbage collection trucks be scrapped off the budget;
- viii. It was agreed that the allocation for tree planting be scrapped off the budget; and
- ix. Members directed the Sector to provide explanations on how amounts set aside for clean ups were being utilized.

#### **Topic 5: Discussion on the Report of the Sectoral Committee on Planning and Housing**

The Chair presented to the Committee its observations on the Sector noting that the Committee needed explanations on the low absorption capacity of development funds, whether the vehicles for the sector had been bought etc. The Committee in summary informed the Committee that whereas it had got responses from the County Executive on the issues raised, they had not been able to discuss the reports and hence made no recommendations to the Budget Committee.

## **Topic 6: Discussion on the Report for the Sectoral Committee on Transport and Public Works**

The Chair to the Public Works Committee pleaded with the Budget Committee to retain the sector ceilings as proposed. However, it was also their view that the Sector needed to give the Budget Committee a detailed breakdown on the projects that had thus far been funded with the funds allocated in the FY 2014/15. Further the Sectoral Committee Chair called for institution of reforms in the procurement process to reduce the lags associated with procurement.

The Members of the Budget Committee noted the following with regard to the performance of the Roads, Transport, Public Works Sector:

- i. Members were concerned that the Committee was not able to efficiently oversight departments within it watch. Of specific alarm in this regard was that the sector informed the meeting that they were not able to ascertain the level of implementation of the projects. The Chair told the meeting that due to the various procurement processes, it was still difficult to state with authority the projects implementation status;
- ii. Members wanted to know if the allocations for the ward development projects were captured in the CFSP. To this the Chair to the Sectoral Committee confirmed that the amounts were captured.

## **Topic 7: Discussion on the Reports for the Sectoral Committees on Culture and Community Services, Labour and Social Welfare, Children, Early Childhood Education and Vocational Training**

The Chair to the Committee on Culture and Community Services recommended to the Budget Committee that the sector needed to justify how it had been able to spend the amounts allocated in the FY 2014/15 by the various programmes. The Committee further requested that it be given an additional allocation totalling Kshs. 26.8million as well provide a vote line for disaster management and fire services.

The Sectoral Committee on Labor and Social Welfare requested the Budget Committee to increase the budget ceiling for the County Public Service Board by to Kshs. 152million, the budget ceiling for the Public Service Management be

increased by Kshs. 18million to Kshs. 876million as well as increase the ceiling for the Education, Youth Affairs, Sports, Culture and Social Services to Kshs. 11million.

The Education Committee on their part recommended that the sector needed to justify its utilization of funds as well make more funds available for bursaries.

**Topic 8: Resolution on the final Sector Ceilings**

The Committee deliberated on the sector ceilings and resolved that the ceilings be as in the following matrix:



	Schedule : Sector Ceilings						
Programme	CFSP (2015/16)- Millions			Committee Recommendations			Change
	Recurrent	Capital	Total	Recurrent	Capital	Total	
County Assembly	1,581	53	1,634	1,526	53	1,579	(55)
County Public Service Board	103	40	143	80	20	100	(43)
Governor's Office	5,059	400	5,459	4,519	300	4,819	(640)
Finance and Economic Planning	1,671	127	1,798	1,545	127	1,672	(126)
Debt Repayment			800	1,540		1,540	740
Environment and Forestry	935	250	1,185	873	283	1,156	(29)
Health	5,503	900	6,403	5,038	950	5,988	(415)
Physical Planning, Lands and Housing	414	300	714	375	300	675	(39)
Public Works and Infrastructure	1,477	5,830	7,307	1,355	5,880	7,235	(72)
Education, Youth Affairs, Sports, Culture and Social Services	1,636	443	2,079	1,504	450	1,954	(125)
Trade and Enterprise Development	225	430	655	208	450	658	3
Public Service Management	816	42	858	787	30	817	(41)
Agriculture and Livestock Development	316	50	366	288	50	338	(28)
ICT, E-Government and Public Communications	152	350	502	144	250	394	(108)
			-			-	-
<b>Total</b>	<b>19,888</b>	<b>9,215</b>	<b>29,903</b>		<b>9,143</b>	<b>28,925</b>	<b>(978)</b>

Signed.....  ..... Date..... 29/4/2015 .....

Hon. Michael O. Okumu, MCA

Chairman, Budget and Appropriations Committee

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CLERK  
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