



NAIROBI CITY COUNTY ASSEMBLY

OFFICIAL REPORT

First County Assembly – Fifth Session

Tuesday 4th April, 2017

The House met at 2.30 p.m.

(Hon. Temporary Deputy Speaker (Mr. Hashim Kamau) in the Chair)

PRAYERS

Hon. Temporary Deputy Speaker: Having noted the lack of quorum I direct the Sergeant- At-Arms to ring the bell for 10 minutes

(Quorum bell was rang for 10 minutes)

We now have quorum, Clerk can you proceed?

PAPERS

THE REPORT OF SELECT COMMITTEE ON FINANCE, BUDGET AND APPROPRIATION ON THE BUDGET ESTIMATE FOR THE FINANCIAL YEAR 2017/18

Hon. Temporary Deputy Speaker: The Chairperson Select Committee on Budget and Appropriations.

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Hon. Member for Embakasi Ward (Mr. Michael Ogada): Thank you Mr. Speaker sir, pursuant to Standing Order 180 (6) I beg to lay the following paper on the table of the Assembly today 4th April 2017 the report of Select Committee on Finance, Budget and Appropriation on the budget estimate for the financial year 2017/18, thank you.

NOTICE OF MOTION

THE REPORT OF SELECT COMMITTEE ON FINANCE, BUDGET AND APPROPRIATION ON THE BUDGET ESTIMATE FOR THE NAIROBI CITY COUNTY EXECUTIVE AND COUNTY ASSEMBLY FOR THE FINANCIAL YEAR 2017/18 LAID ON THE TABLE OF THIS HOUSE TODAY 4TH APRIL 2017

Hon. Mr. Michael Ogada: Thank once again Mr. Speaker sir, I beg to give notice of the following Motion, that this Assembly adopts the report of Select Committee on Finance, Budget and Appropriation on the budget estimate for the Nairobi City County Executive and County Assembly for the financial year 2017/18 laid on the table of this House today 4th April 2017, thank you.

Hon. Temporary Deputy Speaker: Thank you Mr. Chairman, next order

BILL

THE NAIROBI CITY COUNTY CULTURAL HERITAGE BILL, 2017 (ASSEMBLY BILL 1 OF 2017)

Hon. Temporary Deputy Speaker: Hon. Samuel Kagiri Mwangi, Hon. Milare?

Hon. Member for Harambee Ward (Mr. Ronald Milare): Thank you Mr. Speaker, I wish to report to the Assembly that following first reading of Nairobi City County Cultural Heritage Bill 2017, Assembly Bill 1 of 2017 on Wednesday 8th March 2017 the Bill was committed to Sectoral Committee of Culture and Community Services for scrutiny as stakeholders consultation pursuant to Standing Order 121. An advert was placed in the media seeking for views from the public and stakeholders. The Committee was supposed to report to the Assembly within 20 calendar days pursuant to Standing Order 121 (4), however the Committee is still in the process of going through memoranda from stakeholders and public. In this regard I wish with your indulgence to request this Assembly to defer the second reading of the Bill for two weeks so that the Committee can finalize considering memoranda from the interested stakeholders and report to the Assembly, thank you Mr. Speaker sir.

Hon. Temporary Deputy Speaker: Thank you Mr. Chairman, two weeks allowed and I direct that all pending Bills of committees be submitted in the first week after recess. Next order.

MOTION

THE REPORT OF THE SELECT COMMITTEE ON PUBLIC ACCOUNTS ON THE REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE NAIROBI CITY COUNTY ASSEMBLY SERVICE BOARD CAR LOANS SCHEME FOR THE YEAR ENDED 30TH JUNE 2016

Hon. Temporary Deputy Speaker: Chairperson Select Committee on Public Accounts.

Hon. Member for Githurai Ward (Mr. Jackson Ngare): I beg to move that this Assembly adopts the report of the Select Committee on Public Accounts on the report of the Auditor General on the financial statement of the Nairobi City County Assembly Service Board Car Loans Scheme for the year ended 30th June 2016 laid on the table of the Assembly on Wednesday 1st March 2017.

Hon. Speaker, my Committee's mandate is to examine the accounts showing the appropriation of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think fit. The Committee's main objective therefore is to ensure that Nairobi City County public funds are well utilized and the public realizes value for money in all government expenditure.

Hon. Speaker, Section 167 of the Public Finance Management Act, 2012 mandates the Administrator of public funds with the responsibility of preparing Annual Financial Statements for submission to the Auditor General who is then required to report to the Assembly. It is on this basis that this report was tabled and subsequently committed to the PAC Committee.

Hon. Speaker as Members are aware, the Car Loan Scheme Fund was established pursuant to the Salaries and Remuneration Circular No. SRC/TS/WB/3/14 of 14th February 2014. The Assembly adopted the Public Finance Management (Nairobi City County Car Loan Scheme Fund) Regulations 2014, to guide in the operationalization of the Fund. Further, the County Assembly Board appointed a banking institution to manage the fund as advised by SRC.

Hon. Speaker in this report, the Auditor General observes that the financial statements present fairly in all material respects, the financial position of Nairobi City County Assembly Service Board Car Loan Scheme Fund as at 30th June 2015. He however raised concerns regarding:

- i) Non-compliance with International Public Sector Accounting Standards (IPSAS)
- ii) Maintenance of accounting records
- iii) Interests and other bank charges
- iv) Breach of Service Level Agreement

Hon. Speaker, the Committee met both the Accounting Officer (Clerk of the Assembly) and the Fund manager i.e. Family Bank to respond to the issues raised by the Auditor General. (Details can be found on pages 9-14 of the main report). Hon. Speaker, the Committee observed as follows:

- i. Family Bank Limited has persistently and materially breached Section 15(c), (d) and (e) and Section 17 (a) of the aforementioned regulations Section 116(3) and (4) of the Public Finance Management Act, 2012; and its obligations as set out in the Service Level Agreement;
- ii. The lack of submission of bank statements by Family Bank Ltd, showing individual Members transactions, as requested by County Assembly Loans Management Committee, signifies that the Bank was unwilling to be transparent in its operations;
- iii. The explanation in changes in assets provided by the Accounting Officer should have initially been provided in the Car Loan Fund financial statements;
- iv. The process in which Family Bank Ltd was supposed to receive payments for its administrative services was not clearly defined in the Service Level Agreement thus leaving room for the bank to deduct its payments directly from the funds which is a clear violation of the Section 116 (3) of the Public Finance Management Act, 2012;
- v. The termination of the Service Agreement by NCCA was proper

Hon. Speaker, the Committee therefore recommends that: The Clerk of the Nairobi City County Assembly, who is the fiduciary agent of the Fund should make a formal complaint to the Central Bank of Kenya to the effect that Family Bank Limited failed to honour their contractual obligations as per the Service Level Agreement and attach evidence indicating the same.

Mr. Speaker Sir, I urge Members to support this report, and as I move I call upon Hon. Mbau to second. Thank you.

Hon. Member for Mlango Kubwa Ward (Mr. Andrew Mbau): Thank you, Mr. Speaker, I rise to second this Motion. The facts have been laid and the Committee established the facts as they are. Thank you.

(Question proposed)

Hon. Temporary Deputy Speaker: Hon. Anthony Kiragu.

Hon. Member for Waithaka Ward (Mr. Anthony Kiragu): Mr. Speaker, I rise to support this Motion but I also recommend to the Committee to add to the recommendations to punish the Clerk. I do not believe that Ksh. 254 million is small money that you cannot get into a watertight agreement with the bank. If my understanding is right, I believe that every Member who took a loan lost money. I have seen figures like Ksh.6 million as charges. Mr. Speaker, this is not right. I support this Motion but apart from writing to the Central Bank as a complaint, I think the Clerk should also go and report himself to the Central Police Station and get locked up. Thank you

Hon. Temporary Deputy Speaker: Any other Member! The mover to reply!

Hon. Mr. Jackson Ngare: Mr. Speaker, I thank the Member who has risen to support this Motion and the others who have not yet responded, I think silence means a support also. Therefore, there was a good Service Level Agreement that was violated by the Bank. Thank you, Mr. Speaker.

(Question put and agreed to)

MOTION

ADOPTION OF THE REPORT OF THE SECTORAL COMMITTEE ON TRANSPORT, ROADS AND PUBLIC WORKS ON THE INSPECTION SITE VISIT TO BABA DOGO WARD

Hon. Temporary Deputy Speaker: Chairperson Sectoral Committee.... (Mheshimiwa Serika! Is that card yours, because it shows Thuo Wakarindi!

Hon. Member for Lucky Summer Ward (Mr. Kennedy Oduru): It is mine! Thank you Hon. Speaker sir, that, this Assembly adopts the Report of the Sectoral Committee on Transport, Roads and Public Works on the inspection site visit to Baba Dogo Ward, laid on the Table of the Assembly on Thursday, 16th March, 2017.

Hon. Speaker sir, the report is here and the Member can go to recommendation instead of wasting time on other issues. The Committee recommended that:

1. As much as priority should be given to the growing population of Baba dogo for the constructions of the bus stop that will ease movement of the rising population in the area. The Committee agrees with the concerns raised by Premier Food's industries. That establishing a bus stop outside their premises will impact negatively on their hygiene standards due to smoke and dust from the vehicles. The Committee thus recommends that the Roads, Transport and Public sector relocate the bus stop to a convenient site along the Baba Dogo road.
2. The County Executive Committee Member for Lands should immediately bring down the fence that was erected by Premier Food's industries enclosing the proposed bus stop site as it is Nairobi City County Land (Public Land).
3. The Roads, Transport and Public Works sector should liaise with the Physical Planning Department to identify a viable site in Baba Dogo and ensure the construction of the bus stop is done as it had been budgeted for.

Hon. Kennedy Oduru: Hon. Speaker sir, as per the Committees recommendations, this is vital as we compared and considered Premier Food industry which is a bonafide industry within the area and employs majority of our people. Therefore we see the need to locate this bus stop space and contact the physical planning guys as per recommendation number three. I hope the Members are going to support us in this and there is no point of doing a bus stop there and have them moved to another place. This is why we requested that they be relocated as that is beneficial to the residents of the area. Thank you Hon. Speaker.

Hon. Temporary Deputy Speaker: Do you have a seconder Hon. Chairperson?

Hon. Kennedy Oduru: I therefore call upon Hon. Clarence Munga to second the Motion.

Hon. Member for Kabiro Ward (Mr. Clarence Munga): Mr. Speaker I was not prepared though I second. Thank you.

Hon. Temporary Deputy Speaker: Hon. Member what have you said? Are you not seconding?

Hon. Clarence Munga: I second

Hon. Temporary Deputy Speaker: Okay.

(Question proposed)

Hon. Temporary Deputy Speaker: Can we have the mover to reply? Meanwhile Mheshimiwa Anthony Kirago Karanja

Hon. Anthony Kiragu: Mr. Speaker, I rise to support this Motion. This is because the Transport Committee is comprised of very qualified members who have been addressing issues of the transport sector very well. I am also a member. Premier Foods is grabbing public lands as you can see from the report. I would want us to put in bold the recommendations that they should immediately not bring down the wall covering the bus stop and follow the recommendations of this Committee. I would like to congratulate the Chairman and his team for the good report and we ask that this report be implemented with speed by the Executive. Let it not be the kind of reports that we pass in the Assembly and are never implemented. Thank you.

Hon. Temporary Deputy Speaker: Mheshimiwa Maxwell


Hon. Member for Korogocho Ward (Mr. Maxwell Ochar): Thank you Mr. Speaker. I sit in that committee and I also come from the same area. It is not just a matter of employing native residents.

Hon. Maxwell Ochar: This factory is one which deals with food and drinks which citizens of this country is consuming. Mr. Speaker, if you look at the pollution around that area, because of the *matatus* and the motor vehicles around that area, it is unattainable. So, Mr. Speaker, after touring the area during a site visit, we brought in some people from the Health department so that they can tell us the impact of the stage being there. Mr. Speaker, everybody was in agreement that we move the stage to another area. Being a food factory, and we know the gas produced by the motor vehicles around that area, the result is not good. If you look at the recommendation of the Committee, we totally agree together with the Committee of Transport, Physical Planning and the Health Committee. It is something which has been looked into, critically. So, we are requesting the Executive to act on this very quickly. Thank you.

Hon. Temporary Deputy Speaker: Thank you Hon. Ochar. And Hon. Oduru, when you reply, kindly indicate if the area MCA, Hon. Shadrack, was part of the delegation. I call the mover to reply.

Hon. Kennedy Oduru: Thank you Mr. Speaker sir. Hon. Shadrack Juma was also with us when we were making the decision and he contributed. Hon. Speaker, I am just requesting the implementation of the relocation of this to another site within the Ward because there is congestion and that is why it suggested

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that a bus stage should be constructed. Then, let it be moved with speed so that the stage should be relocated to another site. Thank you Hon. Speaker. I thank the Hon. Members who contributed to this. Thank you.

(Question put and agreed to)

ADJOURNMENT

Hon. Temporary Deputy Speaker: Kindly note that there will be a sitting of the Assembly Business Committee today at the rise of the Assembly at Charter Hall. The House adjourns until tomorrow 2:30 p.m.

(The House rose at 3.14 p.m.)