

COUNTY GOVERNMENT OF NAIROBI CITY



NAIROBI CITY COUNTY ASSEMBLY
SECOND ASSEMBLY-SECOND SESSION

*Report laid on the
Table of the Assembly
by the Leader of Majority
Hon. J. Hassan on
Thu. 3/5/2018.*

*Approved
D/C
3/5/2018*

THIRD REPORT
OF THE SELECT
COMMITTEE ON APPOINTMENTS
ON

THE VETTING OF NOMINEE FOR MEMBER OF THE
COUNTY EXECUTIVE COMMITTEE RESPONSIBLE FOR
FINANCE AND ECONOMIC PLANNING

*Approved
2/5/2018
Blair*

Clerk's Chambers
City Hall Buildings
NAIROBI

MAY, 2017

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vetting by the Select Committee on Appointments and consideration for approval by the County Assembly for appointment as County Executive Committee Member for Finance.

1.4 Committal to Select Committee on Appointments

Hon. Speaker,

Pursuant to Standing Order 43(1), the Honorable Speaker informed the Assembly on 10th April, 2018 that the Assembly had received the notification of the nomination. The notification of nomination was therefore referred to the Select Committee on Appointments on 10th April, 2018 for vetting and reporting to the Assembly within 21 days in accordance with Section 9(1) of the Public Appointments (County Assemblies Approval) Act, 2017.

Subsequently, the Clerk of the County Assembly placed an advertisement in the in the local dailies, specifically the Standard Newspaper and the Nation Newspaper on Wednesday 11th April, 2018 inviting the public to submit memoranda by way of written statements on oath (*sworn affidavits*) on the suitability or otherwise of the nominee in conformity with Section 7(10) of the Public Appointments (County Assemblies Approval) Act, 2017.

1.5 Committee Meetings

Hon. Speaker,

The nominee for County Executive Committee Member Responsible for Finance and Economic Planning appeared before the Committee on Thursday 19th April, 2018 and was vetted in accordance with the provisions of the Constitution, Public Appointments (County Assemblies Approval) Act, 2017 and the County Assembly Standing Orders on his suitability for appointment to the position of County Executive Committee Member responsible for Finance. The Committee held two Sittings in consideration of this matter.

1.6 Acknowledgement

Hon. Speaker,

May I take this opportunity to thank Members of the Committee for their input and valuable contributions during the vetting exercise. The Committee also takes this opportunity to thank the Offices of the Speaker and of the Clerk of the County Assembly for the logistical support accorded to it during the vetting exercise. The Committee is grateful to the staff of the County Assembly attached to the Committee for their services rendered to the Committee. Their efforts and input made the work of the Committee and the production of this Report possible. The Committee is also grateful to the media for their coverage of the proceedings of the Committee, thus enhancing accountability and transparency of the vetting exercise.

Finally, on behalf of the Select Committee on Appointments, it is my pleasure and duty to present to the Assembly, the Committee's Report on the vetting of the nominee for County Executive Committee Member Responsible for Finance, for adoption pursuant to the Standing Orders of the County Assembly and other enabling provisions of the Law.

Thank you.

ANNEXES

(i.) Annexure (1)

- Minutes

(ii.) Annexure (2)–Clearance Certificates

- Kenya Revenue Authority
- Higher Education Loans Board
- Ethics and Anti-Corruption Commission
- Criminal Investigations Department
- Credit Reference Bureau

(iii.) Annexure (3) – Curricula Vitae

- Mr. Newton Munene

1.0 PREFACE

1.1 Committee Mandate

Hon. Speaker,

The Select Committee on Appointments is established under Standing Order No. 196, and its mandate amongst others, as outlined under Standing Order 196 (4) includes *“to consider, for approval by the County Assembly, appointments under Articles 179(2) (Members of County Executive Committee).”*

1.2 Committee Membership

Hon. Speaker,

The Committee on Appointments was constituted by the Assembly on 4th October, 2017 comprising of the following Members:-

- 1) Hon. Beatrice Elachi, MCA - Speaker (Chairperson)
- 2) Hon. Abdi Ibrahim Hassan, MCA - Leader of the Majority party
- 3) Hon. Elias Otieno Okumu, MCA - Leader of the Minority party
- 4) Hon. Chege Mwaura, MCA
- 5) Hon. Millicent Wambui Mugadi, MCA
- 6) Hon. Peter Wanyoike, MCA
- 7) Hon. Peter M. Warutere, MCA
- 8) Hon. Emily Ondeje Oduor, MCA
- 9) Hon. Peter Imwatok, MCA
- 10) Hon. David Njilithia Mberia, MCA

1.3 Message from His Excellency the Governor

Hon. Speaker,

Pursuant to Article 179(2) (b) of the Constitution and Section 35 of the County Governments Act, 2012, H.E. the Governor, Hon. Mbuvi Gideon Kioko Mike Sonko vide a letter dated 10th April, 2018 forwarded to the Speaker of the Nairobi City County Assembly, the name of Mr. Newton Munene for

Signed

Hon. Beatrice Elachi, MCA

(Chairperson)

Select Committee on Appointments

Dated this ..23/.....day of..05/.....2018

2.0 BACKGROUND

2.1 Establishment of the Select Committee on Appointments

The Select Committee on Appointments is established under Standing Order No. 196 with the mandate to consider, for approval by the County Assembly, appointments under Articles 179(2) of the Constitution and Section 35 of the County Governments Act, 2012, (*Members of County Executive Committees*).

The said Article and Section require **H.E. the Governor of Nairobi City County** to nominate and with the approval of the County Assembly, appoint County Executive Committee Members.

Additionally, Section 10(1) of the Public Appointments (County Assemblies Approval) Act. No. 5 of 2017 provides that:-

“Where the nomination of a candidate is rejected by a County Assembly, the appointing authority may submit to the relevant County Assembly the name of another candidate, and the procedure for approval specified in this Act shall apply accordingly.”

2.2 Appointment Process of the Nominee for County Executive Committee Member

Section 35 of the County Government’s Act, 2012, and Article 179(2) (b) of the Constitution provide for the powers of the Governor to appoint Members of the County Executive Committee, with the approval of the Assembly, from among persons who are not members of the County Assembly.

A letter from the Office of the Governor dated 10th April, 2018, addressed to the Speaker of the County Assembly indicated that pursuant to the provisions of Article 179 (2) of the Constitution and Section 35 of the County Government’s Act, 2012, H.E. the Governor, Hon. Mbuvi Gideon Kioko Mike Sonko had nominated Mr. Newton Munene to be considered for approval by the County Assembly for appointment as County Executive Committee Member responsible for Finance.

On Tuesday, 10th April, 2018, the Honourable Speaker in a Message to the Assembly informed the Assembly that the Assembly had received the name of Mr. Newton Munene and directed that the name and curriculum vitae of the said nominee be referred to the Select Committee on Appointments for vetting and reporting to the Assembly pursuant to Standing Order 196 and Section 10 (1) of the Public Appointments (County Assemblies Approval) Act. No. 5 of 2017.

2.3 Notification to the Public

Section 7 (5) and (10) of the Public Appointments (County Assemblies Approval) Act, 2017 provides that-, *“the committee shall, by notice in at least one newspaper of national circulation, notify the public of the time and place for holding an approval hearing at least seven days prior to the hearing”* and *“any person may, prior to the approval hearing and by a written statement on oath, provide the Clerk with evidence contesting the suitability of a candidate to hold the office to which the candidate has been nominated”*.

Pursuant to the above provisions of the law, the Clerk of the County Assembly placed an advertisement in the in the local dailies, specifically the Standard Newspaper and the Nation Newspaper on Wednesday 11th April, 2018 inviting the public to submit memoranda by way of written statements on oath (*sworn affidavits*) on the suitability or otherwise of the nominee.

At the close of business on Monday 16th April, 2018, no memoranda contesting the suitability of the nominee had been received from the public.

In accordance with the provisions of Article 118 of the Constitution and Section 7(4) of the Public Appointments (County Assemblies Approval) Act, 2017 the general public was also notified in the local dailies by the Clerk of the County Assembly of the intention of the Select Committee on Appointments to conduct the vetting and approval hearing of the nominee on Thursday 19th April, 2018.

2.4 Clearance Requirements

To ensure compliance with the provisions of Chapter 6 of the Constitution, the nominee was asked to submit his clearance status with the following institutions for the vetting exercise –

- a) Kenya Revenue Authority (KRA)
- b) Criminal Investigation Department (CID)
- c) Higher Education Loans Board (HELB)
- d) Credit Reference Bureau (CRB) and
- e) The Ethics and Anti-Corruption Commission (EACC)

The clearance by the foregoing institutions was primarily meant to provide information about the nominee on: -

- a) Matters touching on integrity;
- b) Tax compliance;
- c) Loan repayments; and
- d) Presence or absence of criminal records.

3.0 VETTING OF NOMINEE FOR COUNTY EXECUTIVE COMMITTEE MEMBER RESPONSIBLE FOR FINANCE

In conducting the vetting process, the Select Committee on Appointments examined the nominee against the following criteria, amongst others, as set out in the Public Appointments (County Assemblies Approval) Act No. 5 of 2017—

- (i.) Academic qualifications.
- (ii.) Employment record;
- (iii.) Professional associations;
- (iv.) Potential conflict of interest;
- (v.) Knowledge of the relevant subject;
- (vi.) Overall suitability for the position;
- (vii.) Tax compliance; and
- (viii.) Integrity.

During its Sitting held on Thursday 19th April, 2018 at Charter Hall, Assembly Precincts, City Hall Buildings from 11:00am, the Committee conducted a face to face interview of the nominee. The minutes of the vetting proceedings are attached to this report.

3.1. APPEARANCE BEFORE THE COMMITTEE BY MR. NEWTON MUNENE

The nominee for County Executive Committee Member for the Finance and Economic Planning Sector, Mr. Newton Munene, appeared before the Committee on Thursday 19th April, 2018 at 11.00am and was informed by the Chairperson that in line with the provisions of the Public Appointments (County Assemblies Approval) Act No. 5 of 2017 the Committee invited submissions from the Public on his suitability or otherwise for appointment to Public office, but none had been received by close of business on Monday 16th April, 2018.

While under oath, the nominee proceeded to inform the Committee as follows:-

A. With respect to self-introduction, knowledge, experience and qualification, the

nominee informed the committee as follows, that: -

- (i.) He was born on 12th June, 1967.
- (ii.) He attended Kagumo High School where he obtained a Division II upon completion of his schooling.
- (iii.) Holds a Bachelor of Arts Degree from the University of Nairobi.
- (iv.) The nominee previously worked as:
 - Head of Government Business at Imperial Bank from 2013 to 2016;
 - Head of Financial Services Industry at Crescent Tech Limited from 2011 to 2013;
 - General Manager of Kenya Motorsport Federation Limited from 2009 to 2010; Head Consultant for Prime Bank Limited from 2008 to 2009;
 - Consultant with I&M Bank Limited from 2005 to 2008;
 - Head of Corporate Affairs with Trust Bank from 1996 to 2002;
 - Supervisor with the Supervisory unit of the Central Bank of Kenya from 1991 to 1995; and
 - With Biashara Bank of Kenya from 1990 to 1991.

B. In response to questions put to him by Members of the Committee, Mr. Newton Munene responded as follows:-

I. Regarding his Qualifications and Suitability for the Position Nominated

The nominee stated as follows –

That he:

- a. Has worked with various financial institutions beginning 1990 when he left the University of Nairobi both locally and internationally.
- b. Has experience of over two decades, inclusive of public service at the Central Bank of Kenya, from 1992 to 1997 with the Bank's supervision Department.
- c. Has worked for financial institutions internationally, with stints in Tanzania, Uganda and Zambia under Trust Bank Limited.

- d. Other than extensive experience in the financial services sector, the nominee stated that by virtue of his education, his past experience in the delivery of financial consultancies and planning make him qualified for the job.
- e. In addition, he has served as Director in various capacities where financial management experience was essential.
- f. Overall, his educational qualifications, vast past experience and technical knowledge as demonstrated will suffice in position nominated.

II. In relation to why his CV indicates Short Periods of Service With Various Employers -

The nominee informed the committee as follows –

- a. That his CV indicated he had worked for less than two years for several employers due to the nature of the assignments he was employed to undertake – being financial modeling projects with specific time periods and not long term engagements.

III. Strategic financial decisions he has undertaken in his various postings that is relevant to position nominated -

The nominee informed the committee as follows –

- a) That while working at CBK, he undertook a lot of research on that informed the development of the Central Bank's prudential guidelines.
- b) The process needed a fair understanding of financial and operational requirements of banks to gain insight into how an enterprise runs for the guidelines to be effective.

IV. Contribution to the planning function in any organization he has served with near equivalence to the Nairobi City County -

The nominee informed the committee as follows, that –

- a) He contributed to and gained extensive planning experience at Prime Bank Kenya Limited in terms of the budgeting processes.

- b) He needed to be able to do the annual budget estimates for the enterprise, undertaken with partners in Uganda.
- c) The experience gained from the foregoing service is close to what is needed for the county position he has been nominated.

V. Understanding of the position he has been nominated -

The nominee informed the committee as follows, that -

- a) He has vast experience with management of finances from his past work postings.
- b) In his understanding of the finance and budget process – the formulation of the statement of ways and means is key in enabling other departments deliver services.
- c) The primary function of his Department is to facilitate the delivery of services by all County Departments.
- d) He will work to ensure the County is able to generate the necessary revenues and put in place effective monitoring and evaluation of programs where resources are channeled to ensure value for money for the public.

VI. The Main challenge(s) in effective management of the County Treasury -

The nominee informed the committee as follows, that –

- a) Resource mobilization is the greatest challenge the County Treasury faces.
- b) Similarly, the evaluation of the use of monies as budget and spent presents the second biggest challenge.

VII. Measures or proposals he brings on board to solve the Challenge(s) -

The nominee informed the committee as follows, that –

- a) There are already fairly good automation of revenue systems put in place by the County Government.

- b) The net effect of the improved automation systems has been improving revenue collections.
- c) He will work to ensure the widening of the scope of automation to ensure the County collects sufficient revenues to meet its budgetary demands.

VIII. His perception of the County Assembly and how he plans to work with the Assembly –

The nominee informed the committee as follows, that –

- a) The nominee observed that the County Assembly in its collective function as the representative of residents' collective will cannot be underrated.
- b) The expectations of the public in terms of their needs and aspirations are best represented by members of the County Assembly and he will work to ensure harmonious working between the two arms of County Government as regards the functioning of the Department he has been nominated to head.

IX. Navigating the relationship between himself and Members of the County Assembly if appointed-

The nominee stated that he -

- a. Will work closely with county assembly to ensue flawless service delivery
- b. Recognizes that it would be difficult to make any progress without having all stakeholders on board

X. Creation of a harmonious working relationship with other departments -

The nominee informed the committee as that he will endeavor to first understand and appreciate the mandates of all County Departments in order to best understand ways to support depts. Carry out their functions.

XI. Immediate steps the nominee will take to ensure planning informs budgeting and vice versa -

The nominee informed the committee that,

- a. Stakeholder participation will be key to planning and execution of budgets.
- b. Planning and budgeting are interlinked, i.e. sufficient planning necessarily informs proper budgeting, and he will work to ensure the department delivers towards this end.

XII. Prioritization of Decentralization of financial services to each department so each department has its own finance officers and run their own budgets -

The nominee informed the committee as follows, that -

- a. It makes perfect sense logically for the County to adopt decentralization of financial services.
- b. For so long as the Public Finance Management Act, 2012, supports such a framework, he would have no issue with putting in place the said framework for financial decentralization.
- c. Faster service delivery is attainable with such a model – with the benefit of enhanced accountability mechanisms best promoted under such arrangement.

XIII. Knowledge of the SDGs and how to relate national SDGs with MTEF of the County

The nominee informed the committee as follows, that –

- a. National Strategic Development Goals are almost similar to the County's save for minor differences, for instance as a metropolis, Nairobi would not have agriculture as a key strategic goal.

XIV. Knowledge of Laws that govern finance in the County -

The nominee listed the following laws as key –

- a. Public Finance Management Act, 2012
- b. Public Procurement and Disposal Act, 2015
- c. County Governments Act, 2012

XV. Understanding of Program based budgeting –

The nominee informed the committee as follows, that –

- a. A Program based Budget entails making budget estimates on anticipated specific engagements.

XVI. Net worth and whether that was his declaration five (5) years ago -

The nominee informed the committee as follows, that –

- a. His net worth is about Kshs 40 million or thereabouts.
- b. He made no other declaration five years ago on his net worth.

XVII. Conflict of interest arising out of engagements between the County Government and AAR Insurance run by the nominee's Sister as Group Chief Executive –

The nominee informed the committee as follows, that –

- a. He has no knowledge of AAR working with Nairobi City county Government.
- b. He would declare possible conflict of interest by written statement should an engagement with any such enterprise arise conflict.
- c. He would recuse himself from engagements involving any such conflict.

XVIII. What residents can expect from the nominee if appointed -

The nominee informed the committee that residents can expect him to primarily work with Members of the County Assembly in planning and budgeting for services which residents most need.

XIX. Past professional experience and how it demonstrates adherence to chapter six of the Constitution -

The nominee informed the committee as follows, that –

- a. He has never been charged in a Court of Law.
- b. He has no criminal record and has never had issues raised about his integrity in his various work postings spanning over two decades.

XX. As to how well he knows the governor -

The nominee informed the committee as follows, that –

- a. He shares the governor's passion for the socio-economic enterprise.
- b. He similarly shares his vision for a cleaner and safe City.
- c. He hasn't had the pleasure of interacting with the governor on a personal level.

XXI. Contribution to Community service -

The nominee informed the committee that he involves himself in Church Corporate Social Responsibility activities and fundraisings whenever the opportunity arises.

4.0 COMMITTEE'S OBSERVATIONS AND FINDINGS

The Committee having considered the nominee's curriculum vitae and heard his oral submissions during the vetting exercise made the following observations and findings:-

4.1 General Observations

The Committee having considered the nominee's filled Questionnaires pursuant to the Public Appointments (County Assemblies Approval) Act No. 5 of 2017, his Curricula Vitae and having heard his oral submissions during the vetting exercise/interview made the following observations:

THAT: -

1. The nominee satisfies the requirements of Chapter Six of the Constitution of Kenya on Leadership and Integrity which is a requirement under section 35(3)(c) of the County Governments Act, 2012 in that the nominee has been cleared by the Ethics and Anti-Corruption Commission (EACC), Directorate of Criminal Investigations (DCI), Kenya Revenue Authority (KRA), Higher Education Loans Board (HELB) and the Credit Reference Bureau (CRB);
2. The nominee has not been charged in a Court of Law; and
3. The nominee does not exhibit a potential conflict of interest.
4. The nominee meets the requirements of Section 35(3)(d) since he exhibited impressive knowledge of topical and legal issues touching on his docket and has the requisite abilities, qualifications and experience.

A summary of the Committee's specific observations on the nominee is highlighted as follows:-

4.2 Committee's Findings

The nominee –

- a) Has worked with various financial institutions beginning 1990 when he left the University of Nairobi both locally and internationally.

- b) Has experience of over two decades, inclusive of public service at the Central Bank of Kenya, from 1992 to 1997 with the Bank's supervision Department.
- c) Has worked for financial institutions internationally, with stints in Tanzania, Uganda and Zambia under Trust Bank Limited.
- d) Other than extensive experience in the financial services sector, the nominee stated that by virtue of his education, his past experience in the delivery of financial consultancies and planning makes him qualified for the job.
- e) In addition, he has served as Director in various capacities where financial management experience was essential.
- f) Overall, his educational qualifications, vast past experience and technical knowledge as demonstrated will suffice in position nominated.
- g) He has never been charged in a Court of Law, has no potential conflict of interest, and has fully complied with his tax obligation and other relevant clearances from state agencies as required.
- h) He has never been dismissed from office for contravention of the provisions of Article 75 of the Constitution which deals with conduct of state officers that are adversely mentioned in any investigatory report of Parliament or any Commission of Inquiry.
- i) The Committee found the nominee suitable and qualified for appointment as the County Executive Committee Member Responsible for the Finance and Economic Planning Sector.

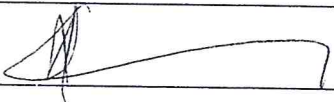

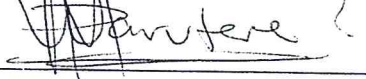

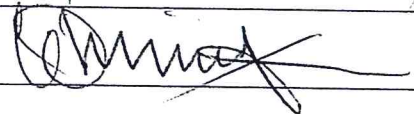

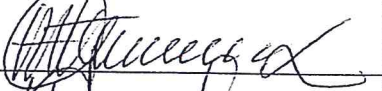



NAIROBI CITY COUNTY ASSEMBLY
SECOND ASSEMBLY – SECOND SESSION

SELECT COMMITTEE ON APPOINTMENTS
ATTENDANCE SCHEDULE

DATE: 3/5/2018

TIME: 9:57AM

S/NO.	NAME	SIGNATURE
1		
2	Amos J. Hassan	
3	Makout Mueguel	
4	Peter Warutere	
5	Peter Wanyorice	
6	Eliaz O. Okumu	
7	Emmanuel Odior	
8	Peter Imwacha	
9	David Mberia	
10		

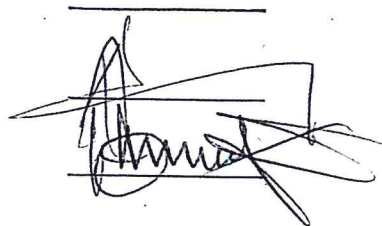
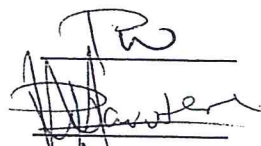
Signature 

Date: 5/3/2018

1.4 COMMITTEE MEMBERS

SIGNATURE

1. Hon. Beatrice Elachi, MCA- Speaker (Chairperson)
2. Hon. Abdi Ibrahim Hassan, MCA
3. Hon. Elias Otieno Okumu, MCA
4. Hon. Chege Mwaura, MCA
5. Hon. Millicent Wambui Mugadi, MCA
6. Hon. Peter Wanyoike, MCA
7. Hon. Peter M. Warutere, MCA
8. Hon. Emily Ondeje Oduor, MCA
9. Hon. Peter Imwatok, MCA
10. Hon. David Njilithia Mberia, MCA

A large, stylized handwritten signature in black ink, appearing to be 'Beatrice Elachi', written over a horizontal line.A handwritten signature in black ink, appearing to be 'Abdi Ibrahim Hassan', written over a horizontal line.A handwritten signature in black ink, appearing to be 'Elias Otieno Okumu', written over a horizontal line.A handwritten signature in black ink, appearing to be 'Chege Mwaura', written over a horizontal line.A handwritten signature in black ink, appearing to be 'Millicent Wambui Mugadi', written over a horizontal line.

5.0 COMMITTEE RECOMMENDATION

The Committee makes the following recommendation: -

THAT, pursuant to Article 179(2) (b) of the Constitution, Section 35 of the County Governments Act, 2012 and Section 9 of the Public Appointments (County Assemblies Approval) Act, 2017 and Standing Order No. 196 (4), the Committee recommends that this Assembly approves Mr. Newton Munene for appointment by H.E. the Governor as County Executive Committee Member responsible for the Finance and Economic Planning Department.

