

GOVERNMENT OF NAIROBI CITY COUNTY



THE NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

SECOND ASSEMBLY-THIRD SESSION

NBI CA. PLC. 2019 / (051)

26<sup>th</sup> June, 2019

PAPER LAID

Pursuant to Standing Order 191 (6), I beg to lay the following Paper on the Table of the Assembly, today Tuesday 26<sup>th</sup> June, 2019.

THE 15<sup>TH</sup> REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET & APPROPRIATIONS ON THE CONSIDERATION OF THE REVENUE AND EXPENDITURE ESTIMATES FOR THE NAIROBI CITY COUNTY GOVERNMENT AND THE COUNTY ASSEMBLY FOR THE FY 2019/2020.

(Chairperson, Select Committee County Finance, Budget & Appropriations)

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

*Paper laid on  
26/6/2019  
By Hon Patricia  
Marani.  
Mphills  
F.C.A.*



*Handwritten signature and scribbles*  
*28/6/19*

**COUNTY GOVERNMENT OF NAIROBI CITY**



**NAIROBI CITY COUNTY ASSEMBLY**

**SECOND ASSEMBLY – THIRD SESSION**

---

**15<sup>TH</sup> REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE,  
BUDGET AND APPROPRIATIONS**

**ON**

---

THE CONSIDERATION OF THE REVENUE AND EXPENDITURE ESTIMATES FOR  
THE NAIROBI CITY COUNTY GOVERNMENT AND THE COUNTY ASSEMBLY FOR  
THE FY 2019-20

*Paper laid  
on 26/6/2019  
C.A. bills  
F.C.A.*

**JUNE 2019**

*copy of  
report  
for  
clearance  
20/6/19*

## **I.PREAMBLE**

**Hon Speaker**, this is the second time that the Second Assembly's Select Committee on Finance, Budget and Appropriations has had the opportunity to consider and make determination on the County's estimates of revenues and expenditures prepared pursuant to the provisions of Section 131 (1) of the Public Finance Management (PFM) Act, 2012, the Public Finance Management (County Government) Regulations 2015 and Standing Order 222. This occasion marks the seventh time that the Nairobi City County Assembly will be considering the estimates for the Nairobi City County for approval. In that duration the County Assembly has approved estimates totaling over Kshs. 170billion with a lot progress thus far made in various parts across the County. Overall, Members may agree with me when I say we have come a long way in our budget making journey.

**Hon Speaker**, Article 221 of the Constitution requires that at least two months before the end of the financial year, the County Executive Committee Member for Finance should submit to the County Assembly, the estimates of the revenue and expenditure of the county government for the next financial year. At the same time the Clerk to the County Assembly is also required to table the estimates for the County Assembly Service Board. The budget estimates for the two arms of government namely, the County Government and the County Assembly were tabled in the County Assembly on Thursday 2<sup>nd</sup> May 2019 having been submitted to the County Assembly in line with the provisions of Section 129 of the Public Finance Management Act 2012. Having been submitted and in line with the provisions of Standing Order 222 the Estimates of Revenues and Expenditures stood committed to the Sectoral Committees and the Finance, Budget and Appropriations Committee for consideration and reporting. The PFM law and the Nairobi City County Assembly Standing Orders require that when finalizing the consideration of any budget document, the Budget Committee shall consult the Sectoral Committees, members of the public and the County Executive Committee Member for Finance. In furtherance of the provisions of Standing Order 119 (6), the Sectoral



Committees are expected to consider the estimates, take into account the views of the respective Sector Chief Officers and County Executive Committee Members and thereafter make submissions to the Budget Committee.

**Hon Speaker**, the County Assembly Finance, Budget & Appropriations Committee comprises of the following 19 Members:

- |            |                                 |                    |
|------------|---------------------------------|--------------------|
| <b>1.</b>  | <b>Hon. Robert Mbatia, MCA</b>  | <b>Chair</b>       |
| <b>2.</b>  | <b>Hon. Patrick Karani, MCA</b> | <b>Vice- Chair</b> |
| <b>3.</b>  | Hon. Michael Ogada, MCA         |                    |
| <b>4.</b>  | Hon. Osman Adow, MCA            |                    |
| <b>5.</b>  | Hon. Daniel Ngegi, MCA          |                    |
| <b>6.</b>  | Hon. Anthony Ngaruiya, MCA      |                    |
| <b>7.</b>  | Hon. Kariuki Wanjiru, MCA       |                    |
| <b>8.</b>  | Hon. J.M Komu, MCA              |                    |
| <b>9.</b>  | Hon. Paul Ndungu, MCA           |                    |
| <b>10.</b> | Hon. James Kariuki, MCA         |                    |
| <b>11.</b> | Hon. Susan Mukungu, MCA         |                    |
| <b>12.</b> | Hon. Catherine Okoth, MCA       |                    |
| <b>13.</b> | Hon. Emily Oduor, MCA           |                    |
| <b>14.</b> | Hon. Nimo Hajji, MCA            |                    |
| <b>15.</b> | Hon. Nancy Muthami, MCA         |                    |
| <b>16.</b> | Hon. Elias Okumu, MCA           |                    |
| <b>17.</b> | Hon. Paul Shilaho, MCA          |                    |
| <b>18.</b> | Hon. Jane Muasya, MCA           |                    |
| <b>19.</b> | Hon. Fredrick Okeyo, MCA        |                    |

**Hon Speaker**, the Nairobi City County Assembly Finance, Budget and Appropriations Committee is constituted under the provisions of Standing Order 199 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 programmes with direct budget outlay.

### **Examination of the Budget Estimates for the FY 2019-20**

**Hon Speaker**, the presentation of the budget estimates is a culmination of a process that starts began in August 2018 with the issuance of the budget circular by the CECM- Finance and Economic Planning. As part of the process, the County Assembly has already approved the Annual Development Plan for the FY 2019-20 setting out the development priorities for the coming financial year, the County Fascial Strategy Paper 2019-20 outlining the broad strategic objectives for the County plus the individual Sector ceilings. The County Assembly also considered and approved the Debt Management Strategy Paper which details the County's marshal plan on debts and debts repayment. The estimates submitted therefore intend to anchor the contents of the planning documents already approved by this house.

**Hon Speaker**, to ensure that the approval granted by the County Assembly does not turn to an academic exercise, the he Finance Committee has taken due diligence to ensure that the budget estimates tabled in this House are in line with the approved planning documents and policy documents.

**Hon Speaker**, in reviewing the Budget Estimates for FY 2019-20, the Committee held a total of ten sittings within and outside the County Assembly precincts. In these deliberations, the Committee received submissions from the County Executive Committee Member responsible for Finance, the Chairs of Sectoral Committees, the Secretary to the County Assembly Service Board and the

members' public. The recommendations from the discussions have been sieved and included in this report.

**Acknowledgments**

**Hon Speaker,** the Committee is sincerely grateful to: -

- a) Members of the public who honored their civic duty and took part in the public hearings on these estimates undertaken in Charter Hall on Monday 3<sup>rd</sup> June 2019;
- b) Offices of the Clerk and the Speaker for the support received throughout this process;
- c) Sectoral Committees who reviewed the budget estimates for their respective Sectors and appeared before the Budget Committee to make their presentations;
- d) Officers from the County Executive, led by the County Treasury, who appeared before the Sectoral Committee and the Finance Committee for the purposes of making submissions on the estimates;
- e) Members of the Finance, Budget and Appropriations Committee who dedicated their time to ensure that the task of reviewing the estimates is done diligently and within the statutory timelines; and
- f) The County Assembly Budget Office who continually provided guidance to the Committees on the estimates.

**Hon Speaker,** it is therefore my pleasant duty and privilege, on behalf of the Finance, Budget & Appropriations Committee to table this report and recommend it to the Assembly for adoption.

Signed.....  ..... Date..... 2018/11/19 .....

**Hon. Robert Mbatia, MCA**

**Chairman: Finance, Budget and Appropriations Committee**



billion, that also comprises of staff emoluments, cost of operations and acquisition of assets. Out of the total budget Kshs. 858million is meant for personnel emoluments and Kshs. 744million for Use of Goods and Services. The Committee noted that the proposed allocations are in tandem with the ceilings approved in the County Fiscal Strategy Paper for the FY 2019-20. In general, the expenditures project an increase of the allocations for Compensation to Employees by Kshs. 126 million to Kshs. 858 million and an increase of the amounts set aside for Operations and maintenance by Kshs. 158 million to Kshs. 813 million compared to the amounts in the FY 2018-19 approved budget.

### **B. Financing the 2019-20 Budget**

6. **Hon Speaker**, the tabled budget estimates have envisaged that in the FY 2019-20 the total county revenues shall comprise of Kshs. 17.26 billion from the national governments transfers and Kshs. 17 billion from internal sources making the total revenue to the County Revenue Fund to equal Kshs. 34.26 billion. There is proposed Appropriations- in -Aid of Kshs. 250million to take care of activities related to liquor licensing thereby adding up to a total County revenue resource envelope of Kshs. 34.58 billion. From own sources of revenue, the County projects to collect Kshs.2.892billion from Single business permits, Kshs.3.925billion from rates, Kshs.2.763 billion from parking fees, Kshs.1.908billion from building permits and also get Kshs.1.425billion from billboards and adverts.
7. However, **Hon Speaker**, review of the current budget performance for the FY 2018-19 indicate that the County internal revenue generation has not yet hit the intended targets. The e-payment methods rolled out thus far to ensure seamless collection of revenues and expand the revenue basket has not contributed to upward surge in actual revenues collected.
8. **Hon Speaker**, the third report on revenues and expenditures for the FY 2018-19 indicate that as at end of March 2019 the total internal revenues stood at Kshs. 8.24 billion against the revised revenue target for the FY 2018-19 at Kshs. 16.5



billion, representing an overall performance of 50%. Whereas the Committee notes that this was an improvement from FY 2017-18 of Kshs. 7.6 billion at the same period, it still means that to achieve this target therefore the County should collect about Kshs.8 billion in the fourth quarter of the current financial year. Following commitment by the County Treasury on the revenue collection drive that will be rolled out in the coming financial year, the Committee has not revised the revenue targets as proposed. However, the Committee has insisted on the County Treasury to ensure that revenue enhancement mechanisms are employed together with ensuring prudent management of resources at the disposal of the County Government.

### **C. Review of Compliance of The Budget Estimates for The FY 2019-20 to the Prevailing Legislation**

9. **Hon Speaker**, the budget process is guided by Constitution, the PFM Act 2012, the PFM (County Government) Regulations 2015 and the County Assembly Standing Orders. The Finance, Budget and Appropriations Committee is charged with the responsibility of ensuring that budget documents submitted to the County Assembly meet the set legal and statutory requirements. This section of the report would hence endeavor to address issues related to fidelity to the law.
10. **Hon Speaker**, the provisions of Section 129 (2) (a) of the PFM Act, 2012 requires that the budget estimates be submitted to the Assembly together with any supporting documents and all bills that are necessary to implement the budget. In this regard the County Treasury submitted the itemized budget, the program-based budget and the monitoring and evaluation report indicating the status of implementation of various programmes approved in the current financial year. It is also noteworthy that the provisions of Section 129 (2) (b) decrees that the County Executive Committee Member for finance shall ensure that the estimates submitted in subsection (a) are in accordance with the resolutions adopted by the County Assembly on the County Fiscal Strategy Paper. The Committee observed

that by and large the estimates submitted had complied with the resolutions on the County Fiscal Strategy Paper and any areas of deviation would be pointed out for amendment. Most importantly is that all Sectors had complied with the budget ceilings as approved in the CFSP.

11. **Hon Speaker**, Section 130 (1) of the PFM Act, 2012 further states that the budget summary submitted on the budget estimates shall include the following: -

- a) *A summary of budget policies including revenue, expenditure, debt and deficit financing;*
- b) *A statement of how the budget relates to the fiscal responsibility principles and the financial objectives; and*
- c) *A memorandum by the County Executive Committee member for Finance explaining how the resolutions adopted by the county Assembly on the budget estimates have been taken into account.*

12. **Hon Speaker**, the Committee confirms that the budget summary has been provided as required by the provisions of the law. The County Treasury has provided details of fiscal framework for the FY 2019-20, the assumptions underpinning the revenue projections for the coming financial year, the expenditure allocation criteria, the public finance management reforms to be pursued, the debt financing mechanisms and the extent of adherence to the fiscal responsibility principles.

13. **Hon Speaker**, the provisions of Section 130 (1) (b) of the PFM Act, 2012 stipulates that the budget estimates shall include: -

- a) *List of all county government entities that are to receive funds appropriated from the budget of the county government;*
- b) *Estimates of revenue projected from the Equalization fund over the medium term;*



- c) *All revenue allocations from the national government over the medium term including conditional and unconditional grants;*
- d) *All other estimated revenue by broad classification;*
- e) *All estimated expenditure, by Vote, and by programme, identifying both recurrent and development expenditure;*
- f) *Information regarding loans made to the county government, including an estimate of the principal, interest and other charges to be paid by that county government in the financial year in respect of those loans;*
- g) *Information relating to any payments and liabilities to be made or incurred by the county government for which appropriation is not included in an Appropriation Act, together with the constitutional or national legislative authority for any such payments or liabilities; and*
- h) *A statement by the County Executive Committee Member for Finance specifying the measures taken by the county government to implement any of the County Assembly recommendations.*

14. **Hon Speaker**, the Committee noted that while most of the above requirements were met, information on loans made to the county government including an estimate of principal, interest was not provided despite the County having aspects of deficit financing in the approved debt management strategy paper. Further the Committee noted that while the estimates had a narrative on how the County Treasury had rolled out the resolutions of the County Assembly on the budget estimates for the FY 2018-19 they failed to provide details of the extent to which the estimates had complied with the resolutions on the CFSP for the FY 2019-20.

15. **Hon Speaker**, the provisions of the PFM Regulations have provided additional benchmarks to consider while preparing and approving budget estimates. These include:

- a) *All budget proposals shall be supported by the county government entity strategic plan;*

- b) *All revenue and expenditure shall be entered into county government budget estimates;*
- c) *Expenditure entered into the budget estimates shall be authorized for one financial year only;*
- d) *Budget revenue and expenditure shall be balanced;*
- e) *Total budget shall cover total expenditure and therefore except as provided by legislation, there shall be no use of specific revenue to finance specific expenditure;*
- f) *The CECM- Finance shall cause to be conducted public hearings on the estimates and views received from the public included by the Accounting Officers.*

16. **Hon Speaker**, during the consideration of these estimates the Committee could not confirm whether the County government entities have strategic plans in support of the expenditures being requested. On a positive the committee can report that the tabled budget estimates have details of revenues and expenditures included in the budget estimates, expenditures are authorized for FY 2019-20 only, the revenue and expenditures are balanced and there are no earmarked expenditures not backed by legislation.

#### **D. Summary of Key Issues Arising from Public Hearings**

17. **Hon Speaker**, the provisions of Article 221 (5) of the Constitution and Section 131 (2) of the PFM Act, 2012 require that before the Assembly considers the estimates the relevant Committee in finalizing its recommendations on the budget estimates to the Assembly shall take into account the views of the public in the proposed recommendations. To satisfy these legal provisions and also to ensure that the public remain a cornerstone of the County budget process, the Finance Committee held a public participation forum on 3<sup>rd</sup> June 2019 at Charter Hall and received the following submissions from the Members of the Public.



- a) The County should provide relevant budget reports early to enable the public sufficient time to scrutinize the documents.
- b) The County should provide the budget performance report to enable the public keep track of budget implementation in the County.
- c) The County ought to designate areas in the Wards for waste dumping and collection to avoid littering in the County.
- d) The County Assembly should frequently undertake civic education in the wards on the roles of the Assembly
- e) There should be continuous allocation of development budgets to health centers in the County ensure that the facilities are improved.
- f) Allocation to Community Health Volunteers – the County should boost the allocation to the service providers and consider giving the individuals a comprehensive health cover.
- g) Accountability and budgeting of partner transfers to CHV- there is need to provide information by the County on how much the County is receiving to support CHV activities from other partners and how the funds are budgeted for.
- h) The County should allocate resources to train and sensitize on cancer and related non-communicable diseases- the public noted that there is need to provide education and train to health providers on the emerging ailments.
- i) The County should allocate funds towards facilitating CHV with first aid kits and safety equipment.
- j) Lack of Ambulances – the County needs to budget for additional well-equipped ambulances at least one for every health center.
- k) Employment of Drivers - there is need for the County to employ ambulance drivers due to the shortage in the County.
- l) The County to consider allocating and promoting preventive health care in the County as opposed to focusing on curative health.

- m) Improvement of drainage and sanitation in Embakasi village – the public reported that the area lacks water supply and public toilets exposing residents to sanitation related infections.
- n) Construction along river reserves – the County should improve the budget allocation towards demolition of structures that are on river reserves and causing pollution.
- o) Fixing of leaking sewer lines in Kariandutu and Njenga areas – the refuse has been leaking for a significant time and needs to be fixed.
- p) Roads maintenance and construction in estates in east lands – there is need to improve the roads in eastlands and ensuring that all roads are upgraded to bitumen standards to improve the quality of life.
- q) The County to allocate funds to improvement of slum areas located on upmarket areas that have been ignored such as Kangemi.
- r) Completion of Ongoing projects – the County to focus on finishing ongoing projects that have been abandoned by the County and have started to deteriorate.
- s) Allocation for construction of Mulango Kumbwa Market – the whole area lacks a formal market leading to encroachment by traders on road leading to frequent accidents.
- t) Lack of Public utilities and facilities in utawala – the public reminded the Committee of the need to reclaim grabbed county properties in utawala to provide areas for constructions of public schools, markets and health facilities that are currently missing.
- u) Youth and sports – the Committee was urged to enhance the allocation towards youth and sports and provide for funds to implementation of the sports act.
- v) Identification of the specific location of all projects in the budget – projects under education and water should be clearly identified so that the public may monitor them.
- w) Improvement of street lighting in the wards and maintenance of lights in the County.

x) Enhancement of allocation to individual students on bursary.

18. **Hon Speaker**, the Committee considered the public views submitted and noted that most of the issues raised had been addressed in the budget estimates submitted. Further the Wards Development Projects had identified the key issues in the respective wards with an equal allocation of Kshs. 14million set aside to address the same. The Committee shall also be proposing amendments to take care of areas that were not captured in the printed estimates.

#### **E. Submissions from Sectoral Committees**

19. **Hon Speaker**, the provisions of Standing Order 222 (4) require that the estimates be considered by all the Sectoral Committees in line with their respective mandates and report to the Finance, Budget and Appropriations Committee. In this regard the Committee invited the Sectoral Committee Chairmen for meetings held on 6<sup>th</sup> June 2019 where they made their presentations on their respective sectors. In this meeting, the Sectoral Committee Chairpersons provided the Committee with insights into the budget performance for the FY 2018-19, the planned Sector priorities as well as accompanying budgetary allocations for the FY 2019-20. The following were the recommendations that the Sectoral Committees made to the Budget Committee

##### **1) Agriculture, Livestock and Fisheries Committee**

a) That the Agriculture, Livestock and Fisheries budget for FY2019/20 be approved as proposed.

##### **2) Trade, Tourism and Cooperatives Committee**

a) The following measures be initiated under the Sector in the FY 2019-20;  
— The sector to develop a policy on County Loans Scheme to support the SMEs before the end of the financial year 2018-19



- The County to develop a policy where procurement of development projects to be done within the first quarter of the financial year
- The sector should establish measures to reduce the rollover of projects every financial year
- b) The ceilings for the Commerce, Tourism and Cooperatives should be retained at 1.132 Billion
  - Development – Kshs. 639.7 Million
  - Recurrent – Kshs. 473.5 Million
- c) Kshs. 25 million allocated for construction of Kiamaiko Market be removed and reallocated for construction of market at Dandora I.

### **3) Justice and Legal Affairs Committee**

#### **— Office of the Governor and Deputy Governor**

- a) The Office of the Governor and Deputy Governor's allocations be approved as presented in the tabled estimates being Kshs. 32 million for development expenditure and Kshs. 773 million for recurrent expenditure
- b) The programs be implemented as proposed. On development expenditure, the buildings to be refurbished include city hall annex
- c) All County vehicles be controlled/monitored by one fleet manager to improve efficiency and eliminate wastage

#### **— Devolution and Sub County Administration**

- a) The Sector's allocations be approved as presented in the tabled estimates being Kshs. 148 million for development expenditure and Kshs. 200 million for recurrent expenditure
- b) The programs be implemented as proposed
- c) The sector should strive and implement all projects within the financial year they relate to

#### **— Legal Affairs Department**

- a) The Department's allocations be approved as presented in the tabled estimates being Kshs 31 million for development expenditure and Kshs 338 million for recurrent expenditure



- b) The programs be implemented as proposed
- c) The sector to fully implement the County Attorney Act
- d) Decretal fees be decentralized and budgeted for under the various sectors

**— Internal Audit Department**

- a) The Department's allocations be approved as presented in the tabled estimates being Kshs 10 million for development expenditure and Kshs 99 million for recurrent expenditure
- b) The programs be implemented as proposed
- c) The sector to enhance and diversify its work including undertaking audit and risk management in order to prevent pilferage of resources

**— Security and Compliance**

- a) The department's allocations be approved as presented in the tabled estimates being Kshs 43 million for development expenditure and Kshs 2.244 billion for recurrent expenditure
- b) The programs be implemented as proposed
- c) The Sector recruits new Inspectorate Officers as budgeted for and refurbish the training schools

**4) Culture and Community Services Committee**

- a) The sectors and the Liquor Sub-Sector should implement and finalize all incomplete projects from the previous financial years
- b) The measures be initiated by the County Executive to streamline procurement procedures to ensure timely implementation of budgeted programs/ projects by the sectors and sub- sectors
- c) The County Executive ought to institute reforms in the Finance department because majority of the Contractors have suspended works due to non-payment leading to mired projects
- d) The County Executive ensures that there are sufficient allocations for public participation

- e) The Disaster Management and Coordination Sector should factor programs/projects for the 200 million grant from development partners in their Budget Estimates
- f) The Construction works at the other stadia be commenced without further delay to reduce the number of projects rolled over at the end of the financial year

**5) Energy and ICT Committee**

- a) That the Energy Sub- Sector as well as ICT, E- Government and Public Communication Sector budget for FY2019/20 be approved as proposed.

**6) Transport and Public Works Committee**

- a) The programmes, sub-programmes, the Key Performance Indicators and their costs be approved as contained in the submitted estimates;
- b) That the following Sector priority projects worth Ksh. 3.638 billion be approved as the development expenditure for the Roads, Transport and Public Works Sector expenditure (**ANNEX 1 as submitted by the Sector**)
- c) That Kshs. 1.253 billion be approved as the recurrent expenditure for the Roads, transport and Public Works Sector;
- d) That the following new projects be approved for construction:

S No	PROJECT TITLE	ESTIMATED COST Kshs. M
1	Rehabilitation of Selected Roads in Kياماiko Ward	60
2	Rehabilitation of Nawadi Road in Mlango Kubwa Ward	60
3	Construction of Kamutiru Road in Kasarani Ward	60

4	Construction of Access Roads in Kariadudu, Baba Dogo Ward	40
5	Construction of Access Road in Nasra Estate, Komarock Ward	60
6	Construction of Access Roads in Dandora 111 Ward – Jua Kali Area, Wamulembe and Stage 41	60
7	Rehabilitation of Old Akiba estate, South C Ward	40
8	Rehabilitation of Kolobot Road in Ngara Ward	40
9	Rehabilitation of ACK Mwiki Road, Mwiki Ward (Included in the Supplementary budget 2)	50
	TOTAL	470

### **7) Health Services Committee**

- a) The committee recommends that the Health Sector budget for the recurrent programs be approved as contained in the Budget Estimates 2019/20 with amendments to various sub programs as below;
- Budget to publishing and printing services proposed to increase from Kshs 2.1million to 22.1million
  - Budget to Advertising, awareness and publicity campaigns proposed to increase from Kshs. 525,000 to Kshs. 5million
  - Budget to Fungicides, Insecticides and Sprays proposed to increase from Kshs. 3.6million to Kshs. 10million
  - Budget to Laboratory Materials, Supplies and Small Equipment under Environmental Health proposed to increase from Kshs. 3.1million to Kshs. 16.5million
  - Budget to Sanitary and Cleaning Materials, Supplies and Small Equipment proposed increase from Kshs. 3million to Kshs. 20million
  - Budget to Other Operating Expenses- piloting universal health coverage propose an increase of Kshs. 75million



- Budget to Laboratory Materials, Supplies and Small Equipment under Health Commodities propose an increase of Kshs. 10million
- Budget to Purchase of Vaccines and Sera propose to decrease from Kshs. 200million to 90million
- Budget to Specialized materials from Kshs. 50million to Kshs. 10million
- b) The committee recommends that the Health Sector budget for the development programs be approved as contained in the Budget Estimates for the FY 2019-20;
- c) The Health Sector budget be increased by Kshs. 200million for (Community health workers) CHVS to make a total of Kshs.300 million

#### **8) Environment and Natural Resources Committee**

- a) The recurrent budget of the Environment and Natural Resources sub-sector be increased from Kshs. 1.562 Billion to Kshs. 2.773 Billion and that of the development expenditure be increased from Kshs 163 Million to Kshs. 1.325 Billion.
- b) The Environment& Natural Resources Sub-Sector Budget Estimates be reviewed upwards to allow inclusion of Kshs. 130,000,000 for casuals under solid waste management sub- program

#### **9) Children, Early Childhood Education and Vocational Training Committee**

- a) The Budget Estimates for the sector as per the ceilings provided is at Kshs. 1.122billion for the recurrent expenditure and Kshs. 123million for development expenditure
- b) The sector request for additional funds to be defined and allocated on pending bills since all cleared files by the Pending Bills Committee have been returned to the sector for processing totaling to Kshs. 465million

#### **10) Planning and Housing Committee**

- a) That the Lands, Urban Renewal &Housing Sector budget for FY2019/20 be approved as proposed.

#### **11) Labor and Social Welfare Committee**



- a) The Finance, Budget and Appropriations Committee adopts the proposals to review the County Budget Estimates FY 2019-2020 taking into account the following;
- b) Voluntary Early Retirement Scheme allocated an initial budget of Kshs. 500million to start off the program in the FY 2019-20. This amount can be sourced from all the other sectors
- c) The training budget be increased by Kshs 50million to cater for National Industrial Training Authority arrears of Kshs. 30million and an additional funds of Kshs. 20million to enable the sector to carry out training for all staff in the County. The total allocation for Human Resource Development will therefore be Kshs. 98million
- d) In order to fully implement its mandate and in light of the appointment of a new Board in the coming Financial Year, the Boards budget allocation be increased by Kshs. 25.5million. The total budget allocation will therefore be Kshs. 79.4million.
- e) The Youth Affairs and Social Services Sector budget estimates be approved as proposed

**12) Water and Sanitation Committee**

- a) That the Sub Sector budget be increased by Kshs.167 M enable the Sub Sector allocate each Ward a minimum of Kshs 7M under Ward based Water and Sanitation projects.

**13) Ward Development Fund Committee**

- a) The Budget Estimates for ward development fund be approved as proposed in tabled budget estimates for FY2019-20.

**F. General Observations of the Finance, Budget and Appropriations Committee on The Sectors Budget Estimates for the FY 2019-20**

20. **Hon Speaker**, the provisions of the Public Finance Management Act 2012 are explicit County Governments should be preparing program based budgets that shift focus from inputs to outputs related to the resources being requested.

During these deliberations the Committee noted with concern that despite this being the sixth financial year that the County Government was preparing programme based budgets, the estimates submitted had numerous gaps making them an inappropriate yardstick for monitoring and evaluation at the end of the financial year. Most Sectors had in most cases not met the required threshold in definition of programmes, projection of possible outputs, assigning of targets and related key performance indicators. On the performance review, the Committee noted that several sectors had not provided a narrative on the extent to which previous resource allocations have been helpful at helping achieve the desired outcomes. It was specifically observed that some of the KPIs provided could not provide an appropriate measurement for utilization of the resources requested. Further the Budget Committee observed that the baseline and targets provided were not measurable against the resources requested. To address this challenge, the Committee has called upon the County Treasury to build the capacity of the Sectors and Sector accountants on aspects of budgets with more emphasis on how to prepare program based budgets that meet the tenets of the legal requirements. In this report however, the Committee shall be proposing specific amendments on how various Sectors can improve their programme based budgets.

21. **Hon Speaker,** link to the PBB is the requirement that the targets assigned in the PBB must link to the resources requested in the itemized budgets. In the examination of the recurrent estimates for the FY2019-20 the Committee noted some peculiar tendencies in allocations. Just to state a few it was observed under the Education Sector that whereas there was a proposed increase in basic salaries from Kshs.433million in the FY 2018-19 to Kshs.440million in FY 2019-20 the cost of house allowance paid as part of salaries was projected to fall by Kshs. 52million over the same period, a fall of about 30%. Under Trade Sector whereas the recurrent allocation for trade Licensing had been increased from Kshs. 16million to Kshs. 25million the targets which would account as the deliverables for the programme had remained similar to the FY 2018-19. Under Public Service



Management there was a proposed increase in the cost of medical insurance from Kshs. 528million in the FY 2018-19 to Kshs. 650million in the FY 2019-20 with no accompanying explanation provided on the rationale for that increase. These are examples of salient matters on the respective Sector budgets that ensured the estimates submitted did not live to the requirements of Article 201 of the Constitution. The Committee has reviewed the respective Sector budgets and shall be proposing specific amendments to address the issues identified.

22. **Hon. Speaker,** the Committee in its examination of the estimates noted that overally there is proposed allocation in excess of Kshs. 400million for purchase of vehicles across various sectors. The Committee appreciates the need for officers to be facilitated with tools and resources to deliver on assigned but notes that this should be at the detriment of key service delivery areas. Allocations towards purchase of fire engines at Kshs. 100million, ambulances at Kshs. 20million and Kshs. 4.9million for refuse trucks are commendable and the Committee has encouraged the Sectors to allocate substantial resources towards facilitating revenue collection and service delivery.
23. **Hon. Speaker,** while the County proposes to allocate Kshs.10.992billion towards development, the Finance Committee has noticed that only an average 10% of the allocations have been actually utilized in development in previous budgets. This is contrary to the PFM (County Government) Regulations 2015 which requires that over the medium term a minimum of thirty percent of the county government's budget shall be spent on the development expenditure. The Committee notes that in the past the County has used supplementary budgets to reduce the development allocations with recurrent expenditures rising due to the ease of access and approval. To solve this problem, the Committee has agreed with the County Treasury on the need to find a way to fasten tedious approval process of development related activities and solve the related procurement bottlenecks in the County.



24. **Hon. Speaker**, one of the principles of public finance is the requirement for equity in allocation of resources to ensure that all parts of the County stand a chance of benefiting depending on the varying needs. The basis for devolution is the decentralization of services and financial resources closer to the people hence the need to ensure that devolution in itself does not promote the very symptoms of inequality that it was crafted to solve. The Committee in the review of the list of projects contained in the estimates noted that there was glaring evidence of inequality in the distribution and density of the projects submitted. It was specifically of concern to the Committee that whereas some wards had many projects there were various areas that had not been captured in the estimates despite having a number of challenges that required to be solved through the county's budget arrangement. In total there were about sixteen wards which had projects over and above those to be undertaken through the Wards Development Fund. **Hon. Speaker** to ensure fairness in allocation of projects, the Committee shall be recommending some remedial measures to this house to ensure that no Ward is left behind.
25. **Hon. Speaker**, budget estimates by themselves should be able to provide a framework for monitoring and evaluation in line with earlier resolution adopted by this County Assembly. To support this ease tracking the County Assembly had requested the Treasury to ensure that any document that is presented to the Assembly touching on projects clearly states the specific costs of the projects and the exact location where the project is to be undertaken. In the examination of the Estimates the Committee noted that there were a number of projects that had not been properly defined by location. For example, the allocation towards the County Hospitals were not classified by the various health facilities, several allocations in education were lumped up together and the public work sector had not provided the projects to be undertaken under road maintenance levy. The Committee has reviewed the list of projects and the same has been attached to the report for approval.

26. **Hon. Speaker**, during the consideration of the County Fiscal Strategy Paper 2019 this Committee informed the house on the gloomy outlook of local revenue performances in the County. While it would have been the pleasure of the Committee to inform this house that the situation has since improved it is unfortunate that there is still no much progress to report. Data submitted to the Committee indicate that as at the end of May 2019 and with only one month to the end of the financial year the internal revenue performance stood at Kshs.9.7billion against an annual target of Kshs.16.52billion. This means that the County has approximately 30 days to collect around Kshs.7billion. Members are aware that the County has ended the contract with the revenue collector JamboPay with numerous teething problems now facing internal collection methods thereby dimming any hopes that the County shall exceed previous revenue collection targets in the last lap of the financial year. The Committee observes that the failure to meet the targets will lead to inability of the County to fully implement the priorities of the FY2018-19 thereby rolling over most of the approved planned to be undertaken in this financial year.

27. **Hon Speaker**, the Finance Committee notes that the continuous inability of the County to achieve its revenue targets has led to a state of continuous roll over of projects. While approving the CIDP 2018 – 22 and the ADP 2019-20 the Assembly set out new projects and programmes to be implemented during the period. However, despite this well-intentioned proposal, the Committee has noted that there are projects that have remained resident in the budget books. The Committee notes that the document is populated by projects that commenced in the FY 2014-15 and which have continuously been rolled over due to limited resources to ensure full implementation. he only way to mitigate this is to improve revenue collection in the County. To support this process, the Committee shall be finalizing consideration of the Revenue Administration Bill, the Finance Bill and the report on the inquiry on revenue performance and submit the same with radical proposals on how to address hindrances to optimal revenue collection.



28. **Hon Speaker**, the provisions of Regulations 39 of the PFM (County Government) Regulations 2015 (provide the criteria under which supplementary estimates can be developed and the factors to be considered in such circumstances. Specifically, the provision of Regulation 39 (3) states that the purposes that approval is sought for a supplementary budget shall be unforeseen and unavoidable. The Committee has observed that it is becoming an annual ritual for the County Assembly to pass supplementary budgets at the tail end of the financial year to reallocate funds from the WDF vote to the Public Works Sector without commensurate effort to ensure that the resources reallocated are utilized as approved. The law that established the Wards Development Fund is a product of this house and the Finance Committee wishes to request the Select Committee on WDF to lead the County towards a more sustainable way of implementing the objectives of the act away from the annual supplementary circus.

#### **G. Committee's Recommendations**

29. **Hon Speaker**, the remainder of this report should be construed as an amendment on the submitted budget for the financial year 2019-20 with an aim of ensuring that it is aligned to the County Fiscal Strategy Paper and other County planning documents while taking into account the recommendations of the County Executive Committee Member for Finance, the Sectors, Sectoral Committees and the public:

#### **I. Policy Measures**

30. **Hon Speaker**, the Committee noted various critical issues during the consideration of these estimates which it would like addressed. In addition to the proposals contained in the body of this report, the Committee proposes that the Assembly resolves as follows:

- a) That all budget estimates submitted to the County Assembly be aligned to the approved Annual Development Plans and the County Fiscal Strategy Paper in terms of priorities, ceilings and development projects;



- b) That as resolved in the FY 2018-19, the County Secretary, the County Treasury and the Head of Supply Chain Management shall ensure that pricing levels for supply of goods and services is based on the most recent and accurate market survey;
- c) That all Sectors ensure that costs of projects are based on market surveys, approved budgetary allocations and adopted procurement plans;
- d) That the County Secretary initiates and implements controls to ensure that procurement processes, payment processes and other financial management procedures are followed in line with the provisions of the Public Finance Management Act 2012 and the Public Procurement and Asset Disposal Act 2015;
- e) That going forward all Sectors shall ensure that bills of quantities are prepared and submitted to the County Assembly not later than beginning of April in each year;
- f) That the County Treasury facilitates Sectors to open and operate individual accounts at the Central Bank of Kenya;
- g) That the Sector Chief Officers be assigned full accounting functions including first approval of payments;
- h) That all Sectors prioritize completion of roll over projects before initiating any new ones in the FY 2019-20;
- i) That measures be initiated by the County Executive to ensure that procurement procedures are not delayed leading to stalled sectors' approved projects;
- j) That the Trade Sector develops a policy on County Loans Scheme to support the SMEs before the end of the financial year 2018-19;
- k) That the County Executive Committee Member for Finance ensures that all expenditure commitments are periodically matched to the expected revenues taking into consideration changes in the economic environment that may affect revenue collection; and
- l) That revenue mobilization should be enhanced to ensure that Sectors continue to implement projects without any cash flow limitations.

## II. Review of the Sectors Programme Based Budgets

31. **Hon Speaker**, as has been discussed most Sectors were not able to prepare their programme based budgets in line with the provisions of Section 12 of the Second Schedule of the Public Finance Management Act 2012. To ensure that the budgets meet the requirements of law, the Committee proposes that the following amendments be affected in the respective Sector Programme Based Budgets: -

**a) That under the Environment, Energy, Water and Natural Resources Sector**, the following amendments be made on the PBB for the FY 2019-20:

- The targets for purchase of NCC owned refuse trucks, heavy machines in working conditions at the dumpsite be aligned to resources available; and
- The targets for daily garbage collection be aligned to the resources available for Solid Waste Management.

**b) That under the Health Sector**, the names of the hospitals where the development projects are to be undertaken be indicated;

**c) That under the Urban Planning and Lands Sector**, the following amendments be made in the PBB for the FY 2019-20: -

- The objectives be aligned to the KPIs and outputs eg. The output for Valuation be adjusted to the intended objectives of updating the valuation roll;
- The Sector provides measurable Key Performance Indicators for all the Outputs in the PBB and the same be linkable to the targets;
- The output and related indicators on Climate Change be knocked off the Sector budget; and
- The Sector objectives be aligned to those approved in the ADP 2019.

**d) That under the Urban Renewal and Housing Sector** the following amendments be made on the PBB for the FY 2019-20: -

- That the Sector budget be adjusted to provide allocation for slum upgrading in line with the outputs and KPIs in the PBB;



- The target for purchase of software allocated Kshs. 10million be included in the PBB;
  - The targets, KPIs and outputs for the technical consultancy programme be included in the PBB; and
  - The Sector baseline figures be included.
- e) That under the **Education, Youth Affairs, Sports, Culture and Social Services**, the allocations for basic salaries, house allowances, leave allowances be rationalized and aligned to the respective sector targets;
- f) That under the **Public Works, Transport and Infrastructure Sector**, the Sector targets be aligned to resources in the budget;
- g) That under the **ICT, E- Government and Public Communications Sector** the following amendments be made on the PBB for the FY 2019-20: -
- The provided matrix of programme outputs and KPIs be aligned to the programmes and sub-programmes; and
  - The Sector objectives be aligned to the programmes goals approved in the ADP 2019
- h) That under the **Trade, Commerce, Tourism and Cooperatives Sector**, the following amendments be made on the PBB for the FY 2019-20:-
- The target for beneficiaries of the revolving loans be realistically adjusted to match the proposed allocation for the financial year;
  - Outputs, targets, and KPIs be assigned for all Sector projects;
  - Details of the targets of markets for construction and those for rehabilitation be aligned to the resources allocated; and
  - The activities related to construction of offices, cold room and laboratory be aligned to resources available in the financial year.
- i) That under the **Liquor Licensing Board**, the following amendments be made on the Board's PBB: -
- The programmes for the Board be clearly identified and aligned to the Board's objectives;
  - The outputs and targets related to purchase of vehicles be knocked off the budget;



- That all Board’s programmes be assigned outputs and targets for the coming financial year; and
  - The exact locations of the sub- county liquor offices to be constructed be provided and the number together with the corresponding resource allocation be harmonized in the PBB and the itemized budget.
- j) That under the **County Assembly**, clear outputs be provided together with KPIs, baseline figures and targets;
- k) That under the **County Public Service Board**, the baseline figures be provided and the PBB be properly linked to the itemized budget on the resource allocations;
- l) That under the **Public Service Management**, baseline figures be provided and the outputs for the Voluntary Early Retirement Scheme be indicated;
- m) That under the **Agriculture, Livestock Development, Fisheries and Forestry Sector**, the number of casual laborers be aligned to the resources available in the financial year; and
- n) That under the **Office of the Governor** the following amendments be made in the PBB for the FY 2019-20: -
- The targets for advocates to be recruited under the **Office of the County Attorney** be aligned to the projected basic salaries;
  - The activity on purchase of vehicles by the **Office of the County Attorney** be aligned to the resources available in the financial year;
  - That targets be assigned for all activities to be undertaken by the **Office of the County Attorney**;
  - The targets for the **Disaster Sub- Sector** be clearly provided;
  - The programmes for the Internal **Audit Department, Inspectorate Services and Investigations** be provided in the PBB

32. **Mr. Speaker Sir**, that the amendments on the Program Based Budgets be undertaken by the various Sectors as coordinated by the County Treasury and the revised Programme Based Budget for the FY 2019-20 to be used as a tool for tracking budget implementation be submitted to the County Assembly by the

County Executive Committee Member for Finance not later than seven days after adoption of this report.

### **III. Expenditure Reallocations**

33. That under the Health Sector the following reallocations as proposed by the Sectoral Committee on Health Services: -
- a) Budget to publishing and printing services be increased from Kshs 2.1million to 22.1million;
  - b) Budget to Advertising, awareness and publicity campaigns be increased from Kshs. 525,000 to Kshs. 5million;
  - c) Budget to Fungicides, Insecticides and Sprays proposed be increased from Kshs. 3.6million to Kshs. 10million;
  - d) Budget to Laboratory Materials, Supplies and Small Equipment under Environmental Health be increased from Kshs. 3.1million to Kshs. 16.5million;
  - e) Budget to Sanitary and Cleaning Materials, Supplies and Small Equipment be increased from Kshs. 3million to Kshs. 20million;
  - f) Budget to Other Operating Expenses- piloting universal health coverage be increased by Kshs. 75million;
  - g) Budget to Laboratory Materials, Supplies and Small Equipment under Health Commodities be increased by Kshs. 10million;
  - h) Budget to Purchase of Vaccines and Sera be reduced from Kshs. 200million to 90million; and
  - i) Budget to Specialized materials be reduced from Kshs. 50million to Kshs. 10million.
34. That the Health Sector budget be reallocated within the ceilings to provide additional Kshs. 100million for Community Health Workers to make a total of Kshs.300 million.

**IV. Development Projects for the FY 2019-20**

35. That when introducing the Appropriations Bill to the Assembly pursuant to the provision of Section 129 (7) of the Public Finance Management Act 2012, the County Executive Committee Member for Finance shall also submit a list of all the projects to be implemented in the FY 2019-20.

**V. Expenditure Increases**

36. That the unspent balances for bursaries from the FY 2018-19 for Scholarships and other Educational Benefits- Primary Education be rolled over to the coming financial year and included in the Appropriations Act 2019

**Mr. Speaker Sir, in conclusion and pursuant to the provisions of Section 131 (1) of the Public Finance Management Act 2012 and Standing Order 222 (6) the Select Committee on County Finance, Budget and Appropriations recommends that:**

**This County Assembly adopts the Report of the Finance, Budget and Appropriations Committee on Consideration of the Budget Estimates for the Nairobi City County Government and County Assembly for the FY 2019-20.**



MINUTES OF THE 71<sup>ST</sup> SITTING OF 2019 OF THE NAIROBI CITY COUNTY ASSEMBLY  
FINANCE, BUDGET AND APPROPRIATIONS COMMITTEE (SECOND ASSEMBLY) HELD  
ON TUESDAY 26<sup>TH</sup> JUNE 2019 AT 11.00AM AT COMMITTEE ROOM 4.

**PRESENT**

1. Hon. Robert Mbatia, MCA Chair
2. Hon. Patrick Karani, MCA Vice Chair
3. Hon. Fredrick Okeyo, MCA
4. Hon. Anthony Ngaruiya, MCA
5. Hon. Daniel Ngengi, MCA
6. Hon. J.M Komu, MCA
7. Hon. Nimo Omar, MCA
8. Hon. Emily Oduor, MCA
9. Hon. Michael Ogada, MCA
10. Hon. Jane Muasya, MCA
11. Hon. Nancy Muthami, MCA

**ABSENT**

1. Hon. Catherine Okoth, MCA
2. Hon. Paul Ndungu, MCA
3. Hon. Osman Adow, MCA
4. Hon. Susan Makungu, MCA
5. Hon. Wanjiru Kariuki, MCA
6. Hon. James Kariuki, MCA
7. Hon. Elias Okumu, MCA
8. Hon. Paul Shilaho, MCA

**SECRETARIAT**

1. Mr. Erick Otieno -Fiscal Analyst
2. Mr. Musa Senator -Fiscal Analyst
3. Mr. Mohamed Galgalo -Fiscal Analyst, Intern
4. Ms. Elizabeth Tsombe -Hansard Reporter II

## MIN 302/FBAC/JUNE/2019: Preliminaries

The following agenda for the day was adopted after being proposed by Hon. Daniel Ngenji and Seconded by Hon. Fredrick Okeyo.

1. Preliminaries
2. Consideration of Budget Estimates for FY2019-20
3. Any Other Business
4. Adjournment

## MIN 303/FBAC/JUNE/2019: Consideration of Budget Estimates for FY2019-20

The Chairman reminded the Members that the Committee was expected to table the report on the Budget Estimates for FY2019-20 for adoption by the Assembly before the end of the week. Members raised concerns that were disparities in the Budget projects for the FY2019-20 that needed to be addressed before the Assembly approved the Budget Estimates. After deliberations the Members resolved that:

- i. The County Treasury submits the list of projects together with the Appropriations Bill for the FY 2019-20;
- ii. That the County Assembly delays passage of the Appropriations Bill awaiting the passage of the County Allocation of Revenue Act and resolution on the list of projects; and
- iii. That the following schedule be approved as Vote on Account for the FY 2019-20.

SCHEDULE: Estimates showing the several services for which a Vote on Account is required for the year ending 30 <sup>th</sup> June, 2020				
Vote No	Sector	Vote on Account FY 2019-20		
		Recurrent	Development	Total
5311	County Public Service Board	26,495,392	0	26,495,392
5312	Office of the Governor	1,000,000,000	0	1,000,000,000
5313	ICT & E-Government	103,500,000	0	103,500,000

5314	Finance & Economic Planning	600,000,000	0	600,000,000
5315	Health	3,355,500,000	0	3,355,500,000
5316	Urban Planning and Lands	100,000,000	0	100,000,000
5317	Public Works and Transport	300,000,000	0	300,000,000
5318	Education	848,000,000	0	848,000,000
5319	Trade and Tourism	319,890,650	0	319,890,650
5320	Public Service Management	533,500,000	0	533,500,000
5321	Agriculture	196,515,000	0	196,515,000
5322	County Assembly	835,500,000	0	835,500,000
5323	Water and Environment	300,000,000	0	300,000,000
5324	Urban Renewal and Housing	83,024,666	0	83,024,666
5325	Ward Development Fund	19,500,000	0	19,500,000
5326	Emergency Fund	50,000,000	0	50,000,000
5327	Liquor Board	30,000,000	0	30,000,000
		<b>8,701,425,708</b>	<b>0</b>	<b>8,701,425,708</b>

The Committee adopted the draft report on the Budget Estimates for the FY 2019-20 with the following recommendations after being proposed by Hon. J.M. Komu and being seconded by Hon. Jane Muasya.

**I. Policy Measures**

- a) That all budget estimates submitted to the County Assembly be aligned to the approved Annual Development Plans and the County Fiscal Strategy Paper in terms of priorities, ceilings and development projects;
- b) That as resolved in the FY 2018-19, the County Secretary, the County Treasury and the Head of Supply Chain Management shall ensure that pricing levels for supply of goods and services is based on the most recent and accurate market survey;
- c) That all Sectors ensure that costs of projects are based on market surveys, approved budgetary allocations and adopted procurement plans;



- d) That the County Secretary initiates and implements controls to ensure that procurement processes, payment processes and other financial management procedures are followed in line with the provisions of the Public Finance Management Act 2012 and the Public Procurement and Asset Disposal Act 2015;
  - e) That going forward all Sectors shall ensure that bills of quantities are prepared and submitted to the County Assembly not later than beginning of April in each year;
  - f) That the County Treasury facilitates Sectors to open and operate individual accounts at the Central Bank of Kenya;
  - g) That the Sector Chief Officers be assigned full accounting functions including first approval of payments;
  - h) That all Sectors prioritize completion of roll over projects before initiating any new ones in the FY 2019-20;
  - i) That measures be initiated by the County Executive to ensure that procurement procedures are not delayed leading to stalled sectors' approved projects;
  - j) That the Trade Sector develops a policy on County Loans Scheme to support the SMEs before the end of the financial year 2018-19;
  - k) That the County Executive Committee Member for Finance ensures that all expenditure commitments are periodically matched to the expected revenues taking into consideration changes in the economic environment that may affect revenue collection; and
  - l) That revenue mobilization should be enhanced to ensure that Sectors continue to implement projects without any cash flow limitations.
- a) That under the **Environment, Energy, Water and Natural Resources Sector**, the following amendments be made on the PBB for the FY 2019-20:
    - The targets for purchase of NCC owned refuse trucks, heavy machines in working conditions at the dumpsite be aligned to resources available; and
    - The targets for daily garbage collection be aligned to the resources available for Solid Waste Management.
  - b) That under the **Health Sector**, the names of the hospitals where the development projects are to be undertaken be indicated;

- c) That under the **Urban Planning and Lands Sector**, the following amendments be made in the PBB for the FY 2019-20: -
- The objectives be aligned to the KPIs and outputs eg. The output for Valuation be adjusted to the intended objectives of updating the valuation roll;
  - The Sector provides measurable Key Performance Indicators for all the Outputs in the PBB and the same be linkable to the targets;
  - The output and related indicators on Climate Change be knocked off the Sector budget; and
  - The Sector objectives be aligned to those approved in the ADP 2019.
- d) That under the **Urban Renewal and Housing Sector** the following amendments be made on the PBB for the FY 2019-20: -
- That the Sector budget be adjusted to provide allocation for slum upgrading in line with the outputs and KPIs in the PBB;
  - The target for purchase of software allocated Kshs. 10million be included in the PBB;
  - The targets, KPIs and outputs for the technical consultancy programme be included in the PBB; and
  - The Sector baseline figures be included.
- e) That under the **Education, Youth Affairs, Sports, Culture and Social Services**, the allocations for basic salaries, house allowances, leave allowances be rationalized and aligned to the respective sector targets;
- f) That under the **Public Works, Transport and Infrastructure Sector**, the Sector targets be aligned to resources in the budget;
- g) That under the **ICT, E- Government and Public Communications Sector** the following amendments be made on the PBB for the FY 2019-20: -
- The provided matrix of programme outputs and KPIs be aligned to the programmes and sub-programmes; and
  - The Sector objectives be aligned to the programmes goals approved in the ADP 2019
- h) That under the **Trade, Commerce, Tourism and Cooperatives Sector**, the following amendments be made on the PBB for the FY 2019-20:-

- The target for beneficiaries of the revolving loans be realistically adjusted to match the proposed allocation for the financial year;
  - Outputs, targets, and KPIs be assigned for all Sector projects;
  - Details of the targets of markets for construction and those for rehabilitation be aligned to the resources allocated; and
  - The activities related to construction of offices, cold room and laboratory be aligned to resources available in the financial year.
- i) That under the **Liquor Licensing Board**, the following amendments be made on the Board's PBB: -
- The programmes for the Board be clearly identified and aligned to the Board's objectives;
  - The outputs and targets related to purchase of vehicles be knocked off the budget;
  - That all Board's programmes be assigned outputs and targets for the coming financial year; and
  - The exact locations of the sub- county liquor offices to be constructed be provided and the number together with the corresponding resource allocation be harmonized in the PBB and the itemized budget.
- j) That under the **County Assembly**, clear outputs be provided together with KPIs, baseline figures and targets;
- k) That under the **County Public Service Board**, the baseline figures be provided and the PBB be properly linked to the itemized budget on the resource allocations;
- l) That under the **Public Service Management**, baseline figures be provided and the outputs for the Voluntary Early Retirement Scheme be indicated;
- m) That under the **Agriculture, Livestock Development, Fisheries and Forestry Sector**, the number of casual laborers be aligned to the resources available in the financial year; and
- n) That under the **Office of the Governor** the following amendments be made in the PBB for the FY 2019-20: -
- The targets for advocates to be recruited under the **Office of the County Attorney** be aligned to the projected basic salaries;



- The activity on purchase of vehicles by the **Office of the County Attorney** be aligned to the resources available in the financial year;
- That targets be assigned for all activities to be undertaken by the **Office of the County Attorney**;
- The targets for the **Disaster Sub- Sector** be clearly provided;
- The programmes for the **Internal Audit Department, Inspectorate Services and Investigations** be provided in the PBB

## II. Expenditure Reallocations

1. That under the Health Sector the following reallocations as proposed by the Sectoral Committee on Health Services: -
  - a) Budget to publishing and printing services be increased from Kshs 2.1million to 22.1million;
  - b) Budget to Advertising, awareness and publicity campaigns be increased from Kshs. 525,000 to Kshs. 5million;
  - c) Budget to Fungicides, Insecticides and Sprays proposed be increased from Kshs. 3.6million to Kshs. 10million;
  - d) Budget to Laboratory Materials, Supplies and Small Equipment under Environmental Health be increased from Kshs. 3.1million to Kshs. 16.5million;
  - e) Budget to Sanitary and Cleaning Materials, Supplies and Small Equipment be increased from Kshs. 3million to Kshs. 20million;
  - f) Budget to Other Operating Expenses- piloting universal health coverage be increased by Kshs. 75million;
  - g) Budget to Laboratory Materials, Supplies and Small Equipment under Health Commodities be increased by Kshs. 10million;
  - h) Budget to Purchase of Vaccines and Sera be reduced from Kshs. 200million to 90million; and
  - i) Budget to Specialized materials be reduced from Kshs. 50million to Kshs. 10million.
2. That the Health Sector budget be reallocated within the ceilings to provide additional Kshs. 100million for Community Health Workers to make a total of Kshs.300 million.

## III. Development Projects for the FY 2019-20

3. That when introducing the Appropriations Bill to the Assembly pursuant to the provision of Section 129 (7) of the Public Finance Management Act 2012, the County Executive Committee Member for Finance shall also submit a list of all the projects to be implemented in the FY 2019-20.

**IV. Expenditure Increases**

4. That the unspent balances for bursaries from the FY 2018-19 for Scholarships and other Educational Benefits- Primary Education be rolled over to the coming financial year and included in the Appropriations Act 2019


**MIN 304/FBAC/JUNE/2019: Adjournment**

Having dispensed with the business of the day, the Chairman adjourned the meeting at ten minutes to one o'clock in the afternoon.

**CONFIRMED AS TRUE RECORD OF PROCEEDINGS**

Sign.......... Date..... 26/06/2019 .....

(CHAIRMAN)

Sign.......... Date..... 26/6/19 .....

(FISCAL ANALYST/COMMITTEE CLERK)