

GOVERNMENT OF NAIROBI CITY COUNTY



THE NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

SECOND ASSEMBLY-FOURTH SESSION

NBI CA. PLC. 2020 / (58)

PAPER LAID

3rd November, 2020

Pursuant to Standing Order 191, I beg to lay the following Paper on the Table of the Assembly, today Tuesday 3rd November, 2020.

THE REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET AND APPROPRIATIONS CONSIDERATION OF HIS EXCELLENCY THE GOVERNOR'S MEMORANDUM ON REFUSAL TO ASSENT TO THE NAIROBI CITY COUNTY APPROPRIATIONS BILL, 2020 (BILL NO.6 OF 2020)

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

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

*Paper laid
by Hon. Robert
Mbatia
Chairperson
PCACC
3/11/2020*

COUNTY GOVERNMENT OF NAIROBI CITY



NAIROBI CITY COUNTY ASSEMBLY

SECOND ASSEMBLY – FOURTH SESSION

28TH REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET
AND APPROPRIATIONS

pages laid by
Hon. Robert N. Njoroge,
Chairperson, FBAC
PLA Co.
3/11/20

ON

THE CONSIDERATION OF HIS EXCELLENCY THE GOVERNOR'S MEMORANDUM
ON REFUSAL TO ASSENT TO THE NAIROBI CITY COUNTY APPROPRIATION BILL,
2020

NOVEMBER, 2020

1. PREAMBLE

Mr. Speaker Sir, the provisions of Articles 201 and 224 of the Constitution of Kenya 2010 provide the fundamental principles and considerations that are imperative to the County Assembly at any time of reviewing the Appropriation Bill as in the present case. Further and generally, the provisions of the Public Finance Management (PFM) Act, 2012 has in elaborate detail outlined the chronology of events that should culminate in the enactment of the Annual Appropriation Bill. In this regard the underpinning law is emphatic that each year the County Executive shall prepare an Annual Development Plan which shall outline the key human, social and capital development projects that shall be focal point of the upcoming budget process. Consequently, the County Government is required to consider and approve the County Fiscal Strategy Paper which documents the broad strategic priorities and budget ceilings that lead up to the programme based budget submitted by the end of April each financial year. The provisions of Section 129 (7) of the PFM Act decree that the County Executive Committee Member for Finance (CECM-F) shall prepare and submit to the County Assembly an Appropriation Bill that is consistent with the resolution of the County Assembly on the budget estimates. Upon such submission the County Assembly is required to enact the Appropriation Bill before transition to the subsequent financial year failure to which a Vote of Account becomes a statutory escape route.

Mr. Speaker Sir, the Nairobi City County Assembly has provided necessary impetus and tools for this noble and expansive task to be stewarded by the Select Committee on County Finance, Budget & Appropriations established pursuant to the provisions of Standing Order 199 with a specific mandate among which is to:

- a) Investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the county budget;
- b) Discuss and review the estimates and make recommendations to the County Assembly;
- c) Examine the County Fiscal Strategy Paper presented to the County Assembly;
- d) Examine Bills related to the county budget, including Appropriations Bills; and
- e) Evaluate tax estimates, economic and budgetary policies and programs with direct budget outlay

Mr. Speaker Sir, the consideration of the budget documents in the FY 2020-21 was guided by the County Assembly Finance, Budget & Appropriations Committee comprising of the following Members:

- | | |
|--------------------------------------|--------------------|
| 1. Hon. Robert Mbatia, MCA | Chair |
| 2. Hon. Michael Ogada, MCA | Vice- Chair |
| 3. Hon. Patrick Karani, MCA | |
| 4. Hon. Nimo Omar, MCA | |
| 5. Hon. Kariuki Wanjiru, MCA | |
| 6. Hon. Anthony Ngaruiya, MCA | |
| 7. Hon. Jacinta Wanjiru, MCA | |
| 8. Hon. Joseph Mwangi Komu, MCA | |
| 9. Hon. James Kiriba, MCA | |
| 10. Hon. Daniel Ngengi Muturi, MCA | |
| 11. Hon. Susan Makungu, MCA | |
| 12. Hon. Catherine Okoth, MCA | |
| 13. Hon. Emily Oduor, MCA | |
| 14. Hon. Paul Ndungu, MCA | |
| 15. Hon. Nancy Muthami, MCA | |
| 16. Hon. Cecilia Ayot, MCA | |
| 17. Hon. Herman Azangu, MCA | |
| 18. Hon. Emapet Kemunto, MCA | |
| 19. Hon. Mellab Atemah, MCA | |
| 20. Hon. David Okelo, MCA | |
| 21. Hon. Osman Adow, MCA | |
| 22. Hon. Fredrick Onyango Okeyo, MCA | |
| 23. Hon. David Mberia, MCA | |
| 24. Hon. Elizabeth Nyambura, MCA | |
| 25. Hon. Kennedy Oyugi, MCA | |

Consideration of His Excellency the Governor's Memorandum on Refusal to assent to the Nairobi City County Appropriations Bill 2020

Mr. Speaker Sir, the consideration of this Memorandum was a debut moment for the Finance, Budget and Appropriations Committee as it marked the first time that the County Assembly has been faced with a decision on Governor's Memorandum on an Appropriation Bill. Therefore, the Committee employed utmost due diligence to ensure that the issues raised were properly addressed within the confines of the guiding legal provisions. During the consideration of this Memorandum the Finance, Budget and Appropriations Committee held a number of sittings to review and discuss the Memorandum as read together with other approved budget documents.

Acknowledgment

Mr. Speaker Sir, the Committee is sincerely grateful to: -

- a) Offices of the Clerk and the Speaker for the support received throughout this process;
- b) Officers from the County Executive, led by the County Treasury, who appeared before the Finance Committee for the purposes of making submissions on the Memorandum;
- c) The team from the Nairobi Metropolitan Services who were continuously available to engage with the Committee on the Memorandum;
- d) Members of the Finance, Budget and Appropriations Committee who dedicated their time to ensure that the task of reviewing the Memorandum is done diligently and within the limited statutory timelines;
- e) The County Assembly Legal Department for the critical legal input they provided during the entire process of considering this Memorandum; and
- f) The County Assembly Budget Office who continually provide guidance to the Committee on the budget process.

Mr. Speaker Sir, it is therefore my utmost privilege and distinct honor on behalf of the Committee to table this report on the consideration of His Excellency the Governor's Memorandum on Refusal to assent to the Nairobi City County Appropriations Bill, 2020 and recommend it to the Assembly for adoption.

Signed.....



Date.....

2nd November 2020

Hon. Robert Mbatia, MCA

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

II. SCRUTINY OF THE MEMORANDUM ON REFUSAL TO ASSENT TO THE NAIROBI CITY COUNTY APPROPRIATION BILL, 2020

2.0. Background Information on the approved budget for the FY 2020-21, Vote on Account and Appropriations Bill 2020

Mr. Speaker Sir,

1. In the Financial Year 2020-21, the County Treasury submitted to the County Assembly a total budget of Kshs. 31.43billion consisting of Kshs. 25billion for recurrent and Kshs. 6.4billion for development.
2. The County Assembly on 30th June 2020 approved the submitted budget estimates with amendments aimed at ensuring that the budget is aligned to the provisions of the Public Finance Management Act, 2012 with specific focus on increasing the development vote to the 30% mark required by statute. In summary the County resolved as follows on the submitted estimates: -
 - a) That the budget for the County Government be adjusted to ensure that the budget for the County Assembly is accommodated at Kshs. 1.409billion for recurrent and Kshs. 600.7million for development activities;
 - b) That in line with the Nairobi City County Persons Living with Disabilities Act 2015, the budget for the County Government be adjusted to provide an amount not less than 1% of the total budget for programmes and activities for persons living with disabilities;
 - c) That the County Government budget be adjusted to provide resources for rehabilitation of street children and street families;
 - d) That the County Government holds a consultative meeting with the Kenya Revenue Authority to develop a joint framework for enhancement of revenue collection and the same be captured in the Finance Bill 2020;
 - e) That in line with the provisions of Section 148 of the Public Finance Management Act, 2012 the County Treasury assigns full accounting functions to respective Sector Chief Officers;
 - f) That to provide resources for development, the allocations for Operations and Maintenance across all Sectors excluding the County Assembly be reduced by 20%; and

- g) That the above changes be captured in the Appropriations Bill 2020 to be submitted to the County Assembly.
3. Cognizant of the fact that the County was at the tail end of the financial with limited likelihood of the Appropriation Bill being law by 1st July 2020 the County Assembly passed Vote on Account authorizing Kshs. 12.5billion in line with the provisions of Section 134 of the PFM Act, 2012. This was meant to grant latitude for the Senate and National Assembly to finalize deliberations on the Revenue Sharing Formulae and the County Allocation of Revenue Bill 2020 which are critical documents in the County budget process. The CARA having been enacted the County Executive Committee Member for Finance submitted to the County Assembly the Appropriation Bill, 2020 for review and subsequent enactment.
 4. **Mr. Speaker Sir**, during the review of the submitted Appropriation Bill the Committee noted that there were differences between the Bill and the budget as approved. The total budget had been enhanced by Kshs. 197million with increases undertaken for legal, payment of commissions, insurance among others. The resolutions of the County Assembly on the budget had also not been fully implemented.
 5. The Finance, Budget and Appropriations Committee reviewed the Bill and made recommendations that were aimed at providing resources for funding the transferred functions while being alive to the need of ensuring that the functions that were not transferred are not starved of resources. In the approval the Committee underscored the need for the National Government to be steadfast in funding the Nairobi City County and by extension ensuring that there are adequate resources for the Nairobi Metropolitan Services. This was through the allocations for Nairobi City County which remained unremitted at the end of the financial year 2019-20 and the Kenya Revenue Authority hitting accelerator pedal to ensure that internal revenue targets are met and surpassed.
 6. The Governor having reviewed the Appropriation Bill submitted for assent noted some reservations that he felt needed to be corrected before the same becomes law.

**2.1. Consideration of His Excellency the Governor's Memorandum on the
Nairobi City County Appropriation Bill, 2020**

7. At its meetings held on Friday 30th October 2020 and Monday 2nd November 2020 the Committee deliberated on the Governor's reservations to the Nairobi City County Appropriation Bill, 2020 and resolved as follows: -

2.1. Reservation 1 – Deficit Budget - As proposed by the Governor.

Thus, I have reviewed the Bill as presented to me for assent and the total budget and the total projected revenues for the financial year 2020/2021 Kshs 31,631,632,618 against the total expenditure of Kshs 37,454,976,280, leaving shortfall of Kshs 5,823,343,662, which is against the Public Finance Management regulations no 31(c') which provides that the total budgeted revenue and budgeted expenditure must be balanced.

2.1.1. The Committee's Recommendations

The Committee rejects the Governor's reservation with respect to deficit budget and the concerns therewith.

2.1.2. Justification

This rejection is premised on the following:

The County budget making process is domiciled under the Public Finance Management Act, 2012 with the chronology of events in that regard provided for under Section 125 of the said Act.

However, it is noteworthy that the budget process for the FY 2020-21 was undertaken under very unique circumstances, as follows: -

1. Whereas the County Fiscal Strategy Paper (CFSP) 2020, which provides the overall strategic objectives of the County, was submitted to the County Assembly in February 2020, the County transferred functions to the National Government in March 2020. Unsurprisingly, the current scenario was not anticipated at the time of adopting the CFSP;
2. The CFSP for the FY 2020 with an approved total budget of Kshs. 31.4 billion did not take into account the contemporary realities related to the transfer of functions. The same figure was adopted in the submitted budget estimates for the FY 2020-21;

3. Given that the budget estimates as approved were premised on the CFSP submitted before transfer of functions, the allocations for individual programmes and votes did not take into account some of the basic requirements of the Deed of Transfer of Functions. Specifically, the total allocation for the transferred functions was lower than the allocations for the FY 2019-20 thereby contravening the provisions of the Deed of Transfer and Section 7 (2) of the County Allocation of Revenue Act, 2020;
4. Whereas the provisions of the Deed of Transfer and Section 7 (1) of the County Allocation of Revenue Act require consultation between the County Executive and the National Government in determining the cost of the transferred functions, the same had not been undertaken at the time of considering the Appropriation Bill, 2020. This, therefore, meant that the hands of the County Assembly were tied in ensuring that the level of funding for both the County Government and NMS were determined before enactment of the Bill. The meetings between the County Treasury and the NMS to come up with these figures failed to bear fruit;
5. At the time of passing a Vote on Account for 2020-21, the County Assembly noted that it could not make a determination on the Appropriations Bill, 2020 before passage of the County Allocation of Revenue Bill, for to do so would be to engage in guesswork with regard to the funding of the transferred functions;
6. The Appropriation Bill, 2020 therefore was adjusted to take care of the changing circumstances on the County budget process while also being alive to the requirements of the PFM Act, CARA and the Deed of Transfer of Functions;
7. Through the report of the Budget Committee on the Bill, the Committee urged for cooperation of the National Treasury in releasing the Kshs. 3.5 billion unremitted amounts for the FY 2019-20 while also calling for utilization of Kshs. 1 billion unspent amounts for the Roads Maintenance Levy Fund. The Committee was also alive to the enhanced revenue collection mechanisms put in place by KRA post passage of the CFSP and tabling of the budget which are expected to be fully operational in the FY 2020-21. With this, the budget would be balanced in line with the provisions of Regulation 31 of the PFM Regulations 2015; and

8. Therefore, whereas compared to the tabled budget for the FY 2020-21, the budget had a financing gap of Kshs. 5.8 billion, this position is cured through the above mechanisms. It is noteworthy that an Appropriation Bill is a document for expenditure and some of the above proposals may not find their way to the amendment matrix.

2.2. Reservation 2 – Advisory by the Controller of Budget – as proposed by the Governor.

Thus, it is therefore against the basic principles of public finance management for the Nairobi City County Assembly to abrogate unto itself the responsibility of the County Executive in budget preparation, without providing explanations or justifications for the mutilation they subjected the budget proposals to, or how the deficit of Kshs 5,823,343,662 will be financed, while ignoring the advisory of the Controller of Budget.

2.2.1. The Committee's Recommendations

The Committee rejects the Governor's reservation with respect to advisory by the Controller of Budget and the concerns therewith.

2.2.2. Justification

This rejection is premised on the following: -

- 1) The advisory from the Controller of Budget addressed to the County Executive pointed to the fact that the County's proposed internal revenue projection of Kshs. 14.65 billion was unrealistic based on past trends, the budget had not allocated 30% of total budget to development and the expenditure on personnel emoluments exceeded the 35% mark allowed by regulations. The Office hence called upon County Governments to correct the same;
- 2) Despite this advisory the budget submitted to the County Assembly and which was the subject of the Appropriation Bill, 2020 had total projected internal revenue at Kshs 14.65billion, the development budget was below 30% and expenditure on PE remained unaltered;

- 3) The Memorandum asserts that the County Executive headed the advice of the Controller of Budget and revised the budget downwards from Kshs. 36.98 billion in the FY 2019-20 to Kshs. 31.63 billion in the FY 2020-21. On the contrary, the advisory by the Controller of Budget was not related to the budget for the FY 2019-20 and addressed itself to the Kshs. 31.43 billion budget for the FY 2020-21. In any case the total budget for the County has stagnated at Kshs. 31.43 billion since February 2020 when the CFSP was submitted to the County Assembly; and
- 4) Based on the previous explanations it is imperative to note that the County Assembly had taken steps to ensure that the budget is responsive to prevailing realities. On the issue of whether the County Assembly would have been bound by any advisory from the Controller of Budget on the budget approval, reference is made to Petition 368 of 2014. In the ruling, the learned Judge determined that County Assemblies are not subject to the Controller of Budget in budget approval and any questions on illegalities of any Appropriation Acts enacted should only be settled in Courts of competent jurisdiction.

2.3. Reservation 3 – Illegal Amendments to the Budgets – as proposed by the Governor

Thus, with respect to illegal amendments to the Budgets in terms of Section 128, 129, 131(3), 131(2), 136 (1) of the Public Finance Management Act, 2012; Regulation 37 (1) of the Public Finance Management Regulations 2015; Articles 5.2. and 5.3. of the Deed of Transfer of functions.

2.3.1. The Committee's Recommendations

The Committee rejects the Governor's reservation with respect to illegal amendments to the Budgets and the concerns therewith.

2.3.2. Justification

This rejection is premised on the following: -

- 1) The issue of the role of the CFSP in the budget process for the FY 2020-21 and the level of compliance by the County Assembly on balanced budgets has also

been addressed in point one. However, on provisions of Section 131 (2) of the PFM Act, 2012 on the requirement for the County Assembly to consult the County Executive Committee Member for Finance, the Committee held a number of meetings on the Appropriation Bill in which the CECM for Finance was consulted on various matters related to the Bill. Fundamentally the resource requirements for the NMS were discussed in Mombasa and at the occasion in the County Assembly Chambers. However, after several attempts the hardened positions between various stakeholders in the County budget process made it impossible for compromise. Indeed, the Courts in Petition 16 of 2011, when considering the issue of nomination of the then Chief Justice, determined the issue of 'consultation' and arrived at the conclusion that consultation does not amount to 'consensus';

- 2) On the extent of amendments, the Public Finance Management Act, 2012 grants the County Assembly powers to approve budget estimates with amendments. The PFM regulations refer to the budget estimates and provide for ordinary scenarios where estimates relate to only the county government without any major activity like transfer of functions taking place within the financial year during budget consideration and approval. The increase of 19% was therefore necessary to take care of realities that the County Assembly was not seized of at the time of approving the budget ceilings in the County Fiscal Strategy Paper. Further, whereas the provisions of law indicate that amounts not spent lapse at the end of the financial year, the same can be re-appropriated as bank balances brought forward from respective financial years;
- 3) The accommodation of budget estimates for the Nairobi Metropolitan Services arose from the fact there was no adequate consultation at the time of consolidating the budget estimates for the County Government. Determination of the cost of transferred functions is based on consultation and not consensus hence the need for the County Assembly to be the umpire between the differing factions in settling on a compromise figure; and
- 4) The reasons for refusal to assent have misinterpreted the provisions of the Deed of Transfer by asserting that in allocating money for transferred functions the

Deed requires that even the allocation for non-transferred functions should not be less than preceding financial year. Interest of the transfer of functions is to ensure that delivery of services related to transferred functions should not be affected by the County Assembly appropriation.

2.4. Reservation 4 – Allocation of Funds to Vote No. 5328 – Nairobi Metropolitan Services in Relation to Transferred Functions – as proposed by the Governor

Thus, regarding the Allocation of Funds to Vote No. 5328 – Nairobi Metropolitan Services in Relation to Transferred Functions and concerns therewith.

2.4.1. The Committee's Recommendations

The Committee rejects the Governor's reservation with respect to Allocation of Funds to Vote No. 5328 – Nairobi Metropolitan Services in Relation to Transferred Functions and the concerns therewith.

2.4.2. Justification

This rejection is premised on the following: -

- 1) Deletion of the Votes for the transferred functions is aimed at ensuring efficient service delivery for the functions. The function for coordination of transferred functions to be undertaken by CECMs can be properly managed with the General Administration programme under the Office of the Governor. Additionally, it is noteworthy that the County Executive sub-programme has an allocation of Kshs. 195 million in the FY 2020-21. The Committee if of the considered view that the transfer of the functions was not piecemeal hence it is expected the entire delivery units would be under the watch of the National Government post the signing of the Deed of Transfer;
- 2) The payment of salaries, ongoing projects and pending bills are the subject of discussion at the intergovernmental technical working group under the auspices of the Attorney General and the same should be clear in the coming days. In

fact, the same position has been communicated to the Director General, NMS by the National Treasury on the issue of payment of salaries for the seconded staff; and

- 3) The allocation of money to NMS is subject to the provisions of the Deed of Transfer of Functions and the County Allocation of Revenue Act which require that the County Assembly appropriates monies for the transferred functions. The amendment is only meant to transfer resources to implement the transferred functions through the National Government, an entity that is not anticipated to be declared by the provisions of Section 2 and 5 of the Public Finance Management Act, 2012. The provisions of Article 187 of the Constitution decree the transfer of resources to accompany the functions hence the transfer cannot be construed as changing the structure of the County Executive. In any case, the Appropriation Bill is not the document that determines or outlines the structure of the County Government.

2.5. Reservation 5 – Allocation of Funds to Vote 5328 – Nairobi Metropolitan Services in Relation to Ward Development Fund – as proposed by the Governor

Thus, regarding the Allocation of Funds to Vote 5328 – Nairobi Metropolitan Services in Relation to Ward Development Fund and concerns therewith.

2.5.1. The Committee's Recommendations

The Committee rejects the Governor's reservation with respect to Allocation of Funds to Vote 5328 – Nairobi Metropolitan Services in Relation to Ward Development Fund.

2.5.2. Justification

This rejection is premised on the following: -

- 1) The Ward Development Act, 2014 anticipates that there shall be a comprehensive process of identification of projects and implementation of the same. Whereas it is anticipated that the Ward Development programmes shall encompass all the functions contained in Part 2 of the

Fourth Schedule, the reality is most of the projects to be implemented relate to the transferred functions. Review of the projects for implementation in the FY 2020-21 indicates that out of a total list of about 88 projects lined up for FY 2020-21 only about five relate to functions that were not transferred; and

- 2) It is based on this background that the County Assembly resolved to transfer the allocation to the Nairobi Metropolitan Services for ease of implementation. The Act anticipated that the projects be implemented through a Fund, a position that has remained largely impossible to realize due to a number of inherent challenges.

2.6. Reservation 6 - Allocation of Funds to Vote 5328 – Nairobi Metropolitan Services in Relation to Public Finance Management – as proposed by the Governor.

Thus, regarding the Allocation of Funds to Vote 5328 – Nairobi Metropolitan Services in Relation to Public Finance Management and concerns therewith.

2.6.1. The Committee's Recommendations

The Committee rejects the Governor's reservation with respect to Allocation of Funds to Vote 5328 – Nairobi Metropolitan Services in Relation to Public Finance Management.

2.6.2. Justification

This rejection is premised on the following: -

- 1) The issue of payment of salaries remains contentious, however the County Assembly adopted the position that payment of salaries for any seconded staff is supposed and should be better handled at the NMS. This remains the common practice across most government institutions; and
- 2) Negotiation of staff for the transferred functions is an activity that should have preceded the submission of the budget as should have been the case with any other aspect related to the transferred functions.

2.7. Reservation 7 - Allocation of Funds to Vote 5328 – Nairobi Metropolitan Services in Relation to Inspectorate

Thus, regarding the Allocation of Funds to Vote 5328 – Nairobi Metropolitan Services in Relation to Inspectorate and concerns therewith.

2.7.1. The Committee's Recommendations

The Committee rejects the Governor's reservation with respect to Allocation of Funds to Vote 5328 – Nairobi Metropolitan Services in Relation to Inspectorate.

2.7.2. Justification

This rejection is premised on the following: -

- 1) The issue of payment of salaries remains contentious, however the County Assembly adopted the position that payment of salaries for any seconded staff is supposed and should be better handled at the NMS. This remains the common practice across most government institutions; and
- 2) Negotiation of staff for the transferred functions is an activity that should have preceded the submission of the budget as should have been the case with any other aspect related to the transferred functions.

2.8. Reservation 7 (repeated in error) – Other Amendments not Justified – as proposed by the Governor

Thus, regarding other amendments not justified and related concerns.

2.8.1. The Committee's Recommendations

The Committee rejects the Governor's reservation with respect to other Amendments not Justified.

2.8.2. Justification

This rejection is premised on the following: -

- 1) The allocation for the General administration and support services under the office of the Governor was left unchanged to take care of any upheavals arising from adjusting the budget;

- 2) During the consideration of the annual estimates for the FY 2020-21, the budget as presented as approved did not contain allocations to the tune of Kshs. 800million for payment of commissions of revenue collection. Further the amounts for pending bills were knocked off the budget as the County Treasury submitted that they shall be restarting negotiations on debt settlement with the National Treasury; and
- 3) The objectives intended to be realized through the Agricultural Support Development Programme may be achieved through minor readjustments of the budget.

3.0. COMMITTEE'S RECOMMENDATION

The Committee having considered the Governor's Reservations and Recommendations on the Nairobi City County Appropriation Bill, 2020, and pursuant to Section 24 (3) of the County Governments Act, 2012, the Select Committee on County Finance, Budget and Appropriations recommends as follows: -

That: -

1. The County Assembly **rejects** the Governor's Recommendation that the budget be rationalized to ensure that the budget is balanced to our projected revenues of Kshs 31,631,632,618.
2. The County Assembly **rejects** the Governor's Recommendation that additional revenues to be factored in a supplementary budget subject to confirmation of the source.
3. The County Assembly **rejects** the Governor's Recommendation that vote 5328: Nairobi Metropolitan Services be deleted in its entirety.
4. The County Assembly **rejects** the Governor's Recommendation that five votes related to the transferred functions 5315 – Health, 5316 – Urban Planning and Lands, 5317 – Public Works, Transport & Infrastructure, 5323 – Environment, Water, Energy & Natural Resources, 5324 – Urban Renewal & Housing be each with two Programmes namely:
 - a. Programme 1: General Administration & Support Services:


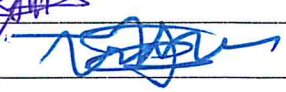
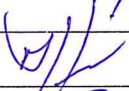
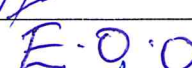
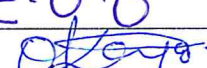
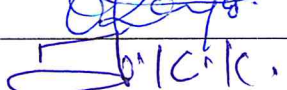
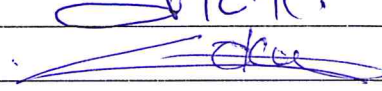

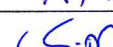
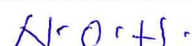

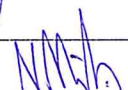
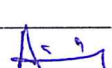
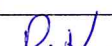
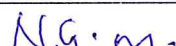
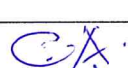

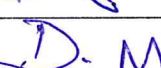

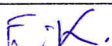

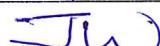
b. Programme 2: Transferred Services.

5. The County Assembly **rejects** the Governor's Recommendation that the Inspectorate budget allocated to Nairobi Metropolitan Services be deleted and the funds be allocated under vote R5312: Programme 0724005310: Security and safety Management and the amount determined for transfer to appropriate under sub-item 2640499 Other Current Transfers and 2640599 Other Capital Grants and Recurrent and Capital expenditure respectively.
6. The County Assembly **rejects** the Governor's Recommendation that the in rationalizing the budget, the Items Referred in Item No 7 be restored as earlier proposed.

4.0. ANNEXURES

- a) Minutes of the proceedings of the Committee
- b) Governor's Reservations on the Nairobi City County Appropriation Bill, 2020

WE THE UNDERSIGNED MEMBERS OF THE SELECT COMMITTEE ON FINANCE, BUDGET AND APPROPRIATIONS AFFIRM THAT THIS IS THE APPROVED REPORT OF THE COMMITTEE ON THE GOVERNOR'S MEMORANDUM ON REFUSAL TO ASSENT TO THE APPROPRIATIONS BILL, 2020 AS ADOPTED BY THE COMMITTEE ON THE 2ND DAY OF NOVEMBER 2020

1	Hon. Robert Mbatia, MCA	
2	Hon. Michael Ogada, MCA	
3	Hon. J.M Komu, MCA	
4	Hon. Emily Oduor, MCA	
5	Hon. Fredrick Okeyo, MCA	
6	Hon. James Kariuki, MCA	
7	Hon. Catherine Okoth, MCA	
8	Hon. Osman Adow, MCA	
9	Hon. Wanjiru Kariuki, MCA	
10	Hon. Susan Makungu, MCA	
11	Hon. Nimo Haji, MCA	
12	Hon. Paul Ndungu, MCA	
13	Hon. Daniel Ngengi, MCA	
14	Hon. Anthony Ngaruiya, MCA	
15	Hon. Patrick Karani, MCA	
16	Hon. Nancy Muthami, MCA	
17	Hon. Herman Azangu, MCA	
18	Hon. Cecelia Ayot, MCA	
19	Hon. Mellab Atemah, MCA	
20	Hon. David Mberia, MCA	
21	Hon. David Okello, MCA	
22	Hon. Kennedy Oyugi, MCA	
23	Hon. Emapet Kemunto, MCA	
24	Hon. Elizabeth Nyambura, MCA	
25	Hon. Jacinta Wanjiru, MCA	

MINUTES OF THE 64TH SITTING OF 2020 OF THE NAIROBI CITY COUNTY ASSEMBLY
FINANCE, BUDGET AND APPROPRIATIONS COMMITTEE (SECOND ASSEMBLY) HELD
ON MONDAY 2ND NOVEMBER 2020 AT 12.00PM AT THE ASSEMBLY COMMITTEE
ROOM 5, CITY HALL BUILDINGS.

PRESENT

1. Hon. Robert Mbatia, MCA Chair
2. Hon. J.M Komu, MCA
3. Hon. James Kariuki, MCA
4. Hon. Catherine Okoth, MCA
5. Hon. Wanjiru Kariuki, MCA
6. Hon. Susan Makungu, MCA
7. Hon. Nimo Haji, MCA
8. Hon. Daniel Ngengi, MCA
9. Hon. Patrick Karani, MCA
10. Hon. Nancy Muthami, MCA
11. Hon. Mellab Atemah, MCA
12. Hon. David Okello, MCA
13. Hon. Emapet Kemunto, MCA
14. Hon. Elizabeth Nyambura, MCA
15. Hon. Jacinta Wanjiru, MCA
16. Hon. Cecelia Ayot, MCA
17. Hon. Anthony Ngaruiya, MCA
18. Hon. Paul Ndungu, MCA
19. Hon. Emily Oduor, MCA
20. Hon. Fredrick Okeyo, MCA
21. Hon. David Mberia, MCA

ABSENT

22. Hon. Kennedy Oyugi, MCA
23. Hon. Michael Ogada, MCA
24. Hon. Herman Azangu, MCA
25. Hon. Osman Adow, MCA

IN ATTENDANCE

1. Mr. Erick Otieno -Principal Fiscal Analyst
2. Mr. Alphonce Ouma -Senior Fiscal Analyst

SECTRETARIAT

3. Mr. Musa Senator -Fiscal Analyst
4. Mr. Farah Gabow -Fiscal Analyst

MIN 255/FBAC/ NOVEMBER /2020: Preliminaries

The Chairperson called the meeting to order at 12.00pm and opened the sitting with a word of prayer.

The following agenda for the day was adopted after being proposed by Hon. Wanjiru Kariuki and Seconded by Hon. Susan Makungu

1. Preliminaries
2. Deliberations on the Memorandum by the Governor on the Refusal to Assent Nairobi City County Appropriations Bill,2020
3. Any Other Business
4. Adjournment

MIN 256/FBAC/ NOVEMBER /2020: Deliberations on the Memorandum by the Governor on the Refusal to Assent Nairobi City County Appropriations Bill,2020

The Chairman welcomed the Members to the meeting and thanked them for the attendance. He reminded the Committee that the document was of critical importance to the County as it would determine the next step in expenditure of County resources. The Chairman noted that as resolved in the previous meeting the Members were expected to have gone through the document and welcomed the Principal Fiscal Analyst to take the Members through the draft Committee report.

The Officer took the Members through the Draft Committee Report on the Memorandum by the Governor on the Refusal to Assent Nairobi City County Appropriations Bill,2020. The Members adopted the report without amendments after being proposed by Hon. Daniel Ngengi and Seconded by Hon. J.M. Komu.

MIN 257/FBAC/NOVEMBER/2020: Adjournment

The time being twenty minutes to two o'clock in the afternoon and having dispensed with the business of the day the Chair adjourned the meeting.

CONFIRMED AS TRUE RECORD OF PROCEEDINGS

Sign.....  Date..... 02/11/2020

(CHAIRMAN)

Sign.....  Date..... 2nd/Nov/2020

(FISCAL ANALYST)

MINUTES OF THE 63RD SITTING OF 2020 OF THE NAIROBI CITY COUNTY ASSEMBLY
FINANCE, BUDGET AND APPROPRIATIONS COMMITTEE (SECOND ASSEMBLY) HELD
ON FRIDAY 30TH OCTOBER 2020 AT 11.00AM VIRTUALLY

PRESENT

1. Hon. Robert Mbatia, MCA Chair
2. Hon. J.M Komu, MCA
3. Hon. Emily Oduor, MCA
4. Hon. Fredrick Okeyo, MCA
5. Hon. James Kariuki, MCA
6. Hon. Catherine Okoth, MCA
7. Hon. Osman Adow, MCA
8. Hon. Wanjiru Kariuki, MCA
9. Hon. Susan Makungu, MCA
10. Hon. Nimo Haji, MCA
11. Hon. Daniel Ngengi, MCA
12. Hon. Patrick Karani, MCA
13. Hon. Nancy Muthami, MCA
14. Hon. Herman Azangu, MCA
15. Hon. Mellab Atemah, MCA
16. Hon. David Okello, MCA
17. Hon. Kennedy Oyugi, MCA
18. Hon. Emapet Kemunto, MCA
19. Hon. Elizabeth Nyambura, MCA
20. Hon. Jacinta Wanjiru, MCA

ABSENT

21. Hon. Cecelia Ayot, MCA
22. Hon. Michael Ogada, MCA
23. Hon. Anthony Ngaruiya, MCA
24. Hon. David Mberia, MCA
25. Hon. Paul Ndungu, MCA

IN ATTENDANCE

1. Mr. Erick Otieno -Principal Fiscal Analyst
2. Mr. Alphonse Ouma -Senior Fiscal Analyst

SECTRETARIAT

3. Mr. Musa Senator -Fiscal Analyst
4. Mr. Farah Gabow -Fiscal Analyst

MIN 252/FBAC/OCTOBER/2020: Preliminaries

The Chairperson called the meeting to order at 11.00am and opened the sitting with a word of prayer.

The following agenda for the day was adopted after being proposed by Hon. Wanjiru Kariuki and Seconded by Hon. Susan Makungu

1. Preliminaries
2. Tabling of the Memorandum by the Governor on the Refusal to Assent to Nairobi City County Appropriations Bill,2020
3. Any Other Business
4. Adjournment

MIN 253/FBAC/OCTOBER/2020: Tabling of the Memorandum by the Governor on the Refusal to Assent to Nairobi City County Appropriations Bill,2020


The Fiscal Analyst tabled the Memorandum by the Governor on the refusal to assent to Nairobi City County Appropriations Bill,2020. He informed the Committee that the Memorandum had been committed to the Committee for Consideration and reporting back to the Assembly pursuant to Standing Order 146 (b). The Committee directed that the Budget Office prepare a brief on the Memorandum for consideration by the Committee in the next meeting as the Members make resolution on how to dispense off with the document.

The Chairperson encouraged the Members to go through the document and if possible make themselves hard copies.

MIN 254/FBAC/OCTOBER/2020: Adjournment

The time being twenty minutes to twelve o'clock in the afternoon and having dispensed with the business of the day the Chair adjourned the meeting.

CONFIRMED AS TRUE RECORD OF PROCEEDINGS

Sign.......... Date..... 02/11/20.....

(CHAIRMAN)

Sign.......... Date..... 2nd/Nov/2020.....

(FISCAL ANALYST)

