

GOVERNMENT OF NAIROBI CITY COUNTY



THE NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

THIRD ASSEMBLY

(SECOND SESSION)



NCCA/TJ/PL/2023(35)

18TH MAY 2023

PAPER LAID

SUBJECT: REPORT OF COMMITTEE

Pursuant to Standing Order 196, I beg to lay the following Paper on the Table of this Assembly, today Thursday 18th May 2023.

— THE 8TH REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET AND APPROPRIATIONS ON THE VETTING OF NOMINEE FOR APPOINTMENT OF CHAIRPERSON OF NAIROBI CITY COUNTY REVENUE AUTHORITY.

(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. Wilfred Odalo
on 18/5/23 @ 9.30am
[Signature]*

GOVERNMENT OF NAIROBI CITY COUNTY



THE NAIROBI CITY COUNTY ASSEMBLY

THIRD ASSEMBLY
(SECOND SESSION)

18TH MAY 2023



NOTICE OF MOTION

Subject: Adoption of report

Hon. Speaker, I beg to give notice of the following motion:-

THAT, taking into consideration the findings of the Select Committee on County Finance, Budget and Appropriations in its Report on the *Vetting of Nominee for Approval as Chairperson, Nairobi City County Revenue Authority*, laid on the Table of the Assembly on Thursday, 18th May, 2023 and pursuant to the provisions of Section 6(1)(a) of the Nairobi City County Revenue Administration Act, 2021; Sections 3 and 9 of the Public Appointments (County Assemblies Approval) Act, 2017; and Standing Order 48 (4) this Assembly **approves** the nomination of Mr. Andrew Chege for appointment as Chairperson of the Nairobi City County Revenue Authority by His Excellency the Governor.

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

*Notice given by Hon.
Wilfred Odalo on
18/5/23 at 9.30 am
[Signature]*

COUNTY GOVERNMENT OF NAIROBI CITY



**NAIROBI CITY COUNTY ASSEMBLY
THIRD ASSEMBLY-SECOND SESSION**

**8TH REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET AND
APPROPRIATIONS**

ON

**THE VETTING OF NOMINEE FOR APPOINTMENT TO THE POSITION OF
CHAIRPERSON OF NAIROBI CITY COUNTY REVENUE AUTHORITY**

Clerk's Chambers
City Hall Buildings
NAIROBI

MAY, 2023

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- (i) **Annexure (1)–Clearance Certificates**
 - 1) Kenya Revenue Authority
 - 2) Higher Education Loans Board
 - 3) Ethics and Anti-Corruption Commission
 - 4) Directorate of Criminal Investigations (DCI)
 - 5) Credit Reference Bureau (CRB)
- (ii) **Annexure (2)**
 - 1) Minutes

(iii), **Annexure (1) – Curricula Vitae**

1) Andrew Chege

(iv) **Annexure (4) –**

LIST OF ABBREVIATIONS AND ACRONYMS

CECM	-	County Executive Committee Member, Finance and Economic Planning
PFM	-	Public Finance Management
UNDP	-	United Nations Development Programme
ATAF	-	African Tax Administration Forum
IMF	-	International Monetary Fund
WATAF	-	West African Tax Administration Forum
GIZ	-	Deutsche Gesellschaft für Internationale Zusammenarbeit

FORWARD

Pursuant to Section 6(1)(a) of the Nairobi City County Revenue Administration Act, 2021, **H.E. the Governor, Hon. Sakaja Arthur Johnson** nominated **Mr. Andrew Chege** for appointment as Chairperson of the Nairobi City County Revenue Authority.

The nomination of Mr. Andrew Chege was conveyed to the Assembly vide a letter **Ref. NCC/GOV/ADM/095/2023** dated **19th April, 2023**. On **Tuesday 25th April, 2023** and pursuant to Standing Order 45(1), the Honorable Speaker read the message from His Excellency the Governor to the Assembly communicating the name of the nominee. Pursuant to Section 9(1) of the Public Appointments (County Assemblies Approval) Act, 2017 the name of the nominee was referred to the Committee on County Finance, Budget and Appropriations for vetting and reporting to the Assembly within twenty-one (21) days.

In the realization of the provisions of Section 7 of the Public Appointments (County Assemblies Approvals) Act, 2017, the Clerk notified the general public that the approval hearing of the nominee would be held on **Tuesday 9th May, 2023**.

The nominee appeared before the Committee as scheduled pursuant to the provisions of the Public Appointments (County Assemblies Approval) Act, 2017. And pursuant to the provisions of Section 8 of the Public Appointments (County Assemblies Approval) Act, 2017, the Committee observed that the nominee met the integrity threshold, demonstrated knowledge of topical, administrative, management and technical issues touching on the mandate of the Chairperson of the Nairobi City County Revenue Authority to which he had been nominated; and had the requisite abilities, academic qualifications and professional experience to be approved for appointment.

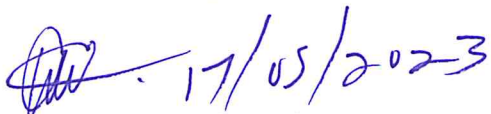
Having conducted the approval hearing of the nominee pursuant to Section 9 of the Public Appointments (County Assemblies Approval) Act, 2017, the Committee recommends that the House-

- **approves the nomination of Andrew Chege for appointment as Chairperson of the Nairobi City County Revenue Authority by His Excellency the Governor.**

May I take this opportunity to thank fellow Hon. Members of the Committee for their valued contributions throughout the approval hearing and through the compiling of the report. The Committee also takes this opportunity to thank the Offices of the Speaker and of the Clerk of

the County Assembly for the continued support accorded to it during the exercise. The Committee is beholden to the Assembly Budget Office and the Secretariat for services rendered to the Committee.

On behalf of the Select Committee on County Finance, Budget and Appropriations, it is my honor to present to the Assembly, the Committee's Report on the vetting of the nominee for appointment to the position Chairperson of the Nairobi City County Revenue Authority.

A handwritten signature in blue ink, followed by the date "17/05/2023" written in the same ink.

HON. WILFRED OLUOCH ODALO, MCA

CHAIRPERSON: SELECT COMMITTEE ON COUNTY FINANCE, BUDGET AND APPROPRIATIONS

PREFACE

Establishment and Mandate of the Committee

1. Section 14 (3) of the County Governments Act, 2012 provides that whenever a County Assembly considers any appointment for which its approval is required under the Constitution, an Act of Parliament or county legislation, the appointment shall be considered first by a committee of the County Assembly.
2. The Select Committee on County Finance, Budget and Appropriations is established under Standing Order No. 205 to among others, *“Investigate, inquire into and report on all matters related to coordination, control and monitoring of the County budget”*.

Committee Membership

3. The Committee comprises of the following Members: -
 1. **Hon. Wilfred Oluoch Odalo, MCA – Chairperson**
 2. **Hon. Emily Oduor, MCA – Vice Chairperson**
 3. Hon Anthony Kiragu, MCA
 4. Hon. Moses Ogeto, MCA
 5. Hon Mark Mugambi, MCA
 6. Hon. Jeckoniah Onyango, MCA
 7. Hon. Catherine Apiyo Okoth, MCA
 8. Hon. Jane Muasya, MCA
 9. Hon. Redson Otieno Onyango, MCA
 10. Hon. Asli Muhamed, MCA
 11. Hon. Rosemary Masitsa, MCA
 12. Hon. Perpetua Mponjiwa, MCA
 13. Hon. Collins Ogenga, MCA
 14. Hon. Fathiya Abdillahi Mohamed, MCA
 15. Hon. Sam Kago, MCA
 16. Hon. Anthony Ngaruiya Jasho, MCA
 17. Hon Paul Ndungu, MCA
 18. Hon Ciciliah Wairimu Njathi, MCA
 19. Hon Waruguru Kanyi, MCA
 20. Hon Joyce Kamau Muthoni, MCA
 21. Hon Waithera Chege, MCA

Committee Secretariat

4. The Secretariat comprises: -

- | | | |
|----------------------|---|--------------------------|
| 1. Erick Otieno | - | Principal Fiscal Analyst |
| 2. Wilfred Manyi | - | Senior Clerk Assistant |
| 3. Dan Kanyoru | - | Senior Sergeant-at-Arms |
| 4. Martin Mugendi | - | Ag. Senior Legal Counsel |
| 5. Elizabeth Njuguna | - | Sergeant-at-Arms |
| 6. Anthony Nyandiere | - | Audio Technician |
| 7. Magdalene Wanyama | - | Administrative Assistant |

BACKGROUND

Notification of Nomination

5. Pursuant to Section 6(1)(a) of the Nairobi City County Revenue Administration Act, 2021, **H.E. the Governor, Hon. Sakaja Arthur Johnson** vide a letter dated 19th April, 2023 forwarded to the Nairobi City County Assembly the name of the following nominee for vetting by the Select Committee on County Finance, Budget and Appropriations and consideration for approval by the County Assembly for appointment as Chairperson of the Nairobi City County Revenue Authority as follows: -

NAME OF NOMINEE	NAIROBI CITY COUNTY REVENUE AUTHORITY
Mr. Andrew Chege	Chairperson

Notification to the House and referral to the Committee on County Finance, Budget and Appropriations.

6. On **Tuesday 25th April, 2023** and pursuant to Standing Order 45(1), the Honorable Speaker read the message from His Excellency the Governor communicating the name of the nominee to the Assembly for the position of Chairperson of the Nairobi City County Revenue Authority.
7. Pursuant to Section 9(1) of the Public Appointments (County Assemblies Approval) Act, 2017 the name of the nominee was referred to the Committee on County Finance, Budget and Appropriations for vetting and reporting to the Assembly within twenty-one (21) days.

Notification to the Public

8. Article 196(b) of the Constitution of Kenya provides that the County Assembly shall facilitate public participation and involvement in the legislative and other business of the Assembly and its Committees.
9. Section 7 of the Public Appointments (County Assemblies Approvals) Act, 2017 requires the Committee by notice in at least one newspaper of national circulation, notify the public of the time and place for holding an approval hearing at least seven days prior to the hearing.
10. Further Section 7(10) of the Act provides that *“any person may, prior to the approval hearing, and by written statement on oath, provide the Clerk with evidence contesting the suitability of a candidate to hold the office to which the candidate has been nominated”*.
11. Consequently, pursuant to Section 7(4) of the Public Appointments (County Assemblies Approval) Act, 2017, the Clerk of the County Assembly placed an advertisement in the local dailies, specifically the Nation and the Star Newspaper on **Wednesday 3rd May, 2023** notifying the nominee and the general public that the approval hearing would be held on **Tuesday 9th May, 2023 in Charter Hall, County Assembly Wing, City Hall Building.**

Issues for consideration during the Approval Hearings

Procedure for Nomination.

12. Section 6 of the Public Appointments (County Assemblies Approval) Act, 2017 further requires the appointing authority, upon nominating a person for appointment, to notify the County Assembly.
13. Section 6 (1)(a) of the Nairobi City County Revenue Administration Act, 2021 confers upon H.E the Governor the power to appoint Chairperson of the Nairobi City County Revenue Authority with the approval of the County Assembly.

Constitutional and Statutory Requirements

14. The Constitution gives guidelines on how to appoint persons to public office which include observing the following: -
 - (a) *Two-Thirds Gender Rule*
 - (b) *Representation of Regional and Ethnic Balance*
 - (c) *Leadership and Integrity.*

1.1.1. Suitability of the Nominee for the proposed appointment having regard to whether the nominee's abilities, experience and qualities meet the needs of the Nairobi City County Revenue Authority to which the nomination is made.

15. The suitability of the nominee was assessed following scrutiny of the nominee's academic credentials, professional training and experience, knowledge of the docket the nomination is made, personal integrity, background qualities as well as their performance during the approval hearing conducted on **Tuesday 9th May, 2023**.

APPROVAL HEARING OF THE NOMINEE.

16. During its Sitting held on **Tuesday 9th May, 2023** at Charter Hall, Assembly Precincts, City Hall Building from 9.30am, the Committee conducted face to face interviews of the nominee. The minutes of the vetting proceedings are attached to this report.

MR. ANDREW CHEGE – NOMINEE FOR CHAIRPERSON OF THE NAIROBI CITY COUNTY REVENUE AUTHORITY.

Submissions by the Nominee

17. **Mr. Andrew Chege**, the nominee for **Chairperson of Nairobi City County Revenue Authority** appeared before the Committee on **Tuesday 9th May, 2023** and was vetted under oath. The Committee noted the following: -

Date and Place of Birth

18. The nominee is a Male Kenyan born on 9th December, 1972 in Nairobi County and does not hold dual citizenship.

Academic and Professional Qualifications

19. The nominee holds a Master of Business Administration (Executive) from Moi University (2013- 2014) and Bachelor of Science from Jomo Kenyatta University (1992-1995)

Employment Record

20. The nominee has served at Kenya Revenue Authority as Senior Assistant Commissioner for Domestic Taxes (2003-2019), Manager at Telkom Kenya (1998-2003) and officer at Trans and Builcon (1991)

The nominee was doing consultancy services on matters Tax at International Monetary Fund (IMF), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), United Nations Development Programme (UNDP), African Tax Administration Forum (ATAF) and West African Tax Administration Forum (WATAF)

Income and net worth

21. The nominee estimated his net worth to be Kshs. 1.4 Billion with the sources of income being from rentals, farming and consultancy services

Professional Associations and Memberships

22. The nominee has been a Member of Information Technology Service Management Forum of Kenya (2008) and Member of Information System Audit and Control (ISACA) (2004)

Potential Conflict of Interest

23. The nominee declared that he did not have any conflict of interest to the position to be filled.

Probono/Charity Work

24. The nominee was involved in supporting Live Apomoted Mogra Children Home and has contributed approximately Ksh. 2 Million.

Integrity

25. The nominee declared that he had not been charged in a court of law neither had he been adversely mentioned in any investigatory report of Parliament or any other Commission of Inquiry. He also submitted that he had never been dismissed or otherwise removed from office for contravention of the provisions of Article 75 of the Constitution of Kenya, 2010.

Responses to general and sector specific questions to the nominee

26. The Committee posed several questions to the nominee on his knowledge of the Revenue.
The nominee responded as follows: -

On the understanding of the task ahead of being Chairperson of the Nairobi City County Revenue Authority having largely majored in Information Technology background and Quality Assurance

27. The nominee submitted that he had a training of both technical and practical background where he had applied good use of mathematics and computer science which are key in modern-day operations. He stated that he had also studied fraud management, management

of staff with emphasis on Human Resource, policy and general management practices where he successfully implemented the 7's of McKinsey model of management.

The nominee underscored that his experience spanning over three decades had enabled him to seamlessly integrate strategy and systems for collecting taxes at KRA. He developed a structure that ensured right people fitted into the established systems in order to fulfil the strategy that increased revenues.

In relation to his role as a Quality Assurance Officer at KRA which involved data analysis and electronic tax register, the nominee clarified that besides discharging the duties successfully, he also led a steering Committee that established audit and compliance systems and automation.

On the strategies the Nairobi City County Revenue Authority would employ to improve on revenue collections

28. The nominee emphasized the need to bring all relevant stakeholders on board and ensure that they supported initiatives geared towards improving revenue collection. He attributed KRA's inability to collect revenue on behalf of the County and reach the set targets to lack of understanding of the Nairobi City County Government culture and its operations and insufficient resources for revenue collection.

The nominee stated that given the opportunity, he would foster unification of business permits, simplify all business permits online and train staff on customer service management skills to handle taxpayers in a friendlier manner.

He also stated that as a strategy, the County Government needed to revamp its systems, enact legislations where necessary and undertake staffing requirements to ensure staffs were more active online and more responsive to assist and respond to taxpayers' needs.

The nominee further committed to champion and create a good debt management system that establishes Information Technology, Legal, Human Resource, marketing, research and taxpayers sections which interdependently would work towards unlocking the issue of the huge amount of funds owed to the County Government by the National Government.

On what achievements he made having worked at KRA and other Countries as a Tax Consultant.

29. The nominee submitted that while working as senior assistant Commissioner at KRA, he managed to introduce Information Technology which automated operations and services that increased revenue by four hundred and forty four percent.

The nominee also averred that he redesigned and implemented the Electronic Tax Register systems in Ethiopia and Tanzania which brought sixty percent and two thousand eight hundred and fifty five percent respectively of additional revenue.

On the understanding of the functions of the Board of the Nairobi City County Revenue Authority

30. The nominee stated that Section 7 of the Nairobi City County Revenue Administration Act, 2021 provided for the functions of the board which included discipline and control of all members and staff of the authority, approval of alteration in the organization of the authority, approval and reviewing of policies of the authority and monitoring performance of the authority in line with its functions.

On the strategies to be employed to realize revenue targets that have perennially not been met through Nairobi Revenue, Jambo Pay and Revenue Sure systems

31. The nominee informed the Committee that besides customizing revenue systems for Nairobi City County Government, it was also important to create revenue teams that worked closely with the budget team to ensure absolute alignment whereby revenue targets and performance are cascaded through a structure and distributed by a sector which also ensures improvement in the collections.

On the understanding of the principles of Public Finance as stipulated in Article 201 of the Constitution of Kenya, 2010 and their relationship with the functions of the Nairobi City County Revenue Authority

32. The nominee asserted that the principles underscored the need for openness and accountability and public participation in matters related to finance whereby public money is used responsibly and prudently and aspects such as burden of taxations are distributed equitably and fairly between present and future generations

On how to deal with the corruptible environment that mars revenue collections

33. The nominee reiterated that the people remained the key drivers of any project and as such was ready to work hard and closely with the people towards the goal of ensuring everyone became best driver for revenue collection.

He stated that best practices would be replicated in the County in a more likeable manner to increase the collections the same way he had redesigned and implemented revenue systems for African Countries such as Ethiopia, Rwanda, Tanzania, Ghana, Sierra Leone and the Gambia which saw their revenues increase between three hundred percent and six hundred percent.

On the conditions that a County Government must meet to have a borrowing framework in light of Article 212 of the Constitution of Kenya, 2010

34. The nominee informed the Committee that the borrowing must be confined to existing laws. He also underlined that County Government had to have a guarantor supporting it.

On the role of the Governor and County Executive Committee Member responsible for Finance and Economic Planning on revenue matters

35. The nominee admitted that the Governor and C.E.C.M were enablers in the entire budget process and specifically the Governor's role was to create a requisite strategy for revenue collection, allocate resources for revenue mobilization, provide guidance, direct, monitor and support creation of a necessary structure and general oversight.

On the skills that will be employed to ensure enforcement in revenue collections

36. The nominee informed the Committee that he will set performance targets to all relevant staff to ensure unified support for expansion of the tax base which implies that revenue targets was to be recalibrated and set accordingly. It was also affirmed that performance management was to be redesigned to also extract the targets.

The nominee further emphasized the need to establish a research unit that monitors performance and works closely with enforcement unit

COMMITTEE OBSERVATIONS ON THE SUITABILITY OF THE NOMINEE

37. The Committee having considered the nominee filled questionnaire pursuant to Section 7(9) of the Public Appointments (County Assemblies Approval) Act, 2017, his curriculum vitae and having heard his oral submission during the approval hearing, made the following observations on his suitability for appointment as Chairperson of the Nairobi City County Revenue Authority:-

- (i) **THAT**, in accordance with Article 78 (1) and (2) of the Constitution, the nominee is eligible for appointment to State Office since he is a Kenyan Citizen born on 9th December, 1972 in Nairobi County and does not hold dual citizenship.

- (ii) **THAT**, the nominee has never been removed from office under Article 75 of the Constitution for contravention of Articles 75(1) (*conflict of interest*), Article 76 (*financial probity*), Article 77 (*restriction of activities of State Officers*), and Article 78 (2) (*dual citizenship*) of the Constitution.
- (iii) **THAT**, the nominee has not been charged or convicted by a Court of Law in the past three (3) years.
- (iv) **THAT**, the nominee meets the requirements of Chapter 6 of the Constitution on leadership and integrity having obtained clearance from the following statutory bodies; the EACC, KRA, and DCI.
- (v) **THAT**, the nominee demonstrated experience, huge knowledge of topical, administrative, management and technical issues touching on the position he has been nominated to.



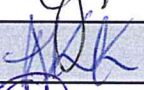
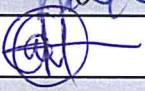

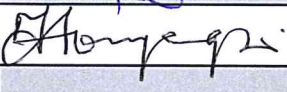

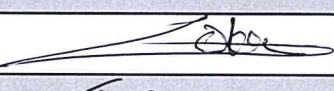


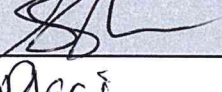
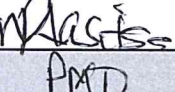

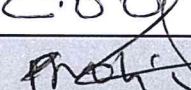

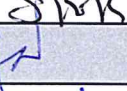

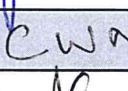
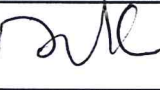
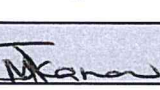
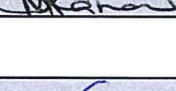
COMMITTEE GENERAL OBSERVATIONS

38. That pursuant to Section 8 of the Public Appointments (County Assemblies Approval) Act, 2017, the Committee observed that **Mr. Andrew Chege**, the nominee for **Chairperson** of the **Nairobi City County Revenue Authority** demonstrated knowledge on matters touching on the position to which he had been nominated and that appointment of the said nominee be **approved**.

COMMITTEE RECOMMENDATIONS

39. **THAT**, having conducted the approval hearing of the nominee pursuant to the provisions of Section 6 (1) (a) of the Nairobi City County Revenue Administration Act 2021 and Section 9 of the Public Appointments (County Assemblies Approval) Act, 2017) the Committee recommends that the House:-
- **approves the nomination of Andrew Chege for appointment as Chairperson of the Nairobi City County Revenue Authority by His Excellency the Governor.**

We the undersigned Members of the Finance, Budget and Appropriations Committee affirm that this is the approved report of the Committee on the Vetting of Nominee for appointment to the position of Chairperson of Nairobi City County Revenue Authority as adopted by the Committee on the 17th day of May 2023

NAME	SIGNATURE
1. Hon. Wilfred Oluoch Odalo, MCA	
2. Hon. Emily Oduor, MCA	
3. Hon Anthony Kiragu, MCA	
4. Hon. Moses Ogeto, MCA	
5. Hon Mark Mugambi, MCA	
6. Hon. Jeckoniah Onyango, MCA	
7. 	
8. Hon. Catherine Apiyo Okoth, MCA	
9. Hon. Jane Muasya, MCA	
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18. Hon Paul Ndungu, MCA	
19. Hon Ciciliah Wairimu Njathi, MCA	
20. Hon Waruguru Kanyi, MCA	
21. Hon Joyce Kamau Muthoni, MCA	
22. Hon Waithera Chege, MCA	
23. Hon Susan Makungu, MCA	