

(T&J/RM/012/2017)

GOVERNMENT OF NAIROBI CITY COUNTY



Notice given by
Hon. Ogada Oh
Tue 4/4/2016
Amy
Plca/16
4/4/16.

NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

(5TH SESSION)

NOTICE OF MOTION – (Chairperson, Select Committee on Finance,
Budget & Appropriations)

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

THAT, this Assembly adopts THE REPORT OF THE SELECT COMMITTEE ON FINANCE, BUDGET & APPROPRIATIONS ON THE BUDGET ESTIMATES FOR THE NAIROBI CITY COUNTY EXECUTIVE AND THE COUNTY ASSEMBLY FOR THE FY 2017-18, laid on the Table of the Assembly today Tuesday, 4th April, 2017.

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

Approved
[Signature]
04/04/17

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GOVERNMENT OF NAIROBI CITY COUNTY



P9

THE NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

5TH SESSION

NBI CA. PLC. 2017 / (025)

4th April, 2017

PAPER LAID

Pursuant to Standing Order 180 (6) I beg to lay the following Paper on the Table of the Assembly, today Tuesday 4th April, 2017.

THE REPORT OF THE SELECT COMMITTEE ON FINANCE, BUDGET AND
APPROPRIATIONS COMMITTEE ON THE BUDGET ESTIMATES FOR THE FY 2017 -18

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

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

APPROVED
[Signature]
04/04/17

COUNTY GOVERNMENT OF NAIROBI CITY



NAIROBI CITY COUNTY ASSEMBLY

FIRST ASSEMBLY – FIFTH SESSION

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

ON

**THE BUDGET ESTIMATES FOR THE NAIROBI CITY COUNTY GOVERNMENT
AND THE COUNTY ASSEMBLY FOR THE FY 2017-18**

APRIL 2017

*Paper laid by the
Chairman of the
Finance Budget &
Appropriations Committee
on Tue 4/4/17
AAOYF
Plca 4/4/17*

Mr. Speaker Sir, it is my personal honour to present to this Chamber the final report of the First Assembly's Select Committee on Finance, Budget and Appropriations on the consideration of the budget estimates for the Nairobi City County Government and County Assembly 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 207. Through this budget document the First County Government of Nairobi City has set out its final policy outlay on resource mobilization, public expenditure, debt management among others.

The Nairobi City County Assembly Finance, Budget and Appropriations Committee is mandated pursuant to Standing Order 187 to among others:

- 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,

In line with the provisions of the Constitution and the requirements of Section 129 (2) of the PFM Act, 2012 read together with the provisions of Section 128 (2), these budget estimates were laid on the table of the County Assembly on 16th March 2017. Having been laid, in line with the provisions of Standing Order 207 (3), the estimates were duly committed to the Select Committee on Finance, Budget and Appropriations and other Sectoral Committees for consideration and reporting. The Sectoral Committees were 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.

Mr. Speaker Sir, the following are the Members of the Nairobi City County Assembly Finance, Budget & Appropriations Committee:

1. Hon. Michael Okumu, MCA

Chairman

2. Hon. George Ochola, MCA

Vice-Chairman

3. Hon. Catherine Akoth, MCA

4. Hon. Caroline Muga, MCA

5. Hon. Magdalene Mbogori, MCA

6. Hon. Osman Ibrahim, MCA

7. Hon. Jackson Kiama, MCA

8. Hon. Kenneth Thugi, MCA

9. Hon. David Kairu, MCA

10. Hon. Fredrick Obenge, MCA

11. Hon. Herman Azangu, MCA

12. Hon. Helen Katangie, MCA

13. Hon. Jane Muasya, MCA

14. Hon. Peter Isuha, MCA

15. Hon. Isaac Ngige, MCA

16. Hon. Ngaruiya Chege, MCA

17. Hon. Samuel Irungu, MCA

18. Hon. Bernadette Wangui, MCA

19. Hon. Victoria Alali, MCA

Mr. Speaker Sir, since coming to life of the devolved system of governments, there have been grey areas on how to undertake a number of activities with the available legal provisions doing little to demarcate the roadmap. One of those areas where the County Governments have missed expectations and performed below generally accepted standards has been on budget preparation, approval and implementation. The Budget Committee has over the last four years highlighted to this House the areas where the submitted the budget documents

have not lived up to their billing. However, in review of the budget estimates for the FY 2017-18, the Committee noted that there has been great attempt to ensure that the estimates meet the legal requirements. In this regard therefore the Committee wishes to thank all actors in the budget process for having been keen to learn and improve on the budget process with an aim of ensuring that the County delivers to the people of the great City of Nairobi. Despite this positive outlook, the Committee would be highlighting areas where some work still needs to be done.

Examination of the Budget Estimates for the FY 2017-18

Mr. Speaker Sir, in reviewing the budget estimates for the FY 2017-18, the Committee held a total of six sittings. In some of these sittings as evidenced by the attached minutes of the Committee, officers from the County Treasury were invited to take members through the revenue and expenditure projections as well as agree on the estimates contained on the budget books. In addition, the Committee held discussions with the Clerk to the County Assembly represented by the Senior Finance Officer who explained to the Committee in detail the rationale for resource requirements as requested by the County Assembly Service Board. The Committee would therefore wish to report that the views of the County Executive Committee Member for Finance and the Clerk to the County Assembly have been incorporated in this report.

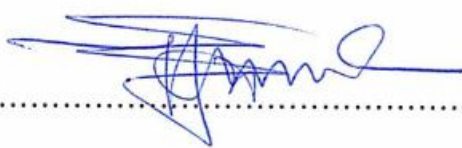
Acknowledgements

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

- i. Members of the public who took part in the public hearings on these estimates undertaken in Charter Hall on Monday 27th March 2017;
- ii. Offices of the Clerk and the Speaker for the support received throughout this process;
- iii. Sectoral Committees who reviewed the budget estimates for their respective Sectors and appeared before the Budget Committee to make their submissions;

- iv. Members of the Finance, Budget and Appropriations Committee who dedicated their time to ensure the task of reviewing these Estimates is done diligently and within the statutory timelines;
- v. County Assembly Fiscal Analysts for their briefs on the estimates which helped Members make sense of the figures.

Mr. Speaker Sir, it is my utmost privilege and distinct honour on behalf of the Finance, Budget and Appropriations Committee to table this report and recommend it to this Assembly for adoption.

SIGN.....

DATE.....

Hon. Michael O. Okumu, MCA (Chairman)

SCRUTINY OF THE BUDGET ESTIMATES FOR THE FY 2017-18

A. Overall Budget for The FY 2017-18

1. **Mr. Speaker Sir**, the total budget for the FY 2017-18 stands at Kshs. 35.9billion out of which Kshs. 24.12 billion has been earmarked for recurrent expenditures and Kshs. 11.80billion set aside for development initiatives. The allocation for development represents 33% of the overall budget depicting a fall from the 36% allocated in the annual estimates for the FY 2016-17. It is important to remind Members that this County Assembly resolved during the consideration of the County Fiscal Strategy Paper for the FY 2017-18 that “the total allocation and expenditure on development shall not be less than 32% of the total county budget”. The Committee is persuaded that it was the wisdom of this Assembly that the County should not only allocate funds for development but it should be able to spend those funds on the budgeted programmes;
2. **Mr. Speaker**, the above figures represent an increase from the Kshs. 34.784billion allocated in the supplementary estimates for the FY 2016-17 which was approved by this House through the Supplementary Appropriations Bill on Wednesday 29th March 2017. The recurrent budget has been increased by about Kshs. 700million and development budget enhanced by about Kshs. 500million.
3. On the specific Sector allocations **Mr. Speaker Sir**, the Public Health Department ranks highest as the biggest consumer of the recurrent budget at Kshs. 5.736billion. This is an increase from the Kshs. 5.22billion allocated in the supplementary estimates for the FY 2016-17. The Health Department is followed closely by the Governor’s Office at Kshs. 5.292billion making the total allocation for the two sectors to be approximately 46% of the total recurrent budget. The Water, Energy and

Environment Sector which oversees managing the City's garbage collection and water infrastructure has been granted Kshs. 1.385billion for recurrent initiatives being a reduction from the Kshs. 1.862billion granted in the supplementary estimates for the FY 2016-17. Other Sectors whose recurrent budgets have been rationalized downwards over the two financial years include Education, Public Works and the County Assembly.

4. To undertake debt repayments, manage procurement, audit as well as fiscal reforms **Mr. Speaker**, the Finance and Economic Planning Sector has been allocated Kshs. 3.661billion for recurrent. This represents an increase by 738million from the allocation approved in the supplementary estimates for the FY 2016-17. Other sectors whose budgets have received a boost include Public Service Management which has been increased to Kshs. 2.251billion from Kshs. 1.544billion in the FY 2016-17. This is meant to cover any spill-over effects of Collective Bargaining Agreements, Voluntary Early Retirements among other related matters.
5. **Mr. Speaker Sir**, The Public Works and Infrastructure Sector leads in development allocation at Kshs. 4.94billion which is almost equivalent to the revised allocations for the FY 2016-17. The development allocation for WDF has also been increased by Kshs. 124million to Kshs. 1.736billion making the total allocation for development projects to be undertaken by the Public Works Sector to total Kshs. 6.8billion or about 58% of the total development budget. The only other sector with development budget exceeding the Kshs. 1billion mark is the Health Department at Kshs. 1.253billion. This has also been enhanced from the Kshs.1.07billion allocated in the FY 2016-17.
6. On other fronts **Mr. Speaker**, the County Treasury has submitted that the repayment to KCB for the loan acquired from Equity Bank is done at Kshs. 52million per month or Kshs. 624million annually. In addition, the County has a proposed allocation of Kshs. 90million for emergency fund.

B. Financing the 2017-18 Budget

- 7. Mr. Speaker Sir**, the presented budget estimates have projected that in the coming financial year, the County would receive Kshs. 14.967billion as equitable share, Kshs. 770million as conditional grants as well as collect Kshs. 20.178billion from internal sources. The figures presented confirm that the budget for the FY 2017-18 is fully funded with no expectation of borrowing as was enumerated in the Debt Management Strategy Paper for the FY 2017-18.
- 8. However, Mr. Speaker Sir**, review of the revenue performance for the FY 2016-17 provide a solid case that the figures contained in the annual estimates for the FY 2017-18 are still over-ambitious. As at the end of the second quarter of the current financial year, the County had managed to realize 35% of the revenue figures. Cognizant that the best revenue period for the County Government falls in the third quarter, it is still highly unlikely that the revenue target of over Kshs. 19billion would be realized by the end of the financial year. It still the view of the Budget Committee that the major operational, institutional and technological reforms which have been initiated on various revenue heads have not done well to either expand our revenue baskets or improve the process of collection. The Budget Committee has received commitment from the County Treasury on the County's ability to collect the revenues anticipated and would therefore not be proposing any further adjustment on the budget.

C. Compliance of the FY 2017-18 Budget Estimates to the requirements of The Constitution, the Public Finance Management Act, 2012, the Public Finance Management (County Government) Regulations 2015 and the Standing Orders.

- 9. Mr. Speaker Sir**, the budget process is guided by Constitution, the PFM Act 2012, the PFM (County Government) Regulations 2015 and the County

Assembly Standing Orders. It is for this reason that the Budget Committee has been consistent throughout the life of the First Assembly in briefing this Chamber on how far any budget document has aligned itself to the underpinning legal provisions. This section of the Committee report would once again attempt to address the issues of fidelity to the law.

10. Mr. Speaker Sir, 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 required to implement the budget. Section 130 (1) of the same Act is indeed explicit on the budget documents that should be submitted in the Assembly together with the budget estimates. These include:

- i. *A summary of budget policies including revenue, expenditure, debt and deficit financing;*
- ii. *A statement of how the budget relates to the fiscal responsibility principles and the financial objectives; and*
- iii. *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.*

11. Further Mr. Speaker Sir, the provisions of Section 130 (1) (b) of the PFM Act, 2012 stipulates that the budget estimates shall include:-

- i. *List of all county government entities that are to receive funds appropriated from the budget of the county government;*
- ii. *Estimates of revenue projected from the Equalization fund over the medium term;*
- iii. *All revenue allocations from the national government over the medium term including conditional and unconditional grants;*
- iv. *All other estimated revenue by broad classification;*

- v. *All estimated expenditure, by Vote, and by programme, identifying both recurrent and development expenditure;*
- vi. *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 ;*
- vii. *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*
- viii. *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.*

12. Mr. Speaker Sir, the provisions of the PFM Regulations have provided additional benchmarks to consider while preparing and approving budget estimates. These include:

- i. *All budget proposals shall be supported by the county government entity strategic plan;*
- ii. *All revenue and expenditure shall be entered into county government budget estimates;*
- iii. *Expenditure entered into the budget estimates shall be authorized for one financial year only;*
- iv. *Budget revenue and expenditure shall be balanced;*
- v. *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;*
- vi. *The CECM- F shall cause to be conducted public hearings on the estimates and views received from the public included by the Accounting Officers*

Mr. Speaker Sir;

As has been stated, the County Government has come of age in preparation of various budget documents and hence most of the legal requirements were met in the budget estimates for the FY 2017-18. That notwithstanding, the Committee notes that there are still unresolved difficulties on identification of programs and linking the same to various key performance indicators and outputs. It is noted that the County Assembly Service Board and the Finance Sector have been up to date on the program based approach to budgeting. The Committee therefore urges the Finance Sector/County Treasury as experts in this area to take lead and develop the capacity of all other Sector on how to prepare and report on program based budgets. The Committee believes that whereas some of these challenges were expected with the new system, the same should not remain a permanent problem post the life of the First County Government.

These Budget Estimates represent the final output of an elaborate budget process that started almost five years ago with the approval of the County Integrated Development Plan 2013-17. The County Integrated Development Plan is a harmonizing document that attempts to bring all development actors in the County Government to a focused and coordinated mission of improving the livelihoods of City residents. During a similar process last year, the Committee reported that status of implementation of the resolutions of this House were lackluster and reporting on the same even more wanting. The Committee confirms once again that this ignominious situation has not changed. It was the expectation of the Budget Committee that since this is the final year of implementing the County's first CIDP, there would have been a detailed report on how far it has been implemented with a corresponding matrix on the aspects which may require to be rolled over to the next CIDP. The Committee wishes to encourage all Sectors to review their projects and implementation matrix and report the status of the same to the respective Sectoral Committees for review. On a positive note the Committee commends the County Treasury for having

detailed how far the resolutions of the Assembly on the CFSP were taken to account during the preparation of the budget estimates.

The provisions of Section 109 of the Public Finance Management Act 2012 have documented in great detail the responsibilities of the County Treasury with respect to management of county public funds. In this respect, the law provides that all revenues due to the County Government shall be swept through the County Revenue Fund account with any withdrawal from such Fund subject to the approval of the Controller of Budget. Despite these self-explanatory legal provisions, the Committee still regrets to report that the County Treasury is still spending money at source. The Report of the Select Committee on Public Accounts on this subject has enumerated the issue and recommended befitting courses of action. However, the report fell short of recommending that officers who bear the greatest responsibility for this legal defiance are held to account. The annual County Budget Implementation Review Report for the FY 2015-16 from the Controller of Budget indicates that in that financial year the County did not sweep amounts in excess of Kshs. 8billion through the County Revenue Fund. These by any standards are huge sums that if well spent would most definitely impact on macro aspects of the Nairobi economy. Of concern to the Budget Committee was that some of the expenditures that were utilized without passing through the County Revenue Fund were developmental in nature. That notwithstanding, given that a Committee of the County Assembly has already pronounced itself on this matter, the Budget Committee would be keen to ensure that the shortcomings of negated report of the Public Accounts Committee are reinforced and implemented to the latter.

The formulators of the law were wise enough to discern that annual budget appropriations could not be comprehensive to include ad hoc scenarios and emergencies. It is for this reason that the provisions of Sections 110- 114 of the PFM Act 2012 have elaborated the meaning, purpose and management of Emergency Fund. In the budget estimates for the FY 2017-18 the County

Government has proposed the allocations for the Fund to be raised to Kshs. 90million being an increment of Kshs. 10million from the amount approved in the current financial year. The County has a proposed allocation of Kshs. 90million for emergency fund. However, the Committee was of the view that before making requests for additional resources, details of how the Kshs. 80million allocated in the previous financial year is being utilized needed to have been provided. Further, the Committee notes that since this is a replenishing fund, appropriations should only be undertaken to ensure that the fund balance does not drop. The provisions of Section 110-114 require that any payment out of the Emergency Fund is approved by the County Assembly within two months and the appropriations to return the money paid out done immediately thereafter. The Committee has pointed out these issues to the County Treasury and there is consensus that these shall be taken into account in the implementation of the Fund.

D. Submissions from Sectoral Committees

13. Mr. Speaker Sir, provisions of Standing Order 207 (3) and (4) are elaborate on the procedure of dispensing with the budget estimates once they have been tabled in the County Assembly. These provisions 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. Further, Standing Order 187 (6) requires that the Budget and Appropriations Committee holds discussions with the Chairpersons of all Sectoral Committees during the consideration of the budget. To ensure inclusivity in the budget making and satisfy these provisions, the Committee invited the Sectoral Committee Chairmen for meetings held between Friday 31st March and Sunday 2nd April 2017 where they made their presentations on their respective sectors. In this meeting, the Sectoral Committee Chairpersons assisted by their respective Committee Clerks provided the Committee with insights into the budget performance for the FY 2016-17, the planned Sector

priorities as well as accompanying budgetary allocations for the FY 2017-18. In this meeting, the Budget Committee reached consensus on a number of issues regarding the budget for the FY 2017-18.

- 14. Mr. Speaker,** the following were some of the recommendations that the Sectoral Committees made to the Budget and Appropriations Committee:

I. Health Services Committee

- i. That considering that the Sector had a backlog of projects that have been rolled over from the previous financial years, the Sector should prioritize these projects in the FY 2017-18 with minimal introduction of new projects;
- ii. That the Finance, Budget and Appropriations Committee compels the CECM for Finance, the CECM for Urban Planning and the Head of Procurement to undertake internal functional audit and assessment in view of improving their efficiency and effectiveness regarding implementation of the Health Sector Budget and their liaison with the Sector;
- iii. That the Finance and Economic Planning Sector to move with speed in establishment and activation of Health Sector Account in which sector financial receivables and allocations will be deposited for undertaking the unique mandate of the Sector;
- iv. The County Government to strive and clear the balance owed to KEMSA in totality including the recent drug orders worth Kshs. 268million so that going forward, such orders will be processed and paid in real time; and
- v. That the Budget and Appropriations Committee approves the Sector's expenditure proposal in the budget estimates for the FY 2017-18 as submitted.

II. Planning and Housing Committee

- i. That funds be allocated for surveying, valuation and demarcation of County land;

- ii. That the County Public Service Board should immediately make a decision to either confirm or not to confirm officers currently serving on an acting capacity under the Urban Planning Sector;
- iii. That the public be involved in the urban renewal projects;
- iv. That the budget estimates for the two sectors under the Sectoral Committees be approved as proposed.

III. Agriculture, Environment and Natural Resources Committee

- i. That the budget estimates for the Sectors under the purview of the Sectoral Committee be approved as proposed in the printed budget estimates.

IV. Trade, Tourism and Cooperatives Committee

- i. That estimates for the Sector be approved as presented.

V. Culture and Community Services Committee

- i. That the County implements and finalizes all incomplete projects from the previous financial years;
- ii. That measures be initiated by the County Executive to ensure that procurement procedures are not delayed leading to stalled sector approved projects;
- iii. 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;
- iv. That the County Executive ensures that there are sufficient allocations for public participation;
- v. That Kshs. 5million allocation for rehabilitation of Eastleigh Social Hall be knocked off the budget since the County Executive has not resolved with Marchais Limited on which floor the said social hall should be located; and

- vi. That Kshs. 11.6million allocation for purchase of motor vehicles (Fire and Disaster Management Sub-Sector) be struck off and replaced thereof with sensitizing community on firefighting and disaster management.

VI. Labour and Social Welfare Committee

- i. That the budgets for the County Public Service Board and the Public Service Management be approved as proposed;
- ii. That under the Sports and Social Service Sub-Sector the allocation for capital projects be retained at Kshs. 30million and the same be allocated for the following projects:
 - Construction and equipping of Joseph Kang'ethe sports complex – Kshs. 10million;
 - Rehabilitation of South C (Akiba) Sports Ground- Kshs. 5million;
 - Rehabilitation of Makina (DC Grounds Kibera)- Kshs. 5million;
 - Rehabilitation of Ruai- Muhuri Sports Ground – Kshs. 5million;
 - Rehabilitation of Kayole South Sports Ground- Kshs. 5million.

VII. Justice and Legal Affairs Committee

- i. That the ICT related projects under Legal Affairs, General Administration and Supply Chain Management be reallocated to be undertaken under ICT as proposed;
- ii. That the estimates for the Legal Affairs Sub-Sector be reduced by Kshs. 10million under Vote 3111112 for purchase of software at Kshs. 5million and vote 3111100 for purchase of special plan equipment and machinery at Kshs. 5million. The amount be transferred to the ICT Department; and
- iii. That the development Vote for the Administration Department be reduced by Kshs. 10million under the Vote codes 110700 on purchase

of vehicles and other transport equipment and the amounts be transferred to development budget of the Inspectorate Department.

VIII. Transport and Public Works Committee

- iv.** That the budget estimates for the Transport, Roads and Public Works Sector be adopted as presented;
- v.** The County Government to fast-track completion of link roads linking to main roads;
- vi.** The officers responsible for maintaining street lights to ensure that the lights are switched off during the day to preserve power and reduce on overhead costs.

IX. Water and Sanitation Committee

- i.** The Directorate of Water need to budget for the provision of water services whose annual bill is Kshs. 120million;
- ii.** The Chief Officer for Finance and Economic Planning should advice the Directorate of Water and Energy accordingly on how the County Government should holistically address the issue of water bills since recurrent expenditure allocated in the FY 2017-18 is a paltry Kshs. 15million;
- iii.** The ward based water projects of Kshs. 4million per ward for the FY 2016-17 be rolled over to the FY 2017-18 and budgeted for to completion;
- iv.** The Sector should urgently recruit technical officers such as Energy, Water and Sanitation Engineers or seek secondment from NCWSC for the sole purpose of having adequate technical capacity in the Sector;
- v.** Revenue mobilization should be enhanced to ensure that the Sector continues to implement its projects without any cash flow limitations;
- vi.** The Sector need to initiate procurement processes early enough so as not to derail implementation of proposed projects; and

- vii. Sector input on resource requirement should be considered by the Finance and Economic Planning department before developing the CFSP.

X. Children, Early Childhood Education and Vocational Training Committee

- i. That the budget estimates for the Sector be approved as proposed
- 15. Mr. Speaker Sir,** the Office of the Controller of Budget has over time decried the lack of guidelines to govern the allocation of funds and issuance of bursaries. To cure this anomaly, the County Executive submitted to this Assembly the PFM (Bursary Fund) Regulations which aim to give legal backing to the children support that we as members have been giving to our ward residents. The Budget Committee encourages the Assembly actors to review and pass the regulations at the earliest opportunity.
- 16. Mr. Speaker Sir,** it has not been long since the doctors ended their over ninety days' long strike that greatly paralyzed the delivery of the health function. The end product of that strike was the agreement that the Collective Bargaining Agreement between the Union and the Health Sector be implemented. Further, the County Government employees are also seeking remuneration hike through a CBA whose implementation is expected to be rolled out in the coming financial year. The Committee heard from the Public Service Management during these deliberations that the cost implication of paying the negotiated doctor's allowances and the County Government's would be about Kshs. 2billion with only Kshs. 800million included in the printed estimates. The Committee would hence be proposing amendments in the budget to reinforce the allocations for implementation of CBAs.

17. Mr. Speaker Sir, the role of the County Budget and Economic Forum is established pursuant to the provisions of Section 137 of the PFM Act 2012 and mandated to provide a means of consultation on matters related to budgeting, the economy and financial management. In furtherance of their mandate, the non-state actors identified key issues on the budget estimates which were duly forwarded to the Budget Committee by the CEC for Finance. The issues range from public participation, role of CBEF in budgeting, transparency of the budget, budget performance, debt resolution among others. The Committee considered the submissions and have included the recommendations as part of this report. Of note is that the Budget Committee confirmed that the Forum has been allocated Kshs. 30million for its operations under the County Executive Services.

18. Mr. Speaker Sir, the Finance, Budget and Appropriations Committee also acts as a Sectoral Committee with the initial mandate of reviewing the estimates of various departments including Finance, Administration and Economic Planning, Specific departments under the Governor's Office, County Executive Services and the County Assembly. The Committee would wish to inform the house that this was adequately done and the various accounting officers from these sectors given the chance to defend their respective budgets and the recommendations on the sectors are indeed part of this report.

E. Summary of Key Issues Arising from Public Hearings

Mr. Speaker Sir, the provisions of Article 221 (5) of the Constitution and Section 131 (2) of the PFM Act, 2012 require that the Committee in finalizing its recommendations on the budget estimates to the Assembly shall consider the views of the public in the proposed recommendations. To satisfy these provisions, the County Assembly placed adverts on the newspapers of Tuesday 21st March 2017 calling on members of the public to submit their views on the

estimates and to take part in public hearings held on Monday 27th March 2017 at Charter Hall.

In summary, the public made the following submissions:

- a) Ensure fairness in distribution of water by the company;
- b) Allocate funds for the youth in the budget;
- c) Switch off lights on Mathiora road during the day;
- d) Budget for cash balances;
- e) Reduce budgetary allocations for purchase of motor vehicles;
- f) Allocate funds to encourage compliance rather than enforcement of the County Government Revenue rising measures;
- g) Implement programs to reduce the wage bill;
- h) NCWSC need to walk closely with the planning department to ensure that buildings are aligned to the water and sewerage systems;
- i) Have clear records of the loans inherited by the defunct City Council of Nairobi;
- j) Rehabilitate water systems and get rid of illegal water connections;
- k) Rationalize the cost of the 17 greenhouses under Agriculture Sector;
- l) Improve the status of garbage collection, health facilities, markets, public toilets and sewerage in Utawala Ward;
- m) Allocate funds for rehabilitation of playgrounds in Gatina Ward;
- n) Open up the social halls for use by the members of the public;
- o) Upgrade Nairobi Milimani Secondary School to a Boys Boarding School;
- p) Relocate County education offices from Nairobi Milimani Secondary School to Lady Northey Home to allow the school room for expansion and provision of library;
- q) Grow indigenous trees to replace those cut due to road expansions and other developments;
- r) Expand city roads to dual carriage ways and construct additional bus parks;
- s) Improve the street lighting in the City; and
- t) Employ solar energy in council buildings as a cost cutting measure

F. Recommendations:

19. Mr. Speaker, the remainder of this report should hence be construed as an amendment on the submitted budget for the financial year 2017-18 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 Sectors, Sectoral Committees and the public:

a) Policy Measures

20. Mr. Speaker Sir, 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:

- i. That all Sectors prioritize completion of roll over projects before initiating any new ones in the FY 2017-18;
- ii. That the CECM for Finance, the CECM for Urban Planning and the Head of Procurement undertakes internal functional audit and assessment in view of improving their efficiency and effectiveness regarding implementation of the Sector budgets in liaison with respective Sectors;
- iii. That in compliance with the provisions of Section 148 of the PFM Act 2012, the CECM for Finance do assign full accounting functions to all Chief Officers in the County Government;
- iv. That the County Public Service Board immediately makes a decision and reports to this Assembly on the confirmation or otherwise of the officers currently serving on an acting capacity in the County Government;
- v. That the public views be taken into account on the urban renewal projects;

- vii. That measures be initiated by the County Executive to ensure that procurement procedures are not delayed leading to stalled sectors' approved projects;
- viii. That the County Executive ensures that there is sufficient allocation of not less than 2% of recently audited total county revenues for public participation in line with the provisions of the Nairobi City County Public Participation Act 2015;
- viii. That the Public Service Management develops a policy to guide the Voluntary Early Retirement;
- ix. The County to undertake an evaluation of the Ward Development Fund with a view of enhancing performance, reducing political interference and making it more impactful to infrastructure development;
- x. That the Water Sector should seek for secondment of technical officers such as Energy, Water and Sanitation Engineers from NCWSC for the sole purpose of having adequate technical capacity;
- xi. The County Executive Committee Member for Finance to ensure that all expenditure commitments be periodically matched to the expected revenues taking into consideration changes in the economic environment that may affect revenue collection;
- xii. That revenue mobilization should be enhanced to ensure that Sectors continue to implement projects without any cash flow limitations; and
- xiii. That, and in compliance with the provisions of Regulation 35 of the PFM (County Government) Regulations 2015, the County Treasury shall submit to this Assembly an Appropriations Bill that contains votes and programs of the financial year.

b) Proposed Adjustments and Reallocations in the 2017-18 Budget Estimates

21. Mr. Speaker Sir, as has been said the Budget Committee received presentations from Chairs of Sectoral Committees on recommendations

and proposed adjustments in the 2017-18 budget. It is however noteworthy to point out that most Sectoral Committees were satisfied with their Sectors, allocations as contained in the printed estimates.

22. Mr. Speaker Sir, once again the Committee wishes to remind the Assembly that whereas the provisions of Section 131 of the PFM Act, 2012 gives the County Assembly through the Finance, Budget and Appropriations Committee the mandate to make amendments on the budget, such amendment can only be done in line with minimum parameters stated in Section 131 (3) of the Act. Section 131 (3) of the PFM Act dictate that an amendment may be made in the budget only if three conditions are satisfied, namely;

- i. It is in accordance with the resolutions adopted regarding the County Fiscal Strategy Paper;
- ii. Any increase in expenditure in a proposed appropriation is balanced by a reduction in expenditure in another proposed appropriation; and
- iii. Any proposed reduction in expenditure is used to reduce the deficit.

23. Further, we note **Mr. Speaker** that the provisions of Regulation 37 of the PFM (County Government) Regulations 2015 have set a bar for any such changes at not more than 1% of the approved Votes ceilings. Whereas the Budget Committee believes this provision is highly restrictive, it is duty bound to only operate within its boundaries nonetheless. The Committee urges the Senate to follow up and ensure that this restrictive provision is set aside.

24. Mr. Speaker Sir, it is in this regard therefore and in strict adherence to the above provisions of the law, the Budget Committee wishes to make the following adjustments in the budget. These needs were identified jointly with the Sectoral Committees, Sectors Heads and Budget and Appropriations committee. The Committee wishes to assure the Members

that the views of the County Executive Committee Member for finance and the public have been taken into account as required by the law.

I. Expenditure Reallocations

- a) That under the Security and Disaster Management Sub-Sector, Kshs. 11.6million allocated for purchase of motor vehicles (Fire and Disaster Management Sub-Sector) be struck off the budget and replaced thereof with sensitizing community on firefighting and disaster management;
- b) That the allocation for ICT related projects under Legal Affairs, General Administration and Supply Chain Management be reallocated to be undertaken under ICT Sector. The projects are as follows:
 - Purchase of special plant, equipment and machinery under Legal Affairs at Kshs. 5million;
 - Purchase of software under Legal Affairs at Kshs. 5million;
 - Purchase of special plan, equipment and machinery under Administration Department at Kshs. 15million;
 - Purchase of software under Administration department at Kshs. 15million;
 - Purchase of special plant, equipment and machinery under Supply Chain Management at Kshs. 3million; and
 - Purchase of specialized plan under Supply Chain Management at Kshs. 3million.
- c) That the estimates for the Legal Affairs Sub-Sector be reduced by Kshs. 10million under Vote 3111112 for purchase of software at Kshs. 5million and vote 3111100 for purchase of special plant equipment and machinery at Kshs. 5million. The amount be transferred to the ICT Department under development vote;
- d) That the development Vote for the Administration Department be reduced by Kshs. 10million under the Vote codes 110700 on purchase of vehicles and other transport equipment and the amounts be transferred to development budget of the Inspectorate Department;

- e) That Under development expenditure for Public Works Transport and Infrastructure under Roads Department Kshs 178,988,999 be transferred from code 3110504 to code 2220299 to increase the amount allocated for road maintenance levy projects (RMF) to be in line what is the budget as the disbursements from RMF.

II. Expenditure Reductions

- a) That under the Finance and Economic Planning Sector the allocation for Other Creditors (debt repayment) be reduced by Kshs. 651million

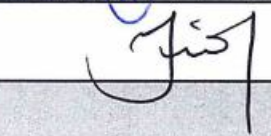
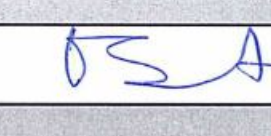
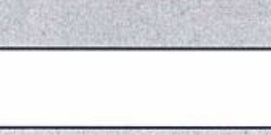
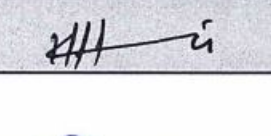
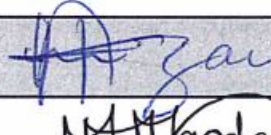
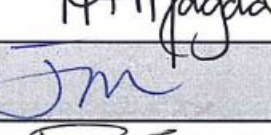
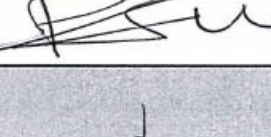
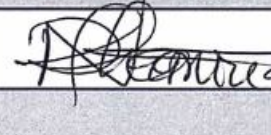
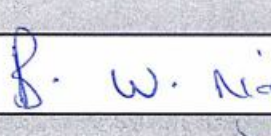
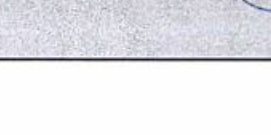
III. Expenditure Increases

- b) That the allocation for General Administration under Health Sector be increased by Kshs. 651million. The amounts to carter for revised allowances for various medical personnel.

Mr. Speaker Sir, in conclusion and pursuant to the provisions of Section 131 (1) of the Public Finance Management Act 2012 and Standing Order 207 (6) the County Budget and Appropriation Committee recommends that:

This County Assembly adopts the Report of the Finance, Budget and Appropriations Committee on the Budget Estimates for the Nairobi City County Government and County Assembly for the FY 2017-18

We the undersigned Members of the Finance, Budget and Appropriations Committee affirm that this is the approved report of the Committee on the Budget Estimates for the Nairobi City County Government and County Assembly for the FY 2017-18 as adopted by the Committee on the 4th day of April 2017

NAME	SIGNATURE
1. Hon. Michael Okumu, MCA	
2. Hon. George Ochoa, MCA.	
3. Hon. Fredrick Obenge, MCA.	
4. Hon. Caroline Muga, MCA	
5. Hon. Helen Katangie, MCA	
6. Hon. Osman Ibrahim, MCA	
7. Hon. Jackson Gikandi, MCA	
8. Hon. Kenneth Muroki, MCA	
9. Hon. David Kairu, MCA	
10. Hon. Catherine Okoth, MCA	
11. Hon. Herman Azangu, MCA	
12. Hon. Magdalene Mbogori, MCA	
13. Hon. Jane Muasya, MCA	
14. Hon. Peter Isuha, MCA	
15. Hon. Isaac Ngige, MCA	
16. Hon. Ngaruiya Chege, MCA	
17. Hon. Samuel Irungu, MCA	
18. Hon. Bernadette Wangui, MCA	
19. Hon. Victoria Alali, MCA	

**MINUTES OF THE 35TH SITTING OF 2017 OF THE NAIROBI CITY COUNTY
ASSEMBLY FINANCE BUDGET AND APPROPRIATIONS COMMITTEE HELD ON
TUESDAY 4TH APRIL 2017 AT 12PM AT CHARTER HALL, CITY HALL BUILDINGS**

PRESENT

1. **Hon. Michael Ogada, MCA** **Chairperson**
2. Hon. Fredrick Obenge, MCA.
3. Hon. Osman Ibrahim, MCA
4. Hon. David Kairu, MCA
5. Hon. Herman Azangu, MCA
6. Hon. Peter Isuha, MCA
7. Hon. Magdalene Mbogori, MCA
8. Hon. Caroline Muga MCA
9. Hon. Jane Muasya, MCA
10. Hon. Bernadette Wangui, MCA
11. Hon. Ngaruiya Chege, MCA

ABSENT

1. **Hon. George Ochola, MCA.** **Vice Chairman**
2. Hon. Kenneth Muroki, MCA
3. Hon. Isaac Ngige, MCA
4. Hon. Catherine Okoth MCA
5. Hon. Helen Katangie MCA
6. Hon. Victoria Alali, MCA
7. Hon. Samuel Irungu, MCA
8. Hon. Jackson Kiama MCA

SECRETARIAT

- | | |
|----------------------|--------------------|
| 1. Erick Otieno | Fiscal Analyst/BAC |
| 2. Mr. Moses Senator | Fiscal Analyst |

MIN 138/FBAC/APRIL2017: Preliminaries

The Chairman called the meeting to five minutes past twelve noon and the opening prayers were read by the Hon. Peter Isuha.

The following agenda was adopted for the meeting after having proposed by the Hon. David Kairu and being seconded by the Hon. Jane Muasya:-

1. Preliminaries
2. Consideration and Adoption of the draft Budget Committee report on the Budget Estimates for the FY 2017-18
3. Any Other Business
4. Adjournment

MIN 139/FBAC/ APRIL /2017: Consideration and Adoption of the draft Budget Committee report on the Budget Estimates for the FY 2017-18

The Committee Clerk presented to the Committee the draft report on the Budget Estimates for the FY 2017-18. He informed the meeting that the County Executive Committee Member for Finance had considered the recommendations and submitted his views on the same. The Committee reviewed the views of the CEC and adopted some of them for inclusion in the Committee report. The following were hence the final recommendations adopted by the Committee:

a) Policy Measures

- i. That all Sectors prioritize completion of roll over projects before initiating any new ones in the FY 2017-18;

- ii. That the CECM for Finance, the CECM for Urban Planning and the Head of Procurement undertakes internal functional audit and assessment in view of improving their efficiency and effectiveness regarding implementation of the Sector budgets in liaison with respective Sectors;
- iii. That in compliance with the provisions of Section 148 of the PFM Act 2012, the CECM for Finance do assign full accounting functions to all Chief Officers in the County Government;
- iv. That the County Public Service Board immediately makes a decision and reports to this Assembly on the confirmation or otherwise of the officers currently serving on an acting capacity in the County Government;
- v. That the public views be taken into account on the urban renewal projects;
- vi. That measures be initiated by the County Executive to ensure that procurement procedures are not delayed leading to stalled sectors' approved projects;
- vii. That the County Executive ensures that there is sufficient allocation of not less than 2% of recently audited total county revenues for public participation in line with the provisions of the Nairobi City County Public Participation Act 2015;
- viii. That the Public Service Management develops a policy to guide the Voluntary Early Retirement;
- ix. The County to undertake an evaluation of the Ward Development Fund with a view of enhancing performance, reducing political interference and making it more impactful to infrastructure development;
- x. That the Water Sector should seek for secondment of technical officers such as Energy, Water and Sanitation Engineers from NCWSC for the sole purpose of having adequate technical capacity;
- xi. The County Executive Committee Member for Finance to ensure that all expenditure commitments be periodically matched to the expected revenues taking into consideration changes in the economic environment that may affect revenue collection;

- xii. That revenue mobilization should be enhanced to ensure that Sectors continue to implement projects without any cash flow limitations; and
- xiii. That, and in compliance with the provisions of Regulation 35 of the PFM (County Government) Regulations 2015, the County Treasury shall submit to this Assembly an Appropriations Bill that contains votes and programs of the financial year.

b) Proposed Adjustments and Reallocations in the 2017-18 Budget Estimates

I. Expenditure Reallocations

- a) That under the Security and Disaster Management Sub-Sector, Kshs. 11.6million allocated for purchase of motor vehicles (Fire and Disaster Management Sub-Sector) be struck off the budget and replaced thereof with sensitizing community on firefighting and disaster management;
- b) That the allocation for ICT related projects under Legal Affairs, General Administration and Supply Chain Management be reallocated to be undertaken under ICT Sector. The projects are as follows:
 - Purchase of special plant, equipment and machinery under Legal Affairs at Kshs. 5million;
 - Purchase of software under Legal Affairs at Kshs. 5million;
 - Purchase of special plant, equipment and machinery under Administration Department at Kshs. 15million;
 - Purchase of software under Administration department at Kshs. 15million;
 - Purchase of special plant, equipment and machinery under Supply Chain Management at Kshs. 3million; and
 - Purchase of specialized plan under Supply Chain Management at Kshs. 3million.
- c) That the estimates for the Legal Affairs Sub-Sector be reduced by Kshs. 10million under Vote 3111112 for purchase of software at Kshs. 5million and vote 3111100 for purchase of

special plant equipment and machinery at Kshs. 5million. The amount be transferred to the ICT Department under development vote;

- d) That the development Vote for the Administration Department be reduced by Kshs. 10million under the Vote codes 110700 on purchase of vehicles and other transport equipment and the amounts be transferred to development budget of the Inspectorate Department;
- e) That Under development expenditure for Public Works Transport and Infrastructure under Roads Department Kshs 178,988,999 be transferred from code 3110504 to code 2220299 to increase the amount allocated for road maintenance levy projects (RMF) to be in line what is the budget as the disbursements from RMF.

II. Expenditure Reductions

- a) That under the Finance and Economic Planning Sector the allocation for Other Creditors (debt repayment) be reduced by Kshs. 651million

III. Expenditure Increases

- b) That the allocation for General Administration under Health Sector be increased by Kshs. 651million. The amounts to carter for revised allowances for various medical personnel.

The draft report of the Finance, Budget and Appropriations Committee was hence adopted with the above recommendations having been proposed by the Hon. David Kairu and being seconded by the Hon. Herman Azangu.

MIN140/FBAC/APRIL/2017: Adjournment

The Chairman adjourned the meeting at 1pm

CONFIRMED AS THE TRUE RECORD OF THE PROCEEDINGS

Sign.....



Date.....

4/4/17

Hon. Michael O. Ogada (Chairman)

**MINUTES OF THE 34TH SITTING OF 2017 OF THE NAIROBI CITY COUNTY
ASSEMBLY FINANCE BUDGET AND APPROPRIATIONS COMMITTEE HELD ON
SUNDAY 2ND APRIL 2017 AT 10AM AT SAWELA LODGE, NAIVASHA NAKURU**

PRESENT

- | | |
|---------------------------------|---------------|
| 1. Hon. Michael Okumu, MCA | Chairperson |
| 2. Hon. George Ochola, MCA. | Vice Chairman |
| 3. Hon. Fredrick Obenge, MCA. | |
| 4. Hon. Osman Ibrahim, MCA | |
| 5. Hon. Kenneth Muroki, MCA | |
| 6. Hon. David Kairu, MCA | |
| 7. Hon. Herman Azangu, MCA | |
| 8. Hon. Peter Isuha, MCA | |
| 9. Hon. Victoria Alali, MCA | |
| 10. Hon. Samuel Irungu, MCA | |
| 11. Hon. Magdalene Mbogori, MCA | |
| 12. Hon. Caroline Muga MCA | |
| 13. Hon. Jackson Kiama MCA | |
| 14. Hon. Jane Muasya, MCA | |

ABSENT

1. Hon. Bernadette Wangui, MCA
2. Hon. Ngaruiya Chege, MCA
3. Hon. Isaac Ngige, MCA
4. Hon. Catherine Okoth MCA
5. Hon. Helen Katangie MCA

IN ATTENDANCE- COUNTY EXECUTIVE OFFICERS

- | | |
|-----------------------|-----------------------|
| 1. Mr. James Ngunjiri | Head of County Budget |
| 2. Mr. Shaban Asman | Chief Revenue Officer |
| 3. Mr. Daniel Kibet | Director Payroll |
| 4. Mr. Tirus Kamau | Budgeting |

SECRETARIAT

- | | |
|--------------------------|---------------------------------|
| 1. Mr. Fredrick Macharia | Senior Finance Planning Officer |
| 2. Erick Otieno | Fiscal Analyst/BAC |
| 3. Mr. Moses Senator | Fiscal Analyst |
| 4. Mr. Farah Gabow | Finance Officer |
| 5. Mr. Alphonse Ouma | Fiscal Analyst |
| 6. Mr. Brian Yambo | Public Relations Assistant |
| 7. Ms. Olger Atieno | Finance Assistant |

MIN 133/FBAC/APRIL2017: Preliminaries

The Chairman called the meeting to order at ten o'clock with opening prayers being led by Hon Herman Azangu.

MIN 134/FBAC/ APRIL /2017: Discussion on the Estimates of the County Assembly Service Board

The Senior Finance Planning Officer Mr. Fredrick Macharia took the Committee through the budget estimates for the Nairobi City County Assembly Service Board. In response the Members raised the following issues:

- a) The Members while noting that due to the General Elections planned for August 2017 the Members of the County Assembly were likely have their terms cut short thereby missing out on salaries and allowances for a period of eight months. The members enquired whether the amounts could be incorporated in the annual estimates. The Senior Finance Planning Officer in the Assembly informed the Members that there was an ongoing court case over the legal term of the County Assemblies. He went ahead to

tell the Members that in addition there was budget constraint arising from the ceiling on recurrent expenditure set by the Commission on Revenue Allocation making it highly impossible to accommodate the amounts. On his part the County Assembly Fiscal Analyst advised that since the issue of the term of the County Assemblies was being handled by CAF a uniform position and direction to all County Assemblies could better be communicated by the umbrella body. He noted that it would not serve well for Nairobi City County Assembly to go it alone on such matter that affected the entire nation.

- b) Members agreed that the proposed allocation be shelved until all the issues in court related to the term of the First Assemblies were heard and determined.

MIN135/FBAC/ APRIL /2017: Discussion and Determination on the budget of respective Sectors as per the recommendations of the Sectoral Committees

The Committee resolved the following;

I. Expenditure Reallocations

- a) That under the Security and Disaster Management Sub-Sector, Kshs. 11.6million allocated for purchase of motor vehicles (Fire and Disaster Management Sub-Sector) be struck off the budget and replaced thereof with sensitizing community on firefighting and disaster management;
- b) That Estimates in the FY 2017-18 for the City Inspectorate and Investigation Sub-Sector the allocation of Kshs. 10million for purchase of vehicles for the Sub-County administration be transferred to the Inspectorate department for purchase of vehicles;
- c) That the allocation for ICT related projects under Legal Affairs, General Administration and Supply Chain Management be reallocated to be undertaken under ICT Sector. The projects are as follows:
- Purchase of special plant, equipment and machinery under Legal Affairs at Kshs. 5million;
 - Purchase of software under Legal Affairs at Kshs. 5million;

- Purchase of special plant, equipment and machinery under Administration Department at Kshs. 15million;
 - Purchase of software under Administration department at Kshs. 15million;
 - Purchase of special plant, equipment and machinery under Supply Chain Management at Kshs. 3million; and
 - Purchase of specialized plan under Supply Chain Management at Kshs. 3million.
- d) That the estimates for the Legal Affairs Sub-Sector be reduced by Kshs. 10million under Vote 3111112 for purchase of software at Kshs. 5million and vote 3111100 for purchase of special plant equipment and machinery at Kshs. 5million. The amount be transferred to the ICT Department under development vote;
- e) That the development Vote for the Administration Department be reduced by Kshs. 10million under the Vote codes 110700 on purchase of vehicles and other transport equipment and the amounts be transferred to development budget of the Inspectorate Department.

II. Expenditure Reductions

- a) That under the Finance and Economic Planning Sector the allocation for Other Creditors (debt repayment) be reduced by Kshs. 651million

III. Expenditure Increases

- b) That the allocation for General Administration under Health Sector be increased by Kshs. 651million. The amounts to cater for revised allowances for various medical personnel.

MIN136/FBAC/ APRIL /2017: Determination on policy measures

The Committee resolved as follows:

- i. That all Sectors prioritize completion of roll over projects before initiating any new ones in the FY 2017-18;
- ii. That the CECM for Finance, the CECM for Urban Planning and the Head of Procurement undertakes internal functional audit and assessment in view of

- improving their efficiency and effectiveness regarding implementation of the Sector budgets in liaisons with respective Sectors;
- iii. That in compliance with the provisions of Section 148 of the PFM Act 2012, the CECM for Finance do assign full accounting functions to all Chief Officers in the County Government;
 - iv. That the County Public Service Board immediately makes a decision and reports to this Assembly on the confirmation or otherwise of the officers currently serving on an acting capacity in the County Government;
 - v. That the public views be taken into account on the urban renewal projects;
 - vi. That measures be initiated by the County Executive to ensure that procurement procedures are not delayed leading to stalled sectors' approved projects;
 - vii. That the County Executive ensures that there are sufficient allocations not less than 2% of recently audited total county revenues for public participation in line with the provisions of the Nairobi City County Public Participation Act 2012;
 - viii. That the Public Service Management develops a policy to guide the Voluntary Early Retirement;
 - ix. The County to undertake an evaluation of the Ward Development Fund with a view of enhancing performance, reducing political interference and making it more impactful to infrastructure development;
 - x. That the Water Sector should seek for secondment of technical officers such as Energy, Water and Sanitation Engineers from NCWSC for the sole purpose of having adequate technical capacity;
 - xi. That revenue mobilization should be enhanced to ensure that Sectors continue to implement projects without any cash flow limitations; and
 - xii. That, and in compliance with the provisions of Regulation 35 of the PFM (County Government) Regulations 2015, the County Treasury shall submit to this Assembly an Appropriations Bill that contains votes and programs of the financial year.

MIN137/FBAC/APRIL/2017: Adjournment

The Chairman adjourned the meeting at 1.45pm

CONFIRMED AS THE TRUE RECORD OF THE PROCEEDINGS

Sign.....

Date.....4/4/17

Hon. Michael O. Ogada (Chairman)

MINUTES OF THE 33RD SITTING OF 2017 OF THE NAIROBI CITY COUNTY ASSEMBLY FINANCE BUDGET AND APPROPRIATIONS COMMITTEE HELD ON SATURDAY 1ST APRIL 2017 AT 10AM AT SAWELA LODGE, NAIVASHA NAKURU

PRESENT

1. Hon. Michael Okumu, MCA Chairperson
2. Hon. George Ochoa, MCA. Vice Chairman
3. Hon. Fredrick Obenge, MCA.
4. Hon. Osman Ibrahim, MCA
5. Hon. Kenneth Muroki, MCA
6. Hon. David Kairu, MCA
7. Hon. Herman Azangu, MCA
8. Hon. Peter Isuha, MCA
9. Hon. Victoria Alali, MCA
10. Hon. Samuel Irungu, MCA
11. Hon. Magdalene Mbogori, MCA
12. Hon. Jane Muasya, MCA
13. Hon. Hellen Katangie, MCA
14. Hon. Catherine Okoth, MCA
15. Hon. Isaac Ngige, MCA
16. Hon. Caroline Muga, MCA
17. Hon. Jackson Kiama, MCA

ABSENT

1. Hon. Bernadette Wangui, MCA
2. Hon. Ngaruiya Chege, MCA

IN ATTENDANCE- SECTORAL COMMITTEE CHAIRPERSON

1. Hon. Tabitha Ndigirigi Ag. Chairperson of Transport Committee
2. Hon. Florence Athembo Ag. Chairperson of Trade Committee

- | | |
|------------------------|--|
| 3. Hon. Tabitha Juma | Ag. Chairperson of Education Committee |
| 4. Hon. Benson Amutavi | Chairman of Agriculture Committee |
| 5. Hon. Kennedy Oduru | |

COUNTY EXECUTIVE OFFICERS

- | | |
|---------------------------|------------------------------------|
| 1. Mr. Gregory Mwakanongo | CECM Finance and Economic Planning |
| 2. Mr. James Ngunjiri | Head of County Budget |
| 3. Mr. Daniel Kibet | Payroll Manager |
| 4. Mr. Tirus Kamau | Budgeting |
| 5. Ms. Elizabeth Nderitu | Accountant |
| 6. Ms. Peris Wanjiru | Accountant |
| 7. Ms. Irene Kihara | Administrator |
| 8. Mr. Sianga Chege | Economist |
| 9. Ms. Petronilla Kangara | Economist |

SECRETARIAT

- | | |
|--------------------------|---------------------------------|
| 1. Mr. Fredrick Macharia | Senior Finance Planning Officer |
| 2. Mr. Erick Otieno | Fiscal Analyst/BAC |
| 3. Mr. Moses Senator | Fiscal Analyst |
| 4. Mr. Farah Gabow | Finance Officer |
| 5. Ms. Olger Atieno | Finance Assistant |
| 6. Ms. Shirley Achieng | Clerk Assistant |
| 7. Mr. Shadrack Makokha | Clerk Assistant |
| 8. Mr. Erick Njoga | Clerk Assistant |
| 9. Ms. Hellen Mutie | Clerk Assistant |
| 10. Mr. Brian Yambo | Public Relations Assistant |

MIN 124/FBAC/APRIL2017: Preliminaries

The Chairman called the meeting to order at ten o'clock with opening prayers being led by Hon. Magdalene Mbogori.

MIN 125/FBAC/APRIL/2017: Discussion on the Report of the Sectoral Committee on Transport and Public Works

The Committee on Transport, Roads & Public Works recommended that:

- 1) The 2017/2018 budget estimates document for the Transport, Roads & Public Works be adopted as it is.
- 2) The County Government to fast-track completion of links roads linking to main roads
- 3) The Officers responsible for maintaining street lights to ensure that the lights are switched off during the day so as to conserve power and reduce on costs.

MIN 126/FBAC/ APRIL /2017: Discussion on the Report of the Sectoral Committee on Agriculture, Environment and Natural Resources

The Committee on Agriculture, Environment and Natural Resources recommended that:

- i. In order to align the Estimates to the CFSP the Budget estimates for the Sector be retained at Ksh.529,000,000 comprising of Ksh.357,000,000 recurrent expenditure and Ksh.154,000,000
- ii. The budget estimates for the Environment sector be retained at Ksh.1,285,000,000 for the recurrent expenditure and Ksh.550,000,000 for development expenditure as it is in the printed estimates.

MIN 127/FBAC/ APRIL /2017: Discussion on the Report of the Sectoral Committee on Trade, Tourism and Cooperative Development

Having considered and taken into account the various views of the CEC Member responsible for Trade, Tourism and Cooperative Development, the Committee recommends that the Budget Committee approves the estimates as tabled in the Assembly.

MIN 128/FBAC/ APRIL /2017: Discussion on the Report of the Sectoral Committee on Justice and Legal Affairs

The Sectoral Committee on Justice Committee recommended that: -

- i. The Estimates in the FY 2017/2018 for the City Inspectorate and Investigation department/sector, the allocation for purchase of vehicles for the sub-county department be transferred to the inspectorate department for purchase of vehicles under capital expenditure.
- ii. The Estimates in the FY 2017/2018 for the Legal Affairs sector be reduced by Ksh. 10 Million from the current Ksh. 205,000,000 to Ksh. 195,000,000 of which ksh. 185,000,000 to be for recurrent expenditure and Ksh.10,000,000 is for capital expenditure. The reduction will be from the development vote.
- iii. That development vote code: 5312000000 in the Estimates in the FY 2017/2018 for the General Administration sector be reduced from Ksh. 235,000,000 to Ksh. 225,000,000. A reduction of 10 Million under the development code 110700 on Purchase of vehicles and other transport equipment of Kshs.10 Million and be transferred to the Inspectorate department to supplement its capital expenditure for the same.

MIN 129/FBAC/ APRIL /2017: Discussion on the Report of the Sectoral Committee on Planning and Housing

The Sectoral Committee recommended;

- i. That funds be allocated for surveying, valuation and demarcation of County land;

- ii. That the County Public Service Board makes a decision to either confirm or not to confirm officers currently serving on an acting capacity under the Sector; and
- iii. That an amount not exceeding Kshs.379 million in the Recurrent Vote (R5316000000) and an amount not exceeding Kshs.444 million in the Development Vote (D5316000000) be withdrawn from the Consolidated Fund to finance the programmes and projects of the Sector.

Consequently, the Committee noted and recommended, as follows in Urban Renewal and Housing;

- i. That the current tenants be fully involved in the ongoing activities for the renewal of the old estate; and
- ii. That an amount not exceeding Kshs.140 million in the Recurrent Vote (R5324000000) and an amount not exceeding Kshs.180 million in the Development Vote (D5324000000) be withdrawn from the Consolidated Fund to finance the programmes and projects of the Sector

MIN 130/FBAC/ APRIL /2017: Discussion on the Report of the Sectoral Committee on Culture and Community Services; Children, Early Childhood Education and Vocational Training and Labour, Social Welfare (Sport, Youth and Gender)

The Sectoral Committee on Children, Early Childhood Education and Vocational Training resolved to adopt the Budget Estimates as proposed; Kshs. 200,000,000 for Development Expenditure and Kshs. 56,700,000 for Recurrent Expenditure (excluding expenditure for General Administration and support services which also amount to 846,050,000).

MIN 131/FBAC/ APRIL /2017: Discussion on the Report of the Sectoral Committee on Labour and Social Welfare (County Public Service Board and Public Service Management).

The Sectoral Committee recommended that the Budget estimates be approved as tabled in the Assembly.

During plenary the following issue was raised:-

The Officer from the County Payroll informed the Members that due to the increment of the doctors salaries and allowances and the continuing Collective Bargain by the County employees and the salaries were projected to grow by Kshs.1.2billion. The Head of County Budget told the Members that they had already factored up to Kshs.800million in the budget for the CBA. However the allowances for doctors had not been factored.

Resolutions

That the County Treasury reallocates within the budget to provide for the allowances of the Doctors.

MIN132/FBAC/APRIL/2017: Adjournment

The Chairperson adjourned the meeting at thirty minutes past one o'clock in the afternoon 1.30pm

CONFIRMED AS THE TRUE RECORD OF THE PROCEEDINGS

Sign.....

Date.....

Hon. Michael O. Ogada (Chairman)

MINUTES OF THE 32ND SITTING OF 2017 OF THE NAIROBI CITY COUNTY ASSEMBLY FINANCE BUDGET AND APPROPRIATIONS COMMITTEE HELD ON FRIDAY 31ST MARCH 2017 AT 2.00PM AT SAWELA LODGE, NAIVASHA NAKURU

PRESENT

- | | |
|-------------------------------|---------------|
| 1. Hon. David Kairu, MCA | Chairing |
| 2. Hon. George Ochola, MCA. | Vice Chairman |
| 3. Hon. Fredrick Obenge, MCA. | |
| 4. Hon. Osman Ibrahim, MCA | |
| 5. Hon. Kenneth Muroki, MCA | |
| 6. Hon. Herman Azangu, MCA | |
| 7. Hon. Victoria Alali, MCA | |
| 8. Hon. Samuel Irungu, MCA | |
| 9. Hon. Michael Okumu, MCA | |
| 10. Hon. Jane Muasya, MCA | |
| 11. Hon. Hellen Katangie, MCA | |
| 12. Hon. Caroline Muga, MCA | |
| 13. Hon. Isaac Ngige, MCA | |
| 14. Hon. Catherine Okoth, MCA | |

ABSENT

1. Hon. Bernadette Wangui, MCA
2. Hon. Jackson Kiama MCA
3. Hon. Peter Isuha, MCA
4. Hon. Ngaruiya Chege, MCA
5. Hon. Magdalene Mbogori, MCA

In Attendance

Sectoral Committee Chairperson

- | | |
|---------------------------|--|
| 1. Hon. Tabitha Ndigirigi | Ag. Chairperson of the Transport Committee |
| 2. Hon. Florence Athembo | Ag. Chair of the Trade and Tourism Committee |

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|---------------------------|---|
| 3. Hon. Tabitha Juma | Ag. Chairperson of the Education Committee |
| 4. Hon. Manoah Mboku | Chairman of Health Services Committee |
| 5. Hon. Ronald Milare | Chairman of Culture and Social services Committee |
| 6. Hon. Alex Otieno | Chairman of Water Committee |
| 7. Hon. Rosemary Macharia | Ag. Chairperson of Agriculture Committee |
| 8. Hon. Ken Oduru | |

County Executive Officers

- | | |
|----------------------------|----------------------------|
| 1. Mr. Kefa Omanga | Director Economic Planning |
| 2. Mr. James Ngunjiri | Head of County Budget |
| 3. Mr. Samson Kamau | Accountant |
| 4. Mr. Zadock Angahya | Deputy Director Health |
| 5. Mr. Tirus Kamau | Budgeting |
| 6. Ms. Elizabeth Nderitu | Accountant |
| 7. Ms. Peris Wanjiru | Accountant |
| 8. Ms. Irene Kihara | Administrator |
| 9. Mr. Sianga Chege | Economist |
| 10. Ms. Petronilla Kangara | Economist |

SECRETARIAT

- | | |
|--------------------------|---------------------------------|
| 1. Mr. Fredrick Macharia | Senior Finance Planning Officer |
| 2. Mr. Erick Otieno | Fiscal Analyst/ Clerk to BAC. |
| 3. Mr. Alphonse Ouma | Fiscal Analyst |
| 4. Mr. Moses Senator | Fiscal Analyst |
| 5. Mr. Farah Gabow | Finance Officer |
| 6. Mr. Guyo Sankala | Clerk Assistants |
| 7. Ms. Helen Mutie | Clerk Assistant |
| 8. Mr. Inyundele Austin | Clerk Assistant |
| 9. Mr. Wilfred Manyi | Clerk Assistant |
| 10. Mr. Sammy Kiptoo | Clerk Assistant |

11. Mr. Titus Muiruri	Clerk Assistant
12. Mr. Brian Yambo	Public Relations Assistant
13. Ms. Olger Atieno	Finance Assistant

MIN 121/FBAC/ MARCH /2017: Preliminaries

The Chairman called the meeting to order at two o'clock

MIN 122/FBAC/ MARCH /2017: Discussion on the Report of the Sectoral Committee on Health Services

The Chairman Committee on Health told the Members that the Committee had made the following recommendations;

- i. That considering that the Sector had a backlog of projects that have been rolled over from the previous financial years, the Sector should prioritize these projects in the FY2017/18 with minimal introduction of new projects.
- ii. That the Finance Budget and Appropriation Committee compels the County Executive Committee Members for Finance and Economic Planning, Urban Planning and Lands (Bills of Quantities) and Procurement Section to undertake internal functional audit and assessment in view of improving their efficiency and effectiveness in regards to implementation of the Health sector Budget and their liaison with the Sector.
- iii. That Finance and Economic Planning move with speed in establishment and activation of the Health Sector account in which the Sector financial receivables and allocations will be deposited for the purpose of undertaking the unique mandate of the Sector.
- iv. That the County Government strive and clear the balance owed to KEMSA in totality including the recent drug orders worth Ksh.268million and going forward such orders shall be processed and paid in real time.
- v. That the Finance Budget and Appropriation Committee approve the Sector's expenditure proposal in the budget estimates for FY 2017/18 after making provisions for the increased doctors' salaries and allowances.

Plenary

Members raised concerns over the allocations towards Loco health Centre in Land Mawe, whose allocation had been slashed from Ksh.10million to Ksh.2million. The Officer from the Sector informed the Members that the project cost estimates were done by quantity surveyors based on the needs of a given health sector.

The Members decried the inequality on funding of the allocated projects specifically Mama Lucy Hospital which has always been branded as a National Government project.

Members raised concerns with the allocation for HIV/Aids prevention and control, TB control, Malaria control and other communicable diseases, Reproductive Health and Maternal Health. They questioned the need for such huge allocations and how the funds were to be spent. The Health Officer told the members that the allocations were not meant to procure any item rather was for recurrent expenditure.

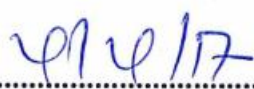
Members expressed disappointments on allocation of Ksh.15million meant for Community Health workers which had never shown progress despite yearly allocations in the past financial years. The Committee therefore directed the County Budget Officer to communicate to the Chief Officer on the need to ensure funds were utilized when budgeted to avoid hoarding of resources.

MIN 123/FBAC/ MARCH /2017: Adjournment

The Chair adjourned the meeting at four o'clock in the afternoon

CONFIRMED AS THE TRUE RECORD OF THE PROCEEDINGS

Sign.....

Date.....

Hon. Michael O. Ogada (Chairman)

MINUTES OF THE 31ST SITTING OF 2017 OF THE NAIROBI CITY COUNTY ASSEMBLY FINANCE BUDGET AND APPROPRIATIONS COMMITTEE HELD ON FRIDAY 31ST MARCH 2017 AT 10AM AT SAWELA LODGE, NAIVASHA NAKURU

PRESENT

- | | |
|-------------------------------|---------------|
| 1. Hon. David Kairu, MCA | Chairing |
| 2. Hon. George Ochola, MCA. | Vice Chairman |
| 3. Hon. Fredrick Obenge, MCA. | |
| 4. Hon. Osman Ibrahim, MCA | |
| 5. Hon. Kenneth Muroki, MCA | |
| 6. Hon. Herman Azangu, MCA | |
| 7. Hon. Victoria Alali, MCA | |
| 8. Hon. Samuel Irungu, MCA | |
| 9. Hon. Michael Ogada, MCA | |
| 10. Hon. Jane Muasya, MCA | |
| 11. Hon. Helen Katangie, MCA | |
| 12. Hon. Caroline Muga, MCA | |
| 13. Hon. Isaac Ngige, MCA | |
| 14. Hon. Catherine Okoth, MCA | |
| 15. Hon. Peter Isuha, MCA | |

ABSENT

1. Hon. Bernadette Wangui, MCA
2. Hon. Jackson Kiama MCA
3. Hon. Ngaruiya Chege, MCA
4. Hon. Magdalene Mbogori, MCA

IN ATTENDANCE- SECTORAL COMMITTEE CHAIRPERSON

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|---------------------------|--|
| 1. Hon. Tabitha Ndigirigi | Ag. Chairperson of the Transport Committee |
| 2. Hon. Florence Athembo | Ag. Chairperson of the Trade and Tourism Committee |
| 3. Hon. Tabitha Juma | Ag. Chairperson of the Education Committee |

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|---------------------------|---|
| 4. Hon. Manoah Mboku | Chairman of Health Services Committee |
| 5. Hon. Ronald Milare | Chairman of Culture and Social services Committee |
| 6. Hon. Alex Otieno | Chairman of Water Committee |
| 7. Hon. Rosemary Macharia | |
| 8. Hon. Ken Oduru | |

County Executive Officers

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| 1. Mr. Kefa Omanga | Director Economic Planning |
| 2. Mr. James Ngunjiri | Head of County Budget |
| 3. Mr. Samson Kamau | Accountant |
| 4. Mr. Zadock Angahya | Deputy Director Health |
| 5. Mr. Tirus Kamau | Budgeting |
| 6. Ms. Elizabeth Nderitu | Accountant |
| 7. Ms. Peris Wanjiru | Accountant |
| 8. Ms. Irene Kihara | Administrator |
| 9. Mr. Sianga Chege | Economist |
| 10. Ms. Petronilla Kangara | Economist |

SECRETARIAT

- | | |
|--------------------------|---------------------------------|
| 1. Mr. Fredrick Macharia | Senior Finance Planning Officer |
| 2. Mr. Erick Otieno | Fiscal Analyst/ Clerk to BAC. |
| 3. Mr. Alphonse Ouma | Fiscal Analyst |
| 4. Mr. Moses Senator | Fiscal Analyst |
| 5. Mr. Farah Gabow | Finance Officer |
| 6. Mr. Guyo Sankala | Clerk Assistants |
| 7. Ms. Helen Mutie | Clerk Assistant |
| 8. Mr. Inyundele Austin | Clerk Assistant |
| 9. Mr. Wilfred Manyi | Clerk Assistant |
| 10. Mr. Sammy Kiptoo | Clerk Assistant |
| 11. Mr. Titus Muiruri | Clerk Assistant |

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|----------------------|----------------------------|
| 12. Mr. Brian Yambo | Public Relations Assistant |
| 13. Ms. Olger Atieno | Finance Assistant |

MIN 118/FBAC/ MARCH /2017: Preliminaries

The Ag. Chairman Hon. Kairu called the meeting to order at twenty minutes past ten o'clock with opening prayers being led by Mr. Erick Otieno. The Ag. Chairman welcomed all the participants to the workshop. He went ahead to appreciate in a special way the Members of the Committee and the Chairpersons of the sectoral committees for their attendance during the heavy political period. The Chair reminded the participants that the Budget would be the last budget to be approved by the first assembly of the Nairobi City County Assembly and urged them to be extra vigilant as it would be a transition document. He thanked the Officers of the County Executive for attendance and told them he looked forward to a fruitful engagement. On his part the Director Economic Planning Mr. Kefa Omanga told the participants that he looked forward to scrutinizing the document with the intent of making it much better.

MIN 119/FBAC/ MARCH /2017: Discussion on the Proposed budget Estimates FY2017/18

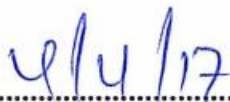
The Members raised concerns that the County Executive Member for Finance and the Chief Officer Finance were not present in the meeting and resolved to adjourn until the officers were in attendance.

MIN 120/FBAC/ MARCH /2017: Adjournment

The Chair adjourned the meeting at thirty minutes past eleven.

CONFIRMED AS THE TRUE RECORD OF THE PROCEEDINGS

Sign.....

Date.....

Hon. Michael O. Ogada (Chairman)

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