

T&J/S/SEPT/2025

GOVERNMENT OF NAIROBI CITY COUNTY



THE NAIROBI CITY COUNTY ASSEMBLY

THIRD ASSEMBLY

(FOURTH SESSION)

## REQUEST FOR STATEMENT

Subject: Financial Misconduct and diversion of County Revenue Fund in Nairobi County

Hon. Speaker,

Pursuant to Standing Order 47(2) (c), I wish to request for a Statement from the Chairperson of the Sectoral Committee on Finance, Budget and Appropriations Committee regarding misconduct and diversion of County Revenue Fund in the County.

Hon. Speaker, I wish to bring to the attention of this House a matter of grave concern regarding the management of the **County Revenue Fund (CRF)** within Nairobi City County. As Members of this August Assembly, we are the guardians of public finances, and it is our duty to ensure that all funds are managed with integrity, transparency, and strict adherence to the law.

Mr. Speaker, Article 207 of the Constitution of Kenya 2010 clearly establishes the CRF as the repository for all County revenues. Furthermore, Article 228(5) explicitly states that withdrawals from this fund may only be made with the approval of the Controller of Budget and must be applied strictly for the purposes for which that approval was granted. This principle is reinforced by the **Public Finance Management Act**

It has come to my attention, however, that the County Executive has consistently and without the approval of this Assembly, diverted funds from their intended purposes. This constitutes a blatant disregard for the legal and constitutional provisions that govern our public finances.

Specifically, I draw the attention of the House to two critical areas of concern:

- **Contractors' Retention Monies:** Funds that were duly requisitioned and approved for payment to contractors at the conclusion of their defects liability periods have been diverted. This has led to unjustifiable delays in payments, leaving contractors in distress and exposing the County to significant legal and financial liability.
- **Compensation of Employees:** Despite the County Treasury requisitioning funds for the full gross salaries of our employees, including statutory deductions, monies intended for vital schemes such as retirement benefits, NSSF, Social Health Insurance,

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by Hon. Patrick Karani, MCA.  
Response due in Twenty one  
(21) days  
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and HELB have been misappropriated. This not only violates several key pieces of legislation, including the **Employment Act** and the **PFM Act**, but it also constitutes a gross exploitation of our public servants and exposes them to the loss of their benefits.

**Mr. Speaker**, these practices are more than just a procedural error; they represent a fundamental breach of trust and a form of financial misconduct. They are corrosive to our institutions and threaten to erode public confidence in our ability to govern effectively.

Hon. Speaker, in the statement, the Chairperson should inquire into and report on:

- i) The total amounts requisitioned and the actual amounts disbursed for contractors' retention monies over the last two financial years;
- ii) A detailed breakdown of the total amounts requisitioned for employee compensation, juxtaposed with the actual remittances to the respective statutory bodies;
- iii) A full account of the reasons provided by the County Executive for these diversions;
- iv) An assessment of the financial, legal, and reputational risks the County now faces; and
- v) Recommendations for holding accountable any officers found culpable of these illegal acts.

*GATS* 23/09/25

HON. PATRICK KARANI, MCA  
Member for Utawala Ward  
NAIROBI CITY COUNTY ASSEMBLY