

REPUBLIC OF KENYA

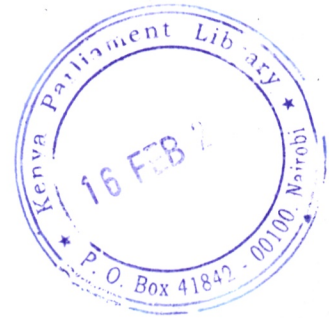


PARLIAMENT

THE SENATE

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*Re Hon Speaker, this is
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Tabling.
28/04/16*



ELEVENTH PARLIAMENT - FOURTH SESSION

REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE,
COMMERCE & BUDGET

ON

THE PETITION BY HON. TEDDY MWAMBIRE, DEPUTY SPEAKER OF
KILIFI COUNTY ASSEMBLY, CONCERNING TIMELINES FOR
DISBURSEMENT OF FUNDS BY THE NATIONAL TREASURY TO COUNTY
GOVERNMENTS

Approved
[Signature]
Speaker
PARLIAMENT BUILDINGS
NAIROBI

[Signature]

APRIL 2016

5. *Examine the Budget, including the Division of Revenue Bill; and*
6. *Examine and consider all matters related to resolutions and Bills for appropriations, share of national revenue amongst the counties and all matters concerning the National Budget, including public finance, monetary policies and public debt, trading activities and commerce, tourism, investment and divestitures policies, planning and development policy.*

Mr. Speaker Sir,

The Committee on Finance, Commerce and Budget was constituted by the House on Thursday 13th March 2014 during the Second Session of the Eleventh (11th) Parliament and as currently constituted, comprises the following members:

1. The Hon. Sen. Billow Kerrow, MBS, MP. -Chairperson
2. The Hon. Sen. Peter Ole Mositet, MP. -Vice-Chairperson
3. The Hon. Sen. G. G. Kariuki, EGH, MP.
4. The Hon. Sen. Moses Wetang'ula, EGH, MP.
5. The Hon. Sen. Beatrice Elachi, CBS, MP.
6. The Hon. Sen. Mutahi Kagwe, EGH, MP.
7. The Hon. Sen. (Dr.) Boni Khalwale, MBS, MP.
8. The Hon. Sen. (Prof.) Peter Anyang' Nyong'o, EGH, MP.
9. The Hon. Sen. (Dr.) Zipporah Kittony, MBS, OGW, MP.
10. The Hon. Sen. Aaron Kipkirui Cheruiyot, MP.
11. The Hon. Sen. Catherine Mukite Nabwala, MP.
12. The Hon. Sen. Mutula Kilonzo Junior, MP.
13. The Hon. Sen. (Prof.) John Lonyangapuo, CBS, MP.
14. The Hon. Sen. Paul Njoroge Ben, MP.
15. The Hon. Sen. (Dr.) Wilfred Machage, MGH, MP.
16. The Hon. Sen. (Dr.) Agnes Zani, MP.

Committee General Recommendations

The committee having considered the matters in the petition recommends that;

- 1. Whereas the money to county governments is disbursed monthly, the National Treasury must recommend to each county the proposed county allocation for each quarter.**
- 2. The National Treasury indicates that the sum assigned for the respective quarter will be disbursed on a monthly basis.**

ACKNOWLEDGEMENT

Mr. Speaker Sir,

The Committee wishes to acknowledge the time and considerable effort made by all parties who volunteered information before it. I also wish to express my gratitude to my colleagues for their thoughtful input and commitment in the consideration of this matter. Further, the Committee thanks the Office of the Speaker and the Clerk of the Senate for facilitating all the actions that led to the production of this report. The Committee also wishes to recognize the commitment and dedication of the secretariat to the committee that made the work of the Committee and the production of this report possible.

Mr. Speaker Sir,

On behalf of the committee, and pursuant to standing order 203(6), It is therefore my pleasant and honourable duty to present and lay on the table of the house the report of the Finance, Commerce and Budget Committee regarding the Petition by Hon. Teddy Mwambire, concerning timelines for disbursement of funds by the National Treasury to county governments.



**SIGNED: THE HON. SENATOR BILLOW KERROW, MP
CHAIRMAN, FINANCE, COMMERCE AND BUDGET COMMITTEE**

DATE:

III. BRIEF ON THE PETITION AND PRAYERS

The Petitioner alleges that the National Treasury has contravened the provisions of section 17(6) of the Public Finance Management Act by indicating in various correspondences with other government departments that *“the National Treasury shall at the beginning of every month, and in any event not later than the fifteenth day from the commencement of the month, disburse monies to county governments”*.

The Petitioner prays that the Senate-

- (a) investigates, through the relevant committee, the issues raised in the petition concerning the National Treasury transfer of funds to county governments contrary to section 17(6) of the Public Finance Management Act;
- (b) makes appropriate recommendations including legislative interventions as may be necessary to address the issues raised.

3.1 Committee's Proceedings

The Committee reviewed the petition from and held a deliberative meeting where it considered the following relevant provisions of law relevant to the petition –

1. Section 17(6) of the Public Finance Management Act provides that *“the National Treasury shall, at the beginning of every quarter, and in any event not later than the fifteenth day from the commencement of the quarter, disburse monies to county governments”*.

IV. COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

Committee Observations

The Committee after reviewing the petition observed as follows -

1. Section 17(6) and (7) of the Public Finance Management Act provides that monies due to counties shall be disbursed on a quarterly basis and no later than the fifteenth day from the commencement of the respective quarter;
2. Section 17 as read together with the relevant provisions of the County Allocation of Revenue Act provides that the cabinet secretary shall disburse monies due to the counties in accordance to a schedule approved by the Senate; and
3. That the Senate adopted a payment schedule providing for the disbursement of monies to the county on a monthly basis.

V. COMMITTEE RECOMMENDATIONS

The committee having considered the matters in the petition recommends that;

1. **Whereas the money to county governments is disbursed monthly, the National Treasury must recommend to each county the proposed county allocation for each quarter.**
2. **The National Treasury indicates that the sum assigned for the respective quarter will be disbursed on a monthly basis.**

ANNEXES

- i. **Annex 1:** Petition Concerning Timelines for Disbursement of Funds
by the National Treasury to County Governments
- ii. **Annex 2:** Minutes