



REPUBLIC OF KENYA  
COUNTY GOVERNMENT OF NYANDARUA  
DEPARTMENT OF LANDS, PHYSICAL PLANNING &  
DEVELOPMENT



OL'KALOU MUNICIPALITY

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MINUTES OF OL'KALOU MUNICIPAL BOARD SPECIAL MEETING HELD ON 30<sup>TH</sup> JUNE  
2023 AT HOLIDAY PREMIER HOTEL- OL KALOU

- |                         |   |
|-------------------------|---|
| 1. Priscilla Mwirigi    | - Chairperson                                 |
| 2. Josphat Murage Warui | - Vice-Chair Person                           |
| 3. Dr. Tom Kahigu       | - Member                                      |
| 4. Stephen Kinyanjui KK | - Member CECM in charge of Urban              |
| 5. JudyLeah Waihenya    | - Member and Chief Officer in charge of Urban |
| 6. Anne Theuri          | - Board Secretary                             |

Co-opted Members

- |                    |                    |
|--------------------|--------------------|
| 1. Frank Muchina   | - County Secretary |
| 2. Shadrack Gatore | - County Attorney  |

Agenda

1. Preliminaries
2. Reading of previous minute
3. Matters arising
4. Kenya Urban Support Program 2 (KUSP2) preparations
5. Municipal Manager Resignation from Ol Kalou Municipal Board
6. Budgeting for additional KUSP allocation
7. Presentation of FY 2023/2024 budget as submitted to County Assembly
8. Final payment of Ayani Contractors
9. Funding for additional power connection fee
10. Opening of Municipal Board Deposit Account
11. ISUDP – Contract extension
12. Board allowances status
13. A.O.B

**Minute 01:06:2023**    Preliminaries

The Chair Priscilla Mwirigi called the meeting to order at 10.45am and requested Dr. Kahigu to open with a word of prayer.

She informed members that the County Secretary and County Attorney were and will henceforth be co-opted members to be guiding the Board on various areas of governance and management.

On quorum, she informed members that the Chief Officer would join the meeting later as she was working on end-year procedures. At this juncture, it was noted that it is also in order for a member to be engaged virtually in a situation in which personal engagement may not be possible

She then invited those present for a moment of self-introduction.

The County Secretary affirmed the importance of co-opting the members since matters of concern would be handled immediately before they get out of hand instead of waiting to be taken through the long communication process.

The County Attorney applauded the decision pointing out that their inclusion in the Board will ensure emerging issues are dealt with before they develop into a crisis.

The Members were requested to float any additional agenda that they would wish to be discussed. The Manager introduced the following additional agenda:-

1. Request for information for the Nephy Ltd variation claim as requested by the KUSP National Program Coordinator (letter was presented to the members)
2. KUSP Value for Money Audit.

#### **Minute 02:06:2023 - READING & CONFIRMATION OF PREVIOUS MINUTES**

The Board secretary took members through the minutes of 25<sup>th</sup> April 2023. This was not concluded and hence not adopted and therefore no matters arising

#### **MIN 03.06.2023 - KENYA URBAN SUPPORT PROGRAM 2 (KUSP2) PREPARATION**

The members noted the need to get the County well prepared for the purpose of ensuring the Work Bank funding is secured. The minimum conditions and performance standards for the Urban Development Grant require a lot of commitment and the following action points were agreed upon:

1. The Manager to prepare the current status and work plan for ensuring all the conditions are met by Tuesday 4<sup>th</sup> of July, 2023.
2. Formalization of County Program Coordinating Team appointment (CPCT) – Judyleah Waihenya, Chief Officer Urban, to take up the issue. The CPCT drawn from the relevant discipline is a critical in team in ensuring all the conditions are met.
3. Deployment/recruitment of critical staff to be fast tracked through the office of the Chief Officer

#### **Min 04:06:2023 - MUNICIPAL MANAGER RESIGNATION**

The Board was informed of the resignation of the Municipal Manager, Anne Theuri, who had voluntarily requested the Board to relieve her of her duties. This matter was discussed at length by the Board. Members however had their reservations about the timing of the resignation, citing the need for her to play a key role in the preparations for an upcoming audit and also in the preparations for KUSP2. It was necessary for the Manager therefore to await the recruitment of a replacement to ensure smooth hand over and to avoid unnecessary bottlenecks. The Chair was asked by the Board to formally write to the Manager on areas of concern and clarification related to projects and office matters and Management to ensure they



are addressed before the new Manager takes office. Such issues to be responded to by the Manager within seven days after formal communication from the Chair.

**Min 05:06:2023- PAYMENT OF FINAL CERTIFICATE TO AYANI INVESTMENT LTD**

The proposed Construction and Completion of Paving Block Plant, Modern Cemetery, Standard Kiosks, Solid Waste Management and Beautification projects were reported by the Manager as complete. The request for payment of the main contract and sub-contracts had already been presented for payment. The Chair informed members that the sub-contracts were irregularly procured and not within the World Bank procedures. In response, the Manager informed members that the sub contracts under 'nominated sub contractors' in the Bills of Quantities were sourced in accordance with the Public Procurement Act as guided by the technical team.

However, after lengthy discussion, Members maintained that this practice of splitting and repackaging of contract projects contravened the prescribed legal process and may result to contract implementation issues with World Bank. Manager was tasked to combine the contracts that had been awarded to the main contractor into one for final payment.

In the same note, the technical team through the Manager to avail bills of quantities for the Multi Purpose Hall electrical and mechanical works to the contractor by 3<sup>rd</sup> July 2023. The Contract was also noted to be expiring on 30<sup>th</sup> June 2023, the Manager to liaise with the Contractor for request of contract extension. Application to the Board for formal extension of the contract to be applied for through the Chair.

**Min 06:06:2023- FUNDING OF ADDITIONAL POWER CONNECTION BILL FOR THE PAVING BLOCK PLANT**

Manager informed members that due to delays in payment of electricity connection, the quotation expired at the point of payment and therefore not valid. The Kenya power issued another quotation with a higher figure and therefore connection could not be carried out. The Manager explained that the process of incorporating the allocation in the supplementary budget and the payment procedures caused the expiry of the quotation. As a way forward, it was recommended that the Chief Officer Urban to provide guidance on the payment of the balance of the electricity connection charges.

**Min 07:06:2023 - OPENING OF MUNICIPAL DEPOSIT ACCOUNT**


The Manager requested the Board for approval to open a deposit account for the transfer of Projects' Retention Funds. This was a recommendation by the auditors undertaking financial review an audit that had taken place in the month of May 2023. Members agreed in principle to the opening of the Deposit Account and directed the Manager to do a formal request to the Chair for approval.

**Min 08:06:2023 - ISUDP – CONTRACT EXTENSION**

The Manger informed members that the contact extension had been ratified accordingly. The management was tasked to ensure the payment is done on time to avoid recall of the funds by World Bank.

**Min 08:06:2023 - STATUS OF BOARD ALLOWANCES**

The Manager informed members that Board Member sitting allowances had been paid apart from those of the meeting held on 25<sup>th</sup> April 2023 that delayed due to documentation that were not ready on time (FY 2022/2023 scheduled availed in Board files). Nonetheless, the signed minutes had been availed and payment process started.



However members raised concerns on the many official engagements they were involved in but not paid for. The Manager explained that restriction by the SRC guidelines is the hindrance to the payment of the other allowances.

It was noted however that the Board is non-executive and hence the importance of Management to ensure that the expenses by members during the various engagements on the call of duty are compensated. The engagements include attendance to Board meetings, special meetings, workshops, conferences, public participation meetings, oversight visits to donor funded projects etc. In addition, Members are often called upon to work with other County Government Departments on matters of mutual concern.

The Board was guided to come up with appropriate resolution giving directions for the payments, moving forward.

Draft resolution was agreed upon which would be forwarded to the County Attorney for legal and administrative ratification.

Way forward - the allowances to be processed before a meeting is convened through an imprest system which will afterward be surrendered using an abstract of the meeting held.

But before arriving at these decisions based on the submissions of the Management, Board Members had expressed their dismay at the way their remuneration by way of sitting allowances, per diem and mileage had been handled by Management. The system adopted by Management is so muddled up such that a Board Member would mostly never know what has been paid and what is remaining to be paid. In some instances Management overrules Board Members regarding certain claims arguing that such claims would not be eligible for payment in regards to SRC guidelines. This is the case even when the Board or even its individual Members are given a task by senior Members of the County Government sometimes at the request of the very management that requests for support.

The Board also discussed the long held view by Management and Finance Department in regards to the residence of Board Members as eligibility criteria for per diem and travel allowances. Josphat Murage who also doubles up as the Chair of the Board's Finance and Administration Committee indicated that residential status was only applicable in the recruitment of Board Members. He said it was an important basis for recruitment considering the need to hire only the people who had grassroots experience of the challenges facing the people of Ol Kalou Municipality. After discussion by the Board, it was agreed that since Board Members are not fulltime employees of the Municipality they should be expected to be working from anywhere in the Republic of Kenya and as such they are eligible for per diem and other allowances payable by the Municipality and the County Government as well.

In this respect the Board observed that Management may be invoking the name of SRC to avoid paying genuine claims for work done by the Board or its individual members. Basically SRC provides official guidelines regarding Board Meetings and Board Committee meetings and the allowances applicable including mileage and per diem, amongst other allowances. By interpretation, Management and Finance Department should appreciate that all other official duties carried out by Board Members are left to the discretion of the County Government which should pay for services rendered by the Board in line with its own Government payment guidelines, bearing in mind that Board members are part time staff often carrying out important duties of executive nature to the Municipality. For clarity, the Municipality of Ol Kalou is in its formative stages and is basically run by staff from the County Government. Board members are often called upon to render support in certain areas as stop gap measures. Basically such support ought to be paid for but this is not always the case.



After the foregoing observations, the Board sought appropriate guidance from the County Secretary present as well as from the County Attorney, CECM and the Chief Officer, Urban.

The County Secretary said that with fairness Board members being non-executive staff without any salary or other benefits available to County employees they should be paid for their services. On a general note it was agreed that per diem and travel allowances should also be paid to those Board Members who do not reside within the Municipality on condition that when meetings are held in their towns like Nairobi they would not be entitled to those allowances that relate to travel on official duty. In addition it was agreed that virtual meetings would qualify for sitting allowances since the principle is the same as that of an ordinary meeting: that is, a member spares valuable time, participates in and makes a contribution to important decision making processes beneficial to the employer. It was observed that virtual meetings are now gaining traction worldwide as an efficient and cost cutting way of holding many types of meetings. That said, the Board is nowadays holding more and more virtual meetings and hence the need to pay the members for their participation as a way of encouraging effective and a more cost cutting initiative to the benefit of not only the Municipality but to the County Government as well.

The County Secretary proposed and the Board agreed that to avoid too much bureaucracy in paying allowances, Management should adopt imprest system to facilitate efficient payment of allowances at the sitting of the Board.

It was therefore agreed that Management should draft the necessary resolutions touching on all kinds of allowances discussed by the Board and forward to the County Secretary who would then consult with County Attorney and Finance Department for the implementation of the Board's resolutions. The Board directed Management to initiate the process of getting this resolution implemented immediately. For clarity, the Board directed the Manager to draft the resolution and forward it to the County Secretary who would then take it up with the County Government officials concerned. This process to start immediately.

#### **Min 09:06:2023 - NEPHY LTD VARIATION CLAIM**

The Manager presented a letter from the KUSP National Coordinator requiring the County to provide more information on the Nephy's Kshs 25 Million claim. The information was to be acted upon and forwarded on or before 14<sup>th</sup> July, 2023. The Chair informed members that the case requires evidence on engagements done in trying to resolve the grievances.

**Way forward** - Since the case is already before the court, the Manager to forward all documents as requested in the letter plus any other evidence on engagements with the contractor on the issue, as well as Program Operations Manual extract on grievances redress mechanism to the office of the County Attorney to assist him in responding to the letter.

**Min 10:06:2023          A.O.B.**

#### **1. Handing over of KUSP 1 original files**

The Chief Officer informed members of the previous request to have all the files covering the entire program to her office. The Manager was asked to explain why this has not happened. In her response, she informed as per previous minutes copies of the UDG files were presented to the Chief Officer upon which she clarified that the original not copies should be handed over. The Manager also sought guidance on the issue since the Municipality is semi-autonomous entity with financial reporting requirement under the Public Finance Management Act whether the custody of all accountable documents should not remain with the Municipality. She was guided that the Accounting Officer role is currently under the Chief Officer and hence all the documents there off.

The County Attorney also alluded to the need of having copies of documents at different locations for safety in case of emergency.


Way forward - All original files under KUSP 1 to be forwarded to the office of the Chief Officer by 3<sup>rd</sup> July 2023. Chief Officer to allocate 10 staff to help in the exercise.

2. The Chief Officer informed members that Urban Institutional Grant (UIG) and Kenya Informal Settlements Improvement Program (KISIP) administration action is by the department and arrangement to be complied with moving forward. On this note the Manager had already been withdrawn from the management of the two programs and bank signatories ratified accordingly.

3. The Chair to discuss with H.E the Governor on approval of ISUDP by the Cabinet early the following week.

Due to time constrains, the meeting was adjourned at 7.20pm. The remaining agendas were postponed to the next meeting. Dr. Kahigu closed the meeting with word of prayer.

Minutes signed by:

Chairperson..........

Date ..... 4/11/23 .....

Secretary ..........

Date ..... 4/11/2023 .....