

REPUBLIC OF KENYA

THE SENATE
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21/03/19

THE SENATE

Rt. Hon. Speaker
You may approve
for tabling.
21/03/19

TWELFTH PARLIAMENT – THIRD SESSION

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22/3/19

REPORT OF THE STANDING COMMITTEE ON FINANCE & BUDGET ON THE
PETITION BY SEN. (DR.) ISAAC MWAURA ON ISSUANCE OF KENYA CURRENCY
USABLE BY BLIND AND VISUALLY IMPAIRED PERSONS

PAPERS LAID	
DATE	27/03/2019
TABLED BY	Chairperson
COMMITTEE	Finance
CLERK AT THE TABLE	Jilian

PARLIAMENT BUILDINGS
NAIROBI

MARCH 2019

THE SENATE
RECEIVED
21 MAR 2019
DEPUTY SPEAKER'S OFFICE

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PREFACE

The Committee on Finance and Budget was constituted by the House on Thursday 14th December, 2017 during the First Session of the Twelfth (12th) Parliament. The Committee as currently constituted, comprises the following members:

1. Sen. (Eng) Mohamed M. Mahamud, CBS, MP - Chairperson
2. Sen. (Dr) Isaac Mwaura, CBS, MP - Vice Chairperson
3. Sen. Wetang'ula Moses Masika, EGH, MP - Member
4. Sen. Mutula Kilonzo Junior, MP - Member
5. Sen. Aaron Cheruiyot, MP - Member
6. Sen. (Dr.) Ali Abdullahi Ibrahim, CBS, MP - Member
7. Sen. (Dr) Rose Nyamunga, MP - Member
8. Sen. CPA Farhiya Haji, MP - Member
9. Sen. Boniface Mutinda Kabaka, MP - Member

The Standing Committee on Finance and Budget is established pursuant Section 8 of the Public Finance Management Act, 2012 and standing order 218(3) of the Senate Standing Orders and is mandated to -

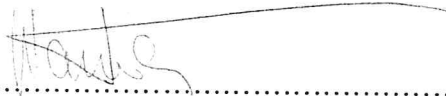
- a) Investigate, inquire into and report on all matters relating to coordination, control and monitoring of the county budgets and to examine -
 - i) *the Budget Policy Statement presented to the Senate;*
 - ii) *report on the Budget allocated to Constitutional Commissions and independent offices;*
 - iii) *the Division of Revenue Bill, County Allocation of Revenue Bill, and cash disbursement schedule for county governments;*
 - iv) *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 and monetary policies and public debt, planning and development policy.*
- b) *Pursuant to Article 228 (6) of the Constitution, to examine the report of the Controller of Budget on the implementation of the budgets of county governments*

Acknowledgement

The Committee is grateful to the Petitioner, Sen. (Dr.) Isaac Mwaura, who submitted the Petition to the Senate on behalf of the Kenya Union of the Blind for due consideration.

The Committee acknowledges the time and considerable effort made by all parties who volunteered information before it. The Committee is also particularly grateful to the Offices of the Speaker, the Clerk of Senate for the support received as it discharged its mandate.

On behalf of the Committee and pursuant to standing order 232 (2) it is now my pleasant and honourable duty to present and lay on the table of the house the report of the Finance and Budget Committee regarding the Petition to the Senate on the Issuance of Kenya Currency usable by persons with visual impairment.



.....
SEN. (ENG) MOHAMED MAALIM MAHAMUD, MP

CHAIRMAN, FINANCE AND BUDGET COMMITTEE

DATE: 27/3/..... 2019

Adoption of the Report

Pursuant to standing order 213 (2) of the Senate Standing Orders, the Senate Standing Committee on Finance and Budget Committee adopted the Report on the on the petition by Sen. (Dr.) Isaac Mwaura on Issuance of Kenya Currency Usable by Blind and Visually Impaired Persons. The members of the committee hereby affix their signatures to this Report to affirm the correctness of the contents and support for the Report –

Sen. (Eng) Mohamed M. Mahamud, CBS, MP -Chairperson 

Sen. (Dr) Isaac Mwaura, CBS, MP -Vice Chairperson _____

Sen. Wetang'ula Moses Masika, EGH, MP - Member 

Sen. Mutula Kilonzo Junior, MP - Member _____

Sen. Aaron Cheruiyot, MP - Member 

Sen. (Dr.) Ali Abdullahi Ibrahim, CBS, MP - Member 

Sen. (Dr) Rose Nyamunga, MP - Member 

Sen. CPA Farhiya Haji, MP - Member 

Sen. Boniface Mutinda Kabaka, MP - Member 

CHAPTER 1

INTRODUCTION

The right of Kenyan citizens to petition public authorities and Parliament is a right conferred by the Constitution under Article 37 and Article 119 of the Constitution. The right to petition is an essential citizen participatory tool that allows for direct intervention by Parliament on issues relating to the promotion and protection of the rights of citizens.

The Petition to Parliament (Procedure) Act No. 22 of 2012 makes provisions for the procedure for the exercise of the right to petition and also defines the format of petitions to be addressed to the Parliament.

Pursuant to the Senate Standing Order No. 226 (1)(b) and 230 (2) (a) Sen. Isaac Mwaura on 16th October, 2018, presented a public petition to the Senate on behalf of the Petitioners, blind persons and persons with visual impairment, on the issuance of Kenya currency -bank notes and coins- usable by visually impaired and blind persons.

The petition drew the attention of the Senate to the following issues-

1. That there has been an increase in the population of persons born visually impaired or blind in Kenya. According to a research conducted by World Health Organisation (WHO) in 2016, the numbers had risen to approximate 274,000 persons.
2. That there had been unending struggle to stop discrimination for persons with disabilities among them; currency discrimination.
3. That the visually impaired and the blind persons cannot be able to differentiate by a way of touch / feel the currency being used in Kenya. This had been a major setback to the ability to transact business freely.
4. That the visually impaired and the blind have difficulties in accessing banks and Automated Teller Machine (ATMs). This had rendered them not efficient in transacting their business locally.

5. That the national government had not formulated and implemented favourable policies that take into account the rights of the visually impaired and blind persons with regard to ability to easily identify, access and use the Kenyan currency.

The petitioner therefore prayed that-

1. The Central Bank of Kenya (CBK) to come up currency easily identified by the visually impaired and blind persons.
2. To print different denominations varying in size, colour, texture easily identifiable by the visually impaired and blind persons.
3. To formulate policies that govern printing, circulation, access and use of currency easily identifiable by the visually impaired and blind persons.
4. To establish ATMs that are friendly to the visually impaired and blind persons.

Pursuant to Standing Order 232(1), the petition stood committed to the Standing Committee of the Senate on Finance and Budget for consideration.

CHAPTER TWO

CONSIDERATION OF THE PETITION BY THE COMMITTEE

In considering the petition, the Committee noted the provisions of the Central Bank of Kenya Act, 1966 section 22(1) that provides that the bank shall have the sole right to issue notes and coins in Kenya.

The Committee further noted section 22(2) of the same Act which provides that the denominations, inscriptions, forms, material and other characteristics of the notes and coins issued by the Bank shall be determined by the Bank.

Pursuant to the above-mentioned provisions of the law, the Committee invited the Governor, Central Bank of Kenya (CBK) to a meeting to deliberate on the matter.

The Governor made the following submissions-

Submission from the Governor, Central Bank of Kenya

1. Issuance of currency usable by blind and visually impaired persons

- a) In March 2012 the matter was raised by members of the public when CBK had invited the general public to make their inputs on the designing and introduction of the new currency.
- b) CBK had held a consultative meeting with the Kenya Society for the Blind. The purpose of the meeting was to deliberate on the matter of issuance of Kenya currency usable by blind persons and persons with visual impairment.
- c) The input obtained were considered in designing the new generation currency.

2. Installation of ATMs accessible by blind persons

- a) The CBK was working with banking industry to introduce appropriate features as well as make the banking sector more customer-centric.

Submission from the Kenya Union of the Blind

The made a submission that-

- a) their members were experiencing challenges in identifying the currency denominations.
- b) They were seeking inclusion of tactile identification symbols when printing and minting of Kenya currency.

CHAPTER THREE

COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

Observations

The Committee observed that-

- a) Article 231(2) of the Constitution provides that the CBK shall be responsible for *inter alia*, issuing currency.
- b) In promoting the spirit of Article 43 (1) on economic and social rights, Kenya currency in circulation should be usable by visually impaired and blind persons.
- c) On 11th December, 2018 the CBK unveiled new generation currency.
- d) The visually impaired and blind persons rarely use ATMs without assistance.

Recommendations

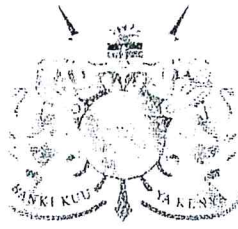
The Committee recommends that-

- a) The CBK expedites the engagement with the banking sector to ensure ATMs were installed with appropriate features to allow visually impaired and blind persons to access the services.
- b) That CBK should fast track the release of the new generation currency which is usable by the blind and visually impaired persons.

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Governor

**BANKI
KUU YA
KENYA**



**CENTRAL
BANK OF
KENYA**

Haile Selassie Avenue
P.O.Box 60000 - 00200, Nairobi, Kenya.
Telephone: 2861003/24 Fax: 2716556

① DCom
For the Committee
EJ
29/10/18

THE SENATE
RECEIVED
October 26, 2018
30 OCT 2018
Mr. J.M. Nyegenye, CBS
Clerk of the Senate
Parliament Buildings
NAIROBI

THE SENATE
RECEIVED
29 OCT 2018
SENIOR DEPUTY CLERK

29 OCT 2018

Dear Mr. Nyegenye:

PETITION TO THE SENATE ON ISSUANCE OF KENYA CURRENCY USABLE BY VISUALLY IMPAIRED PERSONS

Your letter Ref: SEN/DCS/SCF&B/2018/100 dated October 25, 2018, on the captioned subject is well noted. In particular, I note your invitation to a consultative meeting with the Senate's Standing Committee on Finance and Budget on November 1, 2018.

Unfortunately I will be out of the country all of next week and therefore cannot meet the Committee as you suggest. However, I respond below conclusively, in lieu of the meeting.

At the outset, the matter of making our currency more usable by visually impaired persons was brought to our attention when we invited input from the general public in March 2012. To probe further this concern, a visit was made to the Kenya Society for the Blind on August 31, 2012 to receive their input. This input along with all other suggestions that were received from the public were considered in designing the new generation currency.

On the matter of installing ATMs that are more accessible to visually impaired persons, CBK will work with the banking industry to introduce appropriate features as we strive to make banking more customer-centric.

Sincerely,

Patrick Njoroge

Dr. Patrick Njoroge

② PCA - F & Budget
Please bring to the attention
of the Committee
EJ 30/10/18

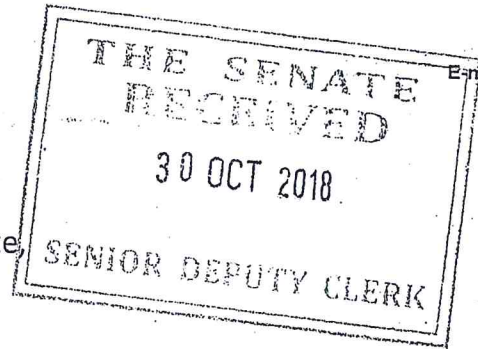
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Off Airport North Road, Embakasi.
P.O. Box 34510 00100 Nairobi, Kenya.
Tel: +254 20 820504/5 Fax: +254 20 825422.
E-mail: admin@kub.or.ke Website: www.kub.or.ke

25th October 2018



The Clerk of the Senate

Subject: CURRENCY IDENTIFICATION FOR THE VISUALLY IMPAIRED

Greetings from Kenya Union of the blind (KUB).

Our members are experiencing challenges of identifying the currency denominations.

KUB thus seeks to participate in the relevant senate committee sessions, to ensure inclusion of tactile identification symbols when printing and minting of the Kenyan currency.

Looking forward to your positive feedback.

Yours Sincerely,

[Handwritten Signature]
P.P

Chief Executive Officer

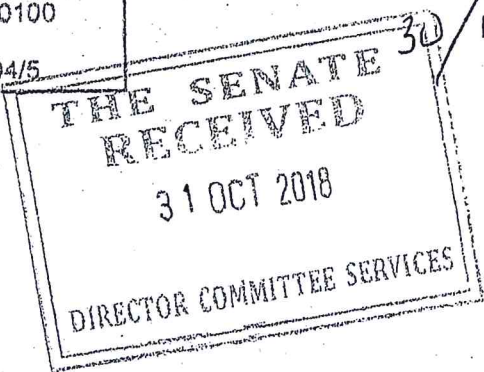
Kenya Union of the Blind

DD Com

for the Committee

[Handwritten Signature]

KENYA UNION OF THE BLIND
P.O.Box 34510 - 00100
NAIROBI
TEL: 020 - 820504/5



30/10/18

③ P/Clerk Assist - For Budget

Please bring to the attention of the Committee

[Handwritten Signature]

MINUTES OF THE 77TH MEETING OF THE SENATE STANDING COMMITTEE ON FINANCE & BUDGET HELD ON TUESDAY, 19TH MARCH, 2019 AT COUNTY HALL, GROUND FLOOR BOARDROOM AT 10:00 AM.

PRESENT

1. Sen. (Eng) Mohamed M. Mahamud, CBS, MP - Chairperson
2. Sen. Moses Wetang'ula, MP - Member
3. Sen. CPA Farhiya Haji, MP - Member
4. Sen. (Dr) Rose Nyamunga, MP - Member
5. Sen. Aaron Cheruiyot MP -Member
6. Sen. Boniface Mutinda Kabaka, MP - Member

ABSENT WITH APOLOGY

1. Sen. (Dr) Isaac Mwaura, CBS, MP - Vice Chairperson
2. Sen. Mutula Kilonzo Junior, MP - Member
3. Sen. (Dr) Ali Abdullahi Ibrahim, CBS, MP - Member

IN-ATTENDANCE

SENATE SECRETARIAT

1. Mr. Christopher Gitonga - Clerk Assistant
2. Ms. Lucy Radoli - Legal Counsel
3. Ms. Julie Mwithiga - Fiscal Analyst
4. Mr. Stephen Nyanguti - Audio Officer

MIN. NO. 373/03/2019:

PRELIMINARIES

The Chairperson called the meeting to order at 10.10 am and there followed a word of prayer. The Chairperson welcomed Members to the meeting.

MIN. NO. 374/03/2019:

ADOPTION OF THE AGENDA

The agenda of the meeting was adopted after it was proposed by Sen. CPA Farhiya Haji, MP and seconded by Sen. (Dr) Rose Nyamunga, MP.

MIN.NO. 375/03/2019: CONFIRMATION OF MINUTES OF PREVIOUS SITTING

- a) The minutes of the 57th meeting held on Thursday, 25th October, 2018 at 11 am were confirmed as a true record of the proceedings of the committee after they were proposed by Sen. Aaron Cheruiyot and seconded by Sen. CPA Farhiya Haji.
- b) The minutes of the 63rd meeting held on Thursday, 13th December, 2018 at 12noon were confirmed as a true record of the proceedings of the committee after they were proposed by Sen. Aaron Cheruiyot and seconded by Sen. Moses Wetang'ula.

- c) The minutes of the 65th meeting held on Tuesday, 19th February, 2019 at 11 am were confirmed as a true record of the proceedings of the committee after they were proposed by Sen. CPA Farhiya Haji and seconded by Sen. Moses Wetang'ula.
- d) The minutes of the 75th meeting held on Wednesday, 13th March, 2019 at 11 am were confirmed as a true record of the proceedings of the committee after they were proposed by Sen. Rose Nyamunga and seconded by Sen. Boniface Mutinda Kabaka.

**MIN.NO. 376/03/2019: CONSIDERATION OF PETITION REPORT ON
ISSUANCE OF KENYA CURRENCY USABLE BY BLIND
AND VISUALLY IMPAIRED PERSONS**

The Committee considered the report and made the following-

a) Observations

- i) Article 231(2) of the Constitution provides that the CBK shall be responsible for *inter alia*, issuing currency.
- ii) In promoting the spirit of Article 43 (1) on economic and social rights, Kenya currency in circulation should be usable by visually impaired and blind persons.
- iii) On 11th December, 2018 the CBK unveiled new generation currency.
- iv) The visually impaired and blind persons rarely use ATMs without assistance.

b) Recommendations

- i) The CBK expedites the engagement with the banking sector to ensure ATMs were installed with appropriate features to allow visually impaired and blind persons to access the services.
- ii) That CBK should fast track the release of the new generation currency.

The Committee resolved to adopt the report on Wednesday, 20th March, 2019.

**MIN.NO. 377/03/2019: CONSIDERATION OF REPORT ON THE COB'S
COUNTY GOVERNMENTS BUDGET
IMPLEMENTATION REVIEW FOR FY 2017/2018.**

The Committee considered the report and made the following-

a) Observations

1. There is delay in release and submission of the CoB implementation reports for counties.
2. There is substantial shift of development allocation to recurrent outlays during budget execution and thus also breaching legal threshold.

3. Review of expenditure performance reflects majorly on financial performance and the format does not include programme performance and result based budget implementation.
4. There was increasing pending bills across the counties which portends risks of budget inflexibility in the medium term.
5. It will be important for the National Treasury and the implementing agencies to report to the Senate on the status of conditional allocations such as construction of county headquarters, leasing of medical and the various conditional allocations in form of loans and grants.
6. The stagnant performance of local revenue collection, OSR, indicates an increased reliance by county governments on the equitable share allocation and this points to fiscal risk to the county budget implementation.
7. The delays in the disbursement of funds have affected budget implementation in counties. The cash disbursement schedule approved by Senate in line with CARA 2017 was not adhered to, as allocations such as the equitable share were not released according to the expected timelines and a huge amount funds were released barely two months to the end of the financial year 2017/18.

b) Recommendations

1. The National Treasury should fast track formulation of the policy on county governments revenue mobilization measures and submit to the Senate by 30th April, 2019.
2. The National Treasury should adhere to the Cash Disbursement Schedule to ensure timely release of funds to promote predictability of transfers to counties and to allow adequate time for absorption of development allocations.
3. The COB should engage the relevant stakeholders including Senate, National Treasury and Council of Governors with view of remedying the following persistent challenges facing county governments-
 - i) late submission of financial reports by the counties (County Treasuries and Accounting Officers) to the CoB which then leads to late submission of the such statutory reports by CoB;
 - ii) poor internet connectivity affecting operational systems such as IFMIS and E-procurement;
 - iii) high and increasing pending bills;
 - iv) under collection of own source revenue, and
 - v) high and increasing expenditure on personnel emoluments.
4. The COB should adopt a programme based reporting framework to facilitate effective oversight nationally.
5. The county treasuries should formulate a mechanism to ensure pending bills are cleared as a fast charge in the succeeding financial year.

6. The National Treasury should submit to the Senate the implementation status of the projects financed through conditional grants from loans and grants from development partners.
7. The Council of Governors and County Assemblies Forum in consultation with relevant stakeholders should engage the Senate on legislative and policy interventions which are necessary to enable budget implementation with regards to-
 - i) own source revenue,
 - ii) pending bills, and
 - iii) absorption of development expenditure
8. The County Governments which had surpassed the recommended threshold expenditure on wages and benefits for public officers (as prescribed in the Public Finance Management –County Governments- Regulations, 2015) should-
 - i) Stop further recruitment of new employees,
 - ii) Develop a mechanism of reducing the expenditure on personnel emoluments to ensure it is within the acceptable limits, and
 - iii) Submit the mechanism in (ii) above to the COB within six (6) months.

The Committee resolved to adopt the Report on 20th March, 2019.

MIN.NO. 378/03/2019: PRE-PUBLICATION SCRUTINY OF LEGISLATIVE PROPOSAL ON AMENDMENTS TO PFM ACT, 2012.

The Committee considered the legislative proposal. During the consideration, the Committee was informed by the secretariat that the legislative proposal-

1. Intends to establish a collaborative framework for collection of revenues by the county governments and the National Treasury together with the Kenya Revenue Authority.
2. proposes to amend the Public Finance Management Act by inserting new sections 160A, 160B and 160C.
3. The proposed new 160A intends to provide a framework for collaboration between the county governments and the National Treasury together with the Kenya Revenue Authority as regards collection of revenue by counties.
4. The new section requires the county treasury, in consult with the National Treasury and the Kenya Revenue Authority, to put in place a county revenue collection system. It requires that such a system shall respect the distinctiveness of the two levels of government, be secure, effective, efficient and transparent.
5. The proposed new section 160B provide for reporting on the status of revenue collection and performance at the county. It requires the county treasury to report to the county assembly and submit copies of the reports to the Senate, the National Treasury and the Commission on Revenue Allocation

6. The proposed new section 160C would require the county executive committee member to operationalize a county revenue collection system within a period of two years from the coming into force of this Act.
7. Proposes a penalty such as stoppage of transfer of a county's equitable share of revenue for failure to operationalize the county revenue collection system or prepare and submit bi-annual statements or an annual report.

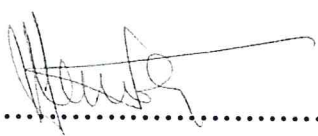
The Committee resolved pursuant to standing order 126(1)(a) of the Senate Standing Orders to seek the views of the following on the legislative proposal-

- a) The National Treasury
- b) Council of County Governors
- c) The Controller of Budget, and
- d) The Commission on Revenue Allocation

Further resolved to request the views to be submitted to the Committee by Friday, 22nd March, 2019.

MIN.NO. 379/03/2019: ADJOURNMENT AND DATE OF THE NEXT MEETING

The meeting was adjourned at 12:20 pm. Date of the next meeting 20th March, 2019 at 11:00 am.

SIGNATURE.....
 (CHAIRPERSON: SEN. (ENG) MOHAMED MAALIM MAHAMUD)

DATE.....

MINUTES OF THE 78TH MEETING OF THE SENATE STANDING COMMITTEE ON FINANCE & BUDGET HELD ON WEDNESDAY, 20TH MARCH, 2019 AT COUNTY HALL, GROUND FLOOR BOARDROOM AT 11:00 AM.

PRESENT

1. Sen. (Eng) Mohamed M. Mahamud, CBS, MP - Chairperson
2. Sen. Moses Wetang'ula, MP - Member
3. Sen. CPA Farhiya Haji, MP - Member
4. Sen. (Dr) Rose Nyamunga, MP - Member
5. Sen. Aaron Cheruiyot MP -Member
6. Sen. Boniface Mutinda Kabaka, MP - Member
7. Sen. (Dr) Ali Abdullahi Ibrahim, CBS, MP - Member

ABSENT WITH APOLOGY

1. Sen. (Dr) Isaac Mwaura, CBS, MP - Vice Chairperson
2. Sen. Mutula Kilonzo Junior, MP - Member

IN-ATTENDANCE

SENATE SECRETARIAT

1. Mr. Christopher Gitonga - Clerk Assistant
2. Ms. Lucy Radoli - Legal Counsel
3. Ms. Julie Mwithiga - Fiscal Analyst
4. Mr. Stephen Nyanguti - Audio Officer

MIN. NO. 380/03/2019: PRELIMINARIES

The Chairperson called the meeting to order at 11.25 am and there followed a word of prayer. The Chairperson welcomed Members to the meeting.

MIN. NO. 381/03/2019: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted after it was proposed by Sen. Aaron Cheruiyot, MP and seconded by Sen. (Dr) Ali Abdullahi Ibrahim, MP.

**MIN.NO. 382/03/2019: ADOPTION OF PETITION REPORT ON
ISSUANCE OF KENYA CURRENCY USABLE BY BLIND
AND VISUALLY IMPAIRED PERSONS**

The Committee unanimously adopted its report on the Petition report on Issuance of Kenya Currency Usable by Blind and Visually Impaired Persons.

The Committee resolved that the report be tabled on Wednesday, 20th March, 2019.

MIN.NO. 383/03/2019: ADOPTION OF REPORT ON THE COB'S COUNTY GOVERNMENTS BUDGET IMPLEMENTATION REVIEW FOR FY 2017/2018.

The Committee unanimously adopted its report on the Controller of Budget (COB) County Governments Budget Implementation Review for Financial Year 2017/2018.

The Committee resolved that the report be tabled on Wednesday, 20th March, 2019.

MIN.NO. 384/03/2019: ANY OTHER BUSINESS

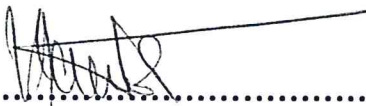
a) The Committee was informed that the standing orders allow only 14 days for prepublication scrutiny. Thus, the earlier resolution to seek views from stakeholders may be overtaken by time owing to the fact that they must be given 7 days' notice. The Committee noted that since the legislative proposal was in line with other laws, the legislative proposal may be published. Further, the identified stakeholders will be consulted during the public participation stage.

b) The Committee was informed that the County Ward (Equitable Development) Bill, 2018 was list for second reading in the Order Paper, yet the report on the Bill was not Published. The Committee noted the County Assembly Forum had requested for 14 days in order to send their memorandum. However, the Committee granted them 7 days of which they should submit on or before 21st March, 2019.

The Committee resolved to consider the submissions made by the stakeholders on the bill on Tuesday, 26th March, 2019.

MIN.NO. 385/03/2019: ADJOURNMENT AND DATE OF THE NEXT MEETING

The meeting was adjourned at 12 noon. Date of the next meeting Tuesday, 26th March, 2019 at 10:00 am.

SIGNATURE.....
(CHAIRPERSON: SEN. (ENG) MOHAMED MAALIM MAHAMUD)

DATE.....