



REPUBLIC OF KENYA
COUNTY GOVERNMENT OF NYANDARUA
P. O. Box 701-20303-Ol Kalou



NYANDARUA COUNTY REVENUE ADMINISTRATION POLICY

NOVEMBER 2022

Contents

FORWARD	4
Introduction	5
Rationale of the Policy	5
Vision of the Policy	6
Mission of the Policy	6
Situation Analysis Of Current Own Source Revenue Raising Measures And Legislations In The County	6
Existing legal frame work	6
Policies	8
REVENUE ADMINISTRATION	8
PERFORMANCE OF OWN SOURCE REVENUE IN THE LAST 5 YEARS	10
CONTRIBUTION OF COUNTY OWN SOURCE REVENUE TO COUNTY RESOURCE ENVELOPE	11
SWOT ANALYSIS OF MAJOR COUNTY OWN SOURCE REVENUE STREAMS	11
Challenges on Own Source Revenue Collection in the County	16
Goal, Objectives and Guiding Principles	17
Approach	18
The principles underpinning the policy	18
Policy Objectives	18
POLICY INTERVENTIONS AND RESPONSIBLE INSTITUTIONS	18
Institutional Framework For Revenue Administration	26
Strategies, Mechanism And Legal Framework For The Implementation Of The Policy	27
Outdoor advertising Act	31
Nyandarua County Trade License Act	31
Liquor licensing Act	31
Nyandarua County Laws inspectorate, Compliance and Enforcement Act.	31
Monitoring and Evaluation mechanism	31

FORWARD

The Kenya Constitution of 2010 ushered in a new legal regime that established 47 County Governments and provides for taxation at both levels of government and defines taxes that can be imposed by the National and County governments. Article 209 stipulates the taxes that may be imposed by the national and county government. Levying of taxes by the county governments is effected through various national and county laws.

The Citizenry with the advent of devolution expect improved service delivery and the realization of their development needs. This can only be realized through transparency and accountability of public resources in creating mutual trust for the betterment of the County. Revenue administration therefore must be done on the premise of mutual trust, integrity, accountability and prudence.

County governments have multiple sources of revenue including: equitable share from Commission for Revenue Allocation (CRA), grants from development partners, investments and own source revenue. Revenues from these sources is utilized in priorities of county development projects, programmes, recurrent expenditures and provision of essential county government services.

In an effort to enhance the efficiency and effectiveness of revenue administration, there was a need to review the existing legal and administrative structure with a view of mainstreaming legal framework within the existing framework, regulation and structure, institutional framework and best practices. A taskforce drawn from selected County Departments and Staff conduct a review and analyze the current revenue Collection Mechanism with a view to enhance Revenue Collection, identify gaps and propose measures of sealing the leakages.

The taskforce has analyzed the strengths and weaknesses across revenue streams and made specific policy recommendations and actioning. Further, the policy has highlighted other cross cutting revenue raising bottlenecks including county inter-departmental relations and inter-governmental relations and targeted interventions.

It is my sincere hope that once the measures proposed in the policy are implemented, the county sustainability and going concern will be cemented and support the implementation County Integrated Development Plan in actualizing the Change Agenda of the County and H.E The Governor manifesto.

HON. MARY KAMANDE

C.E.C.M – FINANCE, ECONOMIC PLANNING AND ICT

Introduction

The Kenya Constitution of 2010 ushered in a new legal regime that established 47 County Governments and provides for taxation at both levels of government and defines taxes that can be imposed by the National and County governments. Article 209 outlines the taxes that may be imposed by the National and County Government. Levying of taxes by the County Governments is effected through various national and county laws.

County governments have multiple sources of revenue including but not limited to; equitable share from Commission for Revenue Allocation (CRA), grants from development partners, investments and own source revenue. Revenues from these sources is utilized in priorities of county development projects, programmes, recurrent expenditures, and provision of essential county government services.

The Public Finance Management Act, 2012 Section 104 states that the County Treasury shall monitor, evaluate and oversee the management of public finances and economic affairs of the County Government including mobilizing resources to meet the budgetary requirements of the County Government and putting in place mechanisms to raise revenue and resources.

Nyandarua County Government Finance Acts forms the basis for the operationalization of the Public Finance Act, 2012 Section 104 provides for the various taxes, fees, cess, licenses, and charges for services on own source revenue by the County Government and is legislated by the 30th of September as provided for the under the Public Finance Management Act, 2012 and Public Finance Management Regulations, 2015.

Rationale of the Policy

The need to have working systems, protocols and actionable standards in Revenue administration highlights the pertinent need for an effective policy. The policy framework ensures that the County Government of Nyandarua will optimize Revenue Administration and consequently the collection.

Even with prevailing extensive use of technology, revenue administration structures are under-developed operated in silos and the mandate left to the Directorate of Revenue administration and Business Development. The need to create and implement dependable policy and structures in revenue administration, is manifested in efforts made by the national government through Kenya Revenue Board (KRA), the office of the Commission on Revenue Allocation (CRA) to achieve this goal in Central Government, Ministries, Departments and Agencies, and County Governments and Semi-Autonomous Government Agencies.

In order for such revenue administration to be reliable and effectual for decision-making and accounting purposes, multi-disciplinary approach is essential. For this reason, the County Government needs to adopt and actualize accounting standards, legislation, technology requirements, besides guidance of national government policy towards revenue administration.

The insufficiency of the County Government's current revenue administration, in particular towards the collection and sound accounting mechanisms, call for urgent need for action. It is prudent to implement a workable policy that provides an efficiency, effectiveness, supports accountability and promotes adoption of best taxation principles for Nyandarua County.

Further the need to apply technology towards the effective tax administration has gained currency in the public sector. Providing guidelines that will inform revenue administration is an important part of the policy development process. The design and implementation of technology must be informed by comparative information and the subjective goal to safeguard revenue collected.

This policy has been conceived and developed in order to respond to the foregoing issues and expectations in revenue administration in Nyandarua County.

Vision of the Policy
Mission of the Policy

Effective, Efficient, prudent and sustainable revenue administration in the County of Nyandarua in order to ensure economic, social, environmental and general developmental benefits are equitably realized by the public.

To align revenue administration in Nyandarua County Government to overall development objectives.

Situation Analysis Of Current Own Source Revenue Raising Measures And Legislations In The County

Existing legal framework

i. Constitution of Kenya, 2010

The Constitution of Kenya 2010 is the supreme law of the Country. Article 209 (3) of the Constitution provides that a County may impose:

- a) property rates;
- b) entertainment taxes; and
- c) any other tax that is authorized by an Act of Parliament.

Article 209 (4) allows the national and county governments to impose other charges for the services they provide. In imposing such other charges, the Constitution under Article 209 (5) stipulates that a County Government power to tax and employ other revenue raising measures shall not be exercised in a way that prejudices national economic policies, economic activities across county boundaries or national mobility of goods, services, capital or labor.

Under Article 210 (1) taxes and licensing fees may only be imposed, waived or varied by way of legislation. The provisions are set out in the PFMA Regulations.

i. Public Finance Management Act, 2012.

Section 132 of the PFMA requires the County Executive Member for Finance to make a pronouncement on the revenue raising measures for the County Government for every financial year, and to concurrently submit to the County Assembly the County Finance Bill, setting out the revenue raising measures together with a policy statement expounding on those measures.

The preparation and approval of the revenue raising measures should take into account the principles of equity, certainty and ease of collection.

The Act further stipulates the core revenue collection structure as follows:

- a) **Receivers of County Government Revenue** –These are designated in writing by the County Executive Committee member for finance under section 157. They are responsible for ensuring that the revenue for which they are responsible is collected or recovered, and is accounted for.
- b) **Collectors of revenue - Under section 158 the receiver of revenue may authorize** any public officer employed by the county government or any of its entities to be a collector of revenue for the purpose of collecting revenue and remitting it to the receiver.

Tax, fees or charges may be waived or varied by the County Executive Committee Member for Finance under section 159, in accordance with PFMA regulations.

i. Other Enacted Legislation

The legal framework for revenue collection is largely fragmented as per various sectorial mandates. Pursuant to Article 210 of the Constitution of Kenya, Parliament and the Nyandarua County Assembly have enacted the following legislations to govern revenue collection across different sectors:

DEPARTMENT	EXAMPLES OF SERVICES CHARGEABLE	LEGISLATION IMPOSING FEES OR CHARGES FOR SERVICES
Lands, Housing and Physical Planning	Advertising Building Plan Approvals Occupation Certificates	<ul style="list-style-type: none"> ▪ The County Outdoor Advertising Control Act, No. 19 of 2020. ▪ Physical and Land Use Planning Act, 2019.

	<p>Development Control Land/ Plot Rates Sub-division Change of User Survey Fees House rent</p>	<ul style="list-style-type: none"> ▪ Land Act. ▪ SURVEY ACT ▪ Building Code <p>Housing Act Rent Restriction Act Agents Act NCA Act Engineers Act Architects Act, Ratings Act Quantity Surveyors Act Nyandarua County Rating Act, 2017 Nyandarua County Finance Act, 2018.</p>
Agriculture, Livestock and Fisheries	<p>ATC charges Agricultural Mechanised Services (A.M.S) Cess Fees Fish Movement Permit Meat Inspection Private/Public Slaughter House/Slab Fees Animal Vaccination</p>	<p>AFA Act 2016 Meat Control Act 356 Animal Disease Control Act 364 Crops Act 2013 Hides and Skins Trade Act 2015 Agriculture Act CAP 318 Fisheries Management and Development Act 2016 Potato Act Nyandarua County Finance Act, 2018.</p>
Trade, Industrialization, Cooperative and Urban Development	<p>Cooperatives audit fees Barter Market Single Business Permit</p>	<p>Cooperative Societies Act, CAP 490, Nyandarua County Co-operative Societies Act, 2017 (amended 2020) Nyandarua Trade & Investment Board Act, 2020. Physical and Land Use Planning Act, 2019. Nyandarua County Finance Act, 2018.</p>
Health Services	<p>Health Plan Approvals Health care Linda Mama Hospital Charges Edu Afya Public Health Services</p>	<p>Food, Drugs and Chemical Substance Cap 254 Public Health rules (fees 2001) Public Health Act CAP 242 Nyandarua County Finance Act, 2018.</p>
Transport, Energy and Public Works	<p>Buspark fees Bodaboda fees Fire Certificate Project management 3%</p>	<p>Building Code Housing Act NCA Act Engineers Act Architects Act, Ratings Act And Quantity Surveyors Act Energy Petroleum Regulatory Board Act Roads Act 2007 Legal Notice No. 60 Hazardous Material and Substances. Act 2007 County Traffic and Transport Management Act, 2017 Nyandarua County Finance Act, 2018</p>
Water, Environment, Tourism and Natural resources	<p>Exhauster Services Water companies Water Bowser Conservancy Fees</p>	<p>EMCA 1999 MINING ACT 2016 Forest Conservation and Management Act 2016 Waste Regulation 2006</p>

	Park fees Logging Fees Sale Of Water Tourist sites	Nyandarua County Finance Act, 2018
Youth, Sports, Gender and Social Services	Hire of stadium/ public grounds/ Races Liquor licensing	Nyandarua County Alcoholic Drinks Control Act, 2019 Nyandarua County Finance Act, 2018.
Public Administration and ICT	Eviction from County Government House & Stall Penalty - illegal Construction without approval Penalty - Withdrawal of Court Bond Penalties - Vehicle Charges Penalty - Impounded Items On Construction Sites Late Payment of Business Permit (After 31st March)	Nyandarua County Finance Act, 2018
Education, Culture and the Arts	Registration of educational institutions	Nyandarua County Early Childhood Development Education Act, 2017 Nyandarua County Finance Act, 2018.

Policies

Currently, there are no legislated Revenue policies.

Revenue Administration

Revenue Collection Institutions

Nyandarua County Government has the following departments from which revenue is generated:

- ✓ Health Services, including Health facilities
- ✓ Transport, Energy & Public Works
- ✓ Water, Environment, Tourism and Natural Resources, including water companies.
- ✓ Public Administration and ICT
- ✓ Youth, Sports, Gender and Social Services
- ✓ Agriculture, Livestock and Fisheries including ATCs and AMS.
- ✓ Finance and Economic Development
- ✓ Lands, Housing and Physical Planning
- ✓ Trade, Industrialization, Cooperatives and Urban Development
- ✓ Education, Culture and the Arts

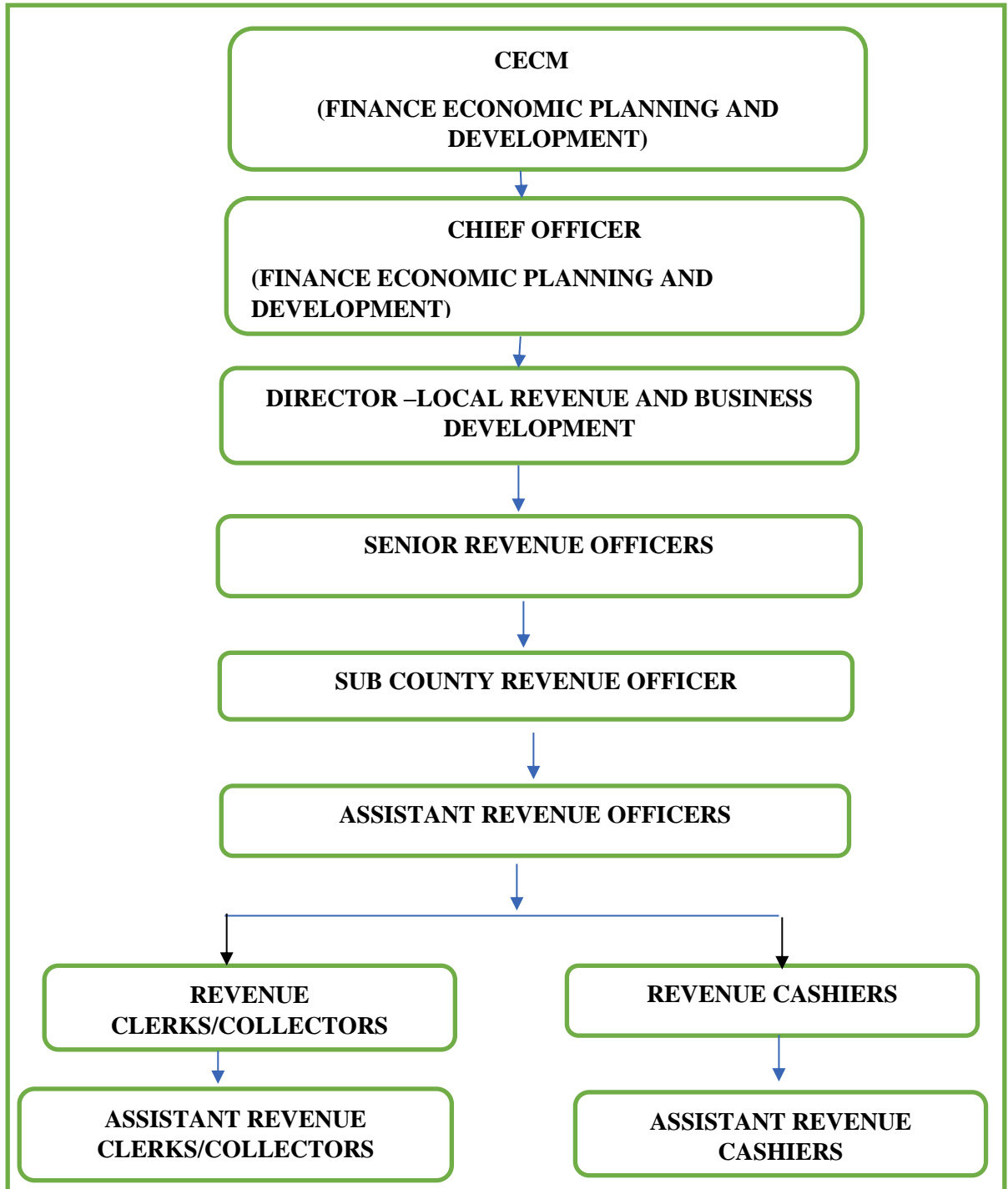
The mandate of revenue collection is charged mainly to the Revenue Directorate in the Department of Finance.

Mandates of the Revenue Collection and Business Development Directorate

The Directorate is responsible for collecting revenue within the jurisdiction of the County Government. For ease of revenue collection administration, the County is zoned into seven (7) revenue Sub-Counties namely Njabini, Tulaga, Kipipiri, Olkalou Town, Olkalou Rural, Oljoro-orok and Ndaragwa.

Revenue Directorate organogram

The following is the current structure of the Revenue Directorate:

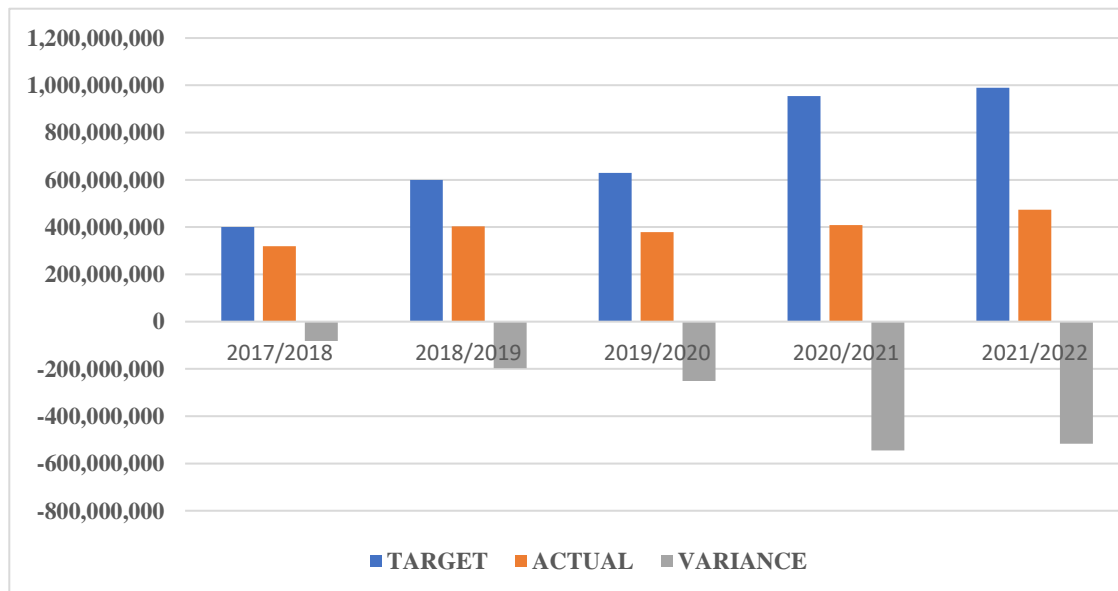


The Revenue Directorate has 91 officers serving on permanent and pensionable terms and 29 casual workers broken down as follows:

S/No.	DESIGNATION	No.	CURRENT POSITION											No.		
			Director	D/Director	A/ Director	RO	D/RO	Collector	Rates officers	Cashiers	Messegers	Driver	Clerk			
1	Deputy Director	1	1													1
14	Revenue officers	1		1												1
2	Accounts Clerk	1			1											1
3	Artisan	1							1							1
4	Askaris	2							1				1			2
5	Clerical Officers	30				3	3	18	2	4						30
6	Computer operator	1							1							1
7	Copy typist	1								1						1
8	Corporal	2						2								2
9	Drivers	2											2			2
10	Hostel attendants	1						1								1
11	Labourers	17						14		2	1					17
12	Market inspectors	4				1	1	1					1			4
13	Revenue Clerks	10				2	2	4		2						10
15	Senior Market attendants	5						3		1					1	5
16	Sergents	2						2								2
		81	1	1	1	6	6	47	3	10		1	4	1	81	

Performance Of Own Source Revenue In The Last 5 Years

FINANCIAL YEAR	TARGET	ACTUAL	VARIANCE
2017/2018	400,000,000	318,585,599	-81,414,401
2018/2019	600,000,000	403,402,541	-196,597,459
2019/2020	630,000,000	379,480,630	-250,519,370
2020/2021	954,000,000	408,718,259	-545,281,741.50
2021/2022	990,000,000	473,061,811	-516,938,189
TOTAL	3,574,000,000	1,983,248,840	-1,590,751,160.5



CONTRIBUTION OF COUNTY OWN SOURCE REVENUE TO COUNTY RESOURCE ENVELOPE

FINANCIAL YEAR	COUNTY RESOURCE ENVELOPE (EQUITABLE SHARE+CONDITIONAL GRANTS+ OWN SOURCE REVENUE)	OWN SOURCE REVENUE	% CONTRIBUTION
2017/2018	5,687,773,679	318,585,599	5.60
2018/2019	6,319,643,479	403,402,541	6.38
2019/2020	6,521,891,236	379,480,630	5.82
2020/2021	6,777,335,050	408,718,259	6.03
2021/2022	6,866,689,050	473,061,811	6.89
TOTAL	32,173,332,494	1,983,248,840	6.16

Swot Analysis Of Major County Own Source Revenue Streams

	STRENGTHS	WEAKNESS	PROPOSED INTERVENTIONS
10 Major Revenue Sources			
Single Business Permits	Growth Spur in the County Towns and Economic activities	No Geo map of business entities Lack of data	actualization of the spatial plan Automating license application and invoicing process Cashless payment platform Renovation and refurbishment of County Productive facilities Unified Single Business Permit
J.M. Hospital	Improved medical services and Continued upgrade	No medical automated system in place	Purchase of an intergrated Hospital Management Information system Cashless payment platform integrated to the IHIS Designated Linda Mama Collection Officer Aggressive approach towards EduAfya

			including set up of school clinics
Produce Cess/Rotalties	Improved road network	More escape routes from the cess collection points	Enhanced enforcement 24hr manning of cess points Realignment of existing cess points Automation of Cess Points
Liquor Licence	More Business complying with the law achieved through the streamlining of liquor licensing	Lack of Alcoholic drinks control Board and Sub County committees for the FY 2017/18	Appointment of County Alcoholic Drinks Control Board and the Sub County Committees on a timely basis Enactment and repealing of the law and regulations in a timely manner
Subsidized Fertilizer Sale	More demand of subsidized fertilizer	No proper timing of supply	Fertilizer available in all the seasons Establishment of an agricultural revolving Fund
Engineer Hospital	Improved medical services and upgrade of the facility by the County Government	No medical automated system in place	Purchase of an integrated Hospital Management Information system Cashless payment platform integrated to the IHIS Designated Linda Mama Collection Officer Aggressive approach towards EduAfya including set up of school clinics
Bus And Matatu Fees	Organized Matatu Saccos	lack of compliance lack of bus parks in some of major towns	Establishment of bus parks in major towns Enforcement for compliance
Open Air Market Fees	improved status of some markets	New market coming up in neighboring Counties Mushrooming of roadside markets Lack of established markets	Building of border markets Establishing of designated markets

Plot Rates	More land subdivision	lack of valuation roll	Enactment of Valuation roll Building data base
Motor Cycle Fees (Parking)	More boda bodas operating	Challenges in complying to pay Political interference	Enforcement to comply Political goodwill
Meat Inspection Fee	Full Automation on this stream	Most meat comes from other counties Shortage of meat inspectors Lack of Facilitation of meat inspectors	Recruitment of meat inspectors Facilitation of meat inspectors Cashless platform
Public Health Fees	More Health facilities are constructed	Poor enforcement	Enforcement for compliance Building plan approval to be decentralized to the Sub County Level
Land Rates	More land subdivision	lack of accurate and updated data lack of efficient rates collection system	lands department to provide with accurate and updated data acquiring another efficient system Avoidance of Waivers
Vet Depart (Ai Services)	More farmers demand better breeding	Lack of funding and poor services	Agriculture Revolving Fund
Vaccination/Veterinary	More farmers demand Healthy breeding	Lack of fund for vaccination activities when necessary	sufficient budget allocation
Sbp Penalties	Improved enforcement and Automation of SPB	lack of Geo mapping of business entities	Conducting Geo mapping
App. / Approval Of Building Plans	More Building coming up	Poor enforcement, lack of compliance Lack of approval automation process	Enforcement for compliance Automate the process Devolving approval to Sub County Level
Clearance Certificate	Numerous Land transaction	No automated system in place	Automate the process
Atc	Availability of training centres	Poor management/funding of the facilities	Agriculture revolving fund Atleast 1/3 of the County Meetings and Conferences to be held at the ATC
Sale Of Application/Renewal	More trading centres coming up	No Geo map of business entities	actualization of the spatial plan Automating license application and invoicing process

Transfer Fees	Numerous transfer transaction	No automated process	Automate the process
Market Stall Rent	More market stall coming up	Market stall allocated freely due to political interference	Clear allocation system Political goodwill Renovation and upgrade of Market Stalls
Impounded Fees	Strong inspectorate	No Enforcement Act	Approval of Enforcement Act
Miscellaneous	Other revenue sources coming up	Unidentified new potential revenue streams	Identifying new revenue sources
Health Centre	More health centres coming up	Lack of facilities so that they can be upgraded to level four	Accrediting the health centres into level four
Slaughter Fees	Demand of meat from county is high	Few slaughterhouses for the County Government	Establishment of more county slaughter houses
Exhauster And Exh. Milage	More building coming up hence high demand of the services	Lack of sufficient exhausting machines and regular breakdown of the existing one Licensing of private exhausters	Procuring of exhausting machines for every subcounty
Hire Of Machines(Ams)	More demand on the use of modern technology	Lack of enough equipment and Lack of good management	Establishment of revolving fund and improvement of management
B/Plan Inspection Fees	More Building coming up	Lack of surveillance by county officers and compliance owners	Enforcement and recruitment of more inspection officers
Change Of User	More land demand for different use	Lack of compliance Lack of enforcement	Automation of the process Enhanced enforcement
House/Office Rent	High demand of houses and office space	Poor maintenance of the facilities. Weak legislation on devolved, shared and residual functions	Budgetary allocation for housing development. Intergovernmental relations (CoG and National Govt).
Cooperative Audit Fees	More cooperatives being revived or coming up	No strict measures for non-compliance Limited audit staff resulting to loss of revenue to private auditors	Enhanced guidelines on coops audit. Recruitment of more auditors to ensure 100% audit for coops within the county.
Medical Cert Fees	More food handling businesses coming up	Weak enforcement and surveillance	Enhanced enforcement and surveillance. Strict penalties for non-compliance.
Sub-Division Of Land	Increased demand for land sub-division services	Lack of compliance	Enforcement

		Weak record management on Land Sub-division.	Automation of lands records and transactions.
Hire Of Water Tanker	More houses coming up esp. in urban centres	Lack of enough water tankers from the County Government. Only 1 water treatment plant i.e. Ol Kalou water	Purchase of more water tankers Increased water treatment plants across the County.
Reg.And Renewal Of Groups	More groups formation. More facilitation by the county government.	Lack of clear guideline on the function i.e. devolved or not	Intergovernmental relations
Weights And Measures	More businesses coming up	Lack of compliance Limited staffing	Recruitment of more staff Enhanced enforcement
Dev. (Ppa Forms)	More development in the County	Lack of compliance	Automation of the process Enhanced enforcement
Promotion	More products coming up	Lack of compliance due to weak enforcement	Enhanced enforcement
Ground Rent- Others Quarries	More demand for quarry products and space for kiosks	Lack of political goodwill Lack of guidelines on allocation of kiosks	Development of guidelines on allocation of kiosks
Sign Board	More demand in advertisement	Lack of enforcement Lack of records on signboards	Enhanced enforcement Development of an up to date sign board register
Land/Plot Reg. Fees	More land sub-divisions and titling	Low compliance	Implementation of the valuation roll. Automation of the process
Conservancy	More business coming up	Lack of compliance Only charged in Ol Kalou	Full roll out across the county. Enhanced enforcement.
Branding	More Product coming up	Low compliance Lack of records on Branding	Enhanced enforcement Development and maintain an up to date branding register
Certificate Of Compliance	More demand for land use.	Low compliance Lack of proper lands records / automation	Automation of the process and enhanced enforcement
Motorcycle Mortgage Fees	More A.I. services demand	Poor facilitation and funding of A.I. services	Revolving fund for A.I. services to mitigate service breakdown
Water Fee	More water demand	Lack of proper records on meter reading and cash collected	Enhanced enforcement
Cattle Dips	More animals in the County	Poor services	Introduce full management of cattle dips by the communities
Hire Of Hall/Chairs	More demand of Social Halls	Poorly maintained halls and facilities	Facelift on county social halls and facilities

Residential Houses Permits	More Houses coming up	Lack of enforcement and political goodwill Lack of Enforcement Act Data on owners of residential houses	Enactment of Enforcement Act Database of owners of residential houses
Lease Extension	More demand of land use	Lack of compliance and land disputes	Database on land leases and expiry details
Advertisement	More infrastructures coming up	Low compliance	Enhanced enforcement
Site Indication	More infrastructures coming up	Low compliance	Spatial plan and enhanced enforcement
Grave Fee	More demand for public cemeteries	Lack of proper land for the cemetery services e.g. Ndunyu Njeru Cemetery is on road reserve	Purchase of more cemetery land
Betting	More demand for the entertainment	Lack of clear guideline on the function i.e. devolved or not	Inter-governmental relations
Stadium Hire	More demand of social activities	Provision of free facilities to the public	Convert the facilities into income generating. Facelift of the facilities
Movement Permit	More animals' movement in the county	Lack of customization of the books	Automation of the process
Storage Fees	More defaulters	Low enforcement	Enforcement Act
Fisheries	More public demand on fish farming	Lack of proper enforcement	Enhanced enforcement
Change Of Business	More Businesses coming up	Low enforcement	Enhanced enforcement
C.O.T	More demand of meat product	Lack of Customization of the books	Automation of the process
Search Fees	Loss of documents	Loss of county documents / records Low demand	Automation of the county services and record management

Challenges on Own Source Revenue Collection in the County

I. Covid 19 Pandemic

The COVID 19 global pandemic has seen a drastic fall in the Collection of County Own Source Revenue this is attributable to waivers given to the citizenry in cushioning them against the effect of the pandemic. With the County's and Country's Economy at large having not fully recovered, rebound of the collections is expected to be slow in the medium term.

II. Political interference

Political interference has been the biggest let down in revenue collection. This is compounded by tax evasion in politically charged environment. The approval and enactment of the County Finance Bills is skewed to the interest of the political class as opposed to the development plans by the County Government.

III. Enforcement challenges

Enforcement is a game changer in the collection of revenue. In the County, enforcement directorate is domiciled in a different directorate from revenue, as a result enforcement officers attached to the revenue directorate do not report directly to the revenue directorate. This has not created synergy and often the attached enforcement officers have not created value with instances of corruption being reported.

IV. County Rural Set Up

The County Government of Nyandarua is largely an agricultural County with a rural set up as compared to other Counties in the CEREB block, as a result revenues avenues are limited. The few existing are small towns with limited economic activities.

V. Cashless collection

The County Government has automated at least 95% of its revenue streams through the County Pay Platform, however other than for hospitals the collection of Money is on a manual system. This has opened revenue collection to possible pilferage. Further, reconciliation of Revenue is hard to attain on a timely basis. The Canons of good taxation require that there is efficiency and effectiveness in collection of taxes.

VI. Unrealistic targets

Revenue targets in the County are not scientific not geared by data analytics this has largely resulted to unrealistic revenue targets with a drive to support all the development endeavors in the County. The County Assembly has further aided this unrealistic target as they strive to achieve their irreducible minimums.

VII. Inadequate Budget

The Directorate of Revenue is not adequately facilitated in carrying out its mandate. For example, there are Sub Counties sharing vehicles. This has resulted in incapacitating revenue administration. The task force noted of incidences of staff using their own motor bikes to undertake revenue collection.

VIII. Staff shortage

The Directorate has an acute shortage of staff with majority of the staff being aged. It is projected that these staff will all have retired in the next five years. The County has no concrete succession plan and poses the risk of loss of institutional memory in revenue administration.

IX. Staff motivation

The Revenue Directorate staff are lowly motivated to perform their mandate. This has been occasioned by lack of an elaborate reward scheme for the collectors. Further facilitation to perform field work duties is marked with delays or lack thereof.

X. Enactment of Finance Acts by the CA

The enactment of County Finance Bills has been occasioned by late enactment. This is in ultra vires of the provision of the Public Finance Management Act, 2012 that stipulate that the County Assembly to have enacted County Finance Act by the 31st of October. The taskforce noted that the County Executive has submitted the Finance Bills on a timely basis, however the County Assembly has not honored the provision of Law. For example, in 2021 the Directorate of Revenue has been collecting Revenue on the strength of the County Finance Act, 2018 in absentia of County Finance Act, 2019 and 2020.

XI. Lack of a robust legal and regulatory Framework

The taskforce noted that the Revenue Collection in the County has been hampered by lack of necessary legal and regulatory framework to harness the opportunities available for Revenue Collection. These include but not limited to Lack of Revenue Act, Revenue Administration Acts, Outdoor advertising Act, gazettelement of collection points.

XII. Inadequate Internet bandwidth at Sub Counties - Below 2MB

The County lacks a proper internet bandwidth coverage, this has hampered revenue automation and consequently a cashless platform. The taskforce observed that the bandwidth speed in some Sub Counties was less than 2MB.

Goal, Objectives and Guiding Principles

The overarching goal of this policy is to provide for the establishment of legal and institutional framework for effective and efficient revenue mobilization, collection and receipt. The implementation of this policy will set the county on a trajectory to achieve its developmental goals as outlined in the Fourth Schedule of the County Government Act and the aspirations of the County Administration as spelt out in the various development plans and global goals.

Approach

The policy proposes for a holistic, integrated, inclusive and multi-dimensional approach which gives appropriate attention and resources to County revenue raising measures which includes synchronizing Sector synergies, innovation, response and on building strategic partnerships at various levels.

The principles underpinning the policy

The Principles of a good taxation system is premised on the provision of Public Finance Management Act, 2012 and its 2015 regulations. Further, on industry best practices.

- i. **Canon of Equity;** This principle aims at providing economic and social justice to the people
- ii. **Canon of Certainty;** The tax which an individual has to pay should be certain
- iii. **Canon of Convenience;** the mode and timing of payment should be as far as possible, convenient to the taxpayer.
- iv. **Canon of Economy;** This principle require that the cost of tax administration should be economical to both the tax administrator and the taxpayer.
- v. **Canon of Productivity;** The tax system should be able to yield enough revenue for the treasury and the Government should not resort to deficit financing.
- vi. **Canon of Elasticity;** Every tax imposed by the Government should be elastic in nature i.e capable of increasing or decreasing depending on the County's requirements.
- vii. **Canon of Flexibility;** it should be easily possible for the County Government to revise the tax structure in changing requirements of the County.
- viii. **Canon of Simplicity;** The tax system should not complicated
- ix. **Canon of Diversity;** the County Government should collect taxes from different sources rather than concentrating on a single source.

Policy Objectives

The specific objectives of the County Government of Nyandarua Revenue Policy are to: -

- (a) Ensure effectiveness and efficiency in revenue mobilization, collection and receipt;
- (b) facilitate transparency in revenue mobilization, collection and receipt; and
- (c) enhance county revenue;

Policy Interventions And Responsible Institutions

County governments have multiple sources of revenue including but not limited to; equitable share from Commission for Revenue Allocation (CRA), grants from development partners, investments and own source revenue. Revenues from these sources is utilized in priorities of county development projects, programmes, recurrent expenditures, and provision of essential county government services.

Comprehensive Own Source Revenue (OSR) potential and Tax Gap Study, 2022 by the Commission on Revenue Allocation (CRA), Key findings suggest that County Governments currently generate around 40 percent of the potential revenues that they can raise if they operate in line with best practice. Counties appear to have the potential to substantially improve their collection of revenues through revising their current policies and collection systems – for example, by streamlining taxation and fee structures and allowing automatic and cashless payment systems.

This policy, therefore, is an effort to put in place a systematic, effective and efficient tax administration and management frameworks for the county. The policy emphasizes that the Department of Finance, Economic Planning and ICT to lead all other institutions to establish mechanisms for joint monitoring, assessing and reporting on County Revenue raising measures.

I. Valuation Roll The property rates are the fees chargeable to the land and plots owners. The fee charged on these properties is based on sizes. The Valuation of these properties was last done in 1992. The value of the properties has appreciated overtime especially with the onset of devolution. However, the property rates have remained stagnant.

Policy Recommendation

- i. Update of the County Valuation Roll
- ii. Digitization of County Land Records

Responsible Department

- a) Office of the Governor
- b) Department of Lands, Physical Planning and Urban Management (Lead)
- c) Department of Finance, Economic Planning and ICT
- d) Office of the County Attorney
- e) Department of Public Service, administration and Devolution

ii. Land Control Boards The Land Control Boards were established through Kenya gazette notice number 5804 of July 2016 to handle all matters pertaining Land. The composition of the Board members was officers drawn from National Government, County Government and other stakeholders from the County. The boards meet on monthly basis and on special cases. Land sub-divisions are the major activity dealt by the Land Control Board.

The County loses Revenue emanating from numerous activities such as land subdivision, land rates, land transfer fees and change of user due to instances of lack of County representation in the Control board .

Policy Interventions

- i. Institutionalization of Memorandum of Understanding between the Lands Control Board and the County Government in ensuring that consent with the board is only obtained after clearance of Lands/Plot rates from the County Government.
- ii. Assigning of additional roles to the Sub County Administrators and the County lands representative to collect revenue on behalf of the County Government and provide data for the same. This should be entrenched in the individual's performance contract and appraisals.

Responsible Departments

- a) Office of the Governor (Lead)
- b) Department of Lands, Physical Planning and Urban Development
- c) Department of Finance, Economic Planning and ICT
- d) Department of Public Service, administration and Devolution
- e) Office of the County Attorney

iii. Land Rates Waiver The Land rates records were inherited from defunct local Board. The major challenge with land rates data is lack of data updating. The land owners with accumulated huge land rates arrears do not pay for their lands and plots rates. This has resulted to huge rates arrears from the land owners as a result of penalties and interest charged by the system (LAIFOMs). The efforts made to declare land rates waivers has yielded minimal results.

Policy Interventions;

- i. Enforcement of land rates collections. Including but not limited to issuing demand notices and charging on properties.
- ii. The County should build data base around the information obtained.
- iii. Data migration to the County Pay system together with data obtained from the Lands Control Board.

Responsible Departments

- a) Office of the Governor
- b) Department of Finance, Economic Planning and ICT (Lead)
- c) Department of Lands, Physical Planning and Urban Development

d) Department of Public Service, Administration and Devolution

iv. Devolved Agricultural Institutions The County has potential to generate more revenue from the devolved institutions such as Agricultural Mechanized Services (AMS) and Agriculture Training Centers (ATCs). The institutions are performing poorly in relation to their performances before devolution. These institutions are capable of offering exemplary services. Hiring of machineries and facilities should be more effective and affordable to the users. The institutions were also observed to have acute staff shortages especially on plant operators.

Policy interventions:

- I. Adjustment to the administrative structures of the agricultural institutions in the County. The management of the institutions should be streamlined either by law or by a policy directive for effective management. This should be geared towards creating a good hierarchical system and establishing each institution as a planning unit with clear set outcomes and targets.
- II. Equipping institutions with modern facilities and equipment to meet the modern-day farming requirements and technological advancements.
- III. Establishment of a revolving fund for the Agricultural institutions and clear revenue targets.

Responsible Departments

- a) Office of the Governor
- b) Department of Agriculture, Livestock and Fisheries (Lead)
- c) Department of Finance, Economic Planning and ICT

v. Revenue staff Majority of revenue staff are from defunct Local Board. The staff are aged, some staff have retired, deployed and left service through natural attrition. No replacement has been made since the inception of the County Government. This has resulted to acute shortage of revenue collectors. A quarter of the revenue staff are on casual terms.

Policy recommendation

- i. Casual staff should be engaged on contract renewable based on performance.
- ii. The County Government should engage interns under the County Internship programme on one year- performance-contract to fill the staff shortage. The interns should be inducted under the Management Trainee programme. This will also act as succession plan for the Directorate.
- iii. The human resource department to introduce an attractive early retirement package to the ageing workforce.
- iv. a reward scheme for the revenue collectors to motivate and reward the best performers across all the Departments. Performance should be measured based on the County Human Resource Appraisal system.

Responsible Departments

- a) Office of the Governor
- b) Department of Finance , Economic Planning and ICT (Lead)
- c) Office of the County Secretary and Head of Public Service
- d) County Public Service Board

vi. Geomapping (spatial planning) All revenue sources/streams should be certain. The potential of each revenue stream is prominence to govern the optimal level. Lack of mapping of revenue sources has denied the county government to establish its potential in revenue generation. The new revenue avenue is unpackaged, making county to rely on historical revenue generation streams.

Policy Recommendation:

- i. Geo-mapping of all revenue/area's sources should be done by professional expertise. The GPS to identify the potential revenue sources and defaulters.
- ii. Completion of the County Spatial Plan

Responsible Department

- a) Office of the Governor
- b) Department of Lands, Housing and Urban Development (Lead)
- c) Department of Finance, Economic Planning and ICT

vii. Revenue Enforcement The success of revenue collection is enforcement. There should be more revenue enforcers equal or more than number of collectors. The success of revenue collection in Meru County is enforcement staff commanded from revenue unit. In Nyandarua County there is a disconnect between the enforcement and the revenue Directorate. The enforcement staffs do not get daily mandate from revenue directorate but from enforcement directorate. This has fashioned a gap in revenue enhancement.

Policy Recommendations;

- i. Secondment of enforcement officers to revenue Directorate on a permanent basis. The enforcement officers to be assigned duties from revenue Directorate.
- ii. Enactment of Nyandarua County Enforcement Act

Responsible Departments

- a) Office of the Governor
- b) Department of Public Service, Administration and Devolution (Lead)
- c) Department of Finance, Economic Planning and ICT
- d) Office of the County Secretary and Head of Public Service

viii. Health facilities Health Services Department is allocated a big portion of the County's budget. The supply of drugs and other consumables to the facilities is an encumbrance to the County Government. Health centers and dispensaries offers free medical services this is in line with the Health Services Act. JM and Engineer Hospital however can charge for services. There are other avenues for revenue collection such as Public Health Fees, Linda Mama and Edu Afya.

a) Hospitals

Policy Recommendations

- i. County to acquire a HMIS that can be Integrated with the Revenue cashless module to enable tracking and reporting of patient's journey and transactions at every point of service. This will improve delivery of service in our hospitals.
- ii. NHIF campaign across the County to enroll the locals, this will enhance medical services across the County and Revenue.
- iii. Facilitate or equip the hospitals with the required infrastructure i.e. computers, printer, photocopier, scanner and internet services.
- iv. Designate officers from the facility level to County level to be in charge of NHIF , linda mama and edu afya insurance policy.
- v. Mobile Clinics to local schools to provide school based medical services, this enable the County utilize Edu Afya Policy.
- vi. Upgrade of Health Centres to Level IV Hospitals in every Sub County I.e Ndaragwa Health Centre, Mirangine, Ngano Health Centre, Manunga,Njabini and Bamboo Health Centres.
- vii. Harmonization of County Hospital Charges with the rest of the CEREB Bloc.

Responsible Departments

- a) Office of the Governor
- b) Department of Health Services (Lead)
- c) Department of Finance, Economic Planning and ICT
- d) Office of the County Secretary and Head of Public Service
- e) Office of the County Attorney

ix.
Public Health Services

Public Health Services are Offered by the Directorate of Public Health Services under the Health Services Directorate. Their mandate is anchored on the Public Health Services Act.

Public Health Services charges the following fees; Plan approvals, Food and Hygiene, Medical Certificate, Sanitary reports for schools and private medical facilities and Occupational certificates.

At the Health Centre and Dispensary level, the Public Health Services Directorate collects 100% of the medical certificate while at the Hospital level they collect 40% from the medical certificate while the rest is channeled to the hospital lab.

The County fees for the Public Health Services is low as compared to the neighbouring Counties.

Public Health Officers are not involved in plan approval at the Sub County level. This has led to mushrooming of unapproved buildings. Approval of Building plans is done at the Directorate of Physical Planning at the Headquarter. Currently there exist a huge backlog of building plans awaiting approval at the Directorate of Physical Planning, these has denied the County Revenue.

Policy Recommendation

- i. Harmonization of the Public Health Services Fees with the CEREB Counties.
- ii. Building approval to be done at Sub County Level as opposed to the County level.
- iii. Food hygiene certificate to be unified to the Single Business Permit.

Responsible Departments

- a) Office of the Governor
- b) Department of Health Services (Lead)
- c) Department of Finance, Economic Planning and ICT
- d) Department of Public Service, Administration and Devolution

x.
Setting of Departmental Targets

While the Directorate of Revenue is charged with the collection of Revenue in the County, services on which revenue is anchored in a specific department. Currently, the services of public utilities are shared by different departments. The cleaning and maintenance public toilets are done by Public Health, Water and Trade departments. The meat inspection fee is collected by Agriculture department while slaughter slab fee is collected by Finance department.

Policy Recommendations

- i. Interdepartmental Chief Officers/Directors meetings should be held on monthly and on quarterly basis to review the revenue performances.
- ii. Revenue target should be departmental based and the Same entrenched in the CEC and Chief Officers Performance Contract and cascaded to other staff through Performance appraisal. This will make collection of revenue a collective responsibility.
- iii. Revenue collections on sector specific revenues e.g Public Health, Meat inspection, Weight and measures to be tasked to the department offering services.

Responsible Departments

- a) Office of the Governor
- b) Department of Finance, Economic Planning and ICT (Lead)
- c) Office of the County Secretary and ICT
- d) Department of Agriculture, Livestock and Fisheries
- e) Department of Health Services
- f) Department of Public Works, Roads, Transport and Energy
- g) Department of Lands, Housing and Physical Planning
- h) Department of Water, Environment and Natural Resources
- i) Department of Tourism, Industrialization, Trade and Cooperatives

xi. Cess from Local Quarries The County Government charges cess from the quarries product. The cess is the fee payable by the buyer (owner) of the material bought from quarry. The County has been implementing various road construction either through private contracting or the County Machinery programme. Quarrying activities also feed into other economic activities within and without the County.

However, majority of this quarry do not pay operating licence. This result to loss of Revenue to the County as these quarry owners collude with transporters in not paying cess for the quarry products and exception to this is Machine Cut stones which operate in an organized environment. 80% of the Quarry Cess fee is paid upon processing of files at finance as opposed to during project implementation, this signifies weak internal control in regards to quarry management.

Policy Recommendation

- i. Enactment of a County management of Quarrying Activities Act

Responsible Departments

- a) Office of the Governor
- b) Department of Finance, Economic Planning and ICT
- c) Department of Public Works, Roads, Transport and Energy
- d) Department of Water, Environment and Natural Resource
- e) Office of the County Attorney

xii. Full Automation and integration of revenue processes The revenue automation kicked off six years ago. The County Revenue automation to date is at 95% of all revenue streams. Property rates have been automated on Laiforms an outdated system from the defunct County Council.

In minimizing Collectors hard money interactions which increases the risk of pilferage, the County needs to fast track a cashless system to complement revenue automation. The Directorate lacks budgetary support to roll out fully the cashless system even when the system programming has been mapped out fully.

Policy Recommendation

- i. Fast track phased migration of the automation to a cashless platform through budgetary support to the Directorate of Revenue to facilitate readiness for the migration through capacity building of revenue collectors and sensitization to the taxpayers.
- ii. Creation of a taxpayers portal to facilitate self-service to enhance efficiency on tax collection as anticipated by good canons of taxation.
- iii. Procurement/ Developing a County Owned Revenue Collection System

Responsible Departments

- a) Office of the Governor
- b) Department of Finance, Economic Planning and ICT
- c) Department of Tourism, Trade, Cooperatives, and Industrialization
- d) Department of Public Service, Administration and Devolution

xiii. Intergovernmental relations Since the inception of the County Governments, some functions were either fully devolved, shared or left as residual functions. There have been no clear guidelines on how to handle the shared and the residual functions under National Government or County Governments.

For instance, the County has a total of 599 housing units in the ATC, AMS, Engineer Hospital and JM Hospital payment for this housing units is effected through the payroll on a monthly basis. A monthly rent of Kes. 1.3 Million is estimated to be collected, this rent is remitted to the National Government - Ministry of Housing. This is disregarding that housing is a devolved function to the Counties.

Policy Recommendation

- i. The Governor through the COG should petition IGRTC to address various intergovernmental relations on housing.

Responsible Department

- a) Office of the Governor (Lead)
- b) Department of Finance, Economic Planning and ICT
- c) Department of Public Service, Administration and Devolution

Establishment of a robust revenue regulatory and policy framework

Revenue Collection in the County has been curtailed by the lack of necessary legal infrastructure. It is imperative that the County administers the following Laws to operationalize collection of certain revenues, this include but not limited to; Revenue Act, County Revenue Board Act, Outdoor advertising Act, Nyandarua County Trade License Act, Liquor licensing Act, Nyandarua County Laws inspectorate, Compliance and Enforcement Act.

Responsible Departments

- a) Office of the Governor
- b) Department of Finance, Economic Planning and ICT (Lead)
- c) Office of the County Attorney

xiv. Enactment and implementation of County Finance Acts

The County Finance Acts provides the basis for the County to collect Revenue as stipulated in the PFM Act,2012. The PFM Act, 2012 provides that the Finance Bill should be presented to the County Assembly for approval not later than the 30th September of each year. However, the law does not provides timelines upon which the County Assembly should have enacted the Finance Act. This has occasioned the late enactment of the Law, for instance the County Finance Act 2020 was enacted and published in April, 2021, this is only three months to the lapse of the Financial Year within which it is to be implemented.

Since 2018 to 2022, the County Finance Acts charges and levies have remained constant, this is irrespective that the County Development needs and Budgets have grown exponentially. A key indicator of this inadequacy is the Own Source Revenue target is the balancing figure in preparation of the County Budgets.

Various items on the County Finance Act have not been implemented to date, notably milk cess, inspection fees on completed buildings, ploughing tractors and combine harvesters, commercial road maintenance machine on hire, residential houses.

Policy Recommendation

- i. The County Treasury should strive to ensure that the County Finance Bills are submitted to the County Assembly together with County Budget on 30th April, This will ensure that the Finance Act is enacted by the 1st of July of the next Financial Year.
- ii. Preparation of accelerated County Finance Act to respond to emerging County Needs this will be in tandem with best practices in other Counties.
- iii. Own Source Revenue target should be departmental based and based on scientific calculations and data analytics patters from prior collection.

Responsible Departments

- a) Office of the Governor
- b) Department of Finance, Economic Planning and ICT
- c) Office of the County Attorney
- d) Department of Public Service, Administration and Devolution

xv. Garbage Collection Fee and

Major towns within the County and in residential areas the County Government oversaw solid waste collection, this is achieved through the unitary garbage truck owned by the County and is overstretched and operates with a work plan prepared by the Department of Water, Environment and Natural Resources. This has led to persistent public outcry associated with garbage collection in the County.

Licensing No revenue is collected from this service despite that it was offered to commercial investors in the County, in Towns like Ol Kalou there existed private sector solid waste collectors, however the same were not vetted or licensed to operate in the County.

Policy Recommendation

- i. The Solid waste is a collectable revenue under the County Government Act and schedule IV of the constitution. As Such residential and business premises should be charged a Conservancy fee to be enacted through the Finance Act to remedy the free rider problem in this service.
- ii. All private Solid Waste Collectors in the County should be vetted and licensed.

Responsible Department

- a) Office of the Governor
- b) Department of Water, Environment and Natural Resources (Lead)
- c) Department of Finance, Economic Planning and ICT
- d) Department of Health Services
- e) Department of Lands, Physical Planning and Urban Development
- f) Department of Tourism, Trade, Cooperatives and Industrialization
- g) Nyandarua Trade Development Board

xvi. Unified County Businesses Permits The County Government of Nyandarua was ranked as one of the Investment destination of the County in the County Gross Product Report, 2019 by the KNBS. To further improve the ease of doing business in the County and improve on revenue raising measures, the task force noted that various services were charged separately.

Policy Recommendation

To improve the ease of doing business in the County, there is need to unify all the chargeable revenues to a single permit. The Following should be unified; Single Business Permit, food and hygiene certificate, Fire certificate, Land rates, Conservancy fees and weight and measures.

Responsible Department

- a) Office of the Governor
- b) Department of Finance, Economic Planning and ICT
- c) Department of Tourism, Tourism, Cooperatives and Industrialization
- d) Department of Lands, Physical Planning and Urban Development
- e) Department of Public Works, Roads, Transport and Energy

xvii. Maintenance of County Productive Sector Infrastructure Collection of Revenue is highly dependent on productive sectors and services offered to the Citizenry. This includes ensuring a conducive business environment for example County Markets and Slaughterhouses need renovation and refurbishment to accommodate extra services. In return this will ease revenue administration and collection.

Policy Recommendation

- i. Budget periodic Maintenance of productive sector assets as enabler to revenue collection.

Responsible Department

- a) Office of the Governor
- b) Department of Public Works, Roads, Transport and Energy (Lead)
- c) Department of Finance, Economic Planning and ICT
- d) Department of Tourism, Trade, Cooperatives and Industrialization

Xvii Collection of land rates in the County and other accrual fees and licences have been an uphill task for collection by the County Government, largely owing to lack of data or enforcement method.

Engagement of a debt collector Engagement of A Debt Collector as is in Meru County provides an avenue for the collection of outstanding revenue.

Policy Recommendation

Engagement of A Debt Collector to collect outstanding fees and county revenue
Maintenance of proper data/ data bank
Integration of payment of County Land rates to County Pay

Responsible Department

Office of the Governor
Department of Finance, Economic Planning and ICT (Lead)
Department of Lands, Physical Planning and ICT
Office of the County Attorney
Office of the County Secretary and Head of Public Service

Institutional Framework For Revenue Administration

As revenue collection is a multi-disciplinary process, all Departments will have a key role. The process involves all County departments in collaboration with national government and development partners, the private sector and the community.

The Department of Finance, Economic Planning and ICT will coordinate all stakeholders on revenue collection in the County.

Overall Goal

The overall goal of the institutional framework is to strengthen and establish efficient institutional mechanisms for integrating and mainstreaming of revenue collection into the socio-economic and development processes at all levels in the County.

County Revenue Administration Structure

The Governor

The County Governor is the Chief Executive in the county and has the mandate to guide the County in its development plan. This is achieved through his manifesto and the County Development Plans. The Governor is the Chair of the County Executive Committee.

The County Executive Committee

The Committee comprises all the Governor, the Deputy Governor and County Executive Committee Members for all the County Department. It is responsible for policy directions in the County.

The County Executive Committee Member for Finance, Economic Planning, and ICT

This refers to executive committee as referred in the Public Finance Management Act, 2012. The CEC oversees the County Treasury. The County Treasury oversees revenue collection and administration. Section 132 of the PFMA requires the County Executive Member for Finance to make a pronouncement on the revenue raising measures for the County Government for every financial year, and to concurrently submit to the County Assembly the County Finance Bill, setting out the revenue raising measures together with a policy statement expounding on those measures.

The County Assembly

The County Assembly is a representative of the people. The County Assembly is charged with the mandate of legislation, oversight and representation. The County Assembly approves the County Budgets. The County Assembly considers, approves the County Executive Committee Revenue raising measures and strategies and enact the County Finance Bills to law to operationalize collections and administration.

Receivers of County Government Revenue –These are designated in writing by the County Executive Committee member for finance under section 157. They are responsible for ensuring that the revenue for which they are responsible is collected or recovered and is accounted for.

Collectors of revenue - Under section 158 the receiver of revenue may authorize any public officer employed by the county government or any of its entities to be a collector of revenue for the purpose of collecting revenue and remitting it to the receiver.

Strategies, Mechanism And Legal Framework For The Implementation Of The Policy

In the process of planning and providing a dynamic revenue administration policy for the County the following strategies and mechanism will be adapted:

a) Risk, Vulnerability and Resilience Assessments

Effective revenue administration and collection depend on accurate information, projections and forecasts that are conducted with scientific precision and in considerations of indigenous knowledge. Risk and Vulnerability assessment is the process of systematically identifying all undesirable incidents, assessing how likely it is that the events will occur, assessing the immediate negative consequences, analysing the vulnerability of the activity, and assessing the ability to handle its impacts.

The County Government shall build the capacity of the technical personnel to conduct periodic risk analysis using nationally accepted tools and methods. To ensure that there is timely risk, vulnerability, and resilience assessments the County Government shall procure relevant equipment both for effective monitoring, assessments and response.

Revenue Act.

b) County Revenue Board Act

Incorporation of a Body Corporate to be charged with the mandate of Revenue Collection will enhance efficiency, innovation and effectiveness in revenue administration. The Revenue Board will be incorporated as a County Government entity as stipulated in Section 182 (1) of the Public finance Management Act, 2012.

Rationale For the Establishment Of Nyandarua County Revenue Board

- a) ensure revenue is raised and administered in an effective and efficient manner;
- b) ensure all revenue raised is accounted for;
- c) ensure that all persons who should fall in the revenue payer bracket are included;
- d) improve revenue collection in the County to ensure improved service delivery; and
- e) Emerging Best practice as benchmarked with other Counties.

Functions of Nyandarua County Revenue Board

The Board shall, under the general direction of the Executive Committee Member for Finance, be responsible for the following—

- a) administering and enforcing revenue laws to ensure that all monies raised or collected by or on behalf of the County are paid into the County Revenue Fund;
- b) assessing revenue payable to the County Government where applicable;
- c) advising the Executive Committee Member on all matters relating to the imposition, administration and enforcement of revenue laws, assessment and collection of revenue and penalties thereof in line with Article 209 of the Constitution;
- d) preparing an annual work plan for County revenue collection specifying expected work volumes, service and enforcement initiatives;
- e) institute measures to ensure compliance with County Finance Act;
- f) implementing effective, efficient and secure systems of assessing, collecting and remitting revenue;
- g) designing and implementing a plan to achieve revenue growth;
- h) promote and encourage voluntary compliance by revenue payers;
- i) provide public education and awareness to all revenue payers as well as members of the public on the importance of paying the revenues promptly, the criteria of assessment and tabulation of revenue due and ways of making the payments;
- j) advising the County Executive Committee on all matters related to collection and administration of revenue;
- k) liaising and providing linkages with National Government entities dealing with Revenue collection in both the National and County Governments; and
- l) doing or performing all other acts for the proper performance of its functions.

Board of Directors

There shall be a Board of Directors which shall be the governing body of the Board and shall consist of the following —

- a) a non-executive chairperson appointed by the Governor with the approval of the County Assembly;
- b) the Chief officer for the time being responsible for finance;
- c) Chief Executive Officer (CEO) who shall be an ex official Member and Secretary to the Board;
- d) Five other persons with knowledge and practical experience appointed by the Executive Member in charge of Revenue through a competitive process by the County Public Service Board.

Members of the Board shall be on a part time basis paid such allowances as shall be determined by the Salaries and Remuneration Commission.

The term of office for the Chairperson or a member shall be three years, renewable once.

Functions of the Board of Directors

The Board shall be responsible for the following—

- a) the approval and review of the policies of the Board;
- b) the monitoring of the performance of the Board in carrying out its functions;
- c) the discipline and control of all members of staff of the Board appointed under this Act; and
- d) approve any alteration in the organization or establishment of the Board;

Chief Executive Officer (CEO)

There shall be a Chief Executive Officer of the Board who shall be appointed by the Executive Committee Member upon the recommendation of the County Public Service Board on such terms and conditions as are specified in his instrument of appointment.

To qualify for appointment as the Chief Executive Officer, a person shall—

- a) possess a degree in finance, accounting, or economics from a recognized university.
- b) have experience in management for a period of not less than ten years; and
- c) satisfy the conditions of Chapter six of the Constitution.

The Chief Executive Officer shall hold office for a renewable term of Three years during which period, he shall have tenure of office.

The functions of the Chief Executive Officer shall be;

- a) Subject to the direction of the Board, be responsible for day-to-day management affairs of the Board;
- b) In consultation of the Board, be responsible for the direction of the affairs and transactions of the Board the exercise, discharge and performance of its objective, functions, duties and the general administration of the Board; and
- c) Carry out any other function as may be assigned by the Board.

Reports on operations of the County Revenue Board

The CEO shall prepare and submit to the Board, the County Treasury and the Executive Committee Member—

- a) Quarterly reports on the operations of the Board and the implementation of this Act;
- b) Quarterly statements with copies to the National treasury and the Commission for Revenue Allocation
- c) an annual report for each financial year which shall cover among others—
 - i. all matters related to the Board and the implementation of this Act;
 - ii. the operation and administration of all revenue laws;

- iii. the collection of revenue;
 - iv. the challenges faced in the implementation of this Act and proposed measures and interventions
 - v. proposed policy and legislative measures to be adopted in order to enhance county revenue and revenue administration; and
 - vi. any other information as may be required by the Board
- d) The Executive Committee Member of Finance shall submit the report received to the Cabinet within fourteen days after receipt of the report in accordance with the provisions of Public Finance Management Act, 2012.

The Cabinet shall consider the report submitted and shall transmit it to the County Assembly for consideration not later than thirty days after its consideration.

Staff of the County Revenue Board

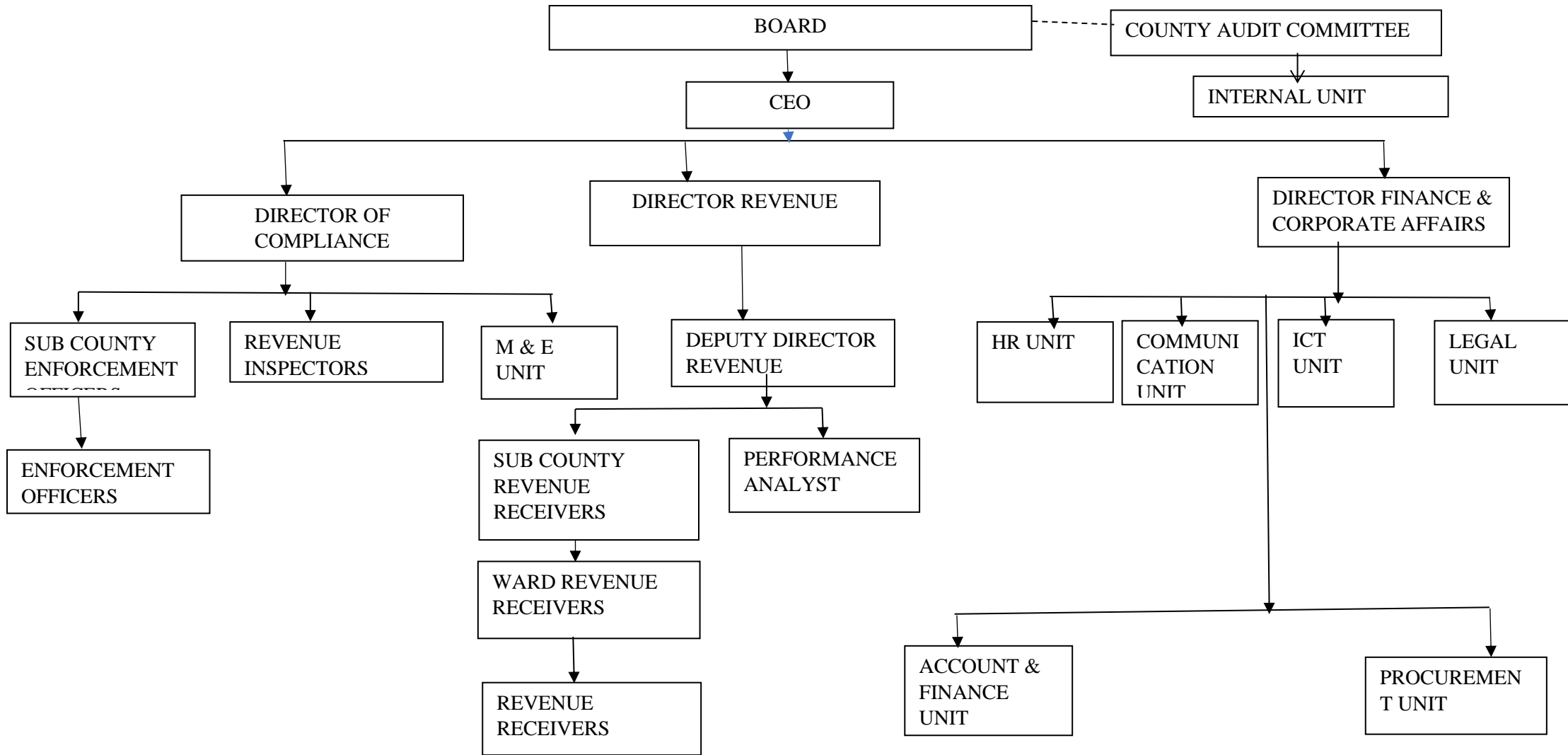
The Board may appoint such number of revenue collectors, officers, and staff as it may deem necessary for the performance of its functions.

The Executive Committee Member for Finance shall, upon request by the Board, facilitate secondment to the Board of such officers from the County Public Service as may be appropriate and necessary for the proper management of the functions of the Board.

Revenue Officers

The Executive Committee Member for Finance may, in accordance with section 158 (1) of the Public Finance Management Act, 2012 and in consultation with the Board, designate such persons to be revenue officers and to work as staff of the Board, for the purposes of collecting revenue on behalf of the County Government, provided that such officers shall be County public officers appointed by the County Public Service Board.

OPERATION STRUCTURE OF THE BOARD



Outdoor advertising Act The enactment of the law will provide for a legal framework for the regulation of outdoor advertisement in the county. This is set to enhance County Own Source Revenue as the current legal framework does not provide a basis for the the collection and management of County Outdoor advertising and signages.

Nyandarua County Trade License Act The enactment of this Act will provide a legal framework for;

- i. Provision of business license management function;
- ii. Provision of a legal basis for the implementation of County Business plan
- iii. Provision of a conducive environment for fair business practices
- iv. Assignment of roles and responsibilities for various County Officers
- v. Control and regulation of business practices and management in the County
- vi. Provision of an enabling regulatory framework which promotes growth and development

Liquor licensing Act **The purpose of this Act will be;**

- i. Reduce and mitigate the negative health, social and economic impact and other costs associated with production, sale, advertisement of alcoholic drinks.
- ii. Protect persons under the age of 18 from negative impact of on social development due to exposure to alcohol
- iii. Provide for collaboration and coordination with other government agencies and to support implementation of national policies on alcoholic drinks control in the County.
- iv. Provide a framework for provision of civic education
- v. Facilitate and enhance community participation in alcoholic drinks control
- vi. Ensure fair and ethical business practices
- vii. Eliminate illicit brews

Nyandarua County Laws inspectorate, Compliance and Enforcement Act. The Act aims at providing for the establishment of Nyandarua County Laws Enforcement Inspectorate Unit which will be responsible for protecting and guarding the property of the county and enforce compliance with the Nyandarua County Laws and regulations. The Act will also seek to enforce payment of service fee and land rates collection and curb crime in the county in collaboration with the police,”.

Monitoring and Evaluation mechanism

Introduction Monitoring is entails conducting an assessment of the extent to which an intervention has been evolving (tracking performance on expected results) and involves routine collection of administrative and programme-specific data on how many beneficiaries are reached and covered and how effectively the intervention is reaching them. Monitoring should be a continuous process, integrated as an essential component of any programme design.

Evaluation, on the other hand, entails assessing specific areas of a programme’s implementation and operation (process evaluations) as well as assessing the impacts of interventions on outcomes (impact evaluations). Evaluations are usually carried out by independent evaluators seeking an objective assessment of what changes in outcomes (and by how much) can be attributed to the programme and/or intervention a final step in developing the framework is deciding on the monitoring, evaluation and reporting modalities.

Objectives of M&E M&E is critical to track and review whether the implementation of the framework is progressing as planned and whether there is progress towards achieving expected outcomes. M&E is important to ensure learning and continual improvements to mainstreaming ageing. M&E supports the determination of whether and how activities are being implemented (outputs) and whether transformative change is occurring by mainstreaming ageing (outcomes). This can help decide if additional activities may be required due to evolving needs and what adjustments need to be made (adjustments). Regular reporting on M&E findings ensures transparency and accountability.

Monitoring

Policy Position

The Accounting Officer of is responsible for monitoring Revenue Administration at the departmental level in accordance with this policy. The Accounting Officer shall also ensure harmonization of County Government entities revenue administration policies with this policy in the next two years.

The Department of Finance, Economic Planning and ICT is responsible for oversight of the implementation of this policy and for ensuring that its provisions are adhered to and applied consistently across all Departments and County Government entities. Compliance and monitoring will be assessed through quarterly reviews of reports submitted by Departments and County Government entities and field verification visits. In this respect, the County Treasury will facilitate continuous capacity building and training of accounting officers and their staff on the requirements of this policy.

The Internal Audit directorate will provide assurance on compliance of Departments and County Government entities with this policy and raise any concerns on assets and liabilities management.

Evaluation

Policy Position

The County Treasury will evaluate the implementation plan of this policy and report on the progress of its implementation to the County Executive Committee annually. The annual reports will evaluate the effectiveness, efficiency, transparency, and accountability submitted by Departments and County Government public entities.