



**REPUBLIC OF KENYA**

**BOMET COUNTY ASSEMBLY**

**ASSEMBLY DEBATES**

**(OFFICIAL REPORT)**

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**DAILY HANSARD**

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**Thursday, May 7, 2015**

**PLENARY**

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May 7, 2015 (Afternoon Sitting)

**COUNTY ASSEMBLY  
OFFICIAL REPORT  
Thursday, May 7, 2015  
The House met at 3.33 p.m.  
[The Deputy Speaker (Hon. Joyce Korir) on the Chair]  
Prayers**

**STATEMENT**

**Hon. S. Towett:** Thank you honourable Speaker, I just rise Pursuant to Standing Order (4), the House Business Committee normally gives programme of the business that is to be done the following week; that is the order of business of the following week. But I want to inform the members that the business of the next week will be posted in the website on Monday. So the committee was not really able to give that order of business today.

**Hon. Deputy Speaker:** Thank you very much honourable Samson for the communication. Next order.

❖ **MOTION**

**THE COUNTY ASSEMBLY URGES THE COUNTY EXECUTIVE COMMITTEE OF BOMET TO PUT IN PLACE EFFECTIVE MEASURES TO IMPROVE REVENUE COLLECTION, INCLUDING BUT NOT LIMITED TO THE USE OF AUTOMATED SYSTEMS OF REVENUE COLLECTION**

**Hon. C. Ngeno:** Thank you honourable Speaker, aware that Article 209(3) of the Constitution of Kenya 2010 provides that a county may impose rates, taxes and other revenue raising measures; also aware that section 161 of the Public Finance Management Act mandates the county government to ensure conformity to article 209(5) of the constitution while imposing a tax or a revenue raising measure; further aware that the revenue collection in most urban centres in the County is done manually by the clerks using receipts; concerned that the use of receipts is ineffective and prone to fraud, misappropriation and theft which has caused heavy losses to the County; deeply concerned that the County continues to incur losses and a steady reduction of the revenue generated locally; this County assembly urges the County Executive Committee of

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Bomet to put in place effective measures to improve revenue collection, including but not limited to the use of automated systems of revenue collection.

Madam Speaker, as the Chair of Finance, ICT and Economic Planning, certain concerns have prompted me to come up with this motion. Before I come to those concerns, the county government get revenue from two sources, the revenue from the National government and own revenue collected locally. Then the concerns that made me to come up with this motion are that when we went through this report from the controller of budget. They compared what the county government collected in the financial year 2013/14 second quarter which was 36.5 million, at the second quarter of 2014/15 they collected 25.49 million, this means that revenue collection is declining. So what could be happening? The reasons I suspect is that: one, the method of collecting revenue using receipts is subject to high leakages and then to seal these leakages, we need to automate our revenue collection system. There is an honourable member from this House who once talked of the former Municipal Council and he talked of collecting a lot of revenue at the time, so why not today. We are seeing a lot of commercial buildings mushrooming in our towns including Sotik, Bomet we thought the revenue being collected could be rising but in our case it is declining. In the financial year 2013/14 the county collected around KES 233 million and then in 2014/15 what has been collected so far and we are in the last quarter is slightly over KES 130 million and the target is KES 380 million. Are we going to attain that target? Another concern is that the market days are increasing, Mulot on Saturday, Silibwet on Friday. Other markets have increased unlike those other years during the era of municipal councils. I suspect there are huge incidents of leakages due to the use of manual way, the analogue way, using the receipts. Take for example on Saturday; the revenue collected at Mulot market, there could be a junior clerk who could be having two receipts. He uses one receipt to remit the money to the senior clerk at the end of that day, and then uses the other receipt for his own deals, that is fraud anyway. Then that is on Saturday, on Sunday he stays with the money, on Monday he remits it to the County revenue office. So we need another system of revenue collection, that is why I am saying we need an automated system, we need to go into these systems like the government has already installed IFMIS and G-PAY but in the other areas, even in our Assembly here procurement is being done manually. We need to embrace e-procurement even internet banking. Those are my concerns, the concerns is that we have a lot of businesses coming up. Like retail shops, commercial buildings like lodgings mushrooming everywhere but the revenue is reducing. The reason being use of manual systems. If we go the automated form of collecting revenue we shall at least have some benefits, it will reduce fraud and also enhance accountability. This stealing in small quantities will be reduced, so we urge the government to stop using this

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analogue way of collecting revenue and also stop use of revenue at source. There are some junior revenue collectors at the sub county level who collect the revenue there and start paying the employees at source. Let all the revenue collected come to the county government revenue account and it is disbursed there. Then in future we should set realistic figures. We may put high targets that we cannot meet and that will be unrealistic. So members I urge you to support this motion so that we can increase our revenue collection. Some counties raise even more than the allocations from the National Government, so I urge members that we pass this motion so that we increase revenue collection in future and I urge honourable Samson Towett to second this motion.

**Hon. S. Towett:** Thank you very much Madam Speaker for giving me the opportunity to second the motion before us, from the onset I want to take this opportunity to really thank the mover for coming up with such a wonderful motion. Which I believe if implemented will transform the way taxes are collected in our county. We are quite aware that for the last two years that this county government has been in existence, we have been collecting our taxes the traditional way. And we are also aware that the world is evolving and many things are changing. We see how the media fraternity is changing from the analogue system to the digital system. We have also seen how the green tea leaves being weighed using the electronic weighing scale. We have also seen our transactions are being done in our major shopping centres. A number of them do encourage people to use e-payment for example using the Visa-card and even using the M-Pesa system. So this means people are almost going to what we call the cashless society, therefore it means they have embraced the new technology and have started enjoying the fruits of this. Madam Speaker, it leaves a lot of questions to ask and ask we ask ourselves what could be really happening to the amount of taxes that we collect. We expected that as years progress, the amount of money that as years progress we expected the amount of money collected to be increasing but as years progress we have seen to be declining. If you look at the last financial year, the anticipated amount which was above 250 million, we ended up raising about 236 million by the end of the financial year. And we have seen how things are happening this financial year if for the last 9 months we have collected only to a tune of 131 million and the projection was 336 million. Does it mean our projection is wrong or we are not collecting our taxes the right way? I believe we need to find the reasons using the simplest systems and the simplest and efficient systems that can be used is only going e-taxation system. If this is going to be embraced and be implemented by our county government then it means efficiency will be enhanced and also productivity will go up which means more taxes will be collected. We believe that not all collectable taxes are being collected, could be even those people who are collecting could be reluctant. We need to know the reasons

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behind the low collection of taxes in the county. Could it be that our employees who work in that sector are not well taken care of? Are they being underpaid? If we continue collecting our taxes the receipt way, it means we cannot really account for collected taxes, we cannot be sure whether all the collected taxes were really remitted to the right revenue account or not. If we go the e-system, once somebody remits the money, it will be transferred to the revenue account of the county, therefore it cannot be reduced and we can now the exact amount of money that has collected, we can also give track on when we can collect more taxes. If you go to Nairobi now and you want to park your car, you can do so at a designated area and pay parking fees using your phone and you get your receipts. I believe if we go the same way we can collect all the taxes that this county needs to collect, if this is done we will grow the revenue base of this county. And thereby we will have improved the development of this county. We those few remarks, I second this motion.

**Hon. Deputy Speaker:** Thank you very much honourable Samson for seconding the motion, I therefore propose the question that aware that Article 209(3) of the Constitution of Kenya 2010 provides that a county may impose rates, taxes and other revenue raising measures; also aware that section 161 of the Public Finance Management Act mandates the county government to ensure conformity to article 209(5) of the constitution while imposing a tax or a revenue raising measure; further aware that the revenue collection in most urban centres in the County is done manually by the clerks using receipts; concerned that the use of receipts is ineffective and prone to fraud, misappropriation and theft which has caused heavy losses to the County; deeply concerned that the County continue to incur losses and a steady reduction of the revenue generated locally; this County assembly urges the County Executive Committee of Bomet to put in place effective measures to improve revenue collection, including but not limited to the use of automated systems of revenue collection. The floor is open for debate.

**Hon. R. Langat:** Thank you very much Madam Speaker, in as much as I accept the automated way, I know this County used to have experienced staff from the former Local government and these staff were removed and inexperienced ones were brought. Demoralization of those people who were there has really affected the revenue collection of this county. These are people who had known ways of collecting the revenue and now we are saying we want to go the easy way and I know in Kenya it is impossible to collect taxes without applying some little force. We are not telling our officers to collect taxes forcefully collect taxes but we have seen everywhere that it needs some force to collect taxes because the inexperienced people who have come in think money will just come in freely. However much we want to go automated we may not collect

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much because our tax payers are not even literate to know how to use these gadgets. You go collecting in small markets in the villages and it might become impossible to collect but we have to use the modern ways and some of the traditional ways but not much to the effect that going round to the police like during the previous years. But I am saying one of the factors that have contributed to this is the demoralization of the former county council staff. Thank you.

**Hon. R. Serbai:** Thank you honourable Speaker, I also rise to contribute to this motion. As mentioned by honourable Langat, the revenue collection is not a big deal but the big deal is who is collecting the money? Have all the loopholes been sealed? Because when we talk of modern ways of collecting taxes, if that device is being controlled by the same person, that person can fail to use the device in collecting the money but just use it where necessary and the device cannot dictate that the money collected without using the device are recorded. We are also aware that during the former county council, I was the finance chair of Bomet county council and we were using our staff to collect revenue, I want to give a good example when I was elected by the councillors to head that committee, I held a meeting with all the revenue collectors and we filled all the loopholes and Bomet used to collect 16 million per year and we had our own target of 24 million. But we exceeded the target by 9 million that means that we collected 33 million which is twice as much as the other figure collected. At that time we did not have these modern devices, but first we need to identify where this revenue collectors can use, after we surpassed the target I was re-elected and I had a target of 36 million and we exceeded the target and collected 54 million. If at the third year we collected 64 million, it is so shocking that the county government which consists of five sub-counties, when I talk of Bureti council it consisted of Bureti and Konoin districts and half of Sotik and there was Litein town council who collected the money but did not submit to Bureti County Council. So it means if we received revenue from Litein Town Council we could collect 80 million. Now that the county government has collected 136 million, and their target was 380 million this means someone is sleeping on the job. This is very simple let us not talk about e-collection but let us about sub-counties and I believe we have officers charged with revenue collection in each and every sub county, why can't we give a certain target to each sub county revenue officer so that he can also go down and give a certain target to those who are under him. There are certain things which when you go through the Budget of Bomet I have never seen, and this is for the Budget and Appropriation Committee and Finance, ICT and Economic Planning Committee, I have never seen the collection from James Finlay, George Williamson and Unilever Tea Companies and when I was the Finance Chair, there used to be an annual increment of 0.01% of the total income of that company and by that time we used to collect 0.7% and we left it at 0.6% and we used to collect from James Finlay KES 32.7 million

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and George Williamson KES 4 million and Unilever Tea Companies KES 7.8 million and I believe as at now it stands at 0.9% or even 1%. Was this captured in the Budget? These are the loopholes the financial Chair is raising here that there was some kind of fraud and we are asking the Chair that where is this money? Is it being channelled to Bomet County? We also collect a lot of money from Embomos Tea Farm and where is this Money too as it has not been captured in our Budget and as we are talking now that we need revenue the production of the tea farm is going down because of two things; the coming in of Bomet County Government resulted in reshuffles and they removed the supervisor and send in a manager and production came down; the same case applies to those who were collecting revenue and when the Governor came into office he accused the local authorities revenue officers as thieves and now he is collecting KES 130 and we were collecting KES 300 so who is a thief now? Most of the workers of the defunct county councils were sent home and since revenue collection is down it means there are individuals who are using the county revenue officers to take the money into their own funds for personal use and not into county revenue account. I want to urge the Finance Dept. to have a meeting with the concerned persons in this Department and try to identify where the problem is. Why is revenue coming down instead of increasing since even when you want to put up a structure in Town you pay some amount to the County? Or are they putting up the structures without paying the County Government? The collection should shoot up. I end by saying that the problem we have is the type of Government we have in Bomet and not the revenue collector. The problem is the Head of this Government and the person in charge of revenue collection is a professional thief and the other one was not. I can give reasons for this. Someone is employed in this County and after 3 months he is buying a plot of KES 3 million and putting up a house worth KES 5 million and is banking KES 70 million...

*Interruption*

**Hon. Deputy Speaker:** Yes, honourable Kirui.

**Hon. J. Kirui:** Let me direct a question to the contributor who is raising pertinent issues. Is the information he is giving before any committee in the House and has PAC/PIC taken up the matter? It is a weighty matter.

**Hon. R. Serbai:** This doesn't need an explanation if the Chair Finance and I sympathise with our Majority Leader as he is only five minutes old in the House, if the target was KES 390 million and they have collected KES 130 million and we are in the last quarter of the financial year do you expect these people to collect 250 million. That is a simple question since you look at the

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target and the amount collected so far and before the Local Authorities employees were sent home they were collecting KES 300 million and those for the County Government are collecting KES 130 million. So one can tell who is a thief and who is not...

**Hon. Deputy Speaker:** The Majority is asking if PAC/PIC can confirm that the money does not reach its intended place.

**Hon. R. Serbai:** We are pointing out the loopholes and it is upon the Finance Committee to invite PAC/PIC to investigate. That is the procedure. We cannot, as PAC/PIC, investigate this matter just like the one on Health where the Committee directed that the matter goes to PAC/PIC. The Finance Committee should direct this to PAC/PIC. So we are giving information so that the Committee can use it as a basis to invite PAC/PIC. As I end, I wish to know from the Chair, Finance that now buildings are mushrooming all over Town and how much has been collected from them so that we can tell if the KES 130 million is part of the amount collected from these buildings. Also with the coming in of the County Government the Governor exempted the boda-boda operators from paying tax and yet they are the ones who should be building the Town and yet we are now blaming others and yet the Governor exempted them from paying tax. It is surprising that the County is led by someone who labels another as a dictator and yet he himself is a roaming dictator in the County. Thank you.

**Hon. Deputy Speaker:** Thank you. Honourable Kirui, honourable Chepkwony, honourable Siele honourable Leah.

**Hon. L. Kirui:** Thank you. Let me congratulate honourable Christopher Ng'eno for the motion. I also support the motion and I know we have several challenges when it comes to revenue collection in the County and there is no doubt that we have not attained revenue targets since the inception of the County Government of Bomet. The members who have contributed have been giving reasons for failure to attain the target and let me reiterate honourable Lang'at that the reason for failure to realise the target is because of demoralised revenue collectors. The workers who were in the defunct local authorities have not had terms which are satisfactory both in the Assembly and in the County Government and the problem lies with the systems at hand and if this is solved it will sort out the problem. Also the system of revenue collection in the County is not the best and I don't know whether the people working in that department are serious with the job. I think we are not among those supporting little revenue collection because we did our part when we passed the Finance Bill but thereafter we heard that the Bill was not implemented and

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that is one of the contributing factors and it seems this County Government is only interested in playing politics to an extent that everything else is forgotten. One of those who have ensured we do not collect revenue are those who play politics and you know, if we include politics in the collection of revenue, then we will not collect any. I was surprised to realize that the Finance Bill that we passed was later dumped. The only Finance Bill in operation is the one we passed recently, but the one we passed in the last financial year was not used. I wish that once we have passed any legislation here, whether it is favourable to the people in 'crowds' or not favourable, it should be implemented because we are the representative of the people. Unless we made a mistake in this House then my residents should blame me because I represent them. This is another factor.

The other factor is situations where there is insecurity. Even the collectors sometimes work in a non-conducive environment because of insecurity. Recently, Madam Speaker, in the bus stage here in Bomet, somebody brought murrum to the stage yet they are expecting the vehicle to perform so that they collect their revenues. On such cases, it has raised issues like; '*maandamano*' and rampage. If there is rampage on a certain day, no revenue will be collected that day. Meaning, the departments which are responsible are also the contributing factor towards low revenue collection. We want to tell them to put their House in order so that they cannot be the roadblocks towards the collection of revenues. Honourable Speaker, I know I want to say I support this motion. The reason why I am supporting that is though we have challenges; I know this is another way; an improvement. It is only that we have not exhausted the previous method we were using. Otherwise, it is a high time, like what the Chair of Finance and ICT have raised, it is a high time for us to move with the technology. This involves the use of automated systems. The reason why I am supporting this, honourable Speaker is that this system is a fair system. In the other system, you find nepotism such that people can give their kin receipts that can demand less money than what is supposed to. A whole-sale enterprise can be indicated as a 'kiosk' to avoid paying more. The automated system will not be perfect but it will reduce the unfairness. Honourable Speaker, with this, the wage bill will be minimized. We have a lot of revenue collectors in every market, with the automated system; we will use less manpower meaning a lower wage-bill. I remember when we wanted to touch on the budget, especially from the office of Governor; the Governor was saying he has a lot of workers that is why the money allocated to the office of Governor can reach KES 1 billion. This is another way of reducing. The treasury was also taking a lot of money in our budget and they were saying we are also paying the revenue workers...

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**Hon. Deputy Speaker:** What is your question honourable Serbai?

**Hon. R. Serbai:** Thank you honourable Speaker, I just want to ask my honourable colleague, when he says that the honourable Governor had a lot of workers therefore the wage bill was high. My question is; we have the Bomet County Public Service Board, which is the employing body in this County, who are these workers working in the Governor's office? Were they employed legally or illegally? Two; if it is true that there are many workers to an extent that our wage-bill is almost 55%, are the County Public Service Board aware of these workers? Are they aware of the wage-bill? Thank you.

**Hon. Deputy Speaker:** Honourable Kirui.

**Hon. L. Kirui:** Thank you very much. I think the question that has been asked by honourable Serbai can best be answered by the Chair on Labour because it is a heavy question. It requires statistics and summoning of the responsible bodies to come and answer. For me, I was talking lay-manly, on what I saw when we were preparing our budget based on the votes that we were having. Honourable Speaker, I don't want to take much time because my colleagues also want to contribute to this motion. I just want to end by saying; I really support the use of the automated systems as it is an improvement. Thank you Madam Speaker.

**Hon. Deputy Speaker:** Honourable Chepkwony

**Hon. J. Chepkwony:** Thank you Madam Speaker. I rise to support the motion and congratulate the mover. Revenue collection is one of the ways of raising the financial resources that can enable this County Government to run. In fact it has been faced with several challenges such as drought, theft, and inaccuracy. Madam Speaker, I do say that challenges have existed, not only in this County Government, but in the whole Country. Given that the Member who has come up with this motion has come up with an idea to try and solve the challenges, and given that my colleagues have contributed, the mover has mentioned ways to cover the leakages. Madam Speaker, one way to try and cover the leakages includes, but not limited to, the automated systems. It is good for record keeping. When you find out that a method is not working, you change, and it can bring results. Madam Speaker, once the automated systems is applied; it should be applied by Rapid Results Initiative (RRI), so that within a given period of time, we will realize the results of the automated system as we try to remove the leakages. We accept that many factors are contributing to the deterioration of revenue collection. That is why I support we try this other method. It is relevant to the changing world. One way of accepting it is going

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digital Madam Speaker. That is why we have the IFMIS and the G-PAY. The reason why these systems were introduced was because the manual system had many challenges. I support that this motion be passed so that we learn more about it as we use it. Otherwise, I support this motion that the method be applied. We expect good results, if not, we have to change. Thank you Madam Speaker.

**Hon. Deputy Speaker:** Honourable Leah, then honourable Siele, then honourable Bett.

**Hon. L. Chepkoech:** Thank you very much Madam Speaker for this chance. I rise to support the motion and I must congratulate the mover. Madam Speaker, in this County we should be collecting a lot of revenue, basing on the sub-counties we have. When you compare the revenue collected in each sub-county, it is not good. The revenue collectors in this County are not performing well. Madam Speaker, when we compare them to those we have in the Transitional Authority, we can see that these ones are not qualified because we employ degree holders as the revenue collectors. A degree holder is not able to have language to most of the business people. I am saying so, Madam Speaker, because I have an experience; I met a revenue collector complaining to a shopkeeper over money. The collector harassed the shopkeeper and used rude language. Another thing is that these revenue collectors are not getting good security. They should be having cars. They are being given Land Rovers which they have a time-limit to them. They are allowed to use them for only two hours and when you give 2 hours you cannot be able to meet many people in various people that mean many people are not being taxed. I want to say this county needs to have structures and the person in charge to sit with all the other revenue collectors and see other means of collecting the revenue faster. Otherwise, I support the motion. Thank you.

**Hon. Deputy Speaker:** Honourable Siele than honourable Bett.

**Hon. P. Siele:** Thank you for giving me this chance. I also stand to support this motion; I can say the revenue collectors or the persons in charge have a lot of laxity. I remember one time in the former county council we collected a lot of revenue. Honourable Korir, I and Chelule, we used to collect a lot of revenue especially the Bomet county council. The people collecting revenue do not require being professionals. This people went to the field and were paid money in percentage of what they collected. There was competition among the people collecting revenue. I also believe that is one way we can consider using. This is because these people went to the field and

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collected revenue. They now must be fuelled to go and collect and now they may not even be able to recover the money they used.

**Hon. Deputy Speaker:** What is your point of order?

**Hon. J. Ng'etich:** Is it in order for the honourable member to address you facing the other side instead of facing your chair.

**Hon. Deputy Speaker:** What is your information honourable majority.

**Hon. J. Kirui:** Honourable Speaker I never saw the member facing the other side and to be very honest the member was contributing in a nice way honourable Speaker.

**Hon. Deputy Speaker:** So honourable John you are out of order. Continue Honourable Siele.

**Hon. P. Siele:** I know the problem that we might be having together is the financial problem that we had one time. It happened that he wanted me to give him some money for fund raising but I don't have.

**Hon. Deputy Speaker:** What is honourable Josphat?

**Hon. J. Kirui:** As far as I am aware as an elected member, the law does not allow one to do a fundraising. So is it in order to do what is actually breaking the law by doing fund raising honourable Speaker.

**Hon. Deputy Speaker:** Honourable Siele that is a very serious allegation but honourable Majority you always know that honourable Siele whatever he says in front of the House is always right. With my permission honourable Siele you have to apologize on that and continue.

**Hon. P. Siele:** I hope the honourable members have understood. It is my appeal that this people collecting a lot of revenue at the same time there are so many areas which have not been identified so that we can be able to know where there is a lot of room. This is to identify where we can boost. Where possible we identify in the sub county areas where to collect and how much is collected from each sub county and this is before it reaches the headquarters. Even these *boda boda* men should be taxed. You find the *mama mbogas* being taxed and the one with *boda boda* is not being taxed. It is high time all these people should be taxed. Otherwise support the motion. Thank you.

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**Hon. Deputy Speaker:** I will give to honourable Bett, then honourable Korir then honourable Evaline.

**Hon. R. Bett:** Thank you very much honourable speaker, I was almost thinking that you mistook me for the nominated.

**Hon. Deputy Speaker:** You can be mistaken because the other time you were all moving out.

**Hon. R. Bett:** Madam Speaker I want to support the motion. Revenue in this county is a challenge and revenue collection is another one and we are not getting enough revenue in this county. This is because of systems that are not right. And we are not getting revenue just because of being lenient to several sectors. So Madam Speaker, we are losing just but across the border. Revenue collection system should be well placed and well-structured and as the honourable member or the mover said we need the electronic taxation for to collect revenue. Blames are to the county government. The businessmen don't pay the taxes because of the services we are not giving them. When we talk of lack of enough services because of the revenue that are not enough, and when we try to enforce the even a very simple law, there is always a tendency that is being politicised and yet they are the ones who approve the revenue Bill.

**Hon. Deputy Speaker:** Honourable Bett you have just politicised; what is it honourable Samson.

**Hon. S. Towett:** The member has just talked of Bills being politicised once they are passed. Let the member substantiate that. If he cannot let him withdraw.

**Hon. R. Bett:** I don't know why people get jittery though I haven't even contributed. As I build my point I want to clarify for the honourable member why I am talking of politicising. When you see this Finance Bill, we have money which the county can get from impounded vehicles; the animals caught wandering in town and so forth. When such a thing happens you will find the following day a lot of demonstrations. I know most of you have seen that.

**Hon. Deputy Speaker:** Honourable Bett I have been keen on what you said about politicising what has been passed in this House; does it mean that the demonstrations were done by the honourable members. I think for that, you have to apologize on the issue that you said that honourable members demonstrate.

**Hon. R. Bett:** Let me withdraw and apologize and but the statement has gone down. Thank you.

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**Hon. Deputy Speaker:** You are out of order honourable Bett; you cannot take me like a baby. I have said you apologize and withdraw.

**Hon. R. Bett:** Let me withdraw and apologize but the position I am standing on is quite understandable. I want to continue contributing on the same agricultural sector in this county, and all these are revenue sources. Licencing in the transport sector is also another one and I know in enforcement has not put this properly. I know things will be rectified in this motion if it is passed. We know other institution like health sector, and institutions built across the county. Many at times I know most of such remittances have not been put in place in such sectors. I am saying if we have the modern ways of collecting revenue, and if we enforce them orderly as per the finance Bill and leave politics aside. The county government will get a lot of revenue.

**Hon. Deputy Speaker:** Honourable Bett I wonder why you would talk of politics and revenue, The Chair alleges that the revenue collected so far is KES 131Million out of almost KES 350 Million which was supposed to be collected the motion is seeking ways to improve collection of revenue by automation so that the county can get more funds. Then where does politics come from. Is it politics that brought it down to KES 131million then if it is so you justify.

**Hon. R. Bett:** Madam Speaker I hope and I know you are the moderator in this House; you don't participate in the debate...

**Hon. Deputy Speaker:** Honourable Bett I can be the moderator but I will not listen to the honourable member to mislead the House. Unless you stick to the motion, I will not bend the law. What is your point of order honourable Mosonik?

**Hon. W. Mosonik:** My point of order is that honourable Bett is right. Just the other day Governor Kabogo was under pressure because of taxes and collection of taxes...

**Hon. Deputy Speaker:** What is right?

**Hon. W. Mosonik:** Politicising.

**Hon. Deputy Speaker:** Honourable Mosonik can you listen to my question, it is you who brought yourself to the floor and I am asking; was the Finance Bill politicised such that it brought it down to KES 131 million?

**Hon. W. Mosonik:** But honourable Bett has withdrawn.

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**Hon. Deputy Speaker:** You are out of order. Continue honourable Bett. You are out of order. Continue honourable Bett. Honourable Mosonik, I am only giving you 2 minutes and you will be out of this House.

**Hon. R. Bett:** Madam Speaker when we go to the informal sector, e.g. the shoe shiners, hawkers, and people peddling items across the town and we don't ask for anything in forms of taxes. I am one member who comes from Boito ward and I have never heard in Boito that the revenue collectors were there apart from maybe leaving these small businesses alone. I want to say that this Finance Act should be put in place. This is where we need to develop systems and to date we have not done that and I know you were in the former regime and you were getting a lot of money from the multinational but as at now we are not receiving any because of the legislation which has not been put in place to enhance to get that money. I know when we go through this Finance Act I am seeing that there is a lot of that we need to enforce. This is so that we set aside leniency, politics should be set aside so that we move this county ahead. Thank you.

**Hon. Deputy Speaker:** I had given honourable Bett, then honourable Korir then honourable Evaline. Then the mover to give the right of reply. I want to correct something honourable Bett said that there is another document to be passed by this House for the said institution to surrender the money to this county government. May be the chair can confirm that when he is replying. Continue honourable Korir.

**Hon. Julius Korir:** I rise to contribute to this motion by honourable Langat; I want to congratulate him for at least rising to the occasion that has awoken us on issues on revenue collection touching on the county. If my memory serves me right the moderation and controlling to see to it that revenue collection is improved so when he came up with motion, it becomes an eye opener and we realise that this is one sector in this county. But it is the sector that will directly determine our position economically and on improvement. When we introduce this motion we want to come up with modern technological methods of collecting revenue. I still insist that revenue is most critical in our economic improvement and the issue of receipt directly encourages misappropriations and corruption of these funds. We should embrace the new technological automated methods of tax collection. If we can try and analyse the new automated system, this is a system that can moderate and control and there is a receipt and this a method when I pay a fee for a particular service be it car park automatically when I receive a receipt that money is directly registered to a control point that this amount has been receive from a particular area and already it is recorded. We live in technological word where technology is overtaking

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everything and everything that we do is technological. We have living example, if someone has happened to be in Kericho County, you look at the way they collect revenue you find revenue collector having a machine in his chest and that is alive example of a live electronic automated electronic system of revenue collection and this will automatically reduce corruption and we will easily analyse because if you want to ask the committee concerned how much revenue were collected in the last four days it will be another one week for you to get that information because they will have to collect the receipts and the books and they start adding manually but if you want to get the information even within one hour they will give you because money is centrally controlled and the information is received at one central position.

This method is that we encourage so that we introduce it and in that case we have to improve our revenue collection mechanism.

Another good example is Machakos County Government. When the County Government of Machakos was introduced like the way this one was introduced, by then their revenue collection was KES 104 million but surprisingly they are now giving information that for the last one year they are able to collect KES 1.4 billion in revenue per year. That means the system of collecting revenue is very strong and has reduced corruption.

It again tells us the Government of Machakos is deeply concerned with the economic improvement of that County that they fight to see that there is economic improvement. Look at the picture of our County, rather than looking at this revenue as a resource and even change the lives of our people, we have never seen a serious person articulating issues to do with revenue.

Rather than saying where we can raise the revenue to supplement the funds from the National Government we are busy demanding to have more resources from the National Government.

We have never been concerned with the economic empowerment of our people so that we also increase on revenue collection.

Introduction of the so called *Pesa Mashinani* and all those things shows that we lack focus on issues that are tangible to our people because the amount that you are fighting to have as 45 per cent is from the National Revenue and we will not say 45 per cent is meant only for Bomet County because we are the ones agitating for it, it will change the national revenue for every County but we will have to remain and by then other County Governments will have move ahead.

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As I wind up I want to say that for this motion, given an opportune time and given that it is attended carefully we know we will have reported a deviation of positive collection of revenue. It is so surprising that I got the information that one time the Governor of this County was roaming around as was said by one honourable member; his common tradition of roaming around and on the way he wanted to have money and because he was pressed and he wants to go and hit the political stronghold of, for example honourable Mosonik, he knows that he doesn't have enough money and instead of asking whether he has money in his account he just called the revenue collector from Sigor and it was a market day, "how much have you collected"? Just direct from the market, then the revenue collector said he had collected around KES 60,000, "bring them immediately". Then the Land Rover was sent to carry the cash, it was running as if it was going to pick a sick person.

This shows there are loopholes in this system, even the Executive is manipulating the procedure so that they get the money directly. How does collection need to be enhanced? You collect the money and it has to be banked at the County Central Bank Account or County Revenue Account so that now so that it is withdrawn like the funds from national but ours we are just collecting and dishing on our pockets. With those remarks I want to support the honourable member that this motion came at the right time and I like him because he has always been against digitalization but he is now becoming digital, thank you.

**Hon. Deputy Speaker:** Honourable Evaline.

**Hon. E. Chepkemoi:** I stand to support this motion because taxation is a tool for measuring revenues of this County. The main reason why the revenues of this County are too low is because of a number of politics which is dominating Bomet County.

One is that we know Governor very well and that he has been campaigning that the *boda boda* men should not pay the revenues to this County Government. That one is one major factor yet if there is any other county everyone should pay taxes but it is very ironical in this County that the Governor of this County wants to earn political mileage which can even strain this County Government of Bomet.

Secondly is that because of a number of politics in this County, it has really scared away investors in this County and at the moment we don't have even one investor in this County Government unlike Narok County Government whereby they have attracted a number of

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investors which can as well increase revenues in a County. This one has contributed to a number of issues when it comes when it comes to revenue collection.

Number three is that we have high unemployment rate in Bomet County. You can imagine an employee earning KES 15,000 in a certain place and getting KES 3,000.

There must be clear structure in this county government in collecting revenues. The use of this Automated System of revenue collection should be embraced in this County Government so that we collect reasonable revenues. I support the motion, thank you.

**Hon. Deputy Speaker:** Honourable Cecilia.

**Hon. C. Towett:** I also stand to support this motion and specifically thank the honourable members who came up with this motion. The issue of revenue collection is really a challenge and we have realized that the target that was for the year 2014/2015 was higher.

Being in one of the committees, the CEC member was advised by the committee that the CEC member had set high standards on the collection of revenue but the CEC mentioned that they had known how they were going to improve on the collection of revenue.

It is also shocking that this time round that the collection has always gone down. It is greatly decreasing from where we were.

We are trying to know where all these messes are coming from. I am seeing that may be one of the contributing factors would be the change of persons who had experience in collection.

The collection of tax is not something easy. I know that we had persons who were experienced and with the issue of tax collection it doesn't require people who are lenient, people who at times bargain over taxes but a times the issue of revenue collection involves a lot of force.

I would also wish that for us to collect revenues we need to empower our people. We need to empower our women, we need to empower our youths so that as they do business they get to know where to collect the revenues.

Unless the Executive Committee of Bomet places measures on how to improve the revenue collection then it will be decreasing day by day.

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I support this motion and wish that the respective members resort to this automated measures of revenue collection, thank you.

**Hon. D. Speaker:** Honourable Ngeno.

**Hon. B. Ngeno:** I rise to congratulate the mover of the motion having realized that there is serious drop in revenue collection in this County Government. The member is concerned that we automate the systems that will enable the revenue collection in this County to go up.

You realize that everybody here is digital as we are talking and I thank the Governor of Bomet for raising while we were in Kisumu that we have to embrace IFMIS in ensuring that fiscal responsibility is observed in management of finance but the unfortunate thing about the Governor is that he is preaching water and taking whine.

What we know is that the real truth in the ground about the Governor is that he is not ready to automate the systems for revenue collection because it creates loopholes for creation for looting funds in this County Government. I remember when we had a report from the Controller of Budget, it was stating clearly that this County Government had two revenue accounts; one was collecting from KCB bank and another one was in Cooperative bank and among the two; one belonged to an individual and the other belongs to the government. Upon realization that it has been noticed, revenue collection at the moment is done in terms of presentation of receipts and the receipts that have been presented or those that may have not been serialized are the ones distorted and the money taken like that.

I am one of those who is ready to tell the members of the public not to give out revenues if mismanagement of revenues is going to be played with.

We have a target of KES 380 million in our budget but if revenues is collected and taken elsewhere then we can say this County Government may not be in a position to achieve the dream that we have and the best way to curb the same is through this motion that has been presented by the honourable member and we urge the implementation committee to follow up on the motion that will go through this House and especially this one. We do a follow up implementation committee to act and ensure that what we pass in this Assembly is not only done for the sake of doing it but it is done and implemented so that we raise the status of economy in this County Government.

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Let me end by saying that so far the revenue collection is going down and I wish instead of engaging in unnecessary tug of war that the CEO of this County is doing instead of engaging in the *Pesa Mashinani* thing that may not yield any fruit. This is one of the steps that need to be taken by this County Government so that we can succeed because it has been taken by other Counties and they have succeeded. I support the motion.

**Hon. Deputy Speaker:** Honourable Molel.

**Hon. J. Molel:** I think the motion is exhausted but I think it has some flavours. As other members have said revenue collection in this County Government is still questionable.

I want to support the motion from the member because he has suggested ways of trying to improve revenues in this County Government.

I also wonder, the County Government is growing and a lot of buildings and businesses are coming up and if somebody is telling us the revenues are reducing, it is a question to be answered by all the leaders of this County Government.

There is this situation where the *boda boda* riders are left free without paying revenues. We cannot politicize everything; there are some of the things which we can politicize but if we politicize the source of revenue which at the end of the day assists the members of the public as far as the roads are concerned then such a leader must be put to task.

Even the systems we are talking about, nobody is ready to introduce it and the reason is that they want a way of taking this money because if the systems are put in place then easy of taking this money will be narrow.

We know the tricks that the CEC is loosening the rope so that they get ways of stealing money. We want to urge the CEC Finance or the director for revenue so that they highlight trying to justify the reduction in revenue collection so that we also stay aware.

We are here to make sure that things are done in the right way especially the collection of revenue.

I want to thank my sub-County because it is leading among other counties but if things continue the way they are now then I am going to mobilize them not to raise revenue because it is of no reason if somebody somewhere is struggling to ensure that he collects enough revenue while

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others are misappropriating. We want to correct this mess. For those few remarks I want to support the motion, thank you.

**Hon. Deputy Speaker:** Honourable Ngetich.

**Hon. J. Ngetich:** I also want to register my concern as per the revenue of this County. I want to thank the mover of the motion; hon. Christopher Ngeno for seeing sense to save this County Government in terms of revenue collection.

Let us embrace this automated system of revenue collection in order to reduce the rate of fraud when collecting them.

Using also this system will be effective and accuracy will be realized.

Finally the system will make the revenues of this County Government to increase and it will also increase allocation from the National Government. It is the right time to urge the County Government to use this system, I support the motion.

**Hon. Deputy Speaker:** Mover of the motion.

**Hon. C. Ngeno:** I want to thank all the members who have contributed to this motion and let me highlight on some of the areas mentioned by those who contributed.

This issue of experienced revenue collectors who were laid off is an unfortunate one but they hired inexperienced workers and we need to motivate those working now.

There was also a member who talked of multinational tea estates not sure of remitting any rates or taxes but in the financial year 2013/2014 I saw remittance of KES 12 million. You remember the former CEC finance was not good in giving our information and let us pray that the new CEC will be cooperative this time round.

There is that section where most of the members have dwelled on; taxation. We need to tax all the sectors without exception and you know tax evasion is an offence. There is a rumour that *boda boda* operators from the neighbouring Counties have migrated to Bomet because there is no taxation. There is one operator operating Tenwek and other areas, that is a rumour but where there is smoke there is fire.

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In the financial year 2014/2015 I have seen a section there budgeted for automation and let us hope this will be implemented this year.

This is an assignment to the Committee on Labour and Public Service. You see we may be collecting revenue and we need to know the total number of workers in the County Government especially the number of revenue collectors.

We may be having several revenue collectors and what they collect goes to their salaries and nothing is left for development.

There is a member, who talked of a document that is in process that is going to be tabled in this House that may help to raise revenue, I am not aware of such a document.

Once again I want to urge the honourable members to pass this motion, thank you.

**Hon. Deputy Speaker:** Thank you, I therefore, put the question that aware that Article 209(3) of the Constitution of Kenya 2010 provides that a county may impose rates, taxes and other revenue raising measures; also aware that section 161 of the Public Finance Management Act mandates the county government to ensure conformity to article 209(5) of the constitution while imposing a tax or a revenue raising measure; further aware that the revenue collection in most urban centres in the County is done manually by the clerks using receipts; concerned that the use of receipts is ineffective and prone to fraud, misappropriation and theft which has caused heavy losses to the County; deeply concerned that the County continue to incur losses and a steady reduction of the revenue generated locally; this County assembly urges the County Executive Committee of Bomet to put in place effective measures to improve revenue collection, including but not limited to the use of automated systems of revenue collection.

*Question put and agreed to.*

**Hon. Deputy Speaker:** I request the Committee on Implementation to take control of the motion and see to it that the motion is implemented.

## **ADJOURNMENT**

*The House adjourned at 5.28 p.m.*