

REPUBLIC OF KENYA
MACHAKOS COUNTY ASSEMBLY

OFFICIAL REPORT

Tuesday, 10th March, 2020

The House met at 10.05 a.m.

[The Deputy Speaker (Hon. Museku) in the Chair]

PRAYERS

Hon. Deputy Speaker: Serjeant at Arms, ring the bell, please.

(Quorum Bell rung)

I think we have quorum now. Good morning, Hon. Members.

PAPER LAID

REPORT ON STUDY TOUR TO THE EAST AFRICAN LEGISLATIVE ASSEMBLY

Hon. Deputy Speaker: Hon. Members, under this Order, we have one business to be transacted by Hon. Kieti.

Hon. Kieti: Thank you, Mr. Speaker. Hon. Speaker, pursuant to Standing Order 190(5), I wish to lay the following Paper on the Table of the Assembly today, 10th March, 2020; the report of the Broadcasting and Library Services Committee on study tour to the East Africa Legislative Assembly. Thank you, Mr. Speaker.

NOTICE OF MOTION

REPORT ON STUDY TOUR TO THE EAST AFRICAN LEGISLATIVE ASSEMBLY

Hon. Deputy Speaker: Hon. Members, under this Order, we have one business also to transact by the Hon. Kieti.

Hon. Kieti: Thank you, Mr. Speaker.

Hon. Speaker, that aware that study tours helps institutions and specifically County Assembly Committees to compare their practices with best practices from their host; Aware that a delegation of members drawn from the Committee on Broadcasting and Library Services attended the study tour to the East Africa Legislative Assembly from 25th to 31st August, 2019;

Hon. Speaker, acknowledging that pursuant to the Standing Orders of the County Assembly of Machakos, the Broadcasting and Library Committee is mandated to, among other duties, consider and report on all matters relating to broadcasting of Assembly proceedings, advise the Assembly on matters related to public participation in the Assembly and make reports and recommendations to the Assembly, including proposed legislation on matters relating to broadcasting of Assembly proceedings and related matters;

Hon. Speaker, aware that the intentions of the study, tour was to learn on live streaming of plenary and Committee proceedings hence binding to the provisions of Article 196 of the Constitution of Kenya, 2010;

Hon. Speaker, I wish to give Notice of Motion that this Hon. House discusses and approves the Report of the Broadcasting and Library Services Committee on study tour to the East African Legislative Assembly.

Thank you, Hon. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Kieti.

STATEMENT SOUGHT

MEASURES TAKEN TO IMPROVE REMUNERATION FOR ECDE TEACHERS IN THE COUNTY AND DEVELOPMENT OF THEIR SCHEME SERVICE

Hon. Deputy Speaker: Hon. Members, under this Order, we have one business to be transacted by Hon. Stephen Mwanthi.

Hon. Mwanthi: Thank you, Hon. Chair. Hon. Speaker, the Fourth Schedule of the Constitution provides for the distribution of functions between the National Government and the County Governments. Pre-primary education, village polytechnics, home craft centers and child care facilities is a function of the County Government.

Hon. Speaker, the ECDE teachers are critical in laying the right foundation in pursuit in the education life of our children; the teachers are poorly remunerated and earn salaries that are lower than other officers in the County who do not have any training.

Hon. Speaker, pursuant to Standing Order 41(2)(a), I wish to seek a Statement from the Department of Education on what measures have been undertaken to improve remuneration for ECDE teachers in the County and also development of service of a scheme service for them. Thank you, Hon. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Steve. This Statement is seeking to find out of what measures have been taken to improve remuneration for ECDE teachers in the county and also the development of a scheme of service for them and to me, it is a straight forward Statement. I am going to commit it to the committee on education so that they can be able to look at it and bring a report back to this House within one month from today.

Under the same Order, Hon. Members, sorry we had two businesses to transact. I had said earlier one but I have just been notified by the secretariat we have another business and this is by the Hon. Majority Leader on a Statement on House Business committee. Hon. Majority Leader.

STATEMENT

BUSINESS FOR THE HOUSE FOR 10TH TO 17TH MARCH, 2020

Hon. Muendo: Thank you, Hon. Speaker. I stand under Standing Order 41(2)(a) where during the Statement Hour a Member of the House Business Committee designated by the Committee for that purpose shall for not more than ten minutes, present and lay on the table, a statement informing the House of the business coming before the House.

Hon. Speaker, the House Business Committee met today, 10th March, 2020 to review business already balloted and consider other urgent business pursuant to the provisions of the Standing Order 151. The Committee balloted business as follows:

Tuesday, 10th March, 2020

Morning at 10.00 a.m.

- a. Report of Finance and Revenue Collection Committee on the Number of Paybills in the County and the extent of their use by Hon. Stephen Mwanthi, Chairperson, Finance and Revenue Collection Committee.
- b. Statement request from the Department of Education on what measures have been taken to improve remuneration for ECDE teachers in the county by Hon. Stephen Mwanthi, MCA, Ekalakala Ward.

Afternoon at 2.30 p.m.

Report of Study tour to the East Africa Legislative Assembly by Hon. Cosmas Kieti, Member, Broadcasting and Library Services Committee

Wednesday, 11th March, 2020

Morning at 10.00 a.m.

Report of the Budget and Appropriation Committee on the County Budget Review and Outlook Paper by Hon. Dominic Ndambuki, Chairperson, Budget and Appropriations Committee.

Afternoon at 2.30 p.m.

Report of the Joint Committee on Environment, Lands and Natural Resources and Devolution and Intergovernmental Relations on Athi River Pollution by Hon. Robert Kisini, Chairperson.

Tuesday, 17th March, 2020

Morning at 10.00 a.m.

Report on the Machakos County CCTV Program by Hon. Francis Kalumu, Chairperson, Labour, Public Service and ICT Committee.

Afternoon at 2.30 p.m.

Report of Study tour to Tanzania by Hon. Tariq Mulatya, Member, Justice and Legal Affairs Committee.

Thank you, Hon. Speaker.

Hon. Deputy Speaker: Thank you, Majority Leader, for that Statement. The House Business Committee will meet again on Monday next week to be able to consider among other things the balloting of the Annual Development Plan (ADP) once the review has been finalized by the Hon. Members. Once the committee has presented itself before the Hon. Members and presents the ADP

so that will be balloted next week on Monday.

MOTION

REPORT ON THE NUMBER OF PAYBILLS IN THE COUNTY AND THE EXTENT OF THEIR USE

Hon. Deputy Speaker: Hon. Members, under this Order, we have one business to be moved by the Hon. Stephen Mwanthi, chairperson finance and revenue collection committee.

Hon. Mwanthi: Thank you, Hon. Speaker.

Hon. Speaker, that aware that Article 185(3) of the Constitution of Kenya provides that a County Assembly while respecting the principles of separation of powers, may exercise oversight over the County Executive Committee and any other County Executive organ;

Further aware that Standing Order 190(5) provides functions of a sectoral committee to include among others studying, assessing and analyzing the relative success of the Departments as measured by results obtained as compared with the stated objectives and making reports and recommendations as often as possible including recommendation of proposed legislation;

Noting that the Finance and Revenue Collection Committee undertook a study on the number of Paybills in the County and the extent of their use to achieve the intended objectives;

Hon. Speaker, I wish to move the motion that this Hon. House discusses and approves the report of Finance and Revenue Collection Committee on the Number of Paybills in the County and the extent of the use.

Thank you, Hon. Speaker. So I call upon Hon. Thomas Mutinda to second the motion.

Hon. Deputy Speaker: Hon. Thomas.

Hon. Mutinda: Thank you, Mr. Speaker. I am on the floor to second.

Hon. Deputy Speaker: Thank you, Hon. Thomas. Hon. Stephen, you may read the report.

Hon. Mwanthi: Thank you, Hon. Speaker. The Finance and Revenue Collection Committee is one of the sectoral Committees of the Assembly established pursuant to Standing Order 190 of the County Assembly of Machakos Standing Orders. The functions of the Committee as stated in Standing Order 190(5) include investigating, inquiring into and reporting on all matters relating to the mandate, management, activities, administration, operations and estimates of the Department of Finance and Revenue Collection.

The Committee is also tasked with the function of studying, assessing and analyzing the relative success of the Department as measured by the results obtained as compared with their stated objectives. Pursuant to this mandate, the Committee undertook a fact finding mission to establish the number of paybills in the County and the extent of their use.

Mandate of the Committee

Hon. Speaker, the mandate of the Committee as defined in the second schedule of the County Assembly Standing Orders includes all matters relating to the management of County public finance and revenue collection.

Committee Membership

Hon. Speaker, the Finance and Revenue Collection Committee as currently constituted comprises of the following Hon. Members:-

- | | |
|---------------------------|--------------------|
| 1. Hon. Stephen Mwanthi | - Chairperson |
| 2. Hon. Josephat Kasyoki | - Vice Chairperson |
| 3. Hon. Betty Nzioki | - Member |
| 4. Hon. Grace Mutwiw'a | “ |
| 5. Hon. Hellen Ndeti | “ |
| 6. Hon. Brian Kisila | “ |
| 7. Hon. Caleb Mule | “ |
| 8. Hon. Fredrick Muthoka | “ |
| 9. Hon. Justus Kitengu | “ |
| 10. Hon. Thomas Mutinda | “ |
| 11. Hon. Margaret Mwikali | “ |
| 12. Hon. Moffat Maitha | “ |
| 13. Hon. Phoebe Koki | “ |

LEGAL FRAMEWORK

Functions of the County Assembly

Hon. Speaker, Article 185(3) of the Constitution of Kenya 2010, provides that a County Assembly, while respecting the principle of the separation of powers, may exercise oversight over the County Executive Committee and any other County Executive organs.

Powers of Committee of the Assembly

Hon. Speaker, Article 195(1) of the Constitution of Kenya provides that, a County Assembly or any of its committees has power to summon any person to appear before it for the purpose of giving evidence or providing information.

Further, Section 18 of the County Assemblies Powers and Privileges Act provides that, “A County Assembly or its committees may invite or summon any person to appear before it for the purpose of giving evidence or providing any information, paper, book, record or document in the possession or under the control of that person and, in this respect, a County Assembly and its committees shall have the same powers as the High Court as specified under Article 195 of the Constitution of Kenya.

Powers to impose taxes and charges

Hon. Speaker, Article 209(4) of the Constitution of Kenya 2010, provides that the National and County Governments may impose charges for the services. Further, Article 209(5) of the Constitution provides that taxation and other revenue-raising powers of a County shall not be exercised in a way that prejudices national economic policies, economic activities across county boundaries or the national mobility of goods, services, capital or labour.

Payment of Funds Collected by the County Government to County Revenue Fund

Hon. Speaker, Section 109(2) of the Public Finance Management Act 2012 requires the County Treasury for each County Government to ensure that all money raised or received by or on behalf of the County government is paid into the County Revenue Fund, except money that—

- (a) Is excluded from payment into that Fund because of a provision of this Act or another Act of Parliament, and is payable into another County public fund established for a specific purpose;
- (b) May, in accordance with other legislation, this Act or County legislation, be retained by the County Government entity which received it for the purposes of defraying its expenses; or
- (c) Is reasonably excluded by an Act of Parliament as provided in Article 207 of the Constitution.

Financial misconduct

Hon. Speaker, Section 197(1)(g) of the Public Finance Management Act 2012 provides that a public officer employed by the National Government or a National Government entity commits an offence of financial misconduct if, without lawful authority, the officer, fails to pay into a government bank account any public money entrusted to the officer or received by the officer for or on behalf of that Government or that entity.

Further, Section 197(1)(k) provides that a public officer employed by the National Government or a National Government entity commits an offence of financial misconduct if, he fails to provide any information in the officer's possession, or under the officer's control, in relation to the financial management, financial performance, or banking activities of that government or entity or in relation to the management or control of an asset or liability of that government or entity when required to do so, except where such refusal or failure is required or authorized by this Act or any other written law.

NUMBER OF PAYBILLS IN THE COUNTY AND THE EXTENT OF THEIR USE

Hon. Speaker, pursuant to its mandate, the Committee resolved to inquire into the number of paybills in the County and the extent of their use in revenue collection. To achieve this objective the Committee requested reports from the County Executive and also conducted site visits to assess the extent of the use of the paybills.

Number of Paybills in the County

Hon. Speaker, the Committee requested for the total number of paybills in the County from the Department of Finance and Economic Planning. The Department provided a list with a total of 228 paybill numbers. The report showed that there were 94 dormant paybills as at 18th December, 2017 and 134 active paybills. The distribution of the active paybills across the County per Sub-County is as shown in table 3.1. Annex 3 provides details of paybills per Sub-County.

Table 3.1: Total Number of Active Paybill numbers in Machakos County per Sub – County

S.NO	SUB – COUNTY/ PARTICULARS	NO. OF PAYBILLS
1.	Masinga	13
2.	Yatta	12
3.	Mwala	12
4.	Mavoko	41
5.	Kathiani	7
6.	Matungulu	13
7.	Kangundo	11
8.	Machakos	22

9.	Sand Cess – Machakos (869903)	1
10.	Machakos County Weights & Measures fee (566505)	1
11.	Machakos County paybill HQ (869886) (Parent paybill)	1
TOTAL		134

Source: Machakos County Executive – Department of Finance and Economic Planning, 2017

Site Visits

Hon. Speaker, the Committee conducted site visit in selected areas in all the eight Sub-Counties to establish the extent of use of the paybill numbers and other revenue activities. The Committee made the following observations:

Observations in parking areas and Markets

Hon. Speaker, the Committee made the following observations:

1. Revenue Clerks informed the Committee that they were given cash by vehicle owners since they were in a hurry. The officers load the money in their MPESA accounts and send it to the paybill number on behalf of the owners and then issue receipt which is collected on return.
2. Commercial vehicles in Matuu bus-park were not paying the required fees. The revenue officers informed the Committee that the operators had refused paying fees citing poor conditions at the bus park. The Committee talked with operators who said that they had not been asked to pay and were not even aware of the paybill to use.
3. Revenue collection from livestock trade was going on well at Masii market in Mwala sub-county but very little was going on in Kivaa and Kithyoko markets in Masinga Sub-County. In Kivaa and Kithyoko, livestock traders paid for animals being transported using vehicles exempting those that were transported on foot. In the three markets, revenue was received in cash and then sent to the paybill by the revenue officer from his or her phone.

Observations in Mavoko quarries

Hon. Speaker,

1. Most lorries from quarries producing ballast and stone dust were paying revenue using the MPESA paybills numbers provided to them.
2. Revenue collected from the quarries was not even. Some quarries had not paid for land rates, quarry extraction fees while others had not paid for fire service charge.
3. The amount collected through the paybills was automatically transferred to a parent paybill every day at 6.00 p.m. such that the balance left was nil. The revenue clerks were not able to identify the number to which the funds were transferred to. This necessitated the Committee to engage the County Executive to understand where the funds were transferred to.

Committee Visit to Bamburi Cement

Hon. Speaker, the Committee made a site visit to Bamburi Cement following the discovery that the Company was not paying cess at the designated pay point. The aim of the visit was to establish why the Company was not paying cess at the designated pay point and any other revenue collection issue. The Committee met with the management of Bamburi Cement and obtained the following information:

1. Lorries carrying cement raw materials, pozzolana, were weighed at the company's weighbridge at the entrance of the factory. The measurements were used to compute the amount of revenue to be paid to the County at the rate of Ksh. 40.00 per tonne. The Company obtained pozzolana from quarries in Machakos County in Lukenya and Katani quarries as well as quarries in Kajiado County at Ngurunga quarries.
2. County revenue officers sent invoices to the Company through personal emails rather than official emails. The company paid cess to the County every 15th day of the month against the tonnage recorded at the weigh bridge to the Cooperative bank account 0114154905200. A County revenue officer usually came to confirm the tonnage as he collected banking slip.
3. The Committee was provided with records of payment of cess to the County and noted that the company had paid Ksh. 7,614,903.40 to the County through Cooperative Bank of Kenya a/c no. 0114154905200 (*see Annex 1*).
4. The company had undertaken Corporate Social Responsibility (CSR) at the Machakos School for the Blind by improving access path from hostels to the Dining Hall and Assembly point. The Company has also undertaken another CSR worth Ksh. 264 million by constructing the road passing by its gate thus reducing dust and congestion on the stretch which used to be caused by potholes and mud.
5. The Committee engaged the management on the CSR programmes to ensure future programmes benefit people living near the company and which have high impact in the County through environmental conservation.

Discussion with Chief Officer, Finance and Revenue Collection on Use of Paybills

Hon. Speaker, the Committee invited the Chief Officer Finance and Revenue Collection to a meeting on 23rd October, 2019 vide letter ref: MKSCA/PSC/CMM/FRC/VOL.6/37 dated 16th October, 2019. The Chief Officer was to provide the committee with insights on the objective of operating 134 paybill accounts, their costs, related risks, their operations and the way forward. The Chief Officer attended the said meeting and informed the Committee as follows:

- (a) That the County had an initial paybill 656500 which was configured for use with revenue gadgets BCX machines to collect revenue but the machines were not of much help in 2016. The machines and the paybill were abandoned after it was realized that the County was not able to collect enough funds as there were several challenges with the system related to network connectivity.
- (b) The County had acquired about 228 paybills for use for each revenue stream per sub – county. The main objective for this was to ensure proper monitoring of revenue per source per ward per sub – county.
- (c) All the revenue collected via the paybills was transferred to a parent paybill every evening at 6.00 p.m. and thereafter funds transferred to the Machakos County Revenue – MPESA A/C no. 1176017276 at Kenya Commercial Bank (KCB) in the morning. The funds from this account were then transferred to Machakos County – Revenue Account A/C no. 1140764594 at KCB from where they were transferred to the County Revenue Fund (CRF) account at the Central Bank of Kenya (CRF).
- (d) There were officers who were making reconciliations on daily basis of all the MPESA paybill transactions.
- (e) The 94 paybills which were dormant had not been assigned to any revenue stream hence their dormancy state. The paybills have since been recalled by Safaricom. The

Committee did a random test of five paybills and found out some were active while others they were not active (Annex 4)

- (f) The Committee enquired on the measures put in place to ensure the funds were safe. The Chief Officer assured the Committee that the paybills were safe. There were several procedures required before opening a paybill and authorization of the Chief Officer among other County senior officers was required. The cost of running paybills was zero although a one (1) percent charge per transaction was made when transferring funds.
- (g) The use of high number of paybills had more advantages than use of a few paybills. The main advantage was that, any revenue collected could be identified with a specific area thus monitoring would be easy. The main risk of one paybill was that there will be funds getting in to the account without knowing their source.
- (h) The County was studying use of USSD code but was careful not to run into problems.
- (i) The Chief Officer asked whether she could provide statements for all the paybills. She informed the Committee that Safaricom was able to provide statement for the parent paybill only but not the further 134 paybills. The Department was in discussion with the Safaricom so as to be getting statements for all the paybills.

MPESA settlement account statement

Hon. Speaker, the Chief Officer provided the MPESA settlement account statement (Machakos County Revenue – MPESA A/C no. 1176017276) statement on 25th October, 2019. From the statement the committee observed the following:

- (a) The MPESA settlement account at KCB received funds daily from Monday to Saturday excluding Sundays and public holidays.
- (b) Funds were transferred from the MPESA settlement account to the Machakos County revenue account at KCB. The transfers were mainly done on weekly basis with a little variance of up to 10 days.

COMMITTEE OBSERVATIONS

Hon. Speaker, based on the findings and observations of the Committee during site visits, the Committee makes the following observations:

1. That the objective of opening 234 paybill numbers was not met. The Committee noted that 94 paybills were dormant and that it had never received a report on revenue collection per source per ward. In addition it was difficult in making reconciliation for all the paybills. This high number of paybills was challenging to reconcile and could lead to loss of revenue through hacking as well as poor monitoring. The Committee noted that there were ways of sorting data from one paybill number if there was proper coding of revenue types.
2. The Committee did not agree with the explanation by the Chief Officer the Safaricom was not able to provide statements and were working on having the company provide the statements. The correct position was that the owner of a paybill could view and print statement online from the comfort of their office and did not need to ask for a statement from the Safaricom.
3. In addition, the committee did not agree with the Chief Officer that with one paybill money would be getting into the account without knowing its source. All revenue sources had codes and with proper coding it is possible to extract any report from the system. Further, the County had an integrated system called LAIFOMS (Local Authority

- Integrated Financial Operations Management System) which if upgraded it can be used for revenue collection and reporting.
4. With proper coding and an integrated system which can be installed in mobile pHon.es, revenue officer will be able to get real time information when a trader pays revenue and it can be used to query and payment and generate reports. This is a gradual form of automation.
 5. The Committee observed that all the sub-county revenue offices had data for how much revenue was collected in their respective areas even though they did not manage the daily MPESA sweepings at 6.00 p.m. This data could be used as a management tool to assess how much was collected by a particular revenue stream per ward per sub – county rather than using 134 paybill numbers for staff management while compromising safety of revenue collected.
 6. Use of 134 paybills to monitor revenue was an under – utilization of resources since a different method could be used and the same results achieved. In addition, one paybill or a few paybills (one paybill per revenue source) can be used and then filters used to generate required reports.
 7. Revenue officers were handling cash contrary to the information provided by Chief Officers during budget interrogation meetings and the strategy stated by the Department in its financial report for FY 2018/2019. This was observed during site visits where the officers stated that the traders said they did not have MPESA float to make the payment.
 8. The Chief Officer informed the Committee that there was dedicated staff that was making reconciliations from paybills on daily basis. The Committee questioned how the reconciliation was done yet the Department could not provide statements of the paybills to the Committee. In addition, the Department seems to have forgotten about the accounting documents and concentrated on the paybills which may lead to lose of revenue if these documents were not reconciled with the actual payments.
 9. The working environment for most of the revenue officers was not conducive. Officers working at the quarries operated in areas which were dusty and near illegal dumping sites putting their health in danger. Revenue enforcement was weak as witnessed mainly in Matuu town and Kyumbi junction. In these areas there were no proper structures to enhance revenue collection.
 10. Monitoring of revenue collection was not adequate. Officers at Sabaki pay point did not keep count of lorries carrying pozzolana to Bamburi cement. They relied on records from the client’s weighbridge yet the client obtained the raw material from two counties. The payment of Ksh. 40 per tonnage was not based on the Machakos County Finance Acts.
 11. Revenue officers were positioned at the gate of each quarry and some were situated at a distance of less than 30 metres from each other. There were more than 30 revenue officers at the quarries each having a paybill number and this was increasing the cost of revenue collection. The County can identify roads that are used by lorries and have one collection point on each of the roads and lorries found using different routes fined for evading payment of cess.

COMMITTEE RECOMMENDATIONS

Hon. Speaker, the County was operating 134 paybill numbers to collect revenue and the Committee concludes that use of many (134) paybill numbers to enhance revenue collection was not effective. There was underutilization of the paybill numbers since some officers were collecting

cash and also that reports on revenue collection per source per ward per Sub-County could be compiled using other methods. In addition, the Department was not able to produce statements for each paybill thus it was difficult to ascertain whether all the paybills directed their funds to the parent paybill. The Committee therefore makes the following recommendations:

1. That the Department of Finance and Economic Planning should develop a policy on management of paybill numbers for revenue collection. The Committee strongly recommends for use of one paybill number for each of the major revenue sources and that the paybills should not exceed 20 in number. This will reduce operational costs of the paybills, enhance safety of funds and also make reporting easy.
2. The Department of Finance and Economic Planning should ensure that revenue collection was automated and was cashless and any officer found collecting cash disciplined appropriately.
3. The Department of Finance and Economic Planning should endeavor to ensure revenue was collected from all the places that have been mapped for revenue collection including Matuu bus-park, Kyumbi junction, Kivaa and Kithyoko livestock markets. The Department should also ensure adequate revenue collection monitoring including ensuring keeping of proper records other than relying client's records to invoice revenue to be paid at Bamburi Cement.
4. The Department of Finance and Economic Planning should adhere to the Machakos County Finance Acts and ensure all firms pay the required fees and charges. The Department should not exempt or waive or vary fees and charges contrary to Article 210 of the Constitution. The Department should collect the correct amount of revenue from Bamburi Cement as per the Machakos County Finance Acts.
5. The Department of Finance and Economic Planning should provide for adequate budgeting in the FY 2020/2021 for automation of revenue. The Department should also improve the working conditions of revenue officers by providing them with sheds that have facilities like toilets among others.
6. The Department of Finance and Economic Planning should map out and designate roads to be used by lorries carrying quarrying materials where they can position revenue officers for payment of cess and penalize lorries using alternative roads for evading payment of cess.

ACKNOWLEDGEMENT

Hon. Speaker the Finance and Revenue Collection committee is grateful to the Office of the Speaker and that of the Clerk to the County Assembly for the support accorded during the committee sittings. I wish to express my appreciation to the Hon. Members of the Committee who sacrificed their time to participate in the meetings of the Committee and in preparation of this report

Hon. Speaker it is therefore my privilege, on behalf of the Finance and Revenue collection Committee, to table the Committee's Report on Revenue Collection Strategies Used in the FY 2018/2019 in this Hon. House for consideration and adoption. Thank you, Mr. Speaker, Sir.

Hon. Deputy Speaker: Thank you, Hon. Steve, for that report well-read from the Finance Committee.

(Question proposed)

Hon. Members, you may you debate on this motion. Hon. Dominic Ndambuki.

Hon. Ndambuki: Thank you, Mr. Speaker. I want to first thank the committee of Finance and Revenue collection for the extensive research on the issues of the paybills that we have been operating under the Department of Finance and Revenue Collection.

Mr. Speaker, the number of paybills that have been reported is way too high and I will agree with the committee findings that it is a bit of a challenge for the department to manage the big number of paybills and Mr. Speaker, this could be one way in which we lose revenue in that when we have so many paybill numbers it might be a challenge for us to manage and to do a follow up to monitor monies that get in and if they are correctly banked.

Hon. Speaker, getting from the report, it is evident that much emphasis has been given to one company that is one cement company and we have several cement manufacturing companies in that area. For example, we have Savannah, we have EAPC, we have Rhino Cement, we have Mombasa Cement and they are all in Machakos County.

How I wish that this report could have also covered such big companies to show to us if we are receiving enough or revenue that is commensurate to the sales that they make. From layman's argument and from what we see from the shops that sale cement, all these brands are there in our local market and it goes without saying that, if these brands are there and they are moving fast then it means the revenue that they get should be commensurate with what they are giving to the County Government of Machakos.

Hon. Speaker, again the committee shows what cess has been paid by the same company that is Bamburi, we also would wish that they indicate the same to all other big companies or factories that are within Machakos County so that we can be able to at least get to have a rough idea of how much we expect in terms of revenue. Going by that, Hon. Speaker, we will be able now to stamp our authority in oversight and ensure that we play our role well. Thank you, Hon. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Dominic. Hon. Hellen.

Hon. (Ms.) Ndeti: Thank you, Mr. Speaker. I am also a Member of this committee and I wish to thank the committee for compiling such a good and excellent report. I will only touch on the paybills which I wish to concur with *Mheshimiwa* Ndambuki that reconciling a 134 paybills is just a very enormous task and chances are that you will never come up with the correct figures.

I would want to cite some examples; as we were compiling the report I did my own personal inquiries. I called Nairobi County and asked them how many paybills they have and they told us that they had four paybills from last year although they have gone now to 16. Nyandarua County has got one paybill, Makueni County has got one paybill; that was my own personal inquiry.

So, I still insist that the County should look into this matter and ensure that they come up with enough so that we can be able to follow how much money is coming from every source rather than just having too many paybills that the money is going to one account and we cannot tell what came from where. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you. Hon. Kieti.

Hon. Kieti: Thank you, Hon. Speaker. I want to thank the Chairman and his Committee on Finance for the good report that they have presented to this House. The issue about revenue is very key to any development that we target in this County and therefore, this is a matter that should be

taken very seriously because the revenue helps in cushioning the County budget and if we encourage leakage in the revenue streams that we have within the County then it will mean that the County budget targets will not be realized and therefore much of the development that we expect on the ground in our wards will not be achieved and therefore, this is a matter that should be addressed seriously to discourage any form of leakage either by officers or by bringing in this paybills which are likely to be misused to loot our accounts.

Hon. Speaker, I have noted one of the issues that the Chief Officer in No. 8 on page 10; the Chief Officer informed the Committee that there was dedicated staff that was making reconciliations. That is an issue that I have observed at this hour or at this age of technology, we are using officers to compute information when we have computers and all the time when we are addressing our budgets in every department we find an aspect of ICT.

So, I do not know the work that is being done by these officers and that is why Hon. Speaker, I would like to suggest and recommend that we should have a minimum number of paybills and the County executive should embrace technology and discourage use of officers in computing information because by so doing then we cannot rely on the information that we are getting from them.

So, Hon. Speaker, I support the report and before I sit there is an aspect of employees who are working in environment that are not very conducive. Hon. Speaker, it is also good that any factory that is carrying out its activities within our County should be encouraged to take care of the workman's compensation and also the issue of CSR to improve our environment. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you. Hon. Majority Leader.

Hon. Muendo: Thank you, Hon. Speaker. Let me also congratulate the committee on finance for this well-researched report. Hon. Speaker, I have a few comments on the report. When you say we have 234 paybills, it is a bit worrying because the technology of today, you do not need to have 234 paybills you need only one paybill and then you code your revenue areas. If it is parking you give a code, if it is quarries you give a code if it is parking fee you give a code and even cess you give a code and those codes will help you to clarify where the payments are coming from. You do not need to have to 234; you just have a code.

Secondly, when you have 234 although 94 are dormant according to the committee, they are still many. In this time of technology, I wonder even 134 what are they for? The other question maybe the committee will move ahead and look on this because Paybills have got titles; this 134 we do not know who are the owners.

The titles of these Paybills must be in this report because they cannot all be having one name. If it is one then you do not need 134 you need only one so the way we could be losing revenue it when we have all these bills and maybe some of the paybills have individual names. So, I think the committee under the Chairmanship of Hon. Steve Mwanthi should also look at that because in this report I have not seen where they are saying the Paybills are 234 and these are the titles of the Paybills.

Hon. Mwanthi: Point of information, Hon. Speaker.

Hon. Deputy Speaker: Point of information from the mover of the Motion.

Hon. Mwanthi: Yes, Hon. Speaker. It is true what Hon. Majority Leader is saying and the committee requested for all those paybill numbers and we have already received them so in a later report that information will be provided for.

Hon. Deputy Speaker: Thank you, Hon. Steve.

Hon. Muendo: Thank you, Hon. Speaker and thank you, Hon. Steve Mwanthi. It is very important and I think the report will come here then we will have to know the titles of the Paybills. Hon. Speaker, the other issue is the one which was raised by Hon. Kieti on page 10; I have noted that the Chief Officer informed the committee that there were dedicated staff that was making reconciliations from Paybills on a daily basis. Hon. Speaker, really! This looks like a manual when we already have put a lot of money on ICT for the County Government to invest in the technology.

Hon. Speaker, as I always say, when the County Governments were formed, Nairobi was ranked number one, number two was Kiambu, number three was Murang' a, number four was Machakos, if the Members are not aware. We should not be talking today that we do not have fuel to fuel our graders. The revenue collection in this County which has the largest number of the industries, which has the largest number of the quarries, you do not need at any given time to say that there is no fuel for graders.

Hon. Speaker, I come from an area where we should be collecting Kshs. 3 million every day on quarries, that is Mavoko Sub-County and the committee has done several visits to Mavoko and I think you should authorize the committee to go again and also do a lot of research on revenue collection in Mavoko only because that is where we have a lot of revenue.

We know because we belong there and we know the system being used and Hon. King'ori from Muthwani because most of the quarries are in my ward and Muthwani. You will find practically, let us forget about....because the committee could have gone there and these workers maybe they could have told them lies.

Let me tell you, up to today, in this House, the collection of cess in all those quarries id done manually, someone with a yellow *kabuti* and a receipt book that is what I normally see. For example, when you are passing near the Mohan Meakin center you will find the person; even when you stand on that interchange, you will see him sometimes collecting the money and he does not even issue a receipt. There are also friendly customers from whom they collect that money from (??).

Hon. Speaker, let us be serious and let us inform the executive that we cannot have this burden of saying we do not have fuel, we do not have money when we can collect our own revenue every day for more the Kshs. 10 million every day. How many graders can we fuel with Kshs. 10 million every day?

Hon. Speaker, let me say that we know some Companies on page 13; Mombasa Cement Company, when you go to page 14 'the company had contracted firms to supply cement raw materials and hoped that they paid cess.' So, that is why I am saying, the committee, under the Chairmanship of Steve, you also have to go back because this is ambiguous. There is nothing here which the company is telling you; it only lies because they could have given you the list of the companies which are paying that cess because they pay them and then it is actually for them to make sure that the companies that they have contracted are remitting revenue to this County Government.

So, on that issue that shows us that there is no clear system for most of these Companies. Hon. Speaker, the companies which are making cement in our County are several and there was a time I was a councilor those days in 1997 and Hon. Kisini was a revenue collector in Mavoko and

also our Clerk Assistant Kavita was on that line and I can ascertain here those days we used to collect what we used to call royalties and a factory like Bamburi and Portland used to give us a lot of money than today. I am wondering what is happening. Anyway, the committee has done a good job but I wish they can go deeper and look much on this quarry cess.

Hon. Speaker, as I finish, let me say that the only way to enhance collection of revenue in quarries is the only way we can use collection of revenue at the point. These are business people who are making millions of shillings and when you are doing your mark up, you put your markups after production, after paying revenue because you must pay revenue on where you are operating. It is when you put your mark up and say; a tonne of ballast will be this much so this revenue which is supposed to be paid to this County should be collected at source and maybe I need an idea on how to do it.

All these companies that are doing the mining here have computerized weighing machines which gives data because the owners of those quarries are not even on that side they stay in Nairobi, Lavington in very cool places, they avoid the dust. It is our people who are affected by the dust so they normally monitor what is being carried out because you cannot carry anything and not pass through weighing bridge.

The data they are collecting everyday should be collected by this county government and every end month we should be telling them this is what we want. That is very simple; I don't see why we should have 30 revenue collectors on quarry site. We can have five or even less to be collecting the data and also we can link their data and our data here and we will be giving them the bill for them to pay to the account direct because when we collect through the manual way, that is where we are losing the money.

Lastly Hon. Speaker, because this is now where we are suffering; when you look at the committee recommendations, they are very good and I hope these recommendations can also be taken serious. Hon. Speaker, the issue of these revenue operators, where they operate from and when you go there is very pathetic.

In fact, there is no shed; if you go to areas like Kinanie, you find there are no sheds, no toilets and I don't know where the normally go to relieve themselves and when human beings are not well taken care of, you will think of stealing definitely because the dust which is emanating from those roads is very dangerous to them. So, this recommendation for them to have good working environment is also very important.

Hon. Speaker, as I finish, we all know this committee can benchmark Kajiado....those are areas where they compete with us on issue of quarries although they cannot beat us because we have a lot of quarries. They can bench mark with other counties like Kilifi where they produce a lot of material for cement and look at the way they normally collect revenue and this is for our benefit, all of Machakos people and it is going to enhance how we are going to collect this revenue. Otherwise, the report is good it is only a few issues which they need to go benchmark and come back.

Also where we are losing because we all belong here; like when you come to my market like Kinanie Hon. Speaker, you will not know who the revenue collector is. I think if the county government is serious in collecting money from the people we should have small structures like Makueni; you normally pass revenue collection for Kee ward, revenue collection for Kivaa so what is wrong with that.

So the people can be told to go and pay you licence there. We don't have those officers, Kyumbi and Kinanie none; how do you expect to collect revenue because even the people want to pay for revenue but they don't know who to pay. It is only that most of the time they will come and

pounce and then they start attacking our traders. So the committee should be given mandate to go benchmark and to revisit the issue of quarries in Mavoko Sub-County. Thank you, Hon. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Moses.

Hon. Mitaa: Thank you, Hon. Speaker. Mine is to than the committee of finance under the chairmanship of Hon. Stephen Mwanthi for the great job they have done. If we could solve the issue of revenue and enhance and ensure all what is due for this county is well received, I believe we will be talking of excesses. Much of what I want to contribute has been captured by Hon. Majority Leader especially on the issue of quarries. Indeed we need to enter into agreements; the county government must enter into agreement with the quarry owners because as the Majority Leader has stated, anytime they sell whatever they sell, there is a weighing machine at the exit of each quarry.

At that point whoever is buying that material is supposed to pay the quarry owner and the county government of Machakos. This would lead to zero loss of revenue because if it is dust, he would pay what is required, if it is hardcore the same. The same must apply to these cement factories. At the entrance of the lorry, when they are capturing the details, they need to capture details on issues to do with cess and ours is just to have officers either on a weekly basis or monthly, we get those records and we reconcile. Mr. Speaker, we just verify if what was due for the county has been received. That would lead to zero loss of revenue, Mr. Speaker.

Again on the issue of approvals for structures, I believe there is so much leeway on what is supposed to be paid. I would request our able Finance Committee Chair to furnish this House on how we do it because in most cases, you find someone had paid for a two storey and he has done four storey building and I don't know how we have been enhancing to ensure we don't have loss for such, Mr. Speaker, because downwards I believe it is very common especially in the upcoming areas. There is collision between our staff and those investors and Mr. Speaker, through the finance committee we need to ensure that this county gets what is due. Thank you, Hon. Speaker.

Hon. Deputy Speaker: Thank you. Just as a direction; we need to make sure whatever has been said, we don't repeat it over and over again. We come out with exceptions so that we can capture them. Hon. Thomas Mutinda.

Hon. Mutinda: Thank you, Mr. Speaker. I start by congratulating the committee which I am privileged to serve and although I don't to blow our own trumpet, let me say the report is good and there are areas of Paybills as we have said they are many and what I would suggest is that, we use Morse coding so that we may see the source the area the revenue is coming from so that we may have control.

Mr. Speaker, let me say there is the issue of the areas where this revenue is collected. If in a certain location or a certain ward, according to the way this operation is being done, there is no control of the officer who is in charge of revenue in that area because the systems are just paid straight and any officer is sending money as long as you have access to the paybill.

So there should be a control so that that officer can be held accountable for each ward or each location so that as we use the Paybills we have officers held accountable for any negligence or any mistakes which are done. The other thing is on the revenue as we check the way it goes up and as we use the Paybills, there is a system which used to operate the Local Authority Integrated Financial Operations Management System (LAIFORM) system and by use of Paybills it is like we are running away from the system and just using the Paybills which cannot replace a system.

I would urge this Hon. House to ensure that the LAIFORM system is followed and improved because that is what used to ensure things are under control because if you have that systems just by a touch of a button, you are able to receive reports for various codings; if it is Cess or single business permits, you are able to see what collection we have gotten every time it is required. This issue of saying officers are doing it manually for such big transactions, how many officers will be required to do for Ksh. 1.6 billion which is the target we are aiming at.

Mr. Speaker, as a government we are supposed to look forward and see that we start collecting taxes because what we are talking about here fees. In a seminar we were privileged to be taken to Kajiado and we were told as a government we are supposed to collect taxes. So when we are talking of quarries up there, and the big companies like Bamburi and others all those industries which are producing at our area, now we should see a way we engage the Executive to see that they are paying taxes so that we don't only rely on fees alone but we also make sure we get taxes.

What I found is that when you go to those companies and talk of things like the cement and the ballast they produce, they will tell you that type of tax we pay to the national government but when we were taken for that training, we were told that we have the power and we are allowed to get taxes from those companies. So it will make a difference in our county, and it will make us have revenue which can also make us stop charging *mama mboga* down there and we find ourselves doing well and assisting our people. Thank you Hon. Speaker.

Hon. Deputy Speaker: Thank you. Hon. Kalumu.

Hon. Kalumu: Thank you, Mr. Speaker. I have gone through this report and found that the committee has provided an insight and the proper direction of where the problem of raising revenue in Machakos is. Mr. Speaker, we need to go back to ourselves and come up with a law which appoints every quarry owner and every company as a revenue collector for Machakos County. That whenever payment is made for every lorry, cess is included; we will just be going to get a cheque from that company and that is possible.

You as the Deputy Speaker of this Assembly, you are appointed by KRA as a tax agent and you pay and there are ways of following you and we can do this because all this manner of having 234 Paybill numbers, may I say is just something that cannot be followed because if you look at the report the reconciliation is not there. Some of the statements cannot even give us a statement of what happens with those ones.

So, simply, the finance committee should bring a law here to appoint all those quarry companies as revenue collector agents and us, because there is one thing that nowadays we are in the days of ICT, we just mount cameras in each and every quarry company, as they pass, we just record, we go and connect that camera directly to the office of the finance here in Machakos county. So, it is very simple for us to close all those loopholes; so I didn't have much to say because much has been said.

So another thing is to depend on automation; automating all the revenue streams of Machakos county. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you, Francis. Hon. Moffat Maitha.

Hon. Maitha: Thank you, Hon. Speaker. I want to commend the committee on the finance because of this very elaborate report. I want to talk about two issues; the first one is the county revenue officers sending invoices to Bamburi cement factory through personal emails. Mr. Speaker,

that is a very dangerous situation and they should be discouraged from doing that and they should also be summoned by the committee for which I am a Member to show cause why disciplinary action should not be taken against them for using their personal emails to demand payment from that company.

The second point is about the revenue officers collecting cash. Mr. Speaker, imagine someone coming from home, has left a child who is sick and here he is getting cash from the *matatus* or lorries. Will that officer not be tempted to get a little of that money and put it in to personal use? Mr. Speaker that should be discouraged and it is the high time those officers are arrested because of handling money when they are not supposed to handle cash.

Mr. Speaker, those officers who are working in bad environment like where the quarries are; it is the high time that the county government starts giving them some allowances so that they can also be treating themselves when they become ill. Mr. Speaker, when you look at page 11 No. 6, the committee observed that lorries which are carrying ballast from the quarries have, in fact, made some roads impassable.

I want to give an example of those lorries which are carrying stones from Kyeleni to Nairobi or to Tala; they have made Nimrod road impassable completely. They have made the road from Kisukioni to Kyeleni impassable. It is time that the county government gives back some money to the source so that the source can repair some of these damaged roads. Mr. Speaker, I commend the committee for this. Thank you very much, Mr. Speaker.

Hon. Deputy Speaker: Hon. King'ori.

Hon. King'ori: Thank you. Mr. Speaker. I don't have much to say but I have a little to say about the right direction. The right direction is not to give the county workers more time to get more revenue; it is the high time we come up with a regulation which is not there because when we ask the CEC finance when we had a talk when she was here around, she told me that she doesn't have any regulation. They just use the Finance Bill to collect revenue and that is where we go wrong because we don't direct the way we should work here in Machakos.

You only give them a white paper to get money with no directions and that is why we need, at least for a change and to see whether we can have additional value of what we are getting, by contracting revenue collecting for this county using automated system which is available everywhere. Even in my home area where I was born which everybody will not agree with it, in Nyeri, we use the same system. But now it is the right time we speak on what we want; do we want more money? Then you have to invest to get money. Do you want roads; yes you have to invest in those quarry roads so that trucks can see what you are doing with its money.

If you dont like in Katani, the roads there is impassable just a few meters from quarries yet we have 41 paybills because it is a hotspot where you can get money easily through the quarries. It is the high time we have regulations indicating what we shall be doing with revenue coming from those quarries and those industries that are near our areas. Let us speak about industries, Mr. Speaker; where do we get money? We pass the Finance Bill this time round and every tonnage we are supposed to charge Ksh. 200.

I wonder whether they have introduced another Paybill to collect that revenue because I have not heard from the report that they have started collecting that money, because we dont have any regulation guiding on how to collect those monies. Yes we have the Finance Act which is in power now but the way it should be done by way of regulation is not there. Mr. Speaker, that is why we are

getting people collecting money in cash which I can ascertain because right now I know how they work even the way they do.

That is why sometimes back I was told that I was collecting revenue because I was trying to get what they are doing.

(Laughter)

So it is a big cartel. If you report a senior, he is involved, tell the one he too is involved and I am sorry to say that the last time I got the worst report is when I talked with the head of this county about the revenue which I said I will never do again because if I am going to be jailed for telling the public the truth, I am not ready to go to jail for that. I am ready to follow the right way of regulating those people who think they have powers and showing them how to do it but now if we don't have any regulation---

Hon. Deputy Speaker: Point of information from the mover of the motion.

Hon. Mwanthi: Hon. Speaker, much as the Hon. Member is trying to ask for regulations, I want to believe those companies have even tried to go to court and they have been defeated in numerous cases. So I don't understand how they can be defeated if we do not have regulations to work on that.

So, I think we are on the right track. They issue of Ksh. 150 that we imposed on 17th January, 2020, Hon. Speaker, the information I have is that those companies are ready to pay but they have some concerns that I understand that they agreed that they will talk to the Executive before the information is being passed to us that there are some materials that cannot be charged the Ksh. 150 like when somebody is maybe selling the dust because the price of dust is Ksh. 200 and the county government is requesting Ksh. 450 from the same.

So, it is something that we will come back to the House so that we may separate the two because that is the only challenge that seems to be coming forth and the companies I understand are planning to pay. Thank you, Hon. Speaker.

Hon. Deputy Speaker: Let me comment on that. We do have the PFM Act 2012 which has regulations and guidelines on revenue collection. I think it is important to differentiate between regulations and work instructions. Regulations are in the PFM; what Hon. King'ori is suggesting is, we need to have work instructions on how each and every revenue should be collected and procedures for each.

Those are work instructions which should be prepared by the Executive and shared with the committee so that they have a guideline on how the Executive is working in collecting revenue. So, those are not regulations but work instructions on how to go ahead and do the revenue collection. You may conclude, Hon. King'ori

Hon. King'ori: Thank you, Mr. Speaker. I am also well informed from my Chair but what I want to add on that issue is what was spoken by Hon. Mark Muendo about royalties. I have talked in this House about royalties; we ask for *mama mboga* to pay certain percentage to what she carries to the market like a sack of potatoes, they pay Ksh. 30 or Ksh. 50 which is quite okay. But now, somebody is selling 100 bags of cement yet we charge zero capital; is that what you want in this county? Our people are paying yet those people we say they come from---

Hon. Mwanthi: Point of information, Hon. Speaker.

Hon. Deputy Speaker: I think what we will do, Hon. Stephen, because I am about to conclude this discussion; let him finalize so that you may respond and we move ahead.

Hon. Ngunga: Point of order as he concludes.

Hon. Deputy Speaker: You are calling on a point of order when he has sat already?

Hon. Ngunga: Yes. I just wanted to find out from you whether it is in order after having corrected him and you know Hon. King'ori is just shooting blanks---

Hon. Deputy Speaker: Hon. Ngunga, I would like you to withdraw the statement; an Hon. Member cannot shoot blanks. That is not kind to a Hon. Member and it is not a House language. So withdraw and advise him in a different note; firing blanks is not kind.

Hon. Ngunga: Hon. Speaker, I don't understand why when I say that Hon. King'ori is firing blanks is a statement that is very poignant, very pregnant in itself. If I was to dilute that I would say Hon. King'ori is not factual in what he is saying and that is why I think my colleague here was rising up to say. Of course, what Hon. King'ori has dwelt on throughout his presentation is actually hearsay. Some of these times we need to understand that we are talking from a House of privilege and so when we are privileged in such a way we also need to have facts with us as we do our debates so, that eventually what we conclude is something that is based on what is actually taking place on the ground.

Hon. Speaker, I think I was just saying when Hon. King'ori says for example that maybe there are companies that are selling a packet of cement and they are zero-rated, I don't think that is actually the facts. That is why I was saying, while you are allowing him to debate, I think facts are also very important in this House. Thank you.

Hon. Deputy Speaker: Hon. Francis, let me just give direction on that. You are right in what you are saying but what I would like to say is this; a Hon. Member when contributing on matters pertaining to a motion before the House, has the freedom to express himself because he is representing his people. The Hon. Member comes from an area which is very negatively impacted by quarrying and the subject matter on hand and the issues he is raising he is raising on behalf of his people.

So what I would like him to do as a Hon. Member is to go ahead and conclude on his submissions and also when an Hon. Member is speaking before the House on things which he has heard because it is not each and everything you speak about here which you have to produce proof, otherwise there will be no debate in the House. Hon. Members, will be able to contribute mostly based on what they know and what they have been given by their electorate in the various wards.

Their electorate will not give those facts but their opinion to come and share before the House so let us give the Hon. Member a chance to finalize on his debate so that he can be able to fully effectively represent his people. Hon. King'ori, you may conclude.

Hon. King'ori: Thank you, Mr. Speaker. I want also to say this when people think that they know better than others, it is also good to know that we are elected by the people and represent the Hon. People of Muthwani and not Hon. People of other areas.

(Laughter)

I know Muthwani very well and Mavoko as a whole---

Hon. Deputy Speaker: Hon. King'ori, please stick to the debate.

Hon. King'ori: Thank you, Mr. Speaker.

Hon. Deputy Speaker: The Hon. Member has already made his submissions and so stick to--

Hon. King'ori: Let me finish about what I was talking about the cement and what brought me all these things. I was speaking about a bag of cement and a bag of maize and a bag of onions that come to our market. Everything is charged by this county. When it comes to cement, we charge tonnage but when we are charging our people, we are charging itemized products. Why don't we charge others the same way? Even if it is a big company like the one of oil, we charge nothing. Even if he is our chairman, he will attest to what I am speaking that no one is charged a carton of oil but they charge only licenses.

I am very disappointed to hear that we pay the people of Nairobi. I went to one of the quarries and they said they have licenses from NEMA, yes they have licenses from Nairobi but we also have another license for ourselves. Only those things and yet they transport a lot of pozzolana tonnage from my area yet we get nothing out of those tonnage carried away from our areas.

I do not know why people are afraid to ask the truth because a lorry carrying pozzolana can pay zero because what they say like the Simba Cement they say they have limits but we also need to argue very well that we need to add more capital to this county rather than think of how to charge our innocent voters who do not even understand why they are charged because they earn peanuts yet those who get millions go scot-free.

Mr. Speaker, I want to conclude by saying this; everyone have a right to pay taxes and everyone must pay taxes no matter how big he or she is. Mr. Speaker, thank you.

(Applause)

Hon. Deputy Speaker: Thank you. Finally, may I have Hon. Alice Nzioka before the mover of the motion responds?

Hon. (Ms.) A. Nzioka: Asante, Bw. Spika. Bw. Spika, utakuwa shahidi wangu kwamba katika bajeti yetu ambayo tumepitisha ama bajeti ambazo tulipitisha, huwa tunapeana kiwango kama kaunti juu ya kukusanya kodi. Hakuna ata wakati mmoja sisi kama kaunti tumewahi fikia hesabu yetu. Tunasema tutakusanya bilioni moja nukta pesa zingine juu na hakuna wakati tumewai fikia. Pia Bw. Spika, unajua ngao wa serikali kuu, kwetu unaletwa kadiri ya uwezo wetu wa kukusanya ushuru. Kama tumekusanya pesa ambazo hazijatoshwa huo mgao ndio sisi kama kaunti tunapata.

Bw. Spika, Machakos *County* ni kaunti moja katika kaunti arobaini na saba ambayo ina raslimali nyingi ambazo zinapaswa kua tunapata pesa kama kaunti lakini ni mshangao mkuu kwamba

pesa nyingi ambazo zinakusanywa kama kodi, zinaingia mifukoni ya watu wachache. Zinaingia kwa nini? Kukosa mpango. Bw. Spika, bunge ambalo lilipita mwaka wa 2013 ukusanyaji ushuru katika hii kaunti umekua donda sugu ni kwa maana hakuna wakati sisi kama kaunti tumefikia kliwango cha ukusanyaji ushuru wetu.

Bw. Spika, imewekwa mipango mingi kwamba ukienda kuona vile wafanyi kazi ambao tumewaajiri kukusanya ushuru ata wewe mwenyewe kama kiongozi unashangaa maana kamati mimi nilifanikiwa bunge ambalo liliiahisa nilikuwa katika kamati ya fedha tulikua na shida hii ambayo tunaiongea sasa. Bw. Spika, ingekuwa vizuri kama sisi wabunge sitini wa hili bunge sio sehemu yote tutembe lakini twende katika *quarry* ambazo zinapatiana kokoto. Bw. Spika, ushangaekwanini sisi hatuna pesa.

Kutoka miadi ya saa kama kumi na mbili asubuhi alfajiri kufika kitu saa tatu utakuta katika *quarry* zetu kumeingia lori zaidi ya 300; kuingia, kutoka, kuingia, kutoka na hao wote watalipa pesa lakini ukienda kwa anaye kusanya ushuru utashangaa sana. Mara huyu alilipa jana mara huyu atalipa kesho, mara huyu analipa mwisho wa mwezi ata wewe mwenyewe kama kiongozi unachanganyikiwa.

Ni wakati mzuri sisi kama bunge wakati kiongozi akiwa mahali anafanya jambo ili kwamba akiondoka watakao kuja watasema fulani alifanya hili jambo. Sisi kama bunge naomba tuokoe kaunti yetu ya Machakos katika ushuru kwa maana tusipofanya hivyo hata sisi wenyewe tuko na shida maana zile pesa ziko Machakos, wacha zenye tunapata mgao kutoka kwa serikali kuu, inawezesha barabara zetu kuwa nzuri, inawezesha tupate stima ya kutosha, inawezesha tupate maji ya kutosha na pia tubaki na pesa.

Maana sisi kama bunge n lazima tuchukue hili jambo la ushuru na nguvu nyingi ni kwa maana ukiangalia kuna mipango ambayo imewekwa utapata mtu amesimama mahali anakusanya pesa, hana risiti yoyote ama kibali chochote anapatiana, anakusanya pesa anaweka mfukoni lakini wa kumuuliza hizi pesa unapeleka wapi, hayupo. Kwa hivyo sisi hata kusaidia serikali yetu ya Machakos ni tutokezee na kuona kwamba zile pesa zinakusanywa tujue zinaenda wapi.

Tulipitisha kama bunge tufanye mpango wa dijitali kupata pesa. Utakuta huyu ana mashini hii, namba hii, huyu ana mashini nyingine na hujui pesa zinakusanywa kwenda wapi. Ningeomba Bw. Spika, uweke mpango mzuri siku moja twende mahali kama *quarry* tukaone lile jambo ambalo linaendelea.

Mwisho Bw. Spika, nilipata wakati mmoja tumetembea kwenda huko *quarry* kuona na nilishangaa. Lori nyingi zinatoka Nairobi zimebeba takataka, zinakuja kumwaga na zinamwaga njiani na ukiuliza, mtu anakwambia amepatiwa leseni ya kumwaga taka na sisi kama kaunti itayulazimu tutafute tingatinga lori zingine kutoa hiyo taka na inagarimu pesa ya mafuta. Huyo mtu anatoka uchafu Nairobi analeta Machakos. Itakua nimshangao na wanaona kuna mpango kwamba kama ni mtu ameleta taka, kaunti nyengine analipa na anatoa ushuru ili kwamba huu ushuru utuwezeshe kufanyakaunti yetu iwe safi.

Bw. Spika, sisi kama viongozi...Waswahili husema 'tenda wema nenda zako.' Ni wakati wetu sisi kama bunge tutende mema na Mungu yukombele na ata tulipa. Asante.

Hon. Deputy Speaker: Asante sana. May the mover of the motion Hon. Steve Mwathi respond please?

Hon. Mwanthi: Thank you, Hon. Speaker and thank you Members, for supporting the finance and revenue collection committee. Hon. Speaker, I will have some insights on this report and if you can go to the annex, you will find what we found in Bamburi Cement and what the committee

found there. If you go down there, you will find the committee also visited Mombasa Cement and you will realize that Bamburi Cement that year we had collected and paid Ksh. 7.6 million in one year and you can see every month what they used to collect. Some months you will find there is a very big difference like July they had paid Ksh. 1 million and in August they paid Ksh. 261(??) and that was the period of election.

Then from there they have maintained Ksh. 405 to 700 (??) depending on the season. If you go down to Mombasa Cement Company, it is another company that is in Machakos. It is also good for members to understand that there are some cement companies that are not in Machakos. Like Portland is in Kajiado and Savannah Cement is also in Kajiado County so we get nothing from those two companies.

Hon. Muendo: Hon. Speaker, let me inform the member please there is some misleading---

Hon. Deputy Speaker: The Member is responding to a statement; Majority Leader you want to give himjust comment quickly because the debate is over.

Hon. Muendo: Let me say Hon. Chair, Savannah Cement is in Machakos, Portland is in Machakos. In fact, that ward is represented by Hon. Kisini. That area is known as Kasuitu. All the EPZ you see are in Machakos. Do not confuse because of crossing over but all those factories are in Machakos County. Thank you; that was vital information.

Hon. Deputy Speaker: Thank you, Hon. Member. Hon. Steve, I believe you are informed?

Hon. Mwanthi: I am well-informed Hon. Speaker but that is the information we had. The committee had never visited those two companies for that reason and I believe....I do not think they even pay county government of Machakos their SBPs so it is something maybe to check on and we are going to do that.

Hon. Deputy Speaker: I believe that information that has been provided by Majority Leader is correct and it is something which your committee needs to pick up and find out.

Hon. Mwanthi: Exactly, Hon. Speaker. So, I was saying when you check on Mombasa Cement company, you will find the committee found that company had paid SBP of Ksh. 70, 000, fire Ksh. 4,000 and land rates of Ksh. 1.32 million for their three plots of land that are situated in Machakos, Hon. Speaker. The reason as to why Mombasa Cement has not paid this much is because for them what they argued or they told us is that they do not get pozzolana from Machakos County. So they get from Kajiado and so they were not paying the cess as Bamburi does.

The issue of Simba Cement is it has a very special case that we will bring a report to the Assembly because it is a company that has been exempted from paying those revenues and I understand there is information concerning that Hon. Speaker. Soon that will come.

There is the issue of royalties Hon. Speaker, sometimes when we had a retreat with CRA, they told us that not only royalties, it is money for mining. In Machakos, we do a lot of mining the money goes to the National Government and they told us it is the work of county governments to go and demand that money. In my calculation from what they tabulated in their screen showed that if Machakos demands its share from that money we are supposed to collect up to Ksh. 700 million. It is tabulated.

It is with CRA and they are supposed to give that money to counties because there is that Act that guides that. I believe when National Government collects 100 percent 20 percent should go to counties and CRA has all that information. They tabulated for us and through the calculations, we found that that is the money we are supposed to go and demand from National government.

Hon. King'ori: Point of information, Hon. Speaker.

Hon. Deputy Speaker: Let the Hon. Member complete please.

Hon. Mwathi: Thank you, Hon. Speaker. Hon. Speaker, again the issue of Ksh. 150 per tonne, you see we just introduced the issue and we want to see how possible it can be to collect these quarry monies from the quarry owners and as I have said sometimes you know the executive they find some resistance; it is just last week when some members were going to site visit in those quarries last week and I can tell you I don't know whether there is a member here, they were chased back by those people.

Our Assembly members did not manage to reach those quarries last week I believe on Monday but now there are those negotiations that I believe are taking us somewhere to that level and that is why when we will be charging them that amount and also charging the lorries because we could not let it immediately but if we realize there is a way, Hon. Speaker, that issue of collecting money from the companies will eventually come up.

Hon. Speaker, when the issue of revenue collection, I want to believe the committee and executive have been doing a lot of work and that is why possibly last year, we managed to raise revenue from Ksh. 1.018 billion of the Ksh. 1.5 billion for this County. If you calculate well from that, you will realize that per month that translates to Ksh. 83.3 million, per day it is Ksh. 3.2 million and it is money and I believe we get the Ksh. 2 million we always and each and every day we get from that sub county.

As we are speaking now, as at first of March, we had collected Ksh. 640 million from the same sub-county and still if you tabulate the same you will find it is over Ksh. 80,000 from Mavoko Sub County....sorry? Yes it is Ksh. 80 million per month from that Sub-County something almost close to the Ksh. 3 million per day although you remember we have just given them the Finance Bill and I believe much will be done.

All in all, I would also support Hon. Alice's sentiments that as this House I would also request that we need to have an impromptu visit to those quarries and see exactly what happens and it is possible we know that we still lose a lot of money from there and that is the reason why the revenue came from one billion to Ksh. 1.5 billion and we are anticipating to get more than that this year because something has been happening and still as committee we are also doing something if helped by entire House we would appreciate, Hon. Speaker.

On the issue of offices, Hon. Speaker, we are again requesting the House now when during our budgeting periods because sometimes the executive complain that we have not given money for taking care or building those structures that we need s during this financial year, I believe that as budget committee will consider that and allocate some money to build structures for those people.

The issue of the County being cashless, yes, it is something we have been working so much and so hard; in fact, to some extent, the executive has requested Hon. Members if we find some people and that is an information that we got from the Chief Officer of finance department where they requested even the House to help them identify the people who are receiving cash.

Although we went in Matuu and found the officers there, the ladies who collect revenue there they were not even aware that it was a crime for them to handle revenue money. That is what we found from them we told them it is illegal and they are supposed to repeat the same. Maybe later it is when the committee maybe can visit them and see their progress. So I do appreciate the good debate that we had today and appreciate members and the Hon. Speaker. Thank you.

(Applause)

Hon. Deputy Speaker: Thank you, Hon. Steve.

(Question put and agreed to)

Hon. Members, as is customary I will just give one or two comments before we adjourn the House. On several issues which I have picked here and there in the cause of the debate and one of the things was mentioned by the Hon. Majority Leader in as far as revenue collection versus utilization is concerned. Hon. Members, it is important to note that the Chair said last year for example we collected Ksh. 1.5 billion; our total outstanding bills pending bills, the animal called pending bills is about a billion shillings which means we can actually be able to pay all the outstanding pending bills just on local revenue collection alone.

Then we can stop being told that the funds coming from the central government are not available for development because we do not need those funds from the government for development. You see if somebody is paying Ksh. 1.5 billion through collecting cash, they can be able to utilize that money to pay all the pending bills half a billion shillings which can go to fueling our graders.

If you are collecting Ksh. 3 million a day and a grader uses 100 liters a day which is Ksh. 10,000. If you take Ksh. 3 million divided by Ksh. 10,000 how many graders can we be able fuel in a day? Very many! So, it therefore goes without saying that there is a lot of revenue leakage reason being and that is the reason why you can see the money is not being available.

Two things I want to talk about; the number of Paybills we should be talking about limitation of Paybills to each stream of revenue. So you have a Paybill per stream of revenue. Do not make them too small because remember for reconciliation purposes, it is easier when you have a Paybill per stream of revenue. I heard Hon. Members, talking about reconciliation; it is not a thing of the past.

Unfortunately, in accounting, when you are reconciling things between two systems, remember our systems are not interlinked with our customer systems, so you still have to have a print out of what your system is showing you and get documents from the persons who are paying you to reconcile the two so reconciliation is the must in finance.

There is no why you are going to stay say now we are all 100 percent automated and there will be no reconciliations. No when you look at things like the quarry, for example, each quarry has its own Paybill. If it is K quarry, it should be having its own Paybill number I believe. We should be having somebody at the head office there doing reconciliation between the sales as reported by K quarry versus the Paybill receipts of trucks cess which has been paid. It is a very simple reconciliation you have a print out from the K quarry which shown you what the Hon. Majority Leader was saying they are throughput because the owner is looking at that throughput from wherever he is and you reconcile that on a daily basis against what your Paybill for that specific and what has been shown as revenue.

It will be very easy for you to flash out any irregularities between the two. So what we are having here is really lack of updated financial reconciliation for us to be able to understand what is happening in the quarries.

I believe there is a report which is going to come to this House which needs to be combined with this report and the report from the *ad hoc* committee on finance and most of these items which have been touched here are reflected in that report whose recommendations would be combined with the recommendations which have come from the finance committee and the finance committee will ensure they are implemented so that we can all be able to get proper revenue collection.

The lack of facilities is intentional; sometimes I look at it and I think it is intentional for our people not being given facilities. You cannot explain how you can be having a revenue collector who is collecting on a daily basis Ksh. 0.5 to 1 million sitting outside on a shed made of leaves. If that is not intentional, to make that officer uncomfortable, so that they are not there every time. I mean when you visit there you find this guy is sitting....what happens when it rains? Will they be seated there?

So when the rains come, that person is not going to be there and what happens between the time he goes hiding from the rain and the time he comes back? So it is important and I think the Hon. Chair mentioned it that when we are going through the budget process and it is up to the finance committee to recommend to the executive that the finance needs to budget for provision of facilities for revenue collectors both at the quarries and even at the wards like the Hon. Member said. When you have identified a revenue collection point then it is easier for people to associate themselves with that revenue collection point and be able to go and pay taxes from there.

Again the Paybills and revenue streams to talk about targets versus somebody talked Hon. Alice about we no longer meet our targets. The minute you have a revenue stream the minute you have a Paybill per revenue stream then you can be actually to now monitor the individual who is given a target and if we said we are going to collect Ksh. 2 billion and each revenue stream has a target and there is somebody in charge of the revenue stream with a Paybill and a reconciliation for it, he or she should be able to explain why we are not meeting the targets of collection for revenue.

So, I believe with the recommendations which have been brought here and a little bit more tweaking here and there, we should be able, as a County collect..... you heard the Hon. Chair talk about Ksh. 700 million; it is mind boggling. If only we could be able to ask back to be given back royalties what is due to us what is being paid to the National government as taxes, you heard the issue of, he talked about Bamburi Cement they said they collect their material from Kajiado and come to process it here but they pay the government taxes and royalties for that.

So, the only way we can be able to do that is to ensure the finance and I really would want the Chair to sit down with the CEC finance and their team and come out and find out why is it that we are not collecting back what we should be collecting back from the government what is due to this county because it appears a lot is being generated here but it goes to the national government and it is shared nationally.

Remember the money which goes to the national government will be share in the whole country yet it is being generated from our very own county. We need to take care of that.

ADJOURNMENT

Hon. Deputy Speaker: So with those few remarks, Hon. Members, I would like to first of all say that we are going to have immediately after this plenary, we are going to have two committees meeting. There is Liaison Committee and the HBC committee which is meeting; I have just be told to

make that announcement so that the Chairpersons for Liaison and those involved in the NASA HBC issue to remain behind so that they can be able to finalize on that.

This House is now adjourned to Tuesday the 10th day of March, 2020 at 2.30 p.m.

The House rose at 12.08 p.m.