

REPUBLIC OF KENYA

COUNTY GOVERNMENT OF MACHAKOS



COUNTY ASSEMBLY OF MACHAKOS

THIRD ASSEMBLY

REPORT OF THE FINANCE AND REVENUE COLLECTION COMMITTEE ON INQUIRY ON THE STATE OF REVENUE COLLECTION WITHIN THE COUNTY

FEBRUARY, 2024

TABLE OF CONTENTS

FOREWORD	3
1.0 PREFACE.....	5
1.1 Establishment of the Committee	5
1.2 Mandate of the Committee.....	5
1.3 Committee Membership.....	5
1.4 Committee Secretariat.....	6
3.0 INVESTIGATION INTO THE CAUSES OF DECLINE IN REVENUE COLLECTION	8
3.1 Site Visits	8
3.1.1 Site visit to Mutituni slaughterhouse	8
3.1.2 Site visit to Athi-river slaughterhouse.....	9
3.1.3 Site visit to Lukenya quarry sites and Mavoko sub – county revenue office.....	9
3.1.4 Site visit to National Cement Company limited (Simba cement)	11
3.1.5 Site visit to the Revenue Head Office at Machakos Sub-County	11
3.2 Responses from the County Executive Committee Member – Finance.....	12
3.2.1 Recommendations of the Contained in the Report of Finance and Revenue Collection Committee of second Assembly	13
4.0 COMMITTEE OBSERVATIONS	14
5.0 COMMITTEE RECOMMENDATIONS	16

FOREWORD

This report on inquiry on the state of revenue collection within the county was informed by report on the financial statements of the County as at 31st December, 2022 which reported low revenue collections raising concern whether the County will attain its revenue target for the FY 2022/23. The report indicated that the county had managed to collect kshs.469 million translating to a less than a third of the targeted revenue of Kshs. 1.69 billion for FY 2022/23.

The Committee further compared revenue collections of the previous four years as follows: FY 2018/19 Kshs.1.5 billion, FY 2019/20 Kshs. 1.3 billion, FY 2020/21 Kshs.1.2 billion and FY 2021/22 Kshs. 1.1 billion and noted that revenue collection was on a downward trend.

The committee resolved to undertake an inquiry to establish the causes of decline in revenue collection and if possible propose suitable measures to enhance revenue collection. The enquiry was undertaken between February, 2023 and May, 2023, through site visits and meeting with stakeholders. From its findings, the Committee observed the following as some of the possible causes of revenue decline:

- (a) Collection of revenue in cash and depositing in Mpesa paybill later;
- (b) Collusion and pocketing of revenue by revenue officers;
- (c) Inadequate services provided at county facilities mainly at slaughter houses and at quarries where roads are in poor state;
- (d) Inadequate guidelines of operations such as operating hours for slaughter houses, transportation of quarry materials beyond working time of revenue officers and failure to pay officers overtime;
- (e) Inadequate monitoring and keeping of records including lack of gadgets to verify payment of revenue via Mpesa and not keeping record of lorries from National Cement Company that pass through the pay points;
- (f) Laxity in revenue collection whereby the county has not been collecting revenue from business people including national cement company.

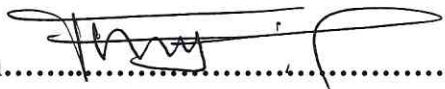
The Committee proposes to the County Executive Committee Member, Finance, Economic Planning, Revenue Management and ICT to:

- (i) Provide a report to the assembly on how it has addressed the reasons /areas that have led to decline of revenue collection.
- (ii) Fully automate revenue collection across the county and embrace cashless revenue collection to reduce cases of revenue leakage.

- (iii) Encourage citizens to pay revenue using the prescribed cashless channels and to report those officers collecting revenue in cash.
- (iv) Enhance revenue monitoring in quarry sites and other areas of revenue collection and deal with the issues of revenue and enforcement officers who have been colluding with traders to rob the County revenue.
- (v) Coordinate with the department of transport to repair roads leading to the quarry sites and dig trenches on alternative (panya) routes to leave only one exit point.
- (vi) Inform National Cement Company that the purported revenue waiver of April, 2017 was irregular as it was against the provisions of Articles 185(1) and 210 (1) of the Constitution of Kenya and that the Machakos County Tax Waivers Administration Act, 2021 voided any waivers entered before passage of the Act.
- (vii) Collect cess from trucks ferrying cement raw materials from quarries within the County including National Cement Company ltd.
- (viii) Ensure that there are accurate County systems of recording and accounting for trucks that ferry raw materials from quarries for the companies that opt to pay cess at the end of the month including National Cement Company and Bamburi Cement Company.

The committee is grateful to the Offices of the Speaker and that of the Clerk of the County Assembly for the support accorded during the carrying out of this task. I wish to express my appreciation to Honorable Members of the Committee for their dedication and participation in the exercise.

On behalf of Finance and Revenue Collection Committee and pursuant Standing Order 190(5), it is now my duty and privilege to present to the House, the report of Finance and Revenue Collection Committee on Inquiry on the State of Revenue Collection in the County.

Sign..........Date.....*12th February 2024*.....

Hon. Francis Kyalo Kitaka (MCA, Ndalani Ward)

CHAIRPERSON – FINANCE AND REVENUE COLLECTION COMMITTEE

1.0 PREFACE

1.1 Establishment of the Committee

1. The Finance and Revenue Collection Committee is a sectoral Committee of the County Assembly of Machakos established pursuant to Standing Order No. 190 whose functions pursuant to Standing Order 190 (5) are as follows:
 - (a) To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments;
 - (b) To study the programme and policy objectives of departments and the effectiveness of the implementation;
 - (c) To study and review all county legislation referred to it;
 - (d) To study, assess and analyze the relative success of the departments as measured by the results obtained as compared with their stated objectives;
 - (e) To investigate and inquire into all matters relating to the assigned departments as they may deem necessary, and as may be referred to them by the Assembly;
 - (f) To vet and report on all appointments where the Constitution or any law requires the Assembly to approve, except those under Standing Order 184 (*Committee on Appointments*); and
 - (g) To make reports and recommendations to the Assembly as often as possible, including recommendation of proposed legislation.

1.2 Mandate of the Committee

2. In accordance with the second schedule of the Standing Orders, the Committee is mandated to consider all matters relating to the management of County public finance and revenue collection.
3. In executing its Mandate, the Committee oversees the following Departments which are under the County Executive Committee Member for Finance, Economic Planning, Revenue Management and ICT;
 - (a) Finance;
 - (b) Revenue Management

1.3 Committee Membership

4. The Finance and Revenue Collection Committee comprises of the following Honorable Members:-
 1. Hon. Francis Kitaka - Chairperson and MCA, Ndalani
 2. Hon. Paul Wambua - Vice Chairperson and MCA, Kibauni

3. Hon. Judas Ndawa - MCA, Matuu
4. Hon. Jackson Ndaka - MCA, Tala
5. Hon. Francis Kavyu - MCA, Kinanie
6. Hon. Philip Ndolo - MCA, Mitaboni
7. Hon. Hellen Ndeti - Special Elect
8. Hon. Daniel Muindi - MCA, Muthesya
9. Hon. Paul Muli - MCA, Kithimani
10. Hon. Grace Bahati - MCA, Kyeleni
11. Hon. Lloyd Mutua - Special Elect
12. Hon. Irene Mulu - Special Elect
13. Hon. Anna Ndilo - Special Elect

1.4 Committee Secretariat

5. The Committee was facilitated by the following secretariat:
 - (a) Mr. Dominic Musyoka - Principal Clerk Assistant
 - (b) Mr. Samuel Mutua - Clerk Assistant
 - (c) Emma Nthenya - Hansard Officer
 - (d) Kiptum Joel - Sergeant-At-Arms

2.0 BACKGROUND

6. Article 185(3) of the Constitution 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.*
7. Pursuant to Article 185(3) of the Constitution, the Committee inquired into revenue collection for the County as at 31st December, 2022 and observed that the County had managed to collect Kshs. 469,698,367 translating to a 27.2 percent of the targeted revenue of Kshs. 1.69 Billion. This low collection of revenue made the Committee to look into the state of revenue collection of the County. The Committee further noted that revenue collection was on a downward trend since the financial year 2018/2019. Table 2.1 presents data on revenue collection from FY 2018/19 to FY 2021/22.

Table 2.1: Trends of Own Source Revenue Collection for the last four Years

	Financial Year	Collection (Ksh)	Change
1.	2018/19	1,557,211,640.00	
2.	2019/20	1,376,171,810.00	- 181,039,830.00
3.	2020/21	1,296,364,668.00	-79,807,142.00
4.	2021/22	1,118,461,753.00	-177,902,915.00

8. From Table 2.1, revenue collection has recorded a declining trend from Kshs. 1.557 Billion recorded in FY 2018/19 to Kshs. 1.118 Billion in FY 2021/22. This phenomenon made the Committee carry out an inquiry on the state of revenue collection in the County.
9. The objective of the inquiry was to establish the causes of declining trend in revenue collection in the County and to propose suitable measures to enhance revenue collection.
10. The Committee resolved to undertake site visits to observe the process of revenue collection and also where possible interview different stakeholders who are involved in the revenue collection. The exercise was carried out between February, 2023 and May, 2023.

3.0 INVESTIGATION INTO THE CAUSES OF DECLINE IN REVENUE COLLECTION

11. The Committee carried out investigations on the state of revenue collection within the County through:
 - (a) Site visit to selected revenue collection points and offices
 - (b) Meeting with various stakeholders

3.1 Site Visits

12. The Committee conducted site visits in some selected revenue collection points as well as visiting revenue head office. The areas visited were:
 - (a) Mutituni slaughter house on 10th February, 2023.
 - (b) Katani and Lukenya quarries and Movoko sub-county revenue offices on 16th February, 2023.
 - (c) Athriver Slaughter House on 17th February, 2023.
 - (d) Mavoko, Lukenya and Matungulu quarries on 16th March, 2023.
 - (e) National Cement Company Limited (Simba cement) Company on 27th March, 2023.
 - (f) Machakos County Revenue Head Office on 6th April, 2023.

3.1.1 Site visit to Mutituni slaughterhouse

13. The Committee undertook a site visit at Mutituni/Ngelani Ward in Machakos Sub – County to check the mode of revenue collection at the slaughterhouse and the Committee made the following findings:
 - (i) That the mode of revenue collection was not clear and Members suspected that the revenue collection was done in cash and deposited by the revenue clerks to a MPESA PAYBILL 1616160. The risk of this was that officers may deposit part of the collection and pocket the rest of the amount.
 - (ii) That the revenue officers could not verify whether the traders had really paid the slaughterhouse fees as they did not have a gadget to confirm the payment done by the traders. The risk was that traders could edit the text messages. In addition, there was no officer at the entrance area to check whether those who paid were the actual ones who used the facility.
 - (iii) When, asked on the mode of revenue collection, the officers stated that they receive cash and later deposit the amount in the paybill.
 - (iv) That revenue officers did not have a receipt book since mid – October, 2022 when the new paybill 1616160 was introduced.
 - (v) That there is no slaughterhouse manager to oversee the operations.

- (vi) That the officers slaughtering did not have protection equipment.
- (vii) That the slaughterhouse was in dilapidated state.

3.1.2 Site visit to Athi-river slaughterhouse

14. The Committee visited Athi-river slaughterhouse to check on the mode of revenue collection. The Committee made the following findings:
- (i) That revenue collection was cashless using paybill 1616160.
 - (ii) That some customers who bring camels for slaughter get services and pay later and this is a loophole which may lead to revenue loss.
 - (iii) The slaughterhouse operates from 7.00 a.m. to 9.00 p.m. with camels being slaughtered from 6.00 p.m. to 9.00 p.m. The revenue officer and meat inspector were overworked without overtime claim and this may lead to compromise thus revenue losses. The officers indicated that the slaughterhouse could efficiently operate from 7.00 a.m. to 11.00 a.m. and from 6.00 p.m. to 9.00 p.m. for camels. This calls for some guidelines of operations to be put in place.
 - (iv) The Committee was also informed that the slaughterhouse needed repairs, removal of the asbestos roofing and water supply. The butchers had come together to repair the slaughter house and provide gun powder and water using water boozers. This made it difficult for the revenue officers to be firm when asking for payment of slaughter fees. There was need for the County Government to offer quality services at the slaughterhouses if it wanted to continue collecting revenue.

3.1.3 Site visit to Lukenya quarry sites and Mavoko sub – county revenue office

15. The Committee undertook a comprehensive visit to Lukenya quarry sites because they are among the key revenue sites in the County on 16th February, 2023, 16th and 25th March, 2023. The Committee visited the quarry sites to establish the number of trucks/lorries that leave the quarries everyday so as to compare the same with the records that revenue clerks had at the Lukenya pay point / check point.
16. Among the sites visited was one of the quarries operated by a company contracted by National Cement Company Limited (Simba cement) to extract pozzolana (raw material) and deliver to its factories along Mombasa road in Mavoko sub-county and at Kaloleni in Mombasa. The quarry foreman informed the Committee that, on average, the company could make 150 trips on tipper trucks per day. At the rate of Ksh. 2,000 per trip per lorry, the County can collect Ksh. 300,000 per day translating to Ksh. 9,000,000 per month and Ksh. 108,000,000 per year.

17. The Committee established that National Cement Company Limited (Simba cement) had contracted three companies to extract and deliver pozzolana (raw material) to them, implying that, on average National Cement Company Limited (Simba cement) was receiving at least 400 trucks per day. Each truck paying Kshs. 2,000.00 per trip, this translates to a revenue of Kshs. 800,000 per day and Kshs. 24 million per month. The revenue collected from Simba cement on pozzolana alone would therefore be at least Kshs. 200 million per year.
18. At the Lukenya quarries pay point/ check point, the Committee observed that:
- (i) That the revenue clerks could not confirm whether a customer had paid or not. The clerks relied on the customers' text messages. This was prone to manipulation and one text could be used to clear many trucks or trips.
 - (ii) That the enforcement officers manning the pay point / check point, were colluding with the traders by allowing them to pay half amount of the cess fee. This was discovered by one of the Committee members who collected half the amount after pretending to be an enforcement officer.
 - (iii) That the amount of revenue collected through the pay point was very little. By noon that day of visit, only 15 trucks had paid cess whereas, the committee had met over 100 trucks as it was going into the quarries. In addition, while at the pay point and within an hour, over 50 trucks had made their way out the quarries.
 - (iv) That the officers could not explain some variations on the collections. The Committee compared collections of Wednesdays and Thursdays of 1st and 2nd and 8th and 9th March, 2023 and observed that, on 2nd of March, 2023 the officers collected 13,200 while the other three days they collected between Kshs. 26,000 and Kshs. 30,000 (see annex 2(a)&(b)).
 - (v) That the contracted companies delivering pozzolana (raw material) to National Cement Company Limited (Simba cement) and other companies did not pay cess at the pay point.
 - (vi) That transportation of pozzolana and other building materials happened past 6.00 p.m. after revenue clerks and enforcement officers left work and this occasioned loss of revenue.
 - (vii) The road to the quarry sites was in a deplorable condition.
19. The Committee visited the Mavoko sub – county revenue office to find out more on revenue collection at Lukenya quarry sites and authenticate some of the sample receipts acquired at the Lukenya pay point / check point. The Committee found out that some of

the payments were not authentic because they never reflected in the revenue payment system. (See annex 1(a)&(b)). The Committee took some samples of text messages and found that they were not reflecting in the system. For instance, a truck had only paid cess four times between 1st December, 2022 to 27th February, 2023. On this particular day, 16th March, 2023, the truck had not paid but it had acquired a receipt of payment.

3.1.4 Site visit to National Cement Company limited (Simba cement)

20. Further, the Committee visited National Cement Company Limited (Simba cement) Company to find out whether the Company was paying cess and through which mode. The Committee found out that:

- (i) The company utilizes between 2,500 to 3,000 tonnes a day and each truck carried at least 17 tonnes a day. This implies that the company receives between 140 - 170 trucks a day. The Committee observed that this information was similar to the information received from contractors at the quarries of 150 trucks per day implying that in a month the company should pay between Ksh. 8,400,000 and Ksh. 10,200,000 per day and Ksh. 100,800,000 and Ksh. 122,400,000 per year.
- (ii) That the company did not have documentation / evidence of the payments it makes to the County Government. The officer in-charge informed the committee that such documentations can only be obtained from the head office at Ruiru.

3.1.5 Site visit to the Revenue Head Office at Machakos Sub-County

21. The Committee made a visit to the Revenue Head office on 6th April, 2023 to find out whether Simba cement was paying revenue. The Committee found out the following;

- (i) That it was true that, the companies transporting pozollana (raw material) to National Cement Company Limited (Simba cement) and other manufacturing companies did not pay cess at the Lukenya pay point / check point. This meant that the County was losing a substantial amount of revenue.
- (ii) That Simba cement wrote to the County Treasury on 19th January, 2021 reminding it that there was an agreement entered into between the County Government and National Cement Company Limited (Simba cement) on 18th May 2017 and which the County Government seemed to be breaching through frequent stoppage of the company's trucks by county officers (see annex 3). In the letter, the company laments that it had not been communicated to, if there were any changes or

cancellation of the agreement and further commits that it will support the County in investment and job creation.

- (iii) That the company had been issued with an invoice of Kshs. 500,000 to pay quarry extraction fees on 4th March, 2021. On the file copy obtained by the Committee, it was indicated that it was paid on 16th March, 2021 but a receipt was not availed. In addition, another invoice of Kshs. 264,000 for quarry extraction was issued to the company on 22nd May, 2022 but there was no evidence of payment (See annex 4(a)&(b)). From the records at the quarry site, over 400 trucks carried pozollanna daily and therefore, a payment of Kshs. 500,000 or Kshs. 264,000 per month was an under-estimation as this was equivalent to daily fees for the trucks.

3.2 Responses from the County Executive Committee Member – Finance

22. The Committee requested information from the County Executive Committee Member for Finance, Economic Planning, Revenue Management and ICT vide letter ref: MKSCA/PSC/CMM/FRC/Vol.9/4 dated 10th July, 2023. The CECM was to provide the following information:

- (i) That, *while on a site visit to Lukenya quarries and National Cement Company (Simba Cement) on 16th February, 2023 and 27th March, 2023 respectively, the Committee learnt that, the company does not pay quarry cess fees like other companies but pays quarry extraction fees as evidenced by two invoices from revenue office dated 4th March, 2021 and 17th May, 2022. In addition, the Company complained to the County Treasury vide letter dated 19th January, 2021 that County Officers were stopping company trucks frequently yet there was an agreement entered between the company and the County on 20th April, 2017 and the company was yet to receive any formal communication reversing or on cancellation of the agreement. In addition, the Assembly has made various recommendations on payment of revenue by National Cement Company and that CECM should provide response on:*

- (a) *What is the status of the agreement entered into between the County and National Cement Company ltd on 20th April, 2017?*
- (b) *A breakdown of the fees that the company has paid for the FY 2022/23 with supporting documentary evidence.*

23. The CECM, provided response to the Committee vide letter ref: MCG/CECM/FIN/MKSCA/VOL.1/16 dated 17th July, 2023 and stated as follows:

- (a) There is no such agreement between the County Government and the said company and provided a report of the Finance and Revenue Collection Committee on Revenue Enhancement and Monitoring Exercise in the County of the Second Assembly dated August, 2021.
- (b) On the amount of fees paid by the Company, the CECM informed the Committee that the company had been invoiced as per the report of the second Assembly.

3.2.1 Recommendations of the Contained in the Report of Finance and Revenue Collection Committee of second Assembly

24. The Finance and Revenue Collection Committee of the Second Assembly carried out an inquiry on revenue collection in the County and tabled a report titled *Revenue Enhancement and Monitoring Exercise in the County* in August 2021. The Committee in observation number 4 stated that:

Exemption of cess for National (Simba) cement was against the provisions of Article 210 (1) of the Constitution of Kenya which provides that no tax or licensing fee may be imposed, waived or varied except as provided by legislation. Article 185(1) of the Constitution of Kenya provides that the legislative authority of a County is vested in, and exercised by, its County Assembly. The Department of Finance and Revenue Collection should commence collecting revenue from the company with immediate effect.

25. The Committee under recommendation 4 stated that:

Within thirty (30) days of approval of this report, the Department of Finance and Revenue Collection should invoice National Cement Company (Simba Cement) and start collecting revenue and forward a report to the Assembly.

26. The Committee noted that the Department was required by the recommendations of the report to collect revenue from the National Cement Company and this was evidenced by the invoices provided to the Committee.

4.0 COMMITTEE OBSERVATIONS

27. Based on the findings of the Committee during site visits and responses of the officers, the Committee makes the following observations that lead to decline and loss of revenue collection in the County:

- (i) **Collection of revenue in Cash:** Revenue officers are still collecting of revenue in cash and later depositing it in the MPESA paybill. This can be corroborated by what the Committee observed at Mutituni slaughter house and at Lukenya quarries pay point where a Committee member posed as an inspectorate officer and was given cash by the drivers.
- (ii) **Collusion and pocketing of revenue:** Revenue officers, inspectorate officers, the Department and business people have been colluding to evade payment of revenue. This was noted:
 - (a) At the quarries where a Committee member pretended to be an inspectorate officer and the truck drivers gave the member cash which was half of what was expected to be paid as cess.
 - (b) Where National Cement Company is issued with invoices that are understated by the Department of Finance, Economic Planning and Revenue Management.
 - (c) Where revenue officers fail to keep records of trucks that National Cement Company uses to transport quarry materials for ease of identification and the number of trips the trucks make in a given day.
 - (d) Where the Department fails to provide an accurate system to quantify how much revenue the National Cement Company should pay to the County.
- (iii) **Inadequate services provided at County facilities:** The County has not provides good services before collecting revenue thus leading to resistance in payment. This has been observed as follows:
 - (a) Business people have come together to provide gun powder, water and undertake repairs of the facilities at slaughter houses.
 - (b) Roads to quarries are in poor state and the truck transporters also resist payment of cess as they question what service does the County offer to

them.

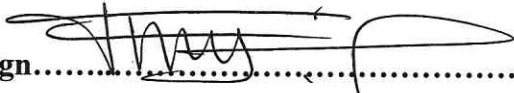
- (iv) **Inadequate guidelines of operations:** Inadequate guidelines have been observed in the following:
- (a) Slaughter houses operate from 7.00 a.m. to 9.00 p.m. leading to overworking of the officers whereas there is very little activity between 11.00 a.m. - 6.00 p.m. Stakeholders proposed operation hours to be from 7.00 a.m. to 11.00 a.m. and 6.00 p.m. – 9.00 p.m. but no one has taken up their proposal.
 - (b) Quarry trucks undertake transportation beyond 6.00 p.m. when revenue officers have gone home as there are no guidelines of when should happen after 6.00 p.m. or when should transportation of quarry materials take place.
 - (c) Failure to implement human resource guidelines for overtime for officers working long hours. Officers at the slaughter houses work from 6.00 a.m to 9.00 pm without overtime. Officers at the quarries close down at 6.00 p.m. and leave their stations unmanned while transporters continue to transport quarry materials.
- (v) **Inadequate monitoring and keeping of records:** There is inadequate monitoring of revenue collection at revenue collection points. This was observed through:
- (a) Failure to deploy an officer to verify whether all animals being slaughtered have been paid for.
 - (b) Lack of gadgets to verify whether business people have paid for the services needed at slaughter houses and quarry pay points.
 - (c) Failure to keep records of trucking passing through their pay points thus relying on the information provided by traders.
- (vi) **Laxity in revenue collection:** The Department has relaxed in the collection of revenue collection at Lukenya quarries the County lost revenue of approximately between Ksh 100,800,000 to Ksh. 200,000,000 per year from National Cement Company alone.

5.0 COMMITTEE RECOMMENDATIONS

28. Based on the observations made, the Committee recommends that the Department of Finance, Economic Planning, Revenue Management and ICT should:

- (i) Provide a report to the Assembly on how it has addressed the reasons / areas that have been leading to loss / decline of revenue collection in the County.
- (ii) Fully automate revenue collection across the County and embrace cashless revenue collection to reduce cases of revenue leakage.
- (iii) Encourage citizens to pay revenue using the prescribed cashless channels and to report those officers collecting revenue in cash.
- (iv) Engage the Department of Agriculture to ensure all slaughterhouse structures are well maintained, supplies provided, revenue collection fully automated and operational regulations put in place.
- (v) Enhance revenue monitoring in quarry sites and other areas of revenue collection and deal with the issues of revenue and enforcement officers who have been colluding with traders to rob the County revenue.
- (vi) Coordinate with the department of transport to repair roads leading to the quarry sites and dig trenches on alternative (panya) routes to leave only one exit point.
- (vii) Inform National Cement Company that the purported revenue waiver of April, 2017 was irregular as it was against the provisions of Articles 185(1) and 210(1) of the Constitution of Kenya and that the Machakos County Tax Waivers Administration Act, 2021 voided any waivers entered before passage of the Act.
- (viii) Collect cess from trucks ferrying cement raw materials from quarries within the County including National Cement Company Ltd.
- (ix) Ensure that there are accurate County systems of recording and accounting for trucks that ferry raw materials from quarries for the companies that opt to pay cess at the end of the month including National Cement Company and Bamburi Cement Company.

Sign.....



Date.....



12th February 2024

Hon. Francis Kyalo Kitaka (MCA, Ndalani Ward)

CHAIRPERSON – FINANCE AND REVENUE COLLECTION COMMITTEE

ANNEXURES

Annex 1(a)

 <p>COUNTY GOVERNMENT OF MACHAKOS</p> <p>QUARRY CESS FEE</p> <p>BUILDING MATERIALS AND BALLAST</p> <p>No. 153308 <u>1616160</u></p> <p>Amount: Kshs. 850/- Per Trip Amount in Words: Eight Hundred and Fifty Shillings only</p> <p>Vehicle No. <u>KCG 597W</u></p> <p>Date: <u>27/12/2023</u> x ^{RS}</p> <p>Mpesa Trans. Code: <u>PBR9LGZOF</u></p> <p><u>Ruel</u> <u>1.46</u></p> <p>Sign: For County Government DUPLICATE</p> <p>THIS COPY IS NOT FOR REVENUE COLLECTION</p>	 <p>COUNTY GOVERNMENT OF MACHAKOS</p> <p>QUARRY CESS FEE</p> <p>BUILDING MATERIALS AND BALLAST</p> <p>No. 153307 <u>1616160</u></p> <p>Amount: Kshs. 850/- Per Trip Amount in Words: Eight Hundred and Fifty Shillings only</p> <p>Vehicle No. <u>KZX 241</u></p> <p>Date: <u>24/12/2023</u></p> <p>Mpesa Trans. Code: <u>RB06CZAFGS</u></p> <p><u>Ruel</u> <u>9.24</u></p> <p>Sign: For County Government DUPLICATE</p> <p>THIS COPY IS NOT FOR REVENUE COLLECTION</p>
--	--

Annex 1(b)

The screenshot displays the 'County Integrated Financial Operations Management System' interface for the County Government of Machakos. The user is logged in as Nzyoka John | Nzyoka. The main section is titled 'MPESA Transactions' and shows a search for 'KCG 597W' with 6 records found. The table below lists the transaction details.

System ID	MPESA Transaction ID	Bill Ref Number	Invoice Number	Transaction Time	Phone Number	MPESA Report	Amount	Allocated Sub County	Allocated Collection Point	Allocated Income Type	Allocated Fees / Charge
80857	PDLzVVF3G	kcg 597w	kcg 597w	21-Apr-2021 08:26	254758326112	success	100.00	Machakos Town	Machakos Town	Parking Fees	Daily Parking (Small Vehicles)
231457	QL161B5TAK	MVQC-01(KCG 597W)	MVQC-01(KCG 597W)	01-Dec-2022 03:39	254720033613	success	850.00				
250695	QLJ2TZAZA	mvqc 01 kcg 597w	mvqc 01 kcg 597w	19-Dec-2022 10:24	254710743281	success	1,000.00				
281864	JA44JYSSBA	Mvmt 02 kcg 597w	Mvmt 02 kcg 597w	17-Jan-2021 06:02	254714651359	success	1,000.00				
317308	RBR9F65BOD	MVQC-01 KCG 597W	MVQC-01 KCG 597W	11-Feb-2023 10:48	254724863193	success	1,000.00				
338504	RBR9LGZKOF	mvqc 01 KCG 597W	mvqc 01 KCG 597W	27-Feb-2023 10:46	254724863193	success	850.00				

Number of Records: 6

Footer: About The System, Contact Us, Machakos County, The Place To Be. Powered by SNT Research & Consulting.

Annex 2(a)

COUNTY GOVERNMENT

C & D No. 68883
C.G.M. Office No. 23

Collection & Deposit Sheet for the period commencing 1/3/1 ending 2/3/20

Cash deposited with C.G.M.

Receipt Numbers	Type of Receipt	Amount Collected		Initial of cashier/ revenue clerk acknowledging Receipt of	Allocation			Serial Number	
		Shs	Cts		Codes	Shs	Cts	From	To
24228		2000	4000	=					
3206		1500	15000	=					
50265	MR	7000		=					
			26000	=					
132066		1500	7500	=					
50266	MR	4000		=					
53310		850	1700	=					
Total Collections				=					

Total collections 39200 Shs

Nett amount deposited _____ Cts

I certify that the above figure represents my total collection during the period

Signature _____
Designation _____

Acknowledgment by cashier/Revenue Clerk

I hereby acknowledge the receipt of (amount in words) _____

Shillings _____


_____ cents _____ which will be/has been placed to the credit of C.G.M

Signature _____
Designation _____

(C.G.M. Office use) Entered in C. & D. Book Folio _____

Notes: this sheet should be made out at the end of each calendar month or more frequently if cash on hands exceeds the safety figure agreed upon between the officer & the C.G.M. Treasurer. Both copies of the sheet should accompany the cash paid over. So that the cashier or Revenue Officer may sign both copies. The top copy will be kept in C.G.M office

Annex 2(b)



COUNTY GOVERNMENT OF MACHAKOS

C & D **68885**
C.G.M COPY

Collection & Deposit Sheet for the period commencing 8/31 2023 and ending 9/3 2023

Receipt Numbers	Type of Receipt	Amount Collected		Initial of cashier/revenue clerk acknowledging Receipt of	Allocation			Re-issues		Serial Number From To	Cash deposited with C.G.M	
		Shs	Cts		Codes	Shs	Cts	From	To			
104	132/18	1500	21000 =	1322							<p>Total collections <u>59,000 =</u></p> <p>Nett amount deposited _____ I certify that the above figure represents my total collection during the period</p> <p>Signature _____ Designation _____</p> <p>Acknowledgment by cashier/Revenue Clerk</p> <p>I hereby acknowledge the receipt of (amount in words)</p> <p>Shillings _____ cents _____ which will be/has been placed to the credit of C.G.M</p> <p>Signature _____ 20 _____ Designation _____</p> <p>(C.G.M Office use) Entered in C. & D. Book Folio _____</p> <p>Notes: this sheet should be made out at the end of each calendar month or more frequently if cash on hands exceeds the safety figure agreed upon between the officer & the C.G.M. Treasurer. Both copies of the sheet should accompany the cash paid over. So that the cashier or Revenue Officer may sign both copies. The top copy will be kept in C.G.M office</p>	
119	286500 MR	8000	= 2865									
	MPESA SMS	3000	= 161616									
NOTE												
	MISS cancelled		32000 =									
	CHIT No. 132113		1500 =									
	1500 =		30500 =									
119	132/29	1500	= 16500 =	1322								
	MPESA SMS	12000	= 161616									
Total Collections		38500 =										



REPUBLIC OF KENYA



COUNTY GOVERNMENT OF MACHAKOS
COUNTY TREASURY

Telephone: +254-44-20246
Fax: +254-44-20655

Machakos Highway
P.O BOX 1996-90100
Machakos, Kenya

Our Ref: CGM/CT/NCCL/02

18th May, 2017

The Director,
National Cement Company Ltd,
Off Mombasa Road,
Opposite Lukenya Road,
P. O. Box 33319-00600,
NAIROBI.

Dear Sir,

RE : CESS PAYMENT EXEMPTION

We refer to your letter dated 30th January, 2017 and our earlier letter dated 31st January, 2017 on the above subject.

In your letter, you requested the County Government to exempt you from paying **CESS** on Pozollana which is used as raw material for cement production in your factory located in Athi River for a period of **30 years** based on your projection for return on your investment.

The said request was discussed by the County Cabinet in its meeting held on 20th April, 2017. The Cabinet meeting noted the following:-

- i) That it is the policy of the County Government of Machakos to attract, facilitate and retain investors,
- ii) That the County Executive may approve incentives to investors in order to make Machakos attractive for investment,
- iii) Such investors must commit to utilize local labour hence provide employment to our people,
- iv) That the investors must commit to provide Corporate Social Responsibility as well as provide skills training for locals, among other benefits.

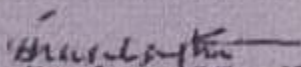
Based on the above and pursuant to the powers conferred to the County Treasury by the Public Finance Management Act, and the Machakos County Tax Waivers Act, the Cabinet granted the Ministry of Finance and Revenue Collection approval to convey its decision exempting **National Cement Company Limited** from paying cess on Pozollana for a period of **Ten (10) years**, effective from the date of this letter and subject to annual appraisal.

Page 1 of 2

You are however required to write back to the undersigned indicating to complying with the requirements highlighted above.

Finally, on behalf of the County Government of Machakos, we will be investing in Machakos and promise the full commitment of the County Government to provide an enabling environment for your investment to thrive and grow.

Thank you.


Jacinta Masila

CHIEF OFFICER -COUNTY TREASURY

Annex 4 (a)



MACHAKOS COUNTY
 P.O. Box 1996-90100 MACHAKOS
 TEL. 20246 / 21158
 FAX: 20655
 Email: machakoscounty2011@gmail.com

DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

Telephone: +254-44-20246
 Fax: +254-44-20655
 Mobile: +254-716-966938, 738-545300

Machakos Highway
 P.O BOX 1996 -90100
 Machakos

RE: QUARRY EXTRACTION FEES (INVOICE)

CUSTOMER/
 BUSINESS NAME. NATIONAL CEMENT COMPANY LTD

DATE: 4/3/2021

Machakos County Government hereby demands payment of amount due from you in respect of quarry extraction fees for January and February 2021

Below is the breakdown of your quarry fees components.

SR. NO.	DESCRIPTION	AMOUNT
1	Application fee	
2	QUARRY FEES	500,000.00
Payment Method	1. MACHAKOS COUNTY REVENUE ACCOUNT (BANKERS CHEQUE) 2. pay bill 3. FAMILY BANK, MACHAKOS BRANCH	
	TOTAL	500,000.00

MACHAKOS SUB COUNTY



GOVERNMENT OF MACHAKOS COUNTY
 THE COUNTY TREASURY
 * 04 MAR 2021 *
 P. O. Box 1996 - 90100
 MACHAKOS

*Paid on 16/3/2021
 Invoice no: CFA-2103-00112*

Annex 4 (b)

016 County Government of Machakos

Website: www.machakosgovernment.co.ke
 P.O Box 262-90110 Machakos Kenya
 Email: info@machakosgovernment.co.ke
 Phone: +254 748 079 365

INVOICE	CFA2205-00003
MT - Machakos Town	17-May-2022 10:18

Customer: NATIONAL CEMENT LIMITED
QUARRY EXTRACTION FOR APRIL 2022

Description	Amount
1 Quarry Extraction Fees	264,000.00
Total	264,000.00

Bill was generated by Malonza [112]

PAYMENT OPTIONS		
1. BANK DEPOSIT	2. MPESA	
Bank Name: KCB	Bank Name: COOP	Paybill: 1616160
Branch Name: Machakos	Branch Name: Machakos	A/c Number:
A/c Number	A/c Number:	CFA2205-00003
A/c Name County Government of Machakos Revenue		
No Cash Payments. Bills should be cleared on receiving this invoice		

Printed by: Mueni Rose M.17-May-2022 10:18

