

COUNTY GOVERNMENT OF BUNGOMA

COUNTY ASSEMBLY OF BUNGOMA

COUNTY ASSEMBLY DEBATES

THE DAILY HANSARD

TUESDAY, 26TH NOVEMBER, 2024

Afternoon Sitting

COUNTY ASSEMBLY OF BUNGOMA

HANSARD OFFICIAL REPORT

TUESDAY, 26TH NOVEMBER, 2024

The House met at the County Assembly Chamber at 2:30 p.m.

(Mr. Speaker [Hon. Emmanuel Situma] in the Chair)

PRAYER

COMMUNICATION FROM THE CHAIR

1. SPEAKER'S RULING ON THE MISCONDUCT OF HON. SHEILA SIFUMA

Honourable Members, I rise to address the matter concerning Hon. Sheila Sifuma following the adoption of The Powers and Privileges Committee's report.

The House directed that the Honourable Member renders an apology within seven (7) sitting days from the adoption of the report. The resolution was communicated to the Honourable Member. The deadline of compliance expired on 21st November, 2024. Despite being accorded ample time, the Honourable Member failed to offer the required apology to the Honourable House and the aggrieved member, Hon. Jerusa Aleu within the specified time frame. Let me remind all Honourable Members that we are bound by the principle of respect, accountability and courtesy.

When a House or the Speaker directs a member to apologise for a breach of order; failure to comply is not merely a personal matter. Such failure undermines the dignity and decorum of this House. This ruling will serve as a reminder to all Honourable Members about the importance of adhering to the rules and maintaining integrity of proceedings and upholding the standards expected as legislatures in accordance...

Kindly take up your seats!

(Members proceed from the Bar to their respective sitting positions)

In accordance with Standing Order No. 120(3) (a) and (b), I would like to draw your attention to the following;

A Member who commits an act of gross disorderly conduct

If the member defies the ruling or direction of the Speaker or the Chairperson of the Committee or declines to retract the use of unparliamentary language or offers apology despite having been ordered to do so by the Speaker, the failure of the Honourable Member to comply with the House and Speaker's direction to apologise constitutes a breach of the Standing Order and is considered grossly disorderly conduct.

Furthermore, Standing Order No. 120 (5) describes the recourse of such behaviour in respect to Standing Order No. 120(3) (a).

In line with this provision, I hereby invoke Standing Order No. 120(5); as a result, Hon. Sheila Sifuma is hereby suspended from the County Assembly and its precincts for 14 sittings effective immediately.

During this suspension, all rights, privileges accorded to the Honourable Member are withdrawn. Upon the completion of this suspension, the Honourable Member is directed to offer the required apology to Hon. Jerusa Aleu and to this House before being allowed to resume sittings. Should the Honourable Member fail to comply with this directive; additional sanctions will be imposed accordingly.

Equally, Honourable Members, I will ask to look at your attendance of the House. In the near future, I will share with you your daily attendance of this House during the third session; that is from February up to now; and you will check whether you have those eight sittings or not.

PAPERS

1. REPORT ON THE ACTIVITIES OF THE COUNTY ASSEMBLY COMMITTEES IN THE FIRST QUARTER OF FINANCIAL YEAR 2024/2025

(Report tabled by Hon. Stephen Wamalwa)

Mr. Speaker: Honourable Members, the report by the Liaison Committee on the activities of the County Assembly committees in the First Quarter of the Financial Year 2024/2025; July - September is hereby tabled by the Committee Chair. It becomes the property of the House accordingly.

2. REPORT ON THE CONSIDERATION OF THE YOUTH POLICY, 2024 AND SPORTS POLICY, 2024

Mr. Speaker: Membership of the Youths and Sports committee! Honourable Grace, you will have to use this microphone, we will not wait for you to log in. Proceed!

(Report tabled by Hon. Grace Sundukwa)

Mr. Speaker: Honourable Members, a report by the Sector Committee on Youth Affairs and Sports on the consideration of the Youths Policy, 2024, Sports Policy, 2024 is hereby tabled by the Committee and formally becomes a property of the House.

NOTICES OF MOTIONS

1. NOTICE BY THE LIAISON COMMITTEE

Mr. Speaker: Yes Hon. Deputy Speaker, proceed and issue notice!

Hon. Stephen Wamalwa: Thank you Hon. Speaker. I rise to issue a notice of motion that this House adopts a report by the Liaison Committee on the activities of the County

Assembly committees in the First Quarter of Financial Year 2024/2025; July – September, 2024.

Mr. Speaker: Honourable Members, a notice has been duly issued by the Liaison Committee on its activities of the County Assembly committees in the First Quarter of the Financial Year 2024/2025; that is July –September, 2024. I urge the Clerks- at- the- Table to share this report with the Honourable MCAs. The same will come up as a motion on our Order Paper.

2. NOTICE BY THE COMMITTEE ON YOUTH AFFAIRS AND SPORTS

Mr. Speaker: Hon. Grace, you proceed and issue notice accordingly!

Hon. Grace Sundukwa: Thank you Chair. I rise to issue a notice of motion that this House adopts the report by the sector Committee on Youth affairs and Sports on consideration of the Youths Policy, 2024 and Sports Policy, 2024.

Mr. Speaker: Honourable Members, a notice of motion has been duly issued by the sector Committee on Youths and Sports for consideration; I urge the Clerks- at- the- Table to share the said reports accordingly with Honourable MCAs. It's going to come up as a motion in the course of this week.

STATEMENT

1. STATEMENT PURSUANT TO STANDING ORDER NO. 49 BY MEMBER FOR BUMULA WARD

Mr. Speaker: Hon. Hentry, proceed! Honourable Members, when we share the weekly Order Paper... Kindly assist him! Chair, committee on Labour; Kindly proceed!

Hon. Hentry Nyongesa: Chair, Pursuant to Standing Order No. 49, I hereby seek answers from the Chair, Committee on Health Services on the following matters

1. The total amount in the Budget allocated towards community Health volunteer (CHVs) in Financial Year 2023/2024 and 2024/2025.
2. The total number of CHVs that were engaged in the entire County.
3. How much has been paid as stipends to the Community Health volunteers as clarified;
 - a) If there is any outstanding stipend that is yet to be paid to them.
 - b) Why were the stipend not paid monthly when the same was budgeted for?
 - c) When is the Department going to pay all outstanding stipends to the Community Health volunteers?
 - d) The measures put in place to avoid stipend arrears in future.

Mr. Speaker: Yes Chair, Committee on Health... Yes, Hon. Waiti!

Hon. Wafula Waiti: Thank you Hon. Speaker. I have instructions from the Chair, Health and on behalf of the Committee on Health; I rise to give a progress report on the payment of stipend to Community Health Volunteers.

Hon. Speaker, the Committee on Health Services hereby reports on the response to a statement raised by Hon. Hentry Nyongesa under Standing Order No. 47(2) of the Bungoma County Assembly Standing Orders. The statement sought for response from the Chairperson, Committee on Health Services in relation to payment of stipend to Community Health Volunteers by the County Government of Bungoma.

Pursuant to Standing Order No. 217(5) (f), the Committee invited the CECM, Health and Sanitation who appeared before it on 21st November, 2024 and responded accordingly. However, the Committee and the owner of the statement were not satisfied with the provided response. From the explanation on matters employment and management of County employees in Bungoma County being in the purview of the County Public Service Board, the Committee resolved to invite the Board on 28th November, 2024 in a view to break the stalemate on engagement of the Community Health Promoters in the County.

The Committee therefore seeks the leave of this Honourable House to allow it interrogate the Service Board and provide an appropriate response. It is signed by the Chair, Hon. George Makari of Musikoma Ward.

Mr. Speaker: Hon. Waiti, the leave you seek is very open. You have not shown how long you require after the 28th of November, 2024.

Hon. Wafula Waiti: Mr. Speaker, after 28th, if you can give the Committee seven days.

Mr. Speaker: The challenge we have is this and you ought to be aware; on 5th November we will adjourn this House up until February and any pending statements will die a natural death. So, if I have to indulge and give you more time. I will give you within that time frame. When it comes to February, there will not be a question for you to respond to because from what I understand, you are only remaining with the interrogation of the Service Board. If we give you 28th this week to Thursday; you can indulge and then next week on Tuesday you give us a feedback. Thursday is our last day of this session and members are set to go and start their break. So let us not lie that we will be here waiting for... Can we have feedback on Wednesday in the afternoon?

Hon. Wafula Waiti: It is appropriate Mr. Speaker.

Mr. Speaker: Honourable Members, we will have feedback from the Committee on the 4th of December accordingly.

MOTIONS

1. REPORT ON THE BUNGOMA COUNTY GOVERNMENT SELECTED REVENUE STREAMS PERFORMANCE EVALUATION EXERCISE

Mr. Speaker: Vice Chair, are you the one moving the report? Hon. Chemion, you may proceed.

Hon. Francis Chemion: Hon. Speaker, I have risen on behalf of the Finance Committee to read a report of the Bungoma County Government selected revenue streams performance evaluation exercise.

We have the table of contents

CHAPTER ONE

Preface

The Committee on Finance and Economic Planning has the pleasure to present to this House a report on evaluation of performance of Bungoma County Own Source revenue generation for members input and approval. It is a report that has undergone several stages from planning, evaluation and report writing. It took the Committee one and half months to evaluate Six (6) revenue streams namely Market fees, Single Business Permit, Bus Park & Parking fee, Building approval, Auction ring and Rates.

Mandate of the Committee

The mandate of the Committee is known and provided in Standing Order No. 217(5)

Committee Membership

The Committee on Finance and Economic Planning as currently constituted comprises the following members:-

- | | |
|-----------------------------|------------------|
| 1. Hon. James Mukhongo | Chairperson |
| 2. Hon. Orize Kundu | Vice Chairperson |
| 3. Hon. Stephen Wamalwa | Member |
| 4. Hon. Everlyne Mutiembu | Member |
| 5. Hon. Vitalis Wangila | Member |
| 6. Hon. Violet Makhanu | Member |
| 7. Hon. Jack Kawa | Member |
| 8. Hon. Francis Chemion | Member |
| 9. Hon. Tony Barasa | Member |
| 10. Hon. George Makari | Member |
| 11. Hon. Aggrey Mulongo | Member |
| 12. Hon. Godfrey Wanyama | Member |
| 13. Hon. Everton Nganga | Member |
| 14. Hon. Christine Mukhongo | Member |

Introduction

Mr. Speaker Sir, Own Source Revenue is actually the greatest booster to Counties financial stability that funds both development and recurrent expenses in the County. It should be noted that every revenue generated should be directed towards a specific expenditure vote planned and budgeted for; hence need to appropriate the projected revenues towards incurring specific expense. This will push strategic decision makers to prioritize revenue enhancement in every sector within the County Government.

During our report writing retreat on Receivers of Revenue financial statement for the period ended 30th June, 2023, it was agreed that the Committee carry out field evaluation to assess degree of compliance by the revenue collectors since revenue collection has experienced a declining trajectory which is a course of worry; particularly to the oversight arm of Government. Further, reports from Controller of Budget indicate that Bungoma is one of the Counties that has very big potential to raise more own source revenues.

This report highlights key measures as proposed by the Department of Finance and Economic Planning plus County Assembly recommendations that were aimed at enhancing revenue collection in the County.

It is important that Honourable Members critically analyze these measures and recommendations then evaluate the implementation status by the concerned departments.

Generation of this report called for sacrifice from Honourable Members of Finance and Economic Planning and Secretariat who burned the midnight oil and traversed the entire County for over a month; interacting with the revenue collectors down at the Ward level and evaluated compliance, then also noted bottle necks and leakages that affected growth in revenue collection in most of revenue streams. Because of limited time, the Committee settled on six revenue streams as listed in the preface. The Committee was to also evaluate performance of Cess revenue streams and had also planned to undertake a benchmarking visit with Nandi County for best practices. This did not take place because Nandi County Assembly did not reply to our request thus forcing the Committee replace it with Rates.

Justification for assessment exercise**Local revenue general collection analysis of critical revenue streams**

The County Government of Bungoma relies heavily on disbursements from the National government, but these can be quite unreliable due to frequent delays in disbursement of equitable share and thus hampering project implementation. It is prudent for Bungoma County Government to step up collection of own source revenue in order to supplement the disbursements from the National government.

It has been noted that revenue collection in the County has not grown consistently over a period of time and that if this trend is not checked; it will retard development in the County.

During the Covid -19 period in the FY 2020/2021, citizens were sensitized on the need to avoid handling cash money to reduce on infection rates. During that period, traders were required to pay for various charges through electronic means rather than manual exchange of cash. It is surprising to note that the County Government collected more money during that period compared to any other period before and after. Most of the key revenue streams have been declining despite automation that has been implemented by the County Government.

The Committee sampled and analyzed selected revenue streams as presented below:

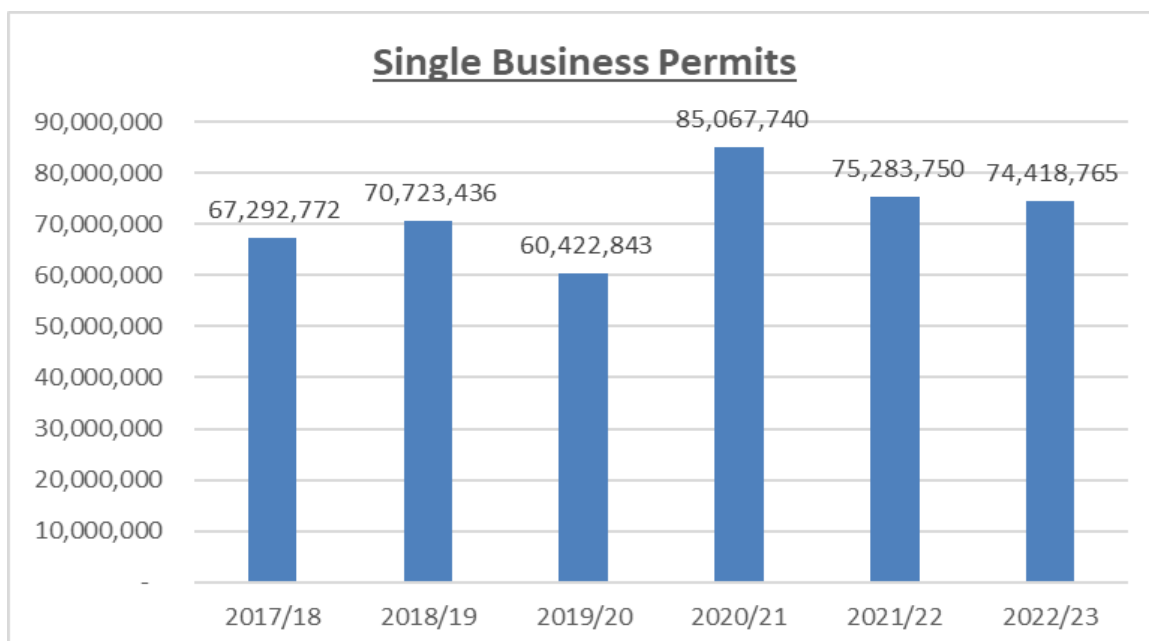
Local Revenue Collection trend analysis

REVENUE STREAM	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	VARIANCE 2022VS 2023
Market Fees	31,563,634	34,193,799	37,490,667	43,885,295	34,997,444	26,556,030	(8,441,414)
Plan Approval	9,200,480	10,778,203	10,809,945	12,772,987	11,464,386	8,263,361	(3,201,025)
Car Parking Fees	9,872,896	10,034,590	8,085,243	10,351,075	9,876,670	7,961,599	(1,915,071)
Enclosed Bus Park Fee	37,259,005	56,650,520	54,641,690	42,061,645	61,985,700	60,145,319	(1,840,381)
Renewal fees	6,287,362	5,935,060	6,255,000	8,197,450	8,179,800	7,158,783	(1,021,017)
Single Business Permits	67,292,772	70,723,436	60,422,843	85,067,740	75,283,750	74,418,765	(864,985)
Application Fees	8,526,000	7,510,780	4,129,350	5,667,540	4,136,550	4,530,000	393,450
TOTAL (A)	170,002,149	326,053,493	310,980,149	395,118,238	205,924,300	189,945,381	(15,978,919)

(a) Single Business Permits

In the year 2020/2021, the County collected Kshs85 million compared to Kshs75.2 m and Kshs74.4m collected in 2021/2022 and 2022/2023 respectively. Compared to 2022/2023, there is a variance of Kshs10.6m which is a 14 per cent drop.

We have a table explaining that.



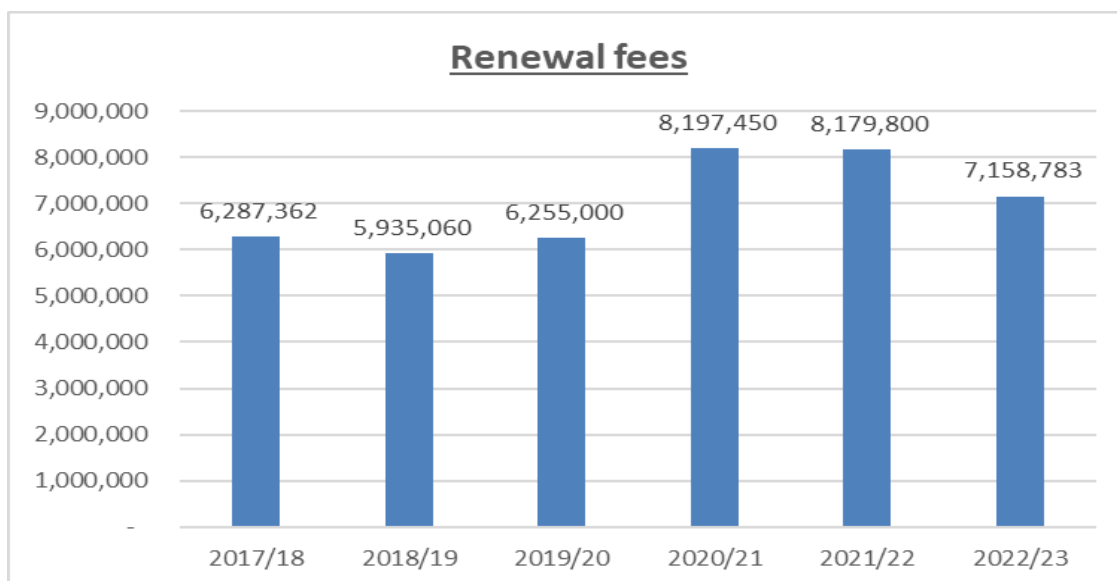
(b) Plan approval

Kshs12,772,987 was collected in the financial year 2020/2021 compared to Kshs8,263,363 collected in the year 2022/2023; leading to negative variance of Kshs4,512,626 .The table there explains what I have just read.



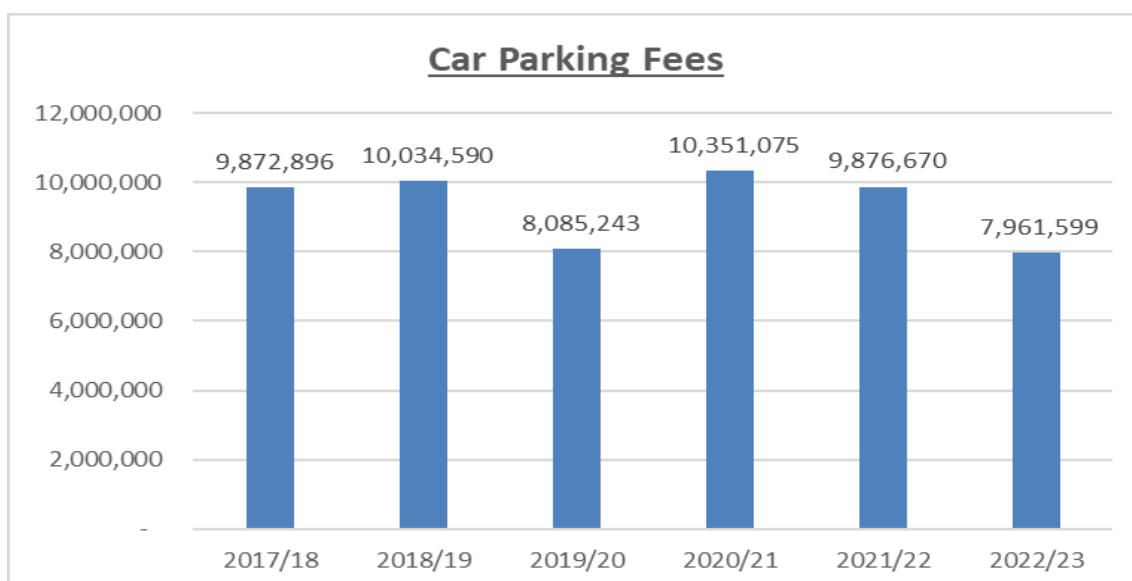
(c) Single business permit renewal fees

In the year 2020/2021 Kshs8.1m was collected while in 2022/2023 Kshs7.1 m was collected which is a negative variance of Kshs1 million. Again the chart there is a pictorial representation.



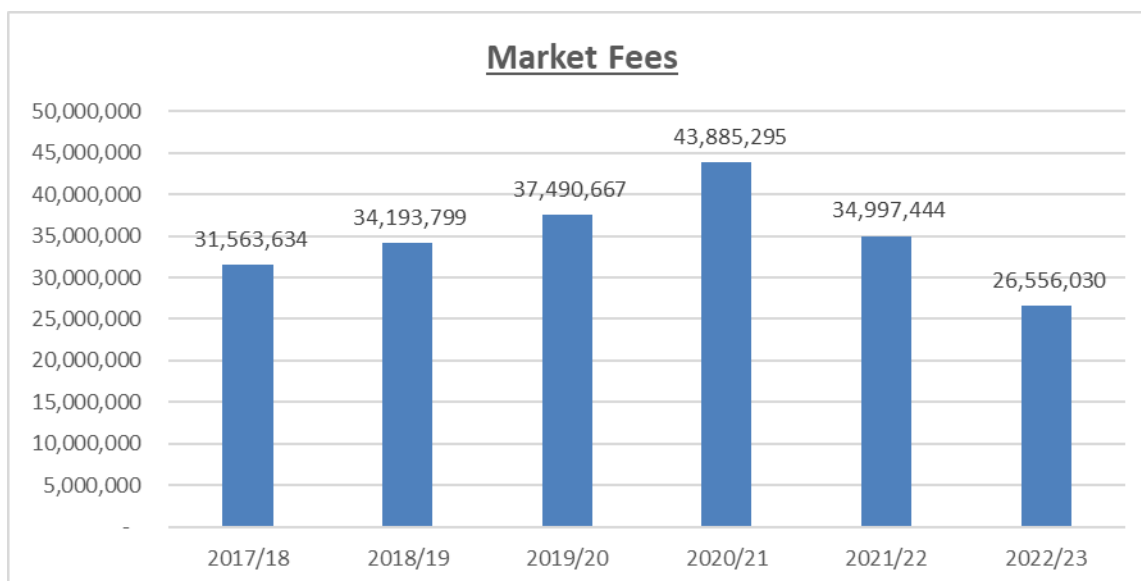
(d) Parking Fees

In the year 2020/2021 Kshs10.35 m was collected against Kshs9.8m and Kshs7.9 m in years 2021/2022 and 2022/2023 respectively. Compared to Year 2022/2023, it is a negative variance of Kshs2.38m. The graph represents what I have read.



(f) Market fees

Kshs43.8m was collected in financial year 2020/2021 compared to Kshs34.9m and Kshs26.5 m collected in Financial year 2021/2022 and 2022/2023 respectively. Compared to collection in 2022/2023, there was a variance of Kshs17.3m which is 39 per cent. We have a table there explaining the same.



Budget vs Actual collection half year 2023/2024

Own source revenue	Final budget 2023/24	Actual cash	Variance	%
Single Business permits	228,921,263	19,866,500	-209,054,763	9
Parking	101,517,423	33,377,200	-68,140,223	33
Market fees	98,427,988	21,047,928	-77,380,060	21
Physical planning and development	23,608,481	3,808,634	-19,799,847	16
Total Receipts	452,475,155	78,100,262	-374,374,893	17

Budget vs. Actual half year 2022/23

LOCAL REVENUE 2022-23 HALF YEAR							
N O.	REVENUE TYPE/CENTRE	TOTAL Q1	TOTAL Q2	GRAND TOTAL	TARGET	VARIANCE	%NEG VAR
1	Single Business Permits	2,388,433	13,462,870	15,851,303	109,444,095	(93,592,792)	14.48
2	Parking fees	1,594,370	2,845,449	4,439,819	13,802,584	(9,362,765)	32.17
3	Plan Approval						

		1,560,535	1,718,230	3,278,765	20,186,866	(16,908,101)	16.24
4	Market fees	6,241,680	7,112,230	13,353,910	38,447,373	(25,093,463)	34.73
5	Enclosed Bus Park Fee	14,416,950	15,457,600	29,874,550	63,959,313	(34,084,763)	46.71
	TOTAL	26,201,968	40,596,379	66,798,347	245,840,231	(179,041,884)	27.17

For Single Business Permit, most of the revenue is collected in third quarter while other revenue streams have recorded more or less the same amount in the four quarters

LOCAL REVENUE 2022-23 full year								
N O.	REVENUE TYPE/CENTRE	TOTAL Q1	TOTAL Q2	TOTAL Q3	TOTAL Q4	GRAND TOTAL	TARGET	VARIANCE
1	Single Business Permits	1,971,750	10,853,500	46,079,365	15,514,150	74,418,765	89,622,092	(15,203,327)
2	Renewal fees	130,183	2,234,370	3,842,730	951,500	7,158,783	6,147,478	1,011,305
3	Application fees	286,500	375,000	1,988,250	1,880,250	4,530,000	13,674,525	(9,144,525)
4	Parking fees	1,594,370	2,845,449	2,429,950	1,091,830	7,961,599	13,802,584	(5,840,985)
5	Plan Approval	1,560,535	1,718,230	2,668,770	2,315,826	8,263,361	20,186,866	(11,923,505)
6	Market fees	6,241,680	7,112,230	6,264,310	6,937,810	26,556,030	38,447,373	(11,891,343)
7	Enclosed Bus Park Fee	14,416,950	15,457,600	16,228,209	14,042,560	60,145,319	63,959,313	(3,813,994)
	TOTAL	26,201,968	40,596,379	79,501,565	88,253,360	379,219,831	465,692,846	(86,472,941)

		68	79	84	04	66	07)
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Legal Framework Supporting the Exercise

I will just mention those articles.

Mr. Speaker: Proceed!

Hon. Francis Chemion: We have;

1. The constitution of Kenya, 2010; Article 209(3), Article 210, County Government responsibilities in public Finance is under chapter 12. We have 107 under the Act

We have establishment of County treasuries that is under 103

2. General Responsibilities of County Treasury 104

3. Powers of County Treasury 105

4. Receivers of Revenue 157(1), 158 (1, (2) and (3)

County Government of Bungoma enacted several pieces of legislations that aim at enhancing revenue generation. I will just read the headlines;

1. The Bungoma County Public Markets Act

2. The Bungoma County Revenue Administration and Management Act, 2019

3. The Bungoma County Parking Act, 2017

4. The Bungoma County Agricultural Produce Act, 2017

5. The Bungoma County property and Lease Act, 2017

6. The Bungoma County Assembly Standing Orders.

Acknowledgement

I would like to appreciate the Office of the Speaker and Clerk for facilitating the Committee during own source revenue evaluation exercise and report writing.

I also appreciate the Committee members and Secretariat for their quest to have the verification exercise take place and also their contribution on execution strategy; and their availability particularly during odd hours to carry out evaluation exercise.

Lastly, I appreciate the Department of Finance and Economic Planning particularly the County Executive Committee Member for their support and collaboration during the evaluation exercise.

Signed by Hon. James Mukhongo Barasa-MCA-Chwele/Kabuchai Ward; and Chairperson Committee on Finance and Economic Planning

CHAPTER TWO

Revenue enhancement measures by the Department of Finance and Economic Planning and the Committee on Finance and Economic Planning recommendation in financial statements reports.

Revenue enhancement measures proposed by the Executive

Mr. Speaker Sir, the Department put in place County Policy statement on enhancement of Own Source Revenue in June, 2023 that was approved by the County Assembly of Bungoma. The following revenue raising measures and strategic approaches were recommended and approved by the County Assembly:

1. *Measure number one*: Weekly performance appraisal for revenue collectors to monitor variation between collections and targets.
{strategy; Revenue collectors to have structured forms to fill daily returns, specific revenue collection zones to be mapped and no revenue collector to stay in one zone for more than two days}
2. *Measure number two*: Full transition to cashless transactions.
{Strategy; All revenue shall be cashless to avoid cash handling, system will be updated to recognize revenue up to Village level. All departments revenue source will be paid to revenue collection accounts}
3. *Measure number three*: The receivers of revenue to ensure proper and prompt accounting and reporting of revenues as per section 157(2) of PFMA, 2012.
{Strategy; All receivers of revenue to monitor their revenue streams and report on monthly basis, any deviations should be addressed promptly}
4. *Measure number four*: Decentralization of revenue collection to ward level with clear mapping of revenue points to enhance maximum revenue collection to attain expected target.
{Strategy; Ward Administrators to chair the Ward Revenue Enhancement Committee, The Village Administrators will be engaged to ensure maximum revenue collection, the revenue streams and mapping as well as registers of business will be done}
5. *Measure number five*: The Office of the County Attorney shall assist in processing of defaulters and enforce revenue collection through Court and negotiate to be given a designated court to handle County revenue matters.
{Strategy; All defaulters will be enforced through Court, A designated Court shall be organized by County Attorney to handle County defaulters and Staff to be trained in on processing charges on charge sheet}
6. *Measure number six*: Additional Vehicles to support supervision and collection of business licenses.
{Strategy; Increase enforcement Vehicles}

The County Assembly additional recommendations in receivers of revenue and County policy statement on enhancement of Own Source Revenue financial statement for the period ending June 30th, 2023 which are;

Mr. Speaker Sir, the Committee on Finance and Economic Planning came up with following recommendation in the aforesaid reports which from the evaluation exercise most of them were not implemented.

1. Those Senior Collectors in departments along the revenue collection chain should also have an appraisal tool to hold them accountable in performance of their section and departments.
2. That Treasury should set targets for every revenue stream.
3. That the Department should ensure that the Policy provides a mechanism to carry out regular audit in respect to the registration of business in their correct categories as provided in Finance Act.
4. That permanent business registers should be linked to the system to ensure system generated invoicing.
5. That the County should establish the County Court.

Key revenue enhancement recommendation in Receivers of Revenue financial statement for the period ending 30th June, 2023;

1. That the CECM for Finance and Economic Planning to compile revenue enhancement strategy for each revenue stream and share with the Committee for engagement at the end of financial year 2023/2024.
2. That CECM for Finance to effective July 2024 avail the list of all business that did not renew their single business permit 2023/2024 accompanied by supporting notes to the committee for engagement.
3. That the CECM, department of Lands and Director Housing should avail to the Assembly the Catalogue of Houses owned by the County, their location, rent per house, occupants and rent payment status.
The Committee further noted that since the drop in collection of rent is so significant, the CECM, Finance and his Counterpart department of Lands, Urban Planning and Housing should urgently establish the course of drop in house rent collection and furnish with committee intervention strategies aimed at addressing the gaps by the end of financial year 2023/2024.
4. The County Government should improve services in all market centres to boost revenue collection. These to include sanitary facilities, slaughter Houses, Auction Rings etc.

Key recommendations in the Committee report on ascertainment of the cause effect of revenue collection decline in some revenue streams as per Receivers of Revenue financial statement for period ended 31st March, 2023

1. All revenue collectors were to have access to the revenue system reports to enable them follow up on their performance. The Committee directs that the above should be implemented immediately on adoption of this report.
2. The Department was directed that within in 90 days after adoption of the report to configure the system to accurately recognize every revenue stream to the correct code

and report to the Committee immediately after implementation.

3. The Committee directed the Department of Finance and Economic Planning to liaise with all other revenue collecting departments on their requirements to enhance collection and facilitate accordingly particular field allowance to be uniform and preferably included in revenue collectors pay slip.
4. The Department of Finance and Economic Planning as the in charge of revenue collection was directed to ensure the Department of Housing has an inventory of houses; stating location and value of each. From this, it should be able to project collection per month and follow up to ensure collection
5. The County Receiver of Revenue and Revenue Collector in charge of Housing should in 90 days after adoption of this report prepare a list of all Houses with rent arrears and those which have not been billed and enforce payment then report to the Committee accordingly.
6. The County Executive Committee Member of Finance was to within 14 days after adoption of the report convene a meeting of all collectors of revenue and outline their clear reporting line during enforcement of revenue collection; the resolutions and guidelines to be communicated by the County Secretary to all stakeholders including the County Assembly
7. The Committee directed the Department under the leadership of County Executive Committee Member for Finance to ensure meetings with the various Revenue Collectors are held monthly to review performance and give the way forward on any shortage on target. Progress report on the target collection should be shared with the Committee on quarterly basis.
8. The Committee directed the Department to urgently review implementation of strategy four (4) of Revenue Enhancement Policy to clearly define the role of Ward and Village Administrators in revenue collection.
9. The Department should with immediate effect put in place structure and guidelines that will ensure revenue collectors rotate from one point to another and also ensure compliance of the same in the recommendation of the policy statement on enhancement of revenue report approved.
10. The revenue system was to be enhanced to ensure that all Single Business Permit traders are registered so that invoices are produced every year and follow up made for payment. Further to that, the system should filter all unpaid invoices for legal action. The list should be forwarded to Finance and Economic Planning Committee for noting and way forward at the end of every financial year.
11. The Department was directed to take inventory of all motor cycles in the County and fully enforce schedule 11 of the Finance Bill by ensuring that all *bodabodas* pay the required fee. They should share the inventory with the Committee in three months'

time.

12. The Department was directed to share with the Committee the implementation matrix of strategy 2 and 4 (as per County Policy Statement on enhancement of Own Source Revenue) to address drop in market entry fee.

Committee's Recommendations in the Receivers of Revenue Financial Statement Report for the Period Ended 31st December, 2023

1. The Committee recommended for engagement of a reputable audit firm to carry out an audit on the revenue automation system with a view of ascertaining its efficiency and effectiveness.
2. The County Government should improve services on market infrastructure to boost revenue collection.
3. All revenue collectors should be on permanent and pensionable terms for accountability.
4. The CECM Finance and Economic Planning should explain the Kshs16 million allocated for purchase of vehicles to enhance mobility before the close of financial year.
5. The respective departments should put in place feasible measures to collect the arrears and report progress in subsequent quarterly reports.

CHAPTER THREE

Committee Field Execution Plan

The Committee intended to carry out the exercise in thirty (30) days; however due to unavoidable circumstances it took over a month to cover six main revenue streams namely:

1. Market fee collection
2. Parking fee collection
3. Single Business fee collection
4. Plan approval fee collection.
5. Auction ring
6. Land rates

Time allocated for each revenue collection stream was as follows:

(a) Market fee assessment will take nine (9) days since all days in a week have at least a market day.

Selected market centres are:

- (i) Chwele Market on a Monday
- (ii) Kamukuywa Market on a Tuesday
- (iii) Webuye Market on a Wednesday

- (iv) Kimilili Market on a Thursday
- (v) Bungoma Market on a Friday
- (vi) Lwakhakha Market on a Saturday
- (vii) Misikhu Market on a Sunday
- (viii) Myanga Market on Saturday
- (ix) Bukembe Market on Saturday
- (x) Mayanja Market on Tuesday
- (xi) Mbakalu Market on Monday
- (xii) Cheptais Market on Friday

Areas observed and noted during the exercise at every Market Centre.

- (i) Members established traders perception on cashless payment mode, how trader and revenue collector interact during payment exercise, revenue collector behaviour during the exercise, how revenue collectors manages to collect revenue from traders that don't have phones and how payment is transmitted in the system.
- (ii) Established if the revenue system is real time, does it capture;
 - ✓ traders name,
 - ✓ amount paid
 - ✓ revenue collectors name
 - ✓ the collection Centre,
 - ✓ How do collectors differentiate sources of revenue on remittance payment per collection Centre; and
 - ✓ Established if there was report generated by the system.
- (iii) Established the role of Supervisors and their targets.
- (iv) Established how often revenue collectors are rotated
- (v) Qualification of revenue collectors and whether they are enough as per the potential of a market centre.
- (vi) Noted unique challenges in different market centres
- (vii) Relevance of Ward/Village Administrators in market fee collection
- (viii) Established the history of revenue collected in those centres during market days.
- (ix) The working relationship between revenue collectors and traders representatives.
- (x) Established the terms of engagement of the revenue collectors

(b) Bus park/parking fee collection assessment will take four (4) days and selected centres are:

- (i) Bungoma town
- (ii) Kimilili town
- (iii) Webuye town
- (iv) Cheptais town

Key areas where members observe included:

- (i) If the County has a data base for all PSV Vehicles and if yes, can the system generate a report of those Vehicles that have not paid for the stickers?
- (ii) Are parking areas clearly marked and numbered.
- (iii) What were daily targets for collection by revenue collectors and supervisors at every parking zone?
- (iv) How often are revenue collectors rated
- (v) Working strategy between Revenue collectors and Enforcement Officers
- (vi) Terms of engagement of revenue collectors
- (vii) If the number of revenue collectors is sufficient
- (viii) How are verification for authenticity of stickers done for Members of County Assembly and PSV Vehicles
- (ix) Process flow of payment
- (x) Collection history for collection zone
- (xi) How are verification of stickers done
- (xii) Measures towards PSV that do not pay for stickers

(c) Assessment for Single Business collection, this exercise took place for seven days in the following trading centres:

- (i) Bungoma town and its environment centres
- (ii) Kimilili town and its environment centres
- (iii) Webuye town and its environment centres
- (iv) Mbakalu town and its environment centres
- (v) Cheptais town
- (vi) Chwele town and its environment centres
- (vii) Kabula market and its environment centres
- (viii) Mayanja Market
- (ix) Lwakhakha Market
- (x) Bukembe Market
- (xi) Myanga Market

Critical areas members observed during the exercise:

- (i) If there was data base for all traders segmented in zones per sub-county
- (ii) If invoicing was system generated and report could be generated by the system to show payment against invoicing and give a list of all defaulters
- (iii) Established inconsistency between renewal fee and application fee to establish the rate at which business close down and identify cause of the trend.
- (iv) What were the target for sub county revenue officers, supervisors and revenue collectors
- (v) What was the role of Ward/Village Administrators in revenue collection chain

- (vi) Verified the authenticity of Single Business Permit
- (vii) Compared uniformity in categorizing business permit to establish similar business pay equal amount of Single Business Permit
- (viii) Whether original Single Business Permit are displayed
- (ix) Established the strategies used to get revenue in this streams
- (x) Revenue collection history per zone and sub County
- (xi) How often are revenue collectors and there supervisors rotated.
- (xii) If there was rewarding system for target achievers

(e) Assessment of Revenue Collection in Plan Approval

The Committee will take four days to carry out the exercise in four towns namely:

- (i) Bumula/Kanduyi
- (ii) Webuye East/Webuye West

The Committee observed the following for reporting:

- (i) Established if there was sensitization strategy by the department concerned to enlighten developers of their obligation in terms of compliance before commencement of a project.
- (ii) If payment are in conformity with what was approved in the Finance Act
- (iii) Which module is used to collect revenue
- (iv) What is the working relationship between the revenue collector and enforcement Officers during the week and weekends?
- (v) How is supervision of the process done
- (vi) What are zonal to sub county revenue targets
- (vii) What action so far taken against projects that did comply
- (viii) What were the roles of Sub County/Ward /Village Administrators in revenue collection chain?
- (ix) What was the reporting structure of revenue Collector in department concerned on issues revenue collection of this stream?
- (x) What strategies are in place to get information on projects commenced but haven't complied?
- (xi) If there enough revenue collectors in the Department
- (xii) The role of Enforcement Officers in revenue collection Chain

Execution Plan and program for the activity

Mr. Speaker Sir, for the submission of this report, it took the Committee over a month and it called for determination and sacrifice of members to wake up as early as 3:00 a.m. to reach some markets on time during market days. This is a clear manifestation of members being

cognizant of their oversight role as a member of County Assembly; more so as a member of the Committee on Finance and Economic Planning.

The entire programme took the leadership of the Committee; the Chair and Vice Chair on a daily basis appointed team Leader and the Committee Clerk was appointed overall rapporteur in charge of compiling report submitted by daily teams who visited various markets.

Program

Mr. Speaker Sir, this was the tentative programme for evaluation exercise; although along the way, several changes took place due to unavoidable circumstances.

Date	Activity	Location	Team Leader/Rapporteur
29/4/2024	Entry meeting with key stakeholders	At the Bungoma County Boardroom	Chair and the CECMs- Finance and Land, Urban and Physical Planning
6/5/2024	Market fee verification	Chwele Market & its environment	<ul style="list-style-type: none"> Hon George Makari Janet Nalinya
7/5/2024	Market fee verification	Kamukuywa Market	<ul style="list-style-type: none"> Hon Francis Chemion Joseph Kalamu
8/5/2024	Market fee verification	Webuye Market	<ul style="list-style-type: none"> Hon Orize Kundu Peter Mbito
9/5/2024	Market fee verification	Kimilili Market	<ul style="list-style-type: none"> Hon Evelyne Mutiembu Lucy Imenje
10/5/2024	Market fee verification	Bungoma Market	<ul style="list-style-type: none"> Hon Stephen Wamalwa Peter Mbito
11/5/2024	Market fee verification	Lwakhakha Market	<ul style="list-style-type: none"> Hon Everton Nganga Lucy Imenje
12/5/2024	Market fee verification	Misikhu Market	<ul style="list-style-type: none"> Hon Aggrey Mulongo Evans Mangara
13/5/2024	Single Business	Bungoma Municipality	<ul style="list-style-type: none"> Hon Tony Barasa

	verification		<ul style="list-style-type: none"> • Janet Nalinya
14/5/2024	Single Business verification	Kimilili Municipality	<ul style="list-style-type: none"> • Hon Catherine Kituyi • Joseph Kalamu
15/5/2024	Single Business verification	Webuye town & its environs	<ul style="list-style-type: none"> • Hon Christine Mukhongo • Peter Mbiti
16/5/2024	Single Business verification	Tongaren & its environment	<ul style="list-style-type: none"> • Hon Aggrey Mulongo • Lucy Imenje
17/5/2024	Single Business verification	Mt Elgon	<ul style="list-style-type: none"> • Hon Vitalis Wangila • Janet Nalinya
20/5/2024	Single Business verification	Kabuchai	<ul style="list-style-type: none"> • Hon Christine Mukhongo • Joseph Kalamu
21/5/2024	Single Business verification	Bumula	<ul style="list-style-type: none"> • Hon Jack Kawa • Peter Mbiti
22/5/2024	Bus park/parking fee verification	Bungoma town	<ul style="list-style-type: none"> • Hon Godfrey Wanyama • Lucy Imenje
23/5/2024	Bus park/parking fee	Kimilili town	<ul style="list-style-type: none"> • Hon George Makari • Joseph Kalamu
24/5/2024	Bus park/parking fee	Webuye Town	<ul style="list-style-type: none"> • Hon. Vitalis Wangila • Janet Nalinya
27/5/2024	Bus park/Parking fee	Chwele	<ul style="list-style-type: none"> • Hon Tony Barasa • Peter Mbiti
28/5/2024	Building Plan Approval	Bungoma Town	<ul style="list-style-type: none"> • Hon Francis Chemion • Janet Nalinya
29/5/2024	Building Plan Approval	Webuye town	<ul style="list-style-type: none"> • Hon Everlyne Mutiembu • Joseph Kalamu
30/5/2024	Building Plan Approval	Kimilili Town	<ul style="list-style-type: none"> • Hon Orize Kundu • Peter Mbiti

3/6/2024	Building Plan Approval	Bumula/Sirisia/Chwele	<ul style="list-style-type: none"> • Hon Everton Nganga • Evans Mangara
4/6/2024	Cess-	Visit Nandi County for benchmarking	<ul style="list-style-type: none"> • Hon Stephen Wamalwa
5/6/2024	Cess	Sugar Factories	<ul style="list-style-type: none"> • Hon George Makari • Janet Nalinya
6/6/2024	Cess	Coffee Factories and other Companies	<ul style="list-style-type: none"> • Hon Francis Chemion • Joseph Kalamu
7/6/2024	Cess Collection on the Roads	Main Roads	<ul style="list-style-type: none"> • Hon Tony Barasa • Evans Mangara

CHAPTER FOUR

Own source revenue collection evaluation exercise

Mr. Speaker Sir, the Committee started the above mentioned exercise on 29th April, 2024 with entry meeting held at Paskari Nabwana Hall where the Committee held a meeting with the County Executive Committee members whose selected revenue streams fall namely Market fee & Auction ring, Single Business permit, cess, Bus Park, Plan approval and parking fee. The following County Executive Committee Members attended the meeting:

1. County Executive Committee Member for Finance and Economic Planning,
2. County Executive Committee Member for Agriculture; and
3. County Executive Committee Member for Lands, Town planning and Municipalities.

The following Chief Officers attended the meeting:

1. Chief Officer for Public Administration
2. Chief Officer for Lands and Urban Planning
3. Chief Officer for Agriculture

The Chairman of the Committee briefed the audience about the own source revenue evaluation exercise and why the activity is critical in enhancing County revenue performance which has not been doing well going by the reports by Controller of budget and receivers of revenue financial statement report for the period ending 31st December, 2023.

The Committee agreed with the departments on mode of engagement and the departments assured members of their full support during the evaluation exercise.

Revenue collection in Bungoma County Markets

Mr. Speaker Sir, the Committee officially started the grassroots evaluation exercise on 9th May, 2024 outside the adopted program for execution; where it divided itself into five (5) groups each handling a specific revenue streams.

Kimilili

Kimilili has a market day on Thursday. The market has a Market Committee which meets once every week. The market is managed by a revenue officer- 55 year old Henry Munyole from Chwele and has been working in this market for 10 months. Previously, he worked in Chwele market. He was employed in 1989 on permanent basis and has an O- level certificate. As the in charge, he has a phone that monitors all the revenue collectors on real time as the money is collected. He is assisted by revenue collectors in charge of the different sections who have phones that monitor payment in their respective sections.

The market has a monthly target of Kshs390, 000; Kshs70, 000 per market day and Kshs5000 daily collection on normal days. The market does not charge traders on Sundays.

Actual average collection on market days ranges from Kshs55, 000 to Kshs64, 000, while on normal days at Kshs4, 500.

The total collection for the market on Thursday 9th May was Kshs58, 460

The market is divided into five sections, each manned by a revenue collector

1. The Auction ring
2. Cloths section
3. Cereals section
4. Fish section
5. Veterinary section

1. The Auction Ring section is divided into 2 sections,

- i) Cattle section
- ii) Sheep and goats section

i. Cattle section

The market has an auction ring that has been fenced and sub divided into different sections to assist the buyers quickly identify the animal they wish to purchase. The cattle section is divided into dairy cows, calves and other cattle for ease of traders identifying the animal they wish to purchase.

The revenue collector here is Pius Kirya. He was employed in 2011 on permanent basis; he is 30 years and from Kimilili Ward. He has an O- level certificate. He has been in this section for one month.

The section has a target of Kshs15, 000 on market days. On Thursday 9th May, 2024, Kshs13, 400 was collected from this section. It only operates on market days. Traders pay on their way out, using the Point of sale machine (POS). The receipt captures the names of the seller and buyer, their phone numbers, their identity card numbers, the colour of the animal, where

the animal is going and the cost of the animal.

The cashless system is working well here because the place is enclosed and traders only leave the gate after they present a receipt.

ii. The sheep and Goats section

This is manned by Ruth Barasa who was employed in 2012 on permanent basis. She has been in this section for one month. She has an O- level certificate and comes from Mukuyuni Ward. The target for this section is Kshs5000 per market day. It only operates on Market days. On Thursday 9th May, 2024, Kshs3.400 was collected.

Challenges and observations

The auction ring is fenced with wooden plunks leaving large spaces where small animals like calves, sheep and goats can pass through and leave without paying.

The floor is sandy with a lot of mud especially during the rainy season and dust during the dry season. When it rains, traders do not enter the rings and auction is done outside the ring making it impossible to collect revenue because traders walk away without paying.

The revenue collectors had no bundles to operate the phones

There were no toilet facilities, no water for the traders, no power yet traders arrived as early as 5:00 a.m., no protective clothing for the staff e.g. gum boots, umbrellas, rain coats

2. Veterinary officers

After purchasing animals, the buyers then go to the veterinary officer for a movement permit. The payment here is cash with a manual receipt being issued to the trader. The veterinary section is manned by Simiyu Mumelo and Felix Makari who report to the Livestock Department. They deposit the money on the County Government Equity Account and present the banking slips to the accountant in Bungoma at the end of each month. They also operate on Kamukuywa market. Simiyu Mumelo is 50 years, was employed in 2010 on permanent basis. He has O- level certificate, he hails from Maeni Ward and has been in the section for eight years.

The target for the veterinary section is Kshs5000 per market day. Average collection per day is Kshs2, 800. When depositing the money to the county bank account, they have not been directed to specify the code on which the money relates. This would easily assist the accountants post the cash on correct codes once they sight the money on the bank statement.

Challenges and observations

- a) The officers have not been facilitated with cashless mode of payment hence still using manual receipts.
- b) There is no way of ascertaining accurately cash collected by these officers.
- c) Banking money and submitting banking slips at end on the month should not be encouraged as it piles up the posting in the system and leads to posting to wrong codes because the staff are overwhelmed and not sensitized on revenue streams codes. When depositing money to the respective account, they should be able to state the source of the money and the code it relates to, to guide those posting into the system

to post on correct codes.

- d) They are not facilitated to move around, they have motor bikes that are broken down due to old age and lack of maintenance hence they use their own money to move between Kimilili and Kamukuywa, which encourages fraud.
- e) Outside the auction ring, there are other traders who sell other items like fruits, clothes, shoes etc. Most of these traders paid cash to the revenue collectors as opposed to the cashless system in use.

4. The Clothing Section

This section was manned by John Wasike. He was employed in 2017 on permanent basis. He is 41 years old, has an O- level certificate and comes from Kamukuywa. He has been in this section for four months. Market day target is Kshs4, 500 while other days Kshs400. Actual collection averages Kshs4, 300. Actual collection on Thursday 9th May, 2024 was Kshs4, 420. The clothes are sold along the road which is a security risk. They are in the open with no shades.

The same revenue collectors who work at auction rings collect revenue at the clothes section which means they wait until the auction ring has closed at 12 noon to move to the clothes section. This means a trader who displays his wares at the clothes section up to 1:00 p.m. then leaves the market can leave without paying. As at 1:00 p.m.; many of the traders on the market did not have a message confirming payment because they said the revenue collector had not reached them. Should there be rainfall or any disruption caused at that time, then it would be impossible to collect revenue.

Challenges and observations

- a. The traders had no space to display their stock; limiting the amount of business that could be transacted
- b. Traders had no shade hence directly affected by rain and sunshine
- c. The Revenue Collectors had no bundles to operate the phones, no umbrellas, and rain coats gum boots.
- d. There were few Revenue Officers during market days causing loss of revenue in some revenue collection points.

4. The Cereals /Vegetables section

This section was inside the enclosure. It was manned by David Ptanguny. He is 50 years old and from Chepyuk. He has an O- level certificate and was employed in 2017 on permanent basis.

The section has a target of Kshs4, 000 per market day and Kshs500 on other days. Actual collection on Thursday 9th May, 2024 was Kshs3, 460.

The traders have a roof, electricity, toilet facilities and water. Mode of payment is the phone but many traders had no message to confirm; some said the revenue collector had not reached them while others said that their phones were charging. This could be an indication of fraud as traders do not have messages as proof of payment

Challenges and observations

- a. No Bundles for the revenue collectors
- b. Some traders had no phones and some just refused to use their phones claiming the phone were off or charging so that they compromise with Revenue Collectors.
- c. The market had no dust bins to collect rubbish

5. Fish section

The section is manned by Bill Wanyala who was employed in 2017 on permanent basis; he is 31 years old and a Degree holder. He has been in the section for one month. The target for the section is Kshs5, 000 and Kshs500 for the market day and other days respectively. .

Actual collection on Thursday 9th May was Kshs4, 420.

Many traders including their leader say they pay by phone but none could show any proof of payment. They said one trader collects money from those that do not have phones and pays for them; but there was proof of payment.

Challenges, observations immediate intervention for Kimilili Market

- a. The system could not allow revenue collectors to access a list of the traders under their category so that they can easily follow them to pay instead of trying to trace them physically.
- b. A number of traders had refused to embrace the cashless system to the advantage of revenue collectors and themselves. They give cash and continue with their work
- c. The phones or Point Of Sale (POS) used on the market are very few hence covering the whole market in good time is not possible; meaning some traders will get away without paying. The system hangs and sometimes there is no network
- d. During market days, the market was understaffed by revenue collectors.
- e. Revenue collectors had discretion on what to charge traders because a trader selling cabbages and one selling a heap of mattresses all pay Kshs80.
They are not conversant with various charges as stated in the County Finance Bill. This leads to loss of revenue through collusion and undercharging.
- f. Traders with several Lorries of maize are charged Kshs400 per lorry instead of charging Kshs50 per bag of maize. The same traders give several women the maize to sell for them on commission. These women do not pay any money because the trader has already paid the Kshs400.
- g. Veterinary officers collect money and issue manual receipts which could give room for fraud. Banking in Equity bank and submitting slips at the end of the month is irregular; bank reconciliation should be done daily so as to correct any anomaly that is noted in good time. This also defeats the concept of cashless payment mode.
- h. An imposter Enforcement Officer was spotted in the market. He has been there for many years and yet he is not a County Government employee. The same could be happening in other places where imposters intimidate traders and collect revenue.
- i. Shades are required in the enclosed market

Bungoma Market

This Market is one of the largest markets in Bungoma County having a Market day on every Friday. It has five sections divided as follows:

1. Auction ring
2. Poultry section
3. Chepkube market
4. New market-shoes
5. Old market cereals next to Coop bank

1. Auction ring

The team visited the auction ring where operates from 5:00 a.m. to 10:00 a.m. The section is manned by 47 year old Celestine Buyela- a resident of Tuuti/ Marakaru. She has an O- level certificate and was employed in 2017 on permanent basis.

The section has a target of Kshs5, 000. Actual collection averages Kshs3, 500 to Kshs4, 000. The day's collection for 10th May, 2024 was Kshs4, 000.

After the auction closes at 10:00 a.m., the revenue collectors give support to other revenue collecting teams in other streams.

The mode of payment is cashless but we did not get the livestock traders to confirm this as they had left by the time we visited.

Around the auction ring there are other traders selling other items like fruits, ropes, clothes, cooked food etc. Most of these traders indicated that they had paid their taxes which revenue collectors accepted that they had collected Kshs500 from a number of them outside the Cashless mode of payment.

We also learnt that one trader had collected money on behalf of those who had no phones but left without surrendering it to the revenue collectors. Checking on the revenue collectors phone, there were only three receipts for market traders, yet there were so many of them; some were winding up to go sell their goods in other places as the auction ring had been closed.

The auction ring is an open space with no fence at all. All the livestock are sold in the open space which means that they cannot be grouped in categories e.g. dairy animals, calves, bulls etc. It also means collecting revenue is almost impossible because there is no fence to control those leaving with animals. Purchasing an animal here is also difficult because a buyer has to walk around looking at all animals because they are not grouped by category

There are no toilet facilities, no water and the ground is sandy/muddy.

The section has no enforcement officers despite the fact that they could be helpful in following those who walk away without paying.

There is so much revenue lost in this section for lack of a fence.

2. Poultry section

The section deals with chicken and other birds like ducks, Quinea fowls etc.

The section is manned by Sylvia Nyongesa who was employed in 2017 on permanent basis. She is 39 years old, holds a Diploma and hails from Kanduyi. The section has a target of Kshs600 on market days. The section was moved off the Bungoma- Mumias road to a junction towards the Auction ring area. Traders have no space for business; they work on the road with no space for the birds to get out of the cage. There is need to allocate space to expand the business and revenue collection

Challenges and observations

- i. Traders have no space for business; they operate on the road with no space for the birds to get out of the cage.
- ii. The traders obstruct traffic along the road
- iii. There are no enforcement officers to assist revenue collectors around the Auction ring area hence many of them do not pay.
- iv. The area is insecure as it is infiltrated with Street Children.

3. Chepkube market

The market is manned by Elizabeth Simwenyi. It is divided into two sections

1. Clothes section
2. Fish/groceries

1. Clothing section

The clothing section is manned by 50 year old Jackline Wamuteti from Khalaba Ward. She was employed in 2007 on permanent basis and holds an O-level certificate.

The section has a target of Kshs16, 000 per market day and Kshs6, 000 on other days. Actual average collection on normal days is Kshs4, 500 while on market day Kshs3, 500.

Challenges and observations

- i. The market has only two revenue collectors and four supervisors. By 12.30 p.m., many traders had not paid because the revenue officer had not reached them. It was alleged that officer's report late for work and that is why many traders had not paid by the stated time.
It was not clear why the market had more supervisors than revenue collectors. There is need to construct sheds in the open areas to shield the traders from the elements of weather.

2. Fish and groceries

The section is manned by 44 year old John Nyongesa from Musikoma. He was employed in

2010 on permanent basis and possesses an O- level certificate. He has been in the section for two months.

The section is in the enclosed market with water, power, toilet facilities availed.

The section has a daily target of Kshs3, 000 and a market day target of Kshs8, 000.

4. New market –shoes

The section is manned by 35 year old Jacinta Wekesa who possesses an O-level certificate. She was employed in 2007 on permanent basis. She has been in the section for three years. Daily target collection for the section is Kshs1, 000 while market day collection is Kshs1, 500. Actual collection on market days average Kshs900. The section is located along the road thus obstructing free movement of pedestrians. During the time of visit, raw sewerage was flowing from a nearby mosque. As at 1:00 p.m., many of the traders had not paid because the revenue officer had not reached them

5. Old market cereals next to Coop bank

The market is manned by Charles Imo as supervisor and Lillian Soita as revenue collector. 35 years old Lilian Soita was engaged in 2016 as a casual and hails from Kimilili. At the time of our visit, the market was under renovation and traders were selling their goods from outside the market

The daily target is Kshs2, 000 while market day target is Kshs2, 500. Average actual collection on market days is Kshs2, 300.

The market has the required infrastructure but there need for more sheds to accommodate more traders and thus enhance revenue.

Challenges and observations

- a. A number of traders have refused to embrace the cash less system to the advantage of revenue collectors, they give cash and continue with their work
- b. The main market has only two revenue collectors and four supervisors.
- c. Revenue collectors are not sensitized on the Finance Bill from which they charge market fee; hence charges charged are not uniform.
- d. There are Traders who collect and purport to pay for other traders that have no phones; this was serious risk that could lead to collusion to deny the County Revenue.
- e. Revenue collections around the Auction ring mostly are outside cashless framework which is a serious risk.

Mayanja market

The market has Tuesdays and Saturdays as the Market days and is manned by a Ward Revenue officer- 48 year old Winrose Masinde from Bungoma, Township. She was employed in 2010 on permanent basis and possesses an O- level certificate.

The market has nine revenue collectors; eight of them have phones and the ninth one has no phone and assists the rest with manual work. Mayanja market has six sections

1. Auction ring

2. Poultry section
3. Clothes and shoes
4. Cereals
5. Fish
6. Roadside-vegetables

The market has a target of Kshs25, 000 on market days and Kshs4, 000 on other days. Average collection on market days is Kshs25, 700- 28,000 when the auction ring is functional and Kshs21, 000- 22,000 when the livestock is sold outside the auction ring. On other days, the target is Kshs4, 000; actual collection can range from Kshs2, 500 to Kshs3, 000.

On Saturday 11th May, Kshs22, 240 was collected.

1. Auction ring- cattle

The section is manned by Felistas Wamalwa from Kabuchai. She has been in this section for seven months

The section has a target of Kshs15, 000 on market days. Actual collection when the ring is operational is Kshs13, 000 and above, while when the ring is not operational Kshs7, 000 - 8,000 is collected. The market starts as early as 5:00 a.m. although there is no electricity because it was disconnected for non- payment.

The ring is under renovation hence the auction is held in the open. In the absence of an enclosure and a gate; a lot of revenue is lost.

On close observation, the workmanship on the auction ring was very poor and the traders had declined to use it because the floor was muddy.

2. Sheep and shoats section

This section is manned by 48 year old Christopher Wambulwa from Tuuti/ Marakaru. He was employed in 2017 on permanent basis and possesses an O- level certificate. The section collects between Kshs2, 000 and 3,000 on market day. The section is operating in an enclosed area and therefore the traders are forced to pay before they leave.

On Saturday 11th May, Kshs8, 100 was collected in these two sections. The performance on this day posed great positive trajectory by over 100 per cent; meaning that with close supervision together with proper staff alignment, great improvement in revenue collection will be witnessed.

3. Veterinary section

The veterinary officer is Solomon Wafula. He collects cash and issues manual receipts, he said most traders' team up and only pay for one movement permit or they walk away without paying. When operating inside the ring his collection averages Kshs500 while outside the ring is Kshs100.

The section is poorly supervised and clearly showed that the Department of Agriculture has not been sensitized on need to embrace and promote own source revenue generation in their department.

3. Poultry section

The section is manned by Rispar Nyambeki from Chwele Kabuchai. She was engaged in 2017 on casual basis. The last renewal of contract was in 2019.

Market day has a collection target of Kshs1, 500. Actual collection ranges from Kshs900 - 1,000.

On Saturday 11th May, Kshs900 was collected in this section

Most of the traders here are young people with no phones and identification cards hence not able to pay by phone. The chairman of the section collects money on behalf of those with no phones and pays for them. This is a serious risk since the Casual is not facilitated with bundles.

4. Fish section

The section is manned by 39 year old Nelly Wekesa who was employed in 2007 on permanent basis. She hails from Kabuchai and has an O-level certificate.

This section is supposed to be housed in the stone market but traders prefer to sell from outside. The roof leaks and is in need of repairs.

The target for market days is Kshs2, 000. Actual collection averages Kshs1, 800.

On normal days target is Kshs1, 000, average collection is Kshs800. The market has no electricity due to disconnection. It has no water and dust bins.

5. Cereals section

The section is manned by 39 year old Sophia Chetambe. She was employed in 2017 on permanent basis with a degree in Aeronautical Engineering.

The section has a target of Kshs2, 500. On market days with average actual collection of Kshs2, 100, the target is Kshs1, 500; with actual collection ranging from Kshs1, 000-1,900.

On Saturday 11th May, Kshs1, 840 was collected in this section.

6. Clothes and shoes section

The section is manned by 31 year old Sarah Biketi from Lwandanyi. She has an O- level certificate.

The target is Kshs9, 000 on market days with actual collection ranging from Kshs7, 500- Kshs8, 500. Other days target is Kshs3, 000 with actual collection averaging Kshs2, 500.

On Saturday 11th May, Kshs8, 270 was collected.

7. Vegetable section –road side

The section is manned by 37 year old Cosmas Machabi from Namwela. He was employed in 2012 with an O-level certificate.

The target on market days is Kshs3, 500 with actual collection averaging between Kshs3, 100- 3,200.

On Saturday 11th May, Kshs3, 130 was collected.

Many of the vendors have no phones; resist using the phone or have no Safaricom lines. They operate along the road which is dangerous.

Challenges and observations

- a. Traders have embraced the cashless mode of payment but only on market days. The rest of the days the traders have resisted payment of Kshs30 as they prefer to pay Kshs20 in cash to the revenue collectors who adds up for several people and sends via phone since the cashless system does not accept amounts below Kshs30. No one confirms whether the money collected is remitted to the County account or not. This gives room for fraud
- b. Despite the fact that the market has nine revenue collectors, they wait till afternoon hours to start charging traders because they give them time to sell; except for the auction ring and poultry.
- c. Revenue collectors accept payments that are less than stipulated amounts in the Finance Bill because they say traders claim Chwele market charges them lower rates. A fish wholesaler that is required to pay at least Kshs100-150 only pays Kshs50
- d. The market has no clean water,
- e. Electricity was disconnected due to non- payment of bills; forcing traders to close early
- f. The main market-stone building has a leaking roof and so traders prefer selling their goods in the open.
- g. The market has no cleaners and no dust bins to collect rubbish.
- h. A large part of the market is along the road which is very dangerous
- i. Toilet facilities are not enough because the market is spread along the road
- j. The auction ring has been under renovation for the past one month. It has not been handed over because the work done is substandard. The floor was poorly done; it cannot withstand the human traffic.
- k. Many of the Market Committee members and section heads do not pay any fees because they claim they are not paid for the work they do for the market
- l. The Veterinary Officer collects cash and issues manual receipts. Many traders walk away without paying for animal movement permit and there is no way of confirming accuracy of collection. Many of the traders team up and record all their animals under one person so that they only pay for one permit for so many animals.

- m. Revenue collectors are not facilitated with bundles and so they collect cash to buy bundles.

Chwele market

Chwele has two market days on Monday and Friday. The market has a market committee which meets once every week. The committee has 16 members. The market has 22 revenue collectors, nine phones and six point- of- sale machines to assist in revenue collection, this means only 15 Revenue collectors have Phones or POS for revenue collection and the remaining seven are not fully utilized. Most of them start with the auction ring early in the morning before they go to clothing and cereals section; giving traders sometime to sell. The market is managed by 33 year old Ward Revenue officer Festus Mulama from Matulo. He has been on the market for 10 months. He has a phone that monitors all the revenue collectors on real time as the money is collected

The market has a market day target of Kshs50, 000 during the low season, in peak season, it record up to Kshs70, 000 especially with the auction ring in place. Actual collection ranges from Kshs40, 000 –Kshs55, 000.

The actual collection on Monday 13th May was Kshs41, 830

The market is divided into several sections, each manned by a revenue collector. Some of them include:

- a. The Auction ring
- b. Green Groceries
- c. Cereals section and nuts
- d. Cloths section

The Auction Ring section is divided into two sections,

- i. Cattle section
- ii. Sheep and goats

i. Cattle section

The cattle section is manned by 58 year old Issac Wakube from Chwele/ Kabuchai Ward. He was employed in 2010 on casual basis and possesses an O- level certificate. His contract was last renewed in 2019. He has been in the section since 2013.

He has a target of Kshs8, 000. Actual collection is Kshs7, 500 to Kshs8, 000. The collection was at its lowest then because there was no auction ring. The area has a lot of animals being delivered in Lorries which makes tracking of buyers to pay revenue impossible.

Actual collection on Monday 13th May was Kshs8, 400 for both sheep and cattle.

iii. Sheep and goat section

The section is manned by 27 year old Calvin Wanjala from Kabuchai. She was employed in 2017 on permanent basis and has an O- level certificate. She has been in the section for two months.

The target for the section is Kshs4, 000, with actual collection ranging from Kshs2, 500 to Kshs3, 000.

Challenges and observations

- i. Most of the market area is open with no fence to control those leaving and therefore impossible to collect revenue. Only willing buyers' pay revenue while most of them just walk away because they claim the County has not provided the necessary infrastructure to facilitate them.
- ii. The auction area is next to a dam with muddy ground where animals; particularly during rainy season get stuck in the mud.
- iii. Because of the mud, animals cannot be classified in groups; forcing buyers to walk round the market looking for the animal they wish to purchase.
- iv. The two toilets in the area are full and therefore not in use, there is no water and electricity yet traders start business as early as 5:00 a.m.
- v. The Revenue collectors do not have protective clothing e.g. gumboots, umbrellas, raincoats etc.
- vi. Previously buyers came from outside the county e.g. Kenya meat Commission; they no longer come because of the state of the auction area. This has led to enormous loss of revenue

2. Veterinary officers

The payment here is cash with a manual receipt being issued to the traders. The veterinary section is manned by 30 years old Evans Masika, who has with a certificate in ICT. He is a private veterinary officer hence not employed by the County Government but collects cash on behalf of the livestock office.

Despite the fact that sale of animals start as early as 5:00 a.m. The veterinary officer reports to work after 8:00 a.m when many of the traders will have transacted business and left the market by the time he arrives. He has been in the section since 2021. He has no target, his average collection is Kshs800

Challenges and observations

- a. The collector has not been facilitated with cashless mode of payment hence still using manual receipts.
- b. The collector is not an employee of the County Government
- c. There is no way of ascertaining accurately cash collected by this section.
- d. Outside the auction ring, there are other traders who sale cooked food to the traders. They need sheds and clean water to be able to conduct business and pay revenue to the Government. These traders pay cash to the revenue collectors.

3. The clothing section

This section is manned by Fridah Mafurah employed on permanent basis. Market day target is Kshs4, 500. Actual collection averages Kshs3, 500. Actual collection on Monday 13th May, 2024 was Kshs2, 930.

The clothes are scattered in different places due to limited space, some are sold along the road which is a security risk. They are in the open with no shades.

Challenges and observations

- a) The traders have no space to display their stock limiting the amount of business that can be transacted.
- b) They have no sheds hence highly affected by rain and sun
- c) The revenue collectors have no bundles to operate the phones, no umbrellas, rain coats or gum boots.
- d) On market days the Revenue Director should deploy more staff to enhance collection so that no trader is left out for whatever reason.

4. The Cereals /Cabbages section

This section is manned by 36 year old Nathan Nasiuma from Namwela. He was employed in 2017 on permanent basis and has an O- level certificate. He has been in the section for four months

The section has a target of Kshs3, 000 per market day and Kshs1, 000 on other days. Actual collection on market days averages Kshs2, 500 while on normal days Kshs750.

Actual collection on Monday 13th May was Kshs1, 460

Challenges and observations

- a) Traders sell their products inside a fenced area but with no roof.
- b) The floor is rough with a lot of mud in the rainy season and dust in the dry season
- c) The main market is under renovation, it has a roof, electricity, toilet facilities and water although it is often disconnected due to none payment.
- d) Mode of payment was cashless but many traders had no messages to confirm, they said the revenue collector had not reached them and confirmed that they need time to sell their goods before making payments.
- e) Some traders had no phones and some just refused to use their phones claiming the phone was off or charging
- f) The market has no dust bins to collect rubbish

5. Vegetables section-traditional vegetables

The section is manned by 35 year old Mildred Mukhongo from Luuya/ Bwake. She was employed in 2012 on permanent basis and has an O- level certificate. She has been in the section for four years.

The target for the section is Kshs3, 500 for the market day and Kshs1, 000 for other days.

Actual collection on market days averages Kshs2, 800.

Traders say they pay by phone but many of them could not show any message as proof of payment. They say one trader collects money from those that have no phones and pays for them but there was no proof since they alleged to have deleted the messages or their phones were charging.

Challenges and observations

1. The traders sell vegetables along the road, which is very dangerous. They have no space.
2. A number of traders have refused to embrace the cashless system to the advantage of revenue collectors, they give cash and continue with their work
3. The market has more revenue collectors; The County Revenue Director has not apportioned revenue collectors fairly within major markets. County staff should be available on market days to collect revenue and not leave the exercise to a few staff. This shall ensure compliance of collection of revenue by traders.
4. A trader with a lorry full of mangoes delivered the fruit, off loaded and drove off without any revenue officer following up with them to pay since all the officers are required to be at the auction ring before they come to the other revenue collection sections.
5. Veterinary officers collect money and issue manual receipts. The officer who is not a county employee reports to work at 8:30 a.m. and has no target.

Lwakhakha market

The market is manned by 50 year old Rudolf Churchill Konje from Tuuti/Marakaru. He was employed in 1994 on permanent basis and has an O- level certificate. He has been the revenue officer here for six years.

The market has four revenue collectors and two supervisors. They have two point- of- sale (POS) machines and four phones for revenue collection.

The market is divided into four sections namely:

- i. Bananas
- ii. Cloths
- iii. Parking
- iv. Cess

The target for the market on market days is Kshs24, 000 on Saturday which is the major day and Kshs15, 000 on Tuesday.

Actual collection on Saturday can be Kshs23, 000. The market has a lot of business especially bananas from Uganda.

On a good market day, they can handle over 2000 bananas. On Saturday 18th May, a total of Kshs21, 550 was collected; Kshs14, 150 from bananas, Kshs5, 040 from clothes, Kshs400 from parking and Kshs2, 000 from car stickers.

The market varies with seasons; there are times when there are no bananas hence revenue collection reduces. The Christmas season from October to December also witnesses an increase in revenue collection when new clothes are brought in from Uganda. The bananas

and clothes are only sold on market days.

Traders say business was better in previous years but it has reduced because the customs officers no longer allow vehicles from Uganda to pass through Lwakhakha. They have been instructed to enter Kenya through Malaba thus denying Bungoma the revenue from cess and parking.

The market has a market committee composed of eight members

Bananas section

In this section, traders come from Uganda; they pay at the gate as they get into the market. The challenge here is the cashless mode of payment has not been embraced because the traders do not have Safaricom lines and they all pay in cash using Ugandan currency. The revenue collectors change the money into Kenya currency before transmitting to the phone. The market has money exchange bureaus that change to Kenya shillings.

The section is manned by 51 year old Barnard Makokha from Lwandanyi. He was employed in 2017 on casual basis with an O- level certificate.

The section has a target of Kshs12, 000; actual collection surpasses the target to realize Kshs15, 000 on Saturday and Kshs8, 000 on Tuesdays.

Traders pay Kshs.10 per banana irrespective of the size and if a trader has several bananas, then the 6th one is not charged. Before the traders get to the market, they pay several other charges in Uganda and Kenya. Some of the charges include to the KRA and Kephis.

The total collection on Saturday 18th was Kshs14, 150.

Observations and challenges

- i. The Ward Revenue Officer does not have the targets set by the County; he gives the collectors targets every day based on his assessment of the market which is way below the targets from the County government Head office.
- ii. The banana section is the main source of revenue for this market yet it is manned by a casual since 2017.
- iii. Customs officers at the border have denied vehicles from Uganda entry, diverting them to Malaba thus denying the County the much needed revenue
- iv. Reliable sources at the gate said the market can handle more than 2,000 bananas on a market day. If all these bananas were to pay Kshs10, then this section alone should raise over Kshs20, 000 on a market day.
- v. The fact that revenue collectors handle cash instead of the cashless mode of payment gives them the discretion to decide how much money to declare
- vi. The market has toilets but no water and only one section has electricity.
- vii. The Security Company has not been paying the security guards over a long period of time; this demotivates them. Many of them have stopped working and those

remaining can be involved in fraud due to salary delays.

Clothing Section

This section is manned by 35 year old Bonaventure Nalianya from Lwandanyi. He was employed in 2019 on permanent basis with KCPE certificate.

The section has a target of Kshs5, 000 on a market day. It only operates on market days

Actual collection ranges from Kshs4, 500 – Kshs5, 000.

Business is better from October to December due to clothes brought in from Uganda

The cash less mode of payment here has not been embraced. The collectors just collect cash from the traders.

As at 11.30 a.m., no trader had any message confirming payment, the Revenue Collector said he gives them time to sell, but the traders disputed that.

Total collection on Saturday 18^h May was Kshs5, 040

Observations and challenges

Revenue Collectors collect cash from the traders selling Clothes instead of using the phones.

The traders pay Kshs20 to 30 in cash instead of the required Kshs50 by phone.

By 11.30 a.m no trader could show a message to confirm payment.

Mbakalu market

The market is managed by Lucy Wasike. She was not in the market to give us details.

The market day is Monday. The target collection on market days is Kshs20, 000. Actual collection on Monday 20th May was Kshs13, 050 (Auction ring Kshs6, 330, market Kshs6, 120, Cess Kshs600) although the market has potential to collect much more than the target given.

The market has no market committee. They have four revenue collectors, each one with a POS machine/Phone. One of them is a casual and is therefore not on payroll. The collectors start with auction ring in the morning before they move to the other sections of the market after the ring closes at 11:00 a.m.

It is divided into four sections

- i. Auction Ring
- ii. Poultry
- iii. Fish / tomatoes/cereals(maize)
- iv. Cloths/mattress and other households

1. Auction ring

This section is divided into two sections: cattle section and sheep and Goats.

Cattle section

The revenue collector here is 35 year old Catherine Silali from Naitiri/ Kabuyefwe. She was employed in 2016 on permanent basis with an O- level certificate. She has been in this

section for one year.

Operations start at 6:00 a.m. Some traders are able to sell their animals outside the ring very early in the Morning and leave without paying.

The revenue collection target for this section is Kshs12, 000 on a market day. Actual collection averages more than Kshs9, 000.

Actual collection on Monday 20th May was Kshs6, 330, but traders say that with a proper auction ring in place, the revenue collected will be more.

Sheep and goats section

The section is manned by 44 year old Samuel Wasike. He was employed on permanent basis in 2011 with an O- level certificate. He has been working there for one year.

The target for this section is Kshs3, 000 with average collection being Kshs2, 800.

Observations and challenges

- i. The gate to the goat and sheep section is broken on one side hence animals' movement in and out is not restricted; traders just walk in and out at will.
- ii. The revenue collector Samuel Wasike is a first cousin to the Ward Revenue Officer Lucy Wasike; this may affect revenue collection on the market. He collects for the sheep and goats and a large area of clothes which has been given a much lower target than should be.
- iii. The market lacks the necessary infrastructure to attract traders. The auction ring is fenced with large plunks of wood, leaving very large spaces where animals pass through and get away without paying the charges
- iv. The fence is also broken in several places hence traders do not have to pass through the gate
- v. The floor of the auction ring is muddy in the rainy season and dust in the dry season, there is need to construct a modern auction ring
- vi. The ring is not partitioned into areas where animals can be grouped by category e.g. dairy animals, calves, bulls etc. hence a trader wishing to buy an animal must walk all round to get what they wish to buy
- vii. The section has two pit latrines which are full and therefore not in use
- viii. There is no water in the area.
- ix. Traders have not embraced the cashless mode of payment because at times they crowd at the gate and the process of payment by phone is slow and inconvenient, so they hand over cash and leave.
- x. At times the system hangs or is slow; giving room for traders to exit through the various openings without paying revenue

2. Veterinary section

The veterinary section is under the ministry of livestock headed by Dr. Emmanuel Wechabi. He has delegated the revenue collection to Karen Masinde who does not appear at the auction ring. Instead, there are five private veterinary officers led by Timothy who collect revenue in cash and remit to the Livestock office when the book is full. None of them is a County

Government employee. Timothy did not allow us to have a look at the book to confirm collection for the day; he referred us to the Livestock office where we could not get assistance on revenue collection. For the section to have five private veterinary officers is an indication that there is a lot of money that they handle in ways that are not official.

3. Poultry Section

The section is manned by 55 years old Alice Fwamba. She was engaged in 2017 on casual basis and has a KCPE certificate. She has been in the section for two years.

The section takes care of sale of poultry, cooking of food stuffs in the market and partly sale of clothes.

The target is Kshs2, 500 which is way below the potential of the section.

Observations and challenges

- i. The Revenue collector only received a salary for one month since she was employed, since then she has been working without pay.
- ii. Traders here pay less charges than other markets e.g. a basket of poultry is charged Kshs30 while other markets charge Kshs50 and above. Even a vendor who operates a hotel that sells food to the traders pays Kshs50. A trader with several slots selling different second hand clothes pays only Kshs100 for all the slots.

4. Fish/Tomatoes/Cloths/cereals (maize)

The section is manned by Catherine Silali (details under auction ring cattle).The target for this section is Kshs6, 000 which is way below the potential of the section.

- i. This section has several Lorries that had brought sacks of maize to the market. The traders are supposed to pay parking fees and then pay for the selling of maize but they only pay Kshs200 per lorry. We counted up to eight lorries at around 11:00 a.m. and none of them had paid because the revenue officers were still at the auction ring.
- ii. The lorry owners have hired several women to sell maize on commission and the women do not pay any extra money because the trader has paid the Kshs200
- iii. The vegetable vendors and fish retailers pay between Kshs30- 50 despite the quantities of stock
- iv. Vendors who sell second hand cloths occupy very large space and pay Kshs100 only.

5. Clothing/households (mattresses, beddings, sofa set cushions) section

The section is manned by Samuel Wasike- (details under sheep and goats).The section has a target of Kshs2, 500. Actual collection on Monday 20th May was not given. The section has the potential of collecting more revenue if traders are charged the correct charges.

- i. The section has retail and wholesalers of fish. A wholesaler of fish with a whole pick up pays Kshs100 compared to recommended Kshs150 and above elsewhere. Retailers pay between Kshs30- 50.
- ii. There are traders who sell mattresses, sofa set cushions, blankets, utensils brought in

- by Lorries; they pay Kshs100.
- iii. Traders selling assorted food stuffs e.g. sugar, cooking fat, bar soaps, wheat flour, salt etc. brought in by Lorries pay Kshs100. These commodities are in quantities that should ideally be sold in a shop but they are traded in open air markets because the cost of operation is lower than single business permits.
 - iv. The toilets for this section are far away from the market and are therefore not used.
 - v. The market is open air with no shades that can attract traders from elsewhere to sell, yet there is a lot of unutilized space. The floor is muddy in the rain season.
 - vi. There is no clean water

General observation

- i. This market has great potential of raising more revenue than current collection if measures are put in place to enforce collection by charging correct fees as per Finance Act.
- ii. Correct targets should be set
- iii. A modern auction ring if constructed will handle the large volume of livestock brought in for sale
- iv. Veterinary officers employed by County Government are reluctant to carry out their work thus delegating their work to private vets, the collection mode need to be enhanced to cashless.
- v. Enforcement officers only work at auction ring because there is a lot of money there, but are not present in other areas of the market.
- vi. A casual lady collecting revenue since 2017 without pay is a great risk to revenue collection and exploitation of Labour by the County Government.
- vii. Lorries delivering goods to the market should pay parking fees as well as for the commodities ferried to the market e.g. per sack of maize
- viii. A revenue collector Samuel Wasike being closely related to the in charge of revenue collection Lucy Wasike a factor that could affect productivity due to conflict of interest.
- ix. The market should have water and toilet facilities for the traders both at auction ring and market area
- x. Revenue collectors should be transferred often as promised in revenue enhancement measures to reduce on collusion.

Kamukuywa Market

The market is manned by 38 year old Sheila Nafula Wekesa from Ndivisi Ward. She was employed in 2009 on permanent basis with an O- level certificate. She has been in this section for nine months.

The market has a committee of 12 members that meets twice per month.

The target for revenue collection on a market day is Kshs65, 000. Actual collection ranges from Kshs35, 000- 49,000.

On Monday 21st May, actual collection was Kshs35, 940 (Kshs23, 840 from market, Kshs11, 400 from auction ring and Kshs700 from parking)

They have 15 revenue collectors with two points of sale (PoS) machines and six phones meaning seven revenue collectors are left idle since the revenue collection is cashless.

The market has high potential of generating revenue with good infrastructure in place.

Currently the auction ring is under renovation, the auction is in the open; yet it is able to raise Kshs11, 400. Only traders who volunteer to pay do so.

The market is divided into four sections

- i. Auction ring
- ii. Poultry/cereals section
- iii. Fish/clothes/tomatoes/oranges
- iv. Highway

The Auction Ring

This is divided into two sections with a target of Kshs25, 000. This is the main source of income on market days

- i. Cattle section
- ii. Sheep and goats

The cattle section

This section is manned by 36 year old Lillian Wanyonyi from Maeni Ward. She was employed in 2012 on permanent basis with an O- level certificate. She has been in this section for two years.

The target is currently Kshs20, 000 with an actual collection of Kshs12, 000. Sources indicate that the ring has in the past collected up to Kshs30, 000 on a market day when they used to issue manual receipts to traders. Since the message generated by the phones has no name of the trader and other crucial details, the traders forward the same message to several others so that when they are required to produce evidence to show that they have paid, they display the same message. This is a lapse that should be urgently addressed by the revenue department

Sheep and goats

The section is manned by 46 year old Christine Muliro from Kimilili. She was employed in 2017 on permanent basis with an O- level certificate. .

The target for the section is Kshs5, 000. Actual collection averages Kshs3, 000

Veterinary officer

The veterinary office is Simiyu Mumelo, employed on permanent basis in 2010 by Ministry of Livestock. He is from Maeni and operates in Kimilili and Kamukuywa collecting cash and banking the money on County Government account. His challenge is facilitation in terms of field allowance to enable him move between the two stations and uniform. Target revenue collection is Kshs5, 000 per market day, actual collection Kshs4, 500.

Poultry/cereals section

This section is manned by 45 year old Mohamed Sitati from Maeni Ward. He was engaged on casual basis in 2016 with a KCPE certificate.

The target for the section is Kshs4, 000. Actual collection averages Kshs3, 200

Fish/clothes/tomatoes/oranges

The section is manned by 31 year Andrew Mukanda from Kimilili. He was employed in 2017 on permanent basis and has a diploma certificate. He has been in the section for 15 months.

Target collection on market day is Kshs7, 000 while none market days is Kshs2, 000.

Actual collection on market day ranges from Kshs6, 800 while on none market days Kshs1,800.

Challenges and observations

- i. The Auction ring is under renovation hence the trading is done outside in several scattered areas making revenue collection extremely difficult
- ii. At the time of visiting the area at 8:30 a.m., there was only one revenue collector in the area with several traders jostling to pay. Many of them got impatient saying the system is too slow and they walked away without paying. The supervisors should mobilise all revenue collectors in the morning to critical areas like the auction ring to ensure as many traders as possible pay the charges
- iii. The auction ring is very small compared to the number of animals on the market
- iv. The ring is not divided into sections where different types of animals can be grouped to make it easy for buyers to identify what they wish to buy hence they have to walk all over looking for animals
- v. The floor of the new ring has no concrete, therefore, the floor will be muddy once the ring is open for use
- vi. The ring is next to the dumpsite; thus there is need to shift the dump site
- vii. The security officers have not been paid for long, they have therefore abandoned work exposing the ring to insecurity
- viii. The ring has old toilets that are full and therefore not in use, they need replacement
- ix. There is no water connection in the area
- x. The system has challenges of hanging, yet there are only two PoS on the market
- xi. The phones do not capture all the details of the transaction e.g. sellers and buyers names, telephone contacts, colour of animal etc. It only captures the amount, hence not helpful to traders who require these details.

The receipt that comes out of the phone has to be printed in a cyber, making it inconvenient to the traders who do not want to spend more money on the printing. Moreover the cyber do not open that early.

Webuye Market

The market is manned by a Ward Revenue Officer Catherine Muyui. The market has 20 revenue collectors with only two POS and four phones; some of them have used their personal phones to collect. The target for revenue collection is Kshs90, 000 per market day and Kshs3, 000 on none market days.

The market has very high potential of revenue collection, in December on a particular market

day Kshs95, 000 was collected, and currently collection has dropped to Kshs47, 820 collected on Wednesday 15th May, 2024.

Actual collection on Wednesday 22nd May was Kshs54, 090 (market Kshs42,440, Auction ring Kshs5,000 slaughter Kshs3,100, Cess Kshs3,400, Parking Kshs100)

The market is divided into sections

- i. Auction ring
- ii. Slaughter house
- iii. Bus park
- iv. Market

Observations and challenges

- i. The auction ring has a fence that has very large openings allowing the animals to pass through and leave without paying
- ii. The auction ring opens at 6:00 a.m., but by 7:40 a.m., there was only one revenue collector standing at the gate to collect cash and restrain the animals from leaving the gate because enforcement officers had not arrived. The enforcement officers said reporting time is 8:00 a.m. By this time many traders have already completed their transactions and left
- iii. The area has old toilets that are full and therefore not in use, there is also no water connection.
- iv. The veterinary officer Anthony Waswa had delegated revenue collection to a private vet officer who told us he sends money collected by M-pesa to Anthony's phone at the end of the day and does not know about banking.
- v. Traders in many sections admitted paying by phone but when the phones are off, they pay cash to Revenue Collectors.

Bukembe Market

Market Fee Revenue

On market days, the targeted revenue is set at Kshs17, 000, yet actual collections typically range between Kshs13, 000 to Kshs15, 000; indicating a significant shortfall. Furthermore, revenue on non-market days is estimated at a mere Kshs2, 500, significantly below expectations.

Revenue Collection Infrastructure

A notable bottleneck in revenue collection is the insufficient number of phones available to revenue collectors. With only four phones allocated to cover eight sections spread across the market. Operational efficiency is severely hindered. This inadequacy contributes to a scenario where traders evade tax payments exacerbated by the perception of understaffing among the existing revenue collection team.

Challenges in Fee Structure

The prevailing fee structure presents another obstacle, with most traders consistently paying a flat rate of Kshs30, regardless of the quantity or value of their goods. This uniform charge fails to reflect the varying scales of business conducted within the market, leading to revenue losses.

Operational Issues

Late collections by revenue officers and subsequently compromises with traders further exacerbate revenue challenges. This culture of leniency in payment deadlines undermines the market's financial stability and necessitates urgent corrective measures. Additionally, blocked toilets within the market premises and trailers parking along the trading spaces hinder revenue collection efforts, contributing to operational inefficiencies.

Infrastructure and Operational Environment:

Physical conditions, such as the muddy terrain on the Nzoia side of the market in the mornings, pose additional operational hurdles, delaying the commencement of business activities. Moreover, the absence of an auction ring and the lack of a standardized method for evaluating goods for taxation purposes contribute to inefficiencies in revenue collection.

Observations:

The Committee made the following observations:

1. The revenue collectors are not rotated regularly.
2. The market lacks crucial infrastructure and facilities.
3. Revenue collectors are not conversant with Finance Bill.

Cheptais Market

The market is manned by 40 year old Jairus Naibei from Chesikaki Ward. He was employed in 2016 on permanent basis with an O- level certificate.

The market has a target of Kshs20, 000 per market day.

It is divided into several sections;

- a) Auction ring,
- b) Open air Market A,
- c) Open Market B,
- d) Irish potatoes
- e) Stores

They have seven revenue collectors with seven phones and two POS machines.

On 24th May, revenue collection was Kshs16, 370 compared to Kshs15, 350 collected the previous week.

Observations and Challenges

- i. The market is in a deplorable state because of the rains and poor drainage. There is mud everywhere.
- ii. There is no space for traders to display their wares; they are forced to use roads and paths that connect the streets including people's compounds around the market and the dump site which is inside the market area.
- iii. The auction ring is under repair further affecting revenue collection, trading is done inside a vocational training centre where traders have created several openings on the fence to escape paying and also destroying the fence for the school which is county Government property.
- iv. There are no toilets and no clean water.
- v. Traders from outside the area pay for the market fees but those from the area have refused to pay saying that the County Government has not provided the necessary infrastructure to facilitate them.
- vi. There is need to urgently purchase land for the market to settle the traders away from the mud and ease movement along the paths they occupy. The market has potential to collect more revenue if the necessary infrastructure will be put in place

Physical planning Revenue Stream

Webuye West and East

The Committee undertook revenue evaluation exercise on the Physical Planning stream with a meeting with the department on 12th June, 2024 at the Department's Board room.

The Department was represented by the Senior Assistant Director of Planning Mr. B. W. Sindani. Both the County Executive Committee Member and Chief Officers failed to attend due to personal engagements despite the County Assembly giving timely notice for the meeting.

It was established that for supervision and reporting, the Department had four senior town planners namely:

- a. Metrine Masika in charge Webuye East and West
- b. Carolyne Chepkorir in charge Chwele, Sirisia and Cheptais
- c. Andrew Keya in Charge Bungoma Municipality
- d. Winstone Sakwa in charge Bumula and Kanduyi
- e. Benson Wangila in Charge Brigadier, Kapsokwony and Kimilili

The Department maintains application register which contains information of all building approvals plans. The plans are vetted before billing is done.

The government to government plans approval fee is supposed to be paid by the Contractor but this has not been happening.

The following is the income summary for building approval from January 2024 to June 2024:

a) Bumula and Kanduyi

- ✓ January Kshs454,865
- ✓ February Kshs304,490
- ✓ March Kshs512,690
- ✓ April Kshs351,650
- ✓ May Kshs490,120
- ✓ June(up to 12th) Kshs56,290

Totals Kshs2, 170,105

b) Bungoma Township Musikoma, Khalaba and Township Wards)

- ✓ Accumulative figure of Kshs386, 513 for six months.

b) Kabuchai, Sirisia and Cheptais

1. Kabuchai

- ✓ January Kshs70,320
- ✓ February Kshs126,280
- ✓ March Kshs38,000
- ✓ April Kshs73,150
- ✓ May Kshs84,990
- ✓ June(up to 12th) Kshs7,950

Totals for Kabuchai Kshs400, 690

2. Sirisia

- ✓ January Kshs47,400
- ✓ February Kshs35,850
- ✓ March Kshs0
- ✓ April Kshs25,000
- ✓ May Kshs38,760

Totals for Sirisia Kshs147, 010

3. Cheptais

- ✓ January Kshs24,400
- ✓ Februar Kshs9,200
- ✓ March Kshs8,400
- ✓ April, May and June Kshs0

Totals for Cheptais Kshs42, 000

4. Webuye East and Webuye West

1. Webuye West

- ✓ January to June 12th Kshs387,500

2. Webuye East

- ✓ January to 12th June Kshs643,998

The information for Kimilili, Brigidier and Kapsokwony was not availed because the

Physical Planner in Charge was not present in the meeting.

Observations

- a) The five (5) physical planners are not enough to manage all the nine Sub-Counties. There is no vehicle to use, so anytime they go out they have to use a motor cycle which is risky. A vehicle is needed because the work needs enforcement officers to accompany the planners.
- b) Enforcement officers should be attached to the office with motor cycles to help with movement.

Field Visit by the Committee

Webuye East

Nabuyole- A building under construction housing four shops had no plan. The owner of the project phone number 0712562799 said he was given permission to construct by an officer from the Webuye office although he declined to name the officer

Falls View Resort –Nabuyole is a hotel that is in operation though construction is still going on. The physical planner Carol from Webuye office confirmed from the Director, Planning that the project plan was never submitted for approval. The Manager of the Hotel Mr. Barnard Wamalwa telephone 0712562799 could not confirm whether the project has a plan approved or not.

Ndumbu village –Lugulu; Mr. Wellington Omutayi extending his rental units had an approved plan and work was going on, but on the opposite side, a residential house under construction had no plan and the workers had stayed away on the day, we suspect that they had prior information Committee visit to the area. There was no one on site to give details of the owner.

Wenyila village –A widow- Violate Viola was constructing a residential house with no plan. She said she was introduced to three enforcement officers from Webuye office by a Mr. Joseph Waliala Wekesa telephone No.0701149708 who works in the CDF office under Hon. Mr. Dan Wanyonyi. The three Enforcement Officers are Robert Wanjala Wasike (0751537339), Denis Sangura and Dan Maanda. They requested her to give them Kshs7, 000 to facilitate drawing of a plan and approval of the same on 27th May, 2024. By the time of the visit on 13th June, 2024 the plan had not been provided.

The Committee got hold of the enforcement Officer Mr. Robert Wanjala Wasike whom upon interrogation admitted having received the payment together with his colleagues Mr. Denis Sangura and Mr. Dan Maanda. (See **commitment letters annex 2**)

Bumula Sub County

At Bumula Market, ATC Kenya operation were constructing a booster for Safaricom and had paid Kshs42,000 as building approval on advice by Revenue Officer at Bumula but they had an approved Plan. It showed lack of coordination between Revenue Department and Physical

Planning; since payment was done without the Plan being vetted and billed by Physical Planning Department.

Observation in the building approval evaluation exercise

1. The Department has shortage of Physical Planners.
2. Movement of technical staff in the field is a great challenge due to lack of Motor Vehicles.
3. There is no coordination among departments' staff in effecting building approval specifically Revenue Officers, Physical Planners and enforcement teams.
4. Enforcement officers have taken over collection of revenue in this revenue stream.
5. There are no negotiated revenue targets in the department.
6. Procedure for vetting up to approval is cumbersome since a developer has to move from one department to another for approval purposes.

PROPERTY RATES

It was noted with concern that the County Government is still operating the LIAFOMS system when the public knows that all revenue collection migrated to BARMS. Majority of the rate payers are on this system that is unknown

The County has outstanding rates of Kshs203, 039,877. Out of this amount Kshs93, 371,241 are penalties while Kshs109, 669,637 are outstanding rates.

The county should encourage rate payers to pay principal amounts and have penalties waived. From the files availed, some customers have had waivers of both principal and penalties. The list provided has a total Kshs4, 633,510.20 waived in the months of March and April, 2024 but a scrutiny of the files shows many waivers and adjustments that are not on the list

Property payment from July 2023 to 13th June, 2024 from the list on the documents availed is Kshs39, 260,835, yet a summary from the same file indicates a collection of Kshs31, 134,346; a variance of Kshs8, 126,489.

Waivers not appearing on the list

1. Maendeleo ya Wanawake plot No.BGMT/889 24th June, 2022 Kshs612,000
2. Sheikh Husein Haith Plot No.BGMT/26 Kshs410,390
3. Samuel Siibi and David Mandalo Kanduyu plot 32 total adjustments Kshs1, 807,041 in January, 2012. Only Kshs94, 122 was paid from 2008- July, 2015 when the outstanding amount was adjusted to zero. The plot reverted to a new owner Nebert Ombajo Mandala in 2017. By 2020, he had accumulated a total of Kshs316, 050 being arrears on rates, ground rent and penalties. A waiver was approved for Kshs100, 531 penalties but a total of Kshs140, 250 was adjusted in the system on 1st February, 2021.Since then, no other payment has been received.
4. Plot No.14 Sikusi market - Julius Khaemba with rates accumulated from 2010- 2020 of Kshs588, 765 was issued a clearance certificate on 3rd August, 2021 without any

proof of payment of the said amount. The property was transferred to Mr. James Juma Milimo in November, 2020.

5. Plot No.11 Sikusi market –Kennedy Wamalwa with rates accumulated from 2010 - 2020 of Kshs559, 875. The plot was transferred to Jackline Nabwile Watitwa on 13th October, 2021. There is no entry on the statement of any payment received up to 2020. There is also no letter in the file requesting for waiver. Current statement of the plot should be availed to confirm status
6. Plot No. BGMT/25 Shailesh Kumar Kevalbhai Patel- On 25th March, 2021, the Director of Revenue wrote a letter to the branch manager Diamond Trust bank indicating that the plot which was to be transferred to them had arrears totalling Kshs899,484. A reconciliation done the same month indicates that the total amount outstanding was Kshs274, 420 due to an error made on the side of the county. The interest was waived and the rate payer was requested to pay Kshs181, 000. Adjustments were made on the account to reduce the figure to zero.

Some waivers to note

Mark Wamalwa has three plots in Bungoma; Nos.371, 372, 375. Plot No.372 is registered under Sofia Macheusi while plot No 375 is registered under Jacob Wanyela. The transactions in the file are of a similar nature as detailed below:

Plot No 371 had total arrears of Kshs399, 129

Cash paid	Kshs195, 000
Waiver	Kshs204, 129

Plot No 372 had total arrears of Kshs759, 956

Cash paid- Kshs.195, 000
Waiver- Kshs677, 299
Adjustment- Kshs112, 343

Plot No 375 had total arrears of Kshs660, 642

Cash paid- Kshs195, 000
Waiver- Kshs.353, 299
Adjustment- Kshs112, 343

There is clear no approval by CECM, Finance in the file. The application letter was received on 5th April, 2024 and adjustments done on 8th April, 2024

Dormant properties

Total amount owing from dormant accounts is Kshs146, 224,173 with Nzoia Sugar owing Kshs52, 060,952 and Bungoma Teachers and Housing investment Kshs33, 585,416.

Several accounts are listed as dormant yet there was activity on those accounts as recent as December, 2022. It is not clear whether the County issues out invoices to rate payers annually to remind them of the obligation to pay or they wait for rate payers to volunteer to pay especially when property is changing hands.

One of the rate payers requesting for waiver said he was not aware that he was required to pay rates. It is the responsibility of the County Government to educate/sensitise the public, to invoice them annually and enforce collection.

General Observations

- a) Rates section is not adequately supervised or there is collusion to make unsupported adjustments.
- b) Maintenance of records particularly regarding to waivers is deliberately compromised to give room to unauthorized adjustments.
- c) There is no clear framework guiding waiver of interest in the Department
- d) There seem to be weak internal control to help put right procedures in rates ledgers or system and internal Audit department seem not to be doing their work adequately.
- e) The Officer in Charge of rates seems to have overstayed in the section.
- f) The number of Land rates owner captured is below expectation for the whole County.

Single Business Permit

This report provides an overview of the licensing status of various businesses in Bungoma County. It highlights businesses that hold valid licenses, those that do not, and any observations related to their compliance with licensing regulations.

The Committee visited Kimilili market on 9th May, 2024 and divided itself into groups handling five different revenue streams.

The team on Single Business Permit was led by Hon Everton Nganga and below is the summary of sampled business in relation to compliance on Single Business Permit.

Kimilili town

Sampled business

Name	Code	Status	of	Observation
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			payment	
Sammatt Supermarket self-sector	3156	Paid Kshs42,250	Valid license	
New Shumirian Technologies	48816	Paid Kshs8,950	Operating as welding, not a cyber cafe as described in license	
Felix Sirengo 0715752963	NA	No license	Paid Kshs30, 000 for clinic and chemist licenses, not yet received. Clarification needed on license types.	
Shakila Alimali 0706051212	NA	No license	Paid Kshs9, 000, license not received. Delays in dispatching licenses noted.	
Jasho Lodge	NA	No License	Operates two lodges with one license. Clarification needed on payment discrepancy.	
Golden star	NA	No license	Major coffin businesses pay Kshs50 daily.	
Ashrum supplies	43328	Paid Kshs15, 600.	There is undercharge and requires review	
Ndubi Ndala	NA	No license	Operates hotel and butchery, yet to pay for license	
Kennedy 0725350194	NA	No license	Paid Kshs9000 to Isabela (0719391294), no permit issued.	
Mark Werunga 0734353154	NA	Paid 9000	Paid to Fred (0700495468), license not received.	
Claytons medical centre	45391	Valid	Pharmacy not included in permit.	
MJ plumbing and store	45670	Paid Kshs10000 valid	Operates three doors but pays for one. Urgent reassessment needed.	

General Observations

- Several businesses operate without licenses; others have faced delays in receiving licenses even after making payments.
- Revenue collectors led by Kimilili licensing Officer and Enforcement Officers were reported as having been receiving cash from business men for Single Business Permits.

- c) There were many cases of biased assessment for invoicing, similar business charged on different codes.
- d) Most of License Officers are not conversant with Finance Bill.
- e) The role of Ward revenue Officers in licensing circle is not very clear yet they should be the ones responsible on all revenue streams within the Ward.

Bungoma town

The Committee visited Bungoma Municipality on Friday 10th May, 2024 and the team was led by Vice Chair Hon Orize Kundu and below are the summary of the exercise.

Name	code	Status of payment	Observation
Justus 0713617428	NA	No license	Operating a cake shop minus Single Business Permit
Rukia 0746019825	NA	No license	Operating a Boutique yet not complied
Arnold Maraja	NA	No license	Operates Butchery minus Single Business Permit
Hilda Wafula 0746973075	NA	Part payment of Kshs10,000	License not yet delivered due to balance of Kshs3,000 hence the invoice was Kshs13,000
Mpesa	21088	Paid Kshs8, 600.	Holds a valid license
Chasike Agencies	18132	Kshs7000	Holds a valid License
Businesses on the shopping complex by one called Waswa a County employee next to Posta Ground(Kitinda Plaza)			Majority of Businesses don't have Single Business permit
Container Shopping Complex near St Domiano Hospital associated to Former MCA			Majority of Businesses don't have Single Business Permit a few pay market fees on irregular basis.
Mt Sangalo Supermarket at Chetambe	185	Permit fee paid is Kshs5,000	A mini supermarket but billed on code 114 as medium trader in rural areas.

General Observations

- a) Most shops in Musikoma area, Kitinda Plaza, Containers shopping complex near St Domiano and Shariff Centre have not paid for Single Business Permit.
- b) Revenue Officers unilaterally decides which business pay for market fee or Single Business Permit
- c) Cases of Enforcement Officers collecting cash was reported

Kabula Market:

The Committee group tasked to evaluate Single Business Permit went to Kabula Market on Friday 10th May, 2024 and established the following.

Name	code	Amount paid Kshs.	Observation
Retail shop and Mpesa	44292	8,850	Holds a valid License
Pauwill Kabula Poshomill	NA	No license	Paid Kshs7, 850 but the License not yet delivered.
Martin Butichi 0726685198	NA	No License	Operates Matecks Petrol filling station minus a valid Single Business Permit
Catherine Nasimiyu	NA	No License	Running a Boutique without the Single Business Permit
Kizito Wabwile	46234	4000	Holds a valid license
Peter Adea 0704879529	NA	50	Operates a Hotel and Pays Kshs50 Every Wednesday and Sunday (not consistent in payments)
Retail shop and store	3332	8850	Paid and holds valid license
Retail shop and M-pesa	43598	7000	Holds a valid license
Workshop	45900	7000	Holds a valid license
Helda Wamalwa 0704839319	NA	No License	Operates Boutique without a valid license
Fred 0734484254	NA	No License	Operates a Cyber without valid permit

M-pesa and Boutique	44162	14,850	Holds a valid license
Peter Juma 0704406159	NA	No Licence	Given permission to operate minus Single Business Permit by the following Officers Evans and Robert Masinde, Operates a shop a video show
Saidi Juma 0714026452	NA	No License	Operates a welding business but has no Licence. Allowed to operate minus allowance after he made a barrier Spikes at a cost of Kshs8, 000 which the County had to convert to a license as per the traders' allegation.
Sylvia Mukoya 0798135432	NA	No license	Operates a salon but allowed to pay market fee of Kshs50 twice a week.
Caleb Otieno	18885	License of Kshs3,000	Has a very big retail shop

General Observations

- At Kabula Market, a significant number of businesses, including petrol stations, posho mills, and cyber cafes, have not complied with single permit requirements; posing concerns regarding revenue leakage and enforcement effectiveness.
- Most Shops/Businesses pay market fee of Kshs50 twice a week, a clear framework on what category of customers pay Single Business Permit and daily market fee.

Bukembe market:

The Committee visited the Market on Saturday 11th May, 2024 and established the following.

Name	Code	Amount paid Kshs.	observation
Samuel khaaba 072290017	NA	No License	
Mali Mali shop	NA	17,850	Payment fully made but license not delivered.
Motor Spare parts	27744	7,950	licensed

Retail shop and Mpesa	27746	9850	licensed
Medison Chemist	13006	7,950	licensed
Bukembe Welding	5111	3000	licensed
Calistus Wanyonyi	NA	No license	Operates a Butchery but not complied
Bukembe Molasses	49882	9550	Paid and holds valid license
Mobile Hotel	49915	8850	Holds a valid license
Posho mill	45576	4000	Holds a valid license
Electronic shop	28370	7,850	Holds a valid license
Shadrack Maina 0796941894	NA	10,000	He made part payment of Kshs10,000 and the License not yet delivered due to a balance of Kshs2000; hence the invoice was Kshs12000
Small Night Club	10999	14,850	Holds a valid license
Salon and Cosmetic	37022	8850	Holds a valid license
Clinic and Chemist	44180	14,600	Holds a valid license

General Observations

- While most businesses in Bukembe Market have paid for permits, there are delays in permit issuance to Traders, and instances of partial payments, which contravene the law.
- The delay issuance of Business permits to traders, some of whom pay cash to revenue Officers is clear indication of very weak internal controls to manage revenue leakages. This inconsistency in permit issuance and payment compliance raises issues of enforcement and procedural efficiency.

Misikhu Market

The Committee visited the Market on Sunday 12th May, 2024 and established the following.

Name	Code	Amount paid Kshs.	Observation
Toto spare	7549	15,350	Valid license held.

Mali fresh	42497		Previous license check indicates no arrears, payment made but license not delivered.
Sigma bar		27,600	Paid Kshs13,000 for liquor and Kshs14,600 for license. License not yet delivered.
Davi Kinyozi	50422		Payment made through system to county account, but license not received.
Vision-pesa kinyozi	48582	7,950	Valid Licence
Butchery ya Ken			Operates two butcheries without a license. Follow-up required for payment.
Blue band butchery	16185	7000	Paid and holds valid license
Beauty shop	22329	9550	Paid and holds valid license
Quick shuttle booking office	39039	13,350	Holds a valid license
Glory computers	31329	8,850	Holds a valid license
Balozi Agrovat	49755	8,850	Holds a valid license
Sarova Guest House	21504	26,600	Holds a valid license
Moses Wekesa 0705670617			No license
Mini Supermarket	36481	10500	Has a medium supermarket but wrongly assessed under code 115

General Observations

- Majority of businesses have valid licenses and have paid accordingly.
- Inventory needed for ease issuance of license and monitoring for non-compliance
- Instances of payments made but licenses not yet delivered require urgent attention.
- Reassessment needed for businesses operating multiple operations under one license and those business that are under charged.
- Follow-up required for businesses operating without licenses to ensure compliance and payment.
- Inconsistencies in charging fire compliance fee, these unless harmonized and closely

monitored, has opened a window for conspiracy to deny the County revenue.

Chwele Market

The Committee went to Chwele Market on Monday 13th May, 2024 and the group evaluating on Single Business was led by Hon. Catherine Kituyi and Christine Mukhongo.

The Committee established the following from sampled businesses in Chwele Market:

Name	Code	Amount paid Kshs.	observation
Junction Petrol filling station	29628	14,850	Holds a valid license
Hardware and store	21935	5000	Holds a valid license, however undercharging and stores not included in charges
Victor Ndege 0724312871	No license	8850	Paid but license not yet delivered.
Motor Spare parts	49131	7000	Holds a valid license.
Wanjohi John Mwangi	37953	4000	Holds a valid license
Vission petrol filling station	42335	9,850	Hold a valid license but undercharged
Electronic shop	20258	5000	Paid and holds valid license
Shoe shop	1925	15,600	Paid and holds valid license but overcharged
Shoe shop and Mpesa	49680	8850	Holds a valid license
Cyrus 0702281177	NA	No license	Operates Butchery without a license.
Small Phone accessories shop	29316	9,350	Holds a valid license but overcharged
Simon Chege 0799063322	NA	6800	paid in April yet License not given to him
Stephen Thuku	46024	Code 195	Paid fire compliance at Kshs500 yet has a big shop when even kiosks pay Kshs1200 and other shops

			pay Kshs2100.
Monica Wairimu 0719161055	48085	Code 115	Paid fire compliance Kshs 800 and gave an County employee with phone number 0791733125 Kshs 1000 for renewal of permit which was not paid
0723793240	46026	117	Large business but billed wrong code and fire compliance of Kshs1200.
Jejoskims Electronics	21199		Paid Kshs4000 for single business permit yet the SBP Printed was of Kshs3000

General Observations

- Most businesses in Chwele Market have complied with permit regulations, but inconsistent assessment procedures have resulted in undercharging, highlighting the need for improved assessment for accuracy and fairness.
- Fire compliance fee is seriously abused costing the County to lose revenue.
- Cases of County officer collecting cash for Single Business Permit from traders were reported

Myanga market

The Committee did single business evaluation at Myanga Market on 18th May, 2024 and established the following:

Name	Code	status	Observation
Spare part shop	NA	No license	Has operated for the last seven years but there are no records of any license being paid, even historically.
Clinic Hospital	NA	No license	The clinic admits patients but lacks the necessary operating license.
Welding shop	NA	No license	Paid Kshs4, 000 to revenue officer Bernard (0716155977) but has not received a license.
Nichanor Otuama	48067	Paid Kshs8250	Holds a valid license though undercharged
Robert Waweru Mungai	30836	Paid Kshs13850	Operates three businesses (M-pesa shop, Lotto shop, and fuelling pump) under one license.
Colleta Adayi	NA	No license	Paid Kshs7, 200 to Bernard (0716155977) but has not received a license. Needs to transition to

(0722269880)			cashless payment methods.
Myanga Electrical Audio	NA	No license	Operates without a license
Godwin Wanyama	50460	Paid Kshs6750	Operates two shops under one license
George Simiyu	30383	Kshs11750	Operates a shop, not a small cyber as indicated, and has two shops under one license
Nyukuri Ndekerera	NA	No license	Operates a butchery without a license
Da struggler	NA	No license	Operates a bar without a license
Timber yard	NA	No license	Operates four door businesses without licenses. Each door should have an individual license.
Makutano Mart		Paid Kshs9250	Needs reassessment since it was undercharged, considering the size of the hardware compared to a small shop as indicated on the license.

General Observations

- It was noted that there was significant political interference that has influenced traders not to pay for Single Business permit and County employees fear to enforce compliance. This interference disrupts the proper regulation and revenue collection processes, undermining the efforts to ensure all businesses operate legally and pay appropriate fees.
- The County Officer called Bernard singled out as notorious in collecting cash from traders for Single Business Permit.
- Cases of under assessment were established.

Lwakhakha Market

The Committee led by the Vice Chairperson Hon. Orize Kundu evaluated single business fee at Lwakhakha Market on 18th May, 2024 and established the following.

Name	Code	Status of payment	Observation
Retail shop	32538	3000	Holds a valid license
Downtown Cyber	32722	7250	Holds a valid license
Greenline 0793564575	NA	No license	Operating a Booking office yet not complied

Nairobi Bus office	NA	No license	Operates a Booking Office minus Single Business Permit
Janeffer Kaguada 0721211570	NA	Paid 6,850	License not yet delivered
Promise Bus Booking Office	37854	Paid 3000	Holds a valid license
Salon	47498	6,850	Holds a valid license
Small Eating Room	27202	5,700.	Holds a valid license
Retail shop and M-pesa	41517	6,850	Holds a valid License but Mpesa not included in charges
Chemist/Pharmacy	49220	7,950	Holds a valid License however undercharged
Retail shop	37763	9,050	Holds a valid License but overcharged
Mali Mali shop	26588	7,750	Holds a valid License however undercharged
Bar and restaurant	27685	16,850	Holds a valid License
Agrovet	31311	6,750	Holds a valid License
Hardware	2882	8,450	Holds a valid License however undercharged
Wabwile Kassim	NA	No license	Operates a Posho Mill without a valid license
Power saw spare and repair	46297	4000	Holds a valid License
Retail Shop	2922	Code 117	Operates a large shop but charged Kshs4000 for Single Business Permit.
Ndumia(Very Large Shop)	NA	NA	Gave cash to County Staff employee called Timothy Weyusia to pay for license but up to now the permit had not been availed, the staff was called and came on site and confirmed he took cash and will avail the License.
Joseph Kamau	16121	Code 195	Large electronic shop but only charged Kshs100 for Conservancy fee which is serious undercharge.
Bungoma Line 0725421107			Has not displayed the Single Business Permit

Airtel Shop			Only paid Lump sum for outdoor advertisement but does not pay for single business permit for the shop they operate.
Filling station	28888	Kshs4500 code 336	Charged Kshs500 for fire compliance
Retail shop	2826	Code 665	A very big shop but charged as a Kiosk on the license description
Retail Shop/Malimali	37413		Has photocopied the Single Business permit and uses it for two shops which are far apart.

General Observations

1. Most businesses at Lwakhakha Market have complied with permit regulations, but inconsistencies in assessment have resulted in undercharging; highlighting the need for improved reassessment for accuracy and fairness.
2. County Staff called Timothy Weyusia was adversely mentioned as collecting cash for Single Permit from Customers.
3. Some Traders photocopy Licenses to use in more than one business
4. License Officers in Lwakhakha collude with traders to evade payment for licenses which was evidenced by an incident where County officers went round informing traders who had not paid for licenses to close down their businesses during our evaluation exercise.
5. There is a serious supervision gap at Lwakhakha Market.

Mbakalo Market

The team went to Mbakalu market on 20th May, 2024 and established the following:

Name	Code	Status of payment	Observations
Elizabeth mumercy 0711880962	NA	No licence	Operates a Retail shop and Mpesa minus Single Business Permit
Dorine Nasimiyu 0728433331	NA	Kshs7,250	Paid but not yet received the license
Samuel Wafula 0710261419	NA	No license	Operates a Retail shop and Mpesa yet not complied

Melpher 0727561251	NA	No license	Operates Butchery without a Single Business permit
Hardware and Store	18198	Paid Kshs7,850	Holds a valid license; however, the store section was not included in the charges.
Kinyozi and Salon 0716254395	NA	Paid Kshs7,200	Complied but the license not yet delivered
Ingo shop	NA	Paid Kshs8, 350	Complied but license yet to be delivered
Eric Wandili 0708326283	NA	No license	Operates a cyber café without a license
Almah Technologies	NA	No license	Operates a cyber café without a license

General Observations

- Most businesses operate without a Single Business Permit.
- There is weak supervision on enforcement of compliance by traders to pay for Single Business Permit.
- Some businesses which paid for Single Business Permits are yet to be given the Permits
- There is under -assessment of businesses for invoicing.

Kamukuywa Market

The Committee visited the market for Single Business Permit evaluation exercise on Tuesday 21st May, 2024 and established the following.

Name	code	Status of payment (Kshs)	Observation
Workshop	50160	8400	Holds a valid License
Mogul enterprise	46430	13,000	Operates two shop under one license
Hardware	15898	13,000	Holds a valid license
Kamukuywa	NA	No license	Operates a timber yard and work shop yet not

timber yard			complied
Retail and M-Pesa	38506	7,050	Holds a valid License
Wilberforce Makhanu 0720052777	NA	No License	Operates Butchery minus Single Business permit.
Obama petrol station	NA	No license	Operates without a Single Business Permit
Hardware and Store	38844	16,600	Holds a valid License however the Store was not included on charges
Wapi Service station	1187	20,850	Three pumps not two as indicated on the license. Operates an M-pesa shop which is not covered in the said license. Need re-assessment
Mkopa Solar LTD	1563	56,000	Holds valid License
OBM supermarket	NA	No license	Operates a supermarket without a license
Gesundheit Pharmacy	48474	8,850	Operates pharmacy and M-pesa, license not covered. Need reassessment
Mali Mali shop	9702	13,850	Holds a valid License
Hotel	36931	8,350	Holds a valid License

General Observations

- a) Most business operates without Single Business Permit.
- b) Under charging of some business for Single Business Permit.

Webuye Market

The Committee visited the Market on Wednesday 22nd May, 2024 and established the following.

Name	code	Payment status	Observation
Cool breeze buildings	NA	No license	Most businesses within the building operate without a license with some keeping their licenses at home.

Climax booking office	NA	No license	They operate business without a valid license
Jerusalem Beauty	5196	Paid a total of Kshs19,600 with fire Kshs2,100	Holds a valid license
Alexander kamele	NA	Paid Kshs7850	Paid Kshs7850 license not delivered
Levy electronics	36480	Paid Kshs9350	Holds a valid license
Dasmi Holdings	1426	Paid Kshs 10,350 with fire Kshs2600	Operates a small business with higher fire safety charges compared to others who pay Kshs500 or Kshs2, 100.
Royal electronics Kiosk	3275	Paid Kshs13,350 with fire Kshs2,100	Holds a valid license
Kamau Ibrahim 0729994557	NA	NA	Operates two shops without a valid license
Man power electronics	32716	Paid Kshs10,850	Holds a valid license
Davi electronics 0796923726	NA	NA	Operates minus a valid license

General Observations

- Businesses along the side of the on-going market construction do not pay for license as they are awaiting the completion of the market.
- There are serious discrepancies in fire compliance charged on Single Business Permit.
- Businesses near on-going market construction are exempt from paying license fees until the market is completed.

- d) While some businesses hold valid licenses and comply with payment requirements, others either operate without licenses or have issues related to the delivery of their licenses.

Cheptais town

The Committee visited the Market on Friday, 24th May, 2024 and made the following observations as indicated in the table below.

Name of Business	Code	Payment status (Kshs)	Observations
High Way bar	37323	Paid 8100	Undercharge as they operate a bar and restaurant. Fire charges are not included in the license components
Elgon West retail shop	45631	Paid 6250	Holds a valid license but is undercharged. Needs reassessment
Beruri	41080	Paid 4750	Holds a valid license but is undercharged. Needs reassessment
Pride shop	2284	Paid 500	Holds a valid license but is significantly undercharged. Needs reassessment.
Kibotam Hardware	40972	Paid 7250	Undercharged for a large hardware store. Needs reassessment.
Eliphs chemist	46615	Paid 7750	Valid license, it is the only shop with a fire safety charge of Kshs500.
Kony communication	45647	Paid 7250	Holds a valid license but does not include fire safety charges.
Winnmat shop	46374	Paid 7250	Holds a valid license but is undercharged. Needs reassessment.
Wanyonyi Butchery	44071	Paid 5000	Valid license

General Observations

- a) Several businesses are undercharged relative to the nature and size of their operations.
b) There is a lack of consistency in the application of fire charges across businesses in

Cheptais town.

- c) Traders in Cheptais are not charged fire compliance fee.

Parking and Bus park Revenue source

The Committee on Finance and Economic Planning embarked on a mission to assess the performance of various revenue streams in the County Government of Bungoma. This was informed by a significant drop in own source revenue.

Parking/Stickers

Parking and stickers was identified in the Finance Act 2023/24 as a revenue stream that is geared towards boosting the revenue of the County Government of Bungoma.

In the process of establishing the performance of parking and stickers as a source of revenue, the Committee did;

- Sampled markets from each sub -County
- One on one with revenue officers at the headquarters
- One on one with the revenue officers attached to various streets and towns
- Observations
- One on one engagement with clients i.e motorists and motorcyclists

Parking charges

A vehicle is said to be parked when a driver brings it to a halt and leaves the driver's seat temporarily. All vehicles that park within designated places in towns gazette for parking are eligible to pay parking fee.

Charges are:

- Saloon car: 100 per day per town
- Lorry: 200 per day per town
- Trailer: 500 per day per town

There are a few categories of vehicles that are exempted from paying parking fee which include:

- Vehicles owned by Government Parastatals
- Vehicles owned by the government both County and National Government
- Vehicles owned by Members of the County Assembly and staff of the County Assembly that are identified through a valid sticker.

Stickers

All PSV vehicles and motorcycles operating within or through Bungoma pay tax to the County Government of Bungoma as revenue.

Payments details include:

- **PSV vehicles:**
 - 7-10 Seater: Kshs2,000 monthly
 - 14 Seaters: Kshs3,500 monthly
 - Tuk tuk/ town service: Kshs1,200 monthly
- **Motorcycles:** Kshs500 annually

All payments are made by the 10th of every month.

Towns/ markets visited

- Kimilili
- Bungoma
- Mayanja
- Bukembe
- Misikhu
- Miyanga
- Lwakhakha
- Mbakalo
- Kamkuywa
- Webuye
- Cheptais

Of all the markets/centres visited, Webuye and Bungoma are the only towns gazetted for parking revenue though not fully marked.

Kimilili town was not initially gazetted for parking but after attaining the municipality status, there is need to re-gazette for parking

General Observations on Parking as Revenue Source

- a) Only two towns/ urban areas in Bungoma County are gazetted for parking even though not fully marked
- b) Public utilities i.e. the sanitation facilities are not well maintained especially Kimilili where a public toilet had blocked and they lacked water which had been disconnected due to huge bills
- c) The compliance on stickers on PSV is at 90 per cent as almost all PSV vehicles sampled had complied. In every 10 vehicles sampled, one lacked a sticker.
- d) Most motorcycles and tuk tuk are non-compliant with the payment of stickers annually and monthly
- e) The exercise of verification of stickers on PSV vehicles is primarily done by the enforcement officers
- f) Some businesses have paid for their reserved parking at the rate of one slot at Kshs45,000 (a slot is not equivalent to one vehicle)
- g) Most vehicle owners evade payment of parking fees by parking in undesignated areas i.e. car wash and behind buildings
- h) There is no facilitation of airtime and bundles for officers who do the verification of the parking fees and stickers.

- i) Most clients are reluctant to pay using the system as they claim they do not have money on the phones
- j) System downtime greatly affects the payment especially on reflection
- k) Most clients are ignorant of the fact that after payment they need to notify the office for receipting without which their vehicles/motorcycles do not reflect the payment
- l) While it is important to foster positive relationship between County employees and clients, it has potential negative effect on the collection hence need for routine rotation of staffs.
- m) Political interference: most clients related to political leaders tend to be extremely reluctant and intimidating to revenue collectors.
- n) No towing machine /Vehicle hence discouraging impound of vehicles.

CHAPTER FIVE

COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

Committee's Observations

The Committee after analyzing the performance of revenue in the evaluation exercise made the following observations:

1. The Market fee collection is a very dynamic exercise that sometime starts at midnight and end at night during Market days; making it the riskiest revenue stream in Bungoma County.
2. All markets visited have no registers for traders operating during market days and normal days; posing a great challenge to set realistic targets.
3. There are cases of conspiracy between revenue collectors and traders to frustrate cashless mode of payment and to pave way for compromise to deny County its revenue.
4. There is poor balancing strategy for revenue staff during market days and normal days causing under/overstaffing in some markets.
5. It was established that a number County Executive Committee Members, Chief Officers, Directors, Supervisors and revenue collectors are not conversant with Finance bill.
6. Most markets lack requisite facilities like toilets, water, electricity and dustbins.
7. There is no clear guideline on sharing of space to open air market traders which has disadvantage some traders; yet they pay same levy irrespective of space allocated.
8. A number of revenue collectors have worked as casuals without pay for a long time; additionally alongside others, revenue collectors are not facilitated with bundles to carry out their work.
9. Revenue collectors are not regularly rotated contrary to department commitment in Revenue Enhancement Policy.

10. Rates section is not adequately supervised in their roles hence carrying out unsupported land rates waivers, poor maintenance of land rates owners' registers. This act of negligence could have caused serious financial loss to the County Government of Bungoma.
11. There is no clear legal framework to manage land rates waivers.
12. Business evaluation for invoicing is marred with fraud and favoritism that has seriously denied the County its rightful revenue.
13. Cases of partial payment for Single Business Permit have given room to corruption perpetuated by Licensing and Enforcement Officers.
14. Enforcement officers involved in revenue collection are hardly distinguished from other enforcement officers; giving room to corruption and supervision gaps.
15. Businesses which need to pay for Single Business Permit end up paying daily fee of Kshs50; giving room to compromise and deny County Government revenue.
16. The Department of Physical Planning is understaffed by Physical Planners.
17. Physical Planners lack means of transport to help them carry out their duties effectively.
18. Most of Ward Revenue Officers and revenue collectors don't have information about their daily and monthly revenue collection target.
19. A number of markets have no auction rings and those that are built are in poor condition.
20. Enforcement Officers were reported to have illegally taken developers money meant for building Plan approval across the County.
21. The own source revenue decentralization has not put in place clear implementation framework.
22. There were cases of political interference in some markets that sabotaged revenue collection.

Committee's recommendations

1. **THAT**, the County Receiver of Revenue (Chief Officer for Finance) within 30 days from the adoption of this report form an ad- hoc team of not more than three members of job group K and above on Monthly basis to plan and execute specifically market day's collections arrangements and collections. They should be responsible for constitution of teams from legitimate revenue collectors into shifts of eight hours; not limiting themselves to specific market revenue collectors to collect revenue under their supervision. The teams' performance should be evaluated at the end of every financial year.
2. **THAT** the Receiver of Revenue is directed to immediately update the Market Committee to include the Ward Revenue Officer as Secretary. Additionally, market traders' registers must be established for both permanent and temporary traders, recording personal details, business type, location, and space allocation. The Ward

Revenue Officer is required to submit a report to the Collector of Revenue (Chief Officer of Trade) within 12 hours after each market day, detailing the number of businesses/traders, total revenue collected and any specific challenges faced.

3. **THAT** the County Receiver of Revenue is directed to immediately implement a cashless revenue collection policy and oversee the rationalization of revenue collectors across all streams, with progress reports to be submitted to the Committee on Finance and Economic Planning within three months.
4. **THAT** the County Executive Committee Member of Finance and Economic Planning is directed that within three Months after adoption of this report to promptly organize sensitization and training for County Executive Members, Collectors of Revenue (Chief Officers), Directors, and revenue collectors on the implementation of the Finance Bill and to immediately submit guidelines for managing open air markets to the County Assembly for approval.
5. **THAT** the County Receiver of Revenue is directed with immediate effect after adoption of this report, to task the Collector of Market fee (Chief Officer, Trade) to carry out market surveys and establish each market infrastructure/facility limitation with their budget submitted to him for consideration in the next budget.
6. **THAT** the County Secretary is directed to promptly develop and present an implementation plan to the Cabinet for approval; clearly showing the roadmap for identifying and evaluating casual revenue collectors for potential permanent employment or adequate compensation and separation, as well as to initiate a performance management system for all revenue collection departments, requiring signed targets and appraisal tools for evaluating performance. Additionally, the County Receiver of Revenue is tasked with conducting a technical analysis to prevent exploitation or misuse of bundles given to revenue collectors.
7. **THAT** the County Receiver of Revenue is directed upon adoption of this report; serve all collectors (Chief Officers) of revenue a copy of County Revenue Enhancement Policy for compliance; particularly on rotation of revenue collectors.
8. **THAT** the County Secretary, County Executive Committee Members for Finance and Economic Planning and County Executive Committee member of Lands, Urban Planning, and Housing to immediately upon adoption of this report meet and form an investigative committee, led by the Director of Audit; to assess the management of rates registers and interest on rates waivers irregularly awarded from 2012 to June 30, 2024. The said report to be submitted to the County Assembly within three months from the adoption of this report. Furthermore, propose a legal framework for management of interest on rates waivers and commitment to comply with Section 165 (4) (5) of Public Finance Management Act to the County Assembly for approval.
9. **THAT** the County Receiver of Revenue and the Collector of Single Business Permits fee are directed to develop internal control mechanisms to standardize invoicing for Single Business Permits and initiate procedures/mechanism for issuing temporary Single Business Certificates for partial payments, while also ensuring that no revenue collector collects market fees from businesses that should pay for Single Business Permits. A compliance report on this matter must be submitted to the County

Assembly within three months from the adoption of this report.

10. **THAT** the County Executive Committee Members for Finance and Economic Planning and Public Administration, along with the County Receiver of Revenue are directed to develop measures to distinguish revenue collection enforcement officers by uniform colour and clarify their reporting structure for Cabinet approval; and to take action against enforcement officers in Webuye and any similar cases across the County who have illegally collected building approval fees and other taxes from developers/traders.(see annex 1).
11. **THAT** the County Executive Committee Member of Lands, Urban Planning and Housing is directed upon adoption of this report make necessary arrangement to have budget for hiring additional town planners and purchase of Motorcycles for Planners is considered in the next budget.
12. **THAT** the County Receiver of Revenue and revenue collector of auction ring fee should after adoption of this report initiate a request for Cabinet approval to establish an investigative team to evaluate compliance to Bill of quantities by the contractors who built the auction rings across the County and the role of the County oversight team that monitored the process to enforce compliance which resulted to poor workmanship. The team should recommend a standard for developing an auction ring within Bungoma County. The report should be submitted to the County Assembly for approval. The two are further directed to ensure all potential markets that have no auction rings are factored in the next budget.
13. **THAT** the County Secretary, County Executive Committee Member for Finance and County Receiver of Revenue should immediately after adoption of this report meet and develop an implementation framework clearly defining the role of Receiver of Revenue, Collector of Revenue and Revenue Directorate in own source revenue collection chain thereafter carry out sensitization of all persons involved in the own source revenue collection chain about their roles and targets. The report should be forwarded to the County Assembly on or before January, 2025.
14. **THAT** the County Executive Committee Member for Finance should immediately after adoption of this report convene a sensitization meeting for all elected leaders about their role in own source revenue collection.

Hon. Speaker, we have the adoption schedule signed by all Members of this Committee at that time. We also have annexures; the developer complaint and enforcement officer commitment letters and adoption minutes. I now take this opportunity to ask Hon. Stephen Wafula the Deputy Speaker of this House and Member of Finance Committee to second the report.

Hon. Stephen Wamalwa (Seconder): Thank you Hon. Speaker for according me this chance to second this report. First of all, I appreciate the Member for Kaptama Hon. Francis Chemion for moving this report well. Equally, I appreciate the Members who are in the House this time following the report keenly and patiently and we don't take it for granted.

Honourable Members this is a report that is evaluating our revenue streams which is important for us and for this county. Therefore, I wish to urge that as you have been listening to the contents of the report and as we move to debate this report; I want you to look at how much this county can generate as revenue. Bearing in mind that the equitable share from Nairobi is shrinking and with time it, will even shrink further given the economic times ahead, given the partners that support this country and looking at the future where we are going. I want to urge that we look at the report keenly and as you are aware, we have had delays in exchequer releases from Nairobi which adversely affect our development.

This is a report that informs us to look at alternatives and see how we can raise our own revenue so that this county can be self-sustaining; albeit with support from Nairobi. The report is key and I implore you to debate and support the adoption.

Hon. Speaker, because I don't want to take much time, I ask and inform the House that the observations and recommendations of this reports says it all. Therefore, I ask that as the CECM and the Executive looks at working around it, this report should form part of the tools that should go a long way in implementing and correcting and bringing about sanity in revenue collection in this county. Without much ado, I ask the House to support and adopt this report. I second the report.

(Applause)

Mr. Speaker: Honourable Members, allow me proceed and propose a question.

(Question proposed)

Hon. Caleb Wanjala: Thank you Hon. Speaker. First I want to applaud the mover of the motion for taking us through this report. I am on my feet because of Bukembe Market which is in my Ward and the electorates voted for me because they had faith that I will represent them to deal with the challenges that they faced with on this market. You look at the allocation and the Finance Department received a good allocation; hopefully they will improve on our allocation. However, this is not what we are seeing. In fact from the report they said during COVID the collection was better than it is now. The allocation at that time was not as per what the Finance has now.

Taking an example of Bukembe Market which is in a deplorable state as indicated in this report; it has capacity to raise enough own source revenue because it is surrounded by traders from four Wards. Most the traders come from Luuya/Bwake, Bokoli Ward, Bukembe West and even Sangalo East. It cannot be true that Bukembe is collecting Kshs2, 000 and when you pass there during the market day, the number of traders compared to the money they are collecting, you will realize that something is not right...

Hon. Miliar Masungu (*On a point of order*): Thank you Mr. Speaker. Guided by Standing Order No. 33 and realizing that we are almost running out of time, I rise to move a motion on the extension of time so that Members can get enough time to deliberate on the motion before us... If we can extend by 20 minutes Mr. Speaker.

Mr. Speaker: The moment we extend, it means it is open up to mid-night. That is the implication.

Hon. Miliar Masungu: Mr. Speaker, it is almost 6:00 p.m. and it is prudent that we extend...

Mr. Speaker: You can only seek for extension of time when it clocks 6:30 p.m. The extension of time at this moment is premature and when you extent at 6:30 p.m. it will mean that the sitting will last beyond 7:00 p.m.

Hon. Miliar Masungu: Thank you Mr. Speaker, I am guided.

Mr. Speaker: It is okay. Once you extend, it is like an open cheque. You remember last time we sat here up to around 11:00 p.m. during passing of the budget.

Hon. Miliar Masungu: For purposes of record, I withdraw.

Mr. Speaker: Let us proceed. Hon. Caleb you can now proceed.

Hon. Caleb Wanjala: Thank you Mr. Speaker. We expect more just like the seconder has indicated that the allocation we are getting from the national government is dwindling and it is an indicator to prepare us to be self-reliant. We cannot be self-reliant if we don't have policies that can guide this county to enhance our own source revenue. As we speak today, there is a huge migration of people from Nairobi and other places who are coming to Bungoma because of the conducive environment for business. We need to better the existing markets by making sure that sanitation and drainage is improved.

Besides that, we have our own people employed on casual basis who yet to be confirmed up to now. How can we trust that they can collect revenue genuinely if they have not been confirmed? Some of them have gone for six months and others for a year without pay and they are handling money. In this report, it has been indicated that some of them are receiving revenue in cash. I think something needs to be done as much as we support the report because to him that much is given much is expected. The Finance Department needs to wake up and make sure that this county is where it is supposed to be.

Look at our entry points; you go to Kakamega County and they have prepared themselves to collect cess by coming up with revenue collection stalls at every entry point. Do we have them in our county at the boarder points with our neighboring counties? Does that mean that

we are not ready to enhance our own source revenue? Mr. Speaker much is needed to be done.

As I finish; what is the priority of the Finance Department? Recently they procured motor bikes, but the condition of our markets is not good. The workers who are collecting revenue are not being paid. Do we even have a county court? We don't! Therefore when this offenders are arrested...

Mr. Speaker: Last time you were properly guided that the County Court is the work of Judicial Service Commission and the County Court Magistrate is an appointee of JSC and not our employee. You can proceed.

Hon. Caleb Wanjala: Well guided but we need to show that indeed we need this court Mr. Speaker. I support the report but there is need to better our markets.

Hon. Hentry Nyongesa: Thank you Hon. Speaker. First I applaud the mover of the motion for standing for almost two hours taking us through the report and the entire committee for coming up with an elaborate report on revenue.

The guiding laws have been cited by the mover of this motion especially on parking, cess among others. On land rates, this County could be rich in terms of revenue collection and the mover should be clear on plot numbers because he mentioned some names familiar to me like Mark Wamalwa. This old man is now deceased but at one time during the defunct local units, auctioneers were send to him to get money that he owed the defunct local county council and they took away his livestock. I followed up this issue and established that the auctioneers pocketed all the proceeds from the sale of his livestock and the county did not get anything. I wonder who is currently in possession of this plot because the former owner was unable to pay land rates.

Mr. Speaker: Honourable Member, you need to be clear because you cannot reposes animals, you can only attach and have them auctioned. When you say they re-possessed the plot, it means it was referred back to defunct Municipal Council of Bungoma. Be clear because re-possessing means taking back what belongs to you.

Hon. Hentry Nyongesa: What I meant is that they auctioned his property in form of livestock. Mr. Speaker, the officers in this Department should come up with measures on how to improve on revenue collection. This County has a problem and I thank the Committee for making good recommendations. The person collecting revenue is the same person enforcing the law and even collecting penalties. There is no transparency because you cannot be the enforcer of the law, collecting and even pardoning someone who has failed to pay revenue. There must be separation of roles to assist us have checks and balances that will assist in revenue enhancement.

On the issue of stickers as mentioned by the mover of the report; some vehicles have been exempted from paying revenue to the County, for example, vehicles owned by Honourable Members. When you walk around town, you will realize that we have a number of vehicles with the County Assembly of Bungoma 2023-2024 stickers evading tax...

Mr. Speaker: Don't confuse staff stickers and those for Honourable Members. This time round every Honourable Members' Ward is indicated. The challenge we have is with stickers for staff of the County Assembly of Bungoma where even a lorry ferrying sand has such a sticker.

Hon. Hentry Nyongesa: Those are some of the areas that we should be assisted on. The last area where the mover of the motion should give emphasis on is the markets. There are some markets where revenue collection is low like Mateka Market. When you go to this market at around 9:00 p.m., you will find traders on this market up to around 11:00 p.m.; but when you look at the revenue collection, this market is categorized as one of the low revenue collection markets. In Bumula Sub-county, Myanga was singled out for high revenue collection but Mateka is growing faster than Myanga.

The auction rings on our markets are out-dated. When you go to Matete Market in Kakamega County, they have modern auction rings made of metal bars. Recently when I went to purchase a cow within town, you cannot even trace the auction ring because they are trading in an open field. The officers on this market are not using digital markets to collect revenue; instead they are giving manual receipts. Those are some of the areas that the mover should emphasize during his reply. I support this report because it will assist this county enhance its revenue to be used for development.

Hon. Josephy Nyongesa: Thank you Mr. Speaker. I will be brief. First I appreciate the mover and the Committee at large because I know the work was heavy. The critical thing is that we have the potential to collect more than Kshs2 billion. What we are currently collecting is a quarter of the possible revenue in our county. I like the observations and recommendations from the Committee but how I wish that this forms the basis that when we meet the CECM in charge of Treasury, he should be in a position to tell us what we are not doing. In terms of professionalism, the people in charge of those markets are O-level holders. The Treasury should sponsor these people to take up accounting courses to assist us realize maximum revenue collection.

On political interference and some businesses have been mentioned here, I wish that Honourable Members as much as we complain that revenue collection is too low; why can't we also pay and ensure that even our relatives and friends pay revenue to improve on revenue collection. Otherwise, we support; although we need proper engagement on this issue.

Mr. Speaker: Thank you. Hon. Chemion you can now reply to the motion.

Hon. Francis Chemion (Mover to reply): Thank Mr. Speaker. I will be brief having stood here for over two hours. I want to thank the Honourable Members who have contributed to this motion and given insights to the Committee. From our observations and recommendations, we have delved into all those areas raised. Like on the issue of land rates, we have directed the two departments to come up with an investigative team and we have given timelines. The issue of land rates will be sorted by that group.

On the issue of improvement of markets, we have listed all the markets where we have said this market lacks the following and should be provided. This report has captured all the issues only that we could not go to all the markets. We have not mentioned about Kapkateny', Kaptama and other markets because we used the sampling approach.

We also support the training of the casuals the way the Leader of Majority had indicated. I wish to summarize by saying that the departments and sector committees that have been mentioned here you now have a report that you can use to handle those departments; Lands, Agriculture, Roads and Trade. Use this report to help us enhance revenue in our county. Otherwise, I thank you for the support and request that we adopt this report.

Mr. Speaker: Thank you Hon. Chemion for your reply to the motion.

(Question put and agreed to)

The ayes have it. Next?

2. REPORT BY COMMITTEE ON TRADE, ENERGY AND INDUSTRIALIZATION ON THE STATUS OF MARKETS IN BUNGOMA COUNTY

Hon. Wafula Waiti (On a point of order): Thank you Mr. Speaker I rise on Standing Order No. 64 to seek the adjournment of the motion and the Standing Order is clear that the motion can be moved without notice. Looking at the House, it is prudent that Members may be eager to listen to motion but they are tired at the moment. I was picked by the Committee to move this motion, but I have looked at the mood of the House and for that reason, I rise pursuant to Standing Order No. 64 to seek adjournment of this motion.

Mr. Speaker: You need a seconder of motion or else it will collapse.

Hon. Wafula Waiti: Mr. Speaker, I call upon Hon. Nyongesa Bumula...

Mr. Speaker: There is no Hon. Nyongesa Bumula in this House.

Hon. Wafula Waiti: Member representing Bumula Ward.

Hon. Hentry Nyongesa: Mr. Speaker I wish to second the motion that this House adjourns to give Members time to look at this motion while they are fresh. In relation to the motion that has just been adopted; it was long and the sugar levels of Members has gone down...

Mr. Speaker: If you say that the sugar levels have gone down, the implication is that you are a medical doctor! Avoid that line of thought...

Hon. Hentry Nyongesa: I second the motion Mr. Speaker.

Mr. Speaker: Honourable Members, a motion having been moved, I will propose a question for debate on a motion within a motion

(Question for the deferment of the motion proposed)

There being no contribution, I will proceed and put the question;

(Question for the deferment of the motion put and agreed to)

The ayes have it. The implication of adoption of this motion is that we will adjourn the sitting and this motion will be the first one of the Order Paper tomorrow at 9:30 a.m.

(Motion deferred)

ADJOURNMENT

There being no other Business on the Order Paper, we will adjourn and resume tomorrow, 27th November, 2024 at 9:30 a.m.

The House rose at 6:26 p.m.