REPUBLIC OF KENYA

COUNTY ASSEMBLY OF LAIKIPIA

THE HANSARD

Wednesday, 2nd March 2022

The House met at the Assembly Chambers at 2.30 p.m.

[The Speaker (Hon. Patrick Waigwa) in the Chair]

PRAYERS

QUORUM CALL

Speaker: Clerk kindly confirm whether we have quorum.

(Lack of quorum confirmed)

Speaker: Serjeant at Arms to ring the bell for ten minutes.

(The quorum bell rang for six minutes)

Speaker: Clerk confirm whether we have achieved quorum.

(Quorum confirmed)

Speaker: Serjeant at Arms to stop the bell. Order of business.

PAPERS LAID

AUDITOR GENERAL, CFSP AND DMSP REPORTS

Hon. Joseph Kiguru: Thank you, Hon. Speaker. I have papers to lay;

a) Report of the Auditor General on Laikipia County Leasing Fund for the year ended 30th June, 2020.

b) Report of the Auditor General on Laikipia County Development Authority for the year ended 30th June, 2020.

c) Report of the Auditor General on Laikipia County Assembly Mortgage and Car Loan (Staff) Scheme Fund.

d) Report of the Auditor General on Laikipia County Emergency Fund for the year ended 30th June, 2020.

e) County Government of Laikipia County Fiscal Strategy Paper 2022 Public Participation Report.

f) County Government of Laikipia County Fiscal Strategy Paper (CFSP) 2022

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g) County Government of Laikipia Debt Management Strategy Paper 2022/23-2023/24.

Thank you, Hon. Speaker.

(Hon. Joseph Kiguru laid the papers on the Table)

Speaker: Papers which are of the Auditor General of various funds (a to d) are committed to Public Accounts and Investment Committee. Papers (e to g) which are CFSP and Debt Management Strategy Paper are committed to Budget and Appropriation Committee.

QUARTERLY REPORT AND FINANCIAL STATEMENTS FOR THE DEPARTMENT OF AGRICULTURE, LIVESTOCK AND FISHERIES

Hon. Patricia Muthoni: Thank you, Mr. Speaker. I beg to lay the quarterly report and financial statements for the period ended 30th September, 2020 for the Department of Agriculture, Livestock and Fisheries by the sectoral Committee on Agriculture, Environment and Natural Resources dated 23rd February, 2022.

(Hon. Patricia Muthoni laid the papers on the Table)

QUARTERLY REPORT AND FINANCIAL STATEMENTS FOR THE DEPARTMENT OF WATER, ENVIRONMENT AND NATURAL RESOURCES

Hon. Patricia Muthoni: Secondly Mr. Speaker, I wish to lay the quarterly report and financial statements for period ended 30th September, 2020 for the Department of Water, Environment and Natural Resources by the sectoral Committee on Agriculture, Environment and Natural Resources dated 23rd February, 2022.

(Hon. Patricia Muthoni laid the papers on the Table)

QUARTERLY REPORTS AND FINANCIAL STATEMENTS FOR THE DEPARTMENT OF MEDICAL SERVICES AND PUBLIC HEALTH

Hon. Veronica Ikunyua: Thank you, Mr. Speaker. I beg to lay the quarterly report and financial statements for the period ended 30th September, 2020 for the Department of Agriculture…

Speaker: Medical Services. You can help the Member.

Hon. Veronica Ikunyua: Sorry Mr. Speaker. I beg to lay the quarterly report and financial statements for the period ended 30th September, 2020 for the Department of Medical Services and Public Health by the Health Services Committee dated 25th February, 2022.

(Hon. Veronica Ikunyua laid the papers on the Table)

NOTICES OF MOTIONS

QUARTERLY REPORT AND FINANCIAL STATEMENTS FOR THE DEPARTMENT OF AGRICULTURE, LIVESTOCK AND FISHERIES

Hon. Patricia Muthoni: Thank you, Mr. Speaker. I beg to give notice of the following motion;

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THAT this Assembly adopts the quarterly report and financial statement for the period ended 30th September, 2020 for department of Agriculture, Livestock and fisheries by the sectoral Committee on Agriculture, Environment and Natural resources dated 23rd February, 2022.

QUARTERLY REPORT AND FINANCIAL STATEMENTS FOR THE DEPARTMENT OF WATER, ENVIRONMENT AND NATURAL RESOURCES

THAT this Assembly adopts the quarterly report and financial statement for the period ended 30th September, 2020 for department of Water, Environment and Natural Resources by the sectoral Committee on Agriculture, Environment and Natural resources dated 23rd February, 2022.

QUARTERLY REPORTS AND FINANCIAL STATEMENTS FOR THE DEPARTMENT OF MEDICAL SERVICES AND PUBLIC HEALTH

Hon. Veronica Ikunyua: Thank you Mr. Speaker. I beg to give notice of the following motion;

THAT this Assembly adopts the quarterly report and financial statement for the period ended 30th September, 2020 for department of Medical Services and public Health by the Health services Committee dated 25th February, 2022.

MOTION

QUARTERLY REPORT AND FINANCIAL STATEMENTS FOR THE LAIKIPIA COUNTY REVENUE BOARD

Hon. Mary Samken through Hon. Joseph Suge: Thank you Mr. Speaker. The copy I have on my table is different. I request the Clerk responsible to supply me with the appropriate one. Thank you.

Speaker: Which copy are you missing?

Hon. Joseph Suge: Thank you Mr. Speaker. On behalf of the Chair, Finance and Planning, I beg to move the following motion;

THAT, this Assembly adopts the report of the Committee on Finance and County Planning on County revenue Board quarterly report and financial statements for the financial year ended 30th June, 2020 dated 24th February, 2022.

Mr. Speaker, Sir, I will go to the third page of the report. Mr Speaker Sir, on behalf of the Members of the Committee on Finance and County Planning pursuant to the provision of standing order No. 191/5 (f), It is my pleasure and duty to present to the House, the Committee's report on the Laikipia County Revenue Board Quarterly Report and financial statements for the Financial year ended 30th June 2020.

The Committee as currently constituted, comprises of the following members:

1. Hon. Mary Samken - Chairperson

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2. Hon. George Karuiru - Vice Chair person
3. Hon. Joseph Kiguru - Member
4. Hon. Joseph Suge - Member
5. Hon. Chalumbo Kaparo - Member
6. Hon. Lochimidi Esokon - Member
7. Hon. Wilson Wakahiu - Member

Mr. Speaker, Sir, I beg to skip the committee's mandate and go to the Committee establishment.

Mr. Speaker, the Committee on Finance and County Planning was first constituted by the House on 28th September, 2017 during the First Session of the Second Assembly in Laikipia County. Mr. Speaker, It is one of the Sectoral Committees established under Standing Order No. 191(g) with the mandate to make reports and recommendations to the Assembly as often as possible, including recommendations of proposed legislation.

KEY ENTITY INFORMATION AND MANAGEMENT

Background Information

Mr. Speaker, Sir, Laikipia County Revenue Board was established via an Act of the County Assembly 2014 for the assessment and collection of revenue, for the administration and enforcement of laws relating to Revenue within the County and to provide for connected purposes.

In compliance to the above regulation, the Laikipia County Revenue Board submitted the Quarterly Report and Financial Statements for the Financial Year ended 30th June, FY 2019/2020 to the County Assembly.

Principal Activities

The principal mandate of the board is to collect and receive revenue for the County Government of Laikipia.

Board and Management

The Board established a taskforce with the mandate of educating taxpayers on the importance of paying revenue and also collecting revenue on behalf of Laikipia County Government. The Revenue board collects revenue in three Sub Counties namely, Laikipia West, Laikipia East and Laikipia North.

On page 5, there is a table with the list of the members of the County Revenue Board including; Prudence Waithera who is the CEO and the rest of the members. I hope that the Members are still following the report.

REVIEW OF PERFORMANCE

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Mr. Speaker, Sir, the County Revenue Board is mandated with collecting and receiving of Revenue for the County Government of Laikipia with a set target of Kshs. 1,006,875,000 for the financial year 2019/2020. For the period ended 30th June 2020 their performance was as per the table below;

2019/2020 REVENUE TARGET IMPLEMENTATION AS AT 30TH JUNE 2020				
Financial Year 2019/2020	**Target 2019-2020**	**Actuals July-June 2020**	**Balance to Target**	**% Budget Implementation**
Total O.S.R	1,006,875,000	727,957,756	-278,917,244	72%

The table above shows that they managed to collect Kshs. 727,957,756 as own source revenue which signified a collection of 72% against their set budget of Kshs. 1,006,875,000. On page six there is a table that shows the revenue performance as per 30th June, 2020.

The decline in revenue collection was greatly affected by the Covid 19 pandemic which led to a disruption, near and some instances total closure of many businesses and markets. The travel restriction and night curfews led to decline in local and international tourists at Thompsons falls, a decline in monthly parking stickers for PSV vehicles and in operation of 24hr barriers. The major affected revenue streams were as follows,

- Vehicle management
- Liquor licences
- County natural resources
- Livestock cess
- Market fee and cess fees

However, the Revenue Board gave incentives to taxpayers by giving 100% waiver on accumulated penalties and arrears on land rates in the month of May and June 2020 and managed to collect Kshs.34 million which was a great milestone. Additionally there was an extension of single business permit payment deadline from March 31st to May 31st 2020 and acceptance of partial payment from tax payers.

Below is an analysis of revenue performance per revenue streams and the deficit as at 30th June 2020.

Revenue Analysis per Stream

REVENUE BALANCE TO TARGET 2019-2020								
No.	Revenue Stream	Actual collection July 2018-June 2019	Annual Targeted Revenue 2019-2020(Kshs.)	Actual Collection July -17th June 2020	Current year vs previous year	Bal to Target	% Budget Implementation	% Bal to Target

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The table has clearly indicated how revenue was collected as per various sectors. This table has listed the revenue collection starting from page seven to page eight to page 9. On page 9 there is county revenue performance and I will now go to page 11.

Over the years, Laikipia County Government has grown its own source revenue from below Kshs.500 million to over Kshs.600 million in the last three years. This has been contributed to automation of revenue collection processes, mapping of revenue sources, human resource restructuring, implementation of cashless mode of payment, performance based management and tax payers' awareness in regards to payment of taxes.

There below shows how the performance was from 2015 to 2020. I hope the Members are still following.

HOSPITAL REVENUE

Laikipia County Government collected a total of Kshs. 268,032,152 from five hospitals as per the table below. This is the revenue from the main facilities; Nanyuki Teaching and Referral Hospital, Nyahururu Hospital, Rumuruti Sub-county Hospital, Doldol Hospital and Ndidika Hospital. Laikipia County Government collected a total of Kshs. 268,032,152 from five hospitals. I hope the Members are aware that the dispensaries usually offer free services to our people.

Departmental revenue performance

The Revenue Board being a collecting agent has teamed up with other County Departments in order to enhance optimal revenue collection. Below is the departmental revenue performance for the year ended 30th June, 2020. That is another summary report from the table and I hope the Members are following the report.

The committee after receiving this report from the revenue board and after having a consultative meeting, the committee had the following observation as per their finding and as per the received report from the revenue.

COMMITTEE OBSERVATIONS

Mr. Speaker Sir, the Finance and County Planning committee made the following observations;

1. During the period under review, the revenue board projected a high target on Own Source Revenue i.e. Kshs. 1,006,875,000 and collected Kshs. 727,957,756 leading to deficit to target of Kshs. 278,917,244 indication that some of the budget programs were affected budgetary wise.

2. Table: 4 indicates that during the period under review the revenue stream 1520500 plot Rents the revenue board had a target of Kshs. 14,000,000 where the actual collection was Kshs. 1,668,870 while the previous year actual collection was Kshs. 7,873,273. This was a very low collection being that the stream was not among the streams affected by Covid-19 pandemic.

3. In the sub County Revenue Performance analysis none of the Sub County attained the target leading to a deficit to target of Kshs. 134, 574, 396, this may lead to budget crisis.

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4. The committee observed that, in the ward revenue performance analysis, seven wards indicated an increase in revenue collection as compared to the previous financial year.

5. In the departmental Revenue Summary table, the committee observed that, during the period under review there was a tremendous increase of Kshs. 3,124,256 in revenue collection in the department of Education, I.C.T and Social Development as compared to the previous year.

6. During the period under review the Revenue Board received a loan amounting to Kshs. 287,871 from Ndidika Health center. However, they have not indicated the purpose of the loan and whether it was repaid.

COMMITTEE RECOMMENDATIONS

Mr. Speaker, Sir, the Finance and County Planning Committee made the following recommendations:

1. The Revenue Board should do a thorough feasibility study on Revenue collection system which will enable the board to project realistic revenue targets.

2. The Revenue Board should establish a revenue supervisor/monitoring team on the ground whose main duty is to monitor the revenue performance in all streams, highlight challenge and propose solutions thus sustainable high revenue collection.

3. The Revenue Board should be fully aware of the County Government plots and the tenants for optimal revenue collection.

4. The same strategies used in the seven wards that had an increase in revenue should be applied to the other ward for the better results.

5. Education, I.C.T and Social Development department seems to have potential in revenue collection hence the board should explore more for good thing can be made better.

6. The Revenue Board should clearly indicate the purpose of any loan that they receive and repayment strategy.

COMMITTEE CONCLUSION

That this House adopts on the Committee on Finance and County Planning on the Laikipia County Revenue Quarterly Report and Financial Statements for the Financial Year ended 30th June, 2019/20. Mr. Speaker, this is the report by the committee on finance and county planning on the revenue board activities towards revenue connection within the county government of Laikipia.

Mr. Speaker, as you can see the report is for 2019/20 whereby the target was Kshs.1 billion and the county revenue board managed to collect over Kshs.700 million. That was an education they did something good because the deficit was less than Kshs.300 million. That was a commendable job to our revenue board. As we know this financial year, the revenue board has managed to collect over a Billion. Due to COVID-19, I think that is another issue that led to low performance in terms of collecting revenue.

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So, Mr. Speaker, I would urge the Members to support. I also take this opportunity to thank the County Executive for considering our taxpayers. During the Covid-19, we all know that our people were affected and the County had to waive plot rents as well as single business permits. They had to extend that period to enable our people to prepare and pay for the single business permits in order to reduce commotions with our people.

I also want to say that the County was very close to *mwananchi* in the issue of sensitization and maybe taking our people through to know the importance of paying taxes, because we all know that as we pay our taxes the County will be able to do more developments in terms of implementing the CIDP and the budgets in place. With those few remarks, I call upon the Hon. Kiguru to second the report. Thank you.

Hon. Joseph Kiguru: Thank you, Hon. Speaker. I stand to second this motion, but for future recommendation as a committee, the only issue I have is about the Executive making hospitals a revenue source. It was wrong because if you go to our hospitals, we collect a lot of money but there is no medicine. For that reason, I will recommend for future things to come, let us not make hospitals one of the streams for collecting revenue.

I think that if we collect money from hospitals and give it back to provide services and add medicines; because this Assembly is the one that gives recommendations, makes policies and has registration, let us make sure that we change hospitals from being a money collection stream into a service provider. I will second this motion but with the addition of that recommendation for future reference. Thank you.

(Question proposed)

Hon. Daniel Mugweru: Thank you, Hon. Speaker. I rise in support of this report from the Finance and County Planning Committee. I do not want to go into details because Hon. Suge has read paragraph by paragraph, line by line, and word by word and every Hon. Member here has understood. So I support it, it is a good report. Thank you.

Speaker: May the Mover give a reply.

Hon. Joseph Suge: Thank you, Mr. Speaker. As I give a reply on this report, allow me to take this opportunity to congratulate the Members. I know Members have the report and have gone through it. Since everything seems to have been explained well there is not much intervention on this. I thank the Members and believe that we are still going to push the Revenue Board to pull up their socks so that we can increase our own source revenue from one billion to something better. Thank you.

(Question put and agreed to)

ADJOURNMENT

Speaker: This House now stands adjourned until tomorrow, Thursday 3rd March, 2022 at 9.00 a.m.

The House rose at 3.12 p.m.

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