

COUNTY ASSEMBLY OF NAKURU

THE HANSARD

Third Assembly (Second Session)

Tuesday 4TH April 2023

Assembly Building

The House met at 03:05 PM

[Speaker (Hon. Joel Karuri) In the Chair]

PRAYERS.

COMMUNICATION FROM THE CHAIR

SEATS LABELLING

The Speaker (Hon. Joel Karuri): There is a Communication to make. Honourable Members if you look at the seats that we occupy they are labelled and from the next sitting which will be happening tomorrow at 9:30 am, you should not occupy any seat labelled for another Member. For now, it is allowed that you can occupy any seat. Take note Honourable Members. Next order.

MOTION

VISIT TO MAI MAHIU CESS BARRIER

The Speaker (Hon. Joel Karuri): There is a Motion by the Honourable Member for Viwandani; he will be moving the Motion on behalf of the Chairperson for Committee on Finance.

Hon. Joseph Muraya: Thank you honorable Speaker, I rise to move a Motion on a Report from the Committee on Finance on a Site Visit to Mai Mahiu Cess Barrier that I had laid here in the morning Plenary. The Motion that I am moving today was on a fact finding mission on how we can raise our revenue collection from various Cess Barriers. We visited the Mai Mahiu Cess Barrier and we came up with observations and recommendations and I wish to move the Motion and request Honorable Mercy Kilel to second but let me take the Members through the Motion.

Honourable Speaker, during our normal Committee sittings as the Committee on Finance we resolved to visit Mai Mahiu Cess Barrier and the objectives we had were to find out the total amount of cash being collected at the Mai Mahiu Cess Barrier in the County and to make recommendations on how Cess collections can be restructured to enhance more revenue for the County.

While we were at the site, we made the following findings and observations as well;

That Nakuru had digitilised/ automated all essential services to improve income streams and enhance provision of service and in particularly at the Mai Mahiu Cess Barrier.

The mode of payment is through Safaricom Pay Bill Number that all the County Officers attached to Cess Barrier are working amicably towards revenue collection at the station.

That the average Cess collection per day at Mai Mahiu Cess Barrier is Kshs. 500,000.

The main source of Cess at the Mai Mahiu Cess Barrier is from harvesting of sand, bush stones, ballast, marram and pumice.

The County charges for the cess collections per trip are as follows-

- i. Canter lorry - Kshs 500
- ii. Lorry (7-10 tones) – Kshs 800
- iii. Lorry (above 10 tones) -Kshs 2200

That the County imposes a penalty of Kshs. 10,000 for defaulters at the barrier.

There is poor network connection to Safaricom service provider around the barrier and therefore hampers or delays payments through the Pay Bill System mode of payment.

There are no floodlights at the barrier and this paralyses the operations at the barrier during the night.

There is no patrol vehicle at the Cess Barrier to support effective service delivery.

Once a member of the public or a client is issued with Official Receipt for payment of Cess, the same does not reflect in the main cess collection which is the County Revenue Centre and or at the ICT Department, therefore there is disconnect between what is collected at the Cess Point and what is recorded at Revenue Headquarters.

That the County Government of Nakuru does not provide the essential equipment or tools of trade for the Officers working at the Cess Barrier such as raincoats, flashlights and Safaricom bundles among other necessities.

That the County Government of Nakuru has not erected a Cess Barrier point on the road towards or at the border between Nakuru County and Narok County.

That there are no proper records indicating daily, weekly or monthly cess collection per canter, lorry at the station. From the statistics and data on revenue collection, the County Government of Nakuru collected the following revenue on the given Financial Year. In Financial Year 2016/2017, the target was to collect Kshs. 113,401,200 and the actual money that was collected was Kshs 185 104 654 million.

Mr. Speaker on the same 2017/2018, the target was Kshs 168 200 million, and the collected was Kshs 201 570 346 million. Mr. Speaker on 2018/2019 the target was Kshs 211 700 million, and the actual collection was Kshs 217 040 996 million. Mr. Speaker during the year 2019/ 2020, the target was to collect Kshs 225 million, and actually managed to collect Kshs 188 946 000. Mr. Speaker, the year 2020/2021 the target was low because of the COVID pandemic which resulted

to target of Kshs 184 460 million and the actual was Kshs 223 995 891 million. In the year 2021 and year the 2023 Mr. Speaker, the target was Kshs 230 million, which they collected 226 165 million.

In the year 2022/2023 Mr. Speaker, the target was Kshs 280 million but Mr. Speaker, we managed to get the First Quarter and the Second Quarter of which the First Quarter was Kshs 33 000 709 million and the Second Quarter has been Kshs 45 000 398. We are yet to get the Third Quarter so that Mr. Speaker we can get the total or the actual collection. Mr. Speaker after all this, we have some recommendations that will enhance or we will help the County to collect more revenue.

Rising from the observations made Mr. Speaker.

1. That the County Government of Nakuru should see all the leakages so as to raise the average daily cess target at the Mai Mahiu Cess Barrier to Kshs 1 million from the actual from the actual target of Kshs 500 000.
2. That the County Government of Nakuru should liaise with Safaricom service provider to install Safaricom booster nearby the cess barrier for better network connection and effective operations.
3. That the County Government of Nakuru should install floodlights at the Mai Mahiu Cess Barrier for security purposes and also ...

The Speaker (Hon. Joel Karuri): Order! There are some Members who are consulting loudly! Proceed Honorable Member.

Hon. Joseph Muraya: Thank you Mr. Speaker... and also ease of operation at night.

4. That the County Government of Nakuru should provide a patrol car stationed at my Mai Mahiu Cess Barrier for effective service delivery
5. That the County Government of Nakuru should provide officers at the Cess Barrier with the necessary tools of trade equipment such as raincoats, flashlights and Safaricom data to enable them work effectively.
6. That the County Government of Nakuru should establish a Cess Barrier at the Narok/Nakuru County border and all the roads towards Narok County, in order to cab the loss of revenue.
7. Mr. Speaker, the County Government of Nakuru should introduce a levy for motor vehicles that are traversing the County towards other Counties.
8. That the County Government of Nakuru Mr. Speaker should upgrade the ICT System Useable to avoid the continuous system failure resorting to variation.
9. Mr. Speaker, that the County Government of Nakuru should have the officers stationed at the Mai Mahiu barrier and other major Cess Barriers within the County to work on rotational basis at a maximum of six months per station.
10. That the County Government of Nakuru should conduct Lifestyle Audit to all Revenue Officers at the major Cess Barriers within the County.
11. Mr. Speaker, we also recommended that the County Government of Nakuru should ensure that there are proper statistics of records of motor vehicles paying cess on daily, weekly and monthly basis.

12. Mr. Speaker, the Committee also recommends that the County Government of Nakuru should install recording cameras at the Cess Barriers to curb the revenue pilferage.
13. Mr. Speaker, the County Government of Nakuru should ensure that the County Integrated Monitoring Evaluation System conduct regular spot checks to monitor the revenue collection at the County.
14. That the County Government of Nakuru should have royalties regulations in place, to strengthen the operationalisation of Environmental Management and Coordination Act, which was of year 1999 (EMCA) and the mining Act of 2016.

Therefore Mr. Speaker, the Committee wishes to take this opportunity to thank the Members for their input and valuable contributions during the site visit. We also wish to thank your Office Mr. Speaker and that of the Clerk to the Assembly for the logistical support accorded to the Members during the visit to Mai Mahiu Cess Barrier.

Thank you Mr. Speaker. On behalf of the Committee, it is my pleasure and duty to present the Report. I now wish to request the Honourable Member Mercy Kilel to second the Motion.

Hon. Mercy Kilel: Thank you Mr. Speaker for this opportunity. And thank you Mheshimiwa Muraya for this chance to second this Motion. I therefore wish to second and to add to this Motion. First of all before I go on, I want to thank my fellow Members of the Finance Committee for braving the sun and the bad weather to go and stand outside the Mai Mahiu Cess Barrier to fact find and to look for solutions that can help our County.

Indeed we found that the situation at the barrier is really wanting and it is in a very bad condition. Considering that cess collection is a critical Revenue Stream for the County, and we cannot be saying that we want to improve our own source of revenue while we are not sealing the existing loopholes. We realised that there was a lot of monkey business happening at the barrier, which I am sure is being translated in all other barriers in the County. We therefore wish to say that as a Committee and as a County, we need to restructure our cess collection and we also need to find out why there is a big disconnect between what is being collected at the Cess Barrier and what is translating in the books. That is what we found out that whatever is being collected at the cess collection point does not translate to the book of accounts in the Assembly. That means that we need to find out why there is no proper collection mechanism and why there is a lot of pilferage in the revenue.

Additionally, I wish to ask the Assembly to look for ways to come up with a regulation that will see an improvement in mining in the County. That means mining of ballast and sand. As you are aware, we are using an old age Act; that is the 2016 Mining Act and the EMCA Act. I wish to ask the relevant Committees to come up with regulations to see that we come up with new ways and policies to govern our County.

Therefore, I wish to thank you and to congratulate my Committee for doing a good job and we are looking forward to being the champions of revenue collection because if you look at what is happening, the first and the second quarter; it means that in the Financial Year 2022/2023, our target is Kshs 280 million and if you see the first and the second quarter, it means we are not even half way there. We are at a quarter. That means we have collected around Kshs 78 million. If we

are looking to collect more, I do not think we are going to meet our targets. That means there is something that needs to be done and we need to relook our ways of collecting our own revenue.

With that, I wish to support the Motion.

The Speaker (Hon. Joel Karuri): Thank you.

The Motion is that this House adopts the Report of the Committee on Finance on the site visit to Maai Mahiu Cess Barrier, laid on the table of the House during the morning Plenary. The Motion is open for Debate.

Hon. Member for Malewa.

Hon. Francis Kuria: Thank you Mr. Speaker sir. I rise to support the Motion and commend the good job the Committee has done, but they have a lot of work ahead of them that they need to do. As I contribute towards this Report, I am one of the sand harvesters within Naivasha. I am also one of the transporters of ballast and stones to Nairobi and I use that Barrier.

On installation of the CCTVs, I second that, noting that we have two ways that most trucks from Nairobi use to escape immediately from the Barrier. I would like that when identifying the location of the CCTV, the Committee should make sure that they are very vigilant so that those who will locate the lens of the CCTV will capture past the office. There is a road on your right that goes direct to the crushing machine of ballast. Nairobi trucks used to escape using that route.

Also, we need lights far ahead from the point of collection. We also need to enhance the security team because the target from Kshs 500,000 to Kshs 1 million; I am sure and I have done my assessment there, the collection on daily basis is almost Kshs. 1 million but they are indicating that their target is from Kshs 500,000 to Kshs 1 million. I do not think there is another Barrier that collects a lot of money than the Maai Mahiu barrier.

I therefore ask the Committee on Finance to make sure that some of the observations that they witnessed ant that Barrier has been implemented fully. I therefore rise to support the Motion and thank the Chair and the Committee for a good job.

The Speaker (Hon. Joel Karuri): Thank you. The Honourable Member from Lakeview Ward.

Hon. Alex Mbugua: Thank you Mr. Speaker sir. I rise to support this Motion and commend the Committee on Finance for a job well done. We are talking about figures, numbers and money here. When you look at page 7 and 8, you realise that Mai Mahiu which is in Naivasha Sub-County, you will find that there was around Kshs 185 million. In the following year the money increased. It went on increasing then we went down because of Covid-19.

In 2021/2022, it increased and during the General Election, the trend goes back again and you realise a scene whereby we are not even able to produce enough money for this Financial Year. You realise that just within this half, we are just at Kshs 78 million whereas other years when there is no political interference, you find that the production goes very high.

In fact in some years, we even go beyond the target. That shows you that Mai Mahiu sand, stones and everything else is affected majorly by politics and maybe this is the money that is used in containing and doing politics within the County Government and the Country at large.

In realisation of this, the Committee has found it fit that we fit in security systems in each and every barrier that we have there. As the County Assembly, all that we can do is support this noble task and idea. It is very crucial and we can raise the revenue from Kshs 5000 to 1 million or even more than a million and that one will make Naivasha Sub-County a generator of almost a billion within the fiscal money of revenue.

The last visit of His Excellency the President, he urged the County Assembly to come up with ways of how we can go up to around Kshs 4 to Kshs. 5 billion as own source revenue. This one can only happen if we safeguard what we have because if we have this one at Mai Mahiu, we have another checkpoint at Kedong', another one at around Kinamba and other areas, you will find that within Naivasha alone the generation of revenue there if all things were taken care of, we shall be producing up to Kshs 2 billion from one Sub-County. I rise to support this Motion. One of the Members here has stood and claimed that he is one of the sand harvesters. He has even given us ways of how they escape from paying this cess fee. He has given us other *panya* routes that they use and as a tycoon from Naivasha I know he is one person that will help us catch the other people and provide good service to this nation. I also want to encourage other Members of this House to create revenue within your own Constituencies and I encourage Wathiai to ensure that he creates money for this County. Thank you very much.

The Speaker (Hon. Joel Karuri): Hon. Wathiai

Hon. David Wathiai: *Mr. Spika nashukuru Kwa kunipa hii nafasi ya kuchangia huu mjadala. Kwanza kabisa ningependa kuwapa kongole Kamati ya Finance kwa kutupatia hii Ripoti iliyo sawa kabisa nikiwa mmoja wao. Ya pili, tulipokuwa pale Naivasha tulikuwa tumeenda kuangalia mambo ya ile barrier tuliweza kujionea mambo mengi sana na tukagundua kuwa kuna ufisadi wa hali ya juu. Hao wafanyikazi wote kwa hiyo barrier hawapaswi kuwa pale. Tukisimama pale, unapata kuwa mtu ameshikilia pesa mkononi lakini wakituona wanaonyeshwa jinsi ya kulipa kutimia mpesa. Tunapoteza pesa kama Kaunti. Ningeomba Kaunti ya Nakuru watengeneze a Special Unit that will comprise of the Audit Department and Enforcement Section that will be patrolling near the Barriers from a distance of about 300 meters. They set up a road block and they will be checking all the vehicles that go through the barrier to confirm whether they have paid for the cess kwa sababu hapa naona tunapoteza pesa nyingi sana. Hii pesa ingefungiwa vizuri hii Kaunti ingekuwa na pesa nyingi sana. Tungekuwa tunapata milioni moja. Nikiongezea nitasema ya kwamba hao wafanyakazi ambao wako pale kwa Barrier, Kaunti iwapatie transfer wote iwatoe hapo na hata hiyo miezi sita ambayo imekuwa recommended kwa Ripoti wasipewe nafasi ya kurudi kwa hizo barrier kwa sababu inaonekana kuna wale wamekaa kwa hiyo barrier kwa miaka mingi na hao huwa hawaguswi. Sijui kama wako na wakubwa wanawaprotect. Watolewe na watu wapya waletwe. Na hao wapya pia wakija wapewe mda wa miezi mitatu na hao pia watolewe wapelekwe pahali pengine. Pia kuna uwezekano wa kuweka CCTV kwa hiyo Barrier. CCTV cameras zitasaidia sana. Nimeona iko kwa Ripoti hapa. Kujua vile kazi inaendelea kwa Barrier ndio tuweze kukusanya pesa itakayo tusaaidia na kufanya hii Kaunti yetu isonge mbele. Kwa hayo machache*

ninataka kuunga mkono hii Ripoti na niwape kongole tena wenzangu wa Kamati ya Finance. Asanteni sana.

The Speaker (Hon. Joel Karuri): The Hon. Member from Barut.

Hon. Bernard Kirui: Thank you Mr. Speaker. Before I support the adoption of this Report allow me to congratulate my fellow colleague Hon Member from Viwandani for a proper presentation being his first time to table a Report in this Hon. House, I think to me I must congratulate you. To this Report I stand to support as long as the old recommendation is followed to the latter then I support this Report and I thank all the Finance Committee Members led by the Chairman and the Vice Chair. Thank you.

The Speaker (Hon. Joel Karuri): Thank you the Hon. Member for Barut. The Hon. Member Hassan.

Hon. Hassan Abdi: Thank you Mr. Speaker. I also wish to take this opportunity to concur with what the Finance Committee did. They did a good job. I am told they went there *na walipigwa na jua* the whole day so you are here to work for *Wanjiku* that is very good of you. Going by the recommendations of the Committee I can see that they have recommended something that needs to be taken seriously about the issue of ICT Systems Technology. As you understand the world of today is all about technology.

I am wondering why they are still using the Safaricom Pay Bill. They are supposed to use more technology systems that can help curb these people who are running away from paying this revenue. For all of us who have been Nakuru residents, we all know that Maai Mahiu has been a cash cow that has made some few people rich and it is something that is known out there. Even the staff say that they are looking for an opportunity to go to Maai Mahiu. If you go there you are not going to work but going to make yourself rich.

I do not want to take much of time but I just want to talk about the penalty. I am shocked that when one runs away from paying the Kshs 2 200 they get a penalty of Kshs 10 000. Someone should be penalised Kshs 100 000 or more or even that lorry can be tracked down and clamped. There is a way these KRA people are doing along the highways and I am sure my friend Hon Francis Kuria is aware because he has told us he is in the transport industry. Once you run away from paying the Way Bridge due, the penalty there is around Kshs 400 000. I am shocked that running away from paying Kshs 2 200 one gets a penalty of Kshs 10 000. That is too little. The lorry itself is worth Kshs 8 million. My suggestion is that the Committee should recommend that the penalty be increased. It should be Kshs 100 000 and the lorry should also be impounded for one week or even a month because this is an economic crime.

One cannot run away from paying revenues. In fact the other day the KRA told us that paying tax is compulsory. These men and women who are running away from paying Kshs 2 200 are just paying Kshs 10 000 and I am sure they collide with the staff from the Revenue Department. I also wish to support this Report and to tell the Committee that this is wonderful work and the penalty should be increased. Thank you.

The Speaker (Hon. Joel Karuri): Thank you. The Hon. Member from Dundori, then the Hon. Member from Soin, then the Hon. Member from Hells Gate. In that order.

Hon. James Gathuita: Thank you Mr. Speaker, I would like to support the Motion and congratulate the Committee on Finance for the job they did. First, I would like to acknowledge and urge that we put more effort on digitalising on E-payment on the number of lorries and the service providers at that place. I want also to emphasise still on the issue of CCTV which is very good so that we may have a record on who escaped the payment at that cess point.

Going forward, as a digital nation, we need to have a good record because there was an issue about there being no proper records on daily, weekly and monthly cess collection per lorry. I think it is high time we came and included daily collection data. Let us have data on quarterly so that lorry of for example K5, can pay on a quarterly basis to avoid daily charges.

My other input is about smart cards. To avoid those *panya* routes where they escape, I suggest that Mr. Speaker, we need to issue smart cards to those clients so that in case they escape through other routes, the people on patrols would just use that smart card to identify the people who passed through cess points or other routes, bearing in mind that we are in public participation and where as a County we are being subjected to dividing very little money at Ward level. It is up to us to know how we can increase the revenue for the County that will trickle down to our Ward level. Thank you Mr. Speaker.

Hon. Degaulle Elibas: Mr. Speaker sir, I stand to support this Motion and first of all I want to thank the Committee for the good work they did by visiting the Cess Barrier at Maai- Mahiu. I have supported their observations and their recommendations. For sure Mr. Speaker sir, we should do this to all other Cess Barriers in the entire County because I am a witness there is a Barrier between Baringo and Nakuru County and there are so many *panya* routes there.

Therefore if we are to enhance the cess collection we should try to improve on securing all the *panya* routes and try to minimise them by ensuring the revenue collection is digitalised so that we have all the money paid through Safaricom or through the Till and other means of getting money. This is because this money for sure it is being divided about 40 per cent comes to the County, 30 percent is lost through *panya* routes because they try to evade the barriers and the other 30 per cent goes to the County workers who are manning the Toll Stations. If they are able to evade the Maai Mahiu because there is one route, they might decide to take a longer route and for them to evade that Cess Barrier, it is not possible for them but what I know is maybe the workers manning at the Cess Barriers may be colluding with the transporters to avoid paying tax.

Otherwise I am asking this honorable House if they can try to give laws to enhance the collection of tax, I think we should be somewhere. So, I therefore stand to support the Motion for the Committee and their recommendations. Thank you, Mr. Speaker.

The Speaker (Hon. Joel Karuri): Thank you the Hon. Member from Soin; Hon. Jane.

Hon. Jane Gituku: Thank you Mr. Speaker sir. I rise to support the Motion but with some amendments. If you look at the Committee findings and observations no.2, the Committee says that all the County Officers attached to the Cess Barrier, that is the Enforcement Officers and the

Revenue Officers are working amicably to one Revenue Collection at the Station. Come to the recommendation no.10, the same Officers that the County Government of Nakuru should conduct Lifestyle Audit to all Revenue Officers manning Cess Barriers within the County. The Committee did a very good job, including noting that there are *panya* routes especially on your way to Suswa there those lorries which use that route they do not pass through the Maai- Mahiu Barrier. Another *panya* route where the revenue gets lost but we cannot commend them on the other side we accuse the same. If there is corruption, it starts from the top; if the money collected at the site is not the same money which we find at the account, then where in between do we lose the money? That means if there is corruption, it starts from up because the people there might account for the money but when it is going to the bank or when it gets to whoever takes the money to the bank, it gets lost along the way.

Therefore, Mr. Speaker I arise to support all the other recommendations but not no.10. If there is audit to be done, let it start from the officers at the County Headquarters that include the Senior Officers and Officers collecting revenue at the ground. But we cannot sacrifice the ones at the barrier yet whoever is very corrupt is up here in the County Offices. All the other recommendations are very good but no.10 should be done away with. Lifestyle Audit should start from the Officers at the top; but all the other things that they have said I agree with because I have been to Maai-Mahiu so I know there are a lot of disparities and we need to look at these people because you see there is some observation suggesting that these people manning the barriers they do not have umbrellas, they do not have raincoats; but they have to be rained on so that they can at least get our County the revenue from these sand harvesters among other transporters.

Mr. Speaker I beg to support but the Committee should look at recommendation no.10 from another angle. Thank you Mr. Speaker.

The Speaker (Hon. Joel Karuri): Thank you. I now want to propose a question.

(That this House adopts the Report of the Committee on Finance on the site visit to Maai Mahiu Cess Barrier laid on the table of this House during the morning plenary).

(Question put and agreed to)

ADJOURNMENT

Honourable Members, this House is adjourned to tomorrow 9.30 in the morning

The House rose at 3.55pm