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**REVENUE MOBILIZATION PLAN**  
**FOR THE**  
**FYs 2025/26 TO 2026/27**

## Contents

<b>A. FOREWORD</b> .....	3
<b>B. PROPOSED REVENUE ENHANCEMENT STRATEGIES</b> .....	4
<b>Table 1.0 County revenue sources and proposed interventions</b> .....	4
<b>C. KEY RECOMMENDATIONS ON REVENUE ENHANCEMENT</b> .....	15
<b>Proposed Revenue Enhancement Strategies</b> .....	15
<b>D. CONCLUSION</b> .....	22

## **A. FOREWORD**

The County Government has hitherto relied heavily on exchequer funding from the national government and conditional grants to fund its programmes. The own source revenue though increasing gradually remains considerably a low contributor to budget funding.

The Public Finance Management Act 2012 requires the County Treasury to mobilize resources for funding the budgetary requirements of the County Government and putting in place mechanisms to raise revenue and resources.

It is on this recognition that the County Government is working tirelessly to explore ways of increasing the contribution of own source revenue in budget funding. The CIDP3 programmes were earmarked to cost a total of Ksh. 60,505 million. This cost outlay was targeted to be funded through Ksh. 33,950 from equitable share, Ksh. 3,648 million from own source and Ksh. 19,968 million from conditional grants and other sources such as the National government, public private partnerships and development partners.

The Commission on Revenue Allocation (CRA) report of 2022 on comprehensive own source revenue potential and tax gap study stated that Nyandarua County had a potential of collecting Ksh. 1,548.6 million (Deterministic Frontier Analysis Revenue Potential) compared to Ksh. 307.5 million being collected in 2022. This was earmarked to be generated from the major revenue sources such as Property Rates, Building Plan Approvals fees, Trading Licensing, Liquor Licensing fees, Advertising and Sign Board fees, Parking fees, Agricultural transportation fees, Hospital and Public Health Services fees, Market Trade Centre fees, among others.

The performance of the Own Source Revenue in the County for FY 2023/24 was Ksh. 515 million against a target of Ksh. 1,225 million. This shows that the targets have not been far off the CRA findings but the collection has not matched the same. In FY 2024/25, the County had targeted to collect Ksh. 950 million and realized Ksh. 653 million. In FY 2025/26, the County intends to collect Ksh. 975 million.

To accelerate the collection and realization of the OSR targets, HE the Governor has taken it upon himself to spearhead the process through necessary facilitation and policy support. This has culminated into regular meetings with different actors involved in revenue collection. These deliberations have culminated into the development of an action plan towards improving revenue performance and target meeting.

This revenue mobilization plan for the Fys 2025/26 to 2026/27 has detailed what the County government intends to execute in order to improve on the own source revenue performance.

I call upon all the stakeholders in revenue mobilization to come on board and help actualize this aspirations.



**Mary W Kamande**

**CECM-FINANCE, ECONOMIC PLANNING, ICT & REVENUE**

## B. PROPOSED REVENUE ENHANCEMENT STRATEGIES

To optimize revenue collection, the following strategies will be implemented per every revenue streams for the period 2025/26 to 2026/27.

**Table 1.0 County revenue sources and proposed interventions**

REVENUE SOURCES	ACTUAL COLLECTION 2024/2025 FY (BASELINE)-KSH.	PLANNED TARGET (KSH)	POTENTIAL (KSH)	STRENGTHS	WEAKNESS	PROPOSED INTERVENTIONS FOR THE PERIOD 2025/26-2026/27
<b>HEALTH SERVICES</b>						
<b>J.M. HOSPITAL</b>	137,366,498	150,000,000	350,000,000	-Improved medical services Good location -High Population	-No integrated medical automated system in place. -Delay in Making claims from SNHIF patients	<ul style="list-style-type: none"> <li>➤ Integration of the medical service payments with the Revenue Collection system.</li> <li>➤ Register patient under SHAH immediately they attend to the facilities.</li> <li>➤ Make timely claim to SHIF</li> </ul>
<b>ENGINEER HOSPITAL</b>	48,358,015	50,000,000.	100,000,000	-Improved medical services Good location -High Population	-No integrated medical automated system in place -Delay in Making claims from SNHIF patients	<ul style="list-style-type: none"> <li>➤ Integration of the medical service payments with the Revenue Collection system.</li> <li>➤ Register patient under SHAH immediately they attend to the facilities.</li> </ul>

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						<ul style="list-style-type: none"> <li>➤ Make timely claim to SHIF</li> </ul>
<b>OTHER HEALTH FACILITIES</b>	94,938,290	95,000,000	100,000,000	<ul style="list-style-type: none"> <li>-More health centers coming up.</li> <li>-Facilities under SHAH capitation</li> </ul>	<ul style="list-style-type: none"> <li>-Lack of facilities so that they can be upgraded to level four</li> <li>-Delay reimbursement from SHAH</li> </ul>	<ul style="list-style-type: none"> <li>➤ Accrediting the health centres into level four</li> <li>➤ Make timely claim to SHIF</li> <li>➤ Promote registration of persons</li> </ul>
<b>PUBLIC HEALTH FEES</b>	1,866,170	5,000,000	15,000,000	-More Trading centers coming up	<ul style="list-style-type: none"> <li>-Poor enforcement</li> <li>- Facilities not equipped with re-agents</li> </ul>	<ul style="list-style-type: none"> <li>➤ Enforcement for compliance</li> <li>➤ Provide adequate reagent materials</li> </ul>
<b>EXHAUSTER AND EXH. MILAGE</b>	33,000	1,100,000	5,000,000	<ul style="list-style-type: none"> <li>-More building coming up</li> <li>- high demand of the services</li> </ul>	<ul style="list-style-type: none"> <li>-Lack of sufficient exhausting machines</li> <li>-regular breakdown of the existing one</li> <li>-Licensing of private exhausters</li> </ul>	<ul style="list-style-type: none"> <li>➤ Procuring of exhausting machines for every subcounty</li> <li>➤ Good management</li> <li>➤ Cease Free exhauster services</li> <li>➤ Regular services of the existing Exhausters</li> </ul>
<b>HIRE OF WATER TANKER &amp; WATER FEE</b>	28,265	385,000	500,000	More houses coming up esp. in urban centres	-Lack of enough water tankers from the County Government. Only 1 water treatment plant i.e. Ol Kalou water	<ul style="list-style-type: none"> <li>➤ Purchase of more water tankers</li> <li>➤ Increased water treatment plants across the County.</li> </ul>

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<b>PARK ENTRANCE FEE</b>	-	4,000,000	5,000,000	-More tourist sites -Lake Olborosat attraction to Tourist -Ma	-Lack of Publicity -No identified entrance to tourism zones	<ul style="list-style-type: none"> <li>➤ Carry more publicity</li> <li>➤ Fence tourism zone</li> </ul>
<b>LOGGING FEES</b>	461,560	2,750,000	4,000,000	- More tree planting activities	-Tree logging paid to KFS	<ul style="list-style-type: none"> <li>➤ Clear line to determine KFS collections and County Revenue</li> </ul>
<b>DUMPING FEE</b>	-	110,000	150,000	-More garbage from Businesses	-No dumping charges made to private entities	<ul style="list-style-type: none"> <li>➤ Control of dumping garbage</li> </ul>
<b>HIRE OF STADIUM</b>	113,810	500,000				
<b>SALE OF TREES</b>	11,500	100,000	200,000	-Availability of trees in County Land	-Lack of Demarcation of County Land .	<ul style="list-style-type: none"> <li>➤ Fencing and demarcation of County Land</li> </ul>
<b>NOISE CONTROL</b>	176,000	30,000	100,000	- Business demand publicity - Establishment of Trading centres	-Lack of enforcement and regulations	<ul style="list-style-type: none"> <li>➤ Policy and regulations on noise control</li> </ul>
<b>EDUCATION, VOCATIONAL TRAINING, CULTURE, GENDER &amp; SOCIAL SERVICES</b>						
<b>LIQUOR LICENCE</b>	73,240,633	60,000,000	80,000,000	-More Business complying with the law achieved through the streamlining of liquor licensing	-Delay of approval of Alcoholic drinks control Act -Many people operate Businesses without licenses	<ul style="list-style-type: none"> <li>➤ Ensure that Nyandarua County Alcoholic Drinks Control Act is in the place</li> <li>➤ Enforcement Act to ensure businesses not</li> </ul>

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						approved by Liquor committee are totally closed
<b>PUBLIC SERVICE, ADMINISTRATION AND DEVOLUTION</b>						
<b>GRAVE FEES</b>	28,600	45,000		More demand for public cemeteries	Lack of proper land for the cemetery services e.g. Ndunyu Njeru Cemetery is on road reserve	<ul style="list-style-type: none"> <li>➤ Purchase of more cemetery land and development of the same</li> <li>➤ Policy development</li> </ul>
<b>REG. AND RENEWAL OF GROUPS</b>	31,800	100,000	50,000	More groups formation. More facilitation by the county government.	Lack of clear guideline on the function i.e. devolved or not	<ul style="list-style-type: none"> <li>➤ Intergovernmental relations</li> <li>➤ Capacity building on formation of groups</li> </ul>
<b>IMPOUNDED FEES</b>	382,406	5,500,000	8,000,000	-Strong inspectorate	-No Enforcement Act	<ul style="list-style-type: none"> <li>➤ Approval of Enforcement Act</li> <li>➤ Sensitization of taxpayers</li> </ul>
<b>STORAGE FEES</b>	4,700	55,000	70,000	-defaulters	-Low enforcement	<ul style="list-style-type: none"> <li>➤ Enforcement Act to be in place</li> <li>➤ Storage facilities across the county</li> </ul>
<b>OTHER NON-COMPLIANCE PENALTIES</b>	952,246	2,750,000	4,000,000	-Enforcement Directorate	-Low enforcement activities	<ul style="list-style-type: none"> <li>➤ Regular enforcement activities</li> </ul>
<b>TOURISM ,COOPERATIVE DEVELOPMENT TRADE AND INDUSTRIALIZATION AND DEVELOPMENT</b>						

REVENUE SOURCES	ACTUAL COLLECTION 2024/2025 FY (BASELINE)-KSH.	PLANNED TARGET (KSH)	POTENTIAL (KSH)	STRENGTHS	WEAKNESS	PROPOSED INTERVENTIONS FOR THE PERIOD 2025/26-2026/27
<b>SINGLE BUSINESS PERMITS</b>	104,365,215	120,000,000	180,000,000	More trading centers coming up	No Geo map of business entities	<ul style="list-style-type: none"> <li>➤ Actualization of the spatial plan</li> <li>➤ Mapping all Businesses to determine actual number of Businesses operating in the entire County</li> </ul>
<b>SBP PENALTIES</b>	923,499	2,250,000	3,500,000	-Improved enforcement - Automation of SPB penalties	-lack of Geo mapping of business entities	<ul style="list-style-type: none"> <li>➤ Conducting Geo mapping</li> <li>➤ Regular Enforcement</li> </ul>
<b>CHANGE OF BUSINESS</b>	161,270	225,000	300,000	More Businesses coming up	-Low enforcement	<ul style="list-style-type: none"> <li>➤ Enhanced enforcement</li> </ul>
<b>OPEN AIR MARKET FEES</b>	8,960,893	11,400,000	20,000,000	Improved status of some markets	-New market coming up in neighboring Counties -Mushrooming of roadside markets -Lack of established markets	<ul style="list-style-type: none"> <li>➤ Building of border markets</li> <li>➤ Establishing of designated markets</li> <li>➤ Marking market slots</li> </ul>
<b>SALE OF APPLICATION/RENEWAL</b>	1,510,078	1,500,000	5,000,000	-More trading centers	-No Geo map of business entities -	<ul style="list-style-type: none"> <li>➤ actualization of the spatial plan</li> <li>➤ Automating license application and invoicing process</li> </ul>
<b>MARKET STALL RENT</b>	2,108,883	3,000,000	15,000,000	-More market stall coming up - Modernization	-Market stall allocated freely due to political interference	<ul style="list-style-type: none"> <li>➤ Clear allocation system</li> <li>➤ Political goodwill</li> <li>➤ Enforcement</li> </ul>

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				of the current structures		
<b>WEIGHTS AND MEASURES</b>	55,600	1,125,000	1,500,000	More businesses coming up	-Lack of compliance -Understaffing	<ul style="list-style-type: none"> <li>➤ Recruitment of more staff</li> <li>➤ Enhanced enforcement</li> </ul>
<b>COOPERATIVE AUDIT FEES</b>	424,920	800,000	1,200,000	More cooperative being revived or coming up	-No strict measures for non-compliance -Limited audit staff resulting to loss of revenue to private auditors	<ul style="list-style-type: none"> <li>➤ Enhanced guidelines on coops audit.</li> <li>➤ Recruitment of more auditors to ensure 100% audit for coops within the county.</li> </ul>
<b>BUS AND MATATU FEES</b>	12,954,590	17,271,600	25,000,000	Willing matatu operators, 40% Bus parks Improved	-lack of compliance -lack of bus parks in some of major towns like Kasuku, Oljororok, Tumaini plus other coming up trading centers.	<ul style="list-style-type: none"> <li>➤ Establishment of bus parks in major trading centers</li> <li>➤ Enforcement for compliance</li> </ul>
						➤
<b>MOTOR CYCLE FEES (PARKING)</b>	5,767,150	12,699,000	15,000,000	-More boda bodas operating -Boda boda sheds constructed by County Government	-Challenges in complying to pay -Political interference	<ul style="list-style-type: none"> <li>➤ Enforcement to comply</li> <li>➤ Political goodwill</li> </ul>
<b>LANDS, PHYSICAL PLANNING, HOUSING AND URBAN DEVELOPMENT</b>						
<b>LAND RATES</b>	6,614,366	24,000,000	50,000,000	More land subdivision	-lack of accurate and updated data -lack of efficient rates	<ul style="list-style-type: none"> <li>➤ lands department to provide with</li> </ul>

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					collection system -Lack of valuation roll	<ul style="list-style-type: none"> <li>➤ accurate and updated data</li> <li>➤ acquiring another efficient system (migration in process)</li> <li>➤ Valuation roll</li> </ul>
PLOT RATES	5,677,398	30,000,000	50,000,000	More land subdivision	-lack of valuation roll	<ul style="list-style-type: none"> <li>➤ Enactment of Valuation roll</li> </ul>
APP. / APPROVAL OF BUILDING PLANS	11,300,162	15,200,000	40,000,000	-More Building coming up -Establishment of three Municipality in the County	-Poor enforcement -lack of compliance -Lack of Building approval automation process	<ul style="list-style-type: none"> <li>➤ Enforcement for compliance</li> <li>➤ Automate the process</li> </ul>
CLEARANCE CERTIFICATE	1,489,800	5,400,000	10,000,000	-Numerous Land transaction	-No automated system in place -Lack of involvement of County Government by National Land office	<ul style="list-style-type: none"> <li>➤ Automate the process</li> <li>➤ County to be steering land Transaction matters in Land Boards</li> </ul>
TRANSFER FEES	1,051,500	4,800,000	8,000,000	-Numerous transfer transaction	-No automated process	<ul style="list-style-type: none"> <li>➤ Automate the process</li> </ul>
B/PLAN INSPECTION FEES	11,299,162	21,720,000	25,000,000	More Building coming up	Lack of surveillance by county officers and compliance owners	Enforcement and recruitment of more inspection officers

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CHANGE OF USER	1,585,550	4,800,000	5,000,000	More land demand for different use	Lack of compliance Lack of enforcement	Automation of the process Enhanced enforcement
HOUSE/OFFICE RENT	1,843,906	1,800,000	4,500,000	High demand of houses and office space	Poor maintenance of the facilities. Weak legislation on devolved, shared and residual functions	Budgetary allocation for housing development. Intergovernmental relations (CoG and National Govt).
SUB-DIVISION OF LAND	11,299,162	20,800,000	40,000,000	Increased demand for land sub-division services	Lack of compliance Weak record management on Land Sub-division.	Enforcement Automation of lands records and transactions.
DEV. (PPA FORMS)	930,750	3,600,000	5,000,000	More development in the County	Lack of compliance	Automation of the process Enhanced enforcement
GROUND RENT-OTHERS QUARRIES	399,014	4,200,000	5,000,000	More demand for quarry products and space for kiosks	Lack of political goodwill Lack of guidelines on allocation of ground	Development of guidelines on allocation of ground
LAND/PLOT REG. FEES	634,650	1,200,000	3,000,000	More land subdivisions and titling	Low compliance	Implementation of the valuation roll. Automation of the process
CONSERVANCY	271,300	2,600,000	4,000,000	More business coming up	Lack of compliance Only charged in Ol Kalou	Full roll out across the county. Enhanced enforcement.
CERTIFICATE OF COMPLIANCE	299,620	1,800,000	3,000,000	More demand for land use.	Low compliance Lack of proper lands records / automation	Automation of the process and enhanced enforcement

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HIRE OF HALL/CHAIRS	-	12,000	50,000	More demand of Social Halls	Poorly maintained halls and facilities	Facelift on county social halls and facilities
RESIDENTIAL HOUSES PERMITS	-	10,000,000	15,000,000	More Houses coming up	Lack of enforcement and political goodwill Lack of Enforcement Act Data on owners of residential houses	Enactment of Enforcement Act Database of owners of residential houses
LEASE EXTENSION	23,000	3,600,000	4,000,000	More demand of land use	Lack of compliance and land disputes	Database on land leases and expiry details
ADVERTISEMENT	11,624,880	16,200,000	20,000,000	More infrastructures coming up	Low compliance	Enhanced enforcement
SITE INDICATION	53,700	60,000	5,000,000	More infrastructures coming up	Low compliance	Spatial plan and enhanced enforcement
<b>AGRICULTURE,LIVESTOCK AND FISHERIES</b>						
SUBSIDIZED FERTILIZER SALE	5,207,872	38,275,000	45,000,000	More demand of subsidized fertilizer	No proper timing of supply. Insufficient quantity to match with demand	<ul style="list-style-type: none"> <li>➤ Available of Fertilizer in all planting seasons.</li> <li>➤ Adequate supply</li> </ul>
PRODUCTS/ROYALTIES	63,816,921	72,000,000	120,000,000	Improved road network	-More escape routes from the cess collection points -Shortage of staffs.	<ul style="list-style-type: none"> <li>➤ Enhanced enforcement by employing more revenue collectors, 24hr manning of cess points</li> </ul>

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						<ul style="list-style-type: none"> <li>➤ Employ more Revenue collectors.</li> <li>➤ Increased access points</li> </ul>
VET DEPARTMENT (AI SERVICES)	5,596,076	4,510,000	10,000,000	More farmers demand better breeding	-Lack of funding -poor services	<ul style="list-style-type: none"> <li>➤ Introducing a revolving fund</li> <li>➤ More fund to support the program</li> </ul>
VACCINATION/VETERINARY	574,450	5,345,500	8,000,000	-More farmers demand Healthy breeding	-Lack of fund for vaccination activities when necessary	<ul style="list-style-type: none"> <li>➤ sufficient budget allocation</li> </ul>
MEAT INSPECTION FEE	3,431,835	5,500,000	15,000,000	-Full Automation on this stream -more Butcheries coming up	-Most meat comes from other counties -Shortage of meat inspectors -Lack of Facilitation of meat inspectors	-Recruitment of meat inspectors -Facilitation of meat inspectors
MOVEMENT PERMIT	259,640	720,000	1,000,000	More animals' movement in the county	Lack of customization of the books	Automation of the process
FISHERIES	1000	120,000	500,000	More public demand on fish farming	Lack of proper enforcement	Enhanced enforcement
C.O.T	259,640	720,000	1,000,000	More demand of meat product	Lack of Customization of the books	Automation of the process
CATTLE DIPS	40,405	300,000	500,000	More animals in the County	Poor services	Introduce full management of cattle dips by the communities
HIRE OF MACHINES(AMS)				More demand on the use of modern technology	Lack of enough equipment and Lack of good management	Establishment of revolving fund and improvement of management

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					Lack of personnel	
<b>ATC</b>	3,212,692	3,300,000	15,000,000	-Availability of training centres -Nyandarua County is Agricultural Based	-Poor management -underfunding of the facilities	-Adequate funding -Introducing a revolving fund -Management Contract based on Production -Revenue Target based on revolving fund
<b>SLAUGHTER FEES</b>	498,520	2,988,000	4,000,000	-Demand of meat from county is high	-Few slaughterhouses for the County Government	➤ Establishment of more county slaughterhouses
<b>MOTORCYCLE MORTGAGE FEES</b>	2,000	200,000	300,000	More A.I. services demand	Poor facilitation and funding of A.I. services	Revolving fund for A.I. services to mitigate service breakdown
<b>STADIUM HIRE</b>	-	500,000		More demand of social activities	Provision of free facilities to the public	Convert the facilities into income generating. Facelift of the facilities
<b>SEARCH FEES</b>	8,700	2,400		Loss of documents	Loss of county documents / records Low demand	Automation of the county services and record management

## C. KEY RECOMMENDATIONS ON REVENUE ENHANCEMENT

### Proposed Revenue Enhancement Strategies

#### 1. Valuation Roll

The property rates are the fees chargeable to the land and plots owners. The fee charged on these properties is based on sizes. The Valuation of these properties was done more than twenty years ago. The value of the properties has appreciated at very big margin while the rates have remained constant for decade.

#### **Recommendations;**

The Valuation of these properties needs to be done to reflect the real value of the properties.

#### **Outcome;**

This will enable the County Government to achieve vibrant revenue generated results from the property rates.

#### 2. Land Control Boards

The Land Control Boards were established through Kenya gazette notice number 5804 of July 2016 to handle all matters pertaining Land. The composition of the Board members was staffs drawn from National Government, County Government and other stakeholders from the County. The boards meet on monthly basis and on special cases. Land subdivisions are the major activity dealt by the Land Control Board.

The gazette process missed the key role of the County Government in the Land Control Boards. The Deputy County Commissioners are the chairpersons of the Boards while others are Board members.

The big mess which was made from the side of the County Government was to gazette the names of individual staff instead the office title such as Sub-County Administrators, Sub-County Revenue officers, staffs from Land department. There are numerous changes which have happened to the county staffs since then such as transfers, deployment and retirement. These have made the County Government to lose control and presentation to the Land Control Boards.

The County loses Revenue emanating from numerous activities such as land subdivision, land rates, land transfer fees and change of user.

#### **Recommendation:**

The County should appeal to the Land Commission to re-gazette the names of the offices instead of individual to accommodate the dynamic changes which may occur to county's staffs.

**Outcomes;**

The County Government will be empowered and have a stake in the Land Control Boards in the entire County. This will result to more revenue generation, accurate and up-to-date land data and land control development.

**3. Cleaning of Land Rates Records**

The Land rates records were inherited from defunct local authority. The major challenge with land rates data is data duplication and double allocation of the Land and plots.

**Recommendations;**

The County Government should outsource technical expertise to clean the Land Rates records.

**Outcomes;**

The exercise will bring more tax payers in the kitty.

Other details such as phone numbers and physical address will be captured to improve the dissemination of information to the public and e-billing through (short message services) SMS.

The exercise will give more accurate land rates projections from this revenue stream.

The tax payers list will be stretched as more people will be apprehended in the scheme.

**4. Devolved Agricultural Facilities**

The County has potential to generate more revenue from the devolved institutions such as Agricultural Mechanized Services (AMS) and Agriculture Training Centers (ATCs). The institutions are performing poorly in relation to their performances before devolution. These institutions are capable of offering exemplary services. Hiring of machineries and facilities should be more effective and affordable to the users.

**Recommendation:**

There should be an adjustment to the administrative structures of the agricultural institutions in the County. The management of the institutions should be streamlined either by law or by a policy directive for effective management. This should be geared towards creating a good hierarchical system and establishing each institution as a planning unit with clear set outcomes and targets.

With the streamlined administrative structures, there will be improved service delivery and increase revenue collection through services provided by the institutions.

Further, the institutions should be fully equipped with modern facilities and equipment to meet the modern-day farming requirements and technological advancements.

**Outcome;**

The seed capital to these institutions will have a multiplier effect.  
For every shilling invested, double or more upshots will be realized.  
More revenue will be generated and institutions will be self-finance-reliance.  
Tracking of performance of the entities will outface elements of corruption in the name of offering free public services.

## **5. Revenue staff**

Majority of revenue staff are from defunct Local Authority. The staff are aged, some staff have retired, deployed and left service through death. No replacement has been made since the inception of the County Government. This has resulted to acute shortage of revenue collectors.

### **Recommendations;**

The County Government should engage youths on one year- performance-contract to fill the staff shortage.

Motorbikes and vehicles should be bought so that the area of coverage can be wide. The human resource department to introduce an attractive early retirement package to the ageing workforce.

It is also suggested that budget should be set aside for rewarding system for revenue officers to motivate and reward the best performers.

## **Proposed Reward Scheme**

A policy that offers incentives in exchange for achievement can motivate all employees to prove their worth. This can make employees to go above and beyond in their performance.

Reward System consists of financial rewards such as pay and also non-financial rewards such as employee recognition, employee training/development and promotion.

### **Some of the Benefits of a Reward System**

**Mutually beneficial-** A reward system is beneficial to the employee and also to the organisation. The employee will feel more motivated to work harder and their productivity will increase which will then be benefit the organisation.

**Motivation-**A reward system will motivate employees by reaching targets and organisational goals in exchange for rewards.

**Absenteeism-** Employees like being rewarded for a job well done and if there is a reward system in place, employees will be less likely to be ringing in sick and not showing up for work.

**Loyalty-** By a reward system being in place the employee feels valued by the organisation and knows that their opinion matters and they therefore appreciate work place and remain loyal to the organisation

**Morale-**Having a reward system in place by providing employees with incentives and recognition will boost their morale.

**Teamwork-** The reward system will increase the teamwork spirit in the organisation and this increases efficiency and creates a happier workplace for the employees.

The following proposed reward system will be based of realist targets which are set by Revenue Directorate per Sub-county. The respective revenue officers then cascade the target to the individual collectors based on the potential per revenue centre.

### **Proposed Reward Management System in Revenue Department**

1. A Monetary token based on achievement of quarterly target. Proposed amount Kes (Ten Thousand) 10,000 per collector and Kes (Fifteen Thousand) 15,000 per revenue officer.
2. 13<sup>th</sup> salary if one achieves target for four quarters in a year consecutively. This for both collector and sub county revenue officer
3. Promotion to the next job group if one achieves target for three consecutive years. This is for both collector and sub county revenue officer.
4. Annual monetary token of One Hundred thousand (Kes100,000) to the Sub-County that achieves annual target.
5. Annul monetary token of One Million (Kes 1,000,000) to the winning team.
6. Recognition letter to all the officers who achieves their targets.
7. Sponsoring officers who achieves the target for relevant courses/ seminars.

#### **Outcomes;**

Revenue collection will advance promptly.

Revenue staffs will be more efficient.

Stiff completion as all staffs will be geared to meet their targets and focus for the renewal of their contacts.

#### **6. Geo mapping (spatial planning)**

All revenue sources/streams should be certain. The potential of each revenue stream is prominence to govern the optimal level. Lack of mapping of revenue sources has denied the county government to establish its potential in revenue generation. The new revenue avenue is unpackaged, making county to rely on historical revenue generation streams.

#### **Recommendation:**

Geo-mapping of all revenue/area's sources should be done by professional expertise. The GPS to identify the potential revenue sources and defaulters.

#### **Outcomes;**

The revenue prognosis will be precise.

The untapped revenue sources will be exposed.

The tax dodgers will be identified and enforcement will be done effortlessly.

## **7. Enforcement**

The success of revenue collection is enforcement. There should be more revenue enforcers equal or more than number of collectors. The success of revenue generation in Nairobi and Nakuru Counties is enforcement staff commanded from one unit. In Nyandarua County there is a disconnect on what and when to be enforced in revenue. The enforcement staffs do not get daily mandate from revenue department but from enforcement department. This has fashioned a gap in revenue enhancement.

### **Recommendations;**

Some enforcement staffs should be seconded to revenue unit. The enforcement staffs to be assigned duties from revenue unit the areas which needs to be enforced.

### **Outcomes;**

More revenue will be generated as coordinated enforcement will be achieved.

Tax evasion will be minimal.

The staffs will be held accountable.

Corruptions cases will be eliminated.

## **8. Health facilities**

Health facilities ingest a big portion of the County's budget. The supply of drugs and other consumables to the facilities is an encumbrance to the County Government. Majority of health centers offers free medical services. This includes public under medical cover. The facilities cannot bill for the services to the public due to fact that, they are categorized under dispensary units. The County has two health centers which do bill and charge the public. These are J.M and Engineer Hospitals. The facilities generated nearly 138 million in the last financial period. There are over 65 health facilities which offer free medical services in the County.

### **Recommendation;**

The County should improve the standards of health facilities. The facilities should be upgraded to level four.

### **Outcomes;**

The Health facilities will offer healthier services to the public;

Supplementary revenue will be generated to the kitty;

County's budget tied in provision of health services will be utilized in provision of other development and services as the Health facilities will be partly-self-financing;

The Nyandarua citizen who seeks medical services from the neighboring counties will benefit by saving huge transport cost incurred;

The services offered by facilities will attract other people from other counties which mean more spending of their resources in the county which will trigger economic growth in our county.

## **9. Seamless Service/ Enhanced interdepartmental collaborations**

The services which are similar in nature should be anchored in one department. There should be seamless services. Currently, the services of public utilities are shared by different departments. The cleaning and maintenance public toilets are done by Public Health, Water and Trade departments. The meat inspection fee is collected by Agriculture department while slaughter slab fee is collected by Finance department.

### **Recommendations**

Interdepartmental meetings should be held on monthly and on quarterly basis to review the revenue performances. Each department to be assigned a specific revenue target in every financial year.

Revenue collections to be tasked to the department offering services.

### **Outcomes;**

The County's image to the public will be exceptional.

The department will be held accountable.

More revenue will be generated as the public will conform in tax payment due to improved services.

Public grumbles will lessen.

### **10. Investment;**

The County is positioned in an area where land is plenteously to attract more investors. The climate is favorable for the agricultural activities as the rain is more consistent than other parts of the County.

### **Recommendations;**

New modern markets for agricultural produce including livestock should be established and old one to be well maintained.

Value addition to the farm produce at a fee charge by the County Government.

Incentives such as tax-holiday should be allowed to the new investors for one- or two-years' time.

The county can also invest in modern technology by bringing innovative people in Nyandarua Institute of Technology and incubate their ideals to realize commercial benefits.

### **Outcomes;**

Produce unique technology with competitive advantage.

Venture in new revenue sources with high yields than old-fashioned revenue sources.

More revenue will be generated.

Empower the farmers by providing ready markets.

Creation of more job opportunities.

## **11. Cess from Local Quarries**

The County Government charges cess from the quarry's product. The cess is the fee payable by the buyer (owner) of the material bought from quarry. The County collect little or no revenue emanating from quarries in Kinangop and Kipipiri areas. This has been as a result of lack of political goodwill. The County Government through department of Revenue has been making entry efforts to charge the cess from the product sold within the County. There has been public disorder especially when implementing the charges due to politics.

### **Recommendation**

In Kinangop and Kipipiri areas, there are numerous quarries which contribute little or no revenue to the County's kitty. During implementation of the cess by the County Government, it was politicized and resulted to demonstration by the public. The political goodwill is desirable from all stakeholders.

### **Outcomes**

The presence of political goodwill will yield additional revenue to the County Government.

## **12. Full Automation and integration of revenue processes**

The revenue automation kicked off seven years ago. The full benefit of automation has not been realized. Some revenue streams especially from devolved functions and land rates have not been automated.

### **Recommendation**

Fully automation of all revenue streams and integration with IFMIS system and revenue funds accounts.

The automation process such as building plans approval, health care services and other services should be adopted for proper management and control.

### **Outcome**

More revenue will be generated as revenue seepage will be sealed.

## **13. Addressing intergovernmental relations issues**

Since the inception of the County Governments, some functions were either fully devolved, shared or left as residual functions. There have been no clear guidelines on how to handle the shared and the residual functions under National Government or County Governments. These have resulted to conflict during the implementation by the two levels of governments resulting into loss of revenue mostly by the County Governments.

### **Recommendation**

The governor through the CoG should petition IGRTC to address various intergovernmental relations especially on housing, betting & control, forestry, water, lands, registration of groups among others.

### **Outcome**

More revenue will be generated as there will be controlled and clear guidelines on the beneficially of residual and shared revenue

#### **D. CONCLUSION**

The County Government has potential to improve its own source revenue. To achieve this, the county government has to fully exploit the potential for enhancing own source revenue. This can be achieved through development of the appropriate legislative and policy frameworks that are inclusive in anchoring the taxes, fees and charges. The frameworks should be simple to induce efficiency in mapping out tax payers and revenue generating areas to ensure revenue certainty.

This can be achieved through effective public participation during preparation of fiscal policies and financial bills as envisioned in the Constitution, to enhance compliance and avoid litigation. Full Automation of revenue collection will also serve to reduce revenue leakages and evasion. The County can venture in modern technology hence becoming a leader in new high-yield revenue sources

Further, the County government can widen the tax base for property rates through digitalization of all land parcels to facilitate updating of valuation rolls to reflect current market prices. There is need to further explore provision of utilities such as clean water, refuse collection, improved health care services and agricultural extension services as an alternative source of revenue. Such initiatives among the many others outlined above would increase local revenues without unduly increasing the tax burden on local businesses and residents.