

REPUBLIC OF KENYA



COUNTY ASSEMBLY OF SAMBURU

**REPORT ON THE SAMBURU COUNTY
FINANCE BILL, 2014**

**COMMITTEE ON FINANCE, ECONOMIC
PLANNING AND MARKETING**

INTRODUCTION

The Committee on Finance, Economic Planning and Marketing as established by the County Assembly has the following members;

1. Hon Jerias Leshoomo – Chairperson
2. Hon Elly Loldepe – Vice Chair
3. Hon Rebecca Lenkupae – Member
4. Hon Adamson Lanyasunya – Member
5. Hon Sarah Lekisaat – Member
6. Hon Jonathan Lemoosa – Member
7. Hon Christopher Lentukunye – Member

Pursuant to Article 185 of the constitution, section 8, 21(3) and 87 and Standing Order 111(6), 8(7) and 121, the Committee on Finance, Economic Planning and Marketing performed a scrutiny of the Samburu County Finance Bill, 2014. This is in regard to the Speakers ruling on 30th September 2014.

It is worth noting that, the money Bills have their own procedures of introduction to the house. Section 21(3) of the County Governments Act provides that the County Assembly can only proceed in accordance with the recommendations of the relevant committee of the Assembly after taking into account the views of the County Executive Committee member responsible to Finance. This is for reason that it touches on sensitive financial implications on the Public that will need their involvement. It thus necessitated the County Assembly to contract an expert in financial matters to help in the guidance and scrutiny of the provisions of the Bill.

The Committee on Finance, Economic Planning and Marketing undertook a thorough scrutiny, findings and recommendations on the Samburu County Finance

Bill, 2014. In the eight sittings, the Committee received both oral and written evidence. Additionally, the Committee deliberated at length on the evidence and finally made recommendations. All information on our work is in both the report and the recorded format in the custody of the Clerk of the County Assembly.

The legal basis of our Select Committees is Section 14 of the County Governments Act, 2012 and Standing Order 191. For effective and efficient execution of mandate, the Select Committees apply provisions of Articles 195 and 196 of the Constitution. With regard to procedure and practice, we rely upon and apply provisions of Standing Orders 121, 161 to 186, specifically, Standing Order No 177.

MODE OF EXECUTION OF TASK

The task dealt with by the committee, entailed the scrutiny, study, review of the provisions of the Samburu County Finance Bill, 2014. The long title of the Bill reads as follows *‘An Act of the County Assembly of Samburu to provide for imposition or variation of various permit fees, cess, licenses, fees or charges and for connected purposes’*

The Samburu County Finance Bill, 2014, would enable the County Government of Samburu enjoy the benefits of section 132 of Public Finance Management Act, 2012 that provides for making of changes to taxes, tax rates and tax laws and it also for introduction of new taxes, expansion of the tax base and the repeal of tax provisions.

In execution of the task, the Committee followed this sequence:-

- i. Through study of the Samburu County Finance Bill, 2014.
- ii. Meeting with the County Executive Committee Member for Finance, accompanied by the Chief Officer and other officers.

- iii. Publisization of public hearing for public participation held in sixWards, during which the public presented both oral and written evidence. A total of one memorandum was received and five persons gave oral evidence.
- iv. Received expert advice from the experts and professionals.
- v. Retreated to draft this report and recommendations.

FINDINGS AND OUTPUTS

This part of our report addresses the Challenges and Shortfalls that surfaced in the course of dealing with the task.

The key Challenges encountered included:

- i) **That**, in the initial three months there were hiccups in the enforcement of the Samburu County Finance Act 2013.
- ii) **That**, there was sufficient evidence that there was reasonable collectable revenue which had not been captured in the system in the last financial year 2013.
- iii) **That**, in order to apportion the rates for taxing business especially kiosks, clear definition be made of the different sizes in use.
- iv) **That**, all the provisions contained in the Finance Act, 2013 were not fully enforced.
- v) **That**, the public were not given adequate time to study and acquaint themselves with the Finance Bill, 2014 prior to the public hearing on the Bill.
- vi) **That**, the County Government lacks an inspectorate and enforcement department that would oversee the collection and safe custody of collected tax revenue.

- vii) **That**, the Assembly was increasingly under pressure in their attempt to balance their legislation role and representation to the extent that it was affecting the kind of legislation they enact.
- viii) **That**, in some Bills there was lack of provision to enable the making of regulations to ensure the smooth implementation.

Regarding the Shortfall, the Committee found that, these related mainly on the lack of capacity to perform within the Executive Department handling Financial and Economic matters.

Upon exhaustive consideration of all evidence received, the Committee makes the recommendations herein below.

RECOMMENDATIONS

The Committee recommends the following:

- i) **That**, the recommendations specific to provisions in the Samburu County Finance Bill, 2014 are imbedded in the text on the Bill.
- ii) **That**, the Executive moves with speed to expand the tax brackets to ensure eligible payers are accommodated.
- iii) **That**, sufficient civic education on the responsibilities of the citizens in paying taxes be enhanced.
- iv) **That**, the County Government should establish an inspectorate and enforcement department to oversee the collection and safe custody of revenues.
- v) **That**, the Assembly should make every effort to balance their twin responsibilities as legislators and representatives so as to ensure they make good laws for the County as they educate the public on the importance of paying tax.
- vi) **That**, every effort be made to ensure the timely and adequate distribution of the content of Bills meant for public hearing, as this will result in enhanced public participation.
- vii) **That**, all Appropriation –in-Aid (A-I-A) - be identified and collected and deposited in the County Revenue Fund.
- viii) **That**, the Committee urges the Executive to establish an award to be given as a motivation to those sectors/areas that would have achieved their revenues collection targets.
- ix) **That**, the Committee urges the Executive to formulate a Bill on property rates.

- x) **That,** the Committee urges the Executive to ensure that legislation, especially, on financial and taxation matters are drafted in the language that the taxpayer and the citizens in general can comprehend.

CONCLUSION

In the ultimate, on behalf of my colleagues with whom we spent long and time consuming moments to execute the task that this August Assembly charged us to execute, I would like to assure you and the House, that the recommendations we present in this report will go a long way in ensuring that our County collect sufficient revenue to meet our requirement. I hasten to urge that this would only be realized upon the full and effective implementation of our recommendations. Further, effective and efficient implementation of our recommendation requires that the Assembly and the Executive work hand in hand. Hence, I urge my colleagues in this House to be vigilant in ensuring that their role of oversight and accountability are executed at utmost.

It is now my pleasant duty to present this report and its recommendation to the House; fully recommending and urging the House to adopt it. In the same breathe, I urge the executive to expeditiously implement it.

HON. JERIAS LESHOMO
CHAIRPERSON, FINANCE, ECONOMIC PLANNING AND
MARKETING

Name			Signature:
1. Hon Jerias Leshoomo	–	Chairperson
2. Hon Elly Loldepe	–	Vice Chair
3. Hon Rebecca Lenkupae	–	Member
4. Hon Adamson Lanyasunya	–	Member
5. Hon Sarah Lekisaat	–	Member
6. Hon Jonathan Lemoosa	–	Member
7. Hon Christopher Lentukunye	–	Member