REPUBLIC OF KENYA

COUNTY GOVERNMENT OF GARISSA

DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

GARISSA COUNTY REVENUE ADMINISTRATION & MANAGEMENT POLICY, 2025

THE COUNTY TREASURY
COUNTY GOVERNMENT OF GARISSA
P. O. Box 563 - 70100,
GARISSA

Vision

Establish an Effective, Efficient, Prudent, and Sustainable Revenue Management and Administration in the County

Mission

A self-sufficient County that can run its affairs with its Own Source Revenue.

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Foreword

The ***Garissa County Integrated Development Plan 2023-2027*** aims to achieve: ***"A competitive, prosperous, and cohesive county with a high quality of life for all its citizens".*** The plan envisions increased Own Source Revenue (OSR) mobilization to double the County OSR share of the total County resource envelope, from the current 4 per cent to 8 per cent, by 2027.

The County has been heavily reliant on National Government transfers- the equitable share, national grants, and support from developmental partners. Furthermore, the equitable share is fixed and tied to national economic performance, whereas the OSR depends on the county's ability to mobilize. The Overreliance on transfers undermines the planned socioeconomic transformation, requiring the implementation of the County Revenue Administration & Management policy.

The Revenue Administration and Management policy has been informed by the ***National Policy to Support Enhancement of County Governments' Own-Source Revenue Policy, 2019, by The National Treasury***, which has taken into consideration the current status of the county economy, fiscal challenges, and the opportunities arising at the devolved unit.

This policy framework focuses on maximizing the county's own source revenue potential while ensuring that the county's financial sustainability is protected and improved over time and underpinned by sound financial management strategies. The broad policy goal is to increase the capacity of the county to mobilize OSR for sustainable development. The policy acknowledges that institutional arrangements and frameworks are critical in OSR mobilization; to facilitate strengthening the capacity, the policy recommends the establishment of the County Revenue Administration and Management Directorate and rolling out full automation of county OSR mobilization efforts, and strengthening the cooperation and collaboration between key county sectors involved in revenue generation and collection.

Abass I. Khaar
County Executive Committee Member
Finance and Economic Planning

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Acknowledgement

I wish to recognise that different county entities and individuals assisted in the development of this policy. I specifically acknowledge the leadership and guidance of Excellencies, the Governor and Deputy Governor, the County Secretary, Executive Committee Members, Chief Officers, and the County Attorney.

I sincerely thank the CECM Finance and Economic Planning for guidance during the policy development process. Additionally, I wish to recognize the valuable technical inputs from various County Directorates led by the County Director for Revenue Management, Mr. Mohamed Ali Hussein, both County & National Agencies, and, therefore, I thank them all for their invaluable contribution.

I believe we do now have in our hands an appropriate tool and framework to support Own Source Revenue mobilization and ensure prosperity for all citizens in Garissa County.

Abdifatah Sh. Mohamed
Chief Officer,
Revenue Management.

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Acronyms

AMS	Agricultural Mechanization Services
ATC	Agricultural Training Centre
CEC	County Executive Committee
CECM F	County Executive Committee Member for Finance
CIRMS	County Integrated Revenue Management System
CRA	Commission on Revenue Allocation
ECD	Early Childhood Education
FIF	Facility Improvement Financing
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSR	Own Source Revenue
PFMA	Public Finance Management Act
RoR	Receiver of Revenue
SBP	Single Business Permit
TVETs	Technical Vocational Training Centres

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Chapter One

Introduction

1.1 Background

In 2010, Kenyans promulgated a new Constitution for Kenya, ushering in the system of devolved governance, which introduced a two-tier system of government comprising the national government and 47 county governments. Under the new dispensation, each of the two levels of government is assigned specific functions outlined under the fourth schedule to the Constitution. This means that the counties are responsible for the functions that are legally assigned to them and must therefore ensure that they manage their affairs, including financial resources, in a manner that delivers on these functions for the benefit of their residents. To deliver on their mandate as assigned under the Constitution, the counties must have resources, both financial and human, at their disposal.

Additionally, Chapter Eleven of Kenya's Constitution 2010 outlines the objectives of devolution, including promoting social and economic development and ensuring a fair distribution of national resources. Further, County Governments having a reliable revenue is a critical principle of Kenya's devolution. This is anchored and emphasised in Article 175(b) of the Constitution of Kenya, 2010

According to Articles 209 and 210 of the Constitution, County Governments have the authority to impose levies, property rates, entertainment charges, and other taxes or fees as authorized by an Act of Parliament to finance county functions. This is in addition to the funds received through the Equitable Share of Revenue raised nationally and donors/conditional grants. By these provisions in the Constitution, counties are empowered and should therefore explore ways to generate revenue to support their operations and fund local development initiatives through taxation, fees, and other charges for services provided to citizens.

Further, section 132 of the Public Finance Management Act 2012 provides for the enactment of the County Finance Act to guide the imposition of user fees and taxes at the county level. Ideally, the collected revenue is meant to supplement the equitable share of revenue that the county governments receive in the form of fiscal transfers from the national government.

Since 2013, counties faced underperformance in OSR collections, which necessitated the intervention of the National Treasury in coming up with a national policy to guide counties in enhancing their OSR collections and management through the proposal of legislative and policy frameworks

In Garissa County, the contribution of local revenues to the overall county revenue has averaged 4% against a desired target of 10%. This poor performance is largely attributed to various challenges which this policy seeks to address with a view to enhancing own source revenue administration. Some of these challenges include low tax bases, external interferences from local politics, insufficient baseline information critical to revenue collection, and administrative weaknesses, amongst others.

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Enhanced revenue collection creates additional finances that are critical for the financing of existing budgetary deficits and equally funding the development priorities of the county government.

Similarly, the Commission on Revenue Allocation (CRA) has consistently advocated for counties to enhance their revenue collection capacities by widening their revenue bases, eliminating collection inefficiencies, including the deployment of technology, with the resultant consequence of optimal revenue collection in line with projected county revenue collection potentials. Further, in line with the National Policy on Enhancement of County Own Source Revenue, county governments are required to develop their own source revenue administration policies for the purposes of directing and defining the scope for own source revenue collection.

Consequently, this policy is reinforced by a sound financial strategy that ensures Garissa County's financial sustainability is protected and improved over time. It is also recognized that in order to achieve these desired results, there is a need for greater collaboration between all departments, county government agencies, and stakeholders that play a major role in ensuring that the county realizes its full potential with regard to maximizing its own source revenue collection.

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Chapter Two
Situational Analysis

2.1 Introduction

The Constitution defines County Governments' funding sources to include:

a) Equitable share of at least 15 percent of the most-recently audited revenue raised nationally (Article 202(1) and 203(2));
b) Additional conditional and unconditional grants from the National Government's share of revenue (Article 202(2));
c) Equalization Fund based on half of one percent of revenue raised nationally (Article 204);
d) Local revenues in the form of taxes, charges, and fees; and,
e) Loans and grants.

Similarly, as provided in Article 209 of the Constitution, counties are authorised to impose the following for services they provide: -

a) Property rates;
b) Entertainment taxes;
c) Charges for services they provide; and,
d) Any other tax or licensing fee authorized by an Act of Parliament.

The PFMA 2012 allows County Governments to choose any of four administrative arrangements for revenue collection and management, which include: - internal revenue administration, which is currently in use by most Counties; establishment of an autonomous revenue authority (or County corporation); contracting the KRA; or contracting a private firm or other agent.

The National Policy on Enhancement of County Own Source Revenue (2019) underscores the need for a standard template to be developed for use by all counties with respect to revenue collection, including identification of revenue sources, classification of revenue sources, and segmentation and optimization of revenue sources. As aids to revenue collection, the Government of Garissa County has relied on existing county laws, national laws, and other instruments to bolster its revenue collection efforts. Some of the notable legislations in this regard include the Weights and Measures Act, Public Health Act, The Garissa County Outdoor Advertising Act, 2018, Garissa County Omnibus Stations and Parking Act, 2018, National Traffic Act, The Garissa County Finance Act, 2023, and The Garissa County Health Facility Improvement Financing Act, 2024.

Further, the Policy puts Garissa County under the category of those counties that should establish internal revenue administration departments/units; therefore, the Directorate of Revenue within the County Treasury is responsible for collection, recording, accounting, and reporting on all revenue generated by the County. The directorate is headed by a Chief Officer who is the designated County Receiver of Revenue pursuant to section 157 of PFMA 2012. For ease of operations, the revenue function is devolved up to the ward, with a sub-county head responsible for several wards that fall within that sub-county.

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2.2 Organizational Structure & Staff Establishment

The organizational structure of the directorate is as illustrated in Figure 1:

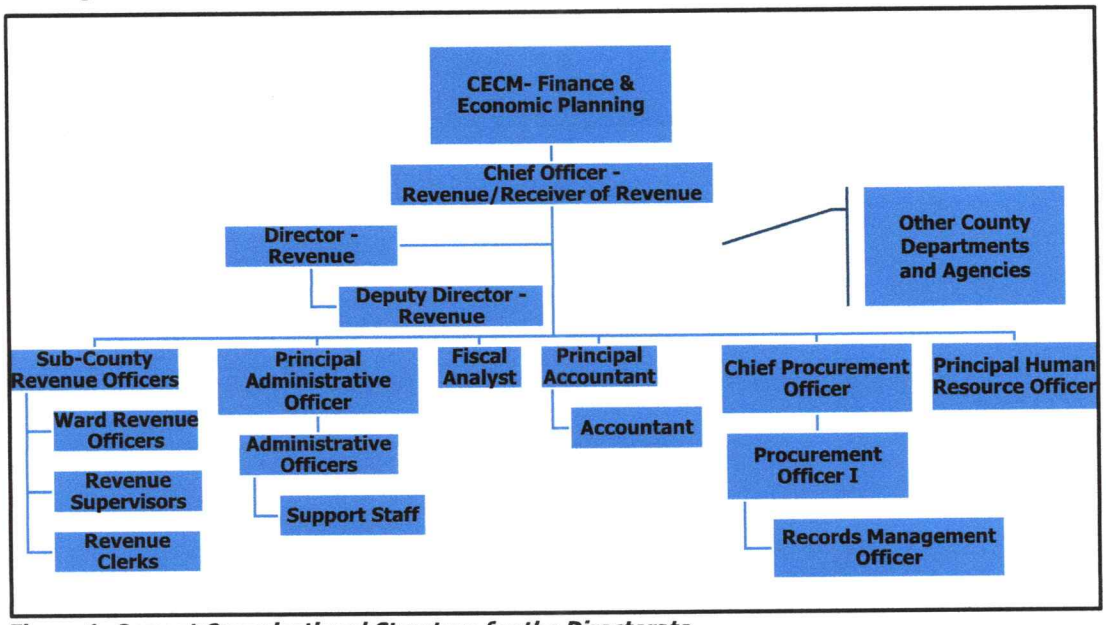


Figure 1: Current Organizational Structure for the Directorate

2.3 Staffing levels of the Directorate

The County inherited officers who previously worked in the revenue sections of the now-defunct Local Authorities in the same capacities, except that it established sub-county revenue units and recruited Sub-County Revenue officers to head each sub-county. These revenue officers are responsible for the collection of revenues in the sub-counties. The directorate has a staff establishment of 225 and a total of 67 in-post, translating to a staffing gap of 158 as shown in Table 1.

Table 1: Staff Establishment for the Directorate

S/No	Designation	Proposed Establishment	In-post	Variance
1.	Chief Officer	1	1	0
2.	Director	1	1	0
3.	Deputy Director	2	2	0
4.	Sub County Revenue Officer	7	7	0
5.	Fiscal Analyst	2	1	-1
6.	Accountants	3	2	-1
7.	Chief HRM Officer	2	1	-1
8.	ICT Officer	1	1	0
9.	Administrative Officers	4	4	0
10.	Procurement Officer/Store	4	3	-1
11.	Ward Revenue Officers	30	0	-30
12.	Revenue Officers I (Supervisors)	30	10	-20
13.	Revenue Clerks	131	31	-100
14.	Driver	2	1	-1
15.	Support Staff	5	2	-3
	Total	**225**	**67**	**-158**

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2.4 Revenue Streams in the County

The following are the active Revenue Streams in the County: -

i. **Property Rates:** are the actual amount of money payable by a rateable owner as a tax on their property based on the valuation roll and any other forms of rating as specified in the National Rating Act 2024.

ii. **Market Fees:** the amount of money payable by a trader, vendor, or business for the use of a designated and undesignated market within the county.

iii. **Parking Fees:** This is a fee charged for parking for motorized (Motor Vehicles/Motorbikes/TukTuks /Bicycles/Boats) and non-motorized (trolleys, handcarts, animal-pulled carts) modes of transport in designated areas within a county in a specified time and period, depending on the size and type.

iv. **Hospital Service Fees:** These are service fees charged or paid by individuals, including reimbursement from insurance companies for the use of healthcare facilities offered by public hospitals in a county.

v. **Public Health Service Fees:** These are licenses/fees charged on business premises and individuals; commercial buildings, hoteliers, and public institutions to safeguard and promote public health in the county.

vi. **Public Utilities Fees**: Public utilities fees are charges payable to county government entities or utility providers for essential services such as water and sanitation services, wayleaves, telecommunication masts, and distribution/transmission lines for electricity.

vii. **Environmental Conservation Administration Fees:** These are charges imposed on individuals and institutions for environmental management-related and conservation services such as waste management, noise pollution, control exhausters, cemeteries, refuse removal and dumpsites, among others.

viii. **Administration Control Fees:** These are levies imposed by the county government to regulate public and private entities on administrative activities such as inspection of weights and measures equipment, liquor licensing, betting control, and fire inspection services, among others. This ensures compliance with legal, safety, and operational standards for businesses, institutions, and individuals.

ix. **Hire of County Assets:** This refers to the use of property, equipment, or resources owned by a county government through rental or lease terms. This could include buildings, halls, equipment, grounds, vehicles, stadia, machinery, boats, libraries, or other public assets that the county makes available for use by individuals, businesses, or organizations, usually for a fee and under specific terms and conditions.

x. **Property Rent:** Property rent means fees payable on land, residential, and commercial properties owned, managed, leased, and rented out by the county government to individuals or institutions.

xi. **Single Business Permit Fees:** It is an authorization granted to conduct business, trade, or occupation in the county, including a profession (excluding regulation of professions which involves putting in place processes and mechanisms to ensure that professionals in a certain field adhere to standards of competence and ethics

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as prescribed by their respective professional bodies).

xii. **Billboard and Outdoor Advertising Fees:** are charges levied by county governments on businesses and individuals for placing advertisements, including promotional events, in public spaces, such as billboards, signboards, banners, branding, posters, flyers, road shows, fireworks, lamp posts, sandwich men, tent pitching, and digital screens.

xiii. **Agricultural Produce Cess:** These are fees imposed by county governments on the transportation of all tradeable agricultural produce/crops within and across the counties.

xiv. **Livestock and Livestock Products and Services Fees:** These are fees imposed on livestock and livestock products sold or transported within and outside the county of origin. It also includes veterinary service fees; stock traders' licenses, certificate of transport, slaughter men annual license, inspection fees, licenses of carriers, slaughter licenses, artificial insemination, hides and skin licenses, flayers license fees, and stock movement permit fees. Other fees include livestock sales yard fees, auction and exportation fees, grazing fees, and loading fees.

xv. **Physical Planning and Development Fees:** These are payments for technical services offered by the county government, such as authorized construction, renovation, or modification of structures, construction sign boards, survey fees, subdivision fees, development control fees, extension of leases, renewal fees, approval of scheme plans, allocation charges, and beacon fees, among others.

xvi. **Natural Resources Transportation Fees:** These are fees levied for the transportation of extracted natural resources such as sand, soap stones, kaolin, ballast, pumice, hardcore, and quarrying on county roads.

2.5 Cross-Sectoral Linkages and Revenue Mobilization in the County

Generally, OSR mobilization in the County is coordinated by the County Treasury through various departments and agencies responsible for collecting revenue from specific service streams.

The Chief Officer Revenue, in consultation with the Director Revenue and other Departmental heads, deploys revenue clerks to various county departments and agencies to receive and collect revenues and account on behalf of the County Treasury. Additionally, the policy obliges county departments to collect revenue through the County Integrated Revenue Collection Management System hosted by the County Treasury.



The line between the various sectors in own resource mobilization is as shown in table 2;

Table 2: Cross-Sectoral Linkages

No	Department/Agency	Revenue Streams	Status
1.	Lands, Physical Planning, Urban Development, Housing	• Building plan approval fees • Building inspections • Registration of plot fees • Transfer of property fees • Subdivision fees • Property rates • Beaconing fees • Public Toilets • Parking • Fire inspection & clearance fees • Ground rents for events • Outdoor Advertisement • Market Stalls rent • Public land rents • Impounding & Storage Charges on roaming animals • Noise pollution license fees • Waste management fee • Fines • Penalties	With the introduction of municipalities in the County, the County Treasury has appointed the Municipal managers to be the Collectors of Revenue of all the streams under the department, except property rates, and revenues are remitted to the CRF. The property rates and land rents are billed and collected by officers from the county treasury deployed to the lands directorate.
2.	Trade, Investment, Industrialization & Enterprise Development	• Weights and measures fees • Single Business Permit (SBP)	Department collects through the County Treasury and reports. The County Treasury currently collects SBP.
3.	Agriculture, Irrigation, Livestock, Fisheries, and Cooperatives Development	• Veterinary services • Agriculture Mechanization hiring charges • Meat inspection charges • ATC hall charges • Sale of agricultural products • Hides and skins charges • Livestock movement permits • Livestock cess • Stock traders' license	Designated revenue collectors appointed by CECM and RoR attached to the Department
4.	Finance and Planning	• Single business permit • Market entrance & exit fee • Agriculture produce cess • Disposal of County Assets Fines and penalties	Designated revenue collectors appointed by CECM and RoR attached to the Department

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No	Department/Agency	Revenue Streams	Status
5.	Water Services, Environment and Climate Change, Energy and Natural Resources	• Water trucking • Rural water users' monthly remittances • Hire of county machinery, • Sand Cess • Murram Cess • Gypsum transportation Cess • Firewood • Environmental sanitation license • Fines and penalties	Designated revenue collectors appointed by CECM and RoR attached to the Department
6.	Health Services: Medical & Public Health	• Medical user fees and charges • Universal Health Care subscription fee • SHA & Other Insurance reimbursement • Hire of ambulances • Plan approval fees • Hygiene license fees • Occupation licenses Inspection fees	Department revenue clerks bill and collect, and retain its collections as per the FIF Act, and report to the County Treasury
7.	Finance and Planning	• Single business permit • Market entrance & exit fee • Agriculture produce cess • Disposal of County Assets • Fines and penalties	Designated revenue collectors appointed by CECM and RoR attached to the Department
8.	Roads, Transport, and Public Works	• Hire of equipment and machinery • Building plan inspection fees • Fines and penalties	Designated revenue collectors appointed by CECM and RoR attached to the Department
9.	Education, Library Services & ICT	• Library service charges: hall, subscription fees • ECDE training fees and charges • County Vocational Training Fees and Charges	Designated revenue collectors appointed by CECM and RoR attached to the Department
10.	Gender, Culture, and Social Services	• Hire of social halls charges • Liquor licensing	Designated revenue collectors appointed by CECM and RoR attached to the Department
11.	Devolution & County Administration	• County lodges, hall hire	Designated revenue collectors appointed by CECM and RoR attached to the Department

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2.6 OSR Potential and Performance in the County

2.6.1 OSR Potential

According to a study conducted by CRA on ***"OSR Potential and Tax Gap for County Governments in Kenya",*** using deterministic frontier analysis, Garissa County has an estimated revenue potential of Kshs. 818 million, this is exclusive of revenues from hospitals and public health services.

2.6.2 OSR Performance in the County

As indicated in Table 3, over the last six years, the county's OSR collections show a substantial upward trajectory. While revenue stagnated below Ksh 120 million between 2017/18 and 2020/21, collections increased dramatically to Ksh 478.45 million by 2024/25. This represents more than a fourfold increase in actual revenue collections within five years. This trend provides important insights into the county's evolving fiscal capacity and the effectiveness of revenue mobilization reforms. For FYs 2023/24 and 2024/2025, the County implemented a policy shift that ringfenced revenue collections from the health sector. The Garissa FIF Act 2024 was enacted and implemented, allowing the health centres to seamlessly provide services, thus generating more revenues.

However, sustaining this positive momentum will require continued strengthening of revenue administration systems, periodic development and review of county revenue legislations, expansion of the taxable revenue base, and enhanced use of digital revenue management platforms. Strengthening transparency and accountability in revenue collection will also be critical in maintaining public trust and ensuring that OSR growth translates into improved service delivery and attaining a sustainable local economic development in the County.

Table 3: OSR Performance in the County

FY	OSR Target Ksh.	Actual OSR Ksh.	Deviation Ksh.	% Realized
2017/18	250	115.84	-134.16	46.34
2018/19	250	112.47	-137.53	44.99
2019/20	250	108.1	-141.9	43.24
2020/21	250	96.01	-153.99	38.40
2021/22	200	125.71	-74.29	62.86
2022/23	250	193.12	-56.88	77.25
2023/24	230	260.82	30.82	113.40
2024/25	400	478.45	78.45	119.61

2.7 Compliance and Enforcement in Revenue Collection

The county has an enforcement unit that is in charge of all enforcement activities in the county. Administratively, the unit is organized in the Lands and Urban Planning Department. There is no aspect dedicated to revenue enforcement within the Enforcement unit; hence, revenue compliance has been managed inefficiently. The County's capacity to successfully deliver enforcement is insufficient due to a lack of initial training, limited administrative duties, and inadequate staffing.

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For the County to have an effective enforcement and compliance mechanism, a regulatory framework must be designed to facilitate enforcement operations while also providing sufficient institutional capacity in terms of both human and material resources. This includes steps to ensure that county revenues, fines, and charges are paid as they become due, as well as the penalization of those who violate county laws. Since the county lacks county courts, the cooperation between the county, the judiciary, and other government entities in charge of law enforcement must be enhanced.

2.8 Linking Revenue Collection to County Investment and Services

To have enhanced OSR collections, the county has to provide seamless provision of services and commit to investing in physical infrastructure, such as construction and maintenance of bus parks, lorry parks, matatu parks, taxis, boda boda shades, and market sheds, street lights, flood lights, slaughterhouses, and livestock sale yards. Although currently, they are limited investments done by the County, these structures have been designed with the intention of providing the public with designated areas for the conduct of their business affairs, while also assisting the county in streamlining the enhancement of revenue collections from various revenue streams.

Nonetheless, despite the efforts of the county in setting up some of these structures, the structures are still inadequate, leaving the County with low revenue collection from these streams.

2.9 Revenue Automation Status in the County

Revenue Automation involves the use of digital platforms and electronic systems to manage the assessment, billing, collection, recording, and reporting of county revenues. Automated revenue management systems reduce human intervention in the collection process, thereby improving efficiency, transparency, and accountability.

Since the inception of devolution, the County has not automated its revenue collection processes. The County depends on manual revenue collection, which has various adverse effects on revenue collection, including a higher risk of errors, delays in collecting revenue, increased operational expenses, elevated potential for corruption, and limited scalability.

Through automation, revenue collectors use digital devices or integrated systems to issue electronic invoices and receipts, while payments are made through electronic channels such as mobile money platforms, banks, or online payment portals. This reduces the risks associated with cash handling and ensures that revenues are directly transmitted to county revenue accounts. Additionally, automated systems generate reliable data that supports revenue forecasting, planning, and monitoring.

Revenue automation also strengthens compliance and enforcement. Digital databases allow the county to maintain updated records of taxpayers, track outstanding payments, and generate automated reminders or penalties for non-compliance. This improves the county's ability to expand its revenue base and enhance collection efficiency and effectiveness.

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2.10 Role of Public Participation in Revenue Mobilization

PFMA 2012 emphasizes transparency, accountability, and citizen involvement in the management of public finances. Section 132 of the Act requires county governments to involve the public in the formulation of revenue-raising measures.

Public engagement and awareness campaigns help county governments improve compliance and identify new revenue opportunities and challenges within local economic sectors.

Consequently, the county has strived to ensure that decisions relating to the imposition of taxes, fees, and charges are made through public participation of all stakeholders pursuant to the stipulations of the Constitution of Kenya.

2.11 Challenges in OSR Mobilization

This policy seeks to address several challenges that have hindered the optimization of revenue mobilization in the county. These challenges are:

i. **Inadequate regulatory and institutional framework:** the County has no clear demarcation and guidelines on matters concerning OSR collections.
ii. **Limited database:** there is inadequate data on taxpayers and registers.
iii. **Lack of County Integrated Revenue Collection Management System (CIRMS):** The County continues to collect OSR manually, and therefore, no CIRMS in place.
iv. **Political interference:** This has been the biggest failure in revenue collection in the County.
v. **Institutional capacity gaps, including inadequate personnel and skill deficiency:** The Directorate has an acute shortage of staff, with the majority of the staff being aged and of low qualifications.
vi. **Untapped revenue opportunities in the county:** With investment in AMS, ATC, ECD, Natural Resources, TVETs, Rural Water Associations, among others, the County can generate more revenues.
vii. **Weak interdepartmental linkages/cooperation:** There has been poor interdepartmental coordination and cooperation on matters of OSR in the County, which was necessitated by a lack of clear guidelines from the CECMs.
viii. **Limited voluntary taxpayer compliance:** The County residents are predominantly illiterate, and therefore, the level of taxpayer compliance has been insufficient.

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Chapter Three
Policy Rationale and Objectives

3.1 Policy Rationale

The need to have working systems, protocols, and actionable standards in Revenue administration highlights the pertinent need for an effective policy.

The policy framework ensures that the County will optimize Revenue Administration and consequently the collection. Therefore, the Policy seeks to enhance efficiency and effectiveness in revenue administration through strengthening legal and institutional frameworks.

Specifically, the policy seeks to:

i. Propose revenue administration reforms which include revenue policies and laws, assessment, data collection and management, monitoring, reporting and accountability, and enforcement.
ii. Identify and create alternative revenue sources and increase efficiency in revenue collection and performance.
iii. Enhance overall institutional and human resources capacity to handle all facets of revenue collections and management within the county.
iv. Embrace cost-effective systems of revenue administration based on modern concepts of self-assessment, taxpayer segmentation, sound organization, and management.
v. Create awareness among the revenue stakeholders on the importance of making revenue payments and their connection with service delivery.

3.2 Policy Goals

The overarching goals of this policy are to ensure effectiveness and efficiency in revenue mobilization, collection, and receipt; facilitate transparency in revenue mobilization, collection, and receipt; and ultimately enhance county OSR.

3.3 Policy Objectives

Policy Objective One: To enhance the Legal and Institutional Framework for Revenue Administration.

Policy measures

The County commits to:

i. Develop the Garissa County Revenue Administration & Management Act.
ii. Create institutional and legal structures that maximize revenue collection.
iii. Enhance and build the capacity of the County Enforcement and compliance unit.
iv. Appoint departments and municipalities to be collectors/agencies of the directorate.
v. Develop and enact policies and laws to govern revenue collections in the County.

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Policy Objective Two: To link service delivery to OSR Performance

Policy measures

The County Commits to:

i. Establish a performance-based framework that directly links revenue collection levels to improvements in service delivery.
ii. Adopt a policy of ring-fencing of selected revenue streams.
iii. Develop and implement service delivery charters that specify timelines and standards for service provision.
iv. Institutionalize citizen feedback platforms to assess the quality of services linked to revenue payments.
v. Introduce incentive mechanisms such as recognition programs, discounts for early payment, or improved service access for compliant taxpayers.

Policy Objective Three: To improve efficiency in revenue mobilization.

Policy measures

The County Government commits to:

i. Develop a procedure manual or business process for revenue billing, receipt, and related controls.
ii. Fully automate all revenue streams with respect to billing, collection, and reporting.
iii. Establish a unified billing regime for related fees.
iv. Establish and deploy Fiscal analysts in the County Treasury, mandated with revenue potential assessment, projection, and sensitivity analysis.
v. Ensure integrated revenue management that guarantees the collection of all potential revenue in a manner that is efficient, effective, and accountable.

Policy Objective Four: To strengthen the capacity of revenue staff for efficient management and collection of revenue.

Policy measures

The County Government commits to:

i. Recruit sufficiently skilled personnel.
ii. Regular capacity building of the staff on new and emerging trends.
iii. Promote professionalism and principles of the public service by implementing human resource policies, guidelines, and procedures critical to revenue collection.
iv. Implement the performance management system.
v. Create awareness and embrace positive cultural change.

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Policy Objective Five: To enhance effective coordination among departments, stakeholders, and other sector institutions.

Policy measures

The County Government commits to:

i. Train and sensitize departments, agencies, communities, the private sector, and all relevant stakeholders on revenue administration and good governance.
ii. Develop a stakeholder communication strategy.
iii. Collaborate with National Government agencies to achieve improved enforcement and compliance with revenue laws.
iv. Ensure departmental revenue collection targets are included in performance management/appraisals.
v. Enhance linkages through collaboration with other departments and agencies by establishing an Inter-departmental revenue committee at the County Executive Committee level.
vi. Improve compliance through awareness creation and establish a revenue championship system within the communities.
vii. Collaborate with market committees and other stakeholders in enhancing compliance around revenue collection.
viii. Strengthen coordination and cooperation with stakeholders, including the political class.

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Chapter Four
Institutional and Legal Framework

4.1 Constitution of Kenya, 2010

The Constitution of Kenya 2010 is the supreme law of the Country. Article 209 (3) of the Constitution provides that a County may impose property rates, entertainment taxes, and any other tax that is authorized by an Act of Parliament. Article 209 (4) allows the national and county governments to impose other charges for the services they provide.

In imposing such other charges, the Constitution under Article 209 (5) stipulates that a County Government's power to tax and employ other revenue-raising measures shall not be exercised in a way that prejudices national economic policies, economic activities across county boundaries, or national mobility of goods, services, capital, or labor.

Under Article 210 (1), taxes and licensing fees may only be imposed, waived, or varied by way of legislation. The provisions are set out in the PFMA Regulations.

4.2 Public Finance Management Act, 2012.

Section 132 of the PFMA requires the County Executive Member for Finance to make a pronouncement on the revenue-raising measures for the County Government for every financial year, and to concurrently submit to the County Assembly the County Finance Bill, setting out the revenue-raising measures together with a policy statement expounding on those measures. The preparation and approval of the revenue-raising measures should take into account the principles of equity, certainty, and ease of collection. The Act further stipulates the core revenue collection structure as follows:

a) **Receivers of County Government Revenue** –These are designated in writing by the County Executive Committee member for finance under section 157. They are responsible for ensuring that the revenue for which they are responsible is collected or recovered and accounted for.

b) **Collectors of revenue -** Under section 158, the receiver of revenue may authorize any public officer employed by the county government or any of its entities to be a collector of revenue for the purpose of collecting revenue and remitting it to the receiver. Tax, fees, or charges may be waived or varied by the County Executive Committee Member for Finance under section 159, in accordance with PFMA regulations.

4.3 Commission on Revenue Allocation (CRA)

The Commission on Revenue Allocation defines and enhances revenue sources for county governments. CRA also provides advisories and technical support to the Counties in developing and implementing OSR enhancements and mobilization guidelines.

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4.4 Office of the Controller of Budget (OCoB)

The Controller of Budget oversees the implementation of the budgets of the national and county governments by authorizing withdrawals from public funds under Articles 204, 206, and 207.

4.5 Office of the Auditor General (OAG):

The county receiver of revenue is responsible for collection, recording, and accounting for revenue collected pursuant to Article 209 of the Constitution and Section 158 of PFMA 2012. The statement of receipts for the county is audited by the Auditor General pursuant to Article 229 of the Constitution.

4.6 County Executive Committee

The functions of County Executive Committees are prescribed under Article 183 of the Constitution. These include: the implementation of national and county legislations, as well as the preparation of legislative proposals for consideration by county assemblies. The committee also approves county policies prepared by the relevant county departments. Further, according to Section 36 of the County Government Act, the committee manages and coordinates the functions of county administration and its departments. In view of these functions, the committee will coordinate and manage the OSR Collections and mobilizations in the County.

4.7 County Executive Committee Member for Finance and Economic Planning

The CECMF facilitates and coordinates the county OSR Collections and budgeting processes, and provides leadership in implementing finance and economic policies in accordance with Section 132 of PFMA. The Directorate responsible for OSR Collections will be domiciled in the County Treasury. The County Executive Committee Member for Finance and Economic Planning should provide a roadmap for the implementation of this policy that addresses the mobilization, management, and administration of OSR in the County.

4.8 County Directorate of Revenue

The Directorate is responsible for identifying, classifying, categorizing, and analyzing all existing and potential revenue streams in the county. Further, the department will serve as the secretariat to the technical committee.

4.9 Internal Audit

The role of internal audit is to provide independent and objective assurance of the OSR Collection process by ensuring accountability, transparency, accuracy, and efficiency.

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4.10 The County Assembly

The Assembly considers and passes budget estimates and revenue-related legislation, strategies, and enacts the County Finance Bills into law to operationalize collections and administration. They also exercise oversight over the county executive committee and other county executive entities.

4.11 Other Enacted County Policies and Legislations

The following are the policies and laws proposed/enacted by the County: -

Table 4: County Approved Policies and Legislations

No.	Policy/Act	Enacted/Approved: Yes/No, Year
1.	Garissa County Revenue Administration Bill, 2025	Developed in 2025
2.	County Finance Bill - Annual	Yes, 2025
3.	County Tax Waivers Administration Bill	Developed in 2025
4.	County Tariffs and Pricing Policy	No
5.	Trade Licensing Bill	Developed in 2015, 2025
6.	Livestock management Bill: Sales yard, Slaughterhouse, Vet Services	No
7.	The Garissa County Water Management Act, 2018	Yes
8.	The Garissa County Environment and Natural Resources Coordination Act, 2018	Yes
9.	Agricultural: Produce, Facilities, AMS	No
10.	County Rating Bill: Property/Land Valuation Rolls	Developed in 2025
11.	The Garissa County Outdoor Advertising Act, 2018	Yes, 2018
12.	County Enforcement Bill	No
13.	Garissa County Omnibus Stations and Parking Act, 2018	Yes, 2018
14.	The County Facilities Improvement Financing Act, 2024.	National 2023 & County 2024
15.	Liquor Licensing Bill	No
16.	Environment & Natural Resources Bill/Sand Harvesting & Quarry Bill	No
17.	County Asset Disposal Bill	No
18.	County Road Asset Management Bill	No
19.	County Tourism and Hospitality Development and Management Bill	No
20.	County Sports & Culture Management Bill	No

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Chapter Five
Implementation Framework

5.1 Introduction

This policy proposes significant implementation responsibility on the Revenue Directorate. The implementation responsibility should be operationalized, whereby the key focus areas and activities outlined in the policy shall be cascaded to all relevant departments and officials and included in their performance agreement.

Additionally, the objectives and strategies set out in this policy relate to activities that must be institutionalized and performed by county officials as their regular tasks, as appointed to such positions. Relevant departments and directorates must take overall responsibility for the policy and be party to its design, implementation, and monitoring, and take full ownership of the policy.

5.2 Risks and Mitigation Measures

As illustrated in the table below, this policy has identified certain risks that must be mitigated for its successful implementation.

Table 5: Risks & Mitigation Measures

No.	Risks	Mitigation Measures
1.	Non-implementation of the previous plans	Specific timeframes and responsibilities must be defined for each of the strategies developed in the policy framework.
2.	Non-Implementation of Audit Recommendations	Specific timeframes and responsibilities must be defined for each of the recommendations made by the county's Internal Audit and OAG
3.	Budget Constraints	The Directorate has to be well-funded for seamless operation
4.	Lack of Automation of OSR Collections	Specific timeframes and responsibilities must be defined for the implementation and purchase of CIRMS
5.	Change Management	Address some of the bad practices that may have occurred for many years. strictly enforce new procedures and staff discipline without exception. Conduct staff capacity building programmes.
6.	Delays in the approval of OSR policies and legislation by the CECs and the County Assembly	Timely development, communication, and subsequent submission of the policies and legislation have to be enhanced.
7.	Community and Stakeholders	The County must communicate effectively with the community on all aspects of the policy and provide regular feedback on progress.

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5.3 Review

The County shall endeavour to collaborate with all key stakeholders, review the Revenue administration policy periodically to ensure that it remains relevant and meets the changing trends, as well as emerging challenges at both the national and county level.

5.4 Monitoring and Evaluation

Reliable and systematic monitoring, evaluation, and learning are critical for the realization of the objectives of this policy. Monitoring will provide policy makers in the sector with regular feedback on the progress of policy implementation while evaluation will determine whether the set goals are being achieved or not. It provides lessons learnt and recommendations for future improvements.

To enhance M&E in OSR administration, the County will strengthen the M&E system in the sector by building the capacity of human resources in M&E, establishing a sustainable funding mechanism towards M&E, strengthening integrated reporting mechanisms, and utilizing monitoring information and evaluation findings in decision-making.

Implementation of this policy will be monitored against the strategies, performance targets, and timelines defined in the implementation matrix and monthly, quarterly, and annual progress reports prepared in a prescribed format.

Further, a result-based evaluation framework to measure outcome and impact indicators will be developed in line with the County Integrated Monitoring and Evaluation (CIMES) Guidelines and the Garissa County Monitoring and Evaluation Policy.

The framework shall be directly linked with the county development plans, performance management system, and budgeting to facilitate regular reviews and feedback on resource allocation. For enhanced knowledge management and learning, the department will maintain a repository of statistics, findings, and performance monitoring and evaluation reports relevant to this policy.

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Table 6: Implementation Matrix

Activity	Output	Indicator	Lead Person	Timeline
Objective One: To enhance the Legal and Institutional Framework for Revenue Administration.				
Develop and fast-track the enactment of The Garissa County Revenue Administration and Management Bill, 2025.	Policies and legal frameworks governing OSR have been developed. Institutional and structural structures established. The capacity of officers has been enhanced.	No. of policies and revenue laws developed, approved, and enacted. No. of structures established, no. of sectoral meetings conducted, No. of staff trained.	Governor, County Secretary, CECM-F, County Attorney, CECs, CO/Director Revenue	Jul 25-Jul 26
Create institutional and legal structures that maximize revenue collection.				
Enhance the capacity of the County Enforcement unit.				
Objective Two: To link service delivery to OSR Performance				
Establish a performance-based framework	A performance-based framework has been established, and service delivery has improved	Increase in timely provision of services, increase in OSR	Governor, County Secretary, CECM-F, CECs, CO/Director Revenue	Jul 25-Jul 26
Adopt a policy of ring-fencing of selected revenue streams.	Policies to ring-fence funds have been developed, and seamless delivery of services	Increase in timely provision of services, increase in OSR	Governor, County Secretary, CECM-F, County Attorney, CECs, CO/Director Revenue	Jul 25-Jul 26
Develop and implement service delivery charters	Timelines and standards for service provision have been specified.	Increase in timely provision of services, increase in OSR, and rate of compliance	Governor, County Secretary, CECM-F, CECs, CO/Director Revenue	Jul 25-Jul 26
Institutionalize citizen feedback platforms	Quality of services linked to revenue payments assessed.	No. of reports generated, the rate of compliance in payments	Governor, County Secretary, CECM-F, CECs, CO/Director Revenue	Jul 25-Jul 26
Introduce incentive mechanisms, such as recognition programs	Improved service access for compliant taxpayers.	No. of customers awarded, the rate of compliance	Governor, County Secretary, CECM-F, CECs, CO/Director Revenue	Jul 25-Jul 26
Objective Two: To improve efficiency in revenue mobilization				
Develop a standard procedure manual or business process for revenue billing, receipting, and related controls.	Standard operating procedures have been developed, CIRMS has been procured, and a	Budget provision for CIRMs, no. of revenue streams embedded in the CIRMs and in the unified payment,	Governor, County Secretary, CECM-F, CECs, CO Finance, Budget, CO/Director Revenue,	Jul 25-Jun 26

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Activity	Output	Indicator	Lead Person	Timeline
Fully automate all revenue streams and integrate them into the CIRMS	unified payment and Fiscal analyst has been deployed.	and number of fiscal analysts deployed	Director ICT, Director Budget	
Establish a unified payment for related fees and charges.				
Establish a fiscal analyst section in the County Treasury				
Objective Three: To strengthen the capacity of revenue staff for efficient management and collection of revenue				
Recruit sufficiently skilled personnel.	Staff Performance improved, Clients' complaints reduced, Own source revenue increased	No. of revenue staff recruited, Proportion of staff with improved performance, % increase in Own Source Revenue collection, % reduction in client complaints	County Public Service Board, Directorate, HRM, departments/agencies involved in OSR collections	Continuous
Regular capacity building of the staff on new and emerging trends.				
Implement the performance management system.				
Create annual taxpayer awareness				
Objective Four: To enhance effective coordination among departments, stakeholders, and other sector institutions				
Train and sensitize departments and all relevant stakeholders on revenue administration and good governance.	Stakeholders have been trained and sensitized, a stakeholder communication strategy has been developed, and collaboration and coordination of OSR mobilization have been enhanced	No. of training and sensitization activities conducted, No. of communication produced, No. of community awareness initiatives conducted, and the level of cooperation and compliance in OSR mobilization	CO/Director Revenue	Continuous
Develop a stakeholder communication strategy.			Public Communication	Continuous
Collaborate with National Government agencies			CECM Treasury	Continuous
Ensure departmental revenue collection targets are included in performance management/appraisals.			Governor/County Secretary	Continuous
Enhance linkages through collaboration with other departments and agencies			Governor/County Secretary	Continuous
Improve compliance through awareness creation and establish a revenue championship system within the communities.			CO/Director Revenue	Continuous
Collaborate and strengthen coordination with market committees and other stakeholders			Governor, CECMF, CO/Director Revenue	Continuous

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