Commission on Revenue Allocation

CONFERENCE REPORT

County Revenue Enhancement & Automation Conference

Theme: ***Automation for Enhanced Revenue and Fiscal Responsibility***

28th - 31st May 2018

Kwale County, Kenya

County Revenue Enhancement and Automation Conference

Our Partners

The 3rd County Revenue Enhancement and Automation Conference • 2018, held in Kwale County

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Acronyms

ACCA - Association of Chartered Certified Accountants
AHADI - Agile Harmonized Assistance for Devolved Institutions
CA - Communication Authority
CAF - County Assemblies Forum
CCTV - Closed Circuit Television
CEO - Chief Executive Officer
CECM - County Executive Committee Member
CFSP - County Fiscal Strategy Paper
CIDP - County Integrated Development Plan
COG - Council of Governors
COSRA - County Own Source Revenue Awards
CRA - Commission for Revenue Allocation
CREAC - County Revenue Enhancement and Automation Conference
DFID - Department for International Development
GIS - Geographic Information System
GSM - Global System for Mobile Communication
H.E - His /Her Excellency
Hon – Honorable
ICT - Information Communication Technology
ICTA - Information Communication Technology Authority
IFMIS - Integrated Financial Management Information System
IRMS - Integrated Revenue Management Systems
ISP - Internet Service Provider
KEBS - Kenya Bureau of Standards
KICA - Kenya Information and Communications Act
KNBS - Kenya National Bureau of Statistics
KRA - Kenya Revenue Authority
LAIFOMS - The Local Authorities Integrated Financial Operations Management System
Mbps - Megabits per second
MCA - Member of County Assembly
MoEST - Ministry of Education Science and Technology
NEMA - National Environment Management Authority
NOFBI - National Optic Fibre Backbone Infrastructure
OSR - Own Source Revenue
PFM - Public Financial Management
PPAD - Public Procurement and Asset Disposal Act
PPOA - Public Procurement Oversight Authority
ROI – Return on Investment
SBP – Single Business Permit
USF – Universal Service Fund

Foreword

I present the following report of the third County Revenue Enhancement and Automation Conference (CREAC) which took place at Kaskazi Beach Hotel in Kwale County from 28 to 31 May 2018. The Commission organized the event with the theme; " Automation for Enhanced Revenue and Fiscal Responsibility".

The conference observed that county governments have made great strides in mobilizing own sources of revenue and enhancing revenue administration through automation, but challenges still remain. To address these challenges, the conference concluded with fifteen action points as a way forward. Key among these is the recommendation of a centralized revenue management system which integrates all government departments. The Commission has formulated a clear road map for implementing the resolutions and will be reaching out to all stakeholders as it implements the recommendations.

The Commission remains indebted to Kwale County Government for excellent hospitality and exceptional support, our partners World Bank Group, USAID, AHADI, UK Aid, Telkom Kenya and ACCA who, together made the conference a success. Also, I would like to acknowledge and appreciate the four county Governors (from Kakamega, Trans Nzoia, Lamu and Kwale Counties) and the six deputy governors (from Turkana, Isiolo, Machakos, Garissa, Mombasa and Marsabit Counties) who took their time off their busy schedules to attend the conference. Their wisdom and insights enriched the discussions and the recommendations of the conference.

Finally we do appreciate the conference organizing committee and team that worked behind the scenes to contribute to the realization of this significant event.

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Dr. Jane Kiringai
Chairperson
Commission on Revenue Allocation

Mandate and Functions of CRA

CRA is an independent Commission set up under Article 215 of the Constitution of Kenya 2010. Its core mandate is to recommend the basis for equitable sharing of revenues raised nationally between the national and the county governments, and among the county governments.

Functions of CRA include;

- Recommend the basis of equitable sharing of revenue raised nationally between national and county governments (Article.216) (1) (b).
- Recommend the basis of equitable sharing of revenue raised by national government among county governments (Article.216) (1) (b).
- Recommend on matters concerning the financing of County Governments (Article.216) (2).
- Recommend on matters concerning financial management of County Governments (Article. 216) (2)
- Define and enhance revenue sources of National Government (Article. 216) (3) (b).
- Define and enhance revenue sources of National and County governments (Article. 216) (3) (b)
- Encourage fiscal responsibility by National Government (Article. 216) (3) (c)
- Encourage fiscal responsibility by County Governments (Article. 216) (3) (c)
- Be consulted and recommendations be considered before parliament passes any bill appropriating money out of the Equalization Fund (Article. 204) (4)
- Be consulted on any bill that includes provisions dealing with sharing of Revenue (Article. 205)
- Be consulted on any bill that includes provisions dealing with any financial matter concerning County Governments (Article. 205)
- Publish and review the policy that sets out criteria for identifying marginal areas in actualization of the equalization fund (Article. 206)
- CRA shall be consulted and their recommendations considered by parliament for all laws being enacted relating to devolved government (schedule 6 part 14 (1).

Conference Overview

The County Revenue Enhancement and Automation Conference (CREAC) 2018 was held at Kaskazi Beach Hotel, Diani Kwale County from 28th to 31st May 2018. This was the 3rd edition. The 1st and 2nd editions were held in 2015 and 2016 respectively.

Participants were largely officials from the 47 counties with a representation from Governors, County Executive Committee Members (CECMs) of Finance and ICT, Directors of Revenue, Directors of Planning and Directors of ICT. Also present were Chairs of Budget and ICT Committees from various County Assemblies, National Government, devolution stakeholders' agencies and devolution support partners.

Two forums formed part of the pre-conference, one discussing the findings and recommendations from the County Revenue management systems review exercise in 15 counties, while the second discussing experiences among the County Government officials in the areas of automation and formulation of legislation in the counties. Outcomes of the two forums enriched discussions during the main event.

A ceremony to award the best Counties in growth of own source revenue also took place with three counties being recognized for sustaining OSR growth despite various challenges facing the counties in this area.

Conference Objectives

1. To provide a platform for counties to share case studies of their own revenue automation process including successes and challenges as per CRA and National Treasury revenue Automation guidelines.
2. To share the findings from 'County revenue management system review program' commissioned by CRA and funded by AHADI with a view of adopting the recommendations on the best practices.
3. To share the findings of the study on 'county revenue analysis and revenue forecasting' commissioned by CRA and funded by World Bank in order to encourage accurate revenue projection and integrity of county budgets.
4. To create awareness and spark interest in the innovate use of data within governments-collecting, analyzing , decision making and implementation
5. To highlight and sensitize the counties on the emerging cyber security risks associated with financial system and how counties can safeguard themselves from potential attacks to ensure integrity of their financial systems.
6. To share the importance of revenue administration, monitoring and control by county leadership through automation to promote transparency and accountability in county governments. Further,to discuss survival of revenue management systems through different county regimes.
7. To bring into focus the need for comprehensive continuous change management practices in areas of People, Technology, Process and Legal for increased success in the adoption and implementation of County Integrated own source revenue management systems and efficient revenue management.
8. To recognize and award counties that have indicated highest growth in own source revenue through adoption of best practices in the FY 2016/17 . The aim was to spark competitiveness among the counties on fiscal prudence.

Opening Ceremony

H.E. Salim Mvurya • Governor Kwale County

H.E Governor Mvurya welcomed the delegates to the county. He recognized CRA's support to counties mainly in the area of revenue enhancement. He said in the first term of devolution, revenue management was challenging due to lack of financial management systems, but the National Government and COG have been instrumental in setting the foundation of institutional framework with regards to financial management.

The Governor noted that at times there is a disconnect between legislation at the National level and legislation at the county level, giving this example; before the mining legislation was passed in 2016 mining companies refused to pay revenue to the county quoting the 1940 mining law at the National level despite the county having passed the necessary legislation at the county assembly.

The Governor further said he believes that the issue of double taxation can be resolved by concerned counties through discussions. In addition, he supported the proposal of regional block approach in creating favorable business environment within counties.

The Governor further reiterated that , on the second term of devolution and in this conference (CREAC 2018), discussion on revenue management and enhancement would be from a point of experience and his hope was that automation of revenue management would address the challenges and shortcomings experienced from the use of manual systems. This shall lead to sustainability of own source revenue collection in the Counties. The Governor declared the conference officially opened.

Dr. Jane Kiringai • Chairperson Commission on Revenue Allocation

The Chairperson welcomed the delegates to the third edition of County revenue enhancement and automation conference (CREAC). She stated that, being the third CREAC, the Commission anchors the conference on the following constitution provision; The commission shall define and enhance sources of revenue for both levels of government, Article 216 (3) (b) and The commission should seek to encourage fiscal responsibility, Article 216 (3) (c).

She informed the delegates that county revenue enhancement and automation conference 2018 was to provide;

1. An excellent platform where the commission shares with the counties, observations regarding own source revenue performance and fiscal responsibility .
2. A great platform for peer to peer learning. An opportunity for counties to learn from one another, what works, what doesn't work, why and what can be done about it.
3. A platform for devolution stakeholders to brain storm together and come up with new and innovative ideas of implementing devolution in Kenya.

As part of the discussion areas for this conference (CREAC 2018),the commission has observed and is concerned on the slow growth in own source revenue and in particular the drop of OSR from Kshs 35 Billion to Kshs 33 Billion in FY 2016/2017, constituting only 11% of total counties revenue in the same year.

The Chairperson informed the participants that the Commission has observed that counties rarely meet their revenue targets posing a great risk in budget implementation and budget execution later leading to the risk of having pending bills at the end of the financial year. A number of counties had automated their own source revenue management with mixed results in terms of growth while 14 counties were yet to automate. She said, Counties that got revenue management automation right had seen significant OSR growth.

Dr. Kiringai further said the Commission continues to partner with County governments in enhancement of own source revenue. The commission has;

- Provided County revenue management Automation guidelines in 2013.
- Commissioned a review of revenue management systems deployed and running in the counties.
- Undertaken capacity building notably in the area of revenue forecasting .
- Incorporated a fiscal responsibility parameter of 2% in the revenue sharing formula among county governments. This is to encourage fiscal responsibility and own source revenue growth, an example being in the FY 2018/2019 where Kshs 6.3 billion will be shared among 18 Counties.

In her closing remarks, she proposed the following as measures of success for CREAC 2018;

- If delegates can agree on having one platform for revenue collection and management across counties.
- If delegates can agree on the right staffing structures for revenue departments and implementation of these structures in the counties.
- If delegates can agree on having regulations and guidelines on automation of revenue management systems.
- If the ministry of ICT can commit to have the last mile connectivity extended to the sub counties in the next one year.

Ms. Waceke Wachira • Chief of Party, AHADI

Ms. Waceke Wachira began by introducing AHADI as a devolution support Program funded by USAID (US government) and DFID (UK Government) with an objective of ensuring that devolution in Kenya was supported effectively as enshrined in the Constitution of Kenya 2010. AHADI partners with County governments in policy and legislation development, budgeting process, public participation and the oversight process. AHADI is also involved in strengthening intergovernmental relations by working closely with national institutions like CRA, COG, Ministry of devolution, KSG and other devolution stakeholders.

She said, in the first term County Governments worked towards setting up revenue management systems which are key for own source revenue growth and the budgeting process. With this in mind she asked, what results had been achieved from investments made with regards to revenue management?

Ms. Waceke shared that AHADI partnered with CRA by offering technical support to undertake a review of revenue management systems deployed in counties. The review findings will inform policy and legislative proposals by CRA on automation, revenue enhancement and management. The findings of the report will also inform the design of training programs around own source revenue for counties.

Ms. Christine Owuor • World Bank Representative

Ms. Christine explained that the World Bank has been active in the devolution space in Kenya and continues to be a key stakeholder in supporting the implementation of devolution, through technical assistance in areas of problem identification and problem solving. She highlighted devolution is a key pillar in the World Bank's Country partnership strategy that runs from 2014 – 2018.

Ms. Owuor said, the World Bank supports devolution through Kenya Devolution Support Program, Kenya urban support program and Kenya Accountable Support program. Financial resources of close to $500 million was planned for counties in the next four years as conditional and performance grants. She said, a key focus area under the Kenya Devolution Support Program include improving efficiency in County own revenue mobilization and transparency in revenue management through capacity building grants with further financial support based on assessment of counties and the achievement of disbursement linked indicators like revenue performance.

In conclussion, she spoke of the World Bank working with CRA and county governments in developing County revenue forecasting analysis models to help counties in coming up with realistic revenue projection. She said that work on the agenda of calculating County GDPs and enhancement of own source revenue was also ongoing.

H.E Patrick Khaemba – Governor Transnzoia County

H.E Governor Khaemba started off by thanking the commission and partner organizations for holding this conference. Counties face many challenges including, high debt levels, understaffing, lack of skilled employees, and therefore the support from the commission comes in handy.

He pointed out that National Government was supposed to support counties but officials of the National Government reached counties at the same time that the County Governments were installed and were therefore inexperienced in matters related to counties. Counties were at different stages of development, meaning some were better off than others at the time the counties came into existence. Referring to his county, the governor stated that he did not have even a single vehicle when he joined the county.

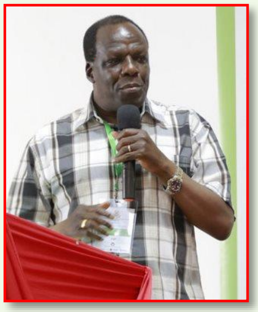
The governor stated that the issues of revenue are at the heart of County Governments and need to be improved on both local sources and support from National Government. He requested the commission to look at the County Governments more generously without comparing them with National Government that collects revenues from taxes of mwanainchi. He insisted that County Governments have challenges with resources flow and their systems are so tedious and slow. "We have new systems like SAP that we could adopt and integrate them" he said.

His Excellency made a comment on the Appropriation in Aid where he said that having County Governments share revenues from the same basket is a challenge. He also indicated that punishing counties that are struggling with fiscal responsibility is inhuman. In a class scenario, he shared; you help the weaker students and not the other way. Similarly, counties not meeting targets should be considered for more support so that those struggling get into a programme to bring them at par with the rest.

He said that his experiences from the first term in enacting and passing laws at the county assembly had been challenging. He gave an example of the finance bill and said that sometimes people think the county has increased the fees & charges too much, yet it is because they were too low to even meet the cost of collection.

The governor concluded by saying that he is eager to see the findings of the counties systems review study so that counties can work together to improve. In his view, some counties have hardly any source of revenue.

H.E Wycliffe Oparanya – Governor Kakamega County



The governor started by appreciating CRA for organizing the third CREAC. He said, he was fortunate for being part of both the first and the second conferences. From his experience,he believes that own source revenue is the only way to develop counties. If counties are able to enhance own source revenue, reliance on equitable share goes down. He noted that equitable share has legislation that restricts counties an example being the use of 35 % on recurrent and the rest on development. With own source revenues, counties are able to plan and address gaps that might not be addressed by funds from the National Government.

It is important we have legislation on revenue management at both the National level and at the county levels. He noted that the National treasury had drafted a revenue management legislation that was resisted by the council of governors. *"I feel that if we have a general legislation that will cover counties then that would be quite easily acceptable*".

The governor shared that in Kakamega County, they did experience political interference in relation to revenue collection whereby politicians would tell rate payers that if elected they would pay nothing. This then became a problem for the current administration to enforce revenue collection. The governor noted that having national legislation that can be used to enforce revenue collection would be critical in shielding revenue collection during the election period. "*if now we come up with strict legislation these four years remaining, I think you will have helped us as CRA*". Kakamega has Kakamega Revenue Agency managed by a board.He noted that this was the way to go. For the boards to operate smoothly, funding and top County leadership support is vital.

H.E Oparanya requested CRA to define the roles of ICT and Finance / Revenue in revenue management automation. This he said has been an issue in Kakamega County and would be important that it is clear which role each sector performs.

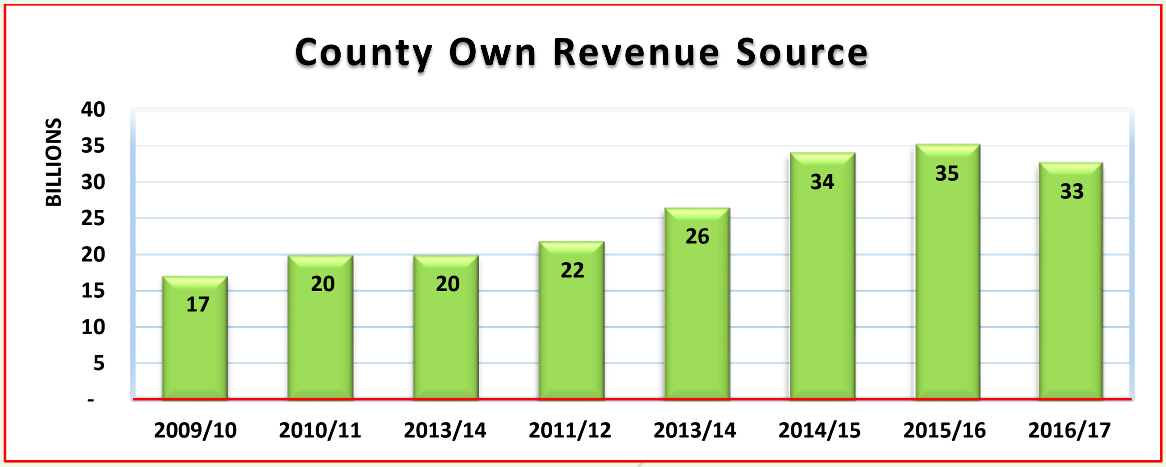
The governor stated that regional blocks would benefit counties in a big way. For example,counties in western region came together as a block (Kakamega, Busia, Transnzoia, Bungoma and Vihiga) to standardize rates as a measure towards eliminating resistance from rate payers and enhancing business environment in the region. These block has now expanded to include counties from the lake region. He appreciated the World Bank for their support in this area.

The governor challenged the delegates to look at the model legislation provided by CRA and adopt them through the county assemblies.

Status of Revenue in the Counties

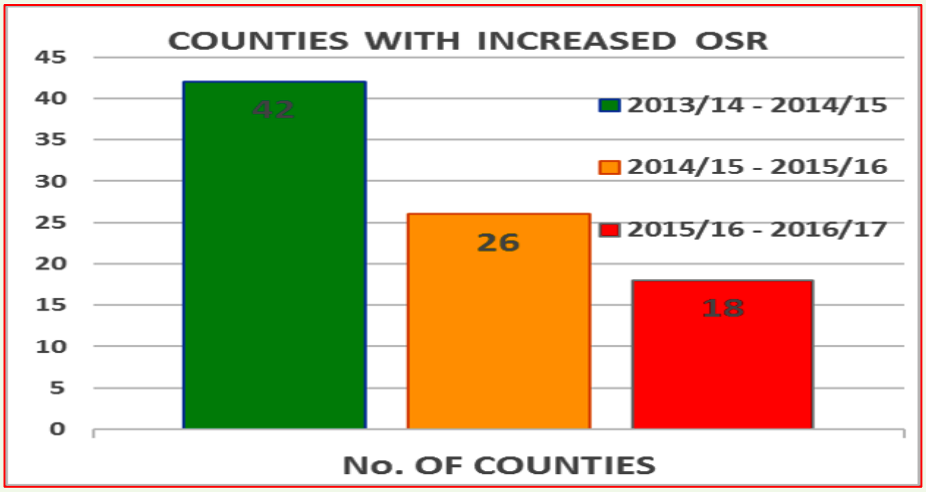
• Presented by James Katule

Mr. Katule opened the Conference presentations by depicting the Status of County Own Source Revenue (OSR) since devolution. It illustrated that county governments were indeed collecting more than what used to be collected by the defunct local authorities as shown below;



It was cognizant to the conference delegates that the County government's aggregate revenue collection was increasing, however at a diminishing rate. He explained, in 2013/14 - 2014/15 the OSR growth rate was 29% from the previous year but in 2014/15 – 2015/16 the increase rate declined to 3%. For the 2015/16 – 2016/17 there was a negative growth rate of 7% the main reason being the political interference from both arms of county government.

He reported that 42 counties increased their revenues in 2013/14, while 26 counties augmented the revenues in 2014/15 and only 18 counties in 2016/17 raised their revenues as illustrated below:



He stated that over the last three years, only eight counties had maintained consistency in own revenue growth over the years. These were: Baringo, Bungoma, Kericho, Kisumu, Marsabit, Meru, Mombasa, and Nyandarua. On the other hand, seven counties had an overall decline over the years. These were: Busia, Isiolo, Mandera, Nakuru, Samburu, Tana River and Vihiga.

The County governments need to work on strengthening the legislative and policy framework, setting up the ratepayers database for proper mapping and segmentation, procuring integrated revenue management systems that will seal loopholes and reduce leakages. Also, the County governments require to develop revenue staff minimum competency and training programmes, to support ratepayer education, an enforcement mechanism and reciprocating service provision for the fee charged. Additionally, County governments need to build political capital from both arms of government.

The Journey of Automation

• Presented by Joseph Kuria

Mr. Joseph Kuria spoke about the journey of automation at the Counties since devolution. It was observed that all Counties have manual processes in revenue management at different levels.

Some of the Counties use LAIFOMS (local authority integrated financial operations management system) which was an initiative of the World Bank through the Kenya Local Government Reform Program (KLGRP) in 1996. LAIFOMS improved significantly in functionality at the local authorities in providing support for improvement of project management, finances, and human resources. LAIFOMS implementation methodology was stand alone at the municipalities which pose system integration challenges with the current governance structure of County Governments. E.g. Kiambu County and Muranga County & Laikipia County and Nyandarua County.

If you automate the same processes without looking at the entire revenue enhancement workflow, the cost of revenue collection becomes expensive. You enhance revenue management by bringing value and efficiency from the existing processes by sealing all loopholes in all departments.

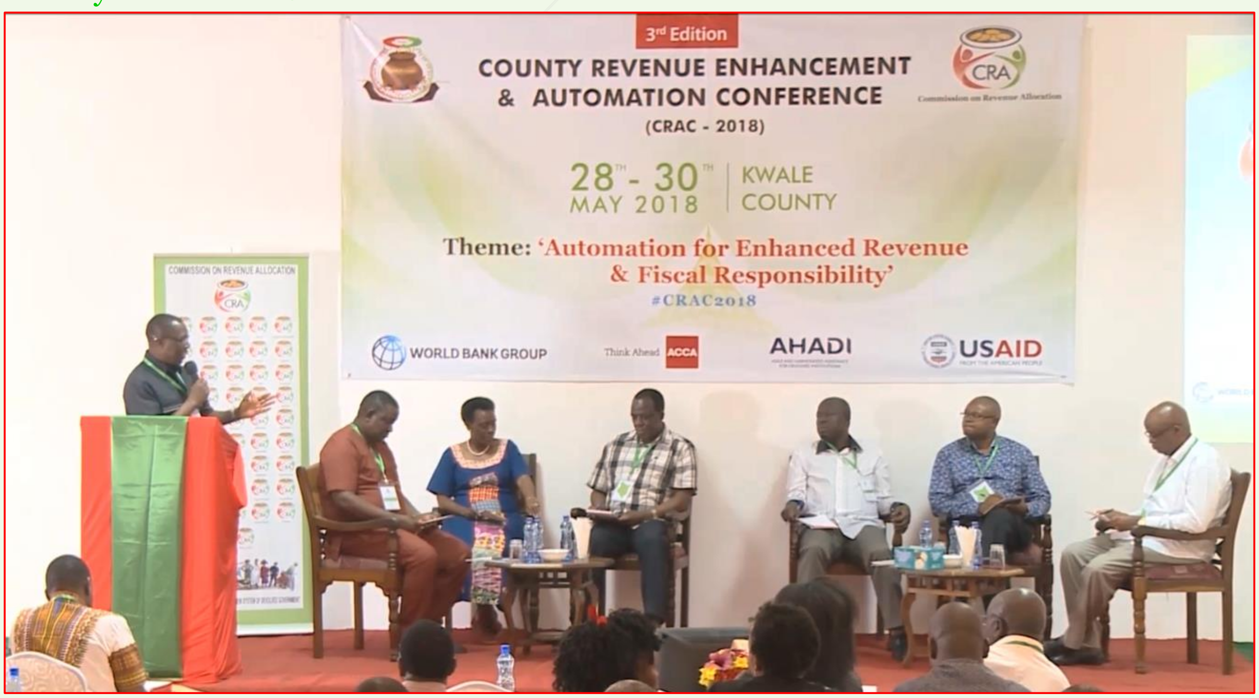
Revenue collection processes as per the Public Financial Management Act are Revenue Mapping, Revenue Forecasting, Collection, Payment Processes, Bank and Cash Reconciliations, Credit and Debt Management and Management of Revenue Collectors. None of the Counties have managed to automate all these processes which would benefit them in enhancing transparency, enhance efficiency, and reduce duplication and revenue leakages.

He encouraged fourteen (14) Counties that solely utilize receipt books and manual processes to automate their revenue collection to realize the aforementioned benefits. The thirty-three (33) Counties that have automated, should strive to have all the revenue collection processes captured and utilized in their systems. Mr. Kuria highlighted interventions the Commission had made to support revenue management at the Counties such as the development of model revenue administration laws, technical capacity support to Counties on revenue automation, development of guidelines for revenue automation (in partnership with the National Treasury and other Government Agencies), review of the revenue management systems in 14 counties (in partnership with USAID-AHADI) and establishment of a benchmarking platform for sharing revenue automation experiences through the County Revenue Automation Conference (CREAC) which is an annual event.

CREAC has raised awareness on the importance of ICT as an enabler at the Counties through the establishment of an ICT Committee at Council of Governors, Executive Committee Members of ICT at the Counties and Harmonized ICT Departments.

To succeed in automation, the Counties need to allocate at least 5% of their budget allocations to ICT as per the National Government guidelines for the continuous capacity building of county staff, utilization of existing data centers through private clouds, implementation of the ICT roadmaps that were developed by ICT Authority, extension of the last mile infrastructure to enhance connectivity and adoption of a unified revenue management system which will be used by all the Counties. This will ensure that all revenue management processes are availed in the system and a significant cost reduction in the acquisition and maintenance of the system.

Plenary 1 – Discussions



Panelist: George Ooko, H.E Salim Mvurya, Dr. Jane Kiringai, H.E Wycliffe Oparanya, H.E Patrick Khaemba, Joseph Kuria and James Katule

The County ICT roadmaps developed by ICTA and shared with the County Governments for adoption face implementation challenges due to insufficient funding and inadequate technical ICT skills and training capacity. The counties require that its' leadership champions the ICT agenda and at least 5% of the total county budgets be for facilitating the execution of the ICT programmes. In furtherance of the above, the Council of Governors and the Commission need to develop mechanisms of supporting the ICT initiatives through counties' respective budgets, legal framework, and policies.

It was noted that businesses that move goods across counties undergoing double taxation by the county governments, whereby they pay for the same permits in all the counties they traverse. An example is branding on trucks and tea as a commodity, the businesses are required to pay fees in counties where they originate from and are later charged in the destination counties.
It was said that in the previous dispensation, professional bodies were not required to pay for Single Business Permits (SBP). The reasoning has been since they have professional licenses then they should not pay for SBPs.
There has also been concerns that with the aim of growing own source revenues, Counties have been increasing taxes on the rate payers who already pay taxes instead of widening the rate payer base by targeting the informal sectors which numbers have shown are potential revenue sources.

The main challenge that counties have faced in collecting revenue is the weak legislation framework. CRA developed and shared model revenue laws for counties to customization and adoption. Unfortunately, most counties remain without proper legislation as a basis for revenue collection. Contributing to the issue, on lack of revenue legislation, H.E Salim Mvurya explained that model legislation from CRA and Kenya Law Reform Commission had been sent to the counties but highlighted that before adoption at the counties public participation has to be carried out, he said this is where the bottleneck towards adoption was. Depending on who was facilitating the public participation exercise, they would shy away from either increasing rates or adopting some of the proposals in the model laws, and as a result, these laws do not get adopted.

Revenue collection in counties has been and is a campaign tool during the election period. Revenue collection is politicized to the extent ratepayers no longer pay taxes, fees, and charges. During the election year or the campaign period, politicians give roadside declarations to the citizens that once elected certain fees and charges will be done away with and will no longer apply. Consequently, some counties have established revenue boards to delink revenue collection with the politics of the day. Reason being, the revenue boards work independently, and the politicians are not given any room to influence matters concerning revenue collection.

All natural resources belong to the National government as well as their management. The Commission's role is to define and enhance revenue source for both levels of government. For example, Counties with extractive resources like oil in Turkana County and Titanium in Kwale county benefit from proceeds of these resources as per the laid down legislation. The challenge some of the counties are facing is where a resource such as water benefits other counties at the expense of the host county incurring costs in nurturing the water catchment areas. Then the definition of such resources needs to be considered so that the county of origin benefits for their effort in conserving the environment and hence increase the level of revenue generated.

Commissioner Humphery Wattanga said, ICT is an enabler to other departments in this case Finance / Revenue departments who are the business process owners. The commissioner stated that the commission would be sharing new guidelines that will include the roles enablement and ownership of the business processes.






AGILE AND HARMONIZED ASSISTANCE FOR DEVOLVED INSTITUTIONS







Automation for Enhanced Revenue

County Revenue Management Systems Review

• Presented by Christine Tantuo

Ms. Tantuo mentioned that the purpose of the counties procuring the revenue management systems was to obtain economic value through greater effectiveness, and enhanced efficiencies in revenue collection and administration. In the process of automation the counties were expected to follow the statutory requirement, develop the ICT legislation & policies and pursue the integration of various revenue systems.

She stated that it is against this background that CRA undertook a revenue management system review study in 15 counties; Busia, Kisumu, Vihiga, Meru, Garissa, Murang'a, Transnzoia, Isiolo, Lamu, Kwale, Machakos, Kiambu, Nairobi, Siaya and Kakamega with 14 counties having automated with exception of Garissa County with an objective of ;

- To determine the extent to which counties have responded to these guidelines on revenue management systems.
- To identify the gaps in the revenue management /collection systems and propose mitigations to these gaps.
- To provide recommendations on the audit trail which would inform Own-Source-Revenue (OSR) policy, regulatory & system.

Ms. Tantuo reported that most counties had begun the process of automation and were at various levels. She explained that majority of county automation was focused at the headquarters with most sub counties being left with little or no automation at all. In addition the systems were in line with the recent enacted County Finance Acts which were for FY 2016 and 2015.

She mentioned that most revenue systems implemented by the counties were being operated by consortiums of systems vendors and commercial banks like; Kenya Commercial Bank, Co-operative and Equity Bank. In the revenue shared model, revenue share ranged between 2% - 6.5 % of total revenue collected. She said that in most of these counties the system vendors had almost full control of the system and data thus leaving the counties fully dependant on the vendors. The implications was that most counties were not getting value for money from the high cost revenue management systems procured.

She explained that most of the automation had focused on structured revenue sources such as single business permits, land rates, house rents were on cashless, or on a cashless trajectory. However there had been a slow but definite move towards automation with poor revenue collection enforcement in most counties.

She explained there were several risks observed during this process which were;

- Few counties had followed the CRA Guidelines issued in 2013 during implementation of Revenue Management Systems.
- Low enforcement on revenue collection.
- Understaffing in county revenue departments and technically skilled personnel to manage the automation process.
- Inadequate systems security leading to multiple use of passwords provided for access to the system.
- Parallel systems running in some counties and managed by different vendors with different revenue share models.
- Unclear whether automated revenues streams were the highest revenue earners for the county. She said some counties identified Bill boards and Sugar Cane cess as potential high earners yet they had not implemented automation on this streams.
- Data gathered from counties sitting within the vendor system

Ms. Christine explained that counties faced challenges during and post automation. She highlighted the following as challenges encountered;

- Infrastructure: General infrastructure is poor, thus limiting full automation of all county revenues. This includes unreliable power and lack of back up systems in both the county HQ and sub-counties.
- Connectivity/Internet Challenges: Most Counties have connectivity in the city but as you move further away from the city the connectivity is intermittent. Some sub-counties have no power and have to rely on generators which are switched on periodically.
- Partial Automation: Apart from one or two counties, most counties have only partially automated their revenue streams. It is unclear whether it is by design of the system providers or by the County.
- Amorphous Target setting: the targets set for collection are not clear and there are no performance management systems to enforce the process.
- Unclear lines of authority with some counties having the ICT department as the owners of the revenue collection system rather than the users.
- Inadequate skills set due to limited training by the vendors and inheritance of non-digital staff from previous council.
- Sub-County revenues not automated therefore providing room for revenue loss.
- Political interference in the management of county revenue.

In her conclusion, she said a report detailing the findings of this review and proposed recommendations would be available from CRA. She noted that the counties were generally doing a good job and encouraged them that automating revenue management was a good initiative and she hoped that in the next conference all counties will have automated.

Sharing Case Studies on County Revenue Automation

Presented by Lenanyokie Sammy - Director Revenue, Samburu County,
Gideon Chesang - Director ICT, Baringo County and;
Samira Swaleh - Director Revenue, Kwale County

Successes

The County Governments have made a number of successes in revenue mobilization efforts. They have been able to minimize cash transactions by ensuring that all revenue collected from various revenue streams is banked for instance land rates, trade license and Game Park. Counties have also been able improve revenue collection because of strengthening of revenue departments structure and can now use the emergency fund to restore services at revenue collection points (Laikipia). Automation has also made significant strides in reducing corruption which has been rooted strongly in the revenue collection in the counties.

Counties have also registered significant successes in automation of revenue processes by ensuring revenue receipting for unstructured revenue streams such as market fees and cess enhanced monitoring. They have also received strong support from County Leadership which has enhanced revenue collection. Use of E-Citizen portal for revenue collection has increased revenues and integration of mobile money platforms with Revenue Management Systems.

Innovations

A number of innovative activities in Revenue Automation have been undertaken to support the revenue processes. These include use of CCTV to monitor revenue collection points. This has enhanced revenue collection as you will find in Tharaka Nithi. In some other places, counties have replaced revenue collection POS with mobile money. This has eliminated administrative costs of devices and direct integration of mobile money systems with County revenue collection bank accounts. In Laikipia County, they have set up an emergency fund to restore services at revenue collection points / streams in order to ensure services are offered in exchange for revenue collction.

Challenges

The counties also face a fair share of challenges in their efforts to automate the revenue systems. In banking of revenue collected, the counties face risk delays in banking by agents who bank the cash days after collecting from collectors. To mitigate on this risk, the counties have introduced a system whereby they receive notifications that shows daily deposits. In some other cases, agents bring fake deposit slips and present them for receipting. The use of online banking system to check against the deposit slips has also helped to curb this vice. Automated revenue collection with cash handling retains the risk of revenue leakages. Political Risk with the change of administration, waivers by politicians also present a level of risk. Data ownership loss when changing service providers and information security are also other forms of risk encountered by the administration.

The Commission and other relevant stakeholders are requested to develop guidelines that stipulate the system framework for revenue processes automation. Counties also need to develop proper revenue management procedures with unified standards / revenue workflows before enhancing automation. The Commission can also help to develop a standardized revenue management system for use by the County Governments. There is also a need to develop national legislation that restrict change of revenue systems during transition and have a unified structural placement framework (standalone or with a Department) for ICT Directorate in Counties.

As a case study, Kwale County Government – Kwale Pay Revenue Management System

Ms. Samira explained that initially, Kwale County started working with LAIFOMS and realized there were critical areas that were not well addressed. These included revenue forecasting, real time revenue collection monitoring, enforcement, management of cashless transactions and maintaining a database of physical locations of rate payers through GIS. She explained that in order to address these gaps, Kwale County needed a new revenue management system. Before beginning the automation process, she said, a team to manage the process was formed with representation from ICT, Audit, Procurement, Finance and Revenue departments. This team used guidelines shared by CRA and The National Treasury as a guide during the formulation of the system requirements. She said the team benchmarked with counties that had automated like Machakos and Kakamega. The county through a competitive procurement process engaged a vendor to develop the system.

Ms. Samira said that the system cost the county Kshs 57 million with a staggered mode of payment based on the achievement of each project mile stone as per the implementation contract. During the procurement process, system requirements evaluation was the toughest stage considering the system requirements document was close to 600 paged document. She said it took a long time evaluating this stage but it was necessary since it formed the base and guide for implementation.

She explained that Kwale Pay is integrated to commercial banks where the county maintains accounts. This facilitates real time synchronization and updating of payments and deposits made to the bank. It also ensures real time availability of transaction information.

She highlighted that support from the County leadership was critical in the success of revenue automation in Kwale County.

Ms. Samira shared the following Kwale Pay features; cash and bank reconciliation, payments processing e-slip generation for revenue payments purposes, revenue collectors' management, customer billing and management, work flow management, accrual basis accounts management, GIS revenue source mapping, IFMIS integration ready and administration. The system has a capability to work offline and push transactions when devices are online, heat maps highlighting revenues paid and defaulters among others.

She said the system was able to generate various top, middle and lower management reports on daily, monthly, quarterly and annual basis. Additionally, the system automatically and accurately calculates penalties when due, promote tax compliance by alerting payers when payments are due. The systems and data is hosted on premise at Kwale county data center with plans underway to implement an offsite system and data back up and recovery site.

In conclusion Ms Samira urged participants to take time to understand the automated revenue systems offered to them by service providers before procuring them. She implored people to make use of the guidelines on revenue automation and consult widely with CRA.

Plenary 2 – Discussions

Panelist: Dr. Irene Asienga, Christine Tantuo, Samira Swaleh and Gideon Chesang

It was noted that most county governments have not mapped out the ratepayers. It is therefore, important for counties to invest in and maintain county spatial plans. These plans would enable counties keep track of the various ratepayers in revenue streams like property rates and advertisement. The spatial plans would facilitete maintenance of the geographical location of the revenue source and the status of revenue.

County governments need to develop ICT policies, that not only adhere to best practices but also incorporate guidelines and standards from both the Ministry of ICT and the ICT authority.The ICT policies need to outline the following; the procedures of systems acquisitions, systems implementation, project management and user management.

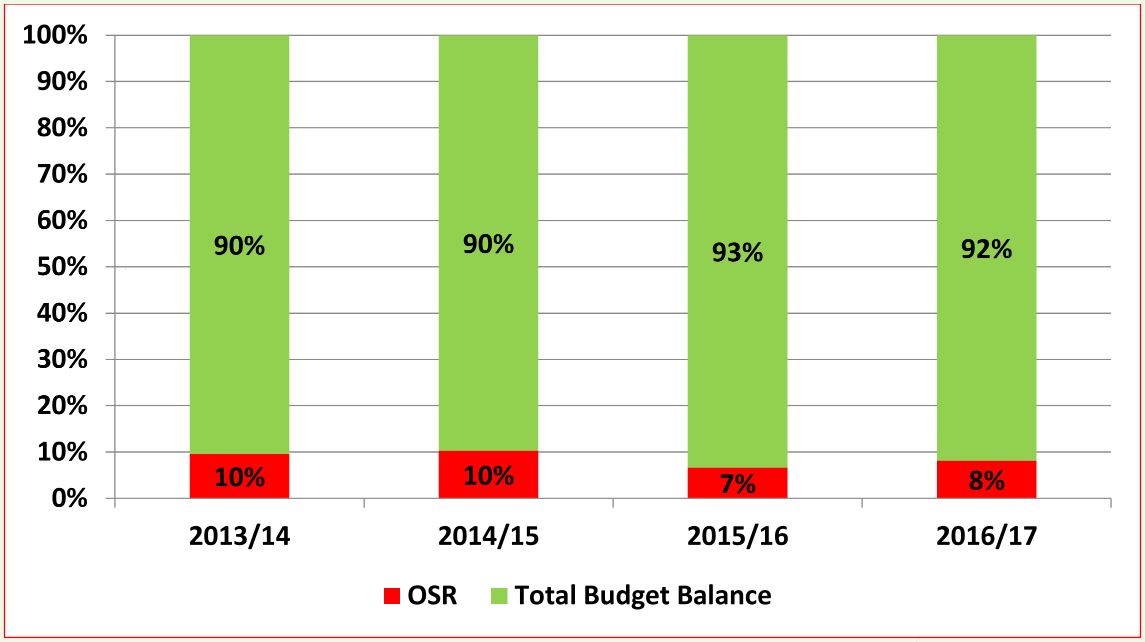
The National Government under KRA have automated revenue management, a process KRA has perfected for over 30 years. KRA acts as a revenue collection agency on behalf of other National Government agencies like KEBS, Ministry of Lands (stamp duty & land rates) and Kenya roads board (petroleum development levy and road maintenance levy). County Governments should consider partnering with KRA in order to leverage on the rate payers database, the I-Tax system experiences and lessons learnt over time. Makueni, Laikipia and Kisii counties are some of the counties that have engaged KRA.

County Revenue Analysis and Revenue Forecasting

• Presented by Wangari Muikia

Ms. Muikia stated that the own-source revenue matter because it brings a real reconnection between the county residents and local government. This is because county citizenry pays fees which in turn the local governments reciprocate by providing services requested. Further, this relationship between the county governments and the residents require transparency and accountability on both parties.

Ms. Muikia reported that 36 out of 47 counties had their the own-source revenue component constituting less than 10% since FY 2013/14. Additionally, only Nairobi, Kiambu, Mombasa, Kisumu, and Narok counties have been able to collect more than 10% of the local revenue in the same period. The counties seem to be relying more on the national transfers than the local revenue despite the existent potential of augmenting their own-source revenue as shown below:



The contribution of OSR to the Total Budget Balance

The low contribution of own-source revenue to County Government budgets continuously leads to budget deficits and unfunded mandates.

Ms. Muikia mentioned the importance of understanding the own-source revenue by the county governments which support them in developing strategies of revenue enhancement. The county governments can use the Revenue Trend Analysis and further utilize revenue projection models for accurate forecasting.

Ms. Muikia stated that the Revenue Trend Model Analysis assists to put into perspective the current position and the actions that the county governments need to take into account through the analysis of the past revenue trends. The Revenue Trend Analysis study which was carried out by the Commission with support from World Bank has developed a Guidebook that provides some key analytical frameworks that counties can use.

The Revenue Trend Analysis takes into considerations an aggregate and county specific view as shown below. The aggregate analysis take into account the following;

Aggregate	Data Needed
COMPARISON OF AGGREGATE OSR GROWTH OVER THE YEARS	OSR Aggregated by Fiscal Year OSR by County for each Fiscal Year
WHAT PERCENTAGE IS OSR TO TOTAL COUNTY REVENUES?	OSR, Equitable Share, Grants, Balance Carried Forward
HOW MUCH DOES OSR COVER IN THE TOTAL COUNTY BUDGET?	OSR Aggregated by Fiscal Year Aggregate Budget as per the start of the FY for the period
HOW MUCH DOES OSR CONTRIBUTE TO COUNTY INFRASTRUCTURE DEVELOPMENT?	OSR Aggregated by Fiscal Year Aggregate Development Budget as per the start of the FY
ARE THERE RISING STARS IN OSR SINCE THE IMPLEMENTATION OF DEVOLVED GOVERNMENT?	Stream by stream county OSR Stream by stream Local Authority OSR
COMPARISON OF AGGREGATE OSR GROWTH BEFORE 2013/14 (PRE-DEVOLUTION) AND AFTER 2013/14 (POST – DEVOLUTION)	Local Authority OSR by Fiscal Year OSR Aggregated by Fiscal Year
COMPARATIVE GROWTH OF COUNTY OSR AND NATIONAL REVENUE (ABSOLUTE AND RATE)	Equitable share OSR

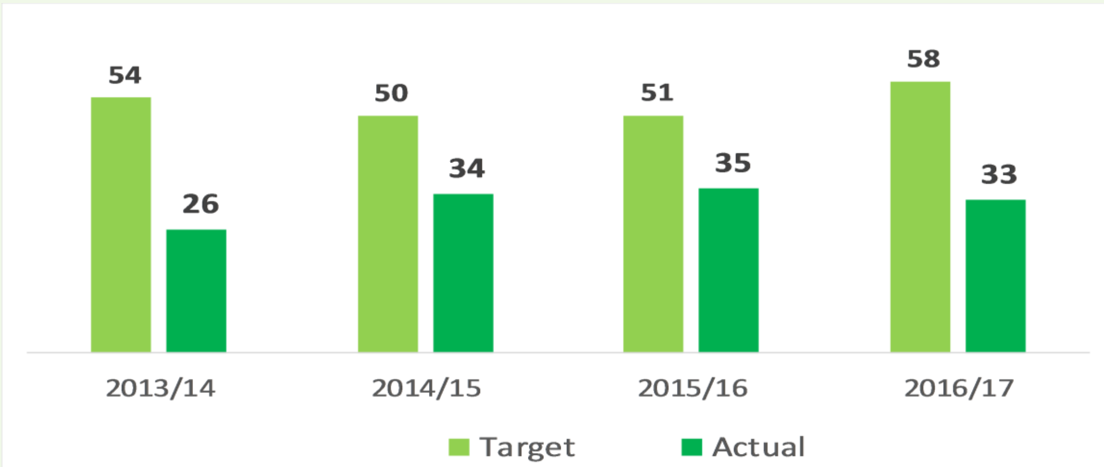
The county-specific analysis is as follows:

County Specific	Data Needed
COUNTY REVENUE STREAM SHARE (ANNUAL %)	County OSR
Comparative OSR GROWTH BETWEEN LOCAL AUTHORITIES AND COUNTY GOVERNMENTS	County Former Local Authority OSR County OSR
STREAM BY STREAM OSR Growth	County OSR by a stream Former Local Authority OSR by a stream

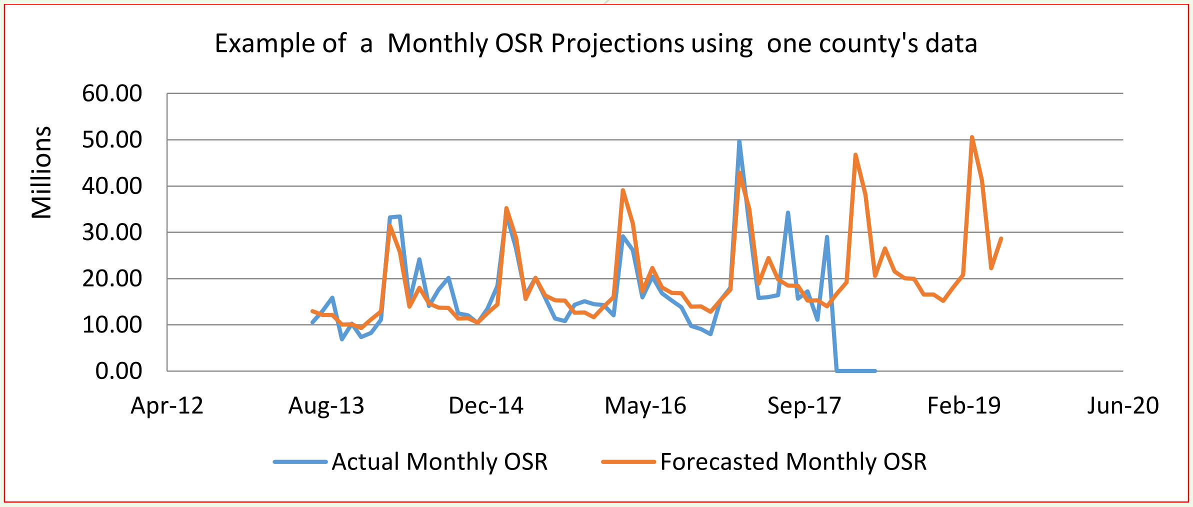
The same study considered the scientific methods of Revenue Projection for county governments due to the inaccuracy and unrealistic local revenue forecasting as indicated below;

The Revenue Projection study by the Commission used two types of models. One model would support the forecast of the next year's collections based on historical trends (Moving Average model), and the other model was to allow for an understanding of the key revenue streams vis a vis their potential (Kelly model).

Counties' Revenue Projections and Revenue Collection



The Moving Average Model will require revenue data sets on specified periods for instance monthly OSR, and then develop a trend and seasonal indices as shown below;



The Kelly Model makes revenue projections based on revenue base, rate/fee charged, coverage ratio, collection ratio and valuation ratio to determine the projection:

Variable Name	Description
Base	The total number of units that are ratable under a specific revenue stream.
Rate/Fees	The percentage or flat rate paid per unit of the base
Coverage Ratio	The proportion of units captured in county records out of the total base
Collection Ratio	The proportion of actual revenues collected out of all units billed
Valuation Ratio	The proportion of the actual value of the base that is captured in the county records

Ms. Muikia noted that none of these frameworks could function without data and the main challenge in the counties is appropriate revenue datasets. That said, revenue management systems must support data collection, and analysis needs through feasibility studies, data collection templates, clear data ownership, transparent and non-exploitative contracts.

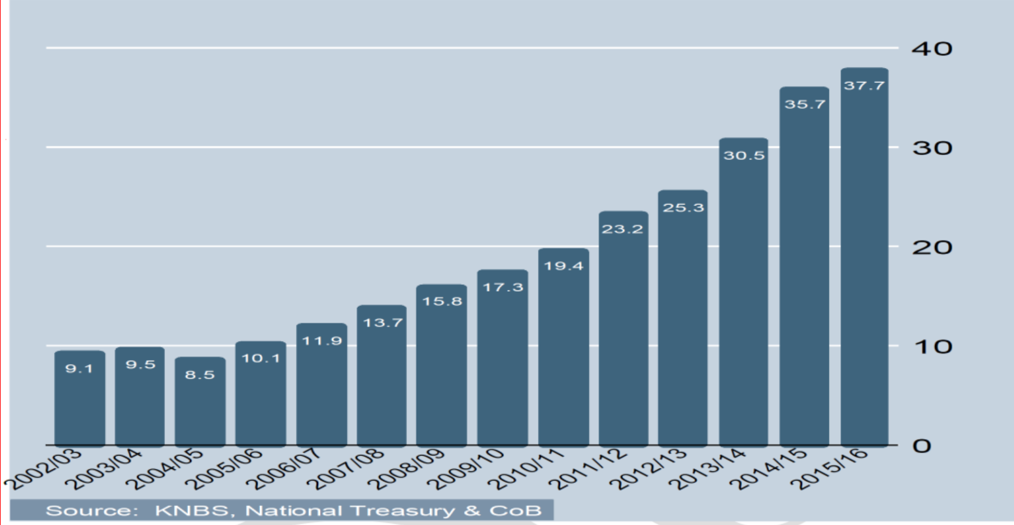
Estimating and Exploitation of Revenue Potential in County Governments

• Presented by Abraham Rugo

Mr Rugo explained that the conference sought to explore the rationale for Own Source Revenue (OSR) trends, estimation of OSR and the exploitation of the capacity of OSR.

He stated that there was no doubt that revenue is a key enabler for county functions; it gives flexibility in funding these functions but with varying degrees in different counties. However, for OSR to effectively contribute to the achievement of county goals, there is need to ask four questions. First, what is the incentive to Own Source Revenue? Second, do we have a compelling target beyond more collection? Do we know the cost of delivering services and hence how much we need to raise? Third, what is the focus on honouring the social contract hence a deep drive to mobilize resources? Fourth, what is the issue with OSR? Is it the people, the systems, the strategy or the capacity to project and collect revenues?

Before the estimation of OSR, it is essential to take into account past trends in case law, revenue collection, politics and technology. Similarly, there is need for counties to ask the following key questions. On legal trends, how were court cases resolved at the national level, county level, and between national and County Governments? On collection trends, why have there been pikes and deeps that are difficult to explain? On political trends, is OSR a fashionable issue used to punish and attract voters as need be? On technological trends, why have there been oscillations between manual, hybrid and automated collection?



igure 1: Local revenue in Kenya before and after devolution *(Kshs. billions)*

Source: Draft National Policy on OSR

Mr. Rugo explained that in estimating OSR, the following should be considered;

- The capacity of each county to collect revenues (collectable capacity);
- Objective measurement of revenues and its exploitation without creating shocks in the system;
- Bringing informal actors to formal spaces; and
- Assessing productive capacities of counties depending on whether they are urban, rural or industrial.

In order for the counties to exploit their potential for OSR, a few things should be taken into account. First, is to clearly target the sources of revenue in order to optimize the returns. In order for that to happen, there must be a clear strategy to guide the revenue collection structure. Second, while deepening revenue collection is important, it is also essential to expand sources of revenue collection. Notably, the rewards and penalties related to revenue collection should be fair. Third, there should be full automation where rate-payers' records are synchronized with their registration details. Fourth, counties should consider developing inter-county OSR enabling environment to ensure fair and transparent treatment.

In order to effectively move forward with OSR collection automation, he identified four important pre-requisites. First, shared resources should have collaborated taxation especially on extraction and cess. The second is that taxation systems and rates should be insulated from political cycles (such as change of regimes) and negative influences for conveniences of politicians. Third, the collected revenues must be linked to the provision of services. Where county officials are not sure, experiments should be carried out on how best to link collection with services. Fourth, there should be continuous public education on OSR if at all it has to continue.

In his conclusion, Mr. Rugo said OSR collection and automation cannot succeed if services are not delivered. The citizens should feel that they get value for their money, or rather the county fulfils the social contract. As automation takes shape, there is also need to stabilize current revenue sources and apply some fair rules of enforcement. Automation would work more efficiently if the current sources of revenue are mapped and linked with the owners' details which make reconciliation easier.

Plenary 3 – Discussions

Panelist: Kishanto Ole Suuji, Dr. Amenya Nyakundi, Abraham Rugo, Meimuna Mohamed, James Katule and David Muntet

Some participants were concerned that although counties collect revenue, some departments have failed in delivering services to the tax payers. Others wondered whether valuation ratio could be extrapolated to get coverage ratio and whether it were possible to expand the scope of OSR management beyond technology. The other concern was a need to clarify on the figures. For instance, it sounded ridiculous that National Government revenue collection between years 2002 to 2004 grew from Kshs 250billion to 450billion. In addition, there were concerns that 80% of government revenue went to administrative issues, and that 36 counties collected less than 10%. The need to tie county revenue collection policies with those of the National Government was raised, and a holistic assessment of the benefits of manual versus automated systems of revenue collection. Further, there were concerns that the users of the automated systems may not understand the power of technology in mapping and managing revenue collection. Lastly, participants were concerned whether the automated system could implement administrative controls.

The panel responded to these concerns as follows. Regarding lack of coordination between some departments (such as the collection and services departments), it was reported that the revenue board can intervene with the particular departments. However, the board cannot intervene on how and what services the county should deliver to tax payers. In relation to this, it was acknowledged that there was no induction of revenue collectors into the county policies hence the reason for this disconnect. In other words, there was no capacity building for the collectors. On the question of unscrupulous collectors who collect more than they and sometimes prosecute 'offenders', this was identified as an administrative issue which could easily be fixed. In response to extrapolation of valuation ratio, it was made clear that both valuation and coverage ratios are independent hence should all be used; one cannot be replaced with the other. As to whether the figures were correct, it was advised that statistics are obtained from the controller of budget and not just any sources. Unfortunately, as to whether automation has improved revenue collection, the answer was not affirmative. Only two counties had recorded improvement in revenue collection as a result of automation.

It was apparent that individual counties had different challenges. Commissioners from CRA suggested that for any meaningful decisions to be made, counties must fundamentally invest in data completeness and availability. Second, counties must focus on the people for whom services are delivered. Last, counties can exploit the OSR from natural resources investments such as small mining businesses among others.

Innovative use of Data by County Governments

• Dr. Bryan Dsouza

This session sought to emphasize the importance of data in making County Government decisions, with emphasis on data sharing. Data is the backbone of everything within counties since it generates information, knowledge, insights and informs actions. A decade ago, the most successful (the top 10) companies globally were in the oil sector but presently, there is only one company in the oil business among the top 10. It is therefore critical that data is considered pivotal even in the context of revenue collection.

The significant role of data in a nation's governance cannot be understated. Research has shown that governments are beginning to recognise this role and introducing new roles to help build data science capabilities at all levels. However, it is paramount to take initial steps to overcome typical policy, organisational, cultural and technical barriers to help government agencies gain full value from the vast data at their disposal.

At National and county government levels; through public agencies, states and municipalities collect data of all kinds; economic, demographic, education, health, wealth, and more. As agencies continue to accumulate this information from the citizens and businesses within their borders, the significant challenge for stakeholders in governance is how do we use this data? Unfortunately, before we can set a foothold on this challenge other factors emerge such as the quality, completeness and accuracy of data collected and how this data is shared for effective use to help the governments (county and national) deliver improved citizen services and outcomes.

An illustrative perspective of bodies that hold data at the National Government Level

When people hear the term data and analytics, they tend to focus and place emphasis on the "analytics" part. Experience and leading practices have shown that as much, if not more attention, should be paid to the "data" part of the term. Data is an enabler of analytics, and poor quality data will lead to poor quality analytics and misleading or erroneous results. As illustrated in the following global examples:

- In the education sector, an audit of a county's schools found some of the data unreliable and overstating the number of students on waiting lists for the schools. The audit also questioned the accuracy of other data reported from charter schools and local districts, making it difficult to judge a charter school's performance. This posed a situation of indecision as it was almost impossible to determine who should be admitted or rejected. In this case the citizens posed significant questions on the fairness and credibility of the process.

- Another case example is in the environment sector where the environmental protection agency informed the national government that fracking for natural gas had had no adverse effect on the county's water supply. But then two years later, the agency published 248 incidents of tainted well water caused by the gas development. This inconsistency was largely due to the agencies' six regional offices having vastly different methods of collecting, storing, transmitting, communicating, and dealing with the data and information. A subsequent audit determined that there was a lack of reliable information to effectively manage the program.

In Kenya, access to quality and accurate data is a key challenge for the national and county government especially due to the need to make decisions using multiple sources of data platforms on varied platforms and in different formats.

Given these examples, the benefits and value of improved data and analytics are clear, and there is a limitless range of further potential applications of data and analytics in government. However, to successfully launch a data and analytics program and reap its benefits, government officials must be cognisant of both the drivers and the potential barriers for initiating and executing a program in their county or sub-county.

Today, data is increasingly becoming the most important asset for all enterprises. And governments are no exception. The challenge is turning all of this data into value that is, using data to address critical issues and needs. In the years ahead, the application of data science, the ability to extract knowledge and insights from large and complex data sets will be crucial for states, counties, and cities to manage their operations more efficiently and administer their programs more economically while better serving their citizens. Governments have a unique opportunity to make a more transparent and persuasive case for data sharing to deliver more personalized services to citizens. To succeed in winning over a sceptical public, focus should shift towards transparency, an essential foundation for building trust, and articulating the benefit of using data to add value to people's lives.

But, how county and national governments hold and manage data may be a hindrance to gaining the full advantage of that information. In our experience, some governments have turned to partnerships with private sector entities to harness the value of their data. In a case study of managing healthcare in a county government in an emerged market, the county government formed a public-private partnership group to combine data from multiple sources to predict whether a sudden spike in patients with similar symptoms signals a pending epidemic. The group demonstrated its effectiveness by the early detection of a rash of stomach virus cases, as well as predicting the severity of a flu outbreak. Another example is where multiple state revenue departments routinely report capturing millions of shillings in revenue by using data and analytics technologies to detect and prevent fraud and improve tax-payment compliance. These techniques are being used to reduce fraud and abuse in programs which can cost the state millions in lost revenue.

In summary of the case studies shared above, county governments can use the data available in some of the following ways:

1 Enhancing service delivery and providing value to citizens through innovative combinations of data and related analytics for example in the identification of new revenue streams therefore helping the administration in the achievement of better results and outcomes through the delivery of these services.
2 Improving the efficiency of usage and allocation of resources for example in route optimisation for emergency response. This can help the government in optimising the workforce available and the distribution of healthcare equipment, drugs and facilities.
3 Improving citizen access to data and providing more transparency to and accountability for performance allowing citizens to trust the systems in place and share more data.
4 Reducing fraud, waste, and abuse example the prevention and detection of revenue leakages; Identification of 'ghost workers' at county levels; and collaboration with National Government agencies (Predictive policing, predict onset of disease outbreaks etc.).

Achieving these objectives however requires overcoming policy, organisational, cultural, resource and technical barriers, such as:

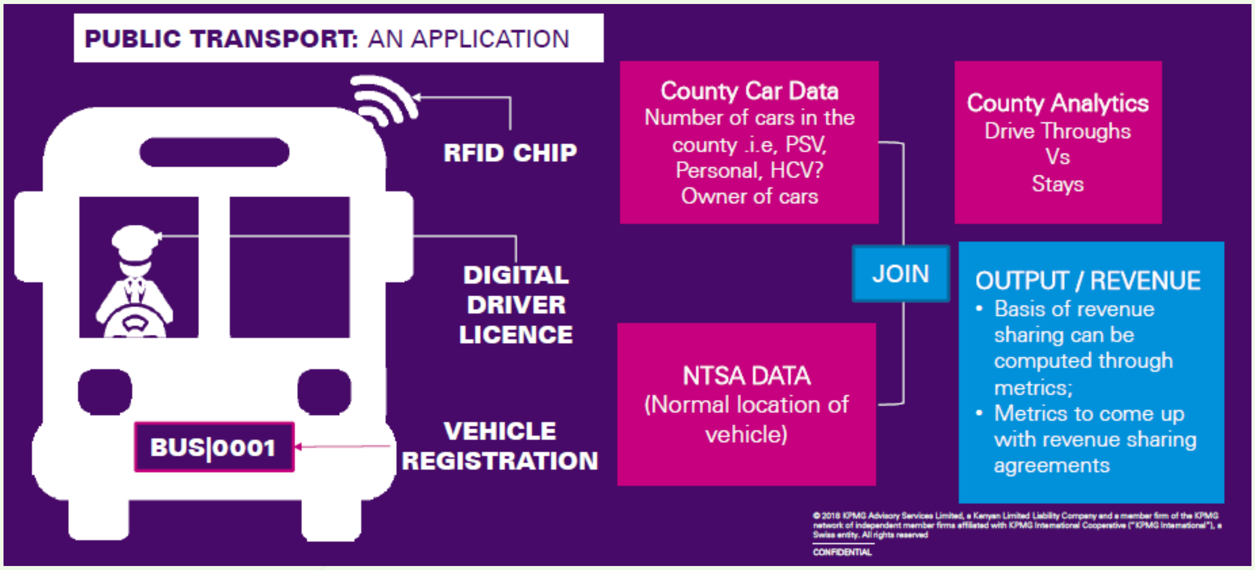
1 Multiple, distributed data silos in various formats and various degrees of data quality;
2 Limited willingness among agency or department personnel to share data, some based on valid legal or policy or privacy reasons;
3 Antiquated data management infrastructures;
4 Lack of a data governance organisation, processes, or tools and lack of sponsorship to implement data governance;
5 Limited understanding of the "art of the possible" in the use of advanced analytics and big data to drive valuable insights; and
6 Rapidly changing development and availability of big data and advanced analytics tools, both proprietary and open source.

The data collected and available to governments at all levels is growing explosively and will continue to do so. The goal is to turn that data into useful information to help agencies better carry out their missions with less waste, more efficiencies, and better outcomes and even potentially short-circuit situations with potentially tragic consequences. Effective data and analytics can lead the way for government officials to glean the full benefits from their data. Under the leadership of a capable data stewards embedded in government agencies, we can begin to break down silos to better share information, establish common standards to make data easier to access, and create greater transparency for citizens, businesses, and other officials to find the data they need in a format they can use.

For this realisation, there needs to be a strong will and foresight of the future benefits of properly managing data. Some of the areas or building blocks we consider critical for successfully tapping the value of data include;

- Fostering the necessary culture and capabilities to enable change in day to day activities;
- Implementing effective data governance and management practises;
- Acquiring the technology and utilising advanced analytics.

Of the above, the first two as they can provide a strong beginning to a government's data and analytics efforts, and ultimately lead to a better government that can improve the quality of life for its citizens.



An example of innovative integration of data use between the County Government and national agencies

Plenary 4 – Discussions

Panelist: Prof. Edward Oyugi, Joshua Musiemi, Dr. Bryan Dsouza, Dr. Geoffrey Kamau and Muchiri Nyaga.

County Governments have become centres of development that attract investment globally. The best governed organizations are managed through the use of quality data and there is need for Counties to embrace such trends. The biggest challenge is the inability of sharing data across departments and ministries. There is need to store and present data in formats that can be accessible by all stakeholders and it is important for all public entities to be partners in gathering quality data and sharing the information ensuring that confidentiality, integrity and availability is upheld. Every organization should follow data governance principles which ensures they have their own checks and controls before engaging system vendors.

In order to achieve the above, capacity building in data analytics at the Counties and having detailed requirement analysis process is critical and important before procuring systems to ensure that the systems developed would meet strategic goals such as connecting value from the revenues generated.

There is need for a Data Coordination Policy in Government that enforces data sharing across Ministries, Departments and Agencies and protecting data sovereignty against scrupulous vendors.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Key Note Speakers – Day 2

Hon. Johnson Osoi • Speaker of Kajiado County Assembly and Chair of County Assemblies Forum

Hon. Osoi described the key challenges affecting own source revenues as being, first, corruption through pilferage and spending revenue at source. Second, the arbitrary forecasting of revenues which was done without any policy frameworks. Third, political interference where in some instances some staff at revenue collection points like road blocks could not be moved.

Due to these challenges, oversight was a critical component of revenue collection. The Constitution envisioned that the legislators were to oversight the county executive. He emphasized the oversight of county executive should not be done by the Senate but the county assemblies.

He pointed out that the greatest impediment was the capacity of members county assemblies. He noted that most could not understand key documents which they were expected to approve like the CIDP, the budgets, Audit reports, CFSP among others.

He assured the participants that the assemblies will support the county executive in putting sound legislative frameworks in place. Unfortunately, the assemblies do not have the necessary capacity and budget for private members bills and neither does the executive have the capacity to draft bills. This hampers development of legislations given that bills ought to emanate from county executive and get enacted by county assembly.

He concluded that CAF will work together with CRA in supporting county assemblies. The speaker also mentioned that policy enforcement is a challenge that opens ways of rewarding a few supporters of the system at the expense of the general public good. He elaborated further that he sees a great weakness in the system of collecting revenue when those who collect revenues are supporters of the same government, and thus they pay allegiance to the system.

Panelist: George Ooko, Hon.Johnson Osoi, H.E Peter Lotethiro, H.E Abdi Issa, H.E William Kingi and H.E Abdi Dagane Mohamed

H.E Hon. Peter Lotethiro - Deputy Governor Turkana County

Turkana is largely a county of pastoralists and therefore the dynamics of our challenges and achievements in revenue collection are different from other counties. Some of the challenges we face include lack of capacity in human resources which we are making effort to enhance.

The idea of collaborating with KRA is welcome so that counties can implement a system that is full proof. Turkana is also a vast county and revenue officers cover long distances where in some areas there is no reliable network and thus administration of revenue collection processes is a challenge. Change resistance is also a key issue by staff some of whom have fraudulent receipts books and we hope that when the processes are automated, the system will be able to seal the loopholes that exist and are being exploited in revenue collection.

In the County Governments many revenue streams are not brought on board as revenue streams while some are running parallel with different county revenue collection systems contributing to limited resources in the counties. This means that the revenues from these sources do not get to the main account of County Governments. In recognition of this, the deputy committed to make sure that all revenue collected is directed to the County Government accounts.

In conclusion, the deputy governor stated that the conference has enabled delegates appreciate that ICT department plays a key role as well in supporting the processes of County Revenue management. He sensitized the County Governments to enhance the capacity of the ICT department alongside the revenue department both in terms of structure and funding in order to realize the full own source revenue potential.

H.E. Abdi Issa - Deputy Governor Isiolo County

Isiolo County is a pastoralist county like Turkana County, the deputy Governor appreciated that low revenue collection was a characteristic of most pastoralist counties if not all. The Governor challenged delegates that corruption refers to different situations including time wastage when one is supposed to be on a particular task or starting a meeting late and this directly or indirectly contributed to poor revenue collection and management.

The deputy governor shared some of the challenges faced in implementing good practices in the public sector. One of the key challenges is people's resistance to change. For instance, in an attempt to improve service delivery at the Isiolo County hospital, his government introduced a staff clock in system in order for hospital staff to clock in when they report for duty but this was met with resistance from the staff. As a country we are faced by difficult levels of corruption and all of us citizens should support people in leadership in their efforts towards fighting corruption.

The process of revenue systems automation has scenarios whereby, a vendor is given a contract at reasonable value by the County Government but then sub-contracts another system developer, who then sub contracts yet another developer resulting to a series of contracts and consequently the process of systems automation collapses, or the value delivered in the contract is not what was tendered. Integrity is a core value and people should share information like they are doing in the social media so that corruption is made open, and those culpable are punished because they pay people to influence processes.

In his closing remarks, the deputy governor said that the system KRA is making available is very important in harmonizing the process of revenue systems automation and urged all counties to keep focus on that.

H.E. William Kingi - Deputy Governor Mombasa County

H.E William Kingi started off with appreciation to the commission for holding this conference for the third time. He informed the participants that the process of revenue automation in Mombasa County was still on course towards automating all processes.

In his few remarks, the deputy governor said that County Governments that host cities in the country should be given consideration in the revenue allocation. Taking into account that city counties face the challenge of collecting enough revenue to support day to day operations and also championing the development agenda in the county.

H.E. Abdi Dagane Mohamed - Deputy Governor Garissa County

The Governor started off with acknowledgement that Garissa is amongst the thirteen counties that have not started the process of automation of revenue collection systems and submitted that all the processes are actually manual. But that notwithstanding the county has abolished any form of cash payments with all payments being made either by M-pesa or direct banking and this has led to increase in revenue collection.

That said, the deputy governor asserted that the forum was relevant for the reason that it provided a platform for exchanging ideas and refining revenue streams. "Revenue automation requires political goodwill from those at the top, we want to get it right at the start and therefore, our delay is not lost on focus. In the next conference, I would like to commit to you that Garissa will not be among the counties that have not automated. We are here to learn, and get experience from counties that have automated and those in the process of automation."



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Importance of Revenue Management Systems Administration, Monitoring & Control

• Presented by Bernard Wakoli

Mr. Wakoli started by saying that some counties that have gone through regime change in the last election are in the process of scrapping revenue management systems implemented by the previous regime despite costing the tax payer millions of shillings. Why is this the case? He shared with the delegates that if this would become a trend every five years after elections, it would be a very costly affair and return on investments (ROI) would never be realized.

Mr. Wakoli explained that for a revenue management system to survive regime change, it must have certain features, qualities and achieve various objectives taking into account the environment it is deployed and operated from.

He said revenue administration operates in a highly complex environment, it is subjected to various external actors, forces and circumstances all the time. Some of these include; Fiscal Policy, legal Framework, tax payers and political actors in the counties.

The success of Revenue management systems deployed, he said, is based on addressing user requirements. It is crucial that before engaging system vendors, user requirements are well captured, well understood with a clear road map on what needs to be done and achieved. He explained the next important factor was the county project implementation team. He said the team should be multi-sectoral and inclusive across county departments. Once the system requirements and project implementation team are in place, it forms a good base to engage vendors in procurement of revenue systems he said.

Systems implementation and deployment is the next critical factor, he said, it should be done as per the systems requirements, within the agreed timelines and within budget. He said these brings about ownership of the revenue system across the stakeholders. With ownership and good will then survivability of the revenue systems will always be high. Automation of revenue management, he said, is meant to increase efficiency, improve revenue collection and bring ease to county revenue officers in performing their duties.

In his concluding remarks, he emphasized on the cost of the revenue management systems. He said that it was critical to negotiate for sustainable rates in the case of revenue sharing models, outright purchase and development costs in order to guarantee return on investments (ROI) for the counties.

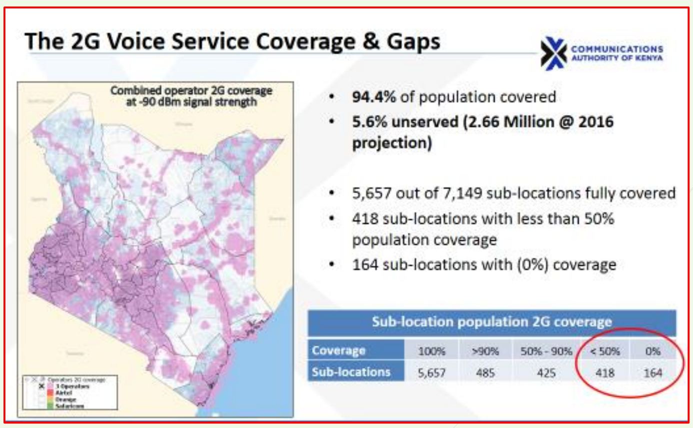
Status of the Universal Service Fund (USF) Fund Projects and its Role in Enhancing Coverage

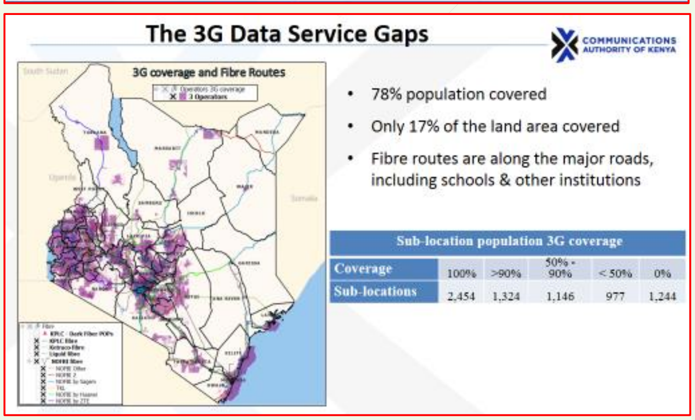
• Presented by Paul Kigen

Mr. Kigen began by sharing with the delegates the mandates of the Communication Authority, a key interest to the counties being the universal service fund.

He said the Universal service fund was created under the Kenya Information and Communication Act (KICA) amendment of 2009 to support widespread access to communication services in all parts of the country. He explained the objectives of the fund were to;

- Promote communications infrastructure and services rollout.
- Ensure availability of communication services to Persons with Disabilities (PWDs), women and other vulnerable groups.
- Development of capacity building in ICTs and technological innovation.
- Facilitate development of and access to a wide range of local and relevant content.
- Support expansion of communication services to schools, health facilities and other organizations serving public needs.





He said the USF is managed by CA through the Communication Authority Board, Universal Services Advisory Council (USAC) and Communication Authority management. The USAC has an advisory role to the CA board and is appointed through a competitive process that is defined in the KICA. The council has 9 council members.

In order to identify areas of intervention using the fund, he said the CA carried out an ICTs access gap study in 2016 to identify gaps in telecommunications, postal/ courier and broadcasting across the country focusing to; Map out gaps in voice, data, broadcasting and postal and courier services at sub-location level across all counties in Kenya, determine the level of service provision in the country, establish the level of investment required to bridge digital divide in the country and determine subsidy levels needed to leverage service provision in rural and high cost areas.

He said some of the findings were that 5.6% of the Kenya population in 418 sub locations country wide was unserved by 2G voice and data services coverage while only 78% of the population was covered by 3G data services.

Mr. Kigen said that in the financial year 2017/2018 USF priority projects identified include;

1. **Education Broadband Connectivity Projects in Public Secondary Schools**

Connectivity of 5 Mbps downlink and 1Mbps uplink Internet connection to all schools meeting the e-readiness criterion as follows; have a secure computer lab, have computers, have an ICT teacher and be undertaking KCSE computer studies curriculum. He said 896 schools qualified after detailed listing by MoEST. He explained that a total cost of Kshs 837M was required for deploying broadband connectivity to the 896 public secondary schools and three Tier 2 Operators were contracted in April 2017 to deploy connection to this schools.

Tier 2 Operators	No. of Schools awarded	Actual Schools connected	No. of Schools Inspected	Complete & Awaiting inspections	Percentage completed and activated
Liquid Telecommunications Limited	321	314	255	59	100%
Xtranet Communications Limited	284	284	181	103	100%
Commcarrier Satellite Services	291	284	151	133	97.6%
Total	**896**	**882**	**587**	**295**	**99.2%**
882 out of 889 schools (99.2%) connected to date. Seven (7) schools that are not connected are in Mandera County namely: Lafey Boys Secondary School; Elwak DEB Mixed Day Secondary School; Elwak Girls Secondary School; Elwak Secondary School; Bore Hole 11 Secondary School; Wargadud Mixed Secondary School and Chief Mohammed Jari Secondary School due to insecurity in Mandera.					

***Implementation Status of Broadband Projects**: Source Communication Authority*

2. Voice Infrastructure & Services Projects Tender Outcome

He said Network Facilities Provider (NFP) tier one contractors were contracted to design and implement voice infrastructure.

In his concluding remarks, he said, in the USF Programs five year implementation strategy (FY 2017/18 - FY2021/22) target areas will be basic infrastructure, broad band connectivity, postal and courier and broadcasting.

Plenary 5 – Discussions

Panelist: Joseph Kuria, Ephantus Karari , Bernard Wakoli, Paul Kigen, Roble Nuno, Naomi Makau and Salome Ng'ang'a

In the second term of county governments, most counties that that got new leadership were contemplating the replacement of revenue systems implemented by the previous government with new revenue management systems. Good revenue management systems should be able to survive through various county regime and administration changes. To achieve this,systems need to meet user requirements, achieve the intended objectives and gain ownership across the different departments in the counties. Revenue management systems implementation process needs to be open, transparent and inclusive among the stakeholders in the county at all stages. County governments need to have full access to the revenue systems during and after the implementation process.

To protect sensitive information, systems vendors and county officers with access to sensitive county information by virtue of having access to the system should commit to non-disclosure agreements and oaths of secrecy where necessary.

Emerging technologies and how counties can leverage on them

• Presented by John Walubengo

Technology has evolved in a great way and counties can make use of technological development to improve their functions and services. The general aim of technology use in counties is to cut costs, increase efficiencies, streamline operations, and create new revenue streams. While infrastructure projects would open up counties and set them up for increased economic development, integrated ICT networks would likewise foster collection of revenues and the consequent delivery of services. The existing technologies have already been applied on payment platforms, public alert systems, community ICT centers, and other ICT enabled services such as e-citizen. Better prospects can also be achieved if counties adopt newer advances in technology.

The major emerging technologies that counties can make use of include cloud computing, big data, artificial intelligence, block chain technologies and smart contracts. One of the concerns about computer networks has been that they are expensive. The good news is that through cloud computing, it is possible to hire an already established infrastructure at reduced costs. This enables the personnel to not only get safer storage facilities but also collaborate on work. Big data technologies can help counties collect, interpret and make real-time decisions on different kind's data streaming rapidly such as from security cameras and sensors. Artificial intelligence includes data mining that allows smart decisions to be made using advanced software; and this is a green area for counties. Further, block-chain technologies would ensure that data, for instance on revenue, has 100% integrity.

Despite the existence of these new technologies, there are county-level challenges that have to be taken into account. Such challenges include limited ICT budgets, staffing, poor information security, and lack of ICT governance framework. It was suggested that all counties must put in place the basic foundations of ICTs; some of the challenges can actually be addressed using the technology itself. After foundations for ICT are laid, technologies are chosen in terms of priority such as using the market approach, and creating an ICT governance framework that enables the ICT board or the governor with a high-level mechanism for monitoring of ICT activities. It also makes ICT directors accountable for achieving ICT Strategies and objectives.

It was essential to reiterate that counties cannot effectively make use of the new technologies unless the foundational technologies, procedures and practices are in place. It was thus recommended that counties must Institute an ICT Governance Framework to monitor and demand value from ICT investments and operations; there should be capacity building and citizens; and the need to optimize existing technologies while evaluating the role of emerging technologies.

Cyber security risks associated with financial management systems

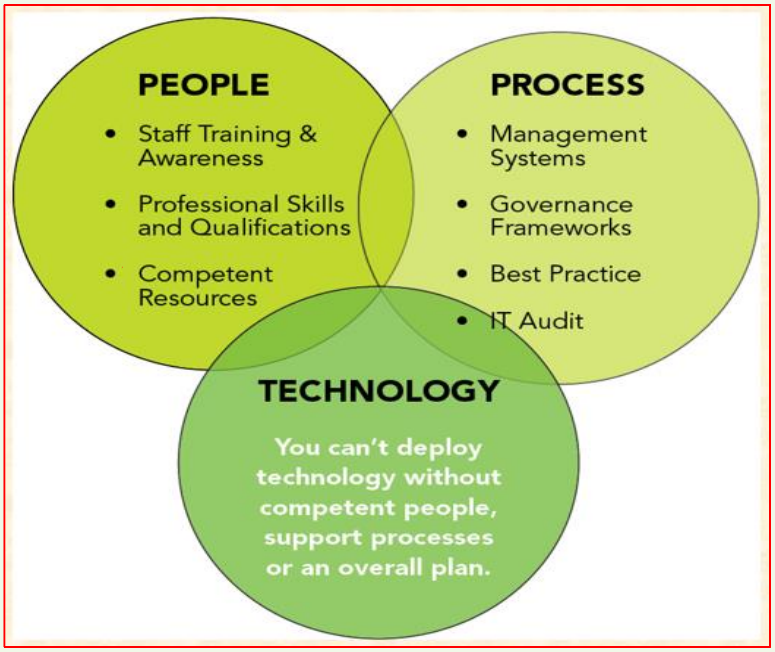
• Presented by Samuel Kibara

Cyber security comprises technologies, processes and controls that are designed to protect systems, networks and data from cyber-attacks. These attacks are usually aimed at accessing, changing, or destroying sensitive information; extorting money from users; or interrupting normal business processes. Effective cyber security reduces the risk of cyber-attacks, and protects organizations and individuals from the unauthorized exploitation of systems, networks and technologies.

Each county faces different types of risks as well as different levels of similar risks related to ICT in general and OSR in particular. Despite these differences, the individual counties should have answers to the following issues: whether the county is strategically prepared for any attacks; what are the key processes involved; what level of investment would offset the risks; how resilient the automated system is; and what level of confidence on the automated system exists. While OSR automation is an ICT issue, cyber-attack is not. Notably, most of the cyber-attacks can be prevented.

The only alternative to Risk Management is Crisis Management which is Embarrassing, Time Consuming and Expensive.

Securing county information systems must adopt a risk management perspective. This is an urgently important issue because cyber-attacks may lead to financial losses, denial of service (inaccessibility to the system), disruption of services or damaging of a county department's reputation, and unauthorized access that leads to the capture of IT services. An effective cyber security model involves security controls at each of the three levels: people, processes and technology. Specifically, this can be done through establishing an Enterprise Risk Management (ERM); integrating operational and technical issues regarding cyber risks into Enterprise Risk Management framework; establish a framework for managing insider risk– people within; establishing a crisis management plan for cyber risks in case some occur; and, where possible, transfer some of the risk through insurance.



A challenge was posed to the counties as to whether they have standards upon which procurement of security systems can be based. Concerns were also raised with regard to the quality of support the county ICT and security professionals can receive from suppliers of security systems. In addition, counties need to arrive at an agreement on whether, based on their capacities and core functions, they need to purchase or outsource systems security applications. Experts cautioned counties to beware that the initial costs of acquiring the systems may not be as high as maintenance costs. There is therefore a need to look out for the best supplier, regardless of whether a purchasing or an outsourcing arrangement is adopted. Despite what options are selected, the question of legislative framework remains imperative, since it would in a way contribute to the standards of such systems. Two challenges are envisaged: first how to put governors to task that automation systems and their security applications are important, and how to get the MCAs support the relevant bill.

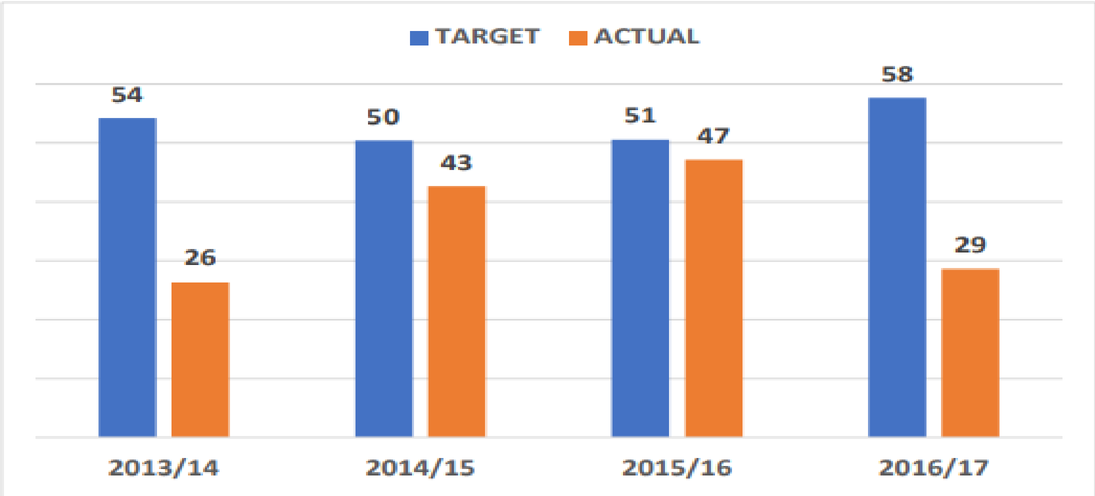
Fiscal responsibility in revenue management by County Government

• Presented by John Mutua

Having established efficient systems of revenue collection, the next step is to exercise fiscal responsibility in the management of the collected funds. Fiscal responsibility involves the prudent use of county resources, ensuring that there is no wastage. As a rule, there is no way OSR can function well without the managers of the funds exercising the highest level of fiscal responsibility. There must be discipline and accountability in handling revenues.

There are various issues that affect the mobilization and management of OSR. One of the issues is the lack of clear policy and legislative framework. In other words, there is no legal basis for collecting some revenues. The other issue is the way revenue collection is designed or structured as exemplified by cost ineffectiveness and some tax regimes being regressive; multiple levies (land valuation, inspection fees, NEMA) which make land rates regressive; multiple licenses and consolidation of single business permit placing disproportionate burden on the poor; and parking fees not being commensurate to service among others. Further, there is the issue of limited capacities to administer and collect revenues. This is illustrated by the fact that revenue analysis and forecasting in counties is not scientific; insufficient staff capacities which consequently lead to poor enforcement mechanisms; fragmentation of revenue systems; political interference especially on property tax; lack of insights on collection trade-offs between outsourcing versus own collection.

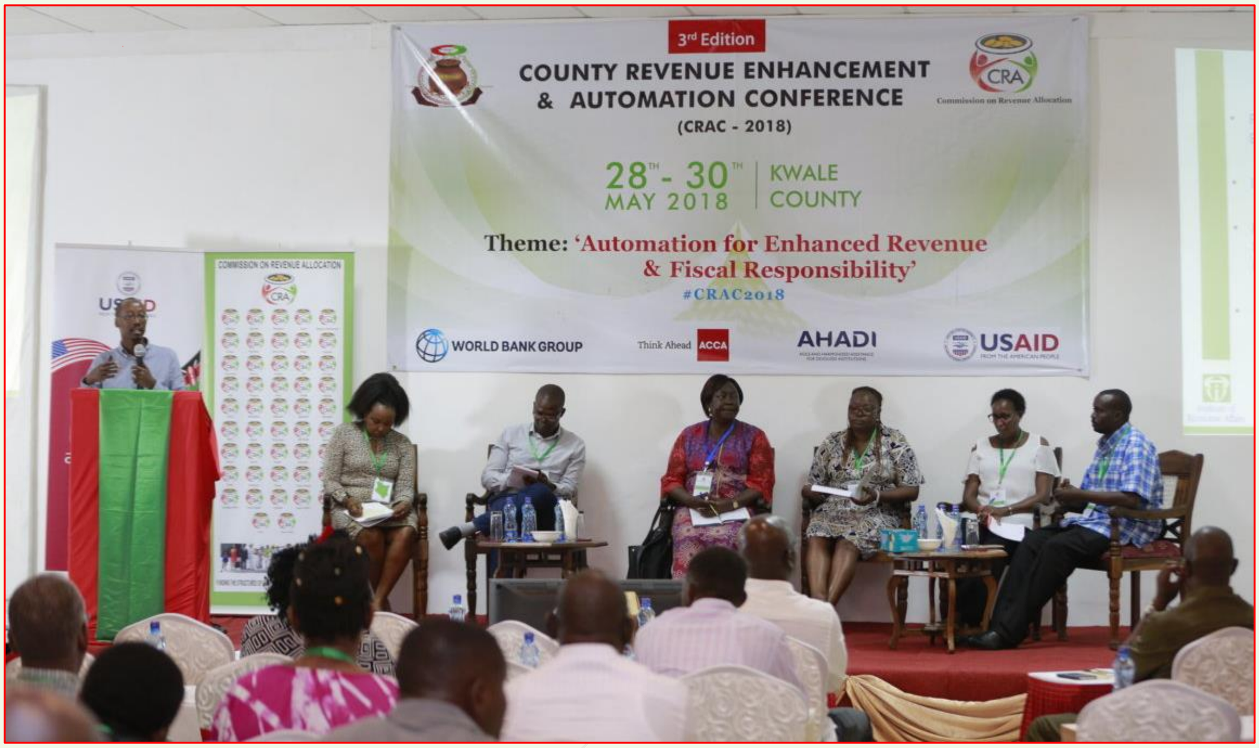
Chart 4.3: County Governments' OSR Targets vs. Actuals (Ksh Billions)



Source of Data: Controller of Budget

The above issues have led to serious consequences on the part of the counties. The inability to carry out realistic revenue estimations has led to budget deficits. Such deficits could be termed as lack of fiscal responsibility, because fiscal responsibility includes accuracy in estimations. The other consequence has been the sky-rocketing of the wage bill – high wage bill undermines development. On the basis of the shortcoming of counties to mobilize and manage OSR, it was recommended that the policy and legal framework for revenue management should be updated and strengthened; focus on comprehensive automation to ensure every revenue is captured; compliance levels for payers should be improved; value for money for payers should be delivered so that the discussion does not just center on revenue but also expenditure; and that revenue administrative capacity and innovative revenue should be strengthened.

Despite the above recommendations, participants reacted that a new culture must be developed in all counties. In relation to this, even if a finance bill is enacted, operational issues on the actual collection of revenue boils down to individuals. It is for this reason that personal and professional responsibility precedes fiscal responsibility. Others preferred to use the term 'stewardship' instead of 'fiscal responsibility', the point being that officers have to make individual decisions to take care of what the public duties and funds entrusted to them. In addition, part of the fiscal responsibility is to make sure that collected money is banked and not kept in offices. Some actually proposed that about 1% of county budgets should go to enforcing fiscal responsibility. Overall, there was agreement that a cashless situation would reduce instances of fiscal irresponsibility, and this comes with automation as exemplified in the Nairobi County payment of parking fees. Last, it was submitted that hospital revenues are part of OSR, but more clarity is needed in relation to devolution principles and agreements between the county and National Governments.



Panelist: John Mutua, Dr. Irene Asienga , Kennedy Abong'o, Benta Ogot, Sheila Yieke, Salome Ng'ang'a and Sammy Lenanyokie

Change management practices in People, Technology, Process and legal

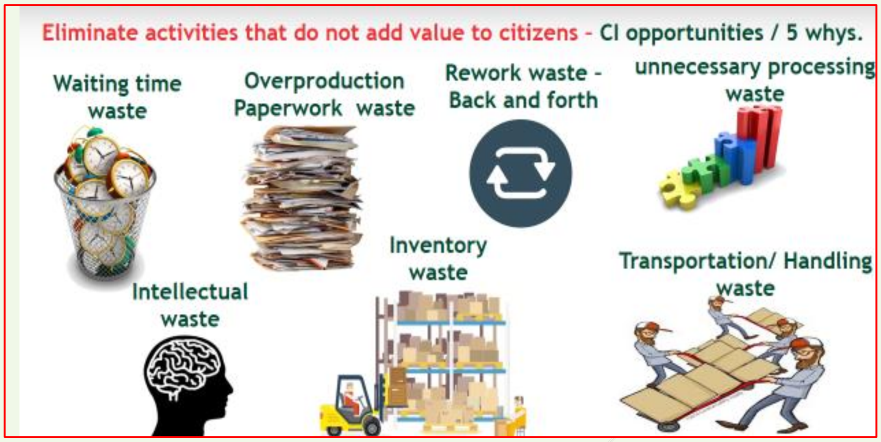
• Presented by William Ndumia & Sam Watene

After the OSR is automated, there are likely to be change management issues that require the attention of the county. The new OSR systems should be able to address the interests and wants of both the county and the people being served. While citizens want better lives, convenience, good service, value for money, and ease of accessing services; the county wants increase in OSR, increase in transparency, increase in efficiency, and compliance to all regulatory requirements. Mr Ndumia explained that change is more of a mind issue than anything else. Through continuous small improvements on how we perform our duties goes a long way in transforming an organization. He said under the influence model, People do things differently because of several factors;

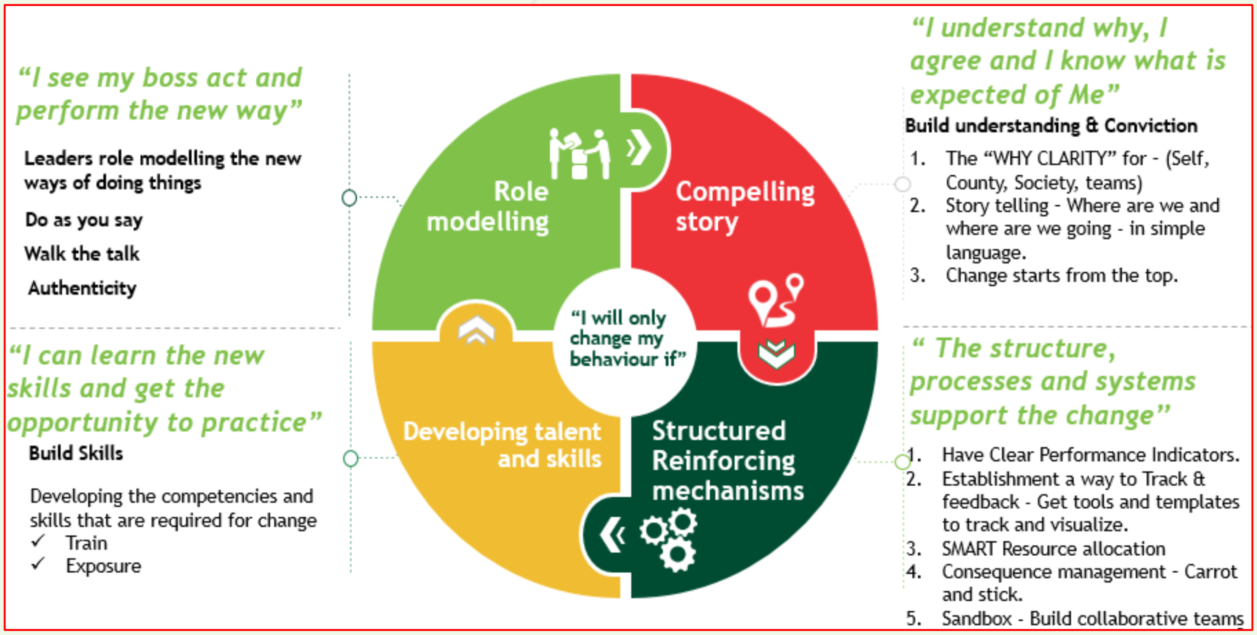
- A Compelling story from which people understand why they need to do things differently.
- There exists enforcement structures and mechanisms of follow up to people doing things differently.
- Development of people through continuous training, capacity building and empowerment

- The presence of a role model. As a leader you need to lead by example and people will follow your direction

He stated it was important to avoid Intellectual waste at all cost by giving people space to be creative and introduce new ways to improve existing processes. Reduction of waiting time and production of only what is necessary without over production, in time develops into desirable change.



If change is not well managed, technology change may not solve the problems that counties face with regard to OSR collection. All the departments have to collaborate to see to it that the new systems work, not just the ICT department. Mr Ndumia said that in some instances, technology change should not be abrupt but a gradual process in which small but continuous improvements are done. A common argument about the county administrators was that they inherited employees and so they find bringing change a challenging task. However, some hard decisions have to be made for progress to be made.



A sample change management model from the perspective of leaders' influence

Mr. Sam stated that the other aspect in managing change in technology change is to create enabling environments and renew organizational culture that enables the employees to overcome the negative perceptions associated with previous authorities (city, municipal and local). The people's targets in the new systems must be very clear and assessed differently from the previous authorities. Mr. Sam explained that significantly different or better results can only be achieved if administrators are candid with targets – departments and personal targets. In addition, counties should be able to adopt new perspectives in doing things and rally the best teams behind their change dreams. He stated it was important to create a winning environment by having the right people, the right attitude and assembling a winning team who are able to drive the required change.

Conference Way Forwards

1. Development of a centralized revenue management system which integrates with all departments that can be shared by County Governments.
2. Formulation of guidelines comprising of the governance structure, processes and procedures in revenue management to assist County Governments.
3. Capacity building of County Assemblies to enhance their role in revenue management through legislation and budget approval.
4. The inclusion of all key stakeholders in National Government at the future County Revenue Enhancement and Automation Conferences including but not limited to; National Treasury, Council of Governors, Controller of Budget and ICT Authority.
5. Counties to consider using the Kenya Revenue Authority systems for revenue collection and management.
6. Development of a sound policy and legal framework for revenue enhancement at both levels of Government.
7. Support Counties in revenue analysis and forecasting to ensure realistic targets are set resulting in effective budgeting processes.
8. The Commission shall strive to fill the advisory gap in Revenue Management at the Counties in both the executive and assemblies through training and guidelines.
9. Counties should re-organize their ICT structures to reflect their strategic role as an enabler in the process of revenue management systems automation.
10. Creation of a special fund for spatial planning at the Counties since it is directly linked to own source revenue mapping.
11. Allocation of County ICT budgets of at least 5% to spur automation in all devolved functions.
12. Incentivization mechanism of employees who constantly exceed revenue collection targets should be developed.
13. To receive the public goodwill and minimize the resistance of revenue collection, Counties should provide reliable services in relation to the fees and charges received from citizens.
14. Constitution of effective County Revenue Boards as a measure towards revenue enhancement.
15. Establishment of a Budget Office that is domiciled and managed at the County Assemblies Forum, equivalent of Parliamentary Budget Office at National Assembly.
16. Creation of an instrument for utilizing county own source revenue for development in all Wards

County Own Source Revenue Awards (COSRA) ceremony

This year's County Own Source Revenue Automation (COSRA) awards were awarded to counties in recognition of their effort to grow own source revenue by re-engineering their revenue management process. This is notably by addressing people issues, redefining the revenue management processes, automating their revenue management processes through appropriate technologies and finally by enacting the relevant revenue legislation. This has led to notable growth of revenue from these counties, at a time when majority of counties have experienced a reduction in own source revenue . CRA has, and continues to support counties to enhance their revenue.

1. **Bungoma County**

Delegates from Bungoma County receive 1st position award

2. **Marsabit County**

Marsabit Deputy Governor receive 2nd position award

3. **Nyandarua County**

Delegates from Nyandarua County receive 3rd position award

Closing Ceremony

Commissioner Dr. Irene Asienga

The Commissioner gave the vote of thanks, She thanked the almighty God, Management of Kaskazi Beach Hotel, Governors and Deputy Governors in attendance, CRA partners including World Bank, AHADI, ACCA, all the delegates and the commission staff for making the conference a success. She wished the delegates journey mercies as they traveled back home and to their places of work.

CRA Chairperson

Dr. Kiringai revisited the following conference deliverables shared in the opening ceremony;

- That, during this conference the delegates could agree on the way forward on having one platform of revenue collection and administration.
- That, during this conference the delegates could agree on a standard structure of revenue collection for all county governments
- That, during this conference the delegates could agree on the need for policy regulation to govern the revenue collection and administration by the count governments

She asked the delegates if the deliverables had been achieved. The response was unanimous that indeed the deliverables had been met. She thanked the delegates for their contribution and declared the conference closed.

Appendices

Conference Program

	Day 1 – Preconference Meetings	**Check-in Day**
14:00 - 17:00	Registration and Check In Pre-conference work group (Counties Technical committee and Conference Secretariat)	CRA
3.00 – 4.00	County systems review report brief with Governors & representatives from the 15 reviewed counties **Speakers** Christine Tantuo - AHADI Dr. Jane Kiringai - Chairperson CRA H.E. Patrick Khaemba - Governor Transnzoia County H.E. Fahim Twaha - Governor Lamu County H.E. Wycliffe Oparanya - Governor Kakamega County	Commissioner Humphrey Wattanga
	Day 2 - Conference	
8:30 – 9:00	Registration	Moderator
9:00 – 10:00	**OPENING SESSION** Opening Prayer – M.s Jacqueline Marita Introductions	Joseph Kuria Director ICT, CRA
	OPENING REMARKS/Speakers Dr. Jane Kiringai - Chairperson CRA Ms. Tina Dooley - USAid Mission Director Christine Owuor - Senior Public Sector Specialist, World Bank H.E. Salim Mvurya - Governor (Host County)	George Ooko CEO, CRA
	Status of Revenue in the Counties - CRA	James Katule
	Automation for Revenue Enhancement: The Journey - CRA	Joseph Kuria
10:00– 10:30	Health Break	
10:30– 11:00	**SESSION One : Share case studies on own revenue automation process:** what worked and what did not work Presenter: Two representing Counties & KRA	Joseph Kuria Director ICT, CRA
11:00 – 11:30	**SESSION Two:** Presentation on the findings and recommendations from the **'County Revenue Management System Review Programme'** Presenter: Christine Tantuo	
12:00 – 12:30	**SESSION Three :** Presentation on County **Revenue Analysis and Revenue forecasting**: World bank Study Presenter: Wangari Muikia	James Katule Director Fiscal Affairs, CRA
12:30-1:00	Panel Discussion - Chair: Commissioner Dr. Irene Asienga	
1:00-2:00	Lunch	
2:00-2:30	**SESSION Four :** Share Insights on the **capacity of county governments to raise their own revenue** is important	James Katule

	for their sustainability and wellbeing: Estimating county revenue potential, approaches and Progress to date Presenter: Abraham Rugo Muriu	
2.30 -3:00	Panel Discussion - Chair: Commissioner Kishanto Suuji	
3:00-3:30	**SESSION Five:** Create awareness and spark interest in the **innovative use of data available to county Governments** (Counties have a lot of data available to them) Presenter: Dr Bryan Dsouza	Commissioner Humphrey Wattanga
3:30-4:00	Panel Discussion - Chair: Commissioner Prof. Edward Oyugi	
4.00	Health Break	
	Day 3 - Conference	
8:30- 9:00	**Recap on Day 1 proceedings**	Joseph Kuria
	Keynote Speakers H.E Hon Peter Emuria Lotethiro - Deputy Governor Turkana County H.E. Abdi Issa - Deputy Governor Isiolo County H.E. William Kingi - Deputy Governor Mombasa County H.E. Abdi Dagane Mohamed - Deputy Governor Garissa County H.E Eng. Francis Wambua Maliti - Deputy Governor Machakos County Hon. Johnson Osoi - Chairperson County Assemblies Forum	George Ooko
9:00-9:30	**SESSION Six: Fiscal Responsibility** in revenue management by county governments Presenter: John Mutua	Sheila Yieke Director Legal, CRA
9:30 – 10:00	Panel Discussion Chair: Commissioner Dr. Irene Asienga	
10:00-10:30	Health Break	
10:30-11:30	**SESSION Seven :** Discuss **emerging technologies** and how counties can leverage on them Presenter: John Walubengo	Commissioner Humphrey Wattanga
11:30-12:30	**SESSION Eight:** Discussion on **cyber security risks associated with financial management systems** and preventive measures Presenter: Samuel Kibara	
12:30-1:00	Panel Discussion Chair: Commissioner Humphrey Wattanga	
1:00-2:00	Lunch	
2:00-2:30	**SESSION Nine:** Importance of revenue management systems in revenue administration, monitoring and control : The survival of systems through different regimes Presenter: Leonard Wakoli	Joseph Kuria
2.30 – 3.00	Panel Discussion - Chair: Prof. Paul Chepkwony Governor, Kericho County	
3:00 – 3:30	**SESSION Ten: Change management** practices in the areas of People, Technology, Process and legal	George Ooko

	Presenter: William Ndumia & Sam Watene	
3:30	Conference Action and Way Forward	Joseph Kuria
	County Own Source Revenue awards (COSR Awards)	CRA
	Awards Presentation: Dr. Jane Kiringai - Chairperson, CRA	
	Closing Remarks	Commissioner Dr. Irene Asienga
6:00 PM	Gala Dinner	Commissioner Humphrey Wattanga
Day 4	**Check-out Day**	

Speakers Profile

Wangari Muikia

Wangari has worked in senior positions for, amongst others, the National Treasury in Kenya, The World Bank in Washington DC, and Dalberg Global Advisors in New York, Switzerland, Tanzania and Kenya. She has undertaken several projects for USAID, DANIDA, DFID and the Global Fund and advised on several other government projects. Wangari has a Bachelor of Business Administration degree from the University of Oklahoma, and Master of Public Administration from Harvard University.

John Walubengo

Mr. Walubengo holds an MSc in Strategic Business IT (University of Portsmouth) and a BSc in Mathematics (Kenyatta University). He holds several industry certifications including the CCNA (Certified Cisco Network Associate) and the CISA (Certified Information Systems Auditor) certification. His area of specialization is in ICT Governance, Security, Policy and Strategy.

He has over 20 years' experience in the ICT Training and Consulting. His work experience included working for the Strathmore University as the IT Course Director and as the founding Dean, Faculty of Computing at the Multimedia University. He is currently a PhD candidate at the University of Nairobi and continues to provide Consultancy services to Government and other organizations. Most recently, he was appointed a member of the National Taskforce on Block chain & Artificial Intelligence.

He also writes a weekly column on topical ICT issues in one of the largest dailies in East and Central Africa.

Dr Bryan Dsouza

Brian is the Head of Consulting at KPMG in Kenya.

He is the leader of Risk Consulting as well as leader of the Consumer and Industrial Markets Line of Business. He is also the leader of our Information Technology Advisory (ITA) department and is a specialist in IT installation reviews and use of computer aided auditing techniques, Information Security Services, Business Systems Controls, Information Systems Governance and Project Risk Management. Brian was admitted to partnership in 1997.

Abraham Rugo, Ph.D., is the International Budget Partnership's Country Manager for Kenya and is based in Nairobi. Prior to joining IBP in July 2017 he worked at Institute of Economic Affairs (2007-2013) and as a public sector consultant (2014-2016). He has a wealth of experience working in decentralization, participatory governance, and public finance management in Kenya.

Abraham Rugo Muriu

He holds Masters and Doctoral Degrees in Public Management from the University of Potsdam, Germany. He has a passion for home grown solutions to society problems and works to localize and personalize policy matters that are otherwise complicated.

John has a wealth of experience in public finance management and in general macroeconomics. On this, he has conducted research and public policy analysis, reviewed related legislations, authored publications and facilitated numerous budget and general economic literacy fora for civil society organizations and parliamentarians. John holds a Masters of Arts in Economics from the University of Nairobi and is the head of the Programme on Public Finance Management (PFM).

John Mutua

James Katule is the Director Fiscal Affairs at CRA. He holds a Masters of Business Administration from the Eastern and Southern Africa Management Institute (ESAMI) and a Bachelor of Arts in Economics & Business Education from Kenyatta University. He is a Certified Public Accountant and a member of ICPAK. He has a wealth of experience in financial management, administration, people management and procurement gained in working for the Kenya National Trading Corporation, the International Centre for Insect Physiology and Ecology (ICIPE), International Livestock Research Institute (ILRI), the Africa Medical Research Foundation (AMREF) and most recently, Capital Markets Authority (CMA).

James Katule

Joseph Kuria

Joseph Kuria is the Director ICT Services at CRA. He holds an MSc in Business Administration, Strategic Management from the University of Nairobi and BSc. in Computer Science from Egerton University. He is currently pursuing a PhD in Information Systems.

He holds the following professional certifications: MCP, MCSE, MCDBA, CISA, CEH, MCT, PMP and PRINCE2. He has over 18 years working experience in both Public and Private Sector. Mr. Kuria is a leading technology strategist with experience spanning systems and network architecture, business re-engineering, data center technologies, application development, global vendor management, budgeting and project portfolio management.

Christine Tantuo

Christine Tantuo is a Director at The TechnoCademy Limited, a Technology Consulting Firm providing advisory services in both public and private sectors. She has close to 20 years' experience in the ICT industry, having spent a greater part of her career in the telecommunication industry. Prior to TechnoCademy, she has worked for Techno Brain Kenya, Sandvine, Alcatel-Lucent ,Uganda Telecom, World space Ghana and Africa Online in various capacities.

A holder of a BSc. in International Business Administration - Finance & Marketing from the United States International University - Kenya, she also holds an Executive MBA from Strathmore Business School and is currently enrolled in a Cyber Security program at the St. Andrews University UK.

CRA Commissioners

Dr. Jane Kiringai
Chair person

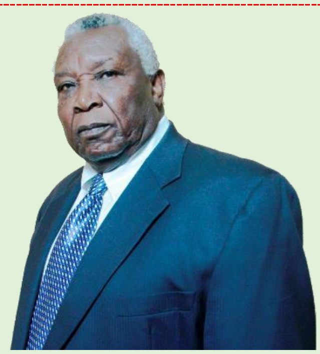
Humphrey Wattanga
Vice Chair Person

Dr. Irene Asienga
Commissioner

Peter Gachuba
Commissioner

Prof. Peter Kimuyu
Commissioner

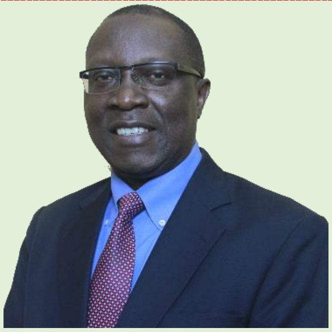
Fouzia Abdikadir
Commissioner



Prof. Edward Oyugi
Commissioner

Kishanto Ole Suuji
Commissioner

Dr. Kamau Thugge
PS The National Treasury



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