

# **EMBU COUNTY GOVERNMENT**



## **COUNTY TREASURY**

### **EMBU COUNTY REVENUE MOBILIZATION STRATEGY FY 2024/2025 – FY 2026/2027**



***Unlocking Potential, Growing Revenue, Securing Embu's Future***

**JUNE 2024**

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## FOREWORD

This Revenue Mobilization Strategy provides a clear framework through which the County will harness its revenue potential. It outlines measures to ensure that all possible revenue from local sources is effectively collected. In the recent years, revenue collection has shown positive growth, although the County has not yet reached the estimated potential of Kshs. 1.45 billion, as assessed by the **Commission on Revenue Allocation (CRA)**. Notably, revenue has grown by more than 72%, rising from **Kshs. 394 million** in **FY 2021/2022** to **Kshs. 746 million** in **FY 2023/2024**.

Embu County is endowed with vast land and diverse natural and economic resources. With appropriate strategies, policies, and coordination across relevant departments, the County has the capacity to generate significantly more revenue than the current assessments suggest. This strategy therefore seeks to strengthen efficiency in revenue collection, seal fiscal and operational gaps, and progressively position the County on a path toward financial self-reliance.

Despite commendable progress, revenue mobilization has faced challenges that have contributed to budgetary constraints and the accumulation of pending bills. Increasing revenue from local sources remains the most viable path to reducing dependence on national government allocations. While the current administration has initiated reforms that have already boosted revenue performance, the County must go further to unlock its full potential and mobilize sufficient resources to sustainably finance its development agenda.

This Revenue Mobilization Strategy, covering **FY 2024/2025** to **FY 2026/2027**, provides a medium-term framework to enhance **Own Source Revenue (OSR)**. Its successful implementation will require strong collaboration and coordination across County departments, as well as active consultation and engagement of key stakeholders. Only through joint efforts can the County achieve the vision of sustainable revenue growth and long-term financial independence.



Prof. Kinyua Nyaga Kamaria  
**County Executive Committee Member – Finance & Economic Planning**

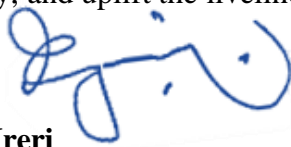
## PREFACE

The **Embu County Revenue Mobilization Strategy (RMS)** for the Financial Years **2024/2025–2026/2027** has been developed to provide a clear and structured framework for enhancing the County’s capacity to generate and manage its Own Source Revenue (OSR). This Strategy underscores the County Government’s commitment to fiscal sustainability, efficient service delivery, and economic transformation in line with the County Integrated Development Plan (**CIDP 2023–2027**) and national development priorities.

Over the years, the County has made remarkable progress in strengthening its revenue administration systems, improving compliance, and expanding the revenue base. However, challenges such as revenue leakages, limited automation, and underutilization of potential revenue streams have continued to constrain fiscal performance. The RMS therefore outlines practical measures and innovative approaches to address these challenges, while providing a roadmap for sustainable revenue growth over the medium term.

The successful implementation of this Strategy will require collective effort, ownership, and accountability by all stakeholders to enhance revenue growth by at least 30% from Ksh. 746M collected **FY 2023/2024**. The County Government remains committed to ensuring effective enforcement, strengthening automation, enhancing staff capacity, and promoting a culture of transparency and efficiency in revenue management.

It is my sincere hope that this Strategy will serve as a guiding tool for mobilizing adequate resources to finance the County’s development agenda making it self-reliant, improve service delivery, and uplift the livelihoods of the people of Embu.



**Erick Ireri**  
**Chief Executive Officer/Secretary to ECRA Board**

## EXECUTIVE SUMMARY

This Revenue Mobilization Strategy Paper has been developed to guide the County of Embu over the period **FY 2024/2025** to **FY 2026/2027**, with the primary objective of raising adequate Own Source Revenue (OSR) to support the County's economic growth and development agenda. The paper outlines strategies to strengthen OSR performance, enhance compliance, seal revenue leakages, and ensure sustainable service delivery.

The strategy builds on lessons from the past financial years, leverages technological innovations, and aligns with the County Integrated Development Plan (CIDP) and national fiscal policy frameworks. Notably, since the new administration assumed office in 2022, Embu County has witnessed a steady upward trajectory in OSR collections. Reforms spearheaded by the **Embu County Revenue Authority (ECRA)**—the body mandated to assess, collect, and account for all revenue—have significantly improved accountability and transparency.

The strategy provides a comprehensive framework of legal reforms, administrative improvements, technology adoption, and stakeholder engagement to be implemented gradually within the strategy period. With these measures, it is projected that the County will improve OSR performance by at least **30%**, rising from **Kshs. 746 million** in **FY 2023/2024** to over **Kshs. 1 billion** by **FY 2026/2027**.

Through strategies outlined in Paper, the County targets not only to grow revenue but also to rebrand its revenue administration, tap into previously untapped sources, and build a stronger, more trust-based relationship between government and citizens.

## 1.0 INTRODUCTION

Revenue collection is the backbone of Embu County’s ability to deliver essential services, implement development programs, and meet its policy obligations under devolution. In the past, the County grappled with multiple challenges including weak compliance, outdated systems, inadequate enforcement, revenue leakages, and policy gaps. These challenges constrained the County’s fiscal space and limited the quality of services delivered to citizens.

Despite these obstacles, significant progress has been made since the new administration assumed office in 2022. ECRA which is mandated to assess, collect, and account for all revenues, has led reforms that have strengthened accountability, sealed loopholes, and gradually improved OSR performance. Collections have steadily grown by over **72%**, with **FY 2023/2024** closing at **Kshs. 746 million**.

Building on this momentum, this Revenue Mobilization Strategy for **FY 2025/2026** is designed to consolidate gains, address persistent weaknesses, and introduce forward-looking reforms to expand the revenue base. The strategy emphasizes technological innovation, stakeholder engagement, policy reforms, and staff development as the key levers to transform revenue collection.

Specifically, the strategy outlines a set of priority interventions aligned with the County Integrated Development Plan (CIDP), the recommendations of the CRA and national fiscal policies. By implementing this strategy, Embu County expects to achieve a minimum of **30% growth in OSR within the next three years**, targeting to reach over **Kshs. 1 Billion** by **FY 2026/2027**. More importantly, the strategy seeks to entrench a culture of voluntary compliance, strengthen citizen trust, and foster a sustainable fiscal framework that supports the County’s long-term development agenda.

## 2.0 COUNTY OF EMBU FISCAL PERFORMANCE

### a) Revenue performance

The County of Embu has demonstrated a marked improvement in its revenue collection performance, especially since the new administration took office in 2022. Over the past decade, the County has progressively strengthened its Own Source Revenue (OSR) mobilization efforts through policy reforms, enhanced compliance enforcement, automation of revenue streams, and improved accountability mechanisms.

Between **FY 2013/2014** and **FY 2023/2024**, the County's OSR grew from **Kshs. 167 million** to **Kshs. 746 million**, reflecting a growth of more than **346%**. This growth underscores the County's resilience and commitment to revenue mobilization, despite occasional fluctuations arising from economic shocks, political transitions, and external factors such as the COVID-19 pandemic.

The most notable turnaround occurred from **FY 2021/2022** to **FY 2022/2023**, where revenues nearly doubled, followed by a continued positive trajectory in FY 2023/2024. This is largely attributable to deliberate measures by the current administration, including digitization of revenue systems, broadening of the revenue base, and improved monitoring of compliance.

The table below presents the monthly revenue performance trend for the last eleven financial years:

*Table 1: County of Embu Revenue Collection Performance (2013/2014 – 2023/2024)*

Month / FY	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
July	14,344,812	25,211,086	27,808,822	33,097,276	13,164,500	48,328,602	37,546,244	28,010,205	55,813,272	15,382,063	53,665,164
August	10,512,447	28,068,960	31,466,911	31,000,991	13,964,401	42,522,893	47,770,551	26,321,369	31,787,383	24,721,557	68,845,506
September	10,542,795	28,030,978	33,373,254	34,812,909	16,187,690	35,885,449	41,461,090	54,783,949	27,132,343	29,998,665	36,825,838
October	8,811,658	25,505,076	27,965,118	34,091,963	21,418,041	55,020,130	39,007,370	24,819,066	20,167,551	50,036,160	39,236,850
November	9,158,084	22,646,318	21,511,345	32,812,646	12,496,741	37,300,018	50,693,145	22,820,611	15,424,530	39,677,586	33,759,421
December	7,787,262	19,600,365	22,227,239	30,593,388	14,979,759	33,075,448	41,089,013	15,712,030	22,460,735	49,903,877	30,800,196
January	8,425,094	38,322,996	32,822,999	19,183,623	26,592,772	42,002,962	40,036,790	26,355,799	29,363,411	56,508,591	67,651,335
February	6,413,215	57,720,502	52,331,418	38,365,940	81,835,808	68,383,179	47,645,068	31,637,799	31,298,067	73,060,871	79,826,240
March	9,666,367	46,616,174	43,377,748	38,175,841	48,765,464	83,417,888	56,606,794	52,747,619	64,381,897	117,829,567	88,353,590
April	32,880,423	32,898,578	37,904,187	22,886,579	54,811,860	54,101,082	22,723,489	24,356,002	31,259,871	53,401,613	77,874,801
May	32,168,041	38,747,389	24,580,231	34,472,386	72,485,705	78,310,666	39,520,933	44,013,837	36,238,129	76,336,991	109,640,303
June	16,326,317	38,354,054	28,323,539	43,270,861	61,133,145	50,797,390	45,591,672	23,748,005	29,213,539	93,921,927	60,490,859
<b>Total (Kshs.)</b>	<b>167,036,515</b>	<b>401,722,476</b>	<b>383,692,811</b>	<b>392,764,403</b>	<b>437,835,886</b>	<b>629,145,707</b>	<b>509,692,159</b>	<b>375,326,291</b>	<b>394,540,728</b>	<b>680,779,468</b>	<b>746,970,103</b>



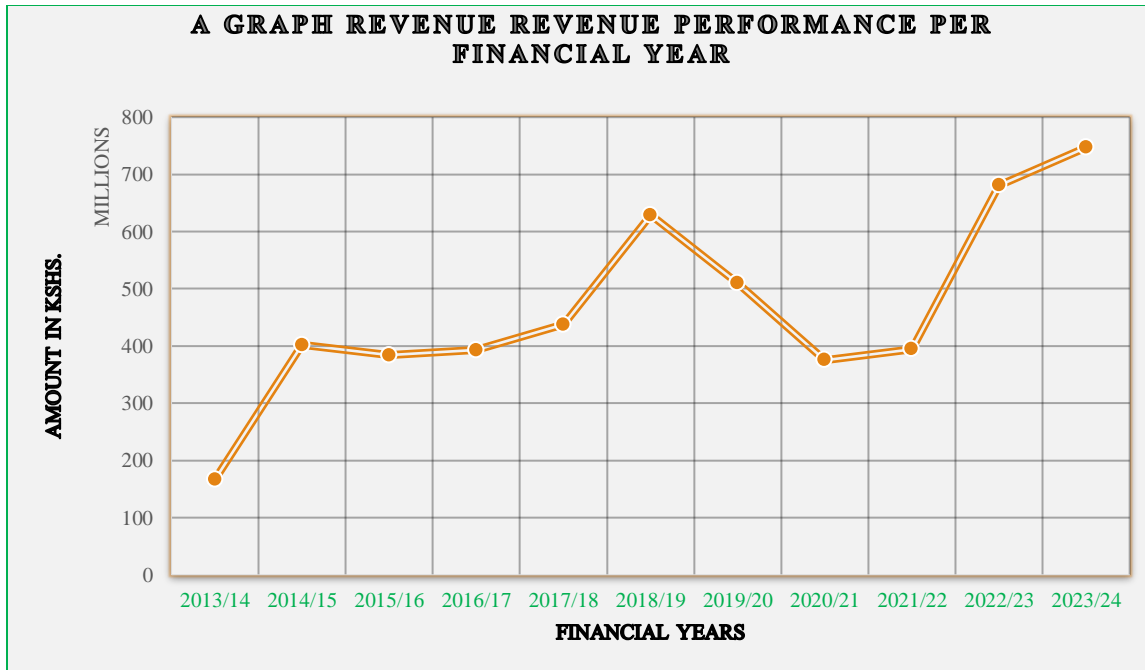
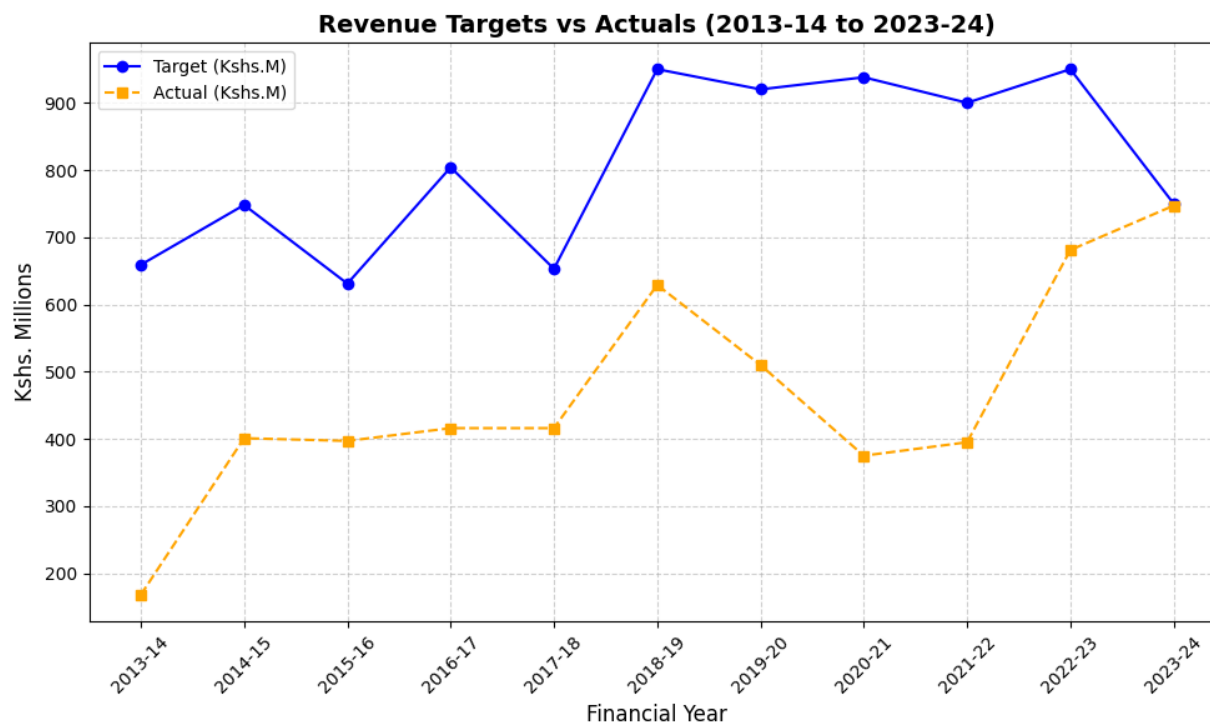


Figure 1: A graph OSR Performance for the last 10 Years

### Key Insights

1. **Sustained Growth:** Revenue has more than quadrupled over the past decade, with FY 2023/2024 achieving the highest collection ever at **Kshs. 746.9 million**.
2. **Impact of Administration Change (2022):** The most significant increase occurred after the 2022 transition, with collections rising by nearly **73%** between FY 2021/2022 and FY 2022/2023.
3. **Seasonal Peaks:** Historically, **February, March, May, and June** register the highest collections, reflecting business licensing cycles, agricultural cess, and compliance drives.
4. **Challenges Noted:** Fluctuations in some years (e.g., FY 2019/20 and FY 2020/21) highlight the vulnerability to external shocks like COVID-19, reduced economic activity, and compliance gaps.
5. **Forward Outlook:** With ongoing automation, expanded revenue bases, and improved enforcement mechanisms, the County is well-positioned to surpass the **Kshs. 1 billion mark** in OSR within the medium term.



*Figure 2: Financial Deficit for the last 10 fiscal years*

## b) Fiscal Deficit

Embu County has been facing fiscal challenges within the years even though revenue collection performance has been on an upward trajectory. Various internal factors coupled with the national economic performance has contributed to fiscal deficit in the County. Some of the issues that have historically contributed to these key fiscal challenges include the revenue shortfalls and over dependence of the national government allocations. Key Fiscal Deficit Factors & Challenges

### i. Revenue Shortfalls:

The county has often failed to meet its revenue collection targets, both for its own-source revenues and overall receipts.

### ii. Over-reliance on National Funds:

A significant factor has been its substantial reliance on the equitable share of revenue from the national government, rather than generating sufficient local revenue.

### iii. High Wage Bill:

Personnel costs have frequently been high, exceeding the 35% threshold set by the Public Finance Management (PFM) Act of 2012, thus straining the budget.

#### iv. Delays in Exchequer Releases:

Delays by the National Government in releasing allocated funds can exacerbate financial difficulties and lead to spending backlogs.

While the County has highlighted efforts to manage its wage bill and address those fiscal challenges, align with the PFM Act 2012 on proper fiscal management, there is need to adopt proper strategies that will help increase its own source revenue. The County has been assessed by CRA to be able to have a potential of about 1.45 Billion.

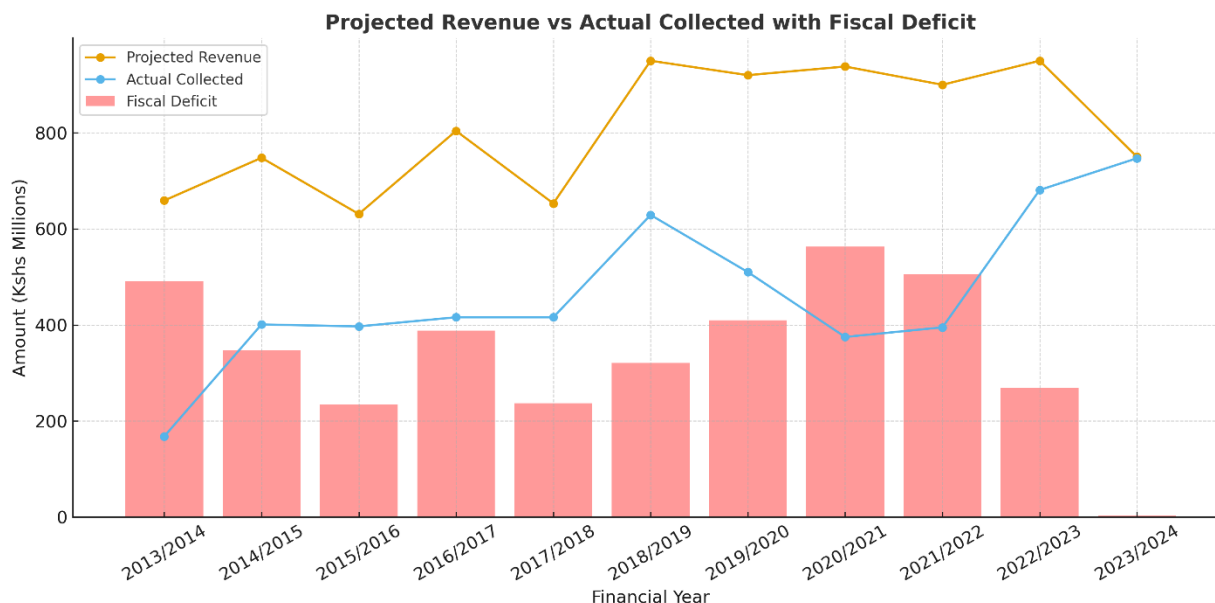


Figure 3: Fiscal Gap

#### Own-Source Revenue Gap

Embu County has continued to face challenges in meeting its projected own-source revenue (OSR) targets, consistently recording collections below expectations. This shortfall persists despite a steady upward trend in OSR performance over the years, with notable growth especially in the last five years. The gap highlights the need for stronger revenue mobilization strategies and improved efficiency in collection systems to fully unlock the county's revenue potential.

#### Revenue performance by financial year

In FY 2022/2023, Embu County experienced a significant revenue gap, collecting Ksh 678.6 million against a target of Ksh 950 million, which translated to a performance rate of 71.4%. The situation improved remarkably in FY 2023/2024, where the county

collected Ksh 746.5 million against a target of Ksh 750 million, achieving an impressive 99.5% of its revenue target. For FY 2024/2025, the county set an ambitious target of Ksh 1 billion. By July 2025, Governor Cecily Mbarire announced a record collection of Ksh 916 million, signaling strong performance and continued efforts to close the revenue gap.

### **Causes of the revenue gap**

Despite these achievements, challenges remain. Embu County, like most counties in Kenya, has historically relied heavily on transfers from the national government, creating a funding gap that must be supplemented by own-source revenue (OSR) to support development projects. Past financial audits have also highlighted revenue leakages caused by inadequate reconciliations between collected revenue and bank deposits. In addition, manual collection systems and weak enforcement mechanisms contributed to revenue loss in previous years. Administrative and human resource challenges, including insufficient training for staff and poor inter-departmental coordination, have further constrained efficient revenue collection.

### **c) Rationale for the Strategy**

The achievement of the County's economic growth and development agenda requires effective planning and well-structured strategies. To this end, the County has developed a five-year plan through the County Integrated Development Plan (CIDP), in addition to the Annual Development Plans (ADPs) and strategy papers prepared for each financial year. Notwithstanding these efforts, this paper outlines actionable strategies to be implemented over the medium-term period 2024/2025 to 2026/2027.

The Revenue Mobilization Strategy for FY 2024/2025 to FY 2026/2027 seeks to:

- Enhance efficiency, transparency, and accountability in revenue administration.
- Broaden the revenue base through mapping, taxpayer registration, and compliance enforcement.
- Strengthen institutional capacity through training, performance management, and adequate resource allocation.
- Improve revenue forecasting and decision-making through the use of data analytics.
- Foster public trust and compliance through stakeholder engagement and awareness initiatives.

### 3.0 OSR ENHANCEMENT STRATEGIES

#### a) Overview

The Revenue Mobilization Strategy seeks to implement effective reforms for improving own source revenue (OSR) collection in Embu County over the medium term through a county-led, whole-of-government approach. It provides a three-year roadmap (FY 2024/25 – FY 2026/27) that gives stakeholders foresight of planned measures aimed at enhancing revenue mobilization, efficiency, and accountability.

The Strategy takes into account policy, administrative, and legal components of the county revenue system in a holistic and interactive manner to ensure coordination within the system. This approach is essential for building a responsive and adaptive revenue framework that can withstand changing economic conditions, evolving business models, and risks of revenue leakages. It creates a revenue environment anchored on clear policies, modernized administrative practices, and transparent enforcement mechanisms.

To align with the County Integrated Development Plan (CIDP) and Annual Development Plans (ADPs), this is the **Medium-Term Revenue Strategy (MTRS)** for Embu County, covering the period FY 2024/25 to FY 2026/27. The Strategy's overall goal is to progressively increase own source revenue as a share of the County's total revenue, reduce dependence on national government transfers, and sustainably finance development priorities.

#### b) Objectives

The overall objective of this Strategy is to provide a comprehensive framework to guide reforms in revenue administration and mobilize additional Own Source Revenue (OSR) for Embu County over the medium term.

The specific objectives are to:

- a) Increase OSR collections from Ksh 746.9 million in FY 2023/24 to at least Ksh 1 billion by the end of FY 2026/27.
- b) Improve revenue compliance levels from an estimated 70 percent in FY 2023/24 to 90 percent by FY 2026/27 through enhanced enforcement, automation, and taxpayer engagement.
- c) Broaden the county's revenue base by mapping new revenue sources, strengthening registration, and rationalizing fees and charges to eliminate distortions.
- d) Align revenue policies and administration with the County Integrated Development Plan (CIDP), Annual Development Plans (ADPs), and sectoral priorities to ensure sustainable socio-economic development.

#### c) Scope

This Strategy seeks to balance the need for mobilizing adequate revenues to finance socio-economic development while ensuring that businesses and individuals are supported to thrive

and withstand economic challenges. It covers all aspects of own-source revenue, including policy, administration, enforcement, and compliance facilitation.

Special focus will be placed on improving efficiency in revenue administration, sealing loopholes that enable revenue leakages, strengthening automation of systems, and enhancing service delivery to taxpayers.

The Strategy spans a **three-year period from FY 2024/25 to FY 2026/27**, and will be reviewed periodically to respond to emerging economic, social, and institutional realities.

#### **d) Revenue Stream–Specific Strategies**

To achieve the projected Own Source Revenue (OSR) targets, the County will adopt tailored strategies for each revenue stream, aligned with the broader reforms outlined in Sections 3.1–3.10.

#### **1. Trade and Market-Related Revenues**

##### **i) Single Business Permits (SBP)**

- Full automation of SBP issuance and renewal through ICRMS and ETRIMS.
- Integration with the Embu Traders Registration Information Management System (ETRIMS) for cross-verification of licensed businesses.
- Regular enforcement of penalties for unlicensed businesses.
- Annual review of SBP fees under the County Finance Act to reflect prevailing market dynamics.
- Rolling out of self-service options

##### **ii) Stalls Rent / House Rent**

- Digitized billing and mobile payment reminders.
- Biometric tenant registration to eliminate ghost tenants.
- Regular inspections and enforcement of tenancy agreements.
- Transparent allocation of stalls through e-platforms to curb favoritism.

##### **iii) Market Fees**

- Full automation of all markets via ICRMS at all markets.
- Introduction of seasonal/daily tickets for traders to simplify compliance.
- Rotation of enforcement officers to minimize collusion.
- Installation of CCTV in major markets to reduce revenue leakages.

##### **iv) Miraa Market Gate Fees**

- Establishment of designated miraa entry/exit points with automated tolls.
- Collaboration with national government security agencies to curb illegal transit.

- Sensitization campaigns with miraa traders to ensure voluntary compliance.

**v) Buspark & Street Parking**

- Self-service options for buses, taxis, and matatus.
- GIS mapping of parking bays and real-time occupancy monitoring.
- Rotational deployment of parking attendants to prevent collusion.
- Enforcement of penalties for illegal and off-street parking.

**vi) Cess**

- Availing self-service options through the new system
- Pushing for weighbridge installation and integration with ICRMS for automated cess billing.
- Roadside enforcement checkpoints with mobile devices for real-time receipting.
- Partnerships with police to curb cess evasion.
- Revenue-sharing arrangements with neighboring counties for cross-border cess.
- 

**vii) Slaughter Fees / Veterinary / Weights & Measures**

- Automation of slaughterhouse receipting and tagging of carcasses through the new system.
- Deployment of certified veterinary officers for compliance.
- Regular inspection of weighing equipment to ensure fair trade.

**viii) Advert Fees (Billboards, Banners, Hoardings)**

- Digitized permitting system for all advertising.
- Periodic audits of billboards to capture unregistered advertising.
- Enforcement of penalties for illegal and expired adverts.

**2. Land and Property-Related Revenues**

**i) Land Rates & Subdivision Fees**

- Rollout of self-service options through the ICRIMS system
- Comprehensive GIS-based land valuation roll.
- Integration of land billing with the Ministry of Lands system.
- Strict enforcement of penalties on defaulters and land subdivisions without approvals.

**ii) Technical Fees (Approvals, Plans, Inspections)**

- Full digitization of building plan approvals and availing of self-service options.
- Time-bound service delivery through e-platforms to reduce corruption.
- Routine inspection of developments to enhance compliance.

### **3. Governance, Enforcement, and Audit Revenues**

#### **i) Enforcement Fees / Fines**

- Integration of enforcement fines into ICRMS.
- Training of enforcement officers on professional conduct.
- Surprise spot checks and mobile penalty issuance.

#### **ii) Liquor Licensing**

- Biometric registration of outlets selling alcohol.
- Annual compliance audits on liquor outlets.
- Stronger collaboration with NACADA and police for enforcement.

#### **iii) Audit Fees**

- Structured fee schedules for private firms audited by the County.
- Digitized invoicing to enhance transparency.

#### **iv) Miscellaneous Revenues**

- Centralized capture of all “miscellaneous” collections into ICRMS to reduce leakages.
- Annual review of miscellaneous categories to streamline charges.

### **4. Agriculture, Environment, and Natural Resources Revenues**

#### **i) Coffee Pulping Fees**

- Licensing and regulation of coffee pulping stations.
- Digitized collection at cooperative societies.

#### **ii) Fisheries**

- Registration of fishermen and fishing vessels.
- Licensing of fish landing sites with digital payment options.
- Joint patrols with KFS and KWS to curb illegal fishing.

#### **iii) Environment & Conservancy Administration Fees**

- Introduction of “green levies” for polluting industries.
- Penalties for illegal sand harvesting, quarrying, and deforestation.
- Strengthening of environmental inspection units.

#### **iv) Borehole Drilling Charges / Water & Irrigation**

- Licensing and monitoring of private borehole drillers.
- Transparent issuance of water permits through ICRMS.
- Routine audits of borehole operators.



## **5. Social Services, Youth, and Community Revenues**

### **i) Youth Empowerment Fees**

- Registration of youth groups for income-generating activities.
- Partnerships with NGOs and private sector to co-finance youth projects.

### **ii) AMS (Agricultural Mechanization Services)**

- Digitized booking and payment for tractor hire and related services.
- Maintenance schedules to increase availability and reduce downtime.

### **iii) ECDE Approvals/Inspection**

- Licensing of private ECDE centers.
- Routine inspections to ensure compliance with education standards.
- Integration of ECDE fees into ICRMS.

### **iv) Library Services**

- Membership-based digital library system.
- Partnerships with universities and research centers to boost patronage.

### **v) Stadiums & Playgrounds / Hire of Social Halls**

- Online booking platforms for social halls and stadiums.
- Tiered pricing models for commercial vs. community events.
- Partnerships with private event organizers to maximize utilization.

### **e) Rollout of the New Revenue Management System (ICRMS)**

The County will roll out the Integrated County Revenue Management System (ICRMS) in FY 2024/25, through its digitization program which is set to begin.

The system will:

- Automate all collections and reduce risks associated with cash handling.
  - Provide self-service portals to enhance taxpayer convenience.
  - Offer real-time revenue monitoring dashboards.
  - Integrate with enforcement units, financial systems, and ETRIMS.
- Expected Benefits:** Increased efficiency, improved compliance, reduced leakages, and at least a 20% rise in automated transactions.

### **f) Capacity Building and Performance Management**

To ensure optimal revenue collection, the County will invest in building the capacity of revenue officers and strengthening accountability mechanisms.

Key measures include:

- Continuous staff training through KDSP II and internal programs.
  - Introduction of performance contracts tied to specific revenue targets.
  - Regular quarterly appraisals and structured performance improvement plans.
- Expected Benefits:** Better customer service, enhanced productivity, and at least 80% of staff consistently meeting performance targets.

#### **g) Policy Reforms and Legal Framework Strengthening**

The County will pursue comprehensive reforms in its legal and policy frameworks to strengthen revenue administration.

Planned actions include:

- Enactment of the Embu County Finance Act 2024/25 to harmonize fees and charges.
  - Formulation of the ECRA Act to solidify institutional mandates.
  - Introduction of stronger enforcement mechanisms to seal revenue loopholes.
- Expected Benefits:** Greater predictability in revenue administration, reduced leakages, and improved enforcement capacity.

#### **h) Enhanced Monitoring and Enforcement**

The County will scale up compliance operations through improved logistics and enforcement support.

Planned activities include:

- Routine inspections of markets, parking areas, and cess collection points.
  - Expanded coverage in remote and underserved areas.
  - On-the-spot compliance audits and surprise checks.
- Expected Benefits:** Higher compliance levels, reduced illegal operations, and a 10–15% increase in collections.

#### **i) Establishment of a Call Center**

A County Revenue Call Center will be operationalized to address taxpayer inquiries, complaints, and service requests.

The call center will feature:

- Dedicated customer service officers.
  - Technical support staff stationed at revenue offices.
  - A ticketing system for issue resolution and tracking.
- Expected Benefits:** Faster service delivery, improved taxpayer satisfaction, and fewer disputes.

#### **j) Data Analytics and Revenue Forecasting**

The County will adopt advanced data analytics tools to improve forecasting and evidence-based decision-making.

These tools will include:

- Real-time dashboards for revenue managers.
  - Centered Moving Average (CMA) models.
  - Elasticity models for revenue projections.
- Expected Benefits:** Forecasting accuracy above 90%, stronger policy design, and proactive fiscal risk management.

#### **k) Revenue Mapping and ETRIMS Registration**

In collaboration with the Department of Trade, the County will accelerate the registration of traders and businesses into ETRIMS.

Activities will include:

- Countywide mapping of all potential revenue sources.
  - Development of a comprehensive taxpayer register.
  - Data verification and periodic updates to maintain accuracy.
- Expected Benefits:** A broadened tax base, improved compliance, and streamlined collections.

#### **l) Public Sensitization and Stakeholder Engagement**

To promote voluntary compliance, the County will intensify public outreach and stakeholder partnerships.

Planned initiatives include:

- Awareness campaigns through radio, TV, and digital platforms.
  - Help desks at markets and sub-county offices.
  - Quarterly forums with business associations, civil society, and community groups.
- Expected Benefits:** A stronger compliance culture, increased transparency, and enhanced trust between the County and its taxpayers.

#### **m) Installation of CCTV Cameras at High-Revenue Collection Points**

The County will install CCTV surveillance systems in high-revenue collection areas such as bus parks, markets, parking zones, and cess collection points.

Planned activities include:

- Procurement and installation of CCTV equipment.
- Integration with the County monitoring unit for live surveillance.

- Periodic system maintenance and upgrading.  
**Expected Benefits:** Reduced revenue leakages, minimized corruption risks, and enhanced security in revenue hotspots.

#### **n) Staff Recruitment and Welfare Improvements**

The County will strengthen human resources for revenue administration by recruiting additional staff and improving staff welfare.

Key measures include:

- Recruitment of enforcement officers, ICT personnel, and revenue clerks to fill critical gaps.
- Provision of adequate tools, uniforms, and transport to staff.
- Enhancement of staff welfare through health cover, training, and motivational incentives.  
**Expected Benefits:** Improved staff morale, higher productivity, reduced attrition, and a more professional revenue administration workforce.

## 4.0 REVENUE ADMINISTRATION MEASURES

### a) Overview

This section outlines the revenue administration measures that will be implemented by the Embu County Revenue Authority (ECRA) over the medium-term strategy period (FY 2024/25 – FY 2026/27) to enhance revenue performance. These measures aim at strengthening compliance management, broadening the revenue base, and improving efficiency in revenue administration.

The strategy emphasizes voluntary compliance, automation of revenue streams, strengthened enforcement, and improved service delivery to taxpayers. In this regard, the County will boost its revenue collection efforts through the following administrative measures.

### b) Revenue Administration Measures

The revenue administration measures will focus on enhancing taxpayer compliance through well-resourced and closely monitored initiatives, anchored on the full operationalization of the **Integrated County Revenue Management System (ICRMS)**. Specific measures to be implemented include:

#### i) Automation and Digitization of Revenue Systems

- Continuous modernization of ECRA's operations through automation of revenue streams, integration with ETRIMS, and deployment of mobile payment options.
- Real-time revenue dashboards to improve monitoring, transparency, and accountability.

#### ii) Embu Traders Information Management System (ETRIMS) Rollout

- Full rollout of ETRIMS for all business permits, market fees, parking, cess, and liquor licensing.
- Restriction of compliance recognition to verified electronic invoices to curb revenue leakages.

#### iii) Property and Rental Income Mapping

- Countywide mapping of rental properties and businesses.
- Registration of all landlords and traders into the ETRIMS database.
- Appointment of authorized collection agents in high-revenue areas.

#### iv) Enhanced Enforcement and Compliance Monitoring

- Deployment of new enforcement vehicles and motorcycles to expand field operations.
- Routine inspections at cess collection points, bus parks, and markets.
- On-the-spot compliance audits and penalties for non-compliant traders.

#### v) Monitoring of High-Revenue Streams

- Use of digital meters, surveillance, and real-time tracking tools to reduce under-declaration.
- Establishment of a Revenue Monitoring Command Centre for live oversight.

vi) **Combating Counterfeit Receipts and Fraud**

- Strengthening of multi-agency operations to eliminate fake receipts and parallel collection systems.
- Use of QR-coded electronic receipts with enhanced security features.
- Regular field surveillance and intelligence-led investigations.

vii) **Integration with Other Systems**

- Linking revenue systems with key county departments (Lands, Trade, Transport, Health) for seamless data sharing.
- Collaboration with banks and mobile operators for real-time reconciliation of payments.

viii) **Revenue Debt and Dispute Management**

- Development of a revenue debt registry for tracking outstanding dues.
- Use of alternative dispute resolution (ADR) to resolve revenue disputes quickly.
- Automated reminders and penalties for arrears.

ix) **Staff Capacity and Integrity Management**

- Strengthening of revenue staff capacity through continuous training.
- Performance contracts tied to revenue targets.
- Integrity monitoring and disciplinary measures for malpractice.

x) **Installation of CCTV Cameras at Revenue Points**

- Installation of surveillance systems in high-traffic revenue collection points such as bus parks, markets, and cess stations.
- Live monitoring to deter fraud and collusion.

**c) Compliance Improvement**

Several studies and internal audits have identified compliance gaps as one of the main causes of revenue leakage in Embu County. To address this, ECRA will adopt a strategic and collaborative approach to **Compliance Risk Management (CRM)**, focusing on the following:

i) **Adoption of Compliance Risk Management (CRM) Framework**

- Establishment of a dedicated CRM Committee within ECRA.
- Use of environmental scanning and data analytics to identify and mitigate compliance risks.

- Prioritization of high-risk revenue streams such as SBP, cess, and parking.

ii) **Strengthening Voluntary Compliance**

- Intensified taxpayer education on the link between county revenues and service delivery.
- Public awareness campaigns through radio, TV, and social media.
- Establishment of taxpayer help desks at sub-county offices and markets.

iii) **Integrity and Accountability**

- Improved staff integrity through regular audits, staff rotation, and whistleblower protection mechanisms.
- Enforcement of sanctions for non-compliance, revenue diversion, or malpractice.

**Expected Benefits:**

- Reduced revenue leakages and improved compliance.
- Enhanced public trust in revenue administration.
- Increased own-source revenue collections toward the Ksh 1.45 billion potential identified by CRA.

## 5.0 IMPLEMENTATION, GOVERNANCE AND INSTITUTIONAL ARRANGEMENTS

### a) Overview

Effective monitoring, evaluation, and reporting of the implementation of this Revenue Strategy for Embu County requires the active participation of multiple stakeholders. The roles and responsibilities of the key actors are outlined below.

### b) Embu County Treasury/Finance and Economic Planning

The County Treasury will:

- i. Coordinate all key players in the implementation of the Strategy and lead in the review of relevant County Finance Acts and related revenue legislation;
- ii. Work with the County Attorney's Office to ensure necessary amendments are drafted into Bills for presentation to the County Assembly;
- iii. Lead in sensitization of stakeholders on the Strategy;
- iv. Develop a monitoring tool and chair the County Revenue Strategy Steering Committee;
- v. Oversee monitoring, evaluation, reporting, and review of the Strategy;

### c) Embu County Revenue Authority (ECRA)

The ECRA will:

- i. Administer county revenue laws in line with the Strategy;
- ii. Enhance automation of revenue administration processes to improve efficiency, compliance, and transparency;
- iii. Conduct taxpayer education and awareness on revenue obligations and reforms under the Strategy;
- iv. Establish systems for prevention, detection, and deterrence of revenue leakages and malpractices;
- v. Improve customer service to reduce compliance costs and encourage voluntary compliance;
- vi. Build staff capacity to strengthen revenue administration; and
- vii. Collaborate with other County Departments, MDAs, and private sector to ensure system integration.

### d) County Departments and Agencies

All County Departments will:

- i. Provide data and information to support revenue mapping, taxpayer registration, and monitoring;
- ii. Comply with revenue policies and regulations enacted under the Strategy;
- iii. Collaborate with the County Treasury and ECRA in policy review and enforcement;
- iv. Support withholding revenue collections where applicable; and



- v. Integrate their service delivery systems with ECRA systems.

**e) County Assembly**

The County Assembly will:

- i. Enact Finance Acts and related legislation to support implementation of the Strategy;
- ii. Vet regulations and policies; and
- iii. Provide oversight on revenue administration and utilization.

**f) Local Courts**

The Judiciary will:

- i. Ensure timely resolution of revenue-related disputes;
- ii. Support establishment of a revenue tribunal or specialized bench for county revenue matters; and
- iii. Promote alternative dispute resolution mechanisms.

**g) County Attorney's Office**

The County Attorney will:

- i. Provide legislative drafting services during amendment or enactment of revenue-related laws;
- ii. Offer legal opinions on provisions of County Finance Acts and related matters; and
- iii. Provide legal clearance for MOUs and agreements related to revenue administration.

**h) Professional Bodies**

Professional associations (e.g., lawyers, accountants, business associations) will:

- i. Provide advice to taxpayers to facilitate compliance;
- ii. Sensitize their members and clients on revenue obligations and reforms;
- iii. Provide inputs into the review of the Strategy; and
- iv. Educate their members on the importance of paying county revenue.

**i) Media**

The media will play a central role in facilitating public awareness and education on county revenue matters.

**j) Non-State Actors and Civil Society**

These actors will:

- i. Promote customer education and awareness; and
- ii. Provide inputs into the review of the Strategy through consultative forums.

**k) Private Sector**

The private sector will:

- i. Partner with the County in taxpayer education and sensitization;
- ii. Provide inputs into revenue policy and strategy review; and
- iii. Collaborate with ECRA in system integration and compliance.

**l) Customers**

Customers will:

- i. Provide feedback and inputs in the review and implementation of the Strategy; and
- ii. Comply with revenue laws, including timely payment of taxes, fees, and charges.

**m) Development Partners**

Development partners will:

- i. Provide technical support and advisory services in implementing the Strategy; and
- ii. Offer financial and logistical assistance where necessary.

## 6.0 MONITORING AND EVALUATION

### a) Structure

The implementation of this Strategy will be monitored by a **County Revenue Strategy Steering Committee**, chaired by the County Executive Committee Member (CECM) for Finance and Economic Planning.

Membership will include:

- County Treasury, CECM Finance and Economic Planning
- Chief Executive Officer (CEO), Embu County Revenue Authority
- Chief Officer, Finance
- Chief Officer, ICT
- Director, Procurement
- Deputy Director, Revenue Services
- Representatives from key revenue-generating departments (Trade, Lands, Health, Agriculture).

The Steering Committee will provide strategic direction for implementation and review of the Strategy. It will be supported by a **Technical Committee** comprising officers from ECRA, Treasury, and sector departments.

### b) Reporting

- **Quarterly Reports:** Prepared by the Technical Committee and submitted to the Steering Committee.
- **Half-Year Reviews:** Published to track progress and challenges.
- **Mid-Term Review:** Conducted 18 months after implementation to assess progress, challenges, and corrective actions.
- **End-Term Review:** Carried out at the conclusion of the Strategy period to measure impact and inform the next Strategy cycle.

### c) Implementation

Implementation of the Strategy will follow the **Implementation Matrix** provided in the Appendices. The matrix will track activities against timelines, responsible departments, and costs to ensure accountability and transparency.

## 7.0 CONCLUSION

The Revenue Mobilization Strategy for Embu County (**FY 2024/2025 – FY 2026/2027**) provides a clear and actionable roadmap for strengthening Own Source Revenue (**OSR**) collection and administration. By combining legal reforms, administrative measures, technological innovations, and stakeholder engagement, the County has positioned itself to achieve not only revenue growth but also enhanced service delivery, accountability, and citizen trust.

The strategy acknowledges past challenges such as compliance gaps, revenue leakages, weak enforcement, and outdated systems, while also recognizing the progress already made since **2022** under the stewardship of the Embu County Revenue Authority (**ECRA**). By capitalizing on reforms, adopting modern revenue management systems, and improving staff capacity and welfare, the County is determined to transform its fiscal landscape.

With the successful rollout of the Integrated County Revenue Management System (**ICRMS**), enhanced enforcement measures including CCTV surveillance, establishment of a revenue call center, and data-driven decision-making through advanced analytics, the County is on track to expand its revenue base, improve compliance levels, and eliminate inefficiencies. The implementation of this Strategy is projected to increase OSR collections by at least 30% within three years, surpassing **Kshs. 1 billion** by **FY 2026/2027**.

Ultimately, this Strategy is more than a financial plan—it is a governance tool that redefines the County’s social contract with its citizens. Through transparency, accountability, and inclusivity, Embu County seeks to build a revenue administration system that not only funds development but also earns the trust of the people. Successful implementation will depend on the collective effort of the County Government, ECRA, taxpayers, private sector actors, and development partners.

The County Government of Embu, therefore, commits to rigorous monitoring and evaluation, continuous stakeholder engagement, and adaptive policy reforms to ensure the Strategy remains relevant and impactful throughout its implementation period. With sustained political will, institutional capacity, and citizen support, this Revenue Mobilization Strategy will be a cornerstone in unlocking Embu County’s full economic potential and securing a sustainable future for its residents.

### Appendix 1: Implementation Matrix

Strategy	Key Activities	Timeline	Responsible Department	Expected Outcomes
Rollout of ICRMS	Deploy in 6 streams; integrate with ETRIMS; launch self-service portals	Jul–Sep 2025 (deployment); Oct–Dec 2025 (integration); Jan–Jun 2026 (improvements)	ICT & Revenue Collection	20% increase in automated collections
Capacity Building	Staff training; performance contracts; quarterly appraisals	Aug 2025 (rollout); quarterly reviews	HR & Training, Revenue Directorate	Skilled workforce; 80% achieve performance targets
Policy Reforms	Draft & enact Finance Act; develop Embu County Revenue Authority (ECRA) Act	Jul–Oct 2025 (Finance Act); Nov 2025–Apr 2026 (ECRA Act)	Legal & Policy, County Assembly	Reduced revenue leakages; stronger enforcement
Enforcement	Deploy motorbikes; conduct inspections and audits	Continuous from Jul 2025	Enforcement & Compliance	10–15% increase in compliance
Call Center	Recruit staff; establish ticketing and case management system	Jul–Sep 2025 (setup); Oct 2025 onwards (continuous)	Customer Service Unit	Faster issue resolution (within 48 hours)
Data Analytics	Deploy dashboards; apply CMA & elasticity models	Aug–Nov 2025 (deployment); Dec 2025–Jun 2026 (reporting)	ICT & Planning	Forecast accuracy above 90%
Revenue Mapping	Register taxpayers; verify data	Jul–Dec 2025 (registration); Jan–Mar 2026 (verification)	Trade & Revenue	Expanded tax base (+10%)
Public Sensitization	Campaigns, help desks, stakeholder forums	Continuous throughout FY	Communication & Public Affairs	Improved compliance culture

## Appendix 2: Monitoring & Evaluation Framework

- **Monthly Reviews:** Departmental progress reports.
- **Quarterly Reports:** Submitted to the County Executive Committee.
- **Mid-Year Review:** January 2026 to assess progress.
- **End-Year Evaluation:** June 2026 to measure achievement of targets.

### Key Performance Indicators (KPIs):

- Percentage growth in revenue collection.
- Compliance levels achieved.
- Number of new taxpayers registered.
- Customer satisfaction ratings.

## Appendix 3: Risk Management Plan

Risk	Mitigation Measures
System downtime	Backup servers; dedicated ICT support; vendor Service Level Agreements (SLAs).
Legal delays	Early stakeholder consultations; fast-tracking bills and policies at the County Assembly.
Resistance to compliance	Public sensitization campaigns; regular stakeholder forums.
Staff underperformance	Performance contracts; continuous training; disciplinary measures for non-performance.