

REPUBLIC OF KENYA



*Enhancing Accountability*



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 16 FEB 2021	DAY: Tuesday
TABLED BY:	Leader of Majority
CLERK-AT-THE-TABLE:	OF Moses Lomura

**THE AUDITOR-GENERAL**

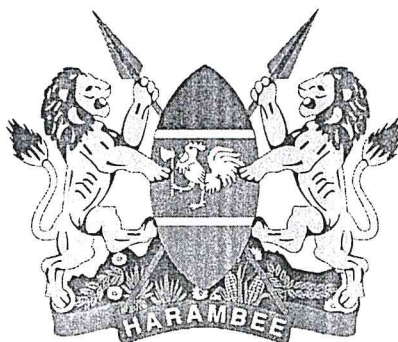
**ON**

**DEVELOPMENT REVENUE STATEMENTS**

**FOR THE YEAR ENDED  
30 JUNE, 2019**

**THE NATIONAL TREASURY**





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**THE NATIONAL TREASURY AND PLANNING  
THE NATIONAL TREASURY**

**DEVELOPMENT REVENUE STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30 2019**

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Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector  
Accounting Standards (IPSAS)

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THE NATIONAL TREASURY  
DEVELOPMENT REVENUE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

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THE NATIONAL TREASURY & PLANNING  
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## **I. NATIONAL TREASURY INFORMATION AND MANAGEMENT**

### **(a) Background Information**

The National Treasury was established via the Executive Order No. 2 of May 2013. The basis for establishment of the National Treasury is found in Article 225 (i) of the Constitution of Kenya which states that an Act of Parliament shall provide for the establishment, functions and responsibilities of the National Treasury. This has been actualized in Section 11 and 12 of the Public Finance Management (PFM) Act 2012.

At Cabinet level, the National Treasury is represented by the Cabinet Secretary for National Treasury and Planning, who is responsible for the general policy and strategic direction of the Ministry.

#### **Vision**

“Excellence in economic and public financial management, and development planning”

#### **Mission**

“To provide leadership in economic and Public Financial Management, and development planning for shared growth through formulation, implementation and monitoring of economic, financial and development policies”

#### **Core Values**

The National Treasury is committed to providing quality services to all and is guided by the following core values: Customer Focus, Results Oriented, Stakeholder Participation, Professionalism, Accountability, Integrity and Transparency and Teamwork.

#### **Mandate of the National Treasury**

The National Treasury derives its mandate from Article 225 (i) of the Constitution, Public Finance Management Act 2012 and the Executive Orders No.2/2013 and No.1/2018. The National Treasury will be executing its mandate in consistency with any other legislation as may be developed or reviewed by Parliament from time to time.

The core functions of the National Treasury as derived from the above legal provisions include;

- Formulate, implement and monitor macro-economic policies involving expenditure and revenue;
- Manage the level and composition of national public debt, national guarantees and other financial obligations of national government;
- Formulate, evaluate and promote economic and financial policies that facilitate social and economic development in conjunction with other national government entities;
- Mobilize domestic and external resources for financing national and county government budgetary requirements;
- Design and prescribe an efficient financial management system for the national and county governments to ensure transparent financial management and standard financial reporting.
- In consultation with the Accounting Standards Board, ensure that uniform accounting standards are applied by the national government and its entities;
- Develop policy for the establishment, management, operation and winding up of public funds;
- Prepare the annual Division of Revenue Bill and the County Allocation of Revenue Bill;

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- Strengthen financial and fiscal relations between the national government and county governments and encourage support for county governments;
- Assist county governments to develop their capacity for efficient, effective and transparent financial management; and
- To prepare the National Budget, execute/implement and control approved budgetary resources to MDAs and other Government agencies/entities.

### **Role of the National Treasury in the Devolved System of Government**

The National Treasury is mandated by law to:-

- Strengthen financial and fiscal relations between the National and County Governments and support for County Governments in performing their functions;
- Issue guidelines on the preparation of county development planning;
- Prepare the annual legislative proposals on intergovernmental fiscal transfers;
- Provide logistical support to Inter-Governmental institutions overseeing inter-governmental fiscal relations;
- Coordinate the development and implementation of financial recovery plans for County Governments that are in financial distress;
- Build capacity of County Governments on public finance management matters for efficient, effective and transparent financial management as well as planning, monitoring and evaluation and;
- Administer the Equalization Fund.

### **(b) Key Management**

#### **Office of the Principal Secretary**

This office is responsible for the administration of the National Treasury operations. In addition, the Principal Secretary is charged with the responsibility of providing advice to the Cabinet Secretary in order to enhance efficiency and collective responsibility.

#### **Organizational structure of the National Treasury**

The National Treasury is organized into four (4) technical Directorates headed by Directors General and one (1) Administrative and Support Services Directorate headed by a Principal Administrative Secretary. Each Director General is responsible for a Directorate comprising a cluster of departments responsible for related policy functions. The Directorates and Departments are as follows:

#### **I. Directorate of Budget, Fiscal and Economic Affairs**

The Directorate is headed by a Director General, reporting to the Principal Secretary, National Treasury. It is organized into the following five (5) Technical Departments each headed by a Director:-

1. Budget Department;
2. Macro and Fiscal Affairs Department
3. Financial and Sectoral Affairs Department;
4. Inter-Governmental Fiscal Relations Department
5. Public Procurement Department.

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## **II. Directorate of Accounting Services and Quality Assurance**

The Directorate is headed by a Director General reporting to the Principal Secretary, National Treasury. It is organized into the following five (5) Technical Departments each headed by a Director:-

1. Government Accounting Services;
2. Internal Audit Services Department;
3. Financial Management Information Systems (FMIS)
4. National Sub-County Treasuries.
5. Government Digital Payments Unit.

## **III. Directorate of Portfolio Management**

The Directorate is headed by a Director General, reporting to the Principal Secretary. It is organized into the following five (5) Technical Departments each headed by a Director:

1. Government Investment and Public Enterprises;
2. National Assets and Liabilities Management;
3. Pensions Department.
4. Public Private Partnership Unit.
5. Public Investment Management Unit

## **IV. Directorate of Public Debt Management Office**

The Directorate is headed by a Director General, reporting to the Principal Secretary. It is organized into the following three (3) Technical Departments each headed by a Director:

1. Resource Mobilization (Front Office);
2. Debt Policy, Strategy and Risk Management (Middle Office);
3. Debt Recording and Settlement (Back Office).

## **V. Directorate of Administrative and Support Services (Common Shared Services)**

The Directorate is headed by a Principal Administrative Secretary, reporting to the Principal Secretary. It is organized into twelve (12) specialized functions offering common shared services. The common shared services of the National Treasury consist of functions that are not core to the National Treasury but offer critical support services to the National Treasury. The functions include:-

1. Accounting,
2. Finance,
3. Human Resource Management and Development,
4. Central Planning and Project Monitoring,
5. Supply Chain Management,
6. Legal,
7. Public Communications,
8. General Administration,
9. Records Management;
10. Internal Audit;
11. ICT
12. Government Clearing Agency

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**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2019 and who had direct fiduciary responsibility were:

NO.	Designation	Name
1.	Principal Secretary	Dr. Kamau Thugge, CBS
2.	Principal Administrative Secretary	Mr. Francis Musyimi, CBS
3.	Director General, BFEA	Mr. Albert Mwenda, HSC
4.	Director General, Accounting Services	Mr. Bernard Ndung'u, MBS
5.	Ag. Director General, PIPM	Eng. Stanley Kamau
6.	Director General, PDMO	Dr. Haron Sirma, OGW
7.	Ag. Director, Macro and Fiscal Affairs Department	Mr. Musa Gathanje
8.	Director, Budget Department	Mr. Francis Anyona, OGW
9.	Director, Financial and Sectoral Affairs Department	Mr. Christopher Oisebe
10.	Director, Public Procurement Department	Mr. Eric Korir
11.	Ag. Director, Intergovernmental Fiscal Relations Department	Mr. Albert Mwenda, HSC
12.	Internal Auditor General	Mr. Alfayo Mogaka
13.	Ag. Director, Government Accounting Services Department	Mr. Jona Wala
14.	Ag. Director, National Sub County Treasuries	Mr. Francis Kariuki
15.	Ag. Director, Financial Management Information System	Mr. Stanley Kamanguya
16.	Ag. Director, Public Private Partnership Unit	Mrs. Judy Nyakawa
17.	Director, National Assets and Liability Management	Mrs. Beatrice Gathirwa
18.	Director, Government Investment and Public Enterprises	Mr. Kennedy Ondieki
19.	Director, Pensions Department	Mr. Shem Nyakutu
20.	Director, Resource Mobilization Department	Mr. Jackson Kinyanjui, OGW
21.	Director, Debt Policy, Strategy and Risk Management Department	Mr. Daniel Ndolo
22.	Ag. Director, Debt Recording and Settlement Department	Mrs. Felister Kivisi
23.	Ag. Director of Administration	Ms. Margaret Muiru, OGW
24.	Head, Accounts Division	Mr. George Gichuru
25.	Head, Finance	Mr. Kimathi Mugambi, HSC
26.	Head, Supply Chain Management	Mr. Peter Mulavu
27.	Head, Internal Audit Unit	Ms. Esther Ngeru
28.	Director, Human Resource Management and Development	Ms. Susan Mucheru
29.	Ag. Director, Information Communication and Technology	Mr. George Kariuki
30.	Head, Central Planning and Project Monitoring Unit	Mr. Antony Muriu
31.	Head, Public Communications	Mr. Maina Kigaga
32.	Head, Legal Unit	Mr. James Mwenda
33.	Programme Coordinator, Public Financial Management Reform Secretariat	Mr. Julius Mutua

• **Fiduciary Oversight Arrangements**

To manage the fiduciary risk, the National Treasury has put in place fiduciary oversight arrangements including setting up committees. The key oversight arrangements include:

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### **1. Audit Committee**

The purpose of the Audit Committee is to assist the ministry's management in fulfilling their mandates. The committee undertakes the responsibilities of ensuring existence of adequate financial reporting processes, strong systems of internal controls and efficient operational activities carried out under existing laws and regulations for the ministry to achieve its intended objectives.

The National Treasury and Planning Audit Committee was launched on 22<sup>nd</sup> March 2019 and has met three times by end of June 2019. It has five members with the Internal Audit Unit as the Secretariat.

### **2. Internal Audit Unit**

The National Treasury has an Internal Audit Unit charged with the responsibility of identifying risks in the management and day to day operations of the Ministry through the risk based audits. The Unit reports directly to the accounting officer on a regular basis.

### **3. Audit Query Committee**

The National Treasury established an audit committee comprising officers from all departments of the Ministry, under the Chairmanship of the Senior Chief Finance Officer. The Committee reviews and analyses all audit queries and makes recommendations on how to reduce fiduciary risks. In addition, the committee prepares responses to all audit queries for presentation to the relevant committees of parliament.

### **4. Project Implementation Committee**

To monitor the implementation of the Government's Infrastructure Projects, the National Treasury has established a Project Steering Committee comprising Principal Secretaries from implementing Ministries and appointed a Technical Committee comprising officers from the technical departments of the Ministry. The Committee reviews and analyses the progress made by Ministries in the implementation of domestically and externally funded projects and advises accordingly.

### **5. Parliamentary Activities**

In order to effectively manage the parliamentary activities relating to the Ministry, the National Treasury has designated a liaison officer to coordinate the activities under the Office of the Cabinet Secretary in consultation with the Office of the Chief Administrative Secretary.

### **6. Development Partner Oversight**

To effectively manage Overseas Development Assistance to the Government, the National Treasury has under the Public Debt Management Office; a Department responsible for all matters relating to Development Partners. The Department has various Units that coordinate different Development Partner activities in the Country.

Other fiduciary oversight arrangements include the following committees with specific objectives;

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**1. Senior Management Committee**

To monitor the implementation of the Ministry's programmes and performance, the National Treasury has appointed a Senior Management Committee comprising of Directors General and Heads of Departments. The Committee receives reports from departments, builds consensus on National Treasury responses to emerging issues, challenges and risks and ensures that the decisions of top management are implemented in a timely manner.

**2. Public Financial Management Sector Working Group**

To facilitate the implementation of Public Financial Management Reforms, the National Treasury has appointed senior officers to the Public Financial Management Sector Working Group. The Committee plays an oversight role in the implementation of financial reforms in the public service in collaboration with the development partners.

**3. Budget Implementation Committee**

To monitor the implementation of the Ministry's budget, programmes and activities, the National Treasury has appointed a committee comprising of officers from all the Departments of the Ministry. The Committee reviews and analyses the progress made by Departments in the implementation of the budget and the planned programmes and activities and advises the management accordingly.

**4. Monitoring and Evaluation**

The Ministry undertakes monitoring and evaluation exercises to establish progress made in the implementation of various programmes and projects including those that are funded by the Development Partners.

**(e) The National Treasury Headquarters**

P.O. Box 30007- 00100,  
Treasury Building,  
Harambee, Avenue  
Nairobi Kenya

**The National Treasury Contacts**

Telephone: (254)020-2252299  
Email: [info@treasury.go.ke](mailto:info@treasury.go.ke)  
Website: [www.treasury.go.ke](http://www.treasury.go.ke)

**(f) The National Treasury Bankers**

Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000-00200  
Nairobi, Kenya

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**(g) Independent Auditors**

Auditor General  
Office of the Auditor  
Anniversary Towers, University Way  
P.O Box 30084  
GPO 00100  
Nairobi, Kenya

**(h) Principal Legal Adviser**

The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya





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Based on the above aggregate, payments to County government in FY 2018/19 amounted to **Kshs.360.1 billion**, representing 96 percent of the CARA, 2018 allocations. Including the FY 2018/19 payments, county governments have now received an estimated **Kshs.1.7 trillion** cumulatively since their establishment.

In all years, County Governments' equitable revenue share has been well above the minimum threshold defined in Article 203 (2) of the Constitution. Moreover, counties' equitable revenue share allocation has been fully disbursed in accordance with Article 219 of the Constitution, even when the shareable revenue outturn was less than projected revenue used in the Division of Revenue Act.

The National Treasury and Planning, successfully priced a new US dollar 2.1 billion, dual tranche Eurobond of 7-year and 12-year tenors on 15th May 2019 in London, United Kingdom. This is the third time Kenya has been in the International Debt Capital Markets. The first was in June 2014, when we launched the debut bond of US dollar 2.0 billion and tapped for a further US dollar 750 million, while the second was in February 2018 when a dual-tranche of US\$ 2.0 billion was issued (10-year tenor of US\$1.0 billion and 30-year tenor of US\$ 1.0 billion).

The announcement of Kenya issuance triggered an overwhelming response from investors that amounted to an order book of US\$ 9.5 billion, an oversubscription of 4.5 times. This overwhelming interest in Kenya's bond issue confirms the strong investor confidence in Kenya's economic policy management and prospects going forward.

The proceeds from this issuance will be used to (i) finance some of the development infrastructure projects, (ii) the general budgetary expenditure in accordance with the applicable legal requirements and (iii) to refinance part or all of the obligations outstanding under the US\$ 750 million (2014 Eurobond).

The National Treasury and Planning in its contribution to the Affordable Housing Agenda under the Big Four Plan launched the Kenya Mortgage Refinance Company (KMRC) in May 2019. This is a Public Private Partnership arrangement with majority private sector owned. KMRC will extend long term loans at fixed interest rate to financial institutions secured against mortgages so that they can extend the maturity of their housing loans to end borrowers hence increasing affordability. Given Kenya's urbanization rates, there is critical need to deliver housing at the lower end of the income spectrum in order to improve housing conditions for the average Kenyan. KMRC will seek to catalyze growth of the mortgage market in Kenya by targeting households that fall within the mortgage gap and lower middle-income categories which represents about 95% of the formally employed population.

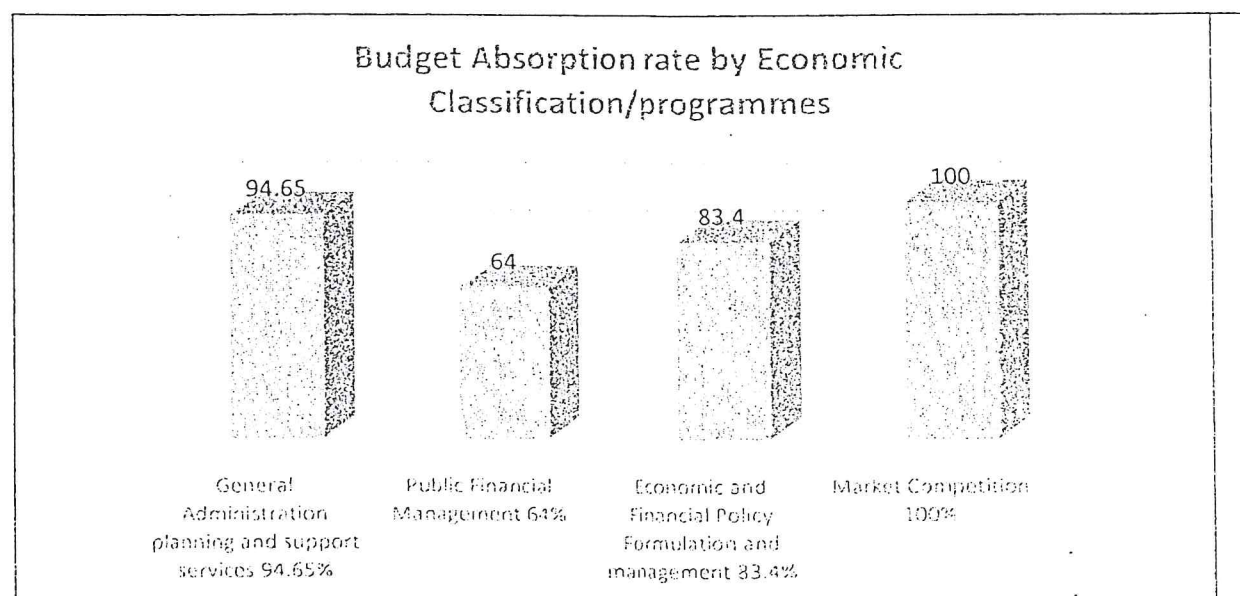
In terms of budget performance, the National Treasury expenditure stood at Kshs.54.417b against an approved budget of **Kshs.64.865b**. The National Treasury implemented the 2018/19 budget within four economic classifications/programmes. These were General Administration, Planning and Support Services, Public Financial Management, Economic and Financial Policy Formulation and Management and Market Competition. As demonstrated in figure 2 below, the Market Competition Programme had the highest absorption at 100% followed by General Administration, Planning and Support Services at 94.65%, Economic and Financial Policy Formulation and Management (83.4%) and Public Financial Management Programme at 64%.



NATIONAL GOVERNMENT ENTITY – (THE NATIONAL TREASURY & PLANNING)

Reports and Financial Statements for the year ended June 30, 2019

Figure 2: Budget Absorption rate by Economic Classification/Programmes

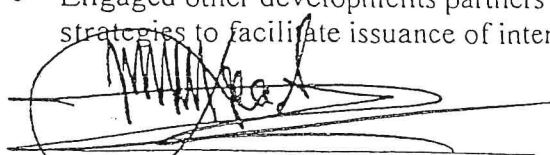


Some of the challenges the National Treasury faced while implementing the 2018/19 budget include:-

- Lack of adequate funds to finance all the budget requests by Ministries, Departments and Agencies.
- Low absorption of Official Development Assistance (ODA).
- Inadequate Exchequer issues thus contributing to the pending bill increment from Kshs.29.3b to Kshs.64.7b in FY2018/19.
- Inadequate capacity of staff in some key technical Departments.

To surmount the above challenges and ensure successful implementation of the National Treasury goals and objectives, the Ministry undertook the following:-

- Domestic borrowing to plug the financing gap created by non-performing revenue.
- Expenditure reduction strategies such as austerity measures and a ban on new projects to ensure available money is used in completing old projects and prepared draft Public Investment Management Regulations.
- Strengthened capacity in public financial management to MDAs and County Governments to improve oversight of Public resources and Strengthened financial and fiscal relations between the national government and county governments.
- Enhanced the Government's cash management system to avoid undue pressure on payment flows and interest rates, and reduce borrowing costs for the government and the private sector.
- Promoted the Public Private Partnership initiatives to finance government capital projects.
- Engaged other developments partners for concessional loans and grants as well as pursued strategies to facilitate issuance of international bonds to finance government projects.

  
HON. AMB, UKUR YATTANI, EGH  
AG. CABINET SECRETARY





# REPUBLIC OF KENYA

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*Enhancing Accountability*

**HEADQUARTERS**  
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Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON DEVELOPMENT REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2019 – THE NATIONAL TREASURY**

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### **REPORT ON THE REVENUE STATEMENTS**

#### **Opinion**

I have audited the accompanying revenue statements of Development Revenue - The National Treasury set out on pages 13 to 27, which comprise the statement of revenue and transfers for the year ended 30 June, 2019 and the statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the revenue statements present fairly, in all material respects, the financial performance of Development Revenue for the year ended 30 June, 2019, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

#### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Development Revenue Statements Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statement in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the revenue statement. There were no key audit matters to report in the year under review.

#### **Other Matter**

#### **Budgetary Controls and Performance**

The statement of comparative budget and actual amounts reflect final revenue budget and actual on comparable basis of Kshs.67,668,743,001 and Kshs.50,118,678,543



respectively resulting to under performance of Kshs.17,550,064,458 or 26% of the budget. Management has attributed the under collection to; requirement of the implementing units to exhaust funds released in the prior periods before accessing new disbursements, stringent conditions from the development partners on meeting AIA payments before accessing funding and partner delays in releasing no objection for projects not funded using Country systems.

Consequently, there was under funding of the planned development activities which may have impacted negatively on service delivery to the citizens.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the revenue statement is in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **Responsibilities of Management and Those Charged with Governance**

Management is responsible for the preparation and fair presentation of these revenue statements in accordance with International Public Sector Accounting Standards (Cash



Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of revenue statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the revenue statements, Management is responsible for assessing the Receiver of Revenue's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Development Revenue Statements or to cease operations.

Management is also responsible for the submission of the revenue statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the revenue statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the revenue statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Receiver of Revenue monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the revenue statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the revenue statements.

In addition to the audit of the revenue statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the revenue statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the revenue statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the revenue statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the revenue statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Receiver of Revenue's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the revenue statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Receiver of Revenue to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the revenue statements, including the disclosures, and whether the revenue statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Receiver of Revenue to express an opinion on the revenue statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Nancy Gathungu  
**AUDITOR-GENERAL**

Nairobi

02 November, 2020




THE NATIONAL TREASURY AND PLANNING  
THE NATIONAL TREASURY  
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**V. STATEMENT OF REVENUE AND TRANSFERS**

	Note	2018/2019	2017/2018
<b>NON TAX REVENUES</b>		<b>Kshs</b>	<b>Kshs</b>
Proceeds from foreign Grants	1	8,437,365,441.00	11,925,970,363.00
Proceeds from foreign borrowings(Loans)	2	41,681,313,102.00	32,673,791,872.00
<b>TOTAL NON TAX REVENUES</b>		<b>50,118,678,543.00</b>	<b>44,599,762,235.00</b>
<b>TRANSFERS TO GOVERNMENT UNITS</b>			
Transfer of Foreign Grants	3	8,437,365,441.00	11,925,970,363.00
Transfer of Foreign borrowings(Loans)	4	41,681,313,102.00	32,673,791,872.00
<b>TOTAL DISBURSEMENTS</b>		<b>50,118,678,543.00</b>	<b>44,599,762,235.00</b>
<b>SURPLUS/ DEFICIT</b>		-	-
<b>BALANCE BROUGHT FORWARD</b>	5	94,104.40	94,104.40
<b>BALANCE CARRIED FORWARD</b>		<b>94,104.40</b>	<b>94,104.40</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The National Treasury's financial statements were approved on 28/10/ 2019 and signed by:

  
JULIUS M. MUIA, PhD, EBS  
RECEIVER OF REVENUE

  
MOSES K. KANAGI  
Ag. DIRECTOR RMD

  
LINET M. VITISIA  
ICPAK NO. 5831  
HEAD OF ACCOUNTING UNIT

(Ref: PFM ACT section 82.2(a))

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## VI. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Variance e=d-c	% of Variance f=e/c %
<b>RECEIPTS</b>						
Proceeds from domestic and foreign grants	12,920,454,556.00	528,500,238.00	13,448,954,794.00	8,437,365,441.00	5,011,589,353.00	37.26%
Proceeds from borrowings	55,294,901,363.00	(1,075,113,156.00)	54,219,788,207.00	41,681,313,102.00	12,538,475,105.00	23.13%
<b>TOTAL RECEIPTS</b>	<b>68,215,355,919.00</b>	<b>(546,612,918.00)</b>	<b>67,668,743,001.00</b>	<b>50,118,678,543.00</b>	<b>17,550,064,458.00</b>	<b>25.94%</b>
<b>PAYMENTS</b>						
Grants Transfers to other government entities	12,920,454,556.00	528,500,238.00	13,448,954,794.00	8,437,365,441.00	5,011,589,353.00	37.26%
Loans and transfers to other Government entities	55,294,901,363.00	(1,075,113,156.00)	54,219,788,207.00	41,681,313,102.00	12,538,475,105.00	23.13%
<b>TOTAL PAYMENTS</b>	<b>68,215,355,919.00</b>	<b>(546,612,918.00)</b>	<b>67,668,743,001.00</b>	<b>50,118,678,543.00</b>	<b>17,550,064,458.00</b>	<b>25.94%</b>

### Reasons for under-collection:

- The Project implementing units are required to exhaust funds already released to them in the prior period before accessing funds allocated in the current year, hence absorption of budgeted funds thereby leading to under expenditure
- The development partners attach stringent conditions to AIA payments, most of which involve colossal sums of money, which include prior review of project financing and concurrence by the financiers at various key stages of procurement cycle.
- There is delay from the Development partners in issuing NO objections as some Projects are funded directly and do not use the country system



**JULIUS M. MUIA, PhD, EBS**  
RECEIVER OF REVENUE



**MOSES K. KANAGI**  
AG. DIRECTOR RMD



**LINET M. VITISIA**  
ICPAK MEMBER NO 5831  
HEAD OF ACCOUNTING UNIT

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THE NATIONAL TREASURY & PLANNING  
DEVELOPMENT REVENUE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

## **VII. SIGNIFICANT ACCOUNTING POLICIES**

The principle accounting policies adopted in the preparation of these Development Revenue Statements are set out below:

### **1. Statement of Compliance and Basis of Preparation**

The Development Revenue Statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and relevant legal framework of the Government of Kenya. The Development Revenue Statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The Development Revenue Statements are presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The accounting policies adopted have been consistently applied to all the years presented.

The Development Revenue Statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the National Treasury.

### **2. Recognition of Revenue**

The National Treasury recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the National Treasury

### **3. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the revenue statements. The Development Revenue budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the revenue's actual performance against the comparable budget for the financial year under review has been included in to these financial statements.

### **4. Comparative Figures**

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

### **5. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the Development Revenue Statements for the year ended June 30, 2019

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# VIII. NOTES TO THE ACCOUNTS

## 1. PROCEEDS FROM FOREIGN GRANTS

Name of Donor	2018-2019	2017-2018
Grants Received from Foreign Governments	Kshs	Kshs
GOVERNMENT OF DENMARK (DANIDA)	1,556,868,105.60	1,802,207,087.80
GOVERNMENT OF SWEDEN (SIDA)	545,484,580.00	263,724,771.10
GOVERNMENT OF ITALY		12,000,000.00
GOVERNMENT OF JAPAN	332,230,584.65	
GOVERNMENT OF FINLAND		222,333,625.95
GOVERNMENT OF GERMANY (GIZ)		
<b>Grants Received from Multilateral Donors (International Organizations)</b>		
GLOBAL ENVIRONMENTAL TRUST FUND (GETF)		
GLOBAL FUND	2,719,565,077.85	2,741,376,386.85
AFRICAN DEVELOPMENT FUND	87,142,681.25	13,825,845.45
UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)	30,311,504.00	18,716,154.60
UNITED NATIONS - HABITAT	606,600.00	
UNITED NATIONS ENVIRONMENTAL PROGRAMME	16,774,102.10	14,334,987.50
UNITED NATIONS INTER. CHILDREN EDUCATION FUND (UNICEF)	7,302,500.00	51,640,150.00
FORD FOUNDATION	58,000,000.00	
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)	102,034,937.30	
INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)	2,537,809,004.00	5,968,680,940.35
EUROPEAN INVESTMENT BANK	443,235,764.00	340,000,000.00
<b>TOTAL</b>	<b>8,437,365,440.90</b>	<b>11,925,970,363.20</b>

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**2. PROCEEDS FROM FOREIGN BORROWINGS (LOANS)**

Name of Donor	2018-2019	2017-2018
<b>Loans Received from Foreign Government</b>	<b>Kshs</b>	<b>Kshs</b>
GOVERNMENT OF GERMANY		309,786,410.95
GOVERNMENT OF FRANCE (AFD)	4,078,617,024.15	116,645,377.55
GOVERNMENT OF JAPAN		2,780,433,778.55
<b>Loans Received from Multilateral Donors (International Organizations)</b>		
INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)	35,769,450,534.15	22,139,072,517.80
EUROPEAN INVESTMENT BANK		983,842,400.00
GLOBAL ENVIRONMENTAL TRUST FUND (GEFT)		
WORLD BANK		4,573,009,900.45
AFRICAN DEVELOPMENT FUND	213,082,429.65	137,870,685.75
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)	1,620,163,114.50	1,633,160,800.00
<b>Total</b>	<b>41,681,313,102.45</b>	<b>32,673,821,871.05</b>

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THE NATIONAL TREASURY  
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3. TRANSFER OF GRANTS (DISBURSEMENTS)					
DONOR CODE	DONOR ABR.	Donor/ Details of Grant/Project	ACTUALS 2018/2019	ACTUALS 2017/2018	
1510	ADB	AFRICAN DEVELOPMENT FUND			
		Small Scale Irrigation & Value Addition Project	29,326,969.40	6,437,045.45	
		Kenya Nat. Green Econ. Strategy Dev. of Low Carbon Pro.	8,343,155.00	7,388,800.00	
		Nairobi Outer Ring Road Improvement project	15,484,068.10		
		Technical Assistance to Enhance Capacity of PDU	27,044,763.40		
		Multinational Rural Livelihoods Adaptation –(REELAC)	6,943,725.35		
		<b>Total</b>	<b>87,142,681.25</b>	<b>13,825,845.45</b>	
1001	DANIDA	DANISH INTERNATIONAL DEVELOPMENT AGENCY			
		Green Growth & Employment Creation Prog.	311,767,856.00	494,249,138.00	
		Universal Health Care (UHC) for Devolved Sys.	1,040,466,039.00	1,116,086,011.00	
		Public Finance Management Reform	204,634,210.60	191,871,938.80	
		<b>Total</b>	<b>1,556,868,105.60</b>	<b>1,802,207,087.80</b>	
	EEC	EUROPEAN ECONOMIC COMMISSION			
		Regional Integration Implementation Programme		340,000,000.00	
		<b>Total</b>		<b>340,000,000.00</b>	
1004	FINLAND	GOVERNMENT OF FINLAND			
		Quality Water & Strengthened Water Resource MGT in Rural Kenya		222,333,625.95	
		<b>Total</b>		<b>222,333,625.95</b>	
1503	GF	GLOBAL FUND			
		Round 7 phase 1 HIV AIDS Component	25,592,500.00	384,415,452.95	
		Malaria	23,802,313.80	307,800,000.00	
		HIV/AIDS SSAF	400,000,000.00	383,588,853.75	
		Malaria Grant	326,385,683.20	207,442,069.10	
		HIV Grant	249,406,625.00	347,831,206.30	
		TB GRANT	465,074,438.70	334,864,521.95	

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		KEN 607 G08 T	422,003,501.15	199,000,000.00
		Malaria RD 10	252,750,000.00	205,296,290.00
		UNDP - Support to Country Programme		1,075,102.80
		HIV RD 7	554,550,016.00	106,665,108.00
		TB RD 6		263,397,782.00
		<b>Total</b>	<b>2,719,565,077.85</b>	<b>2,741,376,386.85</b>
<b>1501</b>	<b>IDA</b>	<b>INTERNATIONAL DEVELOPMENT ASSOCIATION</b>		
		Urban Water & Sanitation for Low Income Areas		30,081,964.80
		Cash Transfer to Orphans & Vulnerable Children	346,111,688.85	223,339,200.00
		Kenya Devolution Support Programme for Results		2,511,576,483.30
		Kenya Informal Settlement. Improvement Project (KISIP)		534,660,000.00
		Kenya Petroleum Technical Assistance (KEPTAP)		93,285,080.20
		Kenya Primary Education Development Project "B"	1,837,824,002.65	1,998,354,976.65
		Kenya Technical Assistance Project - MOEP (G)	79,980,658.70	61,904,904.60
		Kenya Urban Water & Sanitation OBA Fund for Low Income Areas Project	43,008,149.30	138,688,198.65
		Nairobi Sanitation OBA for Low Income Areas		156,090,228.55
		Nairobi Sanitation OBA Project	169,231,400.25	76,033,360.00
		Strengthening fertilizer quality and regulatory standard in Kenya project		13,084,658.00
		Transforming Health Systems for Universal Care	61,653,104.25	110,036,585.60
		UNDP - Support to Country Programme		21,545,300.00
		<b>Total</b>	<b>2,537,809,004.00</b>	<b>5,958,680,940.25</b>

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1526	IFAD	INTERNATIONAL FUND FOR AGRICULTURAL DEV.	
		Kenya Cereals Enhancement Programme	63,074,842.30
		Kenya Cereals Enhancement Programme	315,426,030.50
		Kenya cereals Enhancement Programme	38,595,645.15
		Profit Programme	584,270.00
		Smallholders Dairy Commercialization Programme	1,490,287.65
		Kenya Cereals Enhancement Programme (CRAL)	99,960,380.05
		<b>Total</b>	<b>102,034,937.70</b>
1011	ITALY	GOVERNMENT OF ITALY	
		Italian Debt for Development Swap - Kes	12,000,000.00
		<b>Total</b>	<b>12,000,000.00</b>
1004	SWEDEN	GOVERNMENT OF SWEDEN	
		Quality Water & Strengthened Water Resource MGT	164,164,328.10
		Agricultural Sector Development Support Prog.II	545,484,580.00
		<b>Total</b>	<b>545,484,580.00</b>
1517	UNDP	UNITED NATIONS DEVELOPMENT PROGRAMME	
		Sound Chemicals Man. mainstreaming & UOPs reduce.	14,393,000.00
		Sound Chemicals Man. mainstreaming & UOPs reduction.	15,918,504.00
		<b>Total</b>	<b>30,311,504.00</b>
1521	UNEP	UNITED NATIONS ENVIRONMENTAL PROGRAMME	
		Ozone Depleting Substance's Project	3,670,102.10
		National Action Plan on Artisanal & Small Scale Gold Mining (ASGM)	13,104,000.00
		Access and Mobility Project	
		<b>Total</b>	<b>16,774,102.10</b>
			<b>14,334,987.50</b>

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DEVELOPMENT REVENUE STATEMENTS  
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		UNITED NATIONS - HABITAT		
		Access & Mobility Imp. Of Universal Access	606,600.00	
		Total	606,600.00	
1522	UNICEF	UNITED NATIONS INTER-CHILDREN EDUCATION FUND.		
		Early Childhood Dev. and Education Project	4,434,500.00	1,181,200.00
		Child Friendly Schools.		12,315,100.00
		Nomadic Education Programme		11,083,200.00
		Social Policy MED	2,868,000.00	9,670,200.00
		Ministry of Education Science and Technology		4,840,020.00
		Integrated Protective Services Programme		12,550,430.00
		Total	7,302,500.00	51,640,150.00
021		GOVERNMENT OF JAPAN		
		Non- Project Grant Aid Programme	300,000,000.00	
		Mombasa Port Area Road Dev .Project	32,230,584.65	
		Total	332,230,584.65	-
035	FORD	FORD FOUNDATION		
		Capacity building for the supreme court of Kenya	37,500,000.00	
		Capacity building Programme	20,500,000.00	
		Total	58,000,000.00	
	EU	EUROPEAN UNION		
		Implementation of National Strategy to Counter Extremism	213,704,705.70	
		Climate SMART Agri. Production Project (KARLO)	229,531,058.45	
		Totals	443,235,764.15	
		TOTALS	8,437,365,440.90	11,925,970,363.20

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**4. LOANS (DISBURSEMENTS)**

DONOR CODE	DONOR ABR.	Donor/ Details of Loans/Project	ACTUALS 2018/2019	ACTUALS 2017/2018
1510	ADB	AFRICAN DEVELOPMENT FUND		
		Mombasa Nairobi Marsabit Turbi Road.		22,411,450.15
		Last Mile Connectivity Project - Phase II		20,489,040.00
		Small Scale Irrigation & Value Addition Programme		9,781,200.00
		Sirari Corridor Accessibility & Road Safety Impr. Project.		27,771,743.15
		Thwake Multipurpose Water Dev. Program Phase 1	35,857,987.50	12,738,123.20
		Drought Resilience & Sustainable Livelihood Programme	60,013,626.95	42,586,396.75
		Multinational Lake Victoria Maritime Communications & Transport Project	19,483,855.65	2,092,732.50
		East Africa Centres of Excellence in skills and tertiary education	77,525,215.05	
		Enable youth Kenya Programme	20,201,744.80	
		<b>Totals</b>	<b>213,082,429.65</b>	<b>137,870,685.75</b>
1506	EIB	EUROPEAN INVESTMENT BANK		
		Mombasa - Nairobi 400KV Transmission Line		983,842,400.00
		<b>Totals</b>		<b>983,842,400.00</b>
1016	AFD-FRANCE	GOVERNMENT OF FRANCE		
		Roads 2000 Phase II	539,441,288.70	
		Nairobi 220KV Ring	2,296,372,540.00	
		Kisumu Urban Project	1,242,803,195.45	116,645,377.55
		<b>Totals</b>	<b>4,078,617,024.15</b>	<b>116,645,377.55</b>

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FOR THE YEAR ENDED JUNE 30, 2019

1501	IDA	INTERNATIONAL DEVELOPMENT ASSOCIATION		
		Cash Transfers for Orphans & Vulnerable Children Prog. (CT-OVC)		169,198,800.00
		East Africa Laboratory Networking Project.	203,544,000.00	155,250,000.00
		East Africa Regional Transport, Trade & Development Facilitation Project		383,128,615.30
		Financial Sector Support Project (FSSP)	349,628,500.00	362,361,000.00
		Infrastructure Finance& Private Partnerships Proj.-Phase I	312,011,291.30	805,617,091.75
		Infrastructure Finance& Private Partnerships Proj-Phase II	49,956,268.35	
		Judicial Performance Improvement Project (JPIP)	1,230,918,712.40	1,227,525,272.90
		Kenya Climate Smart Agriculture Project	1,402,558,916.00	273,715,844.00
		Kenya Coastal Water Security & Climate Resilience Project	211,827,000.00	182,268,000.00
		Kenya Dev. Response to Displacement Impact Project	37,701,997.30	448,157,384.00
		Kenya Electricity Expansion Project		92,670,608.15
		Kenya Electricity Modernization Project	1,358,985,488.00	841,041,722.90
		Kenya Health Support Programme.		2,422,082,677.30
		Kenya Informal Settlement Improvement Project (KISIP)	1,896,986,000.00	2,445,629,580.20
		Kenya Marine Fisheries & Socio - Economic Dev. Project	30,801,995.45	20,186,952.00
		Kenya Off Grid Solar Access Project		275,654,611.00
		Kenya Petroleum Technical Assistance (KEPTAP)(SDOII)	290,898,246.80	282,644,780.60
		Kenya Secondary Education Quality Improvt Project (SEQUIP - TSC)	2,305,926,153.45	700,958,969.10
		Kenya Technical Assistance Project - MOEP (L)		139,159,222.55
		Kenya Transport Sector Support Project	135,781,699.10	55,558,559.40
		Kenya Transport Sector Support Project (KTSSP- KENHA)	694,781,959.50	589,993,700.90
		Kenya Urban Support Programme		415,697,300.00
		Kenya Urban Programme (KenUP)	13,319,282,113.80	
		Kenya Water Security & Climate Resilience Project	598,336,404.00	771,633,000.00
		Kenya Youth Employment and Opportunities Project(NITA)	1,796,716,596.90	608,876,393.25





THE NATIONAL TREASURY  
DEVELOPMENT REVENUE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

		Lake Victoria Management Project	39,838,145.90	80,649,000.00
		Nairobi Metropolitan Services Improvement Project	988,476,441.00	996,139,500.00
		National Agricultural & Rural Inclusive Growth Project (NARIGP)	1,495,897,388.10	1,264,779,513.35
		National Urban Trans. Improv. t Project (NUTRIP - KENHA)	366,987,274.30	218,471,678.10
		North Eastern Transport Improvement Project (NETIP)	52,209,226.65	208,261,965.00
		Regional Pastoral Livelihood Resilience Project	1,150,002,846.85	1,016,794,747.35
		Transforming Health Systems for Universal Care	2,197,798,086.80	208,891,832.10
		Water and Sanitation Services Improvement Project	2,059,897,632.35	2,678,731,170.40
		Eastern Elect. Highway Project (Ethiopia-Kenya Interconnection.)	33,055,458.95	
		Kenya Aviation Modernization Project	201,297,936.00	
		Eastern and Southern Africa Centre's Of Excellence	280,283,627.10	
		Water and Sanitation Dev. Project	102,200,490.00	
		South Sudan, Eastern Africa Trans. trade and Dev	575,910,639.05	
		The National Exchequer Account (Safety Net)		1,626,915,162.80
		Totals	35,769,450,534.15	22,139,072,517.80
1526	IFAD	INTERNATIONAL FUND FOR AGRICULTURAL DEV.		
		Upper Tana Natural Resources Management Project	689,318,670.70	845,313,788.70
		Kenya Cereals Enhancement Project.		231,907,500.00
		Climate Resilient Agricultural Livelihoods (CRAL)	434,999,201.00	
		Smallholder Daily Commercialization Programme	428,598,749.45	518,378,050.05
		Programme for Rural Outreach of Financial Innovations & Technologies	67,246,495.20	37,561,461.25
		Totals	1,620,163,114.50	1,633,160,800.00
	JAPAN	GOVERNMENT OF JAPAN		
		Olkaria -Lessos- Kisumu Transmission Line Project		456,447,688.55
		Universal Health Care		2,323,956,089.80
		Totals		2,780,433,778.35
1100	KFW-G	GOVERNMENT OF GERMANY(KFW)		

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THE NATIONAL TREASURY  
DEVELOPMENT REVENUE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

		Rural Roads & Market Infrastructure In Western Kenya		309,786,410.95
		Totals		309,786,410.95
	WB	WORLD BANK		
		The National Exchequer Account (Safety Net)		903,417,992.45
		Devolution Support Programme		3,669,591,908.00
		Totals		4,573,009,900.45
		Totals	41,681,313,102.45	32,673,821,871.05

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IX. BALANCES CARRIED FORWARD

Balance brought forward subsequently transferred	2018/2019	2017/2018
Balance brought forward 2017/2018.....(kshs)	94,104.40	94,104.40
<u>Balance brought forward vet to be transferred</u>		
Balance brought forward 2017/2018.....(kshs)	94,104.40	94,104.40

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### X. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal person to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.


Reference No. on the external audit Report	Issues/Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect issue to be resolved)
	No issues raised. Hence unqualified report	To maintain the status.	N/A	N/A	N/A

  
JULIUS M. MUIA, PhD, EBS  
RECEIVER OF REVENUE

Date...28/10/2019.....

  
MOSES K. KANAGI  
Ag DIRECTOR RMD

Date...28/10/2019.....

  
LINET M. VITISIA  
ICPAK MEMBER NO.5831  
HEAD OF ACCOUNTING UNIT

Date...28/10/2019.....

