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THE AUDITOR-GENERAL

ON

RECEIVER OF REVENUE STATEMENTS

**FOR THE YEAR ENDED
30 JUNE, 2024**

MINISTRY OF DEFENCE



MINISTRY OF DEFENCE
NATIONAL GOVERNMENT
RECEIVER OF REVENUE STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024

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

**MINISTRY OF DEFENCE
REVENUE STATEMENTS
FOR THE YEAR ENDED 30TH JUNE,2024**

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**MINISTRY OF DEFENCE
REVENUE STATEMENTS
FOR THE YEAR ENDED 30TH JUNE,2024**

1. ACRONYMS AND GLOSSARY OF TERMS

FY -	Financial Year
MoD –	Ministry of Defence
NPSO –	National Peace Support Operations
KDF –	Kenya Defence Forces

**MINISTRY OF DEFENCE
REVENUE STATEMENTS
FOR THE YEAR ENDED 30TH JUNE,2024**

2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Kenya Defence Forces is under the Ministry of Defence at cabinet level, the Ministry is represented by the Cabinet Secretary for Defence who is responsible for the general policy and strategic direction of the Ministry. The Ministry of Defence was designated as a receiver on **26th July 2018** by the Cabinet Secretary, National Treasury in accordance with section 75 of the PFM Act.

(b) Principal activities

The receiver of revenue collects revenue from Rent of government buildings and Housing, sale of goods and fees for services, sale of tender documents fines penalties forfeitures and other receipts not classified elsewhere. Revenue collected is remitted to the National Treasury.

(c) Key Management

The Ministry's day-to-day management is under the following key organs:

- **Cabinet Secretary;** Hon. Aden Bare Duale, EGH. MP
- **Receiver of Revenue;** Dr. Patrick Mariru PhD, CBS
- **Senior Management;**

No.	Designation	Name	Period Served
1.	Cabinet Secretary	Hon. Aden Bare Duale, EGH. MP	1 st Jul 2023 – 30 th Jun 2024
2.	Principal Secretary and Accounting Officer	Dr. Patrick Mariru, PhD, CBS	1 st Jul 2023 - 30 th Jun 2024
3.	The Chief of the Defence Forces	Gen Francis O. Ogolla, EGH, EBS, HSC 'ndc'(K) 'PSC' (FRA)	1 st Jul 2023 – 1 st May 2024
4.	The Chief of the Defence Forces	Gen Charles Muriu Kahariri CBS 'nwc'(USA) 'psc'(K)	2 nd May 2024 -30 th June 2024
5.	Commander Kenya Army	Lt. Gen. Peter Mbogo Njiru CBS, 'rcds'(UK) 'PSC' (K)	1 st Jul 2023 - 08 th Mar 2024
6.	Commander Kenya Army	Lt. Gen David Tarus CBS 'nds' (K) 'cgsc' (USA) 'psc'(K)	9 th Mar 2024 - 30 th Jun 2024
7.	Commander Kenya Air Force	Maj. Gen. John Mugaravai Omenda EBS SS OGW 'rcds' (UK) 'PSC' (K)	1 st Jul 2023 - 31 st Mar 2024

**MINISTRY OF DEFENCE
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8.	Commander Kenya Air Force	Maj. Gen. Fatuma Gaiti Ahmed CBS OGW 'ndc' 'psc' (K)	2 nd May 2024 -30 th June 2024
9.	Commander Kenya Navy	Maj. Gen. Jimson Long'iro Mutai MBS 'ndc' (K) 'PSC' (K)	1 st Jul 2023 - 08 th Mar 2024
10.	Commander Kenya Navy	Maj. Gen. Thomas Ng'ang'a EBS HSC 'ndu' (K) 'PSC' (USA)	9 th Mar 2024 – 1 st May 2024
11.	Commander Kenya Navy	Maj. Gen. Paul Owuor Otieno EBS 'ndc' 'psc' (K)	2 nd May 2024 -30 th June 2024

(d) Ministry Headquarters

P.O. Box 40668-00100
Ulinzi House
Lenana Road
Nairobi, KENYA

(e) Ministry Contacts

Telephone: (254) 020-2721100
E-mail: ps@mod.go.ke
Website: www.mod.go.ke

(f) Independent Auditors

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

(g) Principal Legal Adviser

Attorney General
P. O. Box 40112-00100 Nairobi
Telephone: (254) 2227461/ 2251355
E-mail: communications@ag.go.ke
Website: www.go.ke

(h) Bankers

Central Bank Of Kenya
P. O. Box 60000-00200 Nairobi.
Telephone: (254) 202860000
E-mail: comms@centralbank.go.ke
Website: www.centralbank.go.ke

**MINISTRY OF DEFENCE
REVENUE STATEMENTS
FOR THE YEAR ENDED 30TH JUNE,2024**

3. MANAGEMENT DISCUSSION AND ANALYSIS

The Ministry of Defence Revenue Statements three year (2022-2024) cumulative revenue budget amounts to Kshs.5,865,912,029. Over the same period, cumulative collections amounts to Kshs.9,191,923,267.

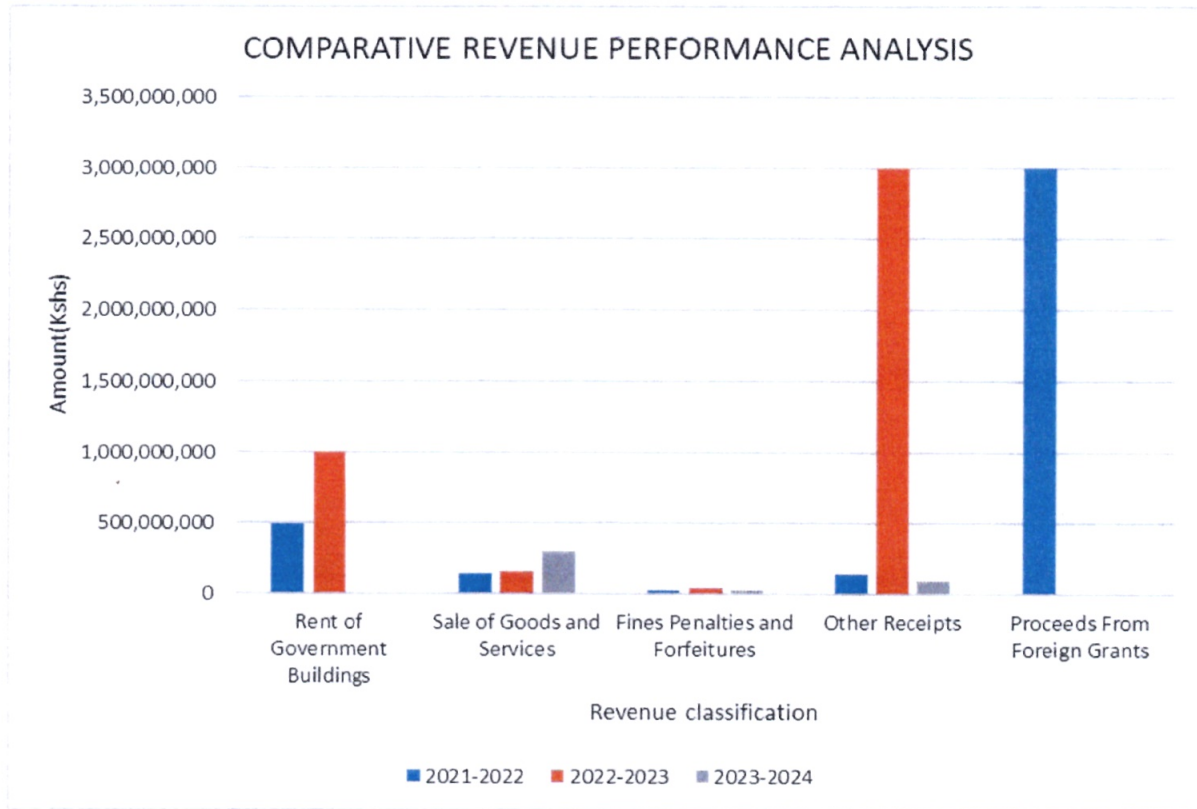
The revenue collections in 2022 and 2023 exceeded budget collection estimates due to the delay in operationalization of the National Peace Support Operations (NPSO) Fund.

However, during the year ended 30 June, 2024, the revenue estimates were not met as the Fund had now been operationalized.

Three - year revenue budget estimate and actual performance is summarized below;

Description	2023-2024 Kshs	2022-2023 Kshs	2021-2022 Kshs	Total Kshs
Revenue Budget				
Rent of Government Buildings	-	63,6159,201	398,247,593	1,034,406,794
Sale of Goods and Services	103,524,359	68,461,486	14,537,263	186,523,108
Sale of Tender Documents	96,574,998	6,071,667	5,843,371	108,490,036
Fines, Penalties and Forfeitures	38,155,362	33,608,333	20,310,448	92,074,143
Other Receipts	731,353,630	716,864,209	496,200,109	1,944,417,948
Proceeds from foreign grants	-	-	2,500,000,000	2,500,000,000
TOTAL	969,608,349	1,461,164,896	3,435,138,784	5,865,912,029
Actual Collections				
Rent of Government Buildings	0	1,031,616,346	496,791,300	1,528,407,646
Sale of Goods and Services	305,092,180	157,980,164	143,287,853	606,360,197
Sale of Tender Documents	0	0	0	0
Fines, Penalties and Forfeitures	30,192,500	44,154,781	34,657,019	109,004,300
Other Receipts	101,809,619	3,103,356,484	140,280,844	3,345,446,947
Proceeds from foreign grants	0	0	3,602,704,177	3,602,704,177
TOTAL NON -TAX RECEIPTS	437,094,299	4,337,107,775	4,417,721,193	9,191,923,267
Collection performance %	45	296	128	156

**MINISTRY OF DEFENCE
REVENUE STATEMENTS
FOR THE YEAR ENDED 30TH JUNE,2024**



**MINISTRY OF DEFENCE
REVENUE STATEMENTS
FOR THE YEAR ENDED 30TH JUNE,2024**

4. STATEMENT OF RECEIVER OF REVENUE'S RESPONSIBILITIES

Section 82 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, a receiver of revenue shall prepare an account of the revenue received and collected by that receiver during that financial year.

The Principal Secretary in charge of the Ministry of Defence is responsible for the preparation and presentation of the Ministry of Defence Revenue Statements, which gives a true and fair view of the state of affairs of the Ministry for and as at the end of the financial year ended on June 30,2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Ministry (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Principal Secretary in charge of the Ministry of Defence accepts responsibility for the Ministry of Defence Revenue Statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Principal Secretary is of the opinion that the Ministry of Defence Revenue Statements gives a true and fair view of the state of Ministry of Defence transactions during the financial year ended June 30, 2024, and of the Ministry's financial position as at that date. The Principal Secretary in charge of the Ministry of Defence further confirms the completeness of the accounting records maintained for the Ministry, which have been relied upon in the preparation of the Ministry account as well as the adequacy of the systems of internal financial control.

The Principal Secretary in charge of the Ministry of Defence confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Principal Secretary confirms that the Ministry of Defence Revenue Statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the Revenue Statements.

The revenue statements were approved and signed on 30.10. 2024 by:


Principal Secretary

Dr.Patrick Mariru, PhD, CBS

REPUBLIC OF KENYA



Enhancing Accountability

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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON RECEIVER OF REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2024 - MINISTRY OF DEFENCE

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The report on the Financial Statements should be read together with the report on the Lawfulness and Effectiveness in the Use of Public Resources, and the report on the Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying receiver of revenue statements of Ministry of Defence set out on pages 1 to 12, which comprise the statement of financial assets and liabilities

as at 30 June, 2024, the statement of receipts and disbursements and statement of comparison of 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 receiver of revenue statements present fairly, in all material respects, the financial position of the Ministry of Defence revenue as at 30 June, 2024 and of the revenue performance for the year then ended, 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 the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Ministry of Defence Management in accordance with ISSAI 130 on the 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 revenue statements 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 judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Information

The Management is responsible for the other information set out on page iv to viii which comprise of Key Entity Information and Management, Management Discussion and Analysis and Statement of Receiver of Revenue Responsibilities. The Other Information does not include the revenue statements and my audit report thereon.

In connection with my audit on the Ministry of Defence revenue statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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 3000 and ISSAI 4000. The standards require 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 financial statements comply 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 THE 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 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 controls, 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 the Management and those Charged with Governance

The 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 controls 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 controls, risk management and overall governance.

In preparing the financial statements, the Management is responsible for assessing the Ministry's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management is aware of the intention 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, revenue transactions and information reflected in the revenue statements comply 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 Ministry's, revenue reporting process, reviewing the effectiveness of how Management 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 governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and

systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathunga, CBS
AUDITOR-GENERAL

Nairobi


08 November, 2024


**MINISTRY OF DEFENCE
REVENUE STATEMENTS
FOR THE YEAR ENDED 30TH JUNE,2024**

**6. STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED
30TH JUNE 2024**

	Note	2023-2024	2022-2023
		Kshs	Kshs
NON -TAX RECEIPTS			
Rent of Government Buildings	1	0	1,031,616,346
Sale of Goods and Services	2	305,092,180	157,980,164
Sale of Tender Documents	3	0	0
Fines, Penalties and Forfeitures	4	30,192,500	44,154,781
Other Receipts	5	101,809,619	3,103,356,484
Total non -tax receipts		437,094, 299	4,337,107,775
Total receipts		437,094,299	4,337,107,775
Disbursements to exchequer account		(437,094,299)	(4,337,107,775)
Balance due for disbursement		0	0

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 30.10. 2024 and signed by:


Principal Secretary
Dr. Patrick Mariru, PhD, CBS


Senior Deputy Accountant General
Electina W. Wanyonyi, OGW
ICPAK NO: 3674

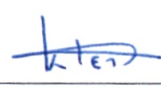
**MINISTRY OF DEFENCE
REVENUE STATEMENTS
FOR THE YEAR ENDED 30TH JUNE,2024**

**7. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE
2024**

	Note	2023-2024	2022-2023
		Kshs	Kshs
Financial Assets			
Cash and Cash Equivalents			
Bank Balances	6	0	0
Total Financial Assets		0	0
Total Financial Assets		0	0
Financial Liabilities			
Payables-Due to Exchequer	7	0	0
Total Financial Liabilities		0	0

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 30.10. 2024 and signed by:


Principal Secretary
Dr. Patrick Mariru, PhD, CBS

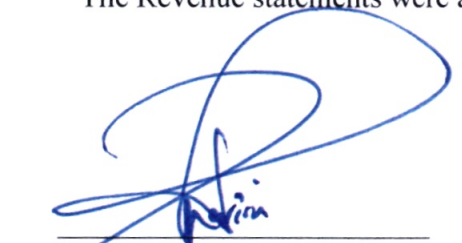

Senior Deputy Accountant General
Electina W. Wanyonyi, OGW
ICPAK NO:3674


**MINISTRY OF DEFENCE
REVENUE STATEMENTS
FOR THE YEAR ENDED 30TH JUNE,2024**

8. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2024

	Original Targets	Adjustments	Final Targets	Actual	% Realized
	Kshs	Kshs	Kshs	Kshs	
NON -TAX RECEIPTS					
Sale of Goods and Services	103,524,359	0	103,524,359	305,092,180	294.70%
Sale of Tender Documents	96,574,998	0	96,574,998	0	0%
Fines, Penalties and Forfeitures	38,155,362	0	38,155,362	30,192,500	79.13%
Other Receipts	731,353,630	0	731,353,630	101,809,619	13.92%
Total non -tax receipts	969,608,349	0	969,608,349	437,094,299	45.08%
Total receipts	969,608,349	0	969,608,349	437,094,299	

The Revenue statements were approved on 30.10. 2024 and signed by:


Principal secretary
Dr. Patrick Mariru, PhD, CBS


Senior Deputy Accountant General
Electina W.Wanyonyi,OGW
ICPAK NO:3674

**MINISTRY OF DEFENCE
REVENUE STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2024**

BUDGET NOTES:

Variance analysis:

- **Sale of Goods And Services**

The Ministry collected and remitted a total of Kshs.305,092,180 from use of goods and service against a budgeted amount of Kshs.103,524,359 resulting in over collection of Kshs.201,567,821 of budgeted amount. The over collection is attributed to gain in foreign currency fluctuations from tuition fees charged on training officers from other countries by National Defence College paid in foreign currency and collection of lease fee from Italian Space Agency.

- **Fines Penalties and Forfeitures**

Revenue realized from Fines, Penalties, Forfeitures and other charges was 79.13% of the estimates. This can be explained by the decrease in the number of incidents for which KDF personnel are fined for.

- **Other Receipts**

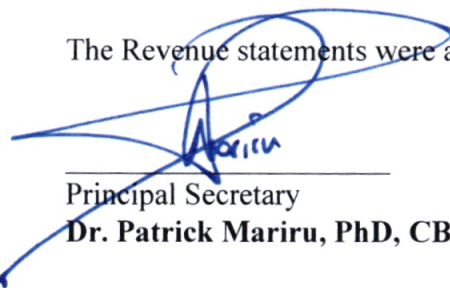
Revenue realized from sundry revenue was 13.92% of the estimates.

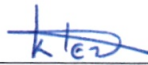
**MINISTRY OF DEFENCE
REVENUE STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

9. STATEMENT OF ARREARS OF REVENUE AS AT 30TH JUNE 2024

Classification of Receipts	Balance as at 1st July 2023	Arrears received during the year	Additions in arrears for the current year to 30th June 2024	Total arrears as at 30th June 2024	Measures taken to recover the arrears	Assessment to the recoverability of arrears
	Kshs	Kshs	Kshs	Kshs		
Non- Tax Receipts						
Sale of Goods and Services	0	0	0	0		
Sale of Tender Documents	0	0	0	0		
Fines, Penalties and Forfeitures	0	0	0	0		
Other Receipts	0	0	0	0		
Total arrears	0	0	0	0		

The Revenue statements were approved on 30.10. 2024 and signed by:


Principal Secretary
Dr. Patrick Mariru, PhD, CBS


Senior Deputy Accountant General
Electina W. Wanyonyi, OGW
ICPAK NO:3674

**MINISTRY OF DEFENCE
REVENUE STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

10. SIGNIFICANT ACCOUNTING POLICIES

The key accounting policies adopted in the preparation of these revenue statements are set out below:

1. Statement of Compliance and Basis of Preparation

The 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 and relevant legal framework of the Government of Kenya. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya. The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *entity*, and all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

The 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 entity.

2. Recognition of Receipts

The Ministry recognises all receipts from the various sources when the related cash has been received by the Ministry.

3. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as these revenue statements. The 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 these revenue statements.

**MINISTRY OF DEFENCE
REVENUE STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya.

5. Revenue in Arrears

This relates to revenue earned and is yet to be received or collected by the receiver of revenue. These arrears are disclosed under the statement of arrears as required under the PFM Act, 2012 which is a memorandum statement.

6. Disbursements to the Exchequer

The Receiver of Revenue has a daily arrangement for sweeping of funds from its bank account to the Exchequer account. Total disbursements to the exchequer are as a result of the sweeping arrangement during the year.

7. Comparative Figures

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

8. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended June 30, 2024

**MINISTRY OF DEFENCE
REVENUE STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

11. NOTES TO THE FINANCIAL STATEMENTS

1. RENT OF GOVERNMENT BUILDINGS AND HOUSING

Description	2023-2024	2022-2023
	Kshs	Kshs
Rent of Government Buildings and Housing	0	1,031,616,346
Total Revenue	0	1,031,616,346
Balance brought forward	0	0
Transfers to the Exchequer account	0	(1,031,616,346)
Balance carried forward	0	0

There was no revenue realized from Rent of Government buildings due to the fact that this was not budgeted for as revenue item in this Financial Year

2. SALE OF GOODS AND SERVICES

Description	2023-2024	2022-2023
	Kshs	Kshs
Rent-Lease Agreements	219,403,405	
Tuition	73,856,576	
Hire of grounds	8,915,000	
Sudan Evacuation	2,917,200	
Total Revenue	305,092,180	157,980,164
Balance brought forward	0	0
Transfers to the Exchequer account	(305,092,180)	(157,980,164)
Balance carried forward	0	0

The Ministry Remitted Kshs.305,092,180 as at 30.06.2024 in respect of sale goods and services The over collection as at this date is for collection of lease fee from Italian Space agency, British High commission and collection of Tuition fee by the National Defence College. The fee is paid in foreign currency and there has been again due to the fluctuations in exchange rate.

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3. SALE OF TENDER DOCUMENTS

Description	2023-2024	2022-2023
	Kshs	Kshs
Sale of Tender Documents	0	0
Total Revenue	0	0
Balance brought forward	0	0
Transfers to the Exchequer account	0	0
Balance carried forward	0	0

No revenue was realized from sale of tender documents. This was caused by the fact that MoD procures through classified (Direct and Restricted) tendering.

4. FINES, PENALTIES AND FORFEITURES

Description	2023-2024	2022-2023
	Kshs	Kshs
Fines, Penalties and Forfeitures	30,192,500	44,154,781
Total Revenue	30,192,500	44,154,781
Balance brought forward	0	0
Transfers to the Exchequer account	(30,192,500)	(44,154,781)
Balance carried forward	0	0

Revenue realized from Fines, Penalties, Forfeitures and other charges was 79.13% of the estimates. This can be explained by the decrease in the number of incidents for which KDF personnel are fined for.

5. OTHER RECEIPT

Description	2023-2024	2022-2023
	Kshs	Kshs
Commissions From Salary	70,182,690	
Other Recoveries	11,949,335	
Sundry Receipts	19,677,594	
Total Revenue	101,809,619	3,103,356,484
Balance brought forward	0	0
Transfers to the Exchequer account	(101,809,619)	(3,103,356,484)
Balance carried forward	0	0

Revenue realized from sundry revenue was 13.92% of the estimates.

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6. BANK BALANCES

Name of Bank, Account No. & currency	Amount in bank account currency	Exc. rate (if in foreign currency)	2023-2024	2022-2023
			Kshs	Kshs
Central Bank of Kenya 1000387246, Revenue Kes Ministry of Defence	0	0	0	0
Total			0	0

6 (a) Balance carried forward as at 30th June 2024 and subsequently transferred

Ref	Amount (Kshs)	Date subsequently transferred
1	0	N/A
2	0	N/A
Total	0	

7. PAYABLES- DUE TO EXCHEQUER

Payables	2023-2024	2022-2023
	Kshs	Kshs
Balance b/f at the beginning of the year	0	0
Amounts disbursed to Exchequer during the year	0	0
Balance c/d at the end of the year	0	0
Total	0	0

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12. APPENDICES

APPENDIX 1: A REPORT OF WAIVERS AND VARIATIONS OF TAXES, FEES OR CHARGES GRANTED BY THE RECEIVER OF REVENUE DURING THE YEAR.

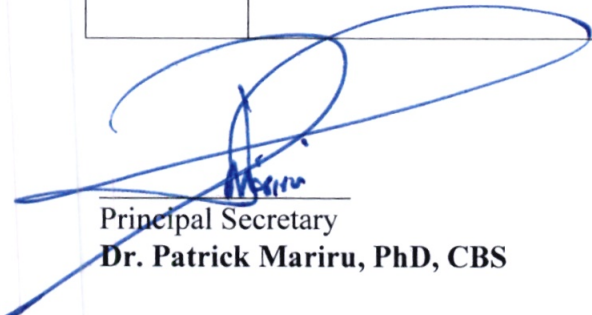
Name of person / organisation benefitting from waiver/ variation	Year in which waiver/ variation relates	Amount of variation/ waiver (tax, fee, or charge)	Reasons for waiver/ variation	The law in terms of which the variation/waiver was granted
NIL	NIL	NIL	NIL	NIL


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**APPENDIX 2: PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR-GENERAL
RECOMMENDATIONS**

The following is the summary of issues raised by the Auditor –General and management comments that were provided. We have nominated focal persons 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	Issue / Observations from Auditor	Management comments	Status:	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	None			


Principal Secretary
Dr. Patrick Mariru, PhD, CBS


Senior Deputy Accountant General
Electina W. Wanyonyi, OGW

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Appendix 3 - Reports Generated from IFMIS

The Ministry of Defence and its entities financial operations are not carried out through IFMIS.