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**THE AUDITOR-GENERAL**

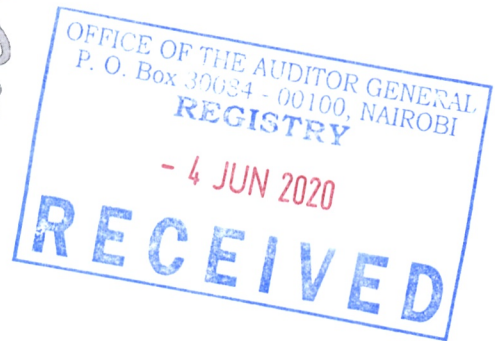
**ON**

**REVENUE STATEMENTS**

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

**MINISTRY OF LANDS AND PHYSICAL  
PLANNING**



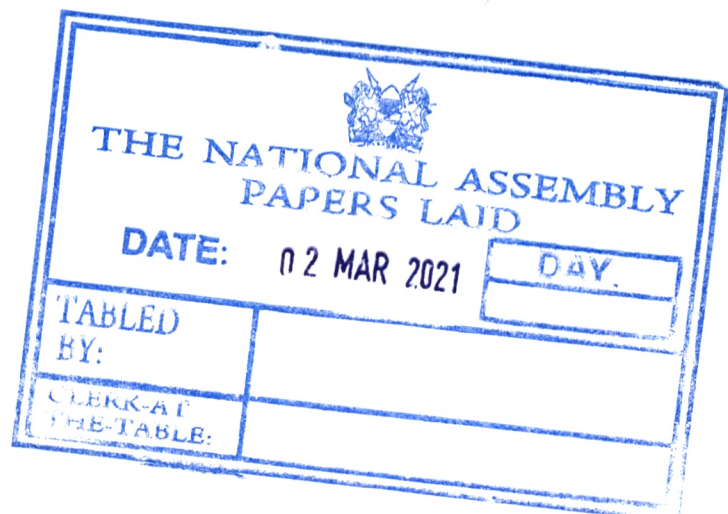


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RECEIVER OF REVENUE  
MINISTRY OF LANDS AND PHYSICAL PLANNING  
REVENUE STATEMENT  
FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2019

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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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Receiver of Revenue – Ministry of Lands and Physical Planning  
Revenue Statement  
For The Year Ended June 30, 2019

**I. KEY ENTITY INFORMATION AND MANAGEMENT**

**a) Background Information**

The Receiver of Revenue is under the Ministry of Lands and Physical Planning. At Cabinet level, the Receiver of Revenue is represented by Cabinet Secretary for Ministry of Lands and Physical Planning, who is responsible for general policy and strategic direction of the Ministry. The Receiver of Revenue, was appointed as Receiver for the financial 2018/2019.

**b) Principle Activities**

The Receiver of Revenue collects revenue from Rent of Land, Land registration fee, Land valuation fee, Conveyance fees, Land adjudication & case fees, stand premium on town plots and other land revenues. Revenue collection is remitted to National Treasury.

<b>Item</b>	<b>Details of Revenue</b>	<b>Amount (Kshs.)</b>
1160101	Stamp Duty	16,525,513
1330101	Immovable Property (Stand Premia on Town Plots)	129,000,000
1410401	Rent of Land	48,566,041
1420203	Other Land Revenue	832,520,615
1420204	Land Adjudication and Case Fees	229,839
1420217	Conveyance Fees	14,097,556
1420219	Land Valuation Fees	8,658,686
1420220	Land Registration Fees	89,234,202
1420239	Sale of Freehold Interest in Agricultural Land	793
	<b>Total</b>	<b>1,138,833,245</b>

**Receiver of Revenue – Ministry of Lands and Physical Planning**  
**Revenue Statement**  
**For The Year Ended June 30, 2019**

**c) Key Management**

The Ministry of Lands and Physical Planning day-to-day running is under the following key management:

1	Cabinet Secretary	Faridah Karoney, OGW
2	Chief Administrative Secretary	Hon. Gideon Mungaro, OGW
2	Principal Secretary	Dr. Nicholas Muraguri

**Senior Management;**

1	Land Secretary	Esther Ogega
2	Chief land Registrar	Jane W. Ndiba
3	Principal Accounts Controller	CPA Mary A. C. Wanyonyi (Jan – June 2019)
4	Principal Accounts Controller	CPA Jane W. Mburu (July – Dec 2018)
5	Senior Principal Finance Officer	Stephen Njue
6	Senior Deputy Secretary	Amb. Julius K. Kandie
7	Director Survey	John Maina
8	Director Physical Planning	Augustine K Masinde
9	Ag. Director Land Adj. & Settlement	Paul Kiiru Mwangi
10	Director H.R.M. & D	Anne W. Kariithi
11	Director Supply Chain Management	Andrew Nyambeche
12	Director I.C.T	Eric Mugo
13	Principal Public Com Officer	Joseph K. Mwangi
14	Deputy Chief Economist	Julius Muriithi

**Receiver of Revenue – Ministry of Lands and Physical Planning**  
**Revenue Statement**  
**For The Year Ended June 30, 2019**

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**d) Ministry Headquarters**

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Website: [www.ardhi.go.ke](http://www.ardhi.go.ke)

**e) Independent Auditors**

Auditor General

Office of the Auditor General

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P.O Box 30084-00100

Nairobi, Kenya

**f) Bankers**

Central Bank of Kenya

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Nairobi, Kenya.

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Website: [www.centralbank.go.ke](http://www.centralbank.go.ke)

**Receiver of Revenue – Ministry of Lands and Physical Planning**  
**Revenue Statement**  
**For The Year Ended June 30, 2019**

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**g) Principal Legal Adviser**

The Attorney General of Kenya,  
Office of the Attorney General and Department of Justice,  
Harambee Avenue  
P.O Box 40112-00200  
Nairobi, Kenya  
Telephone: (254)-2-2227461  
Email: [communications@ag.go.ke](mailto:communications@ag.go.ke)  
Website: [www.statelaw.go.ke](http://www.statelaw.go.ke)

## **II. STATEMENT OF RECEIVER OF REVENUE'S RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a national government entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the Revenue Statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

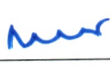
The Principal Secretary in charge of the Ministry of Lands and Physical Planning is responsible for the preparation and presentation of the Ministry's Revenue Statements, which give a true and fair view of the state of affairs of the Ministry and as at the end of the financial year (period) ended on June 30, 2019. 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 Revenue 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 accepts responsibility for the Ministry of Lands and Physical Planning 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's Revenue Statements give a true and fair view of the state of Ministry's transactions during the financial year ended June 30, 2019, and of the Ministry's financial position as at that date. The Principal Secretary in charge of the Ministry of Land and Physical Planning further confirms the completeness of the accounting records maintained for the Ministry of Land and Physical Planning which have been relied upon in the preparation of the Ministry of Land and Physical Planning Revenue Statements as well as the adequacy of the systems of internal financial control.

The Principal Secretary in charge of the Ministry of Land and Physical Planning has ensured 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's 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**

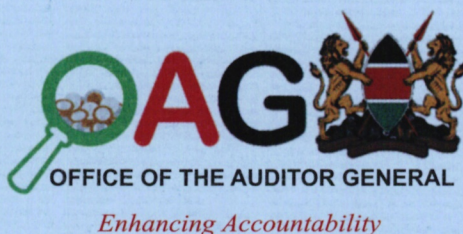
The revenue statements were approved and signed by the Principal Secretary on 30/09/2019

  
\_\_\_\_\_  
Principal Secretary  
Dr. Nicholas Muraguri

  
\_\_\_\_\_  
Principal Accounts Controller  
CPA Mary A.C. Wanyonyi  
ICPAK Member 10366

# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2019 - MINISTRY OF LANDS AND PHYSICAL PLANNING**

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### REPORT ON THE REVENUE STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying revenue statements of the Ministry of Lands and Physical Planning set out on pages 7 to 22, which comprise the statement of arrears of revenue as at 30 June, 2019, and the statement of revenues and transfers 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the revenue statements present fairly, in all material respects, the revenue position of the Ministry of Lands and Physical Planning as at 30 June, 2019, and of its 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 Qualified Opinion**

##### **1. Lack of Classification of Land Revenues**

The statement of revenues and transfers reflects a total of Kshs.1,250,772,191 revenue collected during the year under review. However, revenue collected from County Land Registries (out stations) amounting to Kshs.414,936,988 were commingled and classified as other land revenue instead of classifying them into specific revenue streams such as land registration, valuation, or adjudication and others.

Further, there was no consistency in classifying and reporting revenue collected. In the Head Office, registration fee comprised of searches, preparation fee and opening register fees while other land revenues comprised of all e-Citizen revenue collections, survey fees, direct banking and all revenues collected from out stations.

In addition, all revenues collected in relation to searches, opening of registers and any other non-specific revenue collections in Eldoret station were classified as miscellaneous revenue. Consent fee was classified independently as preparation fees and land dispute fee was also classified independently.

Further, in Kakamega, revenue arising from boundary disputes, court orders, survey fee, sale of maps and registration were classified as registration fees.

## 2. Undisclosed Deposits to KCB Revenue Control Accounts

The revenue collected countrywide from Land Registries amounting to Kshs.414,936,988 includes a balance of Kshs.141,274,345 which could not be traced to any specific Land Registry. A review of the bank statements revealed that these were direct deposits from unidentified Land Registries and other sources deposited into the Kenya Commercial Bank Account No.1122659288 all totalling to Kshs.141,274,345. Further, the consolidated monthly revenue return schedules that were used to support the revenue statements were incomplete making the verification of monthly revenue collections from the stations difficult.

In the circumstances, it was not possible to confirm the completeness and accuracy of revenue collected from the Land Registries.

## 3. Failure to Provide Revenue Collection and Accounting Documents

The Nakuru land station failed to provide revenue collection and processing documents such as the receipt books, collection control sheets (CCS), receipt and payment vouchers (FO17 & FO20/21), bank deposit slips, and RTGS that were used to collect revenue estimated at Kshs.757,681. As a result, the accuracy and completeness of revenues disclosed could not be ascertained.

## 4. Failure to Bank Revenue Collected

The audit established that the Eldoret land station utilizes the services of the Sub County Treasury to collect and bank revenue. However, audit examination of documents such as receipt books, collection control sheets, cash book and bank statements revealed that revenue collected during the months of October, 2018, November, 2018, March, 2019, April, 2019, May, 2019 and June, 2019 amounting to Kshs.7,865,085 was not banked.

## 5. Non-Payment of Stamp Duty

The statement of revenues and transfers reflects a total of Kshs.1,250,772,191 revenue collected during the year under review. However, audit examination of land parcel files in Mombasa station revealed that land transfer transactions were effected without the payment of stamp duty totalling to Kshs.740,000 as shown below.

Date	Nature	Size of Land (Ha)	Name	Description	Value Kshs.	Stamp Duty Due Kshs.
09/05/19	Transfer	0.05796	Melanie/Mary/Michaela	MSA BLOCK XIX/1	1,000,000	40,000
18/08/18	Transfer	0.1013	Delina/Momo/Cecilia	MSA/FREERE TOWN/30	11,500,000	460,000
11/01/19	Transfer	0.0617	Mohamed Ahmed Badawy	693(ORIG.38/6) WATAMU	6,000,000	240,000
<b>Total</b>						<b>740,000</b>

In the circumstances, it was not possible to confirm the completeness and accuracy of revenue collected from Mombasa Land Registry.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ministry of Lands and Physical Planning 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 revenue statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified 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 statements. There were no key audit matters to report in the year under review.

### **Other Matter**

The following prior year issues remained unresolved as at 30 June, 2019.

#### **1. Inaccuracies in the Financial Statements**

Note 4 to the revenue statements on sale of goods and services reflected transfers to the Exchequer account by the Ministry of Lands and Physical Planning comparative balance of Kshs.717,658,988 but the 2016/2017 audited revenue statements reflected an amount of Kshs.718,956,844 resulting to an unexplained difference of Kshs.1,297,856. Consequently, the accuracy of transfers to the Exchequer comparative balance of Kshs.717,658,988 for the year ended 30 June, 2018 could not be confirmed.

#### **2. Statement of Comparison of Budget and Actual Amounts**

The statement of comparative budget and actual amounts for the year ended 30 June, 2018 reflects actual revenue of Kshs.786,517,922 against a revenue budget of Kshs.841,297,579 resulting in under collection of Kshs.54,779,657. However, no explanations were provided for the material variances as required by the International Public Sector Accounting Standards (IPSAS) No.1.7.8. Non-compliance with this requirement affects understandability of the revenue statement by the users.

#### **3. Transfers to the Exchequer Account**

The statement of revenues and transfers for the year ended 30 June, 2018 reflected transfers to Exchequer account of Kshs.786,517,923. However, records maintained by The National Treasury indicated total receipts of Kshs.856,030,095 from the Ministry resulting in a variance of Kshs.69,512,172 which has not been explained or reconciled.

In the circumstances, the accuracy and validity of the total revenues collected of Kshs.786,517,923 could not be confirmed.

#### **4. Irregular Collection and Remittance of Revenue**

As was reported in 2017/18, The National Treasury Circular number 20/47(88) of 28 March, 2017, requires that at the end of every month, all revenues collected should be

transferred through Real Time Gross Settlement (RTGS) to the Central Revenue Control Account held at the Ministry's Headquarters. However, records availed for Machakos County indicate that as at 30 June, 2018, an amount of Kshs.4,869,706 had been collected from survey fees, registry index maps fees and sale of maps and remitted to the County Government in contravention of the National Treasury Circular.

#### **5. Non-Maintenance of Cash Book at Bungoma National Sub-County Treasury**

As was reported in 2017/18, Bungoma National Sub-County Treasury, did not maintain cash books for the land revenues collected at the station thus casting doubts on the completeness of the revenues collected at the Sub County Treasury.

#### **6. Selective Charging of Official Search Fees**

Section 88 of the Land Registration Act prescribes the fees chargeable on official searches. However, stations such as Kiambu, Kajiado, Mombasa, Muranga, Nyahururu, Kwale, Machakos and Nyeri were not charging search fees. As a result, revenues arising from an estimated 21,500 searches per station at Kshs.500 each totalling Kshs.10,750,000 per station was not collected in the financial year under review. In addition, in Kisumu and Homa Bay Stations, there was no consistency in charging search fees. No reason has been provided for not charging search fees and the inconsistencies.

### **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, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

#### **1. Delay in Remittance of Funds Held in the Collection Accounts**

The statement of revenues and transfers reflects a total of Kshs.1,250,772,191 revenue collected during the year under review. However, examination of the Kenya Commercial Bank Revenue Collection Accounts at various stations revealed that there were closing balances amounting to Kshs.34,441,550 as at 30 June, 2019 (2018: Kshs.24,501,012). It was not clear why the said funds were not being transferred to the Central Bank Account No. 1000323922 by the closure of the financial year. This is as enumerated below:

<b>Station</b>	<b>KCB A/C Number</b>	<b>Opening Balance as 1/07/2018 Kshs.</b>	<b>Closing Balance as at 30/06/2019 Kshs.</b>
Eldoret	1201611660	809,218	2,810,370
Homa Bay	1149342285	912,511	2,154,297
Nakuru	NBK-1001065252300	3,050,007	5,462,437
Nanyuki	1148136533	3,443,041	6,161,790

Station	KCB A/C Number	Opening Balance as 1/07/2018 Kshs.	Closing Balance as at 30/06/2019 Kshs.
Meru	1148163743	1,945,985	929,875
Kajiado North (Ngong)	1180348923	795,294	892,820
Kajiado	1148539220	1,407,915	1,259,847
Nyahururu	1102166588	1,216,658	2,599,620
Nyeri	1208103393	1,376,964	1,988,142
Muranga	1148611460	4,255,484	2,667,911
Kisumu	1209552795	1,822,458	1,773,076
Kiambu	1148554955	3,465,479	2,156,639
Kakamega	1148251820		3,584,727
<b>Total</b>		<b>24,501,014</b>	<b>34,441,551</b>

In the circumstances, the accuracy and completeness of the total revenues collected of Kshs.1,250,772,191 could not be confirmed.

## 2. Under-Assessment of Stamp Duty Fees

In various stations, including Kiambu and Nyandarua, transfers of immovable properties for certificates of title, freehold lands, were all assessed at 2% regardless of being in an urban zone and, the certificates of lease, leasehold lands, were all assessed at 4% regardless of being in rural zones. This is contrary to items 12A and 11 in the Schedule to the Stamp Duty Act which states that stamp duty payable on transfer of immovable property should be derived at a rate of 4% of land valuation amount in urban (Municipality) areas and 2% of land valuation amount in rural (Agricultural) areas. This is despite the fact that Kiambu County has re-designated town and rural areas in line with the current urbanization in Ngong, Limuru, Ruaka, Karuri and Kikuyu.

Similarly, in Kajiado land jurisdiction zone, stamp duty is assessed at 2% regardless of the parcels of land existing within urbanized areas like Kajiado town, Kitengela, Rongai and Oloitokitok which would attract chargeable stamp duty of 4% had the stamp duty rating or assessment guide been reviewed. A similar scenario was noted in Homa Bay since the Ministry has not clearly demarcated and designated areas where 4% and 2% stamp duty are chargeable on transfer of land.

Further, the audit established that land parcels measuring an 1/8-acre plots or 0.045ha or 50m by 100m and below were considered as agricultural lands, yet 1/8-acre plot of land is not viable for agriculture and should therefore not be considered as agricultural land. This translated to the assessment for stamp duty for an 1/8-acre plot and below parcels of land at 2% of value instead of 4% and regardless of being in urban areas.

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 statements are 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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### Basis for Conclusion

#### 1. Accounting for Revenue Collections and Exchequer Receipts (AIE) in the Same Cash Book and Bank Accounts

The audit revealed that the revenues collected and funds received by the Ministry of Lands and Physical Planning as Exchequer Releases for operations purposes (AIE) were posted in the same cash book and bank account in all the stations visited. This arrangement encouraged the use of revenue at source as it was difficult to segregate the AIE and revenue collected at source.

#### 2. Use of Non-Designated Accountable Documents

The audit established that approximately 65% of the miscellaneous receipt books were used to collect revenue instead of the Land Fee Receipt Books. The Land Fee Receipt Books are specific for land fees collection as they are itemized to indicate the revenue item or stream of revenue being receipted. However, the miscellaneous receipt books used for collection of revenue are general and are not itemized to indicate the revenue stream being receipted. This hampered proper classification of revenue.

#### 3. Delay in Depositing of Revenue

Examination of the Receipt Books, Collection Control Sheets (CCS) and bank statements in Kiambu station revealed that there were significant delays of up to six (6) months in depositing revenue collected as illustrated in Appendix I. A similar trend of split or part banking was noted in Homa Bay as further illustrated in Appendix II. It is not clear why revenue collected was not banked immediately and intact.

#### 4. Use of Revenue at Source

Examination of accounting documents such as cash book, bank statement and bank reconciliation statement at Kisumu Sub County Treasury revealed that during the month of November, 2018, an amount of Kshs.350,000 was withdrawn vide cheque No.127 dated 13 November, 2018 from the Revenue Collection Account when the Authority to Incur Expenditure balance (AIE) was nil. It was not explained why revenue collected and banked was withdrawn.

Similarly, examination of the cash book, bank reconciliation and bank statement held by Ministry of Lands at the Eldoret Sub County Treasury, Kenya Commercial Bank Account No. 1201611660, revealed that during the month of July, 2018, revenue amounting to Kshs.483,440 was withdrawn for office use when Authority to Incur Expenditure balance (AIE) was nil, therefore resulting in the use of government revenue at source.

#### **5. Irregular Deposits**

The Kwale County Treasury accountant banked Kshs.163,046 on 4 December, 2018 into the Ministry of Land and Physical Planning, Kenya Commercial Bank Revenue Collection Account. The purpose and source of the deposit has not been disclosed. This raises a red flag over use of revenue at source and practicing of teeming and lading. No explanation was provided for this anomaly.

#### **6. Transfer of Revenue to a Non-Designate Account**

Audit review of bank statements at Muranga station revealed that revenue collected and deposited in Kenya Commercial Bank Revenue Collection Account No. 1148611460 amounting to Kshs.4,247,795 was transferred to a non-designate Central Bank of Kenya Account No. 1000209534 under the Ministry of Lands, Housing and Public Works instead of the Central Bank Account No.1000323922 under the current Ministry of Lands and Physical Planning. It has not been explained why the station continues to deposit revenue to the old KCB Account at the Central Bank of Kenya.

#### **7. Shortage of Land Valuers in Counties**

As was reported in 2017/2018, it was observed that the Ministry has a shortfall of land valuers which does not only result to inefficiencies in service delivery but also has significant impact on revenues realized from stamp duties. For instance, Migori has only one land valuer based in Kisii County and covering Kisii, Nyamira, Migori and Homa Bay Counties while at the Bungoma Land Registry, the Assistant Senior Land Registrar in charge of the station performs valuation and assessment of stamp duty since the Regional Valuer is based in Kakamega.

#### **8. Inadequate Safety of Collected Revenue**

The audit revealed that there is no safe box or strong room for keeping and safeguarding revenue collected and cash at both the Land Registry and Survey Departments in Muranga, Eldoret, Kakamega, Homa Bay and Kiambu. At the revenue collection points, revenue is collected and kept in breakable drawers while the designate storage for all the revenue before banking are breakable drawers. Similarly, the strong rooms for storing revenue do not have reinforced glass window panes or doors.

#### **9. Poor Documentation of Revenue Collection**

A review of the revenue documents and files at the Nyandarua, Meru, Nakuru, Ngong, Homa Bay, Kakamega, Eldoret, Kiambu and Kajiado Land Offices revealed that the complete sets of Collection Control Sheets, FO17, MR's, banking slips and Funds Transfer Documents (RTGS) were not kept in an orderly manner. The audit established that the receipt vouchers - FO17 were not pre-numbered or serialized and the receipt books were used without due regard of serialization. It was also noted that the Collection

Control Sheets were not recorded on a daily basis when transactions occurred but rather prepared at the end of the month when surrendering collected revenue.

In Meru and Nakuru stations, not all receipt books used during the year 2018/2019 were availed for the audit verification thereby curtailing the audit review. Further, some receipt books were captured twice on collection control sheets in Nyandarua. The audit review also noted that single receipt books were used to collect revenue from both registry and survey departments in Nyandarua and Kajiado stations.

#### **10. Failure to Frank Revenue Stamps on Transfer Documents**

Section 2 of the Stamp Duty Regulations, 2012 and the Fourth Schedule of the regulation on instruments requires that upon payment, the stamp duty may be denoted by means of revenue stamp impressed by a franking machine. However, in Nyandarua station, land transfer documents were not being franked due to the breakdown of the franking machine for a period of over four (4) years. In the absence of impressed stamp duty by a franking machine on the transfer documents, the legality of these transfers cannot be ascertained.

#### **11. Anomalies in Declaration and Reporting of Monthly Revenue Collections**

Audit verification of the consolidated revenue returns and its supporting documents established that only eight (8) out of the fifty-seven (57) stations or approximately 14% of the lands stations consistently declared monthly revenue returns. This made it difficult for the Head Office to keep complete and accurate records of revenue. It was also noted that the Survey Departments collect revenue independently from the Lands Registry Departments however, they do not prepare monthly revenue returns.

In Kisumu, the Lands station failed to declare revenue to the Head Office during the months of December, 2018 amounting to Kshs.564,360, March, 2019, Kshs.926,220 and February, 2019 Kshs.820,360, all totalling Kshs.2,310,940. Similarly, there were also late declaration of revenue returns.

Further, audit examination established mis-reporting of collected revenue. In Kajiado station, revenue collected in October, 2018 vide CCS No. 0118310 totalling to Kshs.218,350 was surrendered or declared two months late in December, 2018 and also mis-reported as part of revenue collected in December, 2018 vide FO.21 No. 6 totalling to Kshs.1,820,100 instead of October, 2018 collections.

Similarly, in December, 2018, revenue collected between 20 December, 2018 to 31 December, 2018 amounting to Kshs.169,500 was surrendered or declared one month later in January, 2019 and mis-reported as part of January, 2019 revenue collections vide FO.21 No. 7 amounting to Kshs.1,406,492 instead of December, 2018 collections.

#### **12. Shortage of Staffing in Revenue and Accounts Sections**

Audit review established that there was shortage of staff in the stations visited and especially in the valuation unit, survey, revenue clerks and accountants in Nyeri, Kajiado, Kakamega, Eldoret, Nyahururu, Kisumu, Ngong, Meru, Nanyuki, Nakuru, Naivasha, Machakos and Mombasa stations. It was noted that a valuer in one station could serve three or more other stations. For instance one valuer who is based in Kisii County also

serves two (2) more counties of Homa Bay and Migori. This caused delays in valuation of transfers and collection of revenue.

### **13. Lack of Valuation Reports and Inconsistencies in Land Values in Registered Parcel Files**

Audit review revealed that all land transfers carried out in Homa Bay relating to land parcels lacked land valuation reports except for the months of April, 2019, May, 2019 and June, 2019. Without valuation reports, it was not possible to ascertain the accuracy of the assessed stamp duty paid for the transferred parcels of land.

In addition, the audit review established that the land valuer in charge of three (3) Counties of Homa Bay, Migori and Kisii is based in Kisii, and does not conduct site visits at the time of effecting a transfer and attaching of land values. Therefore, the land registrar relies on land values declared by vendors or those on sale agreements in order to make assessments for the purpose of payment of stamp duty fees.

#### **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 Ministry's ability 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 dissolve the Ministry 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 entity 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**

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 these 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 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 Ministry's 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Ministry's 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 Ministry'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 Ministry 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 Ministry 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**

**10 February, 2021**

## Appendix I: Delay in Banking of Revenue (Kiambu Station)

Month	Date of Collection	Amount Collected Kshs.	Date Banked	Amount Banked Kshs.	Cum. Amount Collected Kshs.	Variance/Split/Part Banking Kshs.
Jul	2/7/18 to 9/7/18	317,050	10/07/18	268,100	-	48,950
	10/7/18 to 12/7/18	140,300	-	-	189,250	-
	13/7/18 to 16/7/18	41,500	16/07/18	188,800	230,750	41,950
	17/7/18 to 31/7/18	433,650	31/07/18	475,150	475,600	450
Aug	1/8/18 to 9/8/18	307,450	10/08/18	287,000	20,450	20,450
	10/8/18 to 17/8/18	211,600	-	-	232,050	-
	20/8/18 to 23/8/18	96,700	24/08/18	211,600	328,750	117,150
	24/8/18 to 30/8/18	151,300	31/08/18	248,000	268,450	20,450
Sep	3/9/18 to 6/9/18	277,000	07/09/18	277,000	20,450	20,450
	7/9/18 to 10/9/18	157,700	-	-	178,150	-
	11/9/18 to 13/9/18	101,300	14/09/18	259,000	279,450	20,450
	13/9/18 to 21/9/18	235,200	21/09/18	226,000	255,650	29,650
Oct	21/9/18 to 28/9/18	205,700	01/10/18	214,900	235,350	20,450
	1/10/18 to 4/10/18	290,900	05/10/18	159,400	311,350	151,950
	5/10/18 to 12/10/18	244,200	12/10/18	294,000	396,150	102,150
	14/10/18 to 16/10/18	108,500	17/10/18	342,000	210,650	(131,350)
AC512287	16/10/18 to 19/10/18	223,900	19/10/18	223,000	223,000	900
	22/10/18 to 30/10/18	226,700	06/11/18	230,700	227,600	(3,100)
	26/3/18 to 17/5/18	572,400	25/10/18	572,400	0	0
	Nov	1/11/18 to 13/11/18	489,600	19/11/18	197,500	489,600
Dec	15/11/18 to 30/11/18	196,900	29/11/18	292,000	489,000	197,000
	3/12/18 to 5/12/18	146,300				
	3/12/18 to 5/12/18	104,100	06/12/18	113,000	447,400	334,400
	6/12/18 to 10/12/18	212,300	11/12/18	86,300	546,700	460,400
Jan	11/12/18 to 27/12/18	271,800	-	-	732,200	-
	2/01/19 to 4/01/19	44,000	09/01/19	540,200	776,200	236,000
		-	11/01/19	200,000	36,000	36,000
		-	17/01/19	79,200		(43,200)
		-	17/01/19	9,700		(9,700)
	16/01/19 to 23/01/19	186,400	25/01/19	157,600	186,400	28,800
Feb	24/01/19 to 31/1/19	150,950	05/02/19	176,100	179,750	3650
	1/02/19 to 12/02/19	383,600	13/02/19	244,700	387,250	142,550
	13/02/19 to 20/02/19	83,900	22/02/19	154,550	226,450	71,900
		-	27/02/19	3,650	71,900	68,250
Mar		-	27/02/19	68,250	68,250	0
	21/02/19 to 28/02/19	126,800	-	-	126,800	-
	01/3/19 to 08/3/19	241,800	11/03/19	251,800	368,600	116,800
	12/3/19 to 18/3/19	289,200	22/03/19	116,000	406,000	290,000
Jun		-	08/04/19	285,700	290,000	4,300
		166,700	11/06/19	166,700	0	0
		71,800	12/06/19	71,800	0	0
		51,500	14/06/19	51,500	0	0
		119,600	18/06/19	119,600	0	0
	82,300	19/06/19	82,300	0	0	

<b>Month</b>	<b>Date of Collection</b>	<b>Amount Collected Kshs.</b>	<b>Date Banked</b>	<b>Amount Banked Kshs.</b>	<b>Cum. Amount Collected Kshs.</b>	<b>Variance/Split/Part Banking Kshs.</b>
Jun		96,400	21/06/19	96,400	0	0
		87,000	25/06/19	87,000	0	0
		170,200	28/06/19	170,200	0	0
		12,100	28/06/19	12,100	0	0

## Appendix II: Delay in Banking of Revenue (Homa Bay Station)

Receipt No.	Date of Collection	Amount Collected (Kshs.)	Date Banked	Amount Banked (Kshs.)	Variance/Split Banking (Kshs.)
5237901-950	2/5/19 to 6/5/19	34,000			
5237951-800	6/5/19 to 8/5/19	32,100			
6966001-050	8/5/19 to 9/5/19	28,600			
6966051-100	10/05/19 to 13/5/19	30,000			
		124,700	14/05/18	54,500	70,200
6966101-150	13/05/19 to 14/5/19	34,000			
6966301-350	15/5/19 to 17/5/19	28,300			
6966251-300	20/05/19 to 22/5/19	32,700			
6966151-200	22/5/19 to 24/5/19	32,300			
6986501-550	24/5/19 to 27/5/19	28,100			
		155,400 + 70,200			
		225,600	28/5/19	130,000	95,600
6986751-800	29/5/19 to 30/5/19	39,600			
6986651-691	30/5/19 to 31/5/19	25,700			
		65,300+95,600			
		<b>160,900</b>	<b>31/5/19</b>	<b>60,000</b>	<b>100,900</b>

Receiver of Revenue – Ministry of Lands and Physical Planning  
Revenue Statement  
For The Year Ended June 30, 2019

**III. STATEMENT OF REVENUES AND TRANSFERS**

	Note	2018/2019	2017/2018
		Kshs	Kshs
<b>TAX REVENUES</b>			
Taxes on Property	1	114,923,611.00	27,674,917
Other Taxes	2	32,973,164.00	11,219,651
<b>TOTAL TAX RECEIPTS</b>		<b>147,896,775.00</b>	<b>38,894,568</b>
<b>NON TAX REVENUES</b>			
Property Income	3	40,752,253.00	18,314,962
Sale of Goods and Services	4	1,062,123,163.10	729,308,393
<b>TOTAL NON TAX RECEIPTS</b>		<b>1,102,875,416.10</b>	<b>747,623,355</b>
<b>TOTAL REVENUE COLLECTED</b>		<b>1,250,772,191.1</b>	<b>786,517,923</b>
<b>TRANSFERS TO THE EXCHEQUER ACCOUNT</b>	5	(1,246,521,766.10)	(786,517,923)
<b>BALANCE BROUGHT FORWARD</b>	6	-	-
<b>BALANCE CARRIED FORWARD</b>	6	(4,250,425.)	-
<b>TOTAL REVENUE COLLECTED</b>		<b>(1,250,772,191.1)</b>	<b>(786,517,923)</b>

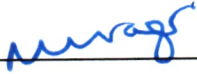
**Receiver of Revenue – Ministry of Lands and Physical Planning**

**Revenue Statement**

**For The Year Ended June 30, 2019**

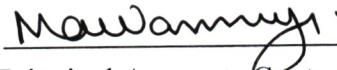
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The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 30/09/2019 and signed by:



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Principal Secretary  
Dr. Nicholas Muraguri



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Principal Accounts Controller  
CPA Mary A.C. Wanyonyi  
ICPAK Member 10366

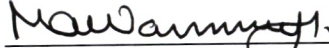
Receiver of Revenue – Ministry of Lands and Physical Planning  
 Revenue Statement  
 For The Year Ended June 30, 2019

**IV. STATEMENT OF ARREARS OF REVENUE AS AT 30 JUNE, 2019**

Classification of Revenue	Accumulated amount in arrears from prior periods to June, 2019	Amount in arrears for the immediate previous year to 30 June, 2019	Amount in arrears for the current year to June 30, 2019	Total arrears as at 30 June, 2019	Measures taken to recover the arrears	Assessment to the recoverability of arrears
<b><u>Tax Revenues</u></b>						
Taxes on property						
Other Taxes	-	-	-	-	-	-
<b><u>Non Tax Revenues</u></b>						
Property Income	-	-	-	-	-	-
Sale of Goods and Services	-	-	-	-	-	-
Total arrears	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		

The above revenue statement was approved on 30/09/2019 and signed by:

  
 Principal Secretary  
 Dr. Nicholas Muraguri

  
 Principal Accounts Controller  
 CPA Mary A.C. Wanyonyi  
 ICPAK Member 10366

( Ref: PFM ACT section 82,2(b) )

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## **V. SIGNIFICANT ACCOUNTING POLICIES**

The principle 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 under the Cash Basis of Accounting 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 Ministry of Lands and Physical Planning. The accounting policies adopted have been consistently applied in 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 Ministry.

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

The Ministry Lands and Physical Planning recognises all revenues from the various sources when the event occurs and the related cash has actually 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 the 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 to these revenue statements.

### **4. Cash and Cash Equivalentents**

Cash and cash equivalentents 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

**Receiver of Revenue – Ministry of Lands and Physical Planning**  
**Revenue Statement**  
**For The Year Ended June 30, 2019**

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**5. Revenue in Arrears**

This relates to revenue earned and is yet to be received or collected by the receiver of revenue.

**6. 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, 2019.


Receiver of Revenue – Ministry of Lands and Physical Planning  
 Revenue Statement  
 For The Year Ended June 30, 2019

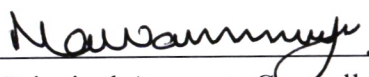
1. TAXES ON PROPERTY

	Original Estimates 2018/2019	Actual 2018/2019	Actual 2017/2018	% Realized
	Ksh	Ksh	Ksh.	
Immovable Property (Stand Premia on Town Plots)	129,000,000.00	114,923,611.00	27,674,917.00	89.08
Total Revenue on Property	129,000,000.00	114,923,611.00	27,674,917.00	
Balance Brought Forward	-	-		
Transfers to the Exchequer Account		(114,923,611.00)	(27,674,917.00)	
Balance Carried Forward	-	-		

The under collection of stand premia was due to a decrease in land transactions and allocation of land within Nairobi.

The above revenue statement was approved on 30/09/ 2019 and signed by:

  
 Principal Secretary  
 Dr. Nicholas Muraguri


  
 Principal Accounts Controller  
 CPA Mary A.C. Wanyonyi  
 ICPAK Member 10366

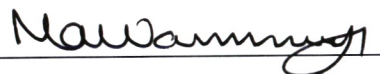
2. OTHER TAXES (NOT ELSEWHERE CLASSIFIED)

	Original Estimates 2018/2019	Actual 2018/2019	Actual 2017/2018	% Realized
Stamp Duty	16,525,513.00	32,973,164.00	11,219,651.00	199.52
Total Revenue Other Taxes	16,525,513.00	32,973,164.00	11,219,651.00	
Balance Brought Forward	-	-		
Transfers to the Exchequer Account	-	(32,973,164.00)	(11,219,651.00)	
Balance Carried Forward	-	-		

The over collection by 99% above the estimated figure was due to stamp duty payers preferring to pay through the E-citizen platform instead of Itax portal. The E-Citizen payments automatically reflect on the Land Information System (LIMS) thereby giving advantage of being served faster.

The above revenue statement was approved on 30/09/2019 and signed by:

  
 \_\_\_\_\_  
 Principal Secretary  
 Dr. Nicholas Muraguri


  
 \_\_\_\_\_  
 Principal Accounts Controller  
 CPA Mary A.C. Wanyonyi  
 ICPAK Member 10366

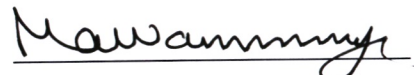
### 3. PROPERTY INCOME

	Original Estimates 2018/2019	Actual 2018/2019	Actual 2017/2018	% Realized
Rent of Land	48,566,041.00	40,752,253.00	18,314,962.00	83.91
Total Property Income	48,566,041.00	40,752,253.00	18,314,962.00	
Balance Brought Forward	-	-		
Transfers to the Exchequer Account	-	(40,752,253.00)	(18,314,962.00)	
Balance Carried Forward	-	-		

The under collection in rent of land was due to decrease in land transactions that took place and also the usage of e-citizen portal for majority payment included in the other land revenue.

The above revenue statement was approved on 30/09/2019 and signed by:

  
Principal Secretary  
Dr. Nicholas Muraguri

  
Principal Accounts Controller  
CPA Mary A.C. Wanyonyi  
ICPAK Member 10366

4. SALE OF GOODS AND SERVICES

	Original Estimates 2018/2019	Actual 2018/2019	Actual 2017/2018	% Realized
Land Valuation Fees	8,658,686.00	11,564,435.00	1,772,680.00	133.55
Land Adjudication and Case Fees	229,839.00	2,814,183.00	39,570.00	1224.41
Land Registration Fees	89,234,202.00	20,938,055.00	17,887,762.00	23.46
Conveyance Fees	14,097,556.00	6,122,517.00	7,482,735.00	43.42
Other Land Revenue (4a)	832,520,615.00	1,020,683,973.10	702,125,114.70	122.60
Sale of Freehold Interest in Agricultural Land	793.00	00.00	531.00	0
Balance Brought Forward	-	-	-	
Total Sale of Goods and Services	944,741,691.00	<u>1,062,123,163.10</u>	<u>729,308,392.70</u>	112.42
Transfers to the Exchequer Account	-	(1,062,123,163.10)	(729,308,392.70)	
Balance Carried Forward	-	-	-	

4 (a) Other Land Revenue

Other Land Revenue - Current Year	950,643,843.30
Other Land Revenue - Previous Year Balance	7,786,180.00
Other Land Revenue – Ministry’s Old CBK a/c	<u>62,253,949.80</u>
Total	<u>1,020,683,973.10</u>

- ✓ Land Valuation – This is due to high turnout of valuation related clients
- ✓ Land Adjudication – The increase in the Land Adjudication Fees has been due to the Ministry fastracking finalization of ongoing adjudication sections. Once cases are finalized the case proceedings are available for sale to the parties involved hence increasing the adjudication fees collected in the year.

**Receiver of Revenue – Ministry of Lands and Physical Planning**  
**Revenue Statement**  
**For The Year Ended June 30, 2019**

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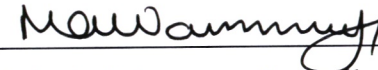
- ✓ Land Registration- High turnout of clients expected to make payments and present document for registration
- ✓ Conveyance fees- Few documents booked for registration by clients than projected
- ✓ Other land Revenue- Increased sensitization to customers who turned out to pay for other land transactions
- ✓ Sale of freehold interest in Agricultural Land- Fewer requests by clients to purchase freehold interest due to exorbitant prices and hard economic times.

The above revenue statement was approved on 30/09/ 2019 and signed by:



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Principal Secretary  
Dr. Nicholas Muraguri



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Principal Accounts Controller  
CPA Mary A.C. Wanyonyi  
ICPAK Member 10366

**Receiver of Revenue – Ministry of Lands and Physical Planning**  
**Revenue Statement**  
**For The Year Ended June 30, 2019**

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**5. TRANSFERS TO THE EXCHEQUER ACCOUNT**

Ministry of Lands and Physical Planning	CBK A/C - 1000323922	(1,092,567,787.30)
Ministry of Housing, Urban Dev.& P.W.	CBK A/C -1000387211	(91,700,029.00)
Ministry of Lands and Physical Planning	CBK OLD A/C.1000209534	(62,253,949.80)
Total		(1,246,521,766.10)

Other Revenues collected through e-citizen platform amounting to Kshs.91,700,029.00 was erroneously transferred to Ministry of Housing, Urban Development and Public Works exchequer account, the CBK account no. 1000387211, instead of Ministry of Lands and Physical Planning Revenue Account No.1000323922. The amount of Kshs.91,700,029.00 has been recognized as revenue in this Revenue Statement.

During the Financial Year 2018/2019, other Revenues continued to be paid into the old Ministry of Lands and Physical Planning Revenue Account No.1000209534 totalling to Ksh.62,253,949.80, this has also been recognized in the Revenue Statement and forms part of the transfers to the Exchequer Account.

**6. BALANCES CARRIED FORWARD**

a)	<u>Balance brought forward subsequently transferred</u>	Amount in Kshs.	Date Transferred
	Nil	-	
b)	<u>Balance brought forward yet to be transferred</u>		
	Kenya Commercial Bank A/c 1000323922	2,934,910.00	30/08/2019
	E-Citizen	1,315,515.00	3/7/2019
	Total	4,250,425.00	

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

<b>Name of person / organisation benefitting from waiver/ variation</b>	<b>Year in which waiver/ variation relates</b>	<b>Amount of variation/ waiver</b>	<b>Reasons for waiver/ variation</b>	<b>The law in terms of which the variation was granted</b>
-	-	-	-	-
-	-	-	-	-

*There were no waivers and variations of taxes, fees or charges granted by the Receiver of Revenue for the year ended 30<sup>th</sup> June, 2019.*  
(PFM ACT section 82 sub section 4, 5)

Receiver of Revenue – Ministry of Lands and Physical Planning  
 Revenue Statement  
 For The Year Ended June 30, 2019

**APPENDIX 2: MONTHLY REVENUE SCHEDULE FOR THE YEAR ENDED JUNE 30, 2019**

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
Stand Premia on Town plots	1,695,905.00	5,357,653.00	1,632,005.00	826,967.00	4,414,555.00	4,500,720.00	3,203,410.00	6,641,287.00	6,206,522.00	12,668,348.00	4,388,816.00	63,387,423.00	<b>114,923,611.00</b>
Stamp Duty	606,178.00	1,909,583.00	1,310,563.00	1,735,815.00	4,594,050.00	1,972,759.00	10,115,257.00	2,311,708.00	2,106,377.00	1,481,475.00	1,567,116.00	3,262,283.00	<b>32,973,164.00</b>
Rent of Land	2,161,153.00	7,266,280.00	528,934.00	219,502.00	1,986,129.00	1,650,619.00	2,986,359.00	13,067,698.00	5,860,997.00	1,038,367.00	1,619,005.00	2,367,210.00	<b>40,752,253.00</b>
Land Adjudication and Case Fees	4,600.00	23,950.00	30,600.00	-	-	22,900.00	-	853,420.00	608,698.00	564,790.00	522,515.00	182,710.00	<b>2,814,183.00</b>
Land Registration Fees	1,780,441.00	1,603,792.00	1,395,375.00	1,845,819.00	2,349,842.00	1,704,742.00	707,630.00	2,618,747.00	2,022,911.00	1,296,296.00	2,068,164.00	1,544,296.00	<b>20,938,055.00</b>
Land Valuation Fees	317,500.00	1,420,000.00	882,500.00	-	-	-	-	-	5,000,000.00	1,030,875.00	-	2,913,560.00	<b>11,564,435.00</b>
Conveyance Fees	320,400.00	581,500.00	390,510.00	622,607.00	839,675.00	718,550.00	214,350.00	574,225.00	647,450.00	378,550.00	479,550.00	355,150.00	<b>6,122,517.00</b>
Sale of Freehold Interest in Agric Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Land Revenue													
E-Citizen	29,154,491.00	35,683,723.00	40,298,123.00	21,406,283.00	20,201,345.00	9,773,731.00	57,783,484.00	127,887,304.00	47,627,499.00	52,144,366.00	46,177,440.00	25,752,498.00	513,890,287.00
Land Registries	36,500,000.00	21,911,000.00	30,609,000.00	35,189,300.00	40,627,772.00	32,935,529.00	29,848,325.00	34,592,416.00	35,668,796.30	35,800,000.00	35,046,000.00	46,208,850.00	414,936,988.30
Survey	-	2,116,100.00	4,990,370.00	2,748,705.00	4,667,533.00	1,025,600.00	829,080.00	3,723,970.00	1,684,500.00	3,131,270.00	2,477,800.00	2,207,820.00	29,602,748.00
Other Land Revenue old CBK a/c	2,147,230.00	9,100,198.75	1,333,722.50	11,735,764.65	3,377,612.90	7,471,156.50	10,533,360.50	2,413,517.10	6,903,599.50	5,174,845.90	2,062,941.50	-	62,253,949.80
Total Other Land Revenue	67,801,721.00	68,811,021.75	77,231,215.50	71,080,052.65	68,874,262.90	51,206,016.50	98,994,249.50	168,617,207.10	91,884,394.80	96,250,481.90	85,764,181.50	74,169,168.00	<b>1,020,683,973.1</b>
<b>Total Revenue Collected</b>													<b>1,250,772,191.1</b>

**APPENDIX 3: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

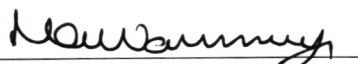
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue (Name and designation)</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1.0	<b>Inaccuracies in the Financial Statements</b>	It is true that the financial statement reflects the difference of ksh. 1,297,856.00 This will be corrected in the Revenue statement and the explanation will be given before the date.	Mary A. C. Wanyonyi HAU	Not Resolved	June 30, 2020
2.0	<b>Statement of Comparison of Budget and Actual Amounts</b>	It is true that the explanation to material variance was not provided on the comparison of budget and actual amounts. This has been corrected in the Revenue statement and the explanation has been provided. The material variance was because of introduction of e-citizen platform for collection of fees which was a challenge to most users since it was new technology.		Resolved	

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Reference No. on the external audit Report	Issue / 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 the issue to be resolved)
3.0	<b>Transfer of Exchequer Account</b>	<p>It is true that transfers of revenue as per the Revenues statement indicates that the transfers to exchequer was Kshs. 855,823,059.40. However, the bank statement supports the total amount of Kshs. 786,517,922.70 that was transferred to Exchequer as against the figure provided by the treasury. The Revenue account has two operating accounts that is account no. 1000209534 and the account no. 1000323922.</p> <p>Account no. 1000209534 –Kshs. 279,333,882.00- (Old Account)                      Account no. 1000323922- Kshs. 507,184,040.70                      Total Kshs. 786,517,922.70</p> <p>This difference came about because we don't have access to the old account no. 1000209534 and the initial figures given were erroneous, hence the difference</p>		Resolved	

  
 Principal Secretary  
 Dr. Nicholas Muraguri

  
 Principal Accounts Controller  
 CPA Mary A. C. Wanyonyi  
 ICPAK Member 10366

**Receiver of Revenue – Ministry of Lands and Physical Planning**  
**Revenue Statement**  
**For The Year Ended June 30, 2019**

**APPENDIX 4: SCHEDULE OF REVENUE TRANSFERS TO THE EXCHEQUER ACCOUNT FOR THE YEAR ENDED JUNE 30, 2019**

MONTH	TRANSFERRED AMOUNT (KSHS)		
	Through Ministry of Lands and Physical Planning, CBK A/C - 1000323922	Through old Ministry of Lands and Physical Planning, CBK A/C. No. 1000209534	Through -Ministry of Housing, Urban Dev.& P.W, CBK A/C No. 1000387211
JULY	69,181,109.00	2,147,230.00	-
AUGUST	78,538,438.00	9,100,198.75	3,086,202.00
SEPTEMBER	13,144,277.00	1,333,722.50	37,232,468.00
OCTOBER	74,252,000.00	11,735,764.65	21,406,283.00
NOVEMBER	71,934,448.00	3,377,612.90	20,201,345.00
DECEMBER	44,406,638.00	7,471,156.50	9,773,731.00
JANUARY	96,837,328.00	10,533,360.50	-
FEBRUARY	156,946,338.00	2,413,517.10	-
MARCH	139,324,954.30	6,903,599.50	-
APRIL	110,282,647.00	5,174,845.90	-
MAY	93,873,405.00	2,062,941.50	-
JUNE	143,846,205.00	-	-
<b>SUB - TOTAL</b>	<b>1,092,567,787.30</b>	<b>62,253,949.80</b>	<b>91,700,029.00</b>
<b>TOTAL</b>			<b>1,246,521,766.10</b>

