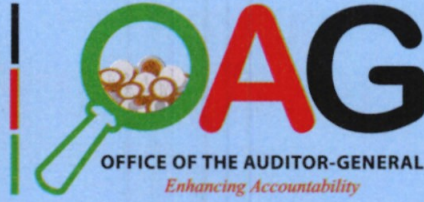
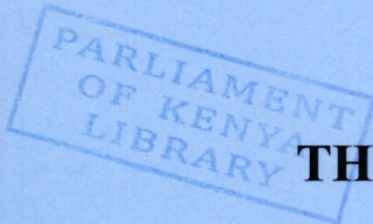


REPUBLIC OF KENYA



# REPORT

OF




# THE AUDITOR-GENERAL

ON

# COMMISSION ON REVENUE ALLOCATION

FOR THE YEAR ENDED  
30 JUNE, 2025

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: <b>11 FEB 2026</b>	
DAY: <b>WEDNESDAY</b>	
TABLED BY:	LEADER OF MAJORITY PARTY (HON. KIMANI ICTUNGWAH)
CLERK-AT-THE-TABLE:	<b>H. LEMERELLE</b>



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**COMMISSION ON REVENUE ALLOCATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30 JUNE 2025**

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

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## **1. ACRONYMS AND DEFINITION OF KEY TERMS**

### **A. Acronyms and Abbreviations**

<b>No.</b>	<b>Abbreviation</b>	<b>Definition</b>
1	A.I.A	Appropriation in Aid
2	AIE	Authority to incur Expenditure
3	AWAK	Association of Women Accountants of Kenya
4	ACGRMC	Audit, Corporate Governance and Risk Management Committee
5	ADM	Administration
6	AG	Acting
7	CIR	Circular
8	CPA	Certified Public Accountant
9	CPM	Certified Professional Mediator
10	CPS	Certified Public Secretary
11	CRA	Commission on Revenue Allocation
12	CSCLSC	CRA Staff Car Loan Scheme Committee
13	FY	Financial Year
14	HAU	Head of Accounting Unit
15	HFU	Head of Finance Unit
16	IPSAS	International Public Sector Accounting Standards
17	KCB	Kenya Commercial Bank
18	MOU	Memorandum of understanding
19	MTEF	Medium Term Expenditure Framework
20	MTPP	Model Tariffs and Pricing Policy
21	OAG	Office of Auditor General
22	OCOB	Office Of the Controller of Budget
23	PBB	Programme-Based Budget
24	PFM	Public Financial Management
25	IPSAS	International Public Sector Accounting Standards
26	PSASB	Public Sector Accounting Standards Board
27	RAC	Revenue Allocation Committee
28	SAGA	Semi-Autonomous Government Agency
29	SP	Sub-Programme
30	SRC	Salaries and Remuneration Commission
31	TADAT	Tax Administration Diagnostic Assesment Tool

**B. Definition of Terms**

No.	Terms	Definition
1	Debit	An entry recording a sum owed, listed on the left-hand side or column of an account
2	Credit	An entry recording a sum received, listed on the right-hand side or column of an account
3	Trial Balance	A financial report showing the closing balances of all accounts in the general ledger at a point in time
4	Financial Performance	A subjective measure of how well a firm can use assets from its primary mode of business and generate revenues.
5	Financial Position	The account status of a firm's or individual's assets, liabilities, and equity positions as reflected on its financial statement.
6	Changes in Net Assets	The equivalent of the net profit figure on an income statement
7	Cash equivalent	Investments that can readily be converted into cash
8	Liabilities	Debts or obligations a person or company owes to someone else
9	Assets	A resource with economic value that an individual, corporation, or country owns or controls with the expectation that it will provide a future benefit
10	Asset Register	A detailed list compiled of all your business assets
11	Ledger	An account or record used to store bookkeeping entries for balance-sheet and income-statement transactions
12	Net Profit	The amount of money your business earns after deducting all operating, interest, and tax expenses over a given period of time
13	Surplus	The amount of retained earnings recorded on the balance sheet of a business entity
14	Deficit	Occurs when expenses exceed revenues, imports exceed exports, or liabilities exceed assets

## **2. KEY COMMISSION INFORMATION AND MANAGEMENT**

### **a) Background information**

The Commission on Revenue Allocation (CRA) is established under Article 215 of the Constitution of Kenya. The Commission is domiciled in Kenya and has no regional branches.

### **b) Mandate**

The Commission on Revenue Allocation's principle mandate is to make recommendations on the basis for equitable sharing of revenue raised nationally between the National and County Governments and among the County Governments. Other functions of the Commission include:

- i. Make recommendations concerning the financing of, and financial management, by County Governments;
- ii. Define and enhance revenue sources of the National and County Governments;
- iii. Encourage fiscal responsibility by the National and County Governments.
- iv. Determine, publish, and regularly review a policy which sets out the criteria by which to identify the marginalized areas for purposes of Article 204(2);
- v. Consider and make recommendations to the National Assembly and Senate on any published Bill that includes provisions dealing with the sharing of revenue, or any financial matter concerning County Governments.

### **c) Key Management**

The Commission's day-to-day management is under the following Key Offices / Directorates.

- i. Commissioners
- ii. Accounting Officer
- iii. Directorate of Corporate Service
- iv. Directorate of Economic Affairs
- v. Directorate of Fiscal Affairs
- vi. Directorate of ICT
- vii. Directorate of Legal

### **d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were;

No.	Designation	Designation
1	Accounting Officer	CPA Roble Nuno
2	Director Corporate Services	Angela Kariuki
3	Deputy Director Internal Audit	CPA Karen Muka
4	Finance Manager / HAU	CPA Maureen Kavin Junge

#### **e) Fiduciary Oversight Arrangements**

##### **The Commission and its composition**

Article 215 of the Constitution prescribes the composition of the Commission to consist of eight members. The Commission holds overall responsibility for ensuring the achievement of its strategic objectives and mandate as outlined under Article 216. The functions of the Commission are executed within a defined organizational framework comprising the Full Commission and various defined and/or ad hoc Committees, each established with specific terms of reference to facilitate the discharge of the Commission's mandate. Each Committee is chaired by a Commissioner who, in collaboration with the other Commissioners and the Secretariat, ensures that the Committees effectively fulfill their respective responsibilities.

The Commission Committees are as follows:

1. **The Finance and Administration Committee** provides the policy framework on support to the Commission in finance, procurement, human resource, ICT, legal, and communication.
2. **The Revenue Allocation Committee** guides the development of recommendations on division of revenue between the two levels of government and among County Governments.
3. **The Public Financial Management Committee** guides the preparing of recommendations on financing of and financial management of County Governments and recommendations that encourage fiscal responsibility.
4. **The Legal and ICT Committee** guides on legal and ICT matters affecting the Commission's operations

5. **The Audit, Corporate Governance and Risk Management Committee** provides oversight over governance, risk management and control processes of the Commission.

During the period under review, the Commission convened seven (7) Full Commission Meetings. The Commission has consistently provided effective leadership to the organization by ensuring the implementation of sound corporate governance practices through its established governance structures.

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**f) Commission Headquarters**

Commission on Revenue Allocation  
Prism Towers  
28<sup>th</sup> Floor  
P.O Box 1310-00200 Nairobi  
Tel: (020) 4298000

**g) Commission Contacts**

Telephone: (254) (020) 4298000  
E-mail: [info@crakenya.org](mailto:info@crakenya.org)  
Website: [www.crakenya.org](http://www.crakenya.org)

**h) Commission Bankers**

Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya  
  
KCB Bank Limited  
KICC Branch  
Harambee Avenue  
P. O. Box 46950-00100 Nairobi  
Tel: (020) 29248501,  
Fax: (020) 29248501,

**i) Independent Auditors**

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

**j) Principal Legal Adviser**

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

**3. PROFILE OF CHAIRPERSON AND COMMISSIONERS**


Name	Profile
 <p data-bbox="188 871 596 937">CPA Mary Wanyonyi Chebukati <b>Chairperson</b></p>	<p data-bbox="636 307 1418 583">CPA Mary Wanyonyi Chebukati is a Certified Public Accountant, Certified Professional Mediator (CPM) and Financial Analyst with 37 years of experience in the public sector at national and sub-county level. An ambitious and diligent professional, she has expert knowledge in the organization and functions of Government and is skilled in the implementation and monitoring of accounting standards and systems and administering accounting units.</p> <p data-bbox="636 623 1418 725">Prior to joining CRA as Chairperson, Mrs. Chebukati worked with the Ministry of Lands and Physical Planning as a Senior Deputy Accountant General.</p> <p data-bbox="636 765 1418 937">Previously, she served as a Head of Department in various Ministries. She has also served as a member on the boards of Kenyatta National Hospital, Masai Mara University and Cooperative University and as the Chairperson of the Kenya Ladies Golf Union.</p> <p data-bbox="636 977 1418 1114">Mrs. Wanyonyi is member of ICPAK, ICIFA and AWAK. She holds a Master of Business Administration, a Bachelor of Commerce (Accounting) and is a Certified Professional Mediator.</p>
 <p data-bbox="188 1526 491 1592">Koitamet Olekina, HSC. <b>Vice Chairperson</b></p>	<p data-bbox="636 1159 1418 1389">Commissioner Wilfred Koitamet Olekina Nchoshi is a Certified Public Mediator and an expert in Public Policy, Strategic Management, Civic Education, and Disaster Management. He has a rich and blended career that reflects his commitment to public service and the transformation of community lives.</p> <p data-bbox="636 1437 1418 1955">He has worked as a Board Member of Kenya Institute for Public Policy Research and Analysis (KIPPRA); the Deputy Coordinator of the Government Crisis Response Centre in the former Office of the Prime Minister; Board Member of the Kenya Tourist Board; Director, Regional Coordination of the Orange Democratic Movement (ODM); an Executive Director of Maasai Education Discovery an NGO; Chairman of the Organization for Intercultural Education (OFIE) and as Vice Chairman of the Bomas of Kenya Draft Constitution. In addition, he has served as a Presiding Officer for the Electoral Commission of Kenya. He holds an Executive Master's in Public Policy and Administration and a Bachelor's Degree in Philosophy and Literature both from Kenyatta University.</p>

Name	Profile
 <p data-bbox="183 940 486 1041"><b>Hon. Fatuma Gedi, CBS Chairperson Allocation Committee.</b></p> <p data-bbox="494 974 614 1008"><b>Revenue</b></p>	<p data-bbox="638 264 1420 627">Hon. Fatuma holds a Bachelor of Commerce in Human Resource Management, from the Grets University. She also holds a Higher Diploma Certificate in Human Resource Management and Public Relations from the Regional Institute of Business Management. She has vast and extensive experience of over 20 years on resource allocation, public finance, strategic management, and public administration. Before joining the Commission she served as the Women Representative and Member of Parliament for Wajir County in the 12th Parliament.</p> <p data-bbox="638 672 1420 1243">As a Member of Parliament, she held key leadership positions in Parliament where she served as a ranking Member of the Budget and Appropriations Committee; Vice Chairperson of the Parliamentary Committee on Administration and National Security; and Vice Chairperson of the Parliamentary Committee on Delegated Legislation. She also served as the National Chairperson of the Caucus 47 Women Representative in Kenya; National Chairperson of the Women League, Jubilee Party, and Trainer of Trainers at the National Democratic Institute (NDI). She also previously worked as a gender issues consultant at the Centre for Multi-Party Democracy; Project Manager, Greenland Aid and Development; Community Mobilization Officer, Save The Children, United Kingdom; Child Protection Officer at the World Food Programme, UNICEF and Ministry of Health.</p> <p data-bbox="638 1288 1420 1400">Hon. Gedi is passionate on women empowerment and leadership and protection and promotion of the interests and rights of minorities and marginalized communities.</p>
 <p data-bbox="175 1836 542 1937"><b>Benedict Mutiso Chairman, Finance and Administration Committee.</b></p>	<p data-bbox="638 1411 1420 1646">Mr. Mutiso is a Policy and Strategy visionary with expertise in Tax, Finance and Audit, offering turn key strategies that bring much needed growth to organizations that he is associated with. He has a rich blended career that spans over 20 years reflecting an astute commitment to making a difference in those he associates with and in the communities around him.</p> <p data-bbox="638 1657 1420 1859">He holds a B.Com Finance option degree from the Catholic University of Eastern Africa and is a Diploma holder from the Kenya School of Revenue Administration in Tax Administration and Customs Procedure. He also has expertise on organizational systems and operating softwares.</p> <p data-bbox="638 1870 1420 1937">In his previous life, Mr. Mutiso led a team within the KRA Audit Program that specialized in the foods and pharmaceutical sector.</p>




Name	Profile
	<p>He also was part of the team that was in the top 25 in ensuring compliance in the taxpayers' sector.</p>
	<p>Dr. Midiwo is an experienced Health Insurance expert with over 25 years of problem-solving, analytical, innovative, and creative skills.</p>
 <p data-bbox="188 958 609 1061"><b>Dr. Jalango Midiwo</b> <b>Chairman, Legal and ICT Committee.</b></p>	<p>He has worked at NHIF Kenya as a General Manager in charge of Benefits and Quality Assurance for 11 years. He has additionally worked as a Chief Officer for Health Department in Siaya County and as a consultant for Health Financing for diverse organizations including the International Finance Cooperation (IFC), Rockefeller Foundation Kenya, and Output Based Aid Kenya.</p> <p>Dr Midiwo is a trained medical doctor and has worked as a medical superintendent at Rachuonyo District Hospital, and as a medical officer at Mbagathi hospital and Suba District Hospital among others.</p> <p>He holds a Master's in Public Health (MPH) and a Bachelor of Medicine and Bachelor of Surgery (MBChB) degree from Kuban State Medical Academy, Russia; and a Diploma in International Health (EFQM) from the University of Heidelberg, Germany.</p>
 <p data-bbox="188 1594 609 1697"><b>Hadija Juma, HSC.</b> <b>Chairperson, Public Finance Committee.</b></p>	<p>Ms. Juma is a motivated, adaptable, and responsible sociologist dedicated to improving the livelihoods of marginalized and vulnerable persons.</p> <p>Commissioner Juma has worked as a Gender and Social Development Officer at the Ministry of Labour, Social Security and Services and as a Programme Officer at Citizen Against Violence. She has also worked with various non-governmental organizations on community empowerment and social issues. She has extensive work experience with marginalized communities addressing various social issues.</p> <p>She has developed several manuals and policies for various ministries, departments and agencies including the Gender Mainstreaming Training Manual for the Ministry of Gender, Children and Social Development; Gender and Disability Mainstreaming Formula for Agro-Chemical and Muhoroni Sugar companies; developed the National Social Protection Policy and Strategic Planning Document for Busia County's</p>


Name	Profile
	<p>Department of Gender, Community Development and Social Services.</p> <p>Ms. Juma is pursuing a master's degree in development studies at Jomo Kenyatta University of Agriculture and Technology (JKUAT). She has a bachelor's degree in Sociology with IT from Maseno University, a Diploma in Early Childhood Education from the University of Nairobi, and a Diploma in Community Development from the Kenya School of Development Studies.</p>
 <p data-bbox="188 1037 422 1099"><b>Dr. Isabel Waiyaki</b> <b>Commissioner</b></p>	<p>Dr. Waiyaki is an experienced economist with over 14 years of experience in Economics, Finance and Policy development.</p> <p>She has worked as a Director of the National Government Constituency Development Fund (NG-CDF); Project Manager of the Local Development Research Institute (LDRI); Lecturer of Economics at the University of Nairobi; County Executive Committee (CEC) Member of the Department of Trade and Industry, Tourism, Cooperatives and Enterprise Development in Kiambu County Government; Consultant of the Kenya Health Sector Support Project (KHSSP) at the World Bank; Chairperson of the National Government Constituency Development Fund (NG-CDF) Kikuyu Constituency branch; Research Analyst at the Centre for Economic and Social Research (CESR); Economic Research Advisor at the Bank of Africa; Corporate Relationship Manager at the Bank of Africa among other positions.</p> <p>Dr Waiyaki holds a PhD in Economics from the University of Nairobi, a Master of Arts in Leadership and Governance from Pan African Christian University, a Master of Arts in Economics from the University of Nairobi and a Bachelor of Arts in Economics from the University of Nairobi. She has also extensively published in various academic journals and research documents and authored books on Corporate Governance, Finance and Economics.</p>

Name	Profile
 <p data-bbox="188 611 379 674"><b>Jonas Kuko</b> <b>Commissioner</b></p>	<p data-bbox="633 277 1414 600">Mr. Kuko is an Agriculture expert having worked in the Agriculture sector for over 28 years. He has rich experience in public service, resource allocation and management. He has worked as a Director with the Rural Electrification Authority; Principal, Chebororwa Agricultural Training College; District Project Monitoring and Evaluation Officer; Division Extension Officer among other positions in the agriculture sector.</p> <p data-bbox="633 645 1414 801">Mr. Kuko holds Bachelor of Science degree in Agriculture from Egerton University; a Diploma in Farm Management from Egerton University; a certificate in General Agriculture from Bukura Institute of Agriculture.</p>
 <p data-bbox="188 1391 483 1496"><b>Dr. Chris Kiptoo, CBS</b> <b>PS National Treasury/</b> <b>Commissioner</b></p>	<p data-bbox="633 819 1414 1016">Dr. Chris Kiptoo is the Principal Secretary, National Treasury. Dr. Kiptoo is the immediate former Principal Secretary, Ministry of Environment and Forestry. Before that, he also served as a Principal Secretary at the State Department of Trade, Ministry of Industry, Trade &amp; Cooperatives.</p> <p data-bbox="633 1061 1414 1424">In his working career, Dr. Kiptoo has acquired a rich wealth of experience in economic policy analysis, mainly gained at the Central Bank of Kenya, Capital Market Authority and the International Monetary Fund, where he has served in various capacities. His expertise especially relates to the design and implementation of monetary policy; balance of payments and exchange rates; fiscal operations and policy; financial sector matters including capital markets; national accounts/real sector and macroeconomic accounting, and modelling and forecasting.</p> <p data-bbox="633 1469 1414 1872">Additionally, Dr. Kiptoo has proven experience in environment and climate change policies, trade policy and regional integration, private sector development and advocacy, infrastructure development, institutional development of Government institutions and organisational management, all mainly gained at the Ministry of Environment and Forestry, State Department of Trade as well as Trade Mark East Africa. Noteworthy, he also has four years of experience in economic policy coordination gained while working at the then Office of the Prime Minister.</p> <p data-bbox="633 1917 1414 1993">Dr. Chris Kiptoo holds a Doctor of Philosophy Degree (PhD) in Finance (International Macroeconomics Finance specialization)</p>


Name	Profile
	<p>from the University of Nairobi, as well as a Master of Science (Ag. Economics) and Bachelor of Science (Ag. Economics) degree from Egerton University. He is also an Accredited Fellow in Macroeconomic Management Macroeconomic &amp; Financial Management Institute of Eastern &amp; Southern Africa (MEFMI).</p>
 <p>CPA Roble Nuno Ag. Commission Secretary / CEO</p>	<p>CPA Nuno is an experienced accountant with over 30 years of working in accounting and public finance; 10 years in Senior Management. He holds an MBA (Finance) from Kenyatta University, a Bachelor of Business Administration (Finance and Accounting) from Kenya Methodist University and CPA(K). He is a Member of ICPAK and Institute of Internal Auditors. He previously worked as the CEC (Finance) and CEC Health, Director of Revenue Garissa County, Kenya Urban Roads Authority and the Ministry of Roads and Public Works.</p>

**4. PROFILE OF ACCOUNTING OFFICER AND KEY MANAGEMENT**

Name	Profile
 <p data-bbox="240 712 608 813"><b>CPA Roble Nuno</b> <b>Ag. Commission Secretary /</b> <b>CEO</b></p>	<p data-bbox="667 353 1398 757">CPA Nuno is an experienced accountant with over 30 years of working in accounting and public finance; 10 years in Senior Management. He holds an MBA (Finance) from Kenyatta University, a Bachelor of Business Administration (Finance and Accounting) from Kenya Methodist University and CPA(K). He is a Member of ICPAK and Institute of Internal Auditors. He previously worked as the CEC (Finance) and CEC Health, Director of Revenue Garissa County, Kenya Urban Roads Authority and the Ministry of Roads and Public Works.</p>
 <p data-bbox="236 1339 608 1413"><b>Angela Kariuki</b> <b>Director Corporate Services</b></p>	<p data-bbox="667 819 1398 1301">She holds a Masters in International Commercial Law (LLM) from the University of Nottingham (UK) and a Bachelor of Laws (LLB) from the University of Sheffield (UK). She is an Advocate of the High Court of Kenya; member of the Law Society of Kenya and the Institute of Certified Public Secretaries of Kenya. Mrs. Kariuki has been with the Commission from inception for a period of six years. She has broad professional experience in the areas of human capital management, facilities management, supply chain management, strategic planning and corporate governance, legal compliance with regards to securities law, corporate law, policy formulation and implementation.</p> <p data-bbox="667 1335 1398 1447">She previously worked with the Capital Markets Authority for nine years and Kilonzo &amp; Company Advocates for two years.</p>
 <p data-bbox="277 1854 571 1921"><b>Sheila Yieke</b> <b>Director Legal Affairs</b></p>	<p data-bbox="667 1480 1407 1883">She is an Advocate of the High Court of Kenya and holds an MBA, Finance from the United States International University and a Certified Public Secretary (K). In addition she is alumni of the International Development Law Organization (IDLO) and a member of the Chartered Institute of Purchasing and Supplies (UK). She has worked with Sotik Tea and Sotik Highlands Tea Estates, Kenya Investment Authority and Kosgey and Masese Co. Advocates. Internationally she has worked at the UN, IGAD, NORDIC and UNOPS.</p>

Name	Profile
 <p data-bbox="336 820 512 887">Joseph Kuria  <b>Director ICT</b></p>	<p data-bbox="667 238 1404 400">He holds a Master’s Degree in Business Administration, Strategic Management from the University of Nairobi and a BSc. Degree in Computer Science from Egerton University. He is currently pursuing a PhD in Information Systems.</p> <p data-bbox="667 444 1404 997">He holds the following professional certifications: MCP, MCSE, MCDBA, CISA, CEH, MCT, PMP and PRINCE2 He is a member of Information Systems Audit and Control Association (ISACA). He has over 16 years working experience in both Public and Private Sector. Mr. Kuria is a leading technology strategist with experience spanning systems and network architecture, business re-engineering, data center technologies, application development, global vendor management, budgeting and project portfolio management. He is a strategic adviser to both National and County governments of Kenya on the adoption of computer based financial and revenue management systems and deployment of Integrated Shared Services across government.</p>
 <p data-bbox="240 1433 592 1499">Lineth Oyugi  <b>Director Economic Affairs</b></p>	<p data-bbox="667 1063 1404 1300">Lineth Oyugi holds a Masters of Arts in Economics from the University of Nairobi and a 4<sup>th</sup> year Phd student of Economics at University of Nairobi. She has vast knowledge and experience in Research having worked for the Federation of Kenya Employers as the Head of Research and Policy Advocacy.</p> <p data-bbox="667 1307 1404 1499">Additionally Lineth has worked with the Institute of Policy Analysis and as a Research Fellow, Macroeconomics programme and also with the Ministry of Finance and Ministry of Planning and National Development as an Economist.</p>

Name	Profile
 <p data-bbox="201 698 555 769"><b>Selly Yagan</b> <b>Ag. Director Fiscal Affairs</b></p>	<p data-bbox="667 283 1401 758">Ms. Yagan is a seasoned public sector economist with over 20 years of experience in economic policy, public finance management, and fiscal decentralization. She holds a Master of Arts in Economic Policy and Management from Makerere University and a Bachelor of Arts in Economics from the University of Nairobi. A Certified Public Accountant and member of ICPAK. A certified Tax Administration Diagnostic Assessment Tool – IMF. CPA Yagan has held key roles across various public institutions. She previously worked at Salaries and Remuneration Commission (SRC) and the Ministry of Planning and National Development.</p>
 <p data-bbox="217 1289 639 1355"><b>CPA Karen Muka,</b> <b>Deputy Director, Internal Audit</b></p>	<p data-bbox="667 802 1401 1355">Karen Muka is a seasoned internal audit professional with over 15 years of experience in auditing, risk management, finance, accounting and process improvement in the public sector. She holds a Master of Business Administration (Finance) from the University of Nairobi and a Bachelor of Commerce (Accounting) degree from Kenyatta University. She is a Certified Public Accountant (CPA), Certified Internal Auditor (CIA), Certified Information Systems Auditor (CISA) and Certified Public Secretary (CPS). She is a member of ICPAK, Institute of Internal Auditors (IIA) and ISACA. Previously, she worked at the Kenya Forestry Research Institute, National Commission for Science, Technology and Innovation and the Insurance Regulatory Authority, among others.</p>
 <p data-bbox="236 1798 619 1897"><b>Caroline Kinyulusi,</b> <b>Manager, Communication &amp; Knowledge Management</b></p>	<p data-bbox="667 1393 1401 1906">Caroline Kinyulusi is a seasoned communication and knowledge specialist with over 20 years of work experience in strategic communications, public relations and knowledge management in the public, not-for-profit and private sectors. She holds M.A in Communication Studies from UoN, BSc. Information Sciences from Moi University and is completing a Ph.D in Mass Communication at JKUAT. She is a member of the Public Relations Society of Kenya. Previously, she worked with the National Environment Trust Fund, the International Centre for Insect Physiology and Ecology, the Centre for Agriculture and Biosciences International, the Kenya Land Alliance and Longhorn Publishers.</p>

Name	Profile
 <p data-bbox="256 734 584 804">CPA Maureen Junge <b>Finance Manager / HAU</b></p>	<p data-bbox="667 235 1401 389">CPA M. Junge is a certified public accountant, certified public secretary (CPSK) having extensive work experience in public finance with emphasis on budgeting, financial management, financial analysis, and reporting.</p> <p data-bbox="667 434 1401 546">Prior to joining the Commission, CPA Junge served in senior management at Kenya Investment Authority, Africa Investment Bank and Reliance General Limited.</p> <p data-bbox="667 591 1401 703">As the inaugural manager in charge of finance at CRA, Ms. Junge was instrumental in developing finance policies and procedures inline with the PFM reporting framework.</p> <p data-bbox="667 748 1401 860">Ms. Junge is a member of ICPAK and AWAK and holds a Master of Science degree and a Bachelors of Commerce degree (Finance option) from The University of Nairobi.</p>

## **5. STATEMENT OF THE CHAIRPERSON**


The financial year 2024/25 marked a significant period for the Commission on Revenue Allocation (The Commission) in fulfilling our constitutional mandate. Despite resource constraints, we remained steadfast in advancing policies that promote equity, fiscal responsibility and sustainable financing for both the national and county governments.

The Commission successfully submitted to Parliament the recommendations on the Fourth Basis for Revenue Sharing among County Governments, a milestone that will guide equitable allocation for the next five years (2025/26–2029/30). This process was informed by extensive data collection in 24 counties and robust engagement with the Senate, National Assembly, county governments, civil society and development partners.

In line with Article 205, we reviewed and submitted recommendations on all revenue-sharing Bills, including the Division of Revenue Bill, County Allocation of Revenue Bill and County Governments Additional Allocations Bill ensuring that county financing remains transparent, fair and predictable. We also provided input into critical national fiscal policy documents such as the Budget Policy Statement, Budget Review and Outlook Paper and the Medium-Term Debt Management Strategy.

Our policy advisory extended to Public Finance Management, where we recommended recurrent expenditure ceilings for county governments, advocated for strengthened County Budget and Economic Forums and contributed to frameworks that will enhance county governments' own source revenue (OSR). We also developed guidelines and tools that support counties in mapping and expanding their revenue streams.

I am encouraged by the dedication of my fellow Commissioners, the Secretariat and our stakeholders in safeguarding the principles of fairness, accountability and fiscal prudence. The coming year presents opportunities to build on these gains, particularly in operationalizing the Fourth Basis, finalizing the Third Policy Identifying Marginalized Areas and deepening public participation in all our policy processes. Guided by our vision, we will continue to work tirelessly to ensure that revenue sharing frameworks serve as a tool for inclusive growth, national unity and sustainable development.

  
CPA Mary Wanyonyi Chebukati  
**CHAIRPERSON**

Date : 27<sup>th</sup> August, 2025

## **6. STATEMENT OF THE COMMISSION SECRETARY / CEO**

During the 2024/25 financial year, the Commission implemented its programme-based budget through four key sub-programmes: Equitable Sharing of Revenue, Public Finance Management, Transitional Equalization and General Administration and Support Services.

Despite a reduction in the approved budget from KSh 413.48 million to KSh 368.07 million, the Commission achieved a 99% absorption rate, received an Unqualified Audit Opinion from the Office of the Auditor General and was recognised as Second Runners-Up in the 2024 Financial Reporting Awards.

**General Administration & Support Services:** Trained 12 staff and 14 interns; facilitated mortgage and car loan applications for staff; replaced one fully depreciated vehicle; maintained 100% ICT systems availability; and completed asset inventory updates.

**Equitable Sharing of Revenue:** We fulfilled our constitutional mandate by preparing and submitting the Recommendations on the Equitable Sharing of Revenue Between the National and County Governments for FY 2025/26. The Commission also submitted its Recommendations on the Fourth Basis for revenue sharing among County Governments to Parliament in December 2024. In addition, we reviewed three key revenue-related Bills and provided detailed memoranda on the Budget Policy Statement and the Medium-Term Debt Management Strategy. Engagement with over 600 stakeholders, including Parliament, county governments and civil society- ensured robust participation and transparency in the revenue sharing process.

**Public Finance Management:** The Commission advanced county fiscal discipline and capacity building by recommending recurrent expenditure ceilings for county governments, reviewing 24 County Fiscal Strategy Papers and developing Own Source Revenue Mapping Guidelines. We supported five counties in automating revenue systems, assessed revenue administration in Kericho, Murang'a, Busia, Trans-Nzoia and Kajiado, and disseminated the Model Tariffs and Pricing Policy to 22 counties. The Commission also finalised the Mining Royalty Sharing Regulations and assessed blue economy revenue potential in Nakuru, Kisumu, Homabay, Kilifi and Kwale.

**Transitional Equalization:** The Commission continued to monitor the implementation of the second policy on marginalized areas, noting that progress was slow due to insufficient funding.

Looking ahead, in FY 2025/26, the Commission will focus on operationalising the Fourth Basis, preparing and rolling out the Third Marginalisation Policy, scaling up county revenue automation, and strengthening fiscal responsibility frameworks, among other priorities. Strategic partnerships and enhanced data analytics will remain central to achieving our mandate.

  
CPA Roble Nuno

**Ag. COMMISSION SECRETARY/CEO**

Date : 27<sup>th</sup> August, 2025

**7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED  
OBJECTIVES FOR FY 2024/25.**

The Commission's strategic pillars and objectives are within the current Strategic Plan for the FY 2023 to 2029. These strategic pillars are as follows:

- i. Equity in revenue sharing
- ii. Progressive balanced development throughout the country.
- iii. Prudent use of public resources
- iv. Increased financial resources
- v. Strengthened corporate governance, risk management, and internal control systems

The Commission develops its annual work plans anchored on the aforementioned five strategic pillars. Performance evaluation is conducted quarterly, with assessments benchmarked against the annual work plan.

To ensure the successful attainment of its objectives, the Commission implements activities across four sub-programmes, each aligned to the overarching programme and the five strategic pillars.

For the fiscal year 2024/2025, the Commission successfully met the performance targets established for its five strategic pillars, as illustrated in the accompanying diagram:

**Table 1: Performance against Predetermined Objectives.**

Sub-Programme	No.	Key Output	Key Performance Indicator(S)	Annual Target(s) 2024/25	Achievements FY 2024/25	Variance	Remarks
A	B	C	D	E	F	G	I
SP 1. General Administration and Support Services	1.1	Efficient and effective Financial management	No. of Unqualified (clean) Audit opinions obtained	3	1	2	The Commission received an unqualified audit opinion for the main account and was consequently recognized as the second runner-up in the 2023 FIRE Awards.
			No. of Annual work plan, Annual Cash flow projection and Annual Cash plan Reports prepared.	3	3	-	Reports done and submitted on the stipulated timeline
			No. of Annual Budget Reports (Baseline, PPR, PBB and SSR)	4	4	-	To support the budgeting process, we successfully developed the four essential documents required for its execution.
	1.2	Enhanced staff motivation	Team Building	1	-	1	Activity not done due to budgetary constraints
			No. of Car Loan applications facilitated	20	-	20	The target was not achieved primarily due to staff failing to meet the minimum requirements
			No. of staff Mortgage Loan applications facilitated	26	3	23	The Commission's achievement was hindered due to insufficient funding of the Staff Mortgage Fund Scheme
	1.3	Enhanced staff capacity	No. of staff trained	25	12	13	Variance due to insufficient funds
	1.4		CRA's QMS ISO9001:2015 Certification	1	-	1	Activity not done due to low budget

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Sub-Programme	No.	Key Output	Key Performance Indicator(S)	Annual Target(s) 2024/25	Achievements FY 2024/25	Variance	Remarks
A	B	C	D	E	F	G	I
		Streamlined Operations	No. of Commissioners and staff trained on QMS ISO9001:2015 Certification	81	-	81	QMS ISO9001:2015 not developed due to budgetary constraints
	1.5	Enhanced Fleet Management	No. of Revised Policies and procedures manual (Finance, HR, Procurement, ICT, Communication, Records management and Transport)	7	-	7	The activity is work in progress and scheduled for finalization in Q II of the next financial year 2025/26
	1.6	Efficient and effective Procurement and stores management	No. of vehicles procured	2	1	1	Target shortfall due to insufficient funding
			Annual procurement plan	1	1	-	Reports done and submitted on the stipulated timeline
			No of Reports on Preference and reservations (AGPO)	2	2	-	Reports done and submitted on the stipulated timeline
			Quarterly reports on all contracts awarded	4	4	-	Reports done and submitted on the stipulated timeline
			Updated Inventory and Asset Register	1	1	-	Reports done and submitted on the stipulated timeline
			No. of compliance reports on; (i). Termination of procurement and Asset Disposal Proceedings, (ii). Direct procurement of value exceeding Ksh.500,000/- (iii) Disposal of public assets to employees, (iv) Contracts where preference schemes are applied.	8	8	-	Reports done and submitted on the stipulated timeline
	1.7	M& E System enhanced	Quarterly M&E Reports on the progress of Strategic Plan implementation (Quarterly and Annual Report)	4	4	-	Reports done and submitted on the stipulated timeline
			Automation of the M&E system	1	-	1	Target shortfall due to insufficient funding
	1.8	Strategic Plan	Launch of Strategic Plan	1	-	1	Draft SP in finalisation Stage
	1.9	CRA Regulations	CRA regulations developed	1	-	1	Insufficient funding

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Sub-Programme	No.	Key Output	Key Performance Indicator(S)	Annual Target(s) 2024/25	Achievements FY 2024/25	Variance	Remarks
A	B	C	D	E	F	G	I
	1.10	Litigation risk management	No. of cases defended	3	7	(4)	The Commission exceeded the target by managing a greater number of court cases than anticipated
	1.11	Enhanced systems of governance, risk management and internal controls	No. of Audit Committee meetings held	6	5	1	5 meetings were adequate to implement the Committee's planned activities for FY 2024/2025.
	1.12	Strengthened ICT infrastructure	ICT needs identification % ICT needs acquisition %	100 100	100 15	- 85	Target achieved Inability to acquire most of the Commission's ICT requirements and upgrades due to a lack of funds.
	1.13	Enhanced ICT Security	ICT systems availability reports % ICT Business Continuity & Disaster Recovery Plan implementation (%)	100 100	100 -	- 100	Target achieved Target shortfall due to budgetary constraints
SP 2. Equitable Sharing of Revenue	2.1	Equitably shared revenue between National and County government	Recommendation on the equitable sharing of revenue between the national and county governments No. of reviewed bills that touch on revenue Sharing (DORB, CARB, CGAAB)	1 3	1 3	- -	Recommendation prepared and submitted in December 2024 Bills reviewed and Commission's memoranda submitted to Parliament
			No. of Memoranda on national policy documents submitted to National Treasury and Parliament (BROP, BPS, MTDMS)	3	3	-	National fiscal policy documents reviewed and comments submitted to the National Treasury. Memorandum on review of the BPS and MTDMS submitted also to Parliament

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Sub-Programme	No.	Key Output	Key Performance Indicator(S)	Annual Target(s) 2024/25	Achievements FY 2024/25	Variance	Remarks	
A	B	C	D	E	F	G	I	
SP 3. Public Finance Management	2.2	Policy and legislative framework on fiscal decentralization to urban areas and cities developed.	No. of stakeholder engagements held on equitable sharing of revenue between the national and county governments (National Assembly, Senate, Governors, National Treasury)	4	4	-	All consultations were undertaken in the course of preparation of the Vertical and Horizontal recommendations.	
	3.1	Recommendation on Recurrent expenditure budget ceilings for County Government	No. of frameworks to finance cities and urban areas developed	1	-	1	Target shortfall due to budgetary constraints	
			National report on dialogue to finance cities and urban areas	1	-	1	Target shortfall due to budgetary constraints	
	3.2	Counties engaged and supported to be compliant with PFM legislations (Enhanced Financial Management)	Annual Recommendation on recurrent budget ceilings	1	1	-	-	CRA recommendations on recurrent expenditure ceilings were included in CARB, 2025.
			No. of ADPs, CBs, CFSPS and Financial Statements reviewed (47 documents od each)	188	24	164	The achievement is based on the submission, with the Commission having reviewed 24 submitted CFSPS.	
			Report on County Fiscal Strategy Paper Reviews	1	-	1	The report not yet prepared	
	3.3	Portal on county budgetary information and financial reports	Report on county Financial Management	1	-	1	Target shortfall due to budgetary constraints	
			No. of bills reviewed on financial management and financing	47	20	27	Shortfall was due to Counties' non-compliance with Section 151 of the Constitution, which requires them to submit bills for review.	
		3.3	Portal for access of county budgetary information and financial reports developed	Portal for access of county budgetary information and financial reports developed	1	-	1	Target shortfall due to budgetary constraints

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Sub-Programme	No.	Key Output	Key Performance Indicator(S)	Annual Target(s) 2024/25	Achievements FY2024/25	Variance	Remarks
A	B	C	D	E	F	G	I
	3.4	Enhanced compliance of PFM provision on establishment of CBEFs and their effectiveness.	E learning platform for CBEF training developed No. of CBEFs being monitored for effectiveness.	1 35	- -	1 35	Target shortfall due to budget constraints Training is not yet finalized due to budgetary constraints, allowing for future monitoring.
	3.5	Best performing County governments reported and ranked	Digitized CBEF monitoring system developed (%) Report on County PFM and OSR ranking Report on fiscal responsibility	100 1 1	- - -	100 1 1	Target shortfall due to budgetary constraint Target shortfall due to budgetary constraint Target shortfall due to budgetary constraint
	3.6	Framework on Market-Based County Borrowing product developed	% of Market-Based County Borrowing product developed	50	-	50	Not done due to insufficient funds
	3.7	Scaled up County credit rating for alternative financing	Procedure manual on credit rating No. of counties subjected to credit rating academy and self-assessment No. of counties credit rated	1 2 2	- - -	1 2 2	Not done due to insufficient funds Not done due to insufficient funds Target shortfall due to budgetary constraint
	3.8	Counties supported on	No. of counties receiving support to improve on Credit worthiness Recommendation on county credit regulation framework County Revenue forecasting tool developed	10 1 1	- - 1	10 1 -	Not undertaken due to insufficient budget No Budget Activity ongoing led by the national treasury, CRA part of inter-agency team

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Sub-Programme	No.	Key Output	Key Performance Indicator(S)	Annual Target(s) 2024/25	Achievements FY2024/25	Variance	Remarks
A	B	C	D	E	F	G	I
		Revenue enhancement	No. of County Revenue Administration assessments conducted	5	5	-	Kericho, Murang'a, Busia, Trans-nzoia and Kajiado counties
			Dissemination County OSR Potential and Tax Gap Study	47	3	44	Target shortfall due to insufficient funding
			No. of counties supported on revenue automation.	15	5	10	Successfully assessed revenue management systems in five counties, including the dissemination of the report. Despite multiple requests from other counties for revenue automation support, we were unable to meet their needs due to budget constraints.
			No. of counties trained on OSR model laws & CRA mandate	3	2	1	2 counties (Nyeri, Meru) supported
			No. of bills reviewed on revenue for both levels of government	48	23	25	Shortfall was due to the Counties non-compliance with Section 151 of the Constitution, which requires them to submit bills for review.
			Dissemination of the Model Tariffs and Pricing Policy	48	22	26	Target Shortfall due to budgetary constraints
			A.I.A model law for counties developed	1	-	1	Target shortfall due to insufficient funding
	3.9	Revenue Enhancement from Natural Resource	Study on unlocking the revenue opportunities from wild life (%)	50	-	50	No budget
			Study report on revenue potential from the natural resources in the national government.	1	-	1	No budget

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Sub-Programme	No.	Key Output	Key Performance Indicator(S)	Annual Target(s) 2024/25	Achievements FY 2024/25	Variance	Remarks
A	B	C	D	E	F	G	I
SP 4. Transitional Equalization	4.1	Policy identifying marginalized areas	Report on policy and capacity gaps in natural resource revenue enhancement	1	-	1	No budget
			No. of counties and local communities sensitized on benefit sharing from natural resources	7	-	7	No budget
			No of entities from national and county governments supported on Capacity building in Natural Resources	7	-	7	No budget
			No. of stakeholder engagement meetings on unlocking the revenue potential from the Blue Economy (inland and oceanic resources)	4	4	-	Kwale, Kilifi, Nakuru, Kisumu and Homabay.
			Report on the assessment of the implementation of the second policy.	1	-	1	The Commission continued to monitor the implementation of the second policy, although progress has been somewhat slow.
SP 5. 4 <sup>th</sup> Formula on Revenue Sharing	5.1	Draft legal framework to implement the Marginalization policy Equitably shared	Third Policy identifying marginalized areas.	1	-	1	The Third Policy has not been completed due to resource constraints occasioned by budget cuts. However, the Commission had consultations with Parliament and Governors. Activity suspended due to budgetary constraints
			Draft Equalization bill developed	1	-	1	
			Report on assessment of impact of devolution on service delivery	1	50%	50%	Partially done. Impact assessment undertaken in 24 counties and reports prepared Assessment in 23

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Sub-Programme	No.	Key Output	Key Performance Indicator(S)	Annual Target(s) 2024/25	Achievements FY2024/25	Variance	Remarks
A	B	C	D	E	F	G	I
		revenue among county governments	Updated database on national and county statistics	1	1	-	countries not done due to budget constraints Data updated and used to develop the Fourth Basis for revenue sharing among county governments
			No. of stakeholder engagements held on equitable sharing of revenue among county governments (National Assembly, Senate, Governors, MCAs MDAs, CSO, Professional Bodies, Public)	1	1	-	Stakeholder engagements done during the preparation process for the Fourth Basis and a stakeholder engagement report prepared
			Recommendation on the Fourth basis for revenue sharing among county governments	1	1	-	Recommendation developed and submitted to Parliament in December 2024.
			Popular version on the Fourth basis	1	1	-	Draft is ready awaiting finalization following the determination of the Fourth Basis by Parliament
			Publish and publicize the Fourth basis.	1	1	-	The online version is available, while the hard copies have not been printed due to budget constraints.
5.2		System for visualizing marginalization policy through GIS technology	Data capture tool	1	-	1	Target shortfall due to budgetary constraint

## 8. GOVERNANCE STATEMENT

### a) Roles and Responsibilities of Commissioners

The Commission is guided in the performance of its governance functions by the Constitution of Kenya, the Commission on Revenue Allocation Act and other relevant legislative instruments. As a Constitutional Commission, CRA is responsible for ensuring that the democratic values and principles enshrined in the Constitution, including a high standard of professional ethics are promoted and attained. The Commission is responsible for overseeing its strategic direction and operational policies and the effective implementation of its functions.

The Commission has continued to lead the organization in an effective manner by ensuring the implementation of good corporate governance through its governance structures.

### b) Size, Composition, and Appointment to the Commission

The membership of the Commission consists of a Chairperson, appointed by the President and approved by the National Assembly, two persons nominated by political parties in the National Assembly, five persons nominated by political parties in the Senate, and the Principal Secretary responsible for finance. The Chairperson and the other eight (8) Members of the Commission serve for a single term of six (6) years on a full-time basis, except for the PS National Treasury, who is a non-executive member. The Accounting Officer/CEO serves as the Secretary to the Commission. The CEO is responsible for strategic, financial, and operational leadership. Members must have extensive professional experience in financial and economic matters and are not Members of Parliament.

The Third Commission was fully constituted in FY 2023/24 following their appointment in office on 1<sup>st</sup> January 2023 except for the Chairperson who was appointed on 17<sup>th</sup> July 2023.

**Table 2: Members of the Third Commission.**

No.	Name	Designation
1.	CPA. Mary Wanyonyi Chebukati	Chairperson
2.	Koitamet Olekina, HSC.	Vice Chairperson
3.	Dr. Jalango Midiwo	Commissioner
4.	Dr. Isabel Waiyaki	Commissioner
5.	Jonas Kuko	Commissioner
6.	Hadija Juma, HSC.	Commissioner
7.	Hon. Fatuma Gedi	Commissioner
8.	Benedict Muasya	Commissioner
9.	Dr. Chris Kiptoo, CBS	PS, National Treasury

**c) Role and functions of the Commission**

The Commission Act provides for the functions of Commissioners to assist the Commission in policy formulation, give strategic direction to the Commission, establish and maintain strategic linkages with partners and other stakeholders on issues of revenue sharing and financing, and financial management.

**d) Commission Structure**

The third Commission has a six-year tenure, which runs from January 2023 to December 2028.

The Commission undertook its function through five (5) Committees, which assisted in discharging their mandate, responsibilities, and obligations. The Committees were:

- i. Finance and Administration Committee
- ii. Revenue Allocation Committee.
- iii. Public Finance Management Committee
- iv. Legal and ICT Committee.
- v. Audit, Corporate Governance and Risk Management Committee.

The Commission continuously assesses its governance operating model to ensure that robust and proper systems and processes are in place to support the Commission and Secretariat in driving change, setting strategic direction, and formulating high-level goals and policies. The Commission Secretary / CEO heads the Secretariat and continually provides leadership to the implementation of the Commission’s strategies.

**e) Commission’s Transactions / Attendance in the reporting period**

During the year under review, the Commission held nine (9) full commission meetings as tabulated below;

**Table 3: Full Commission meetings attendance FY 2024/25**

Meetings	CPA Mary Wanyonyi Chebukati	Koitamet Olekina, HSC	Dr. Jalango Midiwo	Dr. Isabel Waiyaki	Jonas Kuko	Hadija Juma, HSC	Hon. Fatuma Gedi	Benedict Muasya	Dr. Chris Kiproo, CBS
<b>Full Commission Meetings</b>									
13 <sup>th</sup> Special Commission Meeting held on 2 <sup>nd</sup> August 2024	√	√	√	√	√	√	√	√	√
13 <sup>th</sup> Full Commission Meeting held on 14 <sup>th</sup> 6 <sup>th</sup> August 2024.	√	√	√	√	√	√	√	#	√
15 <sup>th</sup> Special Commission Meeting held on 27 <sup>th</sup> August 2024	√	√	√	√	√	#	√	#	#
14 <sup>th</sup> Full Commission Meeting held on 3 <sup>rd</sup> September 2024	√	√	√	√	√	#	√	#	√
16 <sup>th</sup> Special Commission Meeting held on 6 <sup>th</sup> September 2024	√	√	√	√	√	√	√	#	√
17 <sup>th</sup> Special Commission Meeting held on 9 <sup>th</sup> September 2024.	√	√	√	√	√	√	√	√	√
18 <sup>th</sup> Special Commission Meeting held on 17 <sup>th</sup> September 2024.	√	√	√	√	√	√	#	√	#
19 <sup>th</sup> Special Commission Meeting held on 27 <sup>th</sup> September 2024.	√	√	√	√	√	√	√	√	√

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Meetings	CPA Mary Wanyonyi Chebukati	Koitamet Olekina, HSC	Dr. Jalango Midiwo	Dr. Isabel Waiyaki	Jonas Kuko	Hadija Juma, HSC	Hon. Fatuma Gedi	Benedict Muasya	Dr. Chris Kiproo, CBS
<b>Full Commission Meetings</b>									
20 <sup>th</sup> Special Commission Meeting held on 11 <sup>th</sup> October 2024.	√	√	√	√	√	√	√	√	√
15 <sup>th</sup> Full Commission Meeting held on 30 <sup>th</sup> October 2024.	√	√	√	√	√	√	√	√	√
21 <sup>st</sup> Special Commission Meeting held on 4 <sup>th</sup> December 2024	√	√	√	√	√	√	√	√	√
16 <sup>th</sup> Full Commission Meeting held on 30 <sup>th</sup> December 2024	√	√	√	√	√	√	√	√	√
17 <sup>th</sup> Full Commission Meeting held on 11 <sup>th</sup> February 2025	√	√	√	√	√	√	√	√	√
17 <sup>th</sup> (Continued) Full Commission Meeting held on 20 <sup>th</sup> February 2025	√	√	√	√	√	√	√	√	√
22 <sup>nd</sup> Special Meeting held on 3 <sup>rd</sup> April 2025	#	√	√	√	√	√	√	√	√
18 <sup>th</sup> Full Commission Meeting held on 17 <sup>th</sup> April 2025	√	√	√	√	√	√	√	√	√
19 <sup>th</sup> Full Commission Meeting held on 22 <sup>nd</sup> May 2025	√	√	√	√	√	√	√	#	#
19 <sup>th</sup> (continued) Full Commission Meeting held on 29 <sup>th</sup> May 2025	√	√	√	√	√	√	√	#	#

**Key:**

Present	√
Absent	×
Absent with apology	#
Absence due to leave	*

**f) Management Committees.**

The Accounting officer of the Commission executes his roles through various management committees as highlighted below.

- i. **Senior Management Committee** - The senior management committee is tasked with **providing** strategic leadership and management the Commissions operations while setting key priorities, goals and objectives.
- ii. **Public Finance Management Standing Committee (PFMSC)** - Section 18(1) of the Public Finance Management Regulations, 2015 requires every national government entity to establish the Public Finance Management Standing Committee (PFMSC) chaired by the Accounting Officer. The key responsibility of the PFMSC is to provide strategic guidance to the Commission on public finance management matters.
- iii. **Budget Implementation Committee (BIC)** - All MDAs are expected to establish a Budget Implementation Committee at the beginning of each Financial year to facilitate the smooth execution of planned activities. The Committee's sole responsibility was to oversee budget implementation and regularly, advise the Accounting Officer on the performance of the budget.

iv. **CRA Staff Car Loan Scheme Committee (CSCLSC)** - The CRA Staff Car Loan Committee members are appointed by the Accounting Officer. The Committee's sole responsibility is to execute responsibilities of the scheme in the best interest of the staff. The committee consider's Staff car loan applications and make necessary recommendations for the Accounting Officer's consideration and approval.

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v. **Audit, Corporate Governance and Risk Management Committee (ACGRMC)** - The ACGRMC is established in accordance with section 73(5) of the Public Finance Management Act (PFMA), 2012, Regulation 174 of the Public Finance Management Regulations (PFMR) for National Government, 2015, Audit Committee Guidelines for National Government, 2016 as well as section 12(1) of the CRA Act, 2011. The purpose of the ACGRMC is to assist the Commission in fulfilling its oversight role to ensure effectiveness and efficiency in operations and the effectiveness of the internal control, risk management and governance processes.

## **9. MANAGEMENT DISCUSSION AND ANALYSIS**

### **9.1 Commission's Programme implementation (Non-Financial)**

In the review period, the Commission implemented one programme: *Inter-government Revenue and Financial Matters*. The programme was actualized through four (4) Sub-Programmes, i.e., Equitable Sharing of Revenue, Public Financial Management, Transitional Equalization, and Stakeholder engagement and General Administration and Support Services.

#### **9.1.1 Equitable Sharing of Revenue**

##### **i. Equitable Sharing of Revenue**

The Commission is mandated by Article 216(1) (a) to recommend the basis for the equitable sharing of nationally raised revenue between the national and county governments. Further, Section 190 of the Public Finance Management Act (PFMA) 2012 requires the Commission to submit its recommendations at least six months before the beginning of the next financial year to The Senate, National Assembly, the national executive, county assemblies, and county executives.

In fulfillment of the above mandate, the Commission prepared and submitted to Parliament annual recommendation on the sharing of revenue between the national and county governments for the financial year 2025/26.

##### **ii. Recommendations on Bills that Deal with the Sharing of Revenue**

Article 205 requires that when a Bill that includes provisions dealing with the sharing of revenue or any financial matter concerning county governments is published, the Commission considers those provisions and make recommendations to the National Assembly and Senate. In fulfilment of the requirements of Article 205, the Commission considered each of the following annual bills: Division of Revenue Bill (DoRB); County Allocation of Revenue Bill (CARB) and County Governments Additional Allocations Bill (CGAAB) for 2025 and submitted its recommendations to Parliament. The Commission achieved its target for the reporting period.

##### **iii. Recommendations on National Government Policies**

During the reporting period, the Commission made annual recommendations on each of the following policy documents on financial matters: Budget Review and Outlook Paper (BROP); Budget Policy Statement (BPS) and the Medium-Term Debt Management Strategy (MTDS). Section 25(5) of the PFMA 2012 requires that the National Treasury seeks and considers the Commission views on the BPS. The Commission reviewed the 2025 BPS and submitted its views to the National Treasury and Parliament. Further, during the period under review, the Commission made annual recommendations

each on the provisions of the BROP and MTDS. The recommendations were submitted to the National Treasury for consideration.

In addition, the Commission contributed to the National Road Toll Policy and the Public Participation Policy.

#### **iv. Preparation of the Fourth Basis for Revenue-sharing among County Governments**

The Commission is mandated by Article 216(1) (b) to make recommendations on the basis for the equitable sharing of revenue among county governments. Article 217 provides that once every five years, the Senate shall, by resolution, determine the basis for allocating among the counties the share of national revenue that is annually allocated to the county level of government.

During the review period, the Commission completed the preparation of the recommendation on the Fourth Basis for revenue sharing among county governments which will be used to share revenues over five years (FY 2025/26 to 2029/30). The recommendation on Fourth Basis for sharing of revenue among county governments was submitted to Parliament on 31<sup>st</sup> December, 2024.

During the review period, the Commission collected data from 24 counties for the assessment of the impact of devolution on service provision.

#### **9.1.2 Public Financial Management (SP 3)**

##### **i. Recommendation on Recurrent expenditure budget ceilings for County Government.**

During the reporting period two Stakeholders engagement were undertaken i.e the county governments both the County Assembly and Executive and Council of Governors (COG) team. This is in line with Article 201 (a) which states there shall be openness and accountability, including public participation in financial matters.

The Commission therefore prepared annual recommendation for financial year 2025/26 against a target of one recommendation. The recommendation was submitted to the Senate within the stipulated timeline for approval.

##### **ii. Enhanced Financial Management - Induction of County Executive committee members on PFM Activity**

Pursuant to Article 216 of the Constitution, the Commission engaged the County Executive Committee Members (CECMs) for Finance and Economic Planning on CRA's mandate and its implication on financial management. 29 against a target of 47 CECMs of Finance and economic planning participated in the induction.

Further, the Commission received and reviewed County Fiscal Strategy papers from 24 Counties out of the 47. Individual County recommendations were developed and shared with the respective Counties. However, the consolidated report for the County Fiscal strategy paper FY 2024/25 is yet to be developed due to budgetary constraints.

**iii. Enhanced compliance of PFM provision on the establishment of CBEFs and their effectiveness**

In supporting public financial management structures in county governments, the Commission advocates for the establishment of the County Budget and Economic Forum in compliance to Section 137 of the PFM Act, 2012. The main purpose of CBEFs is to provide or facilitate public engagement with broader County budget processes from budget formulation to budget implementation.

During the reporting period, 39 against a target of 47 CBEFs were established with 13 inducted using county resources.

**iv. Scaled up County Credit Rating to access alternative financing**

Stakeholder engagement for credit-rated counties was undertaken.

**v. Revenue Enhancement to National & County Governments from Natural Resources**

Study on unlocking the revenue opportunities from the Blue Economy activity in order for the Commission to fully realize the potential from the blue economy. In FY 2023-24 the Commission visited Counties with large waters bodies on a fact-finding mission to identify the economic opportunities and revenue potential in those counties. The Counties visited were Nakuru (inland), Kisumu & Homabay (Lake basin) and Kilifi & Kwale (Coastal ocean strip). However, the reports have not been disseminated to counties due to lack of budgetary provision in the section.

**vi. Finalization of the Mining (Mineral Royalty Sharing Regulations 2024).**

The Draft Public Finance Management (Mineral Royalty Fund) regulations, 2017 were developed to provide a framework for sharing of mineral royalties among the National Government, County Governments and local communities. However, the Office of the Attorney General advised that an appropriate framework be developed under the Mining Act, Cap 306 where the relevant authority rests with the Cabinet Secretary for Mining, Blue Economy and Maritime Affairs. The task force finalized the draft Regulations that were subjected to public participation in September 2024. The task force meeting held between 16th -23rd June 2025 reviewed comments submitted by the public during stakeholder engagements and the Attorney General for inclusion and gazettelement of the regulations

that will pave way for the transfer of the Mining royalties to the County Governments and Local Communities.

**vii. Own Source Revenue Mapping Guidelines for county Governments**

In the review period the Commission developed the Own Source Revenue (OSR) Mapping Guideline for County Governments with support from the Second Kenya Devolution Support Program (KDSP II), with funding from the World Bank. The Guidelines will assist county governments to identify, classify and define the existing and potential revenue streams to broaden the revenue base and consequently enhance OSR.

The guidelines provide a standardized process to help county governments conduct a comprehensive OSR mapping, encompassing both existing and potential revenue streams.

**viii. Revenue forecasting model for use by County Governments**

Section 4.3 of the National Policy to Support Enhancement of County Governments' Own Source Revenue (2018), mandated the National Treasury to develop a revenue forecasting tool for use by County Governments. It is on this regard that a Multi -Agency Team (MATT) was formed to spearhead the development of the revenue forecasting tool. The Commission on Revenue Allocation is a member of the multi-agency. The MATT has in consultation with County Governments and through funding from the second Kenya Devolution Support Program (KDSP II) harmonized existing forecasting frameworks into two preferred models namely (Centered Moving Average and Elasticity Based Models) conducted stakeholder engagements and recently validated the models in all the 47 County Governments in an exercise that ended in mid -April 2025.

The National Treasury's technical committee meeting held on 29th May 2025 at the National Treasury, reviewed, adopted the MATT report and approved the proposed forecasting models for onward submission to the steering Committee. Once approved by the steering committee the National Treasury shall table the approved proposed models as an agenda item in an Intergovernmental Budget and Economic Council (IBEC) meeting for adoption to facilitate its launch, roll- out and implementation by County Governments.

**ix. Dissemination County OSR Potential and Tax Gap Study**

The Commission in collaboration with the World Bank disseminated the potential study to 6 counties and developed revenue enhancement action plans. The 6 counties were Kisumu, Bungoma, Nandi, Machakos, Murang'a and Wajir that will be launched in FY 2025/26. The Commission also capacity-built on OSR administration & collection and reviewed revenue collection systems for the following County Governments: Trans-Nzoia, Busia, Kajiado and Murang'a during the period under review.

**x. Framework for Ranking Counties**

The Commission developed a framework for ranking counties' OSR performance and adherence to fiscal responsibility principles. The ranking tool was subjected to peer review by stakeholders.

**9.1.3 Transitional Equalization (SP 4)**

**i. Policy identifying marginalized areas**

The Commission is mandated by Article 216(4) to determine, publish, and regularly review a policy in which it sets out the criteria by which to identify the marginalised areas for purposes of sharing of the Equalization Fund. The Equalization Fund is used to provide basic services, including water, roads, health facilities, and electricity, to marginalised areas to the extent necessary to bring the quality of those services in those areas to the level generally enjoyed by the rest of the nation.

In furtherance of this mandate, the Commission, during the reporting period continued to monitor the progress on implementation of the Second Policy identifying marginalised areas. We further held consultative meetings with parliament and the governors on the Third Policy, identifying marginalised areas.

**9.1.4 General Administration**

**i. Unqualified Audit Opinion**

The Commission's financial statements were prepared in accordance to the relevant standards. The statements presented fairly the financial position, results of operations, and cash flows of the Commission. The Commission received Unqualified Audit opinion for the CRA Main account for the reporting period.

**ii. FiRE Awards 2024 (2<sup>nd</sup> Runners Up)**

The Commission was awarded Second Runners-Up in the Commissions and Independent Offices category under the International Public Sector Accounting Standards (IPSAS) Accrual framework during the 2024 Financial Reporting (FiRe) Awards. Present to witness this milestone were Chairperson CPA Mary Chebukati, Commissioner Hon. Fatuma Gedi, Ag. CEO CPA Roble Nuno, Finance Manager CPA Maureen Junge and other representatives from the Commission.



**iii. Training of staff and commissioners.**

During the reporting period, the Commission maintained a training plan that saw 12 members of staff being trained against a target of 25 (Commissioners and Staff). The Commission further trained fourteen (14) interns under the Public Service Internship Programme.

**iv. Enhanced Fleet**

The Commission maintained an old fleet with most of the vehicles depreciated to zero value. Given the budgetary constraints faced by the Commission over the years, the Commission adopted a staggered motor vehicle replacement model that saw the acquisition of one new vehicle in the reporting period against a target of two in the financial year 2024/25. This however was a replacement vehicle for one of the Commission's vehicle that was written off.

**v. Stakeholder engagements**

The Commission's recommendation directly impacts equitable Revenue sharing between the National and County governments and among County governments and Financing and Financial management of County government. Further, the Commission is required to determine, publish and regularly review a policy in which it sets out the criteria by which to identify the marginalised areas for purposes of Article 204(2) of the Constitution.

In preparation of its recommendations, the commission carried out various forums with its key stakeholders, include; the parliament, MDAs, county government, civil society organizations, among others. In the review period, approximately 600 stakeholders were engaged against a cumulative target of 700.

## 9.2 Financial Performance / Expenditure Trends for FY 2022/23 – 2024/25

**Table 4: Analysis by Economic Classification (Kshs. Million)**

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
CLASSIFICATION	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
<b>Gross</b>	<b>540.8</b>	<b>516.8</b>	<b>380.8</b>	<b>536.2</b>	<b>459.5</b>	<b>378.9</b>
AIA	-		12.7			12.2
<b>NET</b>	<b>540.8</b>	<b>516.8</b>	<b>368.1</b>	<b>536.2</b>	<b>459.5</b>	<b>366.7</b>
Compensation to Employees	191.6	209.8	184.2	188.2	188.2	183.3
Other Recurrent	162	76.5	94.1	161.3	65.7	93.9
<i>Utilities</i>	6.4	6.7	5.8	6.4	6.2	5.6
<i>Rent</i>	126	28.7	51.5	126	18.6	51.5
<i>Insurance</i>	27.1	31.2	27.9	26.5	31.1	27.9
<i>Gratuity</i>	-	-	4.2	-	0	4.2
<i>Contracted Guards and cleaning services</i>	2.5	9.9	4.7	2.5	9.9	4.7
Others (Use of Goods)	187.3	230.5	102.5	186.7	205.6	101.5
<b>TOTAL PROGRAMME</b>	<b>540.8</b>	<b>516.8</b>	<b>380.8</b>	<b>536.2</b>	<b>459.5</b>	<b>378.7</b>
<b>TOTAL VOTE</b>	<b>540.8</b>	<b>516.8</b>	<b>380.8</b>	<b>536.2</b>	<b>459.5</b>	<b>378.7</b>

Source: CRA's Vote book for FY 2024/25

**Table 5: Analysis by Programme and Sub-Programme (Kshs. Million)**

ANALYSIS OF PROGRAMME EXPENDITURE						
PROGRAMME	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
<b>PROGRAMME 1:</b>						
SP1. General Administration and Planning	475.6	484.3	330.8	471.2	427.4	328.8
SP2. Equitable Sharing of revenue	26.7	18.7	1.3	26.7	18.4	1.3
SP3. Public Finance Management	19.0	11.7	11.3	18.9	11.6	11.3
SP4. Transitional Equalization	19.5	2.2	2.8	19.5	2.2	2.8
SP5. 4 <sup>th</sup> Formula on Revenue Sharing	-	-	34.6	-	-	34.6
<b>TOTAL PROGRAMME</b>	<b>540.8</b>	<b>516.8</b>	<b>380.8</b>	<b>536.2</b>	<b>459.5</b>	<b>378.7</b>
<b>TOTAL VOTE</b>	<b>540.8</b>	<b>516.8</b>	<b>380.8</b>	<b>536.2</b>	<b>459.5</b>	<b>378.7</b>

Source: CRA's Vote book for FY 2024/25

During the reporting period, the Commission implemented various activities across the four sub-programmes in alignment with its core mandate as outlined in Section 9 above.

- i. The Commission's approved recurrent budget experienced a decline over the three consecutive financial years, decreasing from Kh. 540.8 million in FY 2022/23 to Ksh. 516.8 million in FY 2023/24, and further to Ksh. 380.8 million in FY 2024/25.
- ii. Actual expenditures for the same periods amounted to Ksh. 536.2 million, Ksh. 459.5 million, and Ksh. 378.7 million, respectively. Correspondingly, the absorption rates recorded were 99% for FY 2022/23, 89% for FY 2023/24, and returned to 99% in FY 2024/25, as detailed in the referenced tables.
- iii. This financial performance analysis, conducted on a cash basis, indicates a generally high absorption rate of 99%. However, it is important to note that the Commission incurred pending bills amounting to Ksh. 28.36 million due to budgetary constraints, as outlined in Table 2.8.

### **9.3 Commission's Statement of Compliance with Laws and Regulations.**

The Commission hereby confirms that in the preparation and presentation of its financial reports and conduct of its operations for the fiscal period ended 30 June 2025, it complied with all applicable laws and regulations. This included, but was not limited to, adherence to the Constitution of Kenya (2010), the Public Finance Management Act, 2012, and other relevant legislation governing public financial management, revenue sharing, accountability, and governance.

The Commission ensured compliance with the provisions governing budget formulation, expenditure management, procurement processes, and statutory reporting requirements as prescribed by the Public Finance Management (PFM) framework. Furthermore, CRA complied with laws regulating employee welfare, loan fund administration, audit obligations, and all guidelines issued by relevant oversight bodies.

In the event of any material non-compliance identified, appropriate measures were taken to address and rectify such issues promptly to uphold transparency and public trust in the Commission's operations.

This statement is made in good faith and reflects the Commission's commitment to lawful and ethical management of public resources in support of equitable revenue sharing and sustainable national development.

#### 9.4 Major risks facing the Commission.

The Commission recognizes management of risks as a key element in strategic management. Risk management promotes sound governance and acts as an important strategy for the achievement of the commission's mandate. Hence, risks emanating internally and externally can constrain the achievement of its strategic objectives. The Commission commits to a holistic risk management process to be applied at all levels of operations. The Secretariat will continuously identify, evaluate, manage, monitor, and report significant risks to the Commissioners promptly. A summary of potential key strategic risks and their mitigation is provided in Table 4.

**Table 6: Risk Management Framework**

S/n	Risk	Risk Likelihood (L/M/H)	Impact (L/M/H)	Overall risk level (L/M/H)	Mitigation Measure(s)
1.	Inadequate funding	H (5)	H (5)	H (25)	<ul style="list-style-type: none"> <li>Innovative resource utilization and mobilization mechanisms</li> <li>Seek additional funding from the National treasury</li> <li>Source for additional funding from development partners</li> </ul>
2.	Imprudent utilization of resources	L (2)	L (2)	L (4)	Adherence to financial regulations and laws
3.	Inadequate implementation of the strategic plan	L (1)	L (2)	L (2)	<ul style="list-style-type: none"> <li>Robust performance management framework</li> <li>Align organization structure to strategy</li> </ul>
4.	Information security lagging in technological advancement	M (4)	M (3)	M (12)	<ul style="list-style-type: none"> <li>Strengthen information security investment in technology (Hardware &amp; Software) and automation</li> <li>Procure reliable internet and ICT systems and/or programs to address the Commission's needs</li> </ul>
5.	Parliament disregarding the Commission's recommendations	H (4)	H (5)	H (20)	Consultation in developing the recommendation.
6.	Other institutions clawing into the Commission's mandate	M (3)	H (4)	M (12)	<ul style="list-style-type: none"> <li>Ensure full implementation of the Commission's mandate.</li> <li>Enhance visibility of the Commission.</li> </ul>

S/n	Risk	Risk Likelihood (L/M/H)	Impact (L/M/H)	Overall risk level (L/M/H)	Mitigation Measure(s)
7.	Non-compliance to laws and regulations provisions	L (1)	H (5)	M (5)	Regular compliance audit and follow-up could be the mitigation measure.
8.	Changes in legislation	L (2)	L (2)	L (4)	Stakeholder engagement
9.	Inadequate skills and optimum staffing	M (3)	H (5)	H (15)	Capacity building Fill the approved establishment
10.	Fire outbreaks leading to damages; theft of property; riots; terrorism	M (3)	H (5)	H (15)	<ul style="list-style-type: none"> <li>• Insure Commission assets</li> <li>• Enhance security</li> <li>• Business continuity plan</li> <li>• Install fire detectors</li> <li>• Linkages with security outfits</li> </ul>

**Key:**

**Risk Likelihood** is calibrated on a scale of 1 – 5 (where 1 = Rare, 2 = Unlikely, 3 = Probable, 4 = Likely, 5 = Almost certain). Hence Low (L) = 1 – 2; Moderate (M) = 3; High (H) = 4 – 5.

**Risk Impact** is calibrated on a scale of 1 – 5 (where 1 = Insignificant, 2 = Minor, 3 = Moderate, 4 = Major, 5 = Catastrophic). Hence Low (L) = 1 – 2; Moderate (M) = 3; High (H) = 4 – 5.

**Overall Risk Level** is calculated by multiplying Likelihood by Impact. Hence Low (L) = 1 – 3; Moderate (M) = 4 - 14; High (H) = 15 – 25.

**9.5 Material arrears in statutory and other financial obligations.**

**Table 7: Summary of Pending Bills by Nature and Type (Ksh. Million)**

Type / Nature	Due to lack of Exchequer			Due to lack of provision		
	22/23	23/24	24/25	22/23	23/24	24/25
<b>1. Recurrent</b>	-	18.0	-	7.8	24.3	28.4
Use of goods and services	-	18.0	-	7.8	24.3	28.4
<b>2. Development</b>	-	-	-	-	-	-
<b>Total Pending Bills</b>	-	18.0	-	7.8	24.3	28.4

Table 5 provides the Commission's summary of pending bills by nature and type for the three financial years 2022/23, 2023/24, and 2024/25 in millions of Kenyan Shillings (Ksh). The pending bills are further classified by the cause of non-payment: either "Due to lack of Exchequer" (i.e., shortage of allocated funds) or "Due to lack of provision" (i.e., no budgetary allocation).

**9.6 Review of the economy and sector.**

The review of the economy and specific sectors significantly influences the operations of the Commission on Revenue Allocation (CRA). Primarily, the CRA's mandate involves making

recommendations on the equitable sharing of nationally raised revenue between the national government and county governments, as well as among the counties themselves. The economic review provides vital context on the fiscal environment, including overall revenue availability, economic growth prospects, sector performance, and fiscal pressures, which helps inform the CRA's revenue sharing decisions and criteria setting.

When the broader economy is experiencing growth or contraction, the composition and amount of revenue available for distribution fluctuate accordingly. A positive economic outlook with expanding revenue sources can enable the CRA to recommend higher allocations or revise formulae favoring counties' local development needs. Conversely, economic downturns or sectoral weaknesses driven by factors such as poor performance in key industries can constrain national revenue, forcing the CRA to adjust allocation recommendations to ensure fiscal responsibility and sustainable county financing.

Moreover, sectoral reviews affect the CRA's focus on equitable distribution by highlighting disparities among counties in revenue generation capacity and development needs. For example, counties reliant on agriculture, mining, or tourism may perform differently under varying economic conditions. The CRA uses this analysis to emphasize marginalization criteria and targeted support to disadvantaged areas, encouraging balanced regional development and fiscal discipline. Sectoral economic reviews also impact how the CRA advises on financing mechanisms and financial management practices across counties, ensuring alignment with the capacities and challenges identified in the economy.

Overall, the CRA's operational effectiveness in revenue allocation, policy formulation, and stakeholder engagement is intrinsically linked to continuous, thorough assessment of the economic landscape and sectoral dynamics. Such reviews enable the Commission to make evidence-based, responsive recommendations that uphold equity, promote economic growth, and foster fiscal prudence at both national and county levels in Kenya

### **9.7 Future developments**

The Commission in its budget proposal will outline major services / outputs to be provided in the MTEF Budget 2026/27 and the Medium Term such as the strategic priorities aimed at safeguarding institutional resilience, reinforcing county revenue governance, and advancing evidence-based policy formulation. These priorities will be firmly aligned with the MTP IV priorities, Vision 2030 and the Government's BETA Agenda, while upholding fiscal prudence and promoting equity across all 47 counties.

## **10 ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

### **a) Sustainability Strategy and Profile**

The Commission's mandate to support Kenyan taxpayers through policy guidance aligns with global political and macroeconomic trends that influence sustainability priorities such as climate change. Kenya's strategic plans, including the Commission's programs aligned with the Medium-Term Plans (MTPs) of both National and County Governments, resonate with international best practices in sustainability, prominently reflected in frameworks like the United Nations Sustainable Development Goals (SDGs).

Global trends such as climate change, resource scarcity, and economic shifts emphasize the need for sustainable development. Kenya's Medium-Term Plans, particularly the Fourth Medium-Term Plan (2023-2027), incorporate sustainability priorities by promoting clean and secure environments alongside economic growth. Efforts are focused on climate-smart agriculture, renewable energy, and sustainable resource management all crucial to meeting SDGs related to climate action (SDG 13), clean water and sanitation (SDG 6), affordable and clean energy (SDG 7), and sustainable cities and communities (SDG 11).

The Commission's collaboration and participation in intergovernmental bodies like the Inter-Governmental Budget and Economic Council (IBEC) bolster the integration of sustainability into budgeting and resource allocation at both the national and county levels. This ensures policy coherence with global sustainability frameworks, local economic transformation agendas, and Kenya's Vision 2030 milestones, embedding environmental sustainability and economic resilience in development initiatives.

In summary, the Commission supports sustainable development by aligning its financial policy guidance with Kenya's Medium-Term Plans, international sustainability best practices such as the SDGs, and global efforts addressing climate change and socio-economic sustainability. This integrated approach enables Kenya to advance its development priorities responsibly, balancing economic growth with ecological stewardship and social equity.

### **b) Environmental performance /climate change/ mitigation of natural disasters**

The Commission on Revenue Allocation aligns its operations with environmental sustainability principles largely through its marginalization policy and adherence to national environmental laws and policies. Its successes include integrating environmental equity in revenue allocation, but it lacks a dedicated, comprehensive environmental or biodiversity management policy. Waste management and efforts to reduce environmental impact are mainly governed by national strategies, with CRA's role being supportive via its funding and governance frameworks.

This synthesis draws on CRA documentation and national environmental policy frameworks to outline the guiding environmental principles, policy evidence, successes, shortcomings, and environmental management efforts relevant to CRA's mandate.

### **c) Employee Welfare**

The Commission has an approved Human Resource and Procedures Manual that delineates the relationship between Management and Secretariat staff concerning various human capital matters, including the Recruitment Policy, Training and Development Policy, Code of Conduct, and Disciplinary Control, among other pertinent policy frameworks.

The Manual offers comprehensive guidelines addressing all human capital matters and has significantly facilitated the Commission's progress in attracting and retaining highly qualified employees, including encouraging applications from individuals with disabilities (PWDs) and also taking into account the gender ratio.

Additionally, the policy document outlines welfare benefits such as mortgage and car loan facilities, which are both attractive and readily accessible to staff. Moreover, the Manual clearly stipulates disciplinary procedures and employee grievance mechanisms, articulated in language that is easily understood by all employees.

The Manual also contains robust provisions regarding performance appraisal and succession planning to ensure continuity and maintain organizational momentum in the event of staff turnover.

Regarding human capital development, the Commission has committed to allocating budgetary provisions for training and development activities aimed at motivating staff, enhancing retention, attracting talent, expanding the skills base, and fostering the growth and development of its workforce.. In its annual report concerning Articles 10 and 232 of the Constitution of Kenya, 2010, the Commission duly observes the principles of values and ethics in public service as well as strict compliance with fair labor practices. Furthermore, the Commission recognizes and upholds the principles of ethnic and gender parity throughout its recruitment processes.

In addition, the Commission fully complies with the Occupational Safety and Health Act, 2007 (OSHA). Its current physical premises are situated in a building that meets all requirements stipulated by the Act. The Commission has also consistently conducted awareness and sensitization programs for its workforce regarding occupational safety and health matters.

### **d) Operational practices/marketplace practices**

The Commission is committed to promoting responsible competition by ensuring equal and transparent opportunities for all suppliers of goods and services, rigorously adhering to the Public Procurement and

Asset Disposal Act of 2015 and the detailed guidelines and regulations issued in 2020. This approach fosters a fair, ethical, and competitive procurement environment that supports sustainable supplier relationships.

Our supply chain management emphasizes responsibility and integrity through the engagement of qualified procurement and finance officers who meet the professional standards set by their regulatory bodies, including ICPAK and KISM. These officers uphold the values and principles enshrined in Articles 10 and 232 of the Constitution of Kenya, 2010, ensuring ethical conduct and accountability throughout procurement processes.

In maintaining robust supplier relations, the Commission consistently honors timely payments to suppliers, except where budget limitations cause delays. Outstanding invoices are prioritized as a first charge in the subsequent financial year and processed promptly, reflecting our commitment to responsible financial stewardship and transparency.

Furthermore, the Commission actively engages citizens and stakeholders through responsible communication and awareness initiatives, fostering trust and inclusivity in public service delivery. This stewardship highlights our dedication to upholding high standards in procurement, supplier engagement, and public accountability.

#### **e) Community Engagements**

The Commission's mandate requires that any proposed policy changes or formula revisions undergo public participation across all counties in the country. Subsequently, these proposals are submitted to the Parliament of Kenya for review and approval. Over the years, the Commission has engaged with Kenyans from diverse backgrounds in its efforts to fulfill both its mandate and the expectations of taxpayers. The Commission is committed to formulating people-centered policies. Recently, forums were convened for leaders from the Arid and Semi-Arid Lands (ASAL) to deliberate on the equitable and transparent allocation of funds, among other matters.

## **11 STATEMENT OF MANAGEMENT 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 financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the Commission is responsible for the preparation and presentation of the Commission's financial statements, which give a true and fair view of the state of affairs of the Commission for and as at the end of the financial year (period) ended on June 30, 2025. 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 Commission; (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 Commission; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Commission accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Commission's financial statements give a true and fair view of the state of Commission's transactions during the financial year ended June 30, 2025, and of the Commission's financial position as at that date. The Accounting Officer in charge of the Commission further confirms the completeness of the accounting records maintained for the Commission, which have been relied upon in the preparation of the Commission's financial statements as well as the adequacy of the systems of internal financial control.


The Accounting Officer in charge of the Commission 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 Accounting Officer confirms

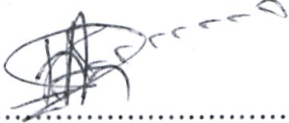
that the Commission's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The Commission's financial statements were approved by the Commission on **27<sup>th</sup> August 2025** and signed by

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.....  
CPA Mary Wanyonyi Chebukati  
Chairperson of the Commission

  
.....  
CPA Roble Nuno  
Ag. Accounting Officer

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## **REPORT OF THE AUDITOR-GENERAL ON COMMISSION ON REVENUE ALLOCATION FOR THE YEAR ENDED 30 JUNE, 2025**

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### **PREAMBLE**

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

- A. Report on 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 the 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 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 Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General 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 financial statements of Commission on Revenue Allocation set out on pages 1 to 48, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial Performance, statement of changes

net assets, statement of cash flows 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 financial statements present fairly, in all material respects, the financial position of Commission on Revenue Allocation as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Public Finance Management Act, 2012.

### **Basis Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Commission on Revenue Allocation 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 financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Emphasis of Matter**

#### **Long Outstanding Balances**

The statement of financial position reflects trade and other payables balance of Kshs.28,359,001 as disclosed in Note 33 to the financial statements includes payables of Kshs.4,982,260 due to National Youth Service for demolition works that had been outstanding in the last financial year. Although Management cited lack of sufficient budget to clear the payables, non-payment of the payables may attract additional costs in form of interest and penalties.

Further, the statement reflects refundable deposit and prepayments balance of Kshs.19,195,765 as disclosed in Note 21 to the financial statements includes receivables of Kshs.1,210,000 that have been outstanding for more than three (3) years. In addition, receivables include a deposit of Kshs.1,060,000 in respect of fuel supply by National Oil Corporation. Although a demand letter was issued by the Commission on the outstanding balance, the recoverability of this amount remains doubtful.

My opinion is not modified in respect of this matter.

## **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. I have determined that there are no other key audit matters to communicate in my report.

## **Other Matter**

### **Unresolved Prior Year Audit Matters**

Several issues were raised in the prior year report under Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Internal Controls, Risk Management and Governance as analyzed in **Appendix 1**. The issues remained unresolved as they are yet to be deliberated by the Parliamentary Oversight Committee.

## **Other Information**

The Management is responsible for the Other Information set out on page v to xlix which comprise of Key Commission Information and Management, The profile of the Chairperson and Commissioners, Profile of the Accounting Officer and key Management, Chairman's Statement, Statement of the Commission Secretary, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Statement of Management Responsibilities and Statement of Performance Against Predetermined Objectives. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Commission's financial 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 a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE 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 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 effect of 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 governance were not effective.

### **Basis for Conclusion**

#### **1. Lack of Software Upgrade**

During the period under review, it was noted that critical software applications currently in use by the Commission have not been upgraded. These systems are running on outdated versions that are no longer supported by the software vendors exposing the system to operation risk and inefficiencies. Management cited lack adequate budget allocation in respect of upgrading of Information Technology systems.

In the circumstances, the effectiveness and robustness of the information system in risk management could not be confirmed.

#### **2. Delay in Implementation of Internal Audit Recommendations**

Review of the Quarter IV Progress report on implementation audit recommendations revealed that the Internal audit unit had issued fifty (50) audit recommendations as at 30 June 2025. However, although Management has stated that it is committed to implementation of the recommendations, only five (5) or 10% of the recommendations issued since 2018-2019 financial year had been fully implemented.

In the circumstances, the assurance of Management commitment on implementation of internal audit recommendations could not be confirmed.

### **3. Lack of an Approved Strategic Plan**

Review of information provided for audit revealed that the Commission operated without an approved Strategic Plan and relied on a draft strategic plan in the period under review contrary to Regulation 11 of Public Service Commission (Performance Management) Regulations, 2021. Although Management indicated that it was working on the Commission's organizational structure which was key to finalization and implementation of its strategic plan, the same had not been finalized at the time of audit. The delay was attributed to lack of adequate budgetary allocations.

In the circumstances, the effectiveness of Management to deliver on its mandate and promote an equitable society could not be confirmed.

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**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial 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 governance.

In preparing the financial statements, Management is responsible for assessing the Commission'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 Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial 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 financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial 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 Commission's financial 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 of 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 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 Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**01 December, 2025**


## Appendix 1: Unresolved Prior Year Audit Matters

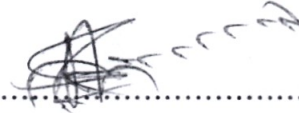
S/No	Audit Issue
1	Delayed completion of office partitioning works
2	Irregular payment of Commissioner's leave allowance
3	Non-compliance with guideline on staff recruitment
4	Non-compliance with law on public procurement
5	Non-compliance with law on fringe benefits tax
6	Unauthorized budget reallocation
7	Rent expenses on unoccupied office space
8	Failure to implement Internal Audit recommendations


**13 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025.**

	Note	2024-2025 Kshs.	2023-2024 Kshs.
<b>Revenue from non-exchange transactions</b>			
Exchequer Transfers	10	366,623,874	459,170,062
Other Income (Excess A.I.A)	11	4,606	-
<b>Total</b>		<b>366,628,480</b>	<b>459,170,062</b>
<b>Revenue from exchange transactions</b>			
Other Income	12	-	700
<b>Total</b>		<b>-</b>	<b>700</b>
<b>Total Revenue</b>		<b>366,628,480</b>	<b>459,170,762</b>
<b>Expenses</b>			
Employee costs	13	209,053,842	213,531,518
Commissioner's Expenses	14	12,065,752	11,331,450
Depreciation and amortization expense	15	43,338,217	37,125,384
Use of goods	16	144,782,977	219,879,625
<b>Total Expenses</b>		<b>409,240,788</b>	<b>481,867,977</b>
<b>Other gains/(losses)</b>			
Gain/(loss) on sale of assets	17	1,749,597	-
Gain/(Loss) on foreign exchange transactions	18	6,160,304	-
<b>Surplus before tax</b>		<b>(34,702,407)</b>	<b>(22,697,215)</b>
Taxation	19	4,598,840	4,812,890
<b>Net Surplus /(Deficit) for the Year</b>		<b>(39,301,247)</b>	<b>(27,510,105)</b>

The notes set out on pages 10 to 37 form an integral part of the Financial Statements. These financial statements were approved on 27<sup>th</sup> August 2025 and signed by:

  
.....  
CPA Mary Wanyonyi Chebukati  
Chairperson of the Commission

  
.....  
CPA Roble Nuno  
Ag. Accounting Officer

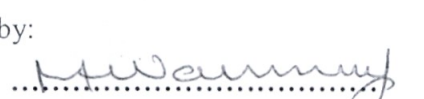
  
.....  
CPA Maureen Kavin Junge  
Head of Accounting Unit  
ICPAK M/No. 9883


**14 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025.**


	Note	2024-2025 Kshs.	Restated 2023-2024 Kshs.
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	20	252,821	6,836,219
Refundable deposits and Prepayments	21	19,195,765	40,863,922
Receivables from non-exchange transactions	22	3,161,680	1,349,726
Inventories	23	2,572,735	1,698,185
<b>Total Current Assets</b>		<b>25,183,002</b>	<b>50,748,052</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	24	131,597,345	161,145,790
Intangible assets	25	3,982,353	6,266,590
Mortgage Account (Restricted cash)	28	-	-
Car Loan Account (Restricted cash)	29	-	-
<b>Total Non-Current Assets</b>		<b>135,579,698</b>	<b>167,412,380</b>
<b>Total assets</b>		<b>160,762,700</b>	<b>218,160,432</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	31	28,359,001	38,073,104
Current provision	32	2,925,248	4,395,224
Retention	33	-	5,437,389
<b>Total Current Liabilities</b>		<b>31,284,249</b>	<b>47,905,717</b>
<b>Non-Current Liabilities</b>			
Non-current employee benefit obligation		-	-
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>31,284,249</b>	<b>47,905,717</b>
<b>Net Assets</b>		<b>129,478,451</b>	<b>170,254,714</b>
<b>Represented by:</b>			
Accumulated surplus		95,506,451	136,282,714
Revaluation Surplus		33,972,000	33,972,000
<b>Net Assets</b>		<b>129,478,451</b>	<b>170,254,714</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity's financial statements were approved on 27<sup>th</sup> August 2025 and signed

by:

  
CPA Mary Wanyonyi Chebukati  
Chairperson of the Commission

  
CPA Roble Nuno  
Ag. Accounting Officer

  
CPA Maureen Kavin Junge  
Head of Accounting Unit  
ICPAK M/No. 9883

**15 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025.**

Particulars	Notes	Accumulated Surplus	Revaluation Reserve	Total
<b>As at July 1, 2023</b>		<b>351,841,035</b>	<b>33,972,000</b>	<b>385,813,035</b>
Prior Years Adjustment	<b>35</b>	(187,960,318)		(187,960,318)
<b>Restated (As at July, 1 2023)</b>		<b>163,880,717</b>	<b>33,972,000</b>	<b>197,852,717</b>
Return to Exchequer	<b>34</b>	(87,897)		(87,897)
Surplus/Deficit for the year		(27,510,105)		(27,510,105)
<b>As at June 30, 2024</b>		<b>136,282,714</b>	<b>33,972,000</b>	<b>170,254,714</b>
				-
<b>As at July 1, 2024</b>		<b>136,282,714</b>	<b>33,972,000</b>	<b>170,254,714</b>
Return to Exchequer	<b>34</b>	(1,475,016)		(1,475,016)
Surplus/Deficit for the year		(39,301,247)		(39,301,247)
<b>As at June 30, 2025</b>		<b>95,506,451</b>	<b>33,972,000</b>	<b>129,478,451</b>

**Explanatory Notes:**

Prior years' adjustments were made to rectify misstatements identified in previous financial periods, with detailed information provided in Note 35. The revaluation reserve arose from the revaluation of assets and is presented primarily for disclosure purposes. It is important to note that this presentation does not imply asset replacement, as the Commission relies on exchequer funding for its asset acquisitions and maintenance.

**16 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025.**

	Note	2024-2025	2023-2024
		Kshs.	Kshs.
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Exchequer releases		366,623,874	459,170,062
Other receipts		4,606	-
Revenue from Exchange Transactions		-	700
Refund for leave allowance		350,000	-
Surrender of petty cash float		100,000	-
<b>Total receipts</b>		<b>367,078,480</b>	<b>459,170,762</b>
<b>Payments</b>			
Employee costs		(211,671,764)	(186,887,226)
Commissioners expenses		(12,065,752)	(11,331,450)
Use of goods		(140,254,870)	(155,438,672)
<b>Total Payments</b>		<b>(363,992,386)</b>	<b>(353,657,348)</b>
<b>Net cash flow from operating activities</b>	<b>37</b>	<b>3,086,094</b>	<b>105,513,414</b>
<b>Cash Flow from Investing Activities</b>			
Purchase of PPE		(17,925,517)	(100,053,549)
Purchase of Intangible Assets		(2,497,723)	-
Proceeds from sale of assets		528,765	-
Refund from Insurance on MV write off		11,700,000	-
<b>Net cash flows used in investing activities</b>		<b>(8,194,475)</b>	<b>(100,053,549)</b>
<b>Cash flows from financing activities</b>			
Remission to the National Treasury		(1,475,016)	(87,897)
<b>Net cash flows used in financing activities</b>		<b>(1,475,016)</b>	<b>(87,897)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(6,583,397)</b>	<b>5,371,968</b>
Cash and cash equivalents at 1 July	<b>20</b>	6,836,219	1,464,252
<b>Cash and cash equivalents at 30 June</b>	<b>20</b>	<b>252,822</b>	<b>6,836,220</b>


**17 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025.**

Particulars	Original budget	Adjustments	Final budget	Actual on a comparable basis	Budget utilization difference	% Utilization
A	B	C	D=B+C	E	F = D-E	G=E/D(100)
Government grants and subsidies	413,465,304	(45,392,976)	368,072,328	366,623,874	1,448,453	100%
Other Income A.I.A		12,700,000	12,700,000	12,228,765	471,235	96%
<b>Total income</b>	<b>413,465,304</b>	<b>(32,692,976)</b>	<b>380,772,328</b>	<b>378,852,639</b>	<b>1,919,688</b>	<b>99%</b>
<b>Expenses</b>						
Compensation of employees	214,200,000	(30,000,000)	184,200,000	183,268,645	931,355	99%
Use of goods	187,015,304	(5,942,976)	181,072,328	180,665,466	406,862	100%
Capital Expenditure	12,250,000	3,250,000	15,500,000	14,759,160	740,840	95%
<b>Total expenditure (O&amp;M and Capital)</b>	<b>413,465,304</b>	<b>(32,692,976)</b>	<b>380,772,328</b>	<b>378,693,271</b>	<b>2,079,057</b>	<b>99%</b>
<b>Surplus</b>				<b>159,368</b>		


**Note:**

- The Commission had an initially approved budget of Kshs. 413.46 million, which was subsequently revised downwards by Kshs. 45.39 million, resulting in a final revised budget of Kshs. 368.07 million. The revision was due to budget cuts and approved reallocations. Additionally, the Commission received Kshs. 12.23 million in Appropriation in Aid (A.I.A.) against an original approved budget of Kshs. 12.7 million, reflecting a performance rate of 96%.
- The Commission achieved an absorption rate of 99% and above for GoK funding across all its expenditure items, having utilized Ksh. 366.72 million against a budget of Ksh. 368.07 million. However, the finance cost was underutilized, with a utilization rate of 93% and a minimal remaining balance of Ksh. 22,076. Furthermore, the Commission attained a 94% utilization rate on A.I.A. expenditure. The underutilization in this category is attributable to actual receipts from A.I.A. being lower than budgeted; specifically, collections amounted to Ksh. 528,765 from the disposal of fixed assets compared to a projected budget of Ksh. 1 million.
- During the review period, the Commission reported outstanding liabilities amounting to Ksh. 28.36 million in pending bills and a gratuity provision of Ksh. 2.93 million. The pending bills, primarily arising from contractual obligations, were attributable to budgetary constraints. **Annex V** presents a detailed reconciliation of the Commission's approved GoK annual budget, actual expenditure, and accrual-based expenditure for FY24/25.

Commission on Revenue Allocation  
Annual Report and Financial Statements for the year ended June 30, 2025

  
CPA Mary Wanyonyi Chebukati  
**Chairperson of the Commission**

  
CPA Roble Mugo  
**Ag. Accounting Officer**

  
CPA Maureen Kavin Junge  
**Head of Accounting Unit**  
ICPAK M/No. 9883

**17.1 Budget Reconciliation to the Statement of Cash Flow.**

Description of Particulars	Note	Amount
<b>Actual surplus as per the statement of budget</b>		<b>159,368</b>
<b>Add:</b>		
Other receipts	<b>11</b>	4,606
Refund for leave allowance	<b>22</b>	350,000
Surrender of petty cash float	<b>35</b>	100,000
<b>Sub-Total</b>		<b>454,606</b>
<b>Less:</b>		
Salary Advance	<b>22</b>	(257,366)
Imprest	<b>22</b>	(27,600)
Remission to the National Treasury	<b>24</b>	(1,475,016)
Retention	<b>33</b>	(5,437,389)
<b>Sub-Total</b>		<b>(7,197,371)</b>
<b>Add: Cash and cash equivalents at 1 July</b>	<b>20</b>	<b>6,836,219</b>
<b>Closing Cash and cash equivalents as per the Cashflow statement</b>	<b>20</b>	<b>252,822</b>

## 17.2 Budget Execution

### Budget by Programmes and Sub-Programmes (Expenditure)

Sub-Programmes	Original budget	Adjustments	Final budget	Actual Payments	Performance difference	% Utilization
A	B	C	D=B+C	E	F = D-E	G=E/D(100)
<b>Programme</b>	<b>413,465,304</b>	<b>(32,692,976)</b>	<b>380,772,328</b>	<b>378,693,271</b>	<b>2,079,057</b>	<b>99</b>
<b>Sub-Programmes</b>						
SP1-General Administration and Planning	350,488,374	(19,665,011)	330,823,363	328,801,846	2,021,517	99
SP2-Equitable Sharing of Revenue	3,100,000	(1,800,000)	1,300,000	1,300,000	-	100
SP3-Public Financial Management	23,572,750	(12,259,625)	11,313,125	11,285,380	27,745	100
SP4-Transitional Equalization and SM	8,566,680	(5,809,590)	2,757,090	2,755,972	1,118	100
SP5-Fourth Formula on Revenue Sharing	27,737,500	6,841,250	34,578,750	34,550,073	28,677	100
<b>Total Programmes</b>	<b>413,465,304</b>	<b>(32,692,976)</b>	<b>380,772,328</b>	<b>378,693,271</b>	<b>2,079,057</b>	<b>99</b>

#### Budget Notes

The overall programme had an original budget of 413,465,304, which was adjusted downward by 32,692,976, resulting in a final budget of 380,772,328. The actual payments made amounted to 378,693,271, leading to a performance difference of 2,079,057, and a budget utilization rate of 99%.

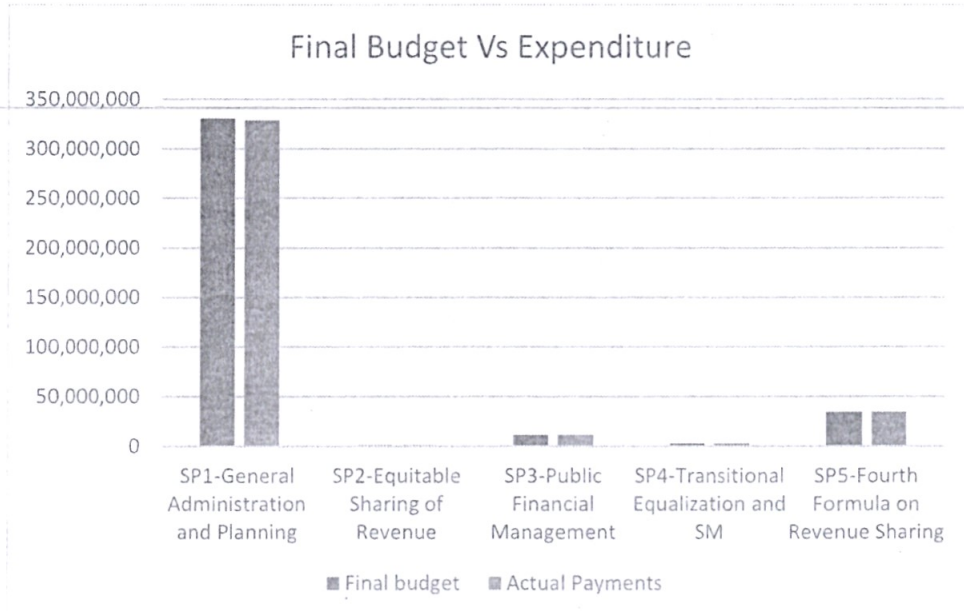
#### Breaking it down by sub-programmes:

- i. SP1 (General Administration and Planning) had an original budget of 350,488,374, reduced by 19,665,011 to a final budget of 330,823,363. Actual payments were 328,801,846, leaving a small underrun of 2,021,517, with 99% utilization.
- ii. SP2 (Equitable Sharing of Revenue) started with 3,100,000, reduced by 1,800,000 to a final budget of 1,300,000, all of which was fully utilized, resulting in 100% utilization.
- iii. SP3 (Public Financial Management) had an original budget of 23,572,750, with adjustments reducing it by 12,259,625 to 11,313,125. Actual payments were almost fully utilized at 11,285,380, achieving 100% utilization.
- iv. SP4 (Transitional Equalization and SM) began with 8,566,680, reduced by 5,809,590 to a final budget of 2,757,090. Actual payments were 2,755,972, near fully utilized at 100%.
- v. SP5 (Fourth Formula on Revenue Sharing) was increased from an original 27,737,500 by 6,841,250 to a final budget of 34,578,750. Actual payments closely matched at 34,550,073, also achieving 100% utilization.

*Commission on Revenue Allocation*

*Annual Report and Financial Statements for the year ended June 30, 2025.*

Overall, the programme and its sub-programmes efficiently utilized almost all allocated funds, with negligible differences between final budgets and actual payments, indicating effective financial management and budget adherence.



**18 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

**1. Establishment**

The Commission on Revenue Allocation (CRA) was established under Article 215 of the Constitution of Kenya. The Commission's principle responsibility is to provide an objective and independent framework for equitable sharing of nationally raised revenues. The Commission also plays a key role in ensuring that the county governments adhere to prudent financial management principles, enhance revenues for both national and county government. Further, the Commission plays a critical role in addressing regional disparities by proposing recommendations aimed at accelerating balanced development in the country, especially marginalised areas.

**2. Statement of Compliance and basis of preparation – IPSAS 1**

These financial statements have been prepared in accordance with the Public Finance Management Act, 2012, and in conformity with the accrual-based International Public Sector Accounting Standards (IPSAS).

For the purpose of these financial statements, the Commission has been categorized as a Schedule 1 national government MDA in line with Section 4 of the Public Finance Management Act, 2012 read together with Regulation 211 (2) of the Public Finance Management (National Government) Regulations, 2015. Schedule 1 national government entities include Ministries, Departments, Agencies, constitutional institutions and independent offices. MDAs are reporting entities whose primary objective is to provide policy and coordination of government services.

The use of public resources by MDAs is primarily governed by Chapter 12 of the Constitution, the relevant Appropriation Act, the Public Finance Management Act, of 2012, and the Public Procurement and Disposal Act, of 2015.

These financial statements were authorized for issue by the Accounting Officer on 27<sup>th</sup> August 2025.

**3. Adoption of New and Revised Standards**

**i. New and amended standards and interpretations in issues effective in the year ended 30th June 2025.**

There were no new and amended standards issued in the financial year

ii. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025**

Standard	Effective date and impact:
IPSAS 43	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an MDA.</p> <p>The new standard requires entities to recognise, measure and present information on right-of-use assets and lease liabilities.</p> <p><i>The standard is not relevant to the Commission.</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>The standard is not relevant to the Commission.</i></p>
IPSAS 45- Property Plant and Equipment	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>The standard is not relevant to the Commission.</i></p>
IPSAS 46	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p>

Standard	Effective date and impact:
Measurement	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>The standard is not relevant to the Commission.</i></p>
IPSAS 47- Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an MDA shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>The Commission early adopted this standard.</i></p> <p>The main reasons for the early adoption of IPSAS 47 was to address existing application issues in previous revenue standards, enhance transparency in revenue recognition, and improve the usefulness of financial information for users.</p> <p>The adoption of IPSAS 47 helped improve financial reporting through clearer recognition and measurement of revenue transactions, better matching of revenue and expenses, and enhanced disclosure requirements.</p>
IPSAS 48- Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities</p>

Standard	Effective date and impact:
	geared to provide guidance to entities that provide transfers on accounting for such transfers. <i>The standard is not relevant to the Commission.</i>
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1<sup>st</sup> January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. <i>The standard is not relevant to the Commission.</i>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1<sup>st</sup> January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul> <i>The standard is not relevant to the Commission.</i>

### iii. Early adoption of standards

The Commission early adopted the IPSAS 47 on reporting on Revenue.

## 4. Summary of Significant Accounting Policies

### (a) Revenue recognition

Income is recognized in the period in which it's earned. Income is not accrued if its recoverability is doubtful. The Revenue constitutes all incomes accruing to the Commission in the form of Exchequer or Appropriation in Aid (A.I.A)

#### i. Revenue from non-exchange transactions – IPSAS 23

##### Transfers from other government entities

The Commission recognizes revenue from exchequer allocation when the monies are received, and asset recognition criteria are met. To the extent that there is a related condition attached that would

give rise to a liability to repay the amount, differed income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will be received by the Commission and fair value of the asset can be measured reliably.

## **ii. Revenue from exchange transactions**

### **Proceeds from sale of Assets / Goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of goods, and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Commission.

### **(b) Non-Current Assets**

#### **i. Property, Plant and Equipment – IPSAS 17**

All property Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of the property, plant and equipment are required to be replaced at intervals, the Commission recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the asset as a replacement if the recognition criteria are satisfied. Depreciation is calculated on the cost of the fixed assets on a straight-line basis at annual rates estimated to write off these assets over their expected useful life. Additionally, depreciation on assets disposed of during the financial year is calculated up to the month of disposal.

It is the Commission's policy to charge full depreciation on all its non-current assets in the year of purchase if the acquisition was made in the first half year.

#### **ii. Mortgage and Car Loan Fund Accounts**

The approved mortgage and Car Loan schemes set up by the Commission are classified as restricted cash since their utilisation goes beyond one year after the balance sheet date. The schemes are mainly set up to facilitate members of staff to benefit from Government/Commission funded loans by accessing affordable mortgage facilities and Acquisition of motor vehicles. The schemes draw strength from the Salaries and Remuneration Commission's circular Ref No. SRC/ADM/CIR/1/13. III (128) dated 17<sup>th</sup> December 2014 and CRA's internal rules and regulations.

Establishment of these schemes has attracted a Fringe Benefit Tax payable by the Commission and determined as below.

### **Fringe Benefit Tax**

Fringe Benefit Tax was introduced by the new provisions under section 12B of the Income Tax Act. It is payable by the Commission in respect of loans provided to staff at an interest rate lower than the market rate. The taxable value of Fringe Benefit tax is determined as;

- (a) (Market Int rate for the month – Interest charged to employees) x Loan amount
- (b) Fringe benefit Tax payable by the Commission = (a) x 30%

The prescribed rates of interest are published by the Commissioner of Tax on a quarterly basis. In the reporting year the interests were published as 16%, 16%, 13%, and 9% for Q1, Q2, Q3 and Q4 respectively.

### **iii. Intangible Assets – IPSAS 31**

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

### **iv. Annual Depreciation & Amortization rates**

The straight-line depreciation was applied to all the Commission's assets. Full year's depreciation was applied to assets acquired in the first half year while none was for those acquired in the last half year.

Motor Vehicle	25%
Furniture & Fittings	12.5%
Office Equipment and Accessories	30%
Computers & Printers	30%
Software (Intangible assets)	33%

### **(c) Budget information**

The The original budget for the fiscal year 2024/25 was approved by the National Assembly on June 24. Subsequent revisions to the approved budget were made in accordance with specific authorizations from the National Treasury. The Commission also received an Appropriation in Aid amounting to Ksh. 12.7 million, but concurrently experienced a budget reduction of Ksh. 45.39 million. Consequently, the Commission's final revised budget at the close of the year was Ksh. 380.77 million,

comprising Ksh. 368.07 million from the Government of Kenya and Ksh. 12.7 million from Appropriation in Aid. This represents a decrease compared to the fiscal year 2023/24, where the approved budget stood at Ksh. 516.82 million before its revision.

The Commission's budget is prepared on a cash basis, which differs from the actual income and expenditure reported in the financial statements. The financial statements are prepared on an accrual basis and classified according to the nature of expenses as presented in the statement of financial performance, whereas the budget is formulated on a cash basis. To ensure comparability with the approved budget, the amounts in the financial statements were adjusted from the accrual basis to the cash basis and reclassified accordingly (refer to Appendix V).

A comparison between the budgeted and actual amounts, prepared on a basis consistent with that of the approved budget, is presented in the statement of comparison of budget and actual amounts. In addition to the basis difference, adjustments were made to the financial statement amounts to reflect differences in format and classification schemes between the financial statements and the approved budget. A reconciliation statement, which aligns the actual amounts presented on a comparable basis with those reflected in the statement of financial performance, is included in Appendix V of these financial statements..

**(d) Provisions – IPSAS 19**

Provisions are recognized when the Commission has a present obligation as a result of a past event, i.e. Gratuity. It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

**(e) Employee Benefits – IPSAS 2 (Retirement Benefit Plans)**

The Commission operates a private retirement benefit scheme with APA Assurance Limited, administered by ICEA, for all its permanent and pensionable employees. An amount equivalent to 20% of the basic salary is allocated for pension and gratuity for all permanent employees, while 31% of the basic salary is set aside for contractual employees. Additionally, all employees are members of the statutory National Social Security Fund (NSSF).

The Commission's contributions towards pension and gratuity for contractual employees are recognized as an expense in the statement of financial performance in the year during which the employees provide services to the Commission..

**(f) Related parties – IPSAS 20**

The Commission defines a related party as any individual or Authority that can exercise control, either individually or jointly, or has significant influence over the Commission, or is similarly influenced by the Commission. Commissioners and Management, including the Commission Secretary and directors, are considered related parties.

**(g) Public Sector Combinations – IPSAS 40**

The standard which has been applicable since January 2019 covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations. This standard is however not relevant to the Commission.

**(h) Cash and Cash equivalents**

For the purposes of the cash flow statements, cash and cash equivalent comprise cash in hand, cash book balance and bank balances at the end of the period. Bank account balances include amounts held at Central bank of Kenya at the end of financial year.

**(i) Pending Bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contractual obligations during the year and from the prior years. Such bills were accrued in the year in which they were incurred and they form a first charge in the subsequent year.

**(j) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

The Commission's rent payable as at the end of 30 June 2025 of USD 166,626.78 was accounted for at the ruling rate of Ksh.130.75 (FY 2023/24: 129)

**(k) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Commission.

**(l) Changes in accounting policies and estimates**

The Commission recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**5. Contingent liabilities**

The Commission has made provision for accrued gratuity in its books, however the money has not been set aside but shall be availed in the year of payment through the Commission's budget.

**6. Comparatives**

Prior year comparative information has been presented in the current financial year.

**7. Subsequent Events**

There have been no events after the financial year-end with a significant impact on the financial statements for the reporting period.

## **8. Significant Judgements and Sources of Information Uncertainty**

The preparation of the Commission's financial statements in conformity with IPSAS requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Commission estimates accrued gratuity payable to contractual staff at the end of their contract. Gratuity is based at 31% of their basic pay.

### **Estimates and assumptions**

The Commission's financial statements involve significant judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. These assumptions are based on the best available information at the reporting date and reflect management's current expectations about future events and conditions. Key assumptions include estimates related to the useful lives of assets, provision for doubtful debts, and measurement of liabilities for employee benefits. Changes in these assumptions could materially affect the carrying amounts of these items.

### **Useful lives and residual values**

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

## **9. Provisions**

The Commission makes provisions for depreciable and obsolete assets.

**10. Exchequer Transfers**

Description	2024-2025 Kshs.	2023-2024 Kshs.
1st Quarter Exchequer	34,531,728	57,775,022
2nd Quarter Exchequer	140,528,041	109,589,262
3rd Quarter Exchequer	75,830,890	80,074,654
4th Quarter Exchequer	115,733,215	211,731,124
<b>Total</b>	<b>366,623,874</b>	<b>459,170,062</b>

During the review period, the Commission received funding of up to Ksh. 366.62 million. This funding was within the Commission’s approved budget and was provided based on actual needs.

**11. Other Income (Excess A.I.A)**

Description	2024-2025 Kshs.	2023-2024 Kshs.
Write back of AIE Balance for FY23/24	4,500	-
Receipts of salary advance overdeduction	106	-
<b>Total</b>	<b>4,606</b>	<b>-</b>

In FY 2023/24, the Commission received an Authority to Incur Expenditure (AIE) of Ksh. 12 million for the dissemination of the Model Tariffs and Pricing Policy (MTTP) to County Governments. Of this amount, an unutilized balance of Ksh. 4,500 remained on the books. This balance was subsequently used in the reporting period to partially settle an outstanding bill related to the activity. Additionally, an overdeduction of salary advance during the review period resulted in an increase in the Commission’s receipts, which has been accounted for as staff payables and is scheduled for reimbursement.

**12. Miscellaneous Income**

Description	2024-2025 Kshs.	2023-2024 Kshs.
Sale of Newspapers	-	700
<b>Total</b>	<b>-</b>	<b>700</b>

Revenue from exchange transactions refer to any income other than the exchequer. In the Comparative year the Commission collected Ksh. 700 from the sale of newspapers.

### 13. Employee Costs

Description	2024-2025	Restated
	Kshs.	2023-2024 Kshs.
Basic salaries	109,624,248	113,175,568
Casual Labour	418,993	2,426,254
Salary Market Adjustment	880,258	2,025,600
Acting Allowance	1,580,556	115,990
House Allowance	20,391,806	22,069,570
Extraneous Allowance	2,601,419	2,530,667
Top up for seconded staff	4,805,013	3,917,984
Responsibility Allowance	2,400,000	2,400,000
Transport Allowance	9,483,516	9,777,448
Leave Allowance	1,340,000	1,378,750
Telephone Allowance	2,965,032	3,221,529
Pension contribution	22,160,268	22,051,400
Gratuity	2,712,662	2,543,462
Housing Levy	2,336,013	2,012,278
NITA	51,450	43,700
Medical Insurance	22,780,567	21,185,542
Group Life Insurance	1,943,060	1,510,234
WIBA	578,981	1,145,543
<b>Total</b>	<b>209,053,842</b>	<b>213,531,518</b>

The expenditure on employee compensation and related benefits for the fiscal years 2023-2024 and 2024-2025 shows a slight overall decrease from Kshs. 213,531,518 to Kshs. 209,053,842. Basic salaries experienced a modest decline from Kshs. 113.18 million to Kshs. 109.62 million, while casual labor costs significantly dropped from Kshs. 2.43 million to Kshs. 419,000, reflecting reduced reliance on temporary workforce. Salary market adjustments were lower in 2024-2025, decreasing to Kshs. 880,258 from Kshs. 2.03 million the previous year. Notably, acting allowances increased substantially from Kshs. 115,990 to Kshs. 1.58 million, possibly due to more staff taking on temporary higher responsibilities. Allowances such as house, extraneous, transport, and telephone allowances showed marginal decreases, indicating tighter control or optimization of benefits. Contributions to pension and medical insurance slightly increased, with medical insurance rising from Kshs. 21.19 million to Kshs. 22.78 million, emphasizing ongoing investment in employee welfare. Gratuity and housing levy expenses also saw moderate increases, while the Workers Injury Benefits Act (WIBA) expense was halved, suggesting improved safety or fewer claims. Overall, these figures illustrate prudent management of compensation costs with targeted increases in specific areas to support staff welfare and operational needs, resulting in a stable but slightly reduced total expenditure on personnel costs.

**14. Commissioners' Expenses**

Description	2024-2025 Kshs.	2023-2024 Kshs.
Telephone Allowance	1,500,000	1,500,000
Domestic Travel Costs	4,129,750	4,403,200
Foreign Travel Costs	5,572,002	-
Training Expenses	45,000	-
Hospitality and Conference	819,000	4,643,200
Club Membership	-	785,050
<b>Total</b>	<b>12,065,752</b>	<b>11,331,450</b>

Overall, commissioners' costs were broadly flat and increased by KSh 0.73 m. Savings in hospitality and local travel nearly offset the introduction of foreign-engagement travel and modest training outlays.

**15. Depreciation and Amortization Expenses**

Description	2024-2025 Kshs.	2023-2024 Kshs.
Refurbishment	13,452,166	523,591
Motor Vehicle	21,273,000	27,167,270
Furniture & Fittings	605,382	588,407
Computer & Printers	3,375,998	4,267,407
Office Equipment	984,412	1,073,612
Intangible Assets	3,647,260	3,505,098
<b>Total</b>	<b>43,338,217</b>	<b>37,125,384</b>

The full-year impact of the capitalized office partitioning works under refurbishment outweighed vehicles and ICT assets, pushing total depreciation and amortisation up by KSh. 6.3m. A major office-refit phase was not capitalized in 2023/24, hence no depreciation of the same hit last year; 2024/25 carries a full-year charge hence the increase of KSh. 12.9 m. One of the Commission's vehicle was written off in the reporting period following a road accident. The incident largely pulled down the depreciation charge for the item. Computers, printers, office equipments dropped by KSh. 1.0 m combined, given that several of them acquired from 2010/11 have now dropped off the depreciation schedule.

**16. Use of goods**

Description	2024-2025	Restated
	Kshs.	2023-2024 Kshs.
Utilities Supplies -Electricity	1,923,425	2,088,160
Communication Supplies & Services	3,547,229	4,095,371
Domestic Travel Costs	16,481,689	26,136,981
Foreign Travel Costs	14,427,845	-
Printing Advertising & Information	911,719	6,724,454
Rent Expenses	51,458,276	99,198,649
Hire of Transport	608,100	475,000
Training Expenses	1,902,821	358,600
Catering Services	5,226,693	6,646,315
Boards, Seminars & Conferences	10,884,752	11,952,604
Boards, Seminars & Conferences - Audit Committee	310,400	252,800
Insurance Costs (Motor Vehicle & Plant and Machinery)	6,551,193	4,271,359
Office & General Expenses	1,818,684	4,751,998
Fuel oils and Lubricants	13,913,912	16,693,799
Bank Charges	277,924	101,976
Security Guards	1,113,600	1,024,400
Cleaning Services	3,241,850	2,212,446
Membership fee, Dues and Subscriptions	-	1,217,470
Contracted Professional Services	1,000,000	9,744,429
Contracted Professional Services - Audit Fee	-	-
O&M Expenditure on demolished items	445,000	12,746,060
Routine maintenance of Motor vehicles	8,329,778	8,587,353
Routine maintenance of Assets	408,088	599,400
<b>Total</b>	<b>144,782,977</b>	<b>219,879,625</b>

General Expenses fell significantly: KSh 144.5 m in 2024/25 versus 220.2 m in 2023/24, a drop of 75.7 m. The large downward swings were driven by a handful of big lines, i.e., the one-off high cost for rent and demolition in the comparative year was associated with the Commission's office relocation process, hence the significant drop. Other operations and maintenance items that experienced a downward shift in expenditure due to austerity measures included: communication, domestic travel, printing, catering, office and general supplies, and fuel. The significant drop in contracted professional services was due to one-off expenditure on relocation for office design and suspension of subscriptions to professional bodies and club membership. Notable increase in KSh. 14.4m reflected in foreign travel, which was occasioned by peer learning on finalization of the Fourth Basis, KSh. 1.5m for professional course training for staff, KSh. 2.28 for an increase in motor vehicle insurance premiums and KSh. 1.1 for cleaning due to an increase in office space.

17. Other Gains / (Losses) on sale of assets

Description	2024-2025	2023-2024
Gain on Motor Vehicle Refund	2,115,000	-
Loss on Fixed Assets Disposal	(365,403)	-
<b>Total</b>	<b>1,749,597</b>	<b>-</b>

An insurance company reimbursed the Commission for a written-off car at above the asset's book value, creating an accounting gain of KSh. 2.12 million. The Commission also suffered a loss on fixed-asset disposal of KSh. 0.37 million given that the obsolete ICT equipment's net book value exceeded scrap proceeds.

18. Other Gains / Losses on foreign exchange transactions

Description	2024-2025	2023-2024
Cape Holding (Deposit recovery) - Gain on Foreign Exchange	6,160,304	-
<b>Total</b>	<b>6,160,304</b>	<b>-</b>

The Commission had a long-outstanding rent/security deposit with Capeholding of FY 2010/11 that was carried at the historical USD rate of 93.35. After vacating its offices at 14 Riverside drive, a net-off was recommended between the outstanding rent arrears and any incurred interest against the held deposit by the former landlord. This consideration was made at the ruling rate of USD 130.75, hence the receivable refund of the residual gain of KSh 6.16m.

19. Taxation

Description	2024-2025	2023-2024
Fringe Benefit Tax - Staff Mortgage Fund	4,431,085	4,812,890
Fringe Benefit Tax - CRA Staff Car Loan Fund	167,755	-
<b>Total</b>	<b>4,598,840</b>	<b>4,812,890</b>

Fringe Benefit Tax reflects the tax liability on loans provided to staff at preferential interest rates below market rates, which is taxable under Kenyan tax law. The tax due is calculated on the difference between the market and the charged interest rate for these loans. Thus, these amounts represent the employer's liability or accrued tax on the non-cash benefits (loans with interest concessions) given to employees through the mortgage and car loan funds in the respective years

## 20. Cash and Cash Equivalent

Description	2024-2025	2023-2024
	Kshs.	Kshs.
CBK - 1000181281 (Recurrent A/c) - Exchequer	-	-
CBK - 1000181998 (Deposit A/c)	252,821	5,437,389
CBK - 1000181998 (Cash A/c)	-	-
Cash-on-hand (Office float)	-	1,398,830
<b>Total cash and cash equivalents</b>	<b>252,821</b>	<b>6,836,219</b>

The Commission in the reporting period received an Insurance refund (A.I.A) of KSh. 11,700,000 million concerning a written-off vehicle. A new replacement vehicle was later procured in June 2025 at a total cost of KSh. 11,447, 179. Therefore, the surplus difference of KSh. 252,821 formed the closing account balance for the Commission's deposit account as provided.

## 21. Refundable Deposits and Prepayments

Description	2024-2025		Restated 2023-2024	
	Kshs.		Kshs.	
<b>i. Prepayments</b>				
Medical Insurance	15,260,000		14,245,293	
Group Life	547,846		1,053,443	
WIBA	367,667		395,147	
Motor Vehicle	1,733,680		3,686,949	
Electricity	76,573			
Fuel			867,223	
<b>Sub total</b>	<b>17,985,765</b>		<b>0</b>	<b>20,248,055</b>
<b>ii. Deposit</b>				
Rent	-		19,405,867	
Fuel	1,060,000		1,060,000	
Provision of Eline (Internet)	50,000		50,000	
Naivas Supermarket	100,000		100,000	
<b>Sub total</b>	<b>1,210,000</b>		<b>20,615,867</b>	
<b>Total current receivables</b>	<b>19,195,765</b>		<b>40,863,922</b>	
<b>Ageing analysis</b>				
Less than 1 Year	17,985,765	94%	39,653,922	97%
Between 1 -2 Years				
Between 2 -3 Years				
Over 3 Years	1,210,000	6%	1,210,000	3%
<b>Total</b>	<b>19,195,765</b>	<b>100%</b>	<b>40,863,922</b>	<b>100%</b>

The rent deposit was restated to exclude the VAT of Ksh. 2,586,665, as this represented a provisional amount rather than an actual payment.

**22. Receivables from non-exchange transactions (Debtors)**

Description	2024-2025		2023-2024	
		Kshs.		Kshs.
Salary		64,663		64,663
Outstanding Salary advance from the Staff		970,477		713,106
Commissioners' Leave Allowance for recovery		50,000		400,000
Imprest and Others		199,557		171,957
Capexholding (Due to exchange rate difference)		1,876,984		
<b>Total Receivables</b>		<b>3,161,681</b>		<b>1,349,726</b>
<b>Less: Impairment allowance</b>		<b>0</b>		<b>0</b>
<b>Total current receivables</b>		<b>3,161,681</b>		<b>1,349,726</b>
a) Current receivables		3,161,681		1,349,726
b) Non-current receivables		0		0
<b>Ageing analysis (receivables from exchange transactions)</b>				
Less than 1 Year	3,161,681	100%	1,349,726	100%
Between 1 -2 Years	-	-	-	-
Between 2 -3 Years	-	-	-	-
Over 3 Years	-	-	-	-
<b>Total</b>	<b>3,161,681</b>	<b>100%</b>	<b>1,349,726</b>	<b>100%</b>

**23. Inventories**

Description	2024-2025	Restated 2023-2024
	Kshs.	Kshs.
Office and general supplies	2,572,735	1,698,185
<b>Total Inventories</b>	<b>2,572,735</b>	<b>1,698,185</b>

The Commission's inventories for the fiscal year 2024-2025 and prior periods include office and general supplies valued at Kshs. 2,572,735.

Office and general supplies inventory typically consists of items used to support office operations but are not for resale. These include materials like paper, pens, printer ink, and other consumables that facilitate daily tasks in the office environment. Such supplies are considered current assets until they are consumed in operations, after which they become an expense. Maintaining an appropriate level of these supplies ensures smooth functioning of office activities without interruption due to lack of essential materials.

24. Property, Plant and Equipment

Description	Computers & Printers	Office Equipment	Furniture & Fittings and Refurbishment	Motor Vehicles	Total
<b>Cost or Valuation:</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
As at 30th June 2023	44,487,780	13,793,653	102,443,831	108,669,078	269,394,341
Additions during the year		97,935,861			97,935,861
As at 30th June 2024	44,487,780	13,793,653	200,379,692	108,669,078	367,330,202
Additions during the year		7,950	9,166,552	11,447,179	20,621,681
Disposal	(2,528,183)	(396,203)	(77,345,017)		(80,269,403)
Write off	(125,900)			(12,780,000)	(12,905,900)
As at 30th June 2025	41,833,697	13,405,400	132,201,227	107,336,257	294,776,580
<b>Depreciation and Impairment</b>					
As at 30 June 2023	33,744,273	10,490,049	98,958,996	29,370,808	172,564,126
Depreciation	4,267,407	1,073,612	1,111,998	27,167,270	33,620,287
As at 30 June 2024	38,011,680	11,563,661	100,070,994	56,538,078	206,184,413
Depreciation	3,375,998	984,412	14,057,547	21,273,000	39,690,957
Disposals	(2,528,183)	(396,203)	(76,450,849)		(79,375,235)
Write off	(125,900)			(3,195,000)	(3,320,900)
As at 30th June 2025	38,733,594	12,151,870	37,677,693	74,616,078	163,179,235
<b>Net Book Values</b>					
As at 30 June 2024	6,476,100	2,229,991	100,308,698	52,131,000	161,145,790
As at 30 June 2025	3,100,102	1,253,529	94,523,535	32,720,179	131,597,345

**Note:**

In the reporting period, the Commission capitalized the cost of partitioning works for its new office premises at Prism Towers, hence the increased cost of non-current assets.

**25. Intangible asset**

Particulars	2024-2025	2023-2024
	Kshs.	Kshs.
<b><u>Cost / Valuation</u></b>		
At beginning of the year	26,419,171	24,344,871
Additions	1,363,023	2,074,300
At end of the year	27,782,194	26,419,171
<b><u>Amortization and impairment</u></b>		
At beginning of the year	20,152,582	16,647,483
Amortization	3,647,260	3,505,098
At end of the year	23,799,842	20,152,582
Impairment loss		
Net Book Value	3,982,353	6,266,590

The Intangible assets relate to Software acquired by the Commission over time and their respective amortized amounts. In the reporting period, the Commission acquired software worth Ksh. 1,363,023.

**26. Disposal of Fixed Assets**

Particulars	Computers & Printers	Office Equipment	Furniture & Fittings and Refurbishment	Total
	Kshs.	Kshs.	Kshs.	Kshs.
<b><u>Cost / Valuation</u></b>				
As at 1st July 2024	2,528,183	396,203	77,345,017	80,269,403
Accumulated depreciation	(2,528,183)	(396,203)	(76,450,849)	(79,375,235)
Net Book Value At 30 June 2025	-	-	894,168	894,168
Salvage Value (Sale proceeds)	129,650	33,321	365,794	528,765
Gain / (Loss) on write off	129,650	33,321	(528,374)	(365,403)

The Commission resolved to dispose of some of its obsolete fixed assets i.e., Computers and printers, Office equipment, and Furniture and fittings. The disposal process realized total proceeds of KSh. 528,765 against a consolidated net book value of the three categories of KSh. 894,168 hence an accounting loss of (KSh. 365,403).

**27. Write off of Motor Vehicle**

Particulars	Motor Vehicles	Total
	Kshs.	Kshs.
<b><u>Cost / Valuation</u></b>		
As at 1st July 2024	12,780,000	12,780,000
Accumulated depreciation	(3,195,000)	(3,195,000)
Net Book Value At 30 June 2025	9,585,000	9,585,000
Salvage Value (Refund from Insurance)	11,700,000	11,700,000
Gain / (Loss) on write off	2,115,000	2,115,000

One of the Commission's vehicles was involved in a road accident, leading to its write-off at net book value of KSh. 9.59m. The Commission later secured a refund for motor vehicle replacement from the Insurance of KSh. 11.7m, hence an accounting gain of KSh. 2.12m.

**28. Mortgage Account (Restricted cash)**

Description	2024-2025	Restated
	Kshs.	2023-2024 Kshs.
At 30 June 2024	-	-
Additional	-	-
<b>At 30 June 2025</b>	<b>-</b>	<b>-</b>

The Mortgage Account has been restated due to its nature as a transfer of funding to the fund account. Consequently, the classification as restricted cash is not applicable, as this fund is held for periods exceeding three years, which is the criterion for restricted cash classification. A prior year adjustment has been made to reflect the restatement, reducing the balance from Ksh. 155,923,446 to Nil.

**29. Car Loan Account (Restricted cash)**

Description	2024-2025	Restated
	Kshs.	2023-2024 Kshs.
At 30 June 2024	-	-
Additional	-	-
<b>At 30 June 2025</b>	<b>-</b>	<b>-</b>

The Staff Car Loan Fund Account has been restated due to its nature as a transfer of funding to the fund account. Consequently, the classification as restricted cash is not applicable, as this fund is held for periods exceeding three years, which is the criterion for restricted cash classification. A prior year adjustment has been made to reflect the restatement, reducing the balance from Ksh. 29,518,000 to Nil.

**30. Covid 19 Fund Account**

Description	2024-2025	2023-2024
	Kshs.	Kshs.
At 30 June 2024	-	2,771,315
Additional	-	-
Expenditure (Partial payment of Pending Bill on Medical (3,511,815)	-	(2,771,315)
<b>At 30 June 2025</b>	<b>-</b>	<b>-</b>

The Covid-19 Fund was established by the Commission in FY 2020/21 to cater for staff expenditure related to the pandemic. The fund had an initial outlay of Ksh.5.1 million and was administered by Jubilee Insurance from CIC Insurance. Following the end of the pandemic, the Commission in the comparative period resolved to utilize the balance in the fund to clear the outstanding medical insurance premiums with Jubilee Insurance.

**31. Trade and other Payables from exchange transactions**

Description		2024-2025 Ksh.		Restated 2023-2024 Ksh.
Staff payables		1,788,325		987,589
Audit Fees		-		-
Trade payables		26,570,676		37,085,515
<b>Totals</b>		<b>28,359,001</b>		<b>38,073,104</b>
Ageing analysis: (Trade and other payables)	<i>FY 2024-25</i>	<i>% of the Total</i>	<i>FY 2023-24</i>	<i>% of the Total</i>
Under one year	28,359,001	100	38,073,104	100
1-2 years				
2-3 years				
Over 3 years				
<b>Total (tie to above total)</b>	<b>28,359,001</b>	<b>100</b>	<b>38,073,104</b>	<b>100</b>

The comparative figures for prior years have been restated to exclude audit fees payable to the Office of the Auditor General amounting to Ksh. 928,000, which are no longer payable for the two-year period. Additionally, trade payables have been adjusted to include rent and interest arrears of Ksh. 2,194,392 and to reflect a reduction of Ksh. 100,000 in the office float deposited at the year-end.

Furthermore, trade payables decreased during the reporting period following the netting off of outstanding rent and interest arrears against the rent deposit. The Commission continues to have two significant outstanding bills related to demolition works and partitioning of new offices at Prism Towers.

**32. Current Provisions (Gratuity)**

Description	Gratuity
<b>Opening bal 1<sup>st</sup> July 2024</b>	4,259,658
Prior years adjustment	135,566
<b>Restated Opening balance 1<sup>st</sup> July 2024*</b>	<b>4,395,224</b>
Additional provisions	2,712,662
Provision utilised	(4,182,638)
Change due to discount and time value for money	
<b>Total provisions year-end 30 June 2025</b>	<b>2,925,248</b>
Current Provisions	
Non-current Provisions	2,925,248

The restatement of the opening balance resulted from an adjustment in the prior year to correct an understatement of the gratuity provision. The reduction in the gratuity provision arose due to a payment made to the former Accounting Officer upon his separation from the Commission.

**33. Retention Account**

Retention	2024-2025 Kshs.	2023-2024 Kshs.
<b><u>A. Contractor</u></b>		
<b>Contract Sum</b>		117,011,951
Balance b/d	5,437,389	-
<b>Retention computation:</b>		
1st Certificate - 10% (30% of 117,011,951)	-	3,510,359
2nd Certificate - 10% (40% of 117,011,951)	-	4,680,478
3rd Certificate - 10% (30% of 15,839,416)	-	1,583,942
<b>Total Retention</b>	-	<b>9,774,778</b>
<b><u>Less:</u></b>		
50% moiety of Retention paid on issue of Certificate of Practical completion (50% of 9,774,778)	-	(4,887,389)
Amount retained and payable after the Defects liability period	-	4,887,389
Final 50% moiety of Retention paid on satisfactory completion of the defects liability period	(4,887,389)	-
<b><u>B. Consultant</u></b>		
<b>Contract Sum</b>	-	<b>11,000,000</b>
<b>Retention computation:</b>		
1st Payment	-	5,000,000
2nd Payment	-	3,250,000
3rd Payment	-	2,200,000

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<b>Retention</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Total Payments	-	10,450,000
<b>Retained amount and payable after the Defects liability period (5% of Contract Sum)</b>	(550,000)	550,000
5% Retention paid on satisfactory completion of the defects liability period		
Total Retention	-	5,437,389

In the prior periods, the Commission engaged M/s Design Works and M/s Corriocom for the design and portioning of its new office premises respectively. The two contractual obligations provided for the retention of 5% and 10% of certified valued work for the designer and contractor respectively. Further, the Contractor's contract provided for a 50% moiety of retention to be paid on the issuance of a certificate of practical completion.

The retained amounts were fully paid on the lapse of the defects liability period and on satisfactory completion of certified works. The amounts were paid from the Commission's deposit account.

#### **34. Surplus remission of unspent Exchequer**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Refund to other Govt entities (NT)	1,475,016	87,897
	<b>1,475,016</b>	<b>87,897</b>

The Public Finance Management Act 2012 requires that any unspent recurrent monies to be returned to the National Treasury (NT) at year-end, hence the remittance.

#### **35. Prior Year's adjustments**

##### **Nature of the prior year error**

The prior year's adjustments were necessitated by the following factors: an adjustment related to the provision for VAT on a rent deposit in the financial year 2010/11, which was incorrect as a provision and payment of the same had not been made at that time; interest charged on rent arrears for the financial year 2023/24 by the former landlord, resulting from delayed payments in 2018; an underprovision of gratuity expenses for contractual staff in the financial year 2023/24; the reversal of audit fees payable between government entities; the surrender of Ksh. 100,000 previously allocated for office petty cash, the inclusion of inventories as a disclosure under current assets, and the reclassification of funding to the Staff Mortgage and Car Loan Fund from restricted cash to transfers.

**Effect on Financial Statements**

Line item	Previously reported (Ksh.)	Prior Period Adjustment	As restated.
Rent deposits (Refundable deposits)	21,992,532	-2,586,665	19,405,867
Provision for Gratuity	4,259,658	135,566	4,395,225
Audit fees	928,000	-928,000	-
Other Trade payables	34,991,123	2,094,392	37,085,515
Inventories	-	1,698,185	1,698,185
Mortgage Account (Restricted Cash)	155923446	-155,923,446	0
Car Loan Account (Restricted Cash)	29,518,000	-29,518,000	-
<b>Statement of Changes in Net Assets</b>	<b>Previously Reported (Kshs) as at (1 July 2023)</b>	<b>Prior Period Adjustment (kshs)</b>	<b>As Restated(kshs)</b>
Accumulated Surplus	351,841,035	(187,960,318)	163,880,717
<b>Statement of Financial Performance</b>	<b>Previously Reported (Kshs)2023/2024</b>	<b>Prior Period Adjustment (kshs)</b>	<b>As Restated(kshs)</b>
Audit Fees	464,000	(464,000)	-
Gratuity	2,407,896	135,566	2,543,462

**36. Authority to Incur Expenditure (AIE)**

Description	2024-2025 Kshs.	2023-2024 Kshs.
AIE from the National Treasury	-	12,000,000
<i>Adjusted for:</i>		
Total Expenditure	4,500	11,944,980
Excess refunded to TNT	-	50,520
Excess to be refunded to TNT in the subsequent year	-	4,500
<b>Total</b>	<b>4,500</b>	<b>12,000,000</b>

The Commission was granted AIE from the National Treasury to launch the Model Tariffs and Pricing Policy in the last financial year. A return of the same was submitted to the National Treasury before the year closure in FY 2023/24. The balance of Ksh. 4,500 was written back in the books and was utilized in the reporting period to partially settle an outstanding bill related to the activity.

**37. Cash generated from operations**

	2024/2025	2023/2024
	Kshs	Kshs
<b>Surplus for the year before tax</b>	<b>(34,702,407)</b>	<b>(23,025,649)</b>
<b>Adjusted for:</b>		
Depreciation and Amortization	43,338,217	37,125,384
Gains and losses on disposal of assets	(1,749,597)	-
Foreign Exchange Gain	(6,160,304)	-
<b>Working capital adjustments</b>		
Increase in inventory	(874,550)	(1,698,185)
Increase in receivables and refundable deposits	19,856,203	56,301,309
(Decrease)/ increase in retention	(5,437,389)	5,437,389
(Decrease)/ increase in payables and provisions	(11,184,079)	31,373,166
<b>Net cash flow from operating activities</b>	<b>3,086,094</b>	<b>105,513,414</b>

The net cash flow from operating activities measures the cash generated or used in the core business functions during a period. The huge drop was mainly occasioned by significant decrease in receivables.

**38. Financial Risk Management**

The Commission regularly reviews its risk management policies and systems to reflect changes in markets and emerging best practices. Risk management is carried out by the management under the direct supervision of the Commission.

The Commission provides policies for overall risk management as well as policies covering specific areas such as credit risk and liquidity risk.

**(a) Credit Risk Management**

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Commission. Credit Risk arises from bank balances, receivables and amounts due from related parties. Although this risk is unlikely to occur in the short term, its mitigated as follows; (a) Cash and short-term deposits are placed with well established financial institutions of high credit standing, (b) The Commission does not raise debtors in its ordinary course of business apart from those arising from related parties or members of staff which can easily be recovered. Credit risk with respect to accounts receivable is limited due to the nature of the Commission's business and its reliance on government grant as the main source of funding.

The amount that best describes the Commission's exposure to credit at the end of the financial year is made up of;

- i. Cash and bank balances
- ii. Prepayments
- iii. Deposits
- iv. Outstanding salary advances
- v. Outstanding Staff travel imprests.

#### Credit Risk Analysis

Description	Total amount	Fully performing
	KShs	KShs
<b>As at 30<sup>th</sup> June 2025</b>		
Receivables from exchange transactions	22,357,445	22,357,445
Bank balances	252,821	252,821
<b>Total</b>	<b>22,610,266</b>	<b>22,610,266</b>
<b>As at 30 June 2024</b>		
Receivables from exchange transactions (Restated)	42,213,648	42,213,648
Bank balances	6,836,219	6,836,219
<b>Total</b>	<b>49,049,867</b>	<b>49,049,867</b>

During the reporting period, the Commission's receivables from exchange transactions, which include prepayments, deposits, and other amounts owed, experienced a significant reduction in credit risk exposure. This was due to the netting off of outstanding rent owed to the previous landlord against the rent deposit held for the premises at 14 Riverside Drive. The original transaction was denominated in USD at \$93.35, but the offset applied in June 2025 was calculated using the prevailing exchange rate of USD 130.75.

Additionally, the refundable deposit was restated to cater for the VAT provision for rent deposit.

#### (b) Liquidity Risk

This is the risk that the Commission will not be able to meet its financial obligations when they fall due. The Commission manages this risk by always ensuring there is sufficient liquidity to meet its liabilities when due, under both normal and constrained conditions, without incurring unexpected losses. Further, the Commission ensures the availability of sufficient cash on demand to meet expected operational expenses, including servicing of financial obligations.

The amount that best describes the Commission's exposure to liquidity risk at the end of the financial year comprises of;

- i. Trade payables,
- ii. Staff payables and

iii. Accrued gratuity.

**Liquidity Risk Analysis**

Description	Less than	Between 1-	Over 5	Total
	1 month	3 months	months	
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025</b>				
Trade payables	-	-	26,570,676	26,570,676
Gratuity Provisions	-	-	2,925,248	2,925,248
Employee benefit obligation	-	-	1,788,325	1,788,325
<b>Total</b>	-	-	<b>31,284,249</b>	<b>31,284,249</b>
<b>As at 30<sup>th</sup> June 2024</b>				
Trade payables (Restated)	-	-	37,085,515	37,085,515
Gratuity Provisions (Restated)	-	-	4,395,224	4,395,224
Employee benefit obligation	-	-	987,589	987,589
<b>Total</b>	-	-	<b>42,468,328</b>	<b>42,468,328</b>

**(c) Capital Risk Management**

The objective of the Commission's capital risk management is to safeguard the Commission's ability to continue as a going concern. The Commission's capital structure comprises the following funds.

**Liquidity Risk Analysis**

	2024/2025	2023/2024
	Kshs	Kshs
Revaluation Reserve	33,972,000	33,972,000
Accumulated Surplus	95,506,451	136,282,714
Capital Reserve		
<b>Total Funds</b>	<b>313,221,712</b>	<b>357,886,598</b>
Total Borrowings	-	-
Less: Cash And Bank Balances	(252,821)	(6,836,219)
Net Debt/(Excess Cash And Cash Equivalentents)	312,968,891	351,050,380
<b>Gearing</b>	<b>100%</b>	<b>98%</b>

**39. Related party balances**

**a) Nature of related party relationships**

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) National government Fund

- b) Key management;
- c) Board of Trustees / Committee; etc.

**b) Related party transactions**

**i. Transfers from related parties**

Description	2024/25 Kshs.	2023/24 Kshs.
Transfers from related parties	366,623,874	459,170,062
<b>Total</b>	<b>366,623,874</b>	<b>459,170,062</b>

**ii. Key management remuneration**

Description	2024/25 Kshs.	2023/24 Kshs.
Board of Trustees	-	-
Key Management Compensation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Key management compensation has been detailed in the total employee costs.

**40. Events after the Reporting Period**

There were some material adjustments after the reporting period.

**41. Ultimate and Holding Entity**

The Commission, being a constitutional commission, has its own vote 2061.

19 ANNEXES

**Annex I. Progress on follow-up of Audit recommendations**

The Commission received an unmodified audit opinion for the CRA main account. **Appendix I** presents a detailed account of the audit issues identified in the financial year 2023/24, along with the corresponding management responses and action taken by the Commission to date.

Ref No on the external audit report	Issue / Observation from Auditor	Management Comments	Status:	Time frame:
2235	<p><b>Delayed Completion of Office Partitioning Works</b> The statement of financial position reflects a balance of Kshs.161,145,790 in respect to property, plant and equipment as disclosed in Note 26 to the financial statements. The balance includes additions of Kshs.97,935,861 in respect of furniture, fittings and refurbishment. Review of procurement process revealed that the Commission on 15<sup>th</sup> December, 2023, entered into a contract for proposed partitioning works on 28<sup>th</sup>, 29<sup>th</sup>, and 30<sup>th</sup> floors of Prism Towers. The contract was awarded to a local Company for office partitioning works at a contract sum of Kshs.117,011,951. The contract duration was 3 months, with a one month's extension granted, and the works expected to be completed by 30<sup>th</sup> April 2024. Review of the information provided indicate that although the contractor had been issued with a</p>	<p>M/s Coricom Limited was awarded the contract for proposed office partitioning work on the 28th, 29th, and 30th floors for three months from January 5th, 2024 to March 29, 2024. The contract was extended for one month, expiring on April 30, 2024. The Defects Liability Period (DLP) commenced on 3<sup>rd</sup> May, 2024 for six (6) months which expired on 3<sup>rd</sup> November 2024. The Contractor made an application on 30<sup>th</sup> October 2024 requesting an extension of the contract defects liability period for three (3) Weeks via a letter dated 30<sup>th</sup> October 2024 to enable them to complete the delivery of the outstanding items (CCU and Sounder Base Beacons), citing delay in shipment by the manufacturer.</p>	Awaiting final payment	FY25/26

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Ref No. on the external audit report	Issue / Observation from Auditor	Management Comments	Status:	Time frame:
	<p>certificate of practical completion, the contactor had completed works valued at Kshs.97,747,781 or 83% of the contract sum. At the time of audit, the contractor had left site with the Commission having occupied the new offices contrary to Regulation 33(3)(u) of the Public Procurement and Asset Disposal Regulations, 2020 which states that the role of the procurement function shall be to monitor contract management by user departments to ensure implementation of contracts in accordance with the terms and conditions of the contracts.</p> <p>In the circumstances, the Management was in breach of the law.</p>	<p>The matter was tabled during the 20<sup>th</sup> Contract Implementation Team meeting held on 30<sup>th</sup> October 2024 where members deliberated on the matter citing the necessity of items to the Commission and recommended that the Defects Liability Period be extended for six months to subject the two equipment to a full defect's liability period of six months from the date of installation and commissioning to cushion the Commission against any risks of defects that may occur during installation.</p> <p>In a letter dated 22<sup>nd</sup> November 2024 the Commission considered the request by the contractor and extended the Defects Liability Period for a further period of six months for the two outstanding items. The extension of contract defects liability period was done in accordance with the law as provided for in section 11.3 of the contract document under defects liability which states that, <i>'The Procuring Entity shall be entitled subject to Sub-Clause 2.5 [Procuring Entity's Claims] to an extension of the Defects Notification Period for the Works or a Section if and to the extent that the Works, Section or a major item of Plant (as the case may be, and after taking over) cannot be used for the purposes</i></p>		

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Ref No. on the external audit report	Issue / Observation from Auditor	Management Comments	Status: Time frame:
		<p><i>for which they are intended by reason of a defect or by reason of damage attributable to the Contractor. However, a Defects Notification Period shall not be extended by more than two years.</i></p> <p>The Commission held retention money equivalent to 5% to cushion against any risks of default that would occur before the end of the defects liability period. The certified amount totalling to Kshs. 97,747,781.00 was based on the actual work completed on-site as per the valuation and inspection of works completed.</p> <p><b>Variation to the Bills of Quantities.</b></p> <p>During implementation, actual quantities of materials and labour differed from the estimates in the original Bill of Quantities (BQ). Each interim payment certificate was reconciled against the Quantity Surveyor's Valuation of Works Report to reflect the executed quantities</p> <p><b>Outstanding Payment and Retention Amounts</b></p> <p>In February 2025, the contractor submitted a penultimate certificate of Ksh. 8,665,204 for payment after the delivery of the outstanding items for payment. The two equipment were since installed and subjected</p>	

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Ref No. on the external audit report	Issue / Observation from Auditor	Management Comments	Status:	Time frame:
2236	<p><b>Irregular Payment of Commissioners' Leave Allowance</b></p> <p>The statement of financial performance reflects receivables from non-exchange transactions of Kshs.44,615,650 as disclosed in Note 25 to the financial statements. Included in the balance is Commissioners leave allowance for recovery of Kshs.280,000 that had been paid by the Commission. Although Management explained that the Commissioners had agreed to reimburse the leave allowance, the payment was contrary to Article 250 (7) of the Constitution of Kenya 2010 which states that the remuneration and benefits payable to or in respect of a commissioner or the holder of an independent office shall be a charge on the Consolidated Fund.</p> <p>In the circumstances, the Management was in breach of the law and the National Treasury Guidelines.</p>	<p>to a six-month DLP period which ended 30<sup>th</sup> August 2025. The Commission, however, did not retain the 5% of cost (Ksh.140,040) due to the unavailability of the budget. The total gross amount of Ksh. 8,805,244 will be paid in the next financial year 2025/26 upon approval by the Commission.</p>	Outstan ding amount has been cleared	

Ref No, Issue / Observation from Auditor on the external audit report	Management Comments	Status:	Time frame:
<p><b>2237</b></p> <p><b>Non-Compliance with Guidelines on Staff Recruitment.</b> The statement of financial performance reflects employee costs of Kshs.213,395,952 as disclosed in Note 16 to the financial statements. Review of human resources records revealed that Management recruited nine (9) members of staff in the period under review. However, written confirmation of availability of funding from the National Treasury, and necessary approvals from the relevant entities in the Public Service mandated to undertake recruitment were not provided for audit. This is a requirement as outlined in the provisions of The National Treasury Circular No 7/2023 dated 21 June, 2023 on Guidelines for Implementation of the financial year 2023/2024 and the medium-term budget which states that recruitment of new staff / replacement / upgrading/promotion of staff should only take place after the MDAs have obtained written confirmation of availability of funding from The National</p>	<p>The nine staff recruited during the review period were personal staff to the Commissioners. Their contracts were tied to their term of Office as envisioned in the CRA Human Resources and Procedures Manual section 2.8 on “Contract Terms of Employment”. The specific clause is as cited below: <b>Contract Terms of Employment (Excerpt from CRA HR Manual)</b>  2.8.1 Appointment on contract terms shall apply to employees appointed to undertake assignments within a specific period.  2.8.2 Appointments on contract shall be for a maximum of five (5) years, save for instances where the contract period is for a shorter period and may be renewed subject to satisfactory performance by the Commission acting on the advice of the Commission Secretary/CEO. The Commission Secretary in consultation with the Commission shall</p>		

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Ref No. on the external audit report	Issue / Observation from Auditor	Management Comments	Status:	Time frame:
	<p>Treasury, and necessary approvals from the relevant entities in the Public Service mandated to undertake recruitment. Further, Section 120 (2) of The Public Finance Management (National Government) Regulations, 2015 stipulates that the budgetary allocation for personnel costs shall be determined on the basis of a detailed costing of a human capital plan of a national government entity as approved by the state department responsible for public service management matters, the Public Service Commission and The National Treasury.</p> <p>In the Circumstances, Management was in breach of the law</p>	<p>determine the contractual appointment for personal staff (if any) attached to Commissioners during their tenure.</p> <p>2.8.2.1 Personal Staff are described as employees whose contracts are tied to the term of office of a State Officer. Such staff can be categorized as Drivers, Support Staff and or Personal Assistants as approved by the Commission in consultation with the CEO.</p> <p>The selection and appointment procedure shall entail:</p> <ol style="list-style-type: none"> <li>1. Declaration of vacancies</li> <li>2. Review of Job descriptions/Person specifications</li> <li>3. Establish if the candidate meets the requirements for the position</li> <li>4. Suitability/assessments with recommended Officer by an adhoc committee as appointed by CEO.</li> <li>5. Submission of suitability/assessment reports to the CEO</li> <li>6. Authentication of certificates/testimonials</li> </ol>		

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Ref No. on the external audit report	Issue / Observation from Auditor	Management Comments	Status: Time frame:
2238	<p><b>Non-Compliance with the Law on Public Procurement</b></p> <p>Review of the revised procurement plan for the period under review revealed planned procurement valued at Kshs.245,430,359. However, it was noted that the reserved allocation for Access to Government Procurement (AGPO) was Kshs.26,154,204 or 11% of the total procurement budget. This is below the required threshold of 30% by the Public Procurement and Asset Disposal Act. Although Management indicated that revision of the procurement budget affected mostly the reserved procurement items under AGPO groups, it was contrary to Section 157(5) of the Public Procurement and Asset Disposal Act,2015 which states that an accounting officer of a procuring entity shall, when processing procurement, reserve a prescribed percentage of its procurement budget, which shall not be less than thirty per cent, to the disadvantaged group and comply with the</p>	<p>7. Due diligence before presentation for approval of appointment</p> <p>8. Approval of appointment by the Commission</p> <p>The annual procurement budget for FY 2023/24 was Kshs. 245,430, 359.00 which included Kshs. 57,113,076 set aside for fixed overheads and utilities (rent, electricity, and service charge) and Kshs. 126,154,204 for construction works for the new offices at Prism Towers' 28th, 29th &amp; 30th floors, and therefore, only Kshs. 26,154,204 out of the remaining budget was reserved for the disadvantaged groups (AGPO), which translates to 13.89% of the entire budget for the procurable items with inclusion of the fixed overheads and utilities.</p> <p>This was reported to the relevant authorities via a letter dated 4th October 2023 as to the reason why the Commission did not meet the requirements of section 53 (6) and 158 (2) of the Public Procurement and Asset Disposal Act 2015</p>	

Ref No. on the external audit report	Issue / Observation from Auditor	Management Comments	Status:	Time frame:
2239	<p>provisions of this Act and the regulations in respect of preferences and reservations.</p> <p>In the circumstances, the Management was in breach of the law.</p>	<p>The Fringe Benefits Tax constitutes a liability for the sponsor. Since the inception of the Staff Mortgage and Car Loan Schemes, the Commission has managed this expense through its main budget in accordance with the provisions of Section 12B of the Income Tax Act, Cap 470.</p> <p>During the review period, the Commission experienced significant budget reductions across various expenditure items, including those allocated for the Staff Mortgage and Car Loan schemes. Consequently, this resulted in an outstanding liability relating to the Fringe Benefits Tax. Despite a request to increase the allocation for this expenditure line during the payable commencing on the 12 June, 1998 by every employer in respect of a loan provided at an interest rate lower than the market interest rate to an individual who is a director or an employee or is a relative of a director or an employee, by a virtue of</p>	<p>Matter resolved</p>	

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Ref No on the external audit report	Issue / Observation from Auditor	Management Comments	Status:	Time frame:
2240	<p>his position as a director or his employment or the employment of a person to whom is related. Under the Act, the rate applicable is 30% of the benefit equal to the difference between the interest at the prescribed market lending rate and the actual interest paid on the loan.</p> <p><b>Unauthorized Budget Reallocation</b> The statement of financial performance reflects an amount of Kshs.215,867,785 in respect of general expenses as disclosed in Note 20 to the financial statements. The expenditure includes Kshs.26,136,981 in respect of domestic travel which further includes expenditure of Kshs.1,743,708 incurred in respect of conference package and ought to be expensed under hotel and conference expenditure item. Although Management explained that it was due to budget cuts, approvals for reallocation were not provided for audit. This is contrary to Regulation 44(2) of the Public Finance Management (National Government) Regulations, 2015 which states that National government entities shall execute their approved budgets based on the annual appropriation legislation, and the approved</p>	<p>The pending obligation has since been settled in the current financial year 2025/26</p>	Matter resolved	


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Ref No. on the external audit report	Issue / Observation from Auditor	Management Comments	Status:	Time frame:
	annual cash flow plan with the exception of unforeseen and unavoidable spending dealt with through the Contingencies Fund, or supplementary estimates.			
2241	<p><b>Rent Expenses on Unoccupied Office Space</b></p> <p>The statement of financial performance reflects general expenses of Kshs.215,867,785 as disclosed in Note 20 to the financial statements. Included in the balance is rent expenses of Kshs.99,198,649. Review of expenditure records provided for the audit revealed that the Commission entered into a lease agreement with Prism Towers starting from 1st July 2023 and made an advance payment for the full year's rent. However, it was noted that the Commission was still domiciled at their former residence as the works for the new offices were yet to begin. The procurement for the partitioning of works begun in October 2023, with the award of the contract done in December, 2023. This resulted to the Commission paying rent amounting to Kshs.21,440,947 for unoccupied space before the contractor took over site and the works begun. In the circumstances, value for money was not achieved for rent paid in respect of unutilized space</p>	<p>After the termination notice with Cape holding in February 2023 to vacate on 31<sup>st</sup> August 2023, the Commission went into the procurement of new office premises. Since we could not get a fit-out period, the Commission had limited options other than entering into a contract with the current landlord at Prism Towers, which gave us access to start office layout design and later the tendering of the partitioning works.</p> <p>On execution of the said project, several delays were experienced i.e. Approval of the designs by the Commission went beyond the envisioned timeline of October 2023. Additionally, further delays were experienced after one of the unsuccessful bidders proceeded to the PPRA Review Board to stop the process, citing claims of procurement irregularities on the award of tender to the successful bidder. The PPRA Board's review took approximately one month before</p>		

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Ref No. on the external audit report	Issue / Observation from Auditor	Management Comments	Status: Time frame:
	<p>of Kshs.21,440,947. This is contrary to Regulation 43(d) of Public Finance Management (National Government) Regulations, 2015 which states that an Accounting Officer shall manage control and ensure that policies are carried out efficiently and wastage of public funds is eliminated.</p>	<p>embarking again on the project process by the Commission. The Commission in FY 2022/23 was allocated a total of Kshs. 150 million for the two multi-year project. The first year's allocation of Ksh.80 million enabled the Commission to begin preliminaries of the relocation process and to secure the building.</p>	

  
CPA Mary Wanyonyi Chebukati  
Chairperson of the Commission

  
CPA Robre Nuno  
Ag. Accounting Officer

  
CPA Maureen Kavin Junge  
Head of Accounting Unit  
ICPAK M/No. 9883



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S/No.	Item	Supplier	Description	Year	Closing Balance FY 23/24	PV No.	Payments FY 24/25	Prior Year's Adjustments	Pending Bills FY 24/25	Closing Balance FY 24/25
14	2210801	Netasam limited	Breakfast, stakeholder consultation meeting	23/24	89,847	10192	89,847			-
15	2210801	Naivas Limited	Supplies June 2024	23/24	46,417	10174	46,417			-
16	2210801	Naivas Limited	Supplies June 2024	23/24	36,309	10174	36,309			-
17	2210801	Raphame Services	VAT for Jan 2024	23/24	700					700
18	2210801	Netasam limited	Commission's snacks and lunch Oct 24	24/25					273,150	273,150
19	2210801	Netasam limited	Commission's snacks and lunch Nov 24	24/25					189,470	189,470
20	2210801	Netasam limited	Commission's snacks and lunch Dec 24	24/25					659,300	659,300
21	2210801	Netasam limited	Commission's snacks and lunch Jan 25	24/25					76,850	76,850
22	2210802	Audit committee allowances	2210801 QIV Meeting	23/24	1,297,673		1,296,973	-	1,198,770	1,199,470
23	2210802	Unpaid PAYE for 31/1/24		23/24	52,000	180924/180924/1/2/3	52,000			-
24	2210802	Audit committee allowances (Tax)		24/25	4,800					4,800
25	2210802	villa rosa Kempinsko	ACGRMC-Tax for 24th meeting	24/25					15,600	15,600
26	2210802	Postmortem Retreat - MTTP	2210802-Audit	23/24	56,800	0	52,000	-	15,600	20,400
27	2210802	Gelian Hotel Machakos	ESR-Venue for stakeholder consultative forum	23/24	308,880	10263	308,880			-
			Stoni Arthi	23/24	118,800	10085/1, 10085/2	118,800			-
			End of year closing procedures	24/25					197,600	197,600
			2210802		427,680		427,680	-	197,600	197,600

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S/No.	Item	Supplier	Description	Year	Closing Balance FY 23/24	PV No.	Payments FY 24/25	Prior Year's Adjustments	Pending Bills FY 24/25	Closing Balance FY 24/45
28	2210904	CIC	Provision for General and MV Insurance	24/25	-				2,097,923	2,097,923
29	2210910	Jubilee Health Insurance	GPA & WIBA Insurance cover	24/25	-				437,463	437,463
			<b>2210910</b>		-	0	-	-	<b>437,463</b>	<b>437,463</b>
30	2211201	Ramji Devani	Unpaid VAT - Feb 24	23/24	25,404					25,404
31	2211201	Ramji Devani	Fuel - Bill June 25	24/25					647,250	647,250
			<b>2211201</b>		25,404	0	-	-	<b>647,250</b>	<b>672,654</b>
32	2211305	Bank Charges - April 24		23/24	5,060					-
										5,060
33	2211305	Sparkling Clean Services Ltd	Cleaning Services for May 2024	23/24	278,650	10271	278,650			-
34	2211305	Sparkling Clean Services Ltd	Cleaning Services for June 2024	23/24	278,650	10267	278,650			-
35	2211305	Cobra Security	Security Services for June 2024	23/24	79,550	10273	79,550			-
36	2211305	Sparkling Clean Services Ltd	Cleaning Services for May 2025	24/25					46,851	46,851
37	2211305	Sparkling Clean Services Ltd	Cleaning Services for June 2025	24/25					265,450	265,450
			<b>2211305</b>		636,850		636,850	-	<b>312,301</b>	<b>312,301</b>
38	2211310	Auditor General	Audit fee for 2021/22	21/22	-					-
39	2211310	Auditor General	Audit fee for 2021/22	22/23	464,000					
40	2211310	Auditor General	Audit fee for FY22/23	23/24	464,000					
			<b>2211310 - Audit OAG</b>		928,000	0	-	-	-	-

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S/No.	Item	Supplier	Description	Year	Closing Balance FY 23/24	PV No.	Payments FY 24/25	Prior Year's Adjustments	Pending Bills FY 24/25	Closing Balance FY 24/25
41	2211310	Legal Fee	Constitutional Petition E473 and Petition E456 of 2023	23/24	712,880	10818	712,880	-	-	-
42	2220101	CFAO	2211310 Motor Vehicle Repairs	23/24	712,880	10818	712,880	-	-	-
43	2220101	CFAO	Motor Vehicle Repairs	23/24	161,948	10186	161,948	-	-	-
44	2220101	Bigisell Supplies	Motor Vehicle Repairs	23/24	96,639	10265	96,639	-	-	-
45	2220101	Lizmart Agencies Ltd	Motor Vehicle Repairs	23/24	124,062	10254	124,062	-	-	-
46	2220101	LAND FORD AND BOOST ENTERPRISES	Motor Vehicle Repairs	23/24	50,000	PO3865	50,000	-	-	-
47	2220101	Welma Agencies	Motor Vehicle repairs GKA 843X	23/24	122,000	10275	122,000	-	-	-
48	2220101	Jeb Motors	Motor Vehicle Repairs	24/25			554,649	-	45,248	45,248
49	2220201	MFI - Bounced Payment for CRA210324/12	Motor Vehicle Repairs	24/25			4,420	-	4,420	4,420
50	2220201	MFI	Printer maintenance	23/24	28,500	,10447/2	28,500	-	49,668	49,668
51	3110302	NYS	2220201 Demolition Works	24/25	28,500		28,500	-	86,848	86,848
52	3110302	Coricom Ltd	Partitioning works at Prism Towers	23/24	4,982,260				86,848	86,848
53	4110405	Fringe Benefit Tax	3110302 Mortgage Fund FY 2023/24	24/25	4,982,260				8,805,244	4,982,260
54	4110405	Fringe Benefit Tax	Mortgage Fund FY 2024/25	23/24	3,145,926		3,374	-	8,805,244	8,805,244
55	3111112	TECHLOAD LIMITED	4110405 & 4110405 ASSORTED ICT SOFTWARE	24/25	3,145,926	0	3,374	-	8,805,244	13,787,504
				23/24	1,134,700	10220	1,134,700	-	4,431,085	3,142,552
							3,374	-	4,431,085	4,431,085
							3,374	-	4,431,085	7,573,637
							1,134,700	-		-

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S/N <sup>o</sup> .	Item	Supplier	Description	Year	Closing Balance FY 23/24	PV No.	Payments FY 24/25	Prior Year's Adjustments	Pending Bills FY 24/25	Closing Balance FY 24/25
			3111112		1,134,700		1,134,700	-	-	-
56	2210100	Housing Levy June 24	Jan-24	23/24	16,177					16,177
57	2210100	Car Loan Repayment	March	23/24	160,688	271124/10	160,688			-
			2210100		176,865		160,688	-	-	16,177
58	2120103	NITA	April 24	23/24	4,600					4,600
59	2120103	NITA	Nov-24	24/25					4,300	4,300
			2120103		4,600		-	-	4,300	8,900
			<b>TOTAL PENDING BILLS</b>		<b>35,919,123</b>		<b>26,802,718</b>	<b>-</b>	<b>18,382,271</b>	<b>26,570,676</b>

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Annex III. Analysis of Commissioners and Staff Payables (KShs)

S/No.	Item	Supplier	Description	Year	Closing Balance FY 23/24	PV No.	Payments FY 24/25	Prior Year's Adjustments	Pending Bills FY 24/25	Closing Balance FY 24/25
1	2210100	Housing Levy - All Staff	January	23/24	197,878	CRA271124, CRA271124/2	197,878			0
2	2210100	Housing Levy - All Staff	February	23/24	203,733	CRA271124, CRA271124/2, CRA261124/1	203,733			-
3	2210100	Fridah Mutua	Sal Increment Arrears (March-June)	23/24	37,852	August 24 payroll	37,852			-
4	2210100	Boniface Kivuva	Sal Increment Arrears (May-June)	23/24	5,846	August 24 payroll	5,846			-
5	2210302	Fridah mutua	<b>2210100</b> Airport transfer	23/24	<b>445,309</b> 9,000	CLAIM00330/1	<b>445,309</b> 9,000			<b>0</b> -
6	2210302	John Lokodo Gabana	Night out - Muranga	23/24	12,600	PV10120	12,600			-
7	2210302	Dr. Gladys Nyanchama Asuga	DSA for DPSM staff	23/24	50,400	PV09956/1	50,400			-
8	2210302	Sylvia Barasa	Postmortem Retreat on MTPP	23/24	12,000	10144	12,000			-
9	2210302	Gabana John	Machakos-Retreat for draft of 4th Basis	23/24	75,600	CL- AIM00383	75,600			-
10	2210302	Brian Saleon	Machakos-Retreat for draft of 4th Basis	23/24	75,600	CLAIM00382	75,600			-
11	2210302	Renny Mutai	Machakos-Retreat for draft of 4th Basis	23/24	84,000	IW04534/	84,000			-
12	2210302	George Njuguna	Machakos-Retreat for draft of 4th Basis	23/24	75,600	PV10159	75,600			-
13	2210302	Hadija Juma	Retreat of Commissioners with SDPS	23/24	54,600	IW04353/1	54,600			-
14	2210302	Various Staff	DSA on OSR Mapping guidelines	24/25					745,500	745,500
15	2210302	Geoffrey Ntooki	DSA End of year 24/25	24/25					78,400	78,400
16	2210302	Elkana Sein	DSA End of year 24/25	24/25					78,400	78,400
17	2210302	Andrew Munyao	DSA End of year 24/25	24/25					78,400	78,400
18	2210302	Phillip Karisa & Oyoo Benard	Driver & Security subsistence	24/25					37,800	37,800

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S/No.	Item	Supplier	Description	Year	Closing Balance FY 23/24	PV No.	Payments FY 24/25	Prior Year's Adjustments	Pending Bills FY 24/25	Closing Balance FY 24/25
19	2210302	Various	Driver & Security subsistence	24/25					264,600	264,600
20	2210302	Various	Driver & Security subsistence	24/25					315,000	315,000
21	2210302	Various	Driver & Security subsistence	24/25					25,200	25,200
23	2210604	Phillip Karisa	<b>Domestic - 2210302</b> Expressway charges	24/25	449,400		449,400	-	1,623,300	1,623,300
24	2210604	Chairpeson	Expressway charges	24/25					4,290	4,290
25	2210910	Jennifer Nafula	<b>Hire of transport- 2210604</b> Medical claim June 2024	23/24	15,000	CRA/PV10121	15,000	-	8,630	8,630
26	2210910	David Shikumo	Medical claim June 2024	23/24	12,700	CRA/PV10115	12,700			-
27	2210910	Maureen Junge	Medical claim June 2024	23/24	1,000	CRA/PV10114	1,000			-
28	2210910	Maureen Junge	Medical claim June 2024	23/24	460	CRA/PV10117	460			-
29	2210910	Maureen Junge	Medical claim June 2024	23/24	450	CRA/PV10116	450			-
30	2210910	Jennifer Nafula	Medical claim June 2024	23/24	12,480	CRA/PV10118	12,480			-
31	2210910	Maureen Junge	Medical claim June 2024	23/24	790	CRA/PV10119	790			-
32	2210910	Lawrence Katana	Medical claim June 2024	23/24	50,000	CRA/PV10462	50,000			-
33	2210910	Lawrence Katana	Medical Claim	24/25					3,390	3,390
34	2210910	Maureen Junge	Medical Claim	24/25					750	750
35	2211201	Comm. Hadija	<b>Medical Insurance/Claim - 2210910</b>		92,880	-	92,880	-	4,140	4,140
36	2211201	Comm. Hadija	Fuel	24/25					15,000	15,000
37	2211201	Dr. Midiwo	Fuel	24/25					12,000	12,000
38	2211201	Chairpeson	Fuel	24/25					17,000	17,000
39	2211201	Vice Chairperson	Fuel	24/25					20,000	20,000
40	2211201	Comm. Hadija	Fuel	24/25					7,500	7,500
41	2211201	Dr. Midiwo	Fuel	24/25					12,000	12,000
42	2211201	Dr. Midiwo	Fuel	24/25					10,000	10,000
43	2211201	Salvatory	Fuel	24/25					36,149	36,149
44	2211201	Elkana Sein	Fuel	24/25					9,500	9,500
		<b>Others</b>	<b>Fuel - 2211201</b>						3,000	3,000
									<b>142,149</b>	<b>142,149</b>

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S/No.	Item	Supplier	Description	Year	Closing Balance FY 23/24	PV No.	Payments FY 24/25	Prior Year's Adjustments	Pending Bills FY 24/25	Closing Balance FY 24/25
45	2220101	Dr. Midiwo	Motor Vehicle Maintenance	24/25					10,000	10,000
46	6710103	William Birech	Over deduction of SA	24/25					106	106
		<b>TOTAL</b>			987,589		987,589	-	1,788,325	1,788,325

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Annex IV - Gratuity Provisions

S/No	Supplier	Description	Basic	Appointment	FY21/22	FY22/23	FY23/24	Revised Provisions FY23/24	Audited Provisions FY 23/24	Prior Year's Adjustments	FY24/25	Total Cumulative Gratuity	Amount Paid in FY24/25	Closing Balance FY 24/25
1	James Katule	Accrued Gratuity			462,210	1,450,800	1,504,368	3,417,378	3,430,530	(13,152)	667,260	4,084,638	4,084,638	(0)
2	Boniface Mati Kivuva	3 Years Contract	43,308	02/05/23		26,851	162,918	189,769	42,995	146,774	127,135	316,904	98,000	218,904
3	Richard Maikuri Kebu	4 Years Contract	43,308/46,231	01/08/23			147,680	147,680	157,648	(9,967)	126,229	273,909		273,909
4	George Njuguna Wambui	5 Years Contract	46,231	01/08/23			157,648	157,648	157,648	-	181,947	339,594		339,594
5	Elizabeth Khisa Wafula	6 Years Contract	32,889	01/02/24			50,978	50,978	47,304	3,674	126,022	177,000		177,000
6	Dickson Kipruto Ndara	7 Years Contract	46,231	01/02/24			71,658	71,658	67,127	4,531	176,510	248,168		248,168
7	Brian Lemayian Salaon	8 Years Contract	46,231	01/02/24			71,658	71,658	67,127	4,531	176,510	248,168		248,168
8	Hamza Juma Nambwaya	9 Years Contract	46,231	01/02/24			71,658	71,658	67,127	4,531	176,510	248,168		248,168
9	Alvin Walubengo Wafula	10 Years Contract	210,000	02/04/24			195,300	195,300	195,300	-	781,200	976,500		976,500
10	Jackson Owino Odundo	11 Years Contract	46,231	14/05/24			21,497	21,497	26,851	(5,354)	173,339	194,836		194,836
		<b>Gratuity-2710101</b>			<b>462,210</b>	<b>1,477,651</b>	<b>2,455,364</b>	<b>4,395,224</b>	<b>4,259,658</b>	<b>135,566</b>	<b>2,712,662</b>	<b>7,107,886</b>	<b>4,182,638</b>	<b>2,925,248</b>

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Annex V - Financial Statements Reconciliation on Accrual and Cash Basis

Item	No.	Title and Details	Revised Budget Estimate 2024/25	Actual Expenditure in IFMIS	Commissioners	Actual Cash Expenditure FY 24/25	Prepayment B/D	Prepayment C/D	Closing Stock	Payables Paid in FY 24/25	Payables FY 24/25	Actual Accrued Expenditure FY 24/25
			A	B	C	D=B+C	E	F	G	H	I	J=D+E+F+G+H+I
(i)		<b>REVENUE</b>										
9910201	<b>I</b>	GoK Exchequer	368,072,328	366,623,874		366,623,874						366,623,874
1420102	<b>1 (a)</b>	A.I.A	12,700,000	12,228,765		12,228,765						12,228,765
		<b>Total Inflow</b>	<b>380,772,328</b>	<b>378,852,639</b>		<b>378,852,639</b>	-	-		-	-	<b>378,852,639</b>
(ii)		<b>COMPENSTATION TO EMPLOYEES (PE)</b>										
2110101	<b>2</b>	Basic Salaries - Permanent Employees	112,750,227	112,705,894		112,705,894				(445,309)	106	112,260,691
2110202	<b>3</b>	Basic Wages - Temporary Employees	586,738	418,993		418,993						418,993
2110300	<b>4</b>	Personal Allowances paid as part of Salary	41,578,700	41,021,754		41,021,754						41,021,754
2110301	<b>4 (a)</b>	House Allowance	20,697,665	20,391,806		20,391,806						20,391,806
2110310	<b>4 (b)</b>	Topu-up Allowance	4,805,014	4,805,013		4,805,013						4,805,013
2110312	<b>4 (c)</b>	Responsibility Allowance	2,473,928	2,400,000		2,400,000						2,400,000
2110314	<b>4 (d)</b>	Transport Allowance	9,513,286	9,483,516		9,483,516						9,483,516
2110315	<b>4 (e)</b>	Extreneous	2,650,000	2,601,419		2,601,419						2,601,419

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2110320	4 Leave Allowance	1,438,807	1,340,000		1,340,000						1,340,000
2110405	5 Personal Allowances paid as Reimbursements - Telephone Allowance	4,549,696	2,965,032	1,500,000	4,465,032						4,465,032
2120103	6 Employer Contributions to Compulsory National Social Security Schemes	24,734,639	24,656,972		24,656,972				(160,690)		24,496,282
	<b>Total PE</b>	<b>184,200,000</b>	<b>181,768,645</b>	<b>1,500,000</b>	<b>183,268,645</b>				<b>(605,999)</b>	<b>106</b>	<b>182,662,752</b>
(iii)	<b>USE OF GOODS AND SERVICES (O&amp;M)</b>										
2210101	7 Electricity	2,000,000	1,999,998		1,999,998		(76,573)				1,923,425
2210102	8 Water and Sewerage Charges										
2210201	9 Telephone, Telex, Facsimile and Mobile Phone Services	1,082,461	892,003		892,003				(47,485)		844,518
2210202	10 Internet Connections	2,693,262	2,693,261		2,693,261						2,693,261
2210203	11 Courier & Postal Services	25,500	9,450		9,450						9,450
2210301	12 301- Travel Costs (airlines, bus, railway, mileage allowances, etc.)	615,525	613,799		1,542,294				(215,525)	15,100	1,341,869

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2210301	13 302- Travel Cost - Domestic Travel										
2210301	14 303- Travel Costs (airlines, bus, railway, mileage allowances, etc.)	233,500	233,495								
2210301	15 304- Travel Costs (airlines, bus, railway, mileage allowances, etc.)	115,000	115,000								
2210301	16 306- Travel Cost - Domestic Travel	580,000	580,000								
2210302	17 301- Accommodation - Domestic Travel	3,417,952	1,025,150	2,382,550							
2210302	18 302- Accommodation - Domestic Travel	375,000	375,000								
2210302	19 303- Accommodation - Domestic Travel	3,660,125	3,660,125								
2210302	20 304- Accommodation - Domestic Travel	965,000	965,000		18,095,670				(449,400)	1,623,300	19,269,570
2210302	21 306- Accommodation - Domestic Travel	5,376,250	5,352,945								
2210303	22 302- Domestic Travel (Others) - Legal	675,000	675,000								

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2210303	23 303- Daily Subsistence Allowance	1,822,500	62,700	1,747,200							
2210303	24 306- Daily Subsistence Allowance	1,850,000	1,850,000								
2210401	25 306- Travel Costs (airlines, bus, railway, )	10,648,423	10,648,422		10,648,422						10,648,422
2210403	26 306- Daily Subsistence Allowance	9,351,577	3,779,423	5,572,002	9,351,425						9,351,425
2210502	27 301- Publishing & Printing Services	-									
2210502	28 303- Publishing & Printing Services	400,000	395,219		395,219						395,219
2210502	29 306- Publishing & Printing Services	-									
2210503	30 Subscriptions to Newspapers, Magazines and Periodicals	470,000	470,000		470,000				(36,619)	83,119	516,500
2210505	31 Trade Shows and Exhibitions	50,000			-						-
2210603	32 Rents and Rates - Non-Residential	51,459,108	51,458,276		51,458,276						51,458,276
2210604	33 Hire of Transport, Equipment	600,000	599,470		599,470					8,630	608,100
2210701	34 Travel Allowance	145,600	145,160		145,160						145,160
2210710	35 Accommodation Allowance	1,845,600	1,800,311	45,000	1,845,311					4,300	1,849,611

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2210801	36 Catering Services (receptions), Accommodation, Gifts, Food and Drinks	5,325,000	5,324,896		5,324,896				(1,296,973)	1,198,770	5,226,693
2210802	37 301- Boards, Committees, Conferences and Seminars	2,169,050	1,329,020	819,000							
2210802	38 302- Boards, Committees, Conferences and Seminars	250,000	250,000								
2210802	39 303- Boards, Committees, Conferences and Seminars	3,807,000	3,796,650		12,280,632				(479,680)	213,200	12,014,152
2210802	40 304- Boards, Committees, Conferences and Seminars	889,590	888,680								
2210802	41 306- Boards, Committees, Conferences and Seminars	5,202,500	5,197,282								
2210903	42 Plant, Equipment and Machinery Insurance	250,000	250,000		250,000						250,000
2210904	43 Motor Vehicle Insurance	2,250,000	2,250,000		2,250,000	3,686,949	(1,733,680)			2,097,923	6,301,193

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2210901	44 Group Personal Insurance	1,000,000	1,000,000		1,000,000	1,053,443	(547,846)			437,463	1,943,060
2210910	45 Medical Insurance	24,435,825	24,435,515		24,435,515	14,640,440	(15,627,667)		(92,880)	4,140	23,359,548
2211016	46 Purchase of Uniforms and Clothing	-	-		-						-
2211101	47 General Office Supplies (papers, pencils, forms, small office equipment etc)	1,695,766	1,694,836		1,694,836			(874,550)			820,286
2211102	48 Supplies and Accessories for Computers and Printers	1,000,000	998,398		998,398						998,398
2211103	49 Sanitary and Cleaning Materials, Supplies and Services	-	-		-						-
2211201	50 301- Refined Fuels and Lubricants for Transport	8,510,000	8,509,999								
2211201	51 302- Refined Fuels and Lubricants for Transport	-	-								
2211201	52 303- Refined Fuels and Lubricants for Transport	1,390,000	1,390,000		12,257,290	867,223				789,399	13,913,912
2211201	53 304- Refined Fuels and Lubricants for Transport	787,500	787,292								

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2211201	54 306- Refined Fuels and Lubricants for Transport	1,570,000	1,569,999								
2211301	55 Bank Service Commission and Charges	300,000	277,924		277,924						277,924
2211305	56 Contracted Guards and Cleaning Services	4,680,000	4,679,999		4,679,999				(636,850)	312,301	4,355,450
2211306	57 0	-	-		-						-
2211310	58 301- Contracted Professional Services	1,720,000	1,712,880		1,712,880				(712,880)		1,000,000
2211310	59 306- Contracted Professional Services	-	-		-						-
2220101	60 Maintenance Expenses - Motor Vehicles	8,850,000	8,824,759		8,824,759				(554,649)	59,668	8,329,778
2220201	61 Maintenance of Plant, Machinery and Equipment (including lifts)	350,000	349,740		349,740				(28,500)	86,848	408,088
2710102	62 Gratuity	4,182,714	4,182,638		4,182,638				(3,515,378)	2,045,402	2,712,662
3111403	63 303- Research	-	-		-						-
(iv)	<b>CAPITAL EXPENDITURE</b>	<b>181,072,328</b>	<b>170,099,714</b>	<b>10,565,752</b>	<b>180,665,466</b>	<b>20,248,055</b>	<b>(17,985,765)</b>	<b>(874,550)</b>	<b>(8,066,819)</b>	<b>8,979,563</b>	<b>182,965,950</b>
3110302	64 Refurbishment of Non-Residential Buildings	300,000	286,558		286,558					8,805,244	9,091,802

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3110302	65 Refurbishment of Non-Residential Buildings -A.I.A	900,000	445,000		445,000						445,000
3110701	66 Purchase of Motor Vehicles	-	-		-						-
3110701	67 Purchase of Motor Vehicles - A.I.A	11,700,000	11,447,179		11,447,179						11,447,179
3111001	68 Purchase of Office Furniture and Fittings	-	-		-						-
3111001	69 Purchase of Office Furniture and Fittings - A.I.A	100,000	82,700		82,700						82,700
3111002	70 Purchase of computers, Printers and IT eqpt	-	-		-						-
3111009	71 Purchase of other Office Equipment	-	-		-						-
3111112	72 Purchase of Software	2,500,000	2,497,723		2,497,723			(1,134,700)			1,363,023
4110403	73 Mortgage	-	-		-					4,327,561	4,327,561
4110405	74 Car Loans to Public Servants	-	-		-						-
	<b>Total Capital Expenditure</b>	<b>15,500,000</b>	<b>14,759,160</b>	<b>-</b>	<b>14,759,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,134,700)</b>	<b>13,132,805</b>	<b>26,757,265</b>
	<b>Total General Admin &amp; Planning</b>	<b>380,772,328</b>	<b>366,627,519</b>	<b>12,065,752</b>	<b>378,693,271</b>	<b>20,248,055</b>	<b>(17,985,765)</b>	<b>(874,550)</b>	<b>(9,807,518)</b>	<b>22,112,474</b>	<b>392,385,967</b>

