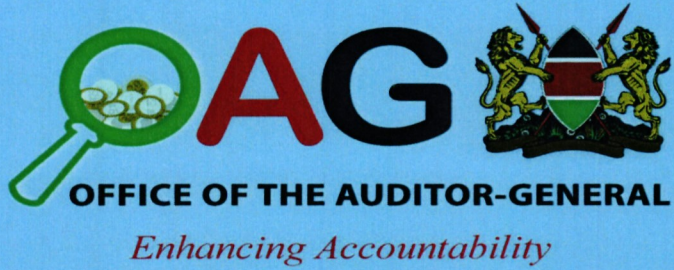


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

**COMMISSION ON REVENUE
ALLOCATION**

FOR THE YEAR ENDED

30 JUNE, 2020

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 11 MAY 2021

DAY:

TABLED
BY:

CLERK-AT
THE-TABLE:



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
03 FEB 2021
RECEIVED

COMMISSION ON REVENUE ALLOCATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE 2020

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


 THE NATIONAL ASSEMBLY PAPERS LAID		
DATE: 11 MAY 2021 <table border="1" style="display: inline-table;"><tr><td style="text-align: center;">DAY</td></tr></table>		DAY
DAY		
TABLED BY:		
CLERK-AT THE-TABLE:		

Table of Content

	Page
I. KEY COMMISSION INFORMATION AND MANAGEMENT	iii
Background information	iii
Principal Activities	iii
Key Management	iii
Commission Headquarters	iv
Commission Contacts	iv
Commission Bankers	iv
Independent Auditors	iv
Principal Legal Adviser	iv
COMMISSIONERS	v
MANAGEMENT	x
II. CHAIRPERSON'S STATEMENT	xiv
III. REPORT OF THE COMMISSION SECRETARY / CEO	xvi
IV. REVIEW OF CRA'S PERFORMANCE FOR FY 2019/2020.....	xviii
V. CORPORATE GOVERNANCE STATEMENT	xxii
VI. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.	xxiv
VII. REPORT OF THE COMMISSIONERS	xxvi
VIII. STATEMENT OF COMMISSIONERS' RESPONSIBILITIES	xxviii
IX. REPORT OF THE AUDITOR GENERAL.....	xxx
X. STATEMENT OF FINANCIAL PERFORMANCE.....	1
XI. STATEMENT OF FINANCIAL POSITION.....	2
XII. STATEMENT OF CHANGES IN NET ASSETS	3
XIII. STATEMENT OF CASH FLOWS	4
XIV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS.....	5
XV. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020	6
Annex I. Progress on follow up of Audit recommendations	18
Annex II. Analysis of pending accounts payable	19
Annex III. Analysis of pending staff payables	24
Annex IV. Prior Year's adjustment for FY 2018/19	25
Annex V. Reconciliation on Budget and Actual amounts to Financial Statements	27

I. KEY COMMISSION INFORMATION AND MANAGEMENT

Background information

The Commission was formed by the Constitution under section 215 in December, 2010 and is represented by 8 Commissioners and a Commission Secretary who are responsible for the general policy and strategic direction of the Commission.

Principal Activities

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:

- a) Make recommendations concerning the financing of, and financial management, by County Governments;
- b) Define and enhance revenue sources of the National and County Governments;
- c) Encourage fiscal responsibility by the National and County Governments.
- d) Determine, publish and regularly review a policy in which sets out the criteria by which to identify the marginalised areas for purposes of Article 204(2);
- e) 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.

Mission

To make reliable recommendations on equitable revenue sharing, revenue enhancement and prudent public financial Management.

Vision

No Kenyan Left Behind.

Key Management

The Commission's day-to-day management for the said financial year was under the following team:

- | | | |
|----|--------------------|--|
| 1. | Dr. Moses Sichei | Commission Secretary |
| 2. | Angela Kariuki | Director Corporate Services |
| 3. | James Katule | Director Fiscal Affairs |
| 4. | Sheila Yieke | Director Legal |
| 5. | Joseph Kuria | Director ICT |
| 6. | Lineth Oyugi | Director Research |
| 7. | Dr. Naomi Mathenge | Ag. Director Research & Knowledge Mngt |
| 8. | Maureen Junge | Finance Manager |

Commission Headquarters
Commission on Revenue Allocation
14 Riverside Drive
Grosvenor suite 2nd and 3rd Floor
P.O Box 1310-00200 Nairobi
Tel: (020) 4298000

Commission Contacts
Telephone: (254) (020) 4298000
E-mail: info@crakenya.org
Website: www.crakenya.org

Commission Bankers
Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya



Kenya Commercial Bank
KICC Branch
Harambee Avenue
P. O. Box 46950-00100 Nairobi
Tel: (020) 29248501,
Fax: (020) 29248501,

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


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


COMMISSIONERS

 <p>Dr. Jane Kiringai Chairperson</p>	<p>Dr. Kiringai is a seasoned economist with experience spanning over twenty years. She started her career as an economist in the Ministry of Finance determining the aggregate budget framework and ministerial and sectoral budget ceilings.</p> <p>Before joining CRA she worked as a senior Economist with the World Bank covering a broad range of economic development issues, including macroeconomic analysis and forecasting, public expenditure management and fiscal decentralization. She has also worked with other development institutions including Department for International Development (DFID), the European Commission Delegation, and as a Policy Analyst with Kenya's Policy think tank, Kenya Institute for Public Policy Research and Analysis (KIPPRA).</p> <p>Dr. Kiringai holds a PhD in Economics from University of Nottingham, UK, a Masters in Development Economics from Williams College, US, a Bachelor of Philosophy in Economics and a Bachelor of Science in Mathematics and Computer Science both from University of Nairobi.</p>
 <p>Mr. Humphrey Wattanga Vice Chairperson</p>	<p>Mr. Humphrey Wattanga holds a Masters in Business Administration from the Wharton School of Finance, USA, and a Bachelor's degree in Biochemistry (cum laude) from Harvard University, USA.</p> <p>He has over 15 years' global experience serving as a business development, corporate finance and transaction advisor to private equity entities, private sector companies, development finance institutions, governments and public organisations.</p> <p>He is a Peer Review member of Grand Challenges Canada; a member of the Brookings Institution's review panel on the potential and limitations of Social Impact Bonds; and an integral party in the conceptualization, structuring and rollout of the M-Akiba platform, the world's first mobile-only government bond.</p>



 <p>Prof. Edward Oyugi Commissioner</p>	<p>Professor Edward Akong’o Oyugi holds a PhD in Psychology and Paedagogy from the University of Cologne, Germany and post-doctoral training from University of Cologne, Germany and University of Bayreuth, Germany.</p> <p>He has held senior academic and research positions in several universities such as Kenyatta University, Bayreuth University (Germany), University of Heidelberg, (Germany), United States International University, Kenya and Tangaza College, Kenya.</p> <p>He has been a member of the National Economic and Social Council and the Task Force on Devolution. He was also the executive Director of Social Development Network (SODNET) for several years.</p> <p>Professor Oyugi has published extensively and written several books, articles, book chapters, and papers on diverse subjects. He has received several awards including Otto Benecke Foundation Award (1980) and Hellmann/Hammett Award of the Fund for Free Expression, New York (1992).</p>
 <p>Dr. Irene Asienga Commissioner</p>	<p>Dr. Irene Koech Asienga has over 15 years’ experience in research, teaching and administration. Prior to joining the Commission on Revenue Allocation, Dr. Asienga worked as a Senior Lecturer and Director of Kabarak University, Nairobi Campus. Under this capacity, she was responsible for mentoring, teaching, grading and supervising students. She was also involved in preparation and implementation of the campus strategic plan, coordination of academic programs, supervision of teaching and non-teaching staff, academic advising, marketing the campus programs, drawing up annual reports for the campus and preparation of annual estimates of income and expenditure. She is a former Dean, Business School and Head of Commerce Department at the same university.</p>




	<p>She holds a doctorate degree in Economics from the University of Strathclyde, Scotland, UK; a Master of Arts in Economics from the University of Malawi and a Bachelor of Arts in Economics from the University of Nairobi.</p> <p>She has interests in public finance, environmental, agricultural and development economics and has published widely in peer reviewed journals.</p>
 <p>Mr. Kishanto Suuji Commissioner</p>	<p>Mr. Kishanto ole Suuji has over twenty seven years' experience in public service and the financial sector. Prior to joining the Commission on Revenue Allocation, Mr. Suuji worked as a Director at Kenya School of Monetary Studies, Central Bank of Kenya, where he rose through the ranks in various departments of the bank. Under this capacity, he was in charge of the Finance and Administration Department.</p> <p>He holds an MBA from Jomo Kenyatta University of Agriculture and Technology (JKUAT) and a B.A. in Economics and Government from University of Nairobi.</p>
 <p>Mr. Peter Gachuba Commissioner</p>	<p>Mr. Peter Gachuba is an Investment Banker with over 20 years of Investment Banking and Private Equity experience. Prior to joining CRA, Mr. Gachuba worked as the Managing Partner of Strategic Africa Fund, Strategic Africa Advisors from 2012 to 2016 and as the Managing Partner of AfriCap Fund, a specialized Private Equity Fund based in Johannesburg, South Africa from 2004 to 2010.</p> <p>Mr. Gachuba has also worked for Kestrel Capital, Cooperative Bank of Kenya, Acacia Fund Limited, CDC Capital Partners, KPMG and Loita Capital Partners. He has also served as a Non- Executive Director in many boards including Faulu Microfinance Bank, Equity Bank Limited, and has worked in USA, South Africa, Mozambique, Malawi, Uganda and Tanzania.</p>



	<p>He holds an Accounting and a Master's Degree in International Business from Southern New Hampshire University in New Hampshire, USA.</p>
 <p>Prof. Peter Kimuyu Commissioner</p>	<p>Professor Peter Kiko Kimuyu holds a PhD in Energy Economics from University of Nairobi, a M.Sc. in Energy Economics from University of Surrey, UK, an M.A. in Economics from University of Nairobi, and a B. Ed. in Economics and Mathematics from University of Nairobi.</p> <p>He is the founder director of the School of Economics in the University of Nairobi and former Executive Director of the Institute of Policy Analysis and Research.</p> <p>He has held board-level appointments with the Export Promotion Council, Privatization Commission and KCB Group. He is a trustee with Africa International University, Technical Advisor to Scott Christian University and a lapsed member of the New York Academy of Sciences.</p> <p>Professor Kimuyu has published extensively and written several books, articles, book chapters, and papers on diverse development issues.</p>
 <p>Ms. Fouzia Abdikadir Commissioner</p>	<p>Ms. Fouzia has over 10 years' experience in financial management. Prior to joining the Commission on Revenue Allocation, she worked as a finance manager.</p> <p>She holds a Postgraduate Diploma in Portfolio Management and Investment Analysis from the London School of Commerce, U.K. and a Bachelor of Commerce-Finance from Jomo Kenyatta University of Agriculture and Technology (JKUAT). She is currently undertaking an MBA from the University of Wales Institute, Cardiff. She also has certification in civic leadership from Tulane University (USA).</p> <p>Commissioner Fouzia is a Mandela fellow (Young African Leadership Initiative, 2014) and she has also</p>

	<p>published on the challenges of the girl child in Africa education in the Hunger Report by Bread for the World.</p>
 <p>Dr. Julius Muia PS Treasury/ Commissioner</p>	<p>Dr. Julius Muia is the Principal Secretary at The National Treasury. Prior to this, he was the Principal Secretary at the State Department for Planning – The National Treasury and Planning. Before his appointment as PS Planning, he was the Director General, Vision 2030 Delivery Secretariat which operated under the Office of the President, Republic of Kenya to facilitate the implementation of Vision 2030.</p> <p>Between April 2008 and October 2016, Dr. Muia served as the Secretary, National Economic and Social Council, Office of the President. This is a top advisory government think tank whose flagship project was formulating Vision 2030.</p> <p>An alumnus of the University of Nairobi's School of Business, Dr Julius Muia graduated with a First Class Honours Degree in Accounting; Masters Degree and PhD in Finance from the same university. His professional qualifications include: Certified Public Accountant (CPA-K); Certified Public Secretary (CPS-K), Associate Kenya Institute of Bankers; Associate Chartered Institute of Arbitrators; and Certified Coach.</p>

MANAGEMENT

 <p>Dr. Moses Sichei Commission Secretary / CEO</p>	<p>Dr. Moses Muse Sichei holds a Ph.D. (Economics) degree from the University of Pretoria (South Africa), MA and BA in Economics from the University of Nairobi, Kenya. He also holds an Associate of Kenya Institute of Bankers (AKIB) professional qualification and a member of the Kenya Institute of Bankers. He has over 15 years in economic policy research and analysis, international development and post-disaster/crisis recovery management. He has also published widely in refereed journals and books.</p> <p>Prior to joining the Commission, he worked as an Economic Advisor in United Nations Development Programme (UNDP) covering Sierra Leone and Liberia and more recently Malawi and Namibia. He also worked, among others, as a Regional Financial Policy Advisor at the East African Community in Arusha (Tanzania), Director for Research and Policy at CRA, Manager in Research and Policy department of the Central Bank of Kenya, Lecturer of Economics at the University of Nairobi and University of Pretoria (South Africa).</p>
 <p>Angela Kariuki Director Corporate Services</p>	<p>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>She previously worked with the Capital Markets Authority for nine years and Kilonzo & Company Advocates for two years.</p>
 <p>James Katule Director Fiscal Affairs</p>	<p>He holds a Masters of Business Administration from the Eastern and Southern Africa Management Institute (ESAMI) and a Bachelor of Arts in Economics & Business Education from Kenyatta University. He is a Certified Public Accountant and a member of ICPAK. He has a wealth of experience in financial management, administration, people management and procurement gained in working for the Kenya National Trading Corporation, the International Centre for Insect Physiology and Ecology (ICIPE), International Livestock Research Institute (ILRI), the Africa Medical Research Foundation (AMREF) and most recently, Capital Markets Authority (CMA).</p>
 <p>Sheila Yieke Director Legal Affairs</p>	<p>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>
	<p>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>He holds the following professional certifications: MCP, MCSE, MCDDBA, 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</p>

<p>Joseph Kuria Director ICT</p>	<p>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>Lineth Oyugi Director Economic Affairs</p>	<p>Lineth Oyugi holds a Masters of Arts in Economics from the University of Nairobi and a 4th 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>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>
 <p>Dr. Naomi Mathenge Ag. Director Research & Knowledge Management</p>	<p>Dr. Mathenge is an experienced Policy Analyst with over ten (10) years of working in the research and policy industry. She holds a PhD in Economics from the University of Cape Town in South Africa, a Master of Arts in Economics from the University of Malawi and a Bachelor of Arts in Economics from Moi University. She is a member of the African Growth and Development Policy Modelling Consortium (AGRODEP)</p> <p>Before joining the Commission, Dr, Mathenge worked as a Policy Analyst at the Kenya Institute for Public Policy Research and Analysis (KIPPRA) and consulted for the then Ministry of Health on monitoring and evaluation. She has interests in CGE modelling, Macroeconomics, Economic Development, and Policy Analysis.</p>



Maureen Junge
Finance Manager

Ms. Junge has extensive work experience in public finance with emphasis on budgeting, financial management, financial analysis and reporting. She is a Certified Secretary, Certified Accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and Association of Women Accountants of Kenya (AWAK). She holds a Masters of Science degree and a B.Com (Finance) from the University of Nairobi.

As the inaugural manager incharge of finance, Ms. Junge was instrumental in setting up the finance department at the Commission including aligning all financial management and reporting systems and policies.

She previously worked with Kenya Investment Authority, Africa Investment Bank (AIG) and Reliance General Limited.

II. CHAIRPERSON'S STATEMENT

It is my pleasure to deliver the Commission's annual report for financial year 2019-2020. During the financial year the Commission completed four key deliverables in line with its mandates.

First, the Commission submitted the third basis for revenue sharing among county governments in April 2019. The recommendation is anchored in a revenue sharing framework which seeks to closely align funding to functions assigned to county governments to enhance service delivery. The framework also takes into account the need to address developmental gaps and economic disparities among counties. In addition, the framework seeks to create incentives for county governments to adhere to principles of fiscal responsibility and to optimize their capacity to raise own revenue. Notably the report has generated significant healthy debate and was approved by both houses of Parliament in September, 2020 with a few amendments.

Second, the Commission is proud to report that in collaboration with partners: Capital Markets Authority, the National Treasury, the Council of Governors and the World Bank Group, we developed the County Creditworthiness Initiative (CCI) to help counties assess and unlock their capacity to acquire sustainable financing from the commercial lenders. Three counties were rated successfully i.e. Makueni, Bungoma and Kisumu. This exercise will be scaled-up to cover the remaining counties in the coming years.

Third, the Commission carried out capacity building for county governments in collaboration with other partners. This saw six counties trained on establishment and functioning of county budget economic forums (CBEFs) for county executives and external members. The six counties trained are: Kakamega, Mandera, Lamu, Garissa, Tana River and Turkana. We also conducted capacity building trainings for County Assembly Finance and Budget Committee members on own-source revenue (OSR) and OSR model laws.

Fourth, the Commission also started a series of analytical reports to track progress in own-source revenue generation by county governments since the onset of devolution. The first of these is: Counties' Efforts Towards Revenue Mobilisation: taking Stock of the Last Six Years. The report tracks progress in county own-source revenue mobilization effort and aims at augmenting counties' OSR enhancement agenda.

The Commission has also developed a new framework to be used in the determination of expenditure ceilings for county executives and assemblies. This approach corrects imbalances observed through expenditure analysis for the last seven years.

The Commission is the current chair of the forum of Constitutional Commissions and Independent Offices (CC&IOs). In supporting the government response to the COVID-19 pandemic, the Commission led the Chapter 15 institutions in fundraising towards the COVID kitty and handed over the money in April 2020.

I would like to thank all our partners for their support during the past year. In particular, the Commission received invaluable support from the United Nations Development Programme (UNDP), the World Bank and all partners in the Public Finance Management Reforms (PFMR) Secretariat. I look forward to even more fruitful engagements in the coming year.



Dr. Jane Kiringai

CHAIRPERSON

Date 17 / 09 / 2020

III. REPORT OF THE COMMISSION SECRETARY / CEO

It is a privilege for me to present the Commission's Annual Report and Financial Statements for financial year 2019-2020. During this period, the Commission made significant progress in implementation of its planned activities despite a challenging operating environment, especially in the second part of the fiscal year following onset of the Covid-19 pandemic in March 2020.

In the course of the year, the Commission made significant contributions to promote equitable sharing of revenue between national and county governments and among county governments. In addition, we made key recommendations on the financing and financial management needs of county governments.

To promote equitable sharing of revenue among county governments, the Commission prepared a recommendation on the third basis for revenue sharing among county governments. Development of the third basis involved engagements with the Senate and other stakeholders and resulted in its submission to the Senate for approval. Despite an extensive debate in the Senate, the CRA third basis for allocating revenue among county governments was approved with a few amendments.

In addition, the Commission conducted regional cluster trainings for Members of County Assemblies (MCAs) on revenue-raising model laws and other own-source revenue topics, in collaboration with the National Treasury and the Public Finance Management secretariat. This was done to capacity-build county assembly members due to the pivotal legislative role they play.

The Constitution of Kenya in Article 205 provides that the Commission shall consider and make recommendations on any bill concerning sharing of revenue or financing of county governments. In this regard, the Commission gave recommendations on various bills including the Public Finance Management (Amendment) Bill, 2019; the Equalization Fund Bill, 2019; the Gaming Bill, 2019; the Conflict of Interest Bill, 2019 as well as draft regulations of various Funds sought to be established under the PFM Act such regulations contained in the draft PFM National Toll Fund.

Moreover, following a directive from the President of Kenya, H. E. Uhuru Kenyatta, the Commission and other agencies formed a multi-agency task-force to deliver a single integrated county revenue management system (ICRMS) to be used across all forty-seven County Governments. The task-force is continuing with its work and so far have produced a draft report highlighting key recommendations that require implementation for a single integrated county revenue management system (ICRMS) to be implemented countrywide.

Internally, the Commission recognizes the fact that Commissioners and secretariat staff are its greatest asset. Consequently, several initiatives were put in place to enhance their skills, morale and operational efficiency. Training and capacity development were undertaken in various areas including strategic leadership, senior management, devolution among others. The

Commission trained 46 staff members and 8 commissioners on various courses to enhance their skills. In addition, 34 students were placed on CRA's internship program in line with the government policy to provide university students with practical skills.

Further, the Commission continued to improve terms and benefits for its staff through enhanced medical insurance cover and additional parking. It also approved a staff car loan scheme in line with the Salaries and Remuneration Commission's guidelines and enhanced the mortgage scheme to facilitate staff to benefit from government funded loans. Team building activities were also conducted to boost staff cohesion.

On the other hand, the coronavirus pandemic presented a major challenge in the successful achievement of the Commission's mandate in the second half of the year. In particular, the pandemic led to significant budget cuts which hindered the accomplishment of certain goals. Also, restrictions brought about to control the virus led to the inability to meet with key stakeholders to disseminate recommendations and reports.

Despite this challenge and as part of national efforts by the government in combat this pandemic, the Commission together with other Constitutional Commissions and Independent Offices (CCIOs) contributed financially towards the Covid19 emergency fund.

Looking ahead to financial year 2020/2021, the Commission is hopeful of completing projects which were put on hold due to the pandemic. This includes dissemination of the Commission's recommendations and reports which affect various aspects of devolution.

Finally, I extend my sincere gratitude to CRA commissioners and staff whose tireless efforts continue to ensure that CRA implements its mandate with excellence to promote equity in sharing of resources in our country to ensure no Kenyan is left behind.



Dr. Moses Sichei

COMMISSION SECRETARY/CEO

Date 17 / 09 / 2020

IV. REVIEW OF CRA'S PERFORMANCE FOR FY 2019/2020

Sub programmes	Programme Output/ Outcome	Key Performance Indicators	Planned Activities			Actual Performance			
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
Sub programme 1: General Administration and Planning	Reviewed Strategic Plan 2016/17 – 2021/22	Reviewed Strategic plan for 5 years from 2017/18	1	-	-	1	-	-	
	ICT systems recommended to the county government	No. of counties adopting the recommended ICT systems in county governments	30	10	7	31	9	7	
	Upgraded security system	Unified endpoint enterprise security appliance	1	-	-	1	-	-	
	Annual maintenance plan and contracts.	Preventive maintenance reports	4	4	4	4	4	4	
	ERP System Maintenance	Maintenance reports	2	2	2	2	2	2	
	Upgraded server infrastructure	Established Terms of References, tools and survey report.	-	-	1	-	-	-	
	Work environment and safety survey	Report on employee satisfaction survey	-	1	1	-	-	-	
	Employee satisfaction survey	Implemented Staff Car Loan Scheme	-	-	1	-	-	1	
	Enhanced good governance	Reviewed internal and external communication strategy	1	-	-	1	-	-	
	Commissioners and Staff trained	No. of Commissioners and staff trained	40	40	25	23	16	15	
Sub programme 2:	Enhanced workplace bonding	No. of Team buildings conducted	1	-	-	1	-	-	
	Replacement of motor vehicles	No. of vehicles	-	3	3	-	2	1	
	Revenue equitably shared between National and County Governments	No. of Recommendation on basis for revenue sharing between national and county governments	1	1	1	1	1	1	
	Revenue shared equitably among county governments	No. of Bills Reviewed (DORB & CARB)	2	2	2	2	2	2	
	Publicize Recommendation on equitable sharing of	Conducted Public participation on 3 rd Basis formula	No. of Recommendation on the basis for revenue sharing among county governments	-	-	(FY20/21-FY24/25)	-	-	(FY20/21-FY24/25)
			Publicize Recommendation on equitable sharing of	-	-	1	-	-	1

Sub programmes	Programme Output/ Outcome	Key Performance Indicators	Planned Activities			Actual Performance		
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Equitable Sharing of Revenue	Revenue between the National and County governments and the 3rd basis formula for Revenue sharing among county govts.	No. of reports developed on: 1. Popular Version 2. Technical / Background Report	-	-	2	-	-	2
		No. of Recommendation incorporated in Vertical share	-	-	1	-	-	1
	Financing of cities and urban areas	No. of Recommendation incorporated in the Budget Policy Statement	-	-	1	-	-	1
		No. of Recommendation on benefit sharing incorporated in the Vertical share	-	-	1	-	-	1
	Framework on benefit sharing from natural resources.	No. of Research papers on the impact assessment of the Covid-19 pandemic	-	-	1	-	-	-
		No. of county finance Bills reviewed on the impact of COVID-19 on Revenue streams in the Counties	-	-	47	-	-	47
	Framework for recurrent expenditure budget ceilings for county governments.	Annual recommendation on recurrent budget ceiling	1	1	1	1	1	1
Reviewed Plans and Budgets by the county governments		47 ADPs, 47 County Budgets and 47 CFSPs	47 ADPs, 47 County Budgets and 47 CFSPs	47 ADPs, 47 County Budgets and 47 CFSPs	47 ADPs, 47 County Budgets and 11 CFSPs	47 ADPs, 47 County Budgets and 17 CFSPs	47 ADPs, 47 County Budgets and 35 CFSPs	
Sub programme 3: Public Finance Management	Established CBEF	No. of CBEFs established	-	47	-	-	45	
		Monitor effectiveness of 47 CBEFs and their strengthening from Northern frontier countries	-	-	47	-	-	15

Sub programmes	Programme Output/ Outcome	Key Performance Indicators	Planned Activities			Actual Performance		
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
	A database on Natural Resources	No. of Capacity building trainings of the county government on natural resources	1	1	1	1	1	-
		No. of Recommendation Reports on revenue enhancement from Natural resources	-	1	1	-	-	-
	Enhanced revenue sources	No. of Finance bills reviewed	47	47	47	32	32	30
		No. of counties mapped to establish the Revenue Database	47	47	-	47	5	-
		No. of published uniform training curriculum on County Own Sources of Revenue.	-	--	1-	-	-	-
		MCA's trained on County Own Sources Revenue in 5 Regional Clusters each with 100 members.	-	-	500	-	-	300
		County Comprehensive Performance Expenditure Review Report	1	-	-	1	-	-
	Framework developed for processing PFM reports	Disseminate 1 Fiscal Responsibility Report with a Criteria for determining Fiscal responsibility	1	-	-	1	-	-
		No. of Policy Recommendations on Fiscal Responsibility	-	-	4	-	-	1
	Financing and financial management of county government mechanisms developed	No. of Policies on financing and financial management developed	3	3	3	2	2	2
		Recommendation on Revenue Management System (RMS)	-	-	1	-	-	1
		No. Of counties piloted under the County Creditworthiness Initiative	-	-	9	-	-	9
	Trained Members of the County Assembly on Own source revenue policy and laws	MCA's trained on County Own Sources Revenue in 5 Regional Clusters each with 100 members	-	-	500	-	-	300

Sub programmes	Programme Output/ Outcome	Key Performance Indicators	Planned Activities			Actual Performance			
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
Sub programme 4: Transitional Equalization	Marginalization Lab Established	Annual Report on status of marginalization in Kenya	-	-	1	-	-	-	
	Report on implementation of 2nd policy identifying marginalised areas	Monitor implementation of the 2nd policy identifying marginalised areas	-	-	100%	-	-	-	
	Master Plan on de-marginalization of communities	Baseline report on each county's development status	Baseline report on each county's development status	-	-	1	-	-	-
		Implementation status report on 1st policy on marginalised areas.	Implementation status report on 1st policy on marginalised areas.	-	-	1	-	-	Draft Report
		Consultancy on Geographical Information System (GIS) mapping of all projects implemented in marginalised areas.	Consultancy on Geographical Information System (GIS) mapping of all projects implemented in marginalised areas.	-	-	1	-	-	-
	Conceptualize impact assessment of Equalization Fund	Report on impact assessment of Equalization Fund	Report on impact assessment of Equalization Fund	-	-	1	-	-	-
Structured engagement with stakeholders	No. of stakeholder engagement meetings	No. of stakeholder engagement meetings	2	2	2	2	2	2	
Equalization Fund Board framework	Draft Equalization Fund Board Framework	Draft Equalization Fund Board Framework	-	-	1	-	-	1	

V. CORPORATE GOVERNANCE STATEMENT

The Commission undertakes the responsibility of ensuring that it is accountable to the public and its various stakeholders. It seeks to embrace corporate governance through creation of the right corporate culture and values.

The Commission has adopted the highest standards and applies strict rules of conduct, based on best corporate practices befitting an independent and a public institution. In addition to foundation of good governance the Commission has embraced its core values of Excellence, Inclusiveness, Integrity, Equity and objectivity in guiding its decisions and mode of operation. Among the principles that the Commission subscribes to in upholding the Commission's corporate governance practices include but are not limited to:

1. To observe high standards of ethical and moral behavior
2. To act in the best interests of the Commission
3. To exercise fairness and equity to stakeholders
4. To recognize the legitimate interests of all stakeholders
5. To ensure that the Commission acts as a good corporate citizen.

Responsibilities/Role of the Commission

The Commission has been set up under Article 215 of the Constitution with the primary mandate to make recommendations concerning the basis for the equitable sharing of revenue raised by the National Government. The Commission has adopted the doctrine of collective responsibility in decision making.

Appointment and Composition of the Commission

Article 215 (2) of the Constitution of Kenya 2010 prescribes that the number of Commissioners which constitute the whole Commission shall comprise:

- (a) A chairperson, who shall be nominated by the President and approved by the National Assembly;
- (b) Two persons nominated by the political parties represented in the National Assembly according to their proportion of members in the Assembly; (shall not be members of Parliament).
- (c) Five persons nominated by the political parties represented in the Senate according to their proportion of members in the Senate; and
- (d) The Principal Secretary in the Ministry responsible for finance.

Commissioners of the Commission are appointed for a period of six years and are not eligible for reappointment, unless they are *ex officio* and a member of the Commission is allowed to serve on a part time basis.

The Commissioners are State Officers and their remuneration and benefits are set out by the Salaries and Remuneration Commission.

During the period under review, the Commission held five (5) Full Commission Meetings.

Commission Committees

Functions of the Commission are carried out under a defined structure made up of the Full Commission, defined and /or ad-hoc Committees with specific terms of reference that facilitate the discharge of the Commission's mandate. Each Committee is chaired by a Commissioner whose role in conjunction with other Commissioners and the Secretariat are collectively responsible for ensuring that the Committee performs their duties in line with the Terms of Reference.

The Commission Committees are as follows:

1. Finance and Administration Committee provides the policy framework on support to the Commission in the areas of: finance, procurement, human resource, ICT, legal and communication.
2. Division of Revenue and Allocation Committee guides the development of recommendations on division of revenue between the two levels of government and among County Governments.
3. 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. Revenue Enhancement Committee steers the Commission's recommendation that define and enhance revenue sources of both National and County Governments.
5. Stakeholder Management and Marginalization Committee deals with determination of the marginalization policies. In addition the committee serves as a link between the Commission and its stakeholders.
6. Audit, Corporate Governance and Risk Management Committee provides oversight on Corporate Governance, Risk Management and Internal Control Processes of the Commission.

Commission Performance and Code of Conduct

Training of Commissioners and Staff in various aspects and in particular corporate governance is an ongoing process outlined in a robust and comprehensive training plan approved by the Commission. At the outset new Commissioners are taken through an induction program to assist them understand the legislative framework, governance, nature and operations of the business of the Commission amongst others.

In the spirit of good corporate governance, the Commissioners are required to disclose at the beginning of each Full Commission and Committee Meetings any conflicts of interests and also conflicts of interests in relation to agenda items.

The Commission has developed and implements a Code of Conduct and Ethics which the Commissioners and Staff subscribe ensuring smooth effective operations in the best interest of the Commission and in accordance to corporate governance standards.

VI. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.

a) Sustainability Strategy And Profile

The Commission was established under Article 215 with its functions spelled out in Article 216. The Commission espouses the principles relating to public finance, bill of rights, national values as well as principles of good governance, to an extent that they apply to Public Financial Management(PFM). The Commission plays a significant role in promoting and advancing accountability, development, service delivery and equity through its activities and policy recommendations.

The Commission on Revenue Allocation was established to provide an objective and independent framework for equitable sharing of revenue raised by national government. The resources are allocated as follows:

1. Between the national and county governments
2. Among county governments.

The Commission successfully developed the first, second and third basis formula hence support the devolution aspect in Kenya which is a model for developing countries. It has since overseen growth in terms of developments in the remote parts of Kenya through disbursement of resources from the national government to the counties. Therefore, power and authority is vested in the hands of Kenyans out there in the villages in this process of self - determination.

b) Environmental Performance

Environmental performance at the Commission is guided by the Environmental Management and Coordination Act, which informed the establishment of National Environmental Management Authority whose mandate is to support Institutions on environmental matters. CRA as an independent Commission complies with this Act and supports NEMA in meeting its core mandate.

c) Employee Welfare

The Commission on Revenue Allocation values its employees and has initiated various programs to enhance this aspect. To this end, employee growth and development is key and is effected through continuous training and development through short courses and membership to professional bodies such as IHRM, ICPAK, KISM, LSK among others.

Career pathing and mentorship is another critical aspect whereby employees are taken through career talks and mentorship by their seniors. Furthermore, scholarships and training grants on short courses are encouraged for employees to apply and approval given by the Commission. It exposes employees to best practices and therefore builds their careers and be competitive in contemporary labour market within Kenya and beyond.

d) Market Place Practices

The Commission as an Independent body provides services to the Kenyan people through the other institutions such as the Senate and National Assembly. This is as per the general tenets of the revamp 2010 constitution of Kenya. Despite being an Independent body it still adheres to best practices in Procurement as guided by the Public Procurement and Asset Disposal Act, 2020 which spells out very clear regulations on the sourcing of services and goods in Kenya.

As it practices equity and fairness in the allocation of national cake similarly it uses the same principles in ensuring that there is fairness in the supply chain docket.

e) Community Engagements

The Commission through its public participation programs on the formulae has an opportunity to engage with communities in the 47 counties and especially in far flung and remote parts of the country. These engagements are through public discussions on issues related to the funds to be allocated to the counties and their views are collated for adoption in future. Furthermore, surveys are carried out on performance indices that shows the overall growth of the Counties in terms of population, land size, among other parameters of resource allocation.

In addition, as part of national efforts by the government in combat this pandemic, the Commission together with other Constitutional Commissions and Independent Offices (CCIOs) contributed financially towards the Covid19 emergency fund.

VII. REPORT OF THE COMMISSIONERS

The Public Finance Management Act 2012 requires the Commission to prepare financial statements for each financial year, which includes a Statement of Financial Position showing in details assets and liabilities of the Commission, a Statement of Financial Performance, and such other Statements that the Commissioners may deem necessary. CRA Act (22) requires the Commission to ensure that proper books are kept recording all the property, undertakings, funds, activities, contracts, transactions and other business of the Commission. The Commissioners are also responsible for safeguarding assets of the Commission.

The Commissioners accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with generally accepted accounting practice and in the manner required by the CRA Act. The Commissioners are of the opinion that the financial statements give a true and fair view of the state of financial affairs of the Commission and of its operating results. The Commissioners further accept responsibility for maintenance of accounting records which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Commissioners to indicate that the Commission will not remain as a going concern for at least the next 12 months from the date of this statement.

Principal activities

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:

- f) Make recommendations concerning the financing of, and financial management, by County Governments;
- g) Define and enhance revenue sources of the National and County Governments;
- h) Encourage fiscal responsibility by the National and County Governments.
- i) Determine, publish and regularly review a policy in which sets out the criteria by which to identify the marginalised areas for purposes of Article 204(2);
- j) 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.

Mission

To make reliable recommendations on equitable revenue sharing, revenue enhancement and prudent public financial Management.

Vision

No Kenyan Left behind

Results

The results of the Commission for the year ended June 30, 2020 are set out on page 1 to 17.

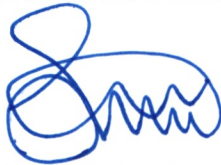
Commissioners

The members of the Commission who served during the year are shown from page v-ix In accordance with CRA's act.

Auditors

The Auditor General is responsible for the statutory audit of the Commission in accordance with Section 81(4a) of the Public Finance Management Act, 2012 and Section 35 of the Public Audit Act, 2015.

By Order of the Commission



Dr. Jane Kiringai

CHAIRPERSON

Date **17 / 09 / 2020**

VIII. STATEMENT OF COMMISSIONERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 requires the Accounting Officer to prepare financial statements in respect of that Commission, which give a true and fair view of the state of affairs of the Commission at the end of the financial year/period and the operating results of the Commission for that year/period. The Commissioners are also required to ensure that the Commission keeps proper accounting records which disclose with reasonable accuracy the financial position of the Commission. The Commissioners are also responsible for safeguarding the assets of the Commission.

The Commissioners are 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, 2020. 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 Commissioners accept responsibility for the Commission's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the Commission's Act. The Commissioners are 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, 2020 and of the Commission's financial position as at that date. The Commissioners further confirm 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.

Nothing has come to the attention of the Commissioners to indicate that the Commission will not remain a going concern for at least the next 12 months from the date of this statement.

Approval of the financial statements

The Commission's financial statements were approved by the Commission on **17th September 2020** and signed on its behalf by:



Dr. Jane Kiringai
CHAIRPERSON

Date **17 / 09 / 2020**



Dr. Moses Sichei
COMMISSION SECRETARY / CEO

Date **17 / 09 / 2020**

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



Enhancing Accountability

HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COMMISSION ON REVENUE ALLOCATION FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Commission on Revenue Allocation set out on page 1 to 18, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the 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 the Commission on Revenue Allocation as at 30 June, 2020, 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 the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Commission on Revenue Allocation Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with 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.

Key Audit Matters

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

Other Matter

Pending Bills

Annex II to the financial statements shows that the Commission on Revenue Allocation had pending bills totalling to Kshs.7,470,306 which were not settled as at 30 June, 2020. The pending bills relates to supply of goods and services which were not settled in 2019/2020 financial year but were instead carried forward to 2020/2021 financial year. Failure to settle bills during the year to which they relate adversely affects the provisions of the subsequent year to which they are charged.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Commission's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Commission or 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities,

financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Commission to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

28 April, 2021

X. STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2019-2020 Kshs	Restated 2018-2019 Kshs
REVENUE			
Revenue from Non-Exchange transactions			
i Transfer from other Governments			
Exchequer Transfers	4.i	360,324,938	409,530,065
Donor Funding	4.ii	30,720,000	12,999,457
ii Transfer from Ministries			
Ministry of ICT (MICT)-in kind	4.a	-	2,367,127
		391,044,938	424,896,649
Revenue from Exchange Transactions			
iii Sale of Goods			
Other incomes	4.b	1,095	1,950
Total revenue		391,046,033	424,898,599
EXPENDITURE			
Employee Benefits	5	196,824,859	190,406,020
Commissioner's Expenses (Board)	6	11,369,768	18,691,080
Depreciation & amortization	7	22,341,883	26,791,813
Repairs & maintenance	8	5,199,984	7,289,386
General expenses	9	103,614,323	132,806,704
General expenses funded by A.I.A	9	21,174,545	8,165,642
Finance costs	10	66,320	60,720
Total expenses		360,591,683	384,211,365
OTHER GAINS / (LOSSES)			
Gain on sale of Assets	14.a.	7,121,000	(120,924)
Loss on foreign exchange transactions	14.b.	(360,269)	-
Surplus before tax		37,215,081	40,566,310
Taxation		-	-
Surplus / (Deficit) for the Period		37,215,081	40,566,310
Remission to National Treasury	9.a.	10,837,605	10,739,359
Unspent A.I.A	9.a.	9,900,352	-
Net Surplus for the Year		16,477,124	29,826,951

The notes set out on page 6 to 17 form an integral part of the Financial Statements

XI. STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	2019-2020 Kshs	Restated 2018-2019 Kshs
ASSETS			
Current assets			
Cash and cash equivalents	11	882,390	6,596,525
Receivables from non-exchange transactions	12.(a & c)	41,007,133	36,516,511
		41,889,523	43,113,037
Non-current assets			
Property, plant and equipment	13	40,998,286	47,372,753
Intangible assets	14	2,780,973	1,931,532
Mortgage Fund	15.a.	117,402,126	115,527,126
Car Loan Fund	15.b.	11,276,000	1,000
		172,457,385	164,832,411
TOTAL ASSETS		214,346,908	207,945,447
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	16	7,868,279	17,943,942
		7,868,279	17,943,942
TOTAL LIABILITIES		7,868,279	17,943,942
NET ASSETS		206,478,629	190,001,505
Represented by:			
Reserves		16,477,124	29,826,951
Accumulated surplus		190,001,505	160,174,554
TOTAL NET ASSETS & LIABILITIES		206,478,629	190,001,505

The Financial Statements set out on pages 1 to 17 were signed on behalf of the Commission by:



Dr. Moses Sichei
COMMISSION
SECRETARY/CEO



Maureen Junge
FINANCE MANAGER /
ICPAK No. 9883



Dr. Jane Kiringai
CHAIRPERSON

Date 17 / 09 / 2020

Date 17 / 09 / 2020

Date 17 / 09 / 2020

COMMISSION OF REVENUE AND CUSTOMS
XII. STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 JUNE 2020

		Restated
	2019-2020	2018-2019
	Kshs	Kshs
Balance as at 30 June 2019	190,001,505	160,174,554
Surplus / (Deficit) for the year	16,477,124	29,826,951
Balance as at 30 June 2020	206,478,629	190,001,505

III. STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2020

	Note	2019-2020 Kshs	Restated 2018-2019 Kshs
Cash flows from operating activities			
Surplus / (Deficit) from operating Activities		16,477,124	29,826,951
Adjusted for:			
Depreciation and Amortization	7	22,341,883	26,791,813
(Gains) and losses on disposal of assets	14.a	(7,121,000)	120,924
Working capital adjustments:			
(Increase)/Decrease in receivables	12	(4,490,622)	386,985
Increase/(Decrease) in payables	16	(10,075,662)	(3,368,037)
Increase in payments received in advance			
Net cash flows from operating activities		17,131,723	53,758,636
Cash flows from investing activities			
Purchase of property, plant, equipment and Refurbishment	13	(14,602,578)	(36,843,480)
Proceeds from sale of Property, Plant & Equipment	14.a	7,121,000	
Purchase of intangible assets	14	(2,214,280)	-
Mortgage Fund	15.a.	(1,875,000)	(11,222,000)
Car Loan Fund	15.b.	(11,275,000)	(1,000)
Net cash flows used in investing activities		(22,845,858)	(48,066,480)
Cash flows from financing activities			
(Increase)/Decrease in deposits	12.b.	-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(5,714,135)	5,692,157
Cash and cash equivalents at 1 July 2019	11	6,596,525	904,368
Cash and cash equivalents at 30 June 2020		882,390	6,596,525

IV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization %
	2019-2020 Kshs	2019-2020 Kshs	2019-2020 Kshs	2019-2020 Kshs	2019-2020 Kshs	2019-2020
Revenue						
Government grants and subsidies	469,376,899	(104,702,877)	364,674,022	360,324,938	4,349,084	99%
Other Income (A.I.A)	-	11,560,000	11,560,000	6,720,000	4,840,000	58%
Total income	469,376,899	(93,142,877)	376,234,022	367,044,938	9,189,084	98%
Expenditure						
Compensation to Commissioners employees	211,940,000	(21,863,550)	190,076,450	185,042,204	5,034,246	97%
Group Life & Med Insurance	18,317,265	1,821,788	20,139,053	20,139,019	34	100%
Gratuity	8,426,000	966,320	9,392,320	9,392,316	4	100%
Operation and Maintenance	172,767,007	(57,915,402)	114,851,605	114,701,497	150,108	100%
Operation and Maintenance-A.I.A(CCIO)	-	11,560,000	11,560,000	5,136,782	6,423,218	44%
Finance Cost	69,049	(6,666)	62,383	61,770	613	99%
Repairs and Maintenance-Motor Vehicle	4,385,078	198,953	4,584,031	4,583,265	766	100%
Repairs and Maintenance-Other Assets	1,322,500	(611,298)	711,202	711,199	3	100%
Capital Expenditure	52,150,000	(27,293,022)	24,856,978	24,856,879	99	100%
Total expenditure	469,376,899	(93,142,877)	376,234,022	364,624,931	11,609,091	97%
Surplus/(Deficit) for the period				2,420,007		

Note:

- Approved reallocations of Kshs. 31,312,754, and Kshs. 18,637,939 were effected in the budget and incorporated under the adjustments besides the budget reduction of Kshs. 104,702,877. The first reallocation / adjustments was mainly to cater for expenditure items affected by the budget cuts while the second reallocation was mainly to cater for misposting of CRA's budget by the IFMIS team from 586 million to 469 million.
- A.I.A of Kshs. 11,560,000 was also consider as an adjustment which was not in the initial allocation. This amount was contributed by constitutional commissions towards the 8th annual congress. The balance of Kshs. 4.8 million was paid directly to service providers of the event.
- Annex V provides a reconciliation of the Commission's Annual approved budget, Actual Expenditure and Financial statements FY 2019/20

XV. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**1. General Information**

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

The Financial Statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on accrual basis under the accrual basis of accounting and relevant legal framework of Kenya. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya (PSASB)

The Financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Commission and all values are rounded to the nearest cent. The Accounting policies have been consistently applied to all the years presented

The financial statements have been prepared on the basis of historical cost, except where otherwise stated in the statement of accounting policies below. The cashflow statement is prepared using the indirect method, while the financial statements are prepared on accrual basis which recognises transactions and events whenever they are incurred.

3. Summary of Significant Accounting Policies**(i) Revenue from non-exchange transactions – IPSAS 23****Exchequer Allocations**

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.

Donor Funding

The Commission received funding (A.I.A) of **Kshs. 24,000,000** from UNDP and PFMR support of various activities of the Commission.

United Nations Development Partners (UNDP)

In the reporting year, the Commission continued with implementation of activities earlier supported by UNDP up to **Kshs. 12 million**. The Commission utilized **Kshs. 9,172,858** being an absorption rate of **76%** of the funding compared to **74%** absorption rate in FY 2018/19. The funding was in support of the Commission's mandate inline with building capacity of counties in public financial management. The two main outputs are highlighted below:

- a) Strengthening county-level planning and public financial management (PFM) systems.
- b) Strengthened citizen participation mechanisms and processes to ensure effective and equitable service delivery, transparent and accountable use of resources.

Public Financial Management Reforms (PFMR)

The Commission also received **Kshs. 12,000,000** from PFMR in support of conducting training of MCA's on issues of Public Financial Reforms. The Commission utilised 9 Kshs. **9,760,605** being an absorption rate of **81%** was realized.

(ii) Revenue from exchange transactions – IPSAS 9

Sale of Newspapers

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.

(iii) Non-Current Assets

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 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 done in the first half year.

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 SRC's circular Ref No. SRC/ADM/CIR/1/13. III (128) dated 17th December 2014 and CRA's internal rules and regulations.

(iv) 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.

(v) Annual Depreciation & Amortization rates

A straight-line method of depreciation was applicable to all Commission's assets.

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

(vi) Provisions – IPSAS 19

Provisions are recognised when the Commission has a present obligation as a result of a past event, 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.

(vii) Employee Benefits – IPSAS 2

Retirement Benefit Plans

The Commission operates a private retirement benefit scheme with Jubilee Insurance and administered by ICEA for all its permanent and pensionable employees. Further An amount equivalent to 20% and 31 % of basic is set aside as pension and gratuity for all permanent and contractual employees respectively.

Additionally, all the employees are members of the statutory National Social Security Fund (NSSF)

The Commission's contribution towards employee pension and staff gratuity for those on contract are charged to the statement of financial performance in the year to which the employees rendered the services to the Commission.

(viii) Related parties – IPSAS 20

The Commission regards a related party as a person or an Authority with the ability to exert control individually or jointly, or to exercise significant influence over the Commission or vice versa.

Members of key management are regarded as related parties and comprise the Commissioners, Commission Secretary and directors.

(ix) 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. The standard is not relevant to the Commission.

(x) Financial Instruments – IPSAS 41

This standard is applicable from 1st January 2022. Its objective is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.

IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

- Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;
- Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

The standard is not relevant to the Commission.

(xi) Social Benefit – IPSAS 42

Applicable: 1st January 2022

The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided helps users of these financial statements and general purpose financial reports assess:

- (a) The nature of such social benefits provided by the entity;
- (b) The key features of the operation of those social benefit schemes; and
- (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.

The standard is relevant to the Commission and was earlier adopted as per not 3 (vii) above

(xii) 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 as Central bank of Kenya at the end of financial year.

(xiii) Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contractual obligations during the year or in the past. Such bills are accrued in the year in which they are incurred.

(xiv) Exchange Rate

The Commission received a grant of USD 48,000 from Open Society Initiative for Eastern Africa (OSIEA) meant for setting up of the marginalization lab and facilitation of activities related to the Lab. Considering that the Commission does not maintain a USD account, that amount of USD 48,000 was deposited into CRA's Account at an Exchange rate of 101 (Kshs. 4,833,815) in August 2018.

A financing agreement was not granted to the Commission leading to a refund of the said amount to OSIEA at a prevailing Exchange rate of 108.

The difference in the exchange rates led to a loss of Kshs. 360,269 that had not been anticipated by the Commission.

	2019-2020	2018-2019
	Kshs	Kshs
4 Transfers from other Governments		
(i) Operational Grant (Exchequer Transfers)		
1st Quarter Exchequer	54,440,131	69,724,920
2nd Quarter Exchequer	109,335,846	91,508,700
3rd Quarter Exchequer	91,887,351	86,246,800
4th Quarter Exchequer	104,661,610	162,049,645
	360,324,938	409,530,065
(ii) Other Grants (Donor funding)		
Open Society Initiative for Eastern Africa (OSIEA)	-	4,833,815
United Nation Development Partners (UNDP)	12,000,000	8,165,642
Public Financial Management Reforms (PFMR) – in kind	12,000,000	-
Constitutional & Independent Offices (CCIO's)	6,720,000	-
	30,720,000	12,999,457
4(a) Transfer from Ministries		
Ministry of ICT (MICT)-in kind	-	2,367,127
	-	2,367,127
4(b) Sale of Goods		
Sale of Newspapers/Assets	1095	1,950
	1,095	1,950
5 Employee costs		
Basic salaries	110,528,488	106,762,293
Casual Labour	1,207,762	2,118,259
Acting Allowance	805,833	280,487
House Allowance	21,684,790	22,380,414
Special Duty	2,448,000	2,448,000
Top up for seconded staff	427,950	376,656
Responsibility Allowance	3,606,452	4,380,463
Transport Allowance	9,877,889	10,021,556
Security Allowance	720,000	720,000
Leave Allowance	1,455,001	1,425,949
Telephone Allowance	3,537,474	3,394,183
Pension contribution	19,461,285	17,743,625
Gratuity	2,769,056	2,591,946
Medical Insurance	17,119,139	14,120,719
Group Life Insurance	899,178	807,885
WIBA	276,562	833,585
	196,824,859	190,406,020
The significant increase in staff salaries was mainly due to Annual increment which also had a direct positive effect on pension contribution.		
6 Commissioner's Expenses		
Telephone Allowance	1,480,000	1,440,000
Leave Allowance	400,000	400,000
Security Allowance	7,680,000	7,680,000
Domestic Travel costs	789,400	2,903,800
Foreign Travel Costs	366,468	5,728,939
Pre-Feasibility Studies	-	182,500
Hospitality and Conference	43,800	302,091
Office and General Supplies	-	-
Training Expenses	-	-
Medical Insurance (Ex Gratia)	110,100	53,750
Club Membership	500,000	-
	11,369,768	18,691,080

	2019-2020	2018-2019
	Kshs	Kshs
7 Depreciation & Amortization		
Refurbishment	6,553,689	9,732,502
Furniture & Fittings	2,395,762	3,060,031
Motor Vehicle	8,239,500	9,387,819
Computer & Printers	3,232,335	2,472,113
Office Equipment	555,759	744,508
Intangible Assets	1,364,839	1,394,840
	22,341,883	26,791,813
8 Repairs and maintenance		
Routine maintenance of Motor vehicles	4,522,425	6,364,693
Routine maintenance of Assets	677,559	924,693
	5,199,984	7,289,386
9 General expenses		
Utilities Supplies -Electricity	2,090,948	2,309,558
Utilities Supplies -Water	327,648	361,180
Communication Supplies & Services	4,527,346	4,169,737
Domestic Travel costs	7,322,092	15,860,327
Foreign Travel Costs	1,735,804	1,367,142
Printing Advertising & Information	4,231,270	5,751,322
Rent Expenses	48,566,654	46,632,307
Hire of Transport	1,444,983	2,248,391
Training Expenses	2,971,335	8,260,057
Catering Services	2,333,988	3,316,337
Boards, Seminars & Conferences	4,488,357	14,721,293
Boards, Seminars & Conferences - Audit Committee	117,600	124,400
Insurance Costs (Motor Vehicle & Plant and Machinery)	1,001,753	4,071,021
Specialised Materials & Supplies–Library resources & Uniforms.	892,458	167,638
Office & General Expenses	3,373,140	4,170,640
Fuel oils and Lubricants	5,832,118	6,378,766
Security Guards	1,464,465	1,366,717
Cleaning Services	2,356,346	2,229,054
Membership fee, Dues and Subscriptions	506,620	1,292,870
Contracted Professional Services	7,565,399	1,830,082
Contracted Professional Services – Audit Fee OAG	464,000	464,000
Feasibility Study	-	5,713,866
	103,614,323	132,806,704
Expenses Funded by A.I.A		
Boards, Seminars & Conferences (UNDP)	9,172,858	8,165,642
Boards, Seminars & Conferences (PFMR)	6,864,905	
	5,136,782	
Boards, Seminars & Conferences (CCIO)	21,174,545	8,165,642
TOTAL General Expenses	124,788,868	140,972,346
9(a) Surplus Remission / Unspent A.I.A		
Refund to other Govt entities (NT)	10,837,605	10,739,359
Unspent A.I.A - OSIEA	4,833,815	
Unspent A.I.A - UNDP	2,827,142	
Unspent A.I.A - PFMR	2,239,395	
	20,737,957	10,739,359

	2019-2020	2018-2019
	Kshs	Kshs
10 Finance Costs		
Bank Charges	66,320	60,720
Borrowings (amortized cost)	-	-
Finance leases (amortized cost)	-	-
	66,320	60,720
11 Cash and cash equivalents		
CBK - 1000181281 (Recurrent A/c) - Exchequer	-	4,955,002
CBK - 1000181998 (Deposit A/c)	265,902	265,902
Cash-on-hand (Petty Cash & office float)	616,487	1,375,621
	882,390	6,596,525
12 Receivables (Current Receivables)		
(a) Prepayments		
Medical Insurance	10,879,857	9,139,914
Group Life	736,493	653,680
WIBA	553,125	829,687
Motor Vehicle	1,973,776	-
Plant & Machinery	137,667	227,606
Service Charge Q1 FY20/21	1,614,477	-
Electricity Bill - June19	110,992	218,766
Telephone	8,468	-
Internet	163	-
Newspapers - June19	1,800	3,060
Hire of Transport - June19	29,196	89,371
Bank Charges - March19	-	4,550
Water	-	43,840
Motor Vehicle Maintenance	5,619	-
	16,051,633	11,210,474
(b) Deposit		
Rent	21,992,532	21,992,532
Fuel	1,060,000	1,060,000
Provision of E1line (Internet)	50,000	50,000
Naivas Supermarket	100,000	100,000
	23,202,532	23,202,532
<p>The rent deposit refers to 6 months rent deposit and it's inclusive of parking fees and service charge for the same period. Service charge deposit was enhanced from the original lease by Kshs.3,239,210</p>		
(c) Debtors		
Salary	64,663	-
Outstanding Salary advances	1,679,000	2,055,000
Outstanding Imprest from staff	-	39,200
	1,743,663	2,094,200
(d) Credit Notes		
14 Riverside Mngt June 19 Payment	9,306	9,306
TOTAL Receivables	41,007,133	36,516,511

13 Property, Plant and Equipment

<i>Cost or Valuation:</i>	Computers & Printers	Office Equipment	Furniture & Fittings	Motor Vehicles	Total
	KShs	KShs	KShs	KShs	KShs
As at 30th June 2018	27,420,641	10,124,945	100,940,669	95,386,970	233,873,225
Additions during the year	2,367,127	118,753	1,399,600	32,958,000	36,843,480
Disposal	(2,158,990)	(42,085)	(1,213,111)	-	(3,414,186)
Write off					-
Transfer/Adjustments					
As at 30th June 2019	27,628,778	10,201,613	101,127,158	128,344,970	267,302,519
Additions during the year (Comps & Printers funded by PFMR)	2,895,700	20,000	889,800	10,797,078	14,602,578
Disposal				(19,989,002)	(19,989,002)
Write off					
Transfer/Adjustments					
As at 30th June 2020	30,524,478	10,221,613	102,016,958	119,153,047	261,916,095
<u>Depreciation and Impairment</u>					
As at 30 June 2018	22,451,622	8,268,280	72,867,502	94,238,652	197,826,055
Depreciation	2,472,113	744,508	12,792,533	9,387,819	25,396,973
Disposals/Write off	(2,158,990)	(42,085)	(1,092,187)		(3,293,262)
Impairment					0
Transfer/adjustment					0
As at 30 June 2019	22,764,745	8,970,703	84,567,848	103,626,471	219,929,766
Depreciation	3,232,335	555,759	8,949,451	8,239,500	20,977,044
Disposals /Write off				(19,989,002)	(19,989,002)
Transfer/adjustment					
At 30 June 2020	25,997,079	9,526,462	93,517,299	91,876,969	220,917,809
<u>Net Book Values</u>					
At 30 June 2020	4,527,398	695,151	8,499,659	27,276,078	40,998,286
At 30 June 2019	4,864,033	1,230,910	16,559,310	24,718,500	47,372,753

	2019-2020	2018-2019
	Kshs	Kshs
14 Intangible assets - software		
<u>Cost or Valuation:</u>		
At 30 June 2018	12,045,981	10,454,158
Additions		1,591,823
At 30 June 2019	12,045,981	12,045,981
Additions	2,214,280	
At 30 June 2020	14,260,261	12,045,981
<u>Amortization and impairment</u>		
At 30 June 2018	8,719,609	6,902,395
Amortization	1,394,840	1,817,214
At 30 June 2019	10,114,449	8,719,609
Amortization	1,364,839	1,394,840
Impairment loss		
At 30 June 2020	11,479,289	10,114,449
<u>Net Book Values</u>		
At 30 June 2020	2,780,973	1,931,532
At 30 June 2019	1,931,532	3,326,372
14(a) Disposal of Fixed Assets	Kshs	Kshs
<u>Cost or Valuation:</u>		
As at 1st July 2019	19,989,002	3,414,186
Accumulated depreciation	19,989,002	3,293,262
Net Book Value At 30 June 2020	-	120,924
Salvage Value	7,121,000	-
Gain / (Loss on Disposal)	7,121,000	(120,924)
14(b) Loss on Foreign exchange Transaction		
<u>OSIEA FUNDING</u>		
Difference in Exchange Rate of USD 48,000	360,269	-
	360,269	-
15 (a) Mortgage Account (Restricted Cash)		
At 30 June 2019	115,527,126	104,305,126
Additions	1,875,000	11,223,000
Withdrawals to Staff Car Loan Account	-	(1,000)
At 30 June 2020	117,402,126	115,527,126
(b) Car Loan Account (Restricted Cash)		
At 30 June 2019	1,000	-
Additions	11,275,000	1,000
At 30 June 2020	11,276,000	1,000

The Mortgage scheme is administered by Kenya Commercial Bank (KICC branch). The loans to staff are issued at 4% interest rate being: 3% Administration cost and 1% earnings to the revolving fund. Further, the Car Loan scheme is managed internally once there availability of funds. The loans will be issued at an interest rate of 3%. The total interest accruing from fund will be recouped back to the account.

16. Trade and other payables

	2019-20	2018-2019
	Kshs	Kshs
Audit Fees	928,000	1,392,000
Gratuity	2,616,618	9,239,878
Trade Payables (Suppliers Invoices-Debit Notes)	3,925,688	7,045,104
Other Staff Payables	397,973	266,959
	7,868,279	17,943,941

17. 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 (Board).

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

(i) 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, it is 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 funding.

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

- a) Cash and bank balances
- b) Prepayments
- c) Deposits
- d) Outstanding salary advances
- e) Outstanding Staff travel imprests.

(ii) Liquidity Risk

Liquidity risk 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 that it has sufficient liquidity to meet its liabilities when due, under both normal and constrained conditions, without incurring unexpected losses.

The Commission ensures availability of sufficient cash on demand to meet expected operational expenses including servicing of financial obligations.

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

- a) Trade payables
- b) Accrued audit fees and
- c) Accrued gratuity.

18. Contingent liabilities /Assets

Gratuity payment for employees on contract

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

19. Comparatives

Prior year comparative information has been presented in the current financial year. The figures have however been restated to cater for prior years adjustments. **Annex IV** is a detailed analysis of the restated figures.

20. Subsequent Events

There have been no events subsequent to the financial year end with significant impact on the financial statements for the year ended June 30, 2019.

21. 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 end of their contract. Gratuity is based on 31% of their basic pay.

Estimates and assumptions

The Commission does not have any key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

Provisions

The Commission provides for depreciable and obsolete assets. Additional disclosure of these estimates of provisions is included in Note 3 (v).

Annex I. Progress on follow up of Audit recommendations

The Commission received Unqualified Audit opinion in financial year 2018/19 without any specific issue raised that needed the management attention.

Reference No. on external audit report	Issue / Observation from Auditor	Management Comments	Focal point person to resolve the issue	Status:	Time frame:
N/A	N/A	N/A	N/A	N/A	N/A

DR. Moses Sichei
COMMISSION SECRETARY / CEO

Date 17 / 09 / 2020

Maureen K. Junge
FINANCE MANAGER / ICPAK No.9883

Date 17 / 09 / 2020

Dr. Jane Kiringai
CHAIRPERSON

Date 17 / 09 / 2020

Annex II. Analysis of pending accounts payable

S/No.	ITEM	SUPPLIER	DESCRIPTION	YEAR	CLOSING BALANCE FY 18/19	PV No.	Prior Year's Adjustment for Over & Understatements	AMOUNT PAID IN FY 19/20	CLOSING BALANCE FY 19/20
1	2210101	14 Riverside mgt	Electricity bill-May	18/19	28,035	5107		26,585	1,450
2	2210101	14 Riverside mgt	Electricity bill-April 20	19/20					135,082
			2210101		28,035		-	26,585	1,450
3	2210201	Safaricom	Mobile Services June	18/19	54,908	5013	(1,644)	50,509	2,755
4	2210201	Safaricom	Telephone bill-May	18/19	773	4996		733	40
5	2210201	Airtel	Telephone-May & June	18/19	35		(35)		-
			2210201		55,716		(1,679)	51,242	2,795
6	2210202		Internet for June	18/19	63,320	5015		60,045	3,275
7	2210202	Telkom	Internet for May	18/19	148,074	5155		140,415	7,659
8	2210202	Telkom	Internet for June	18/19	148,074	5017		140,415	7,659
			2210202		359,468		-	340,875	18,593
9	2210301	Longrock tours and travel	Return Ticket to Kisumu		19/20				67,900
			2210301		-		-	-	67,900
10	2210401	National Treasury	Ticket to Canada Placement study visit	18/19	9,000	4960		9,000	-
			2210400		9,000		-	9,000	-
11	2210502	KRA	WH VAT-IKUALITY GRAPHICS	17/18	144	2374/	(144)		-
			2210502		144		(144)	-	-
12	2210502	Cadre Kenya Ltd	Newspaper supply for May	18/19	240	5000		228	12
			2210503		240		-	228	12
13	2210603	KRA	10% Rental Income - (Service Charge Oct - Dec 17) - PV 2418	17/18	137,254				137,254
14	2210603	KRA	10% Rental Income - (Service Charge Jul - Aug 17) - PV 2418	17/18	91,502				91,502
			2210603		228,756		-	-	228,756
15	2210604	Pewin cabs	Car hire services for May	17/18	22,729				22,729

COMMISSION ON REVENUE ALLOCATION'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

S/No.	ITEM	SUPPLIER	DESCRIPTION	YEAR	CLOSING BALANCE FY 18/19	PV No.	Prior Year's Adjustment for Over & Understatements	AMOUNT PAID IN FY 19/20	CLOSING BALANCE FY 19/20
			2210604		22,729		-	-	22,729
16	2210801	System Inn	May-18	17/18	5,200				5,200
17	2210801	System Inn	Jun-18	17/18	(2,800)				(2,800)
18	2210801	Joyroy's services	Catering services for the month of May	18/19	139,560	5019		132,330	0
19	2210801	Joyroy's services	catering services for the month of June	18/19	95,195	5019		90,264	(0)
20	2210801	Naivas Ltd	Catering services for June	18/19	54,000	5011		37,305	14,660
			2210801		291,155		-	259,899	17,060
21	2210802	Villa Rosa Kempiski	Senate meeting-Half day conference	18/19	140,650	5175		133,375	-
22	2210802	Border Place hotel	Conference Venue - UNDP	18/19	44,000	5163		41,724	-
23	2210802	Lantern Resort	Conference Venue - UNDP	18/19	39,200	5173		37,172	-
24	2210802	Tumaini Gardens	Conference Venue - UNDP	18/19	69,000	5171		65,431	-
25	2210802	Mountain Breeze Hotel	Conference Venue - UNDP	18/19	33,000	5165		31,293	-
			2210802		325,850		-	308,996	-
27	2210904	APA Insurance	MV Ins-Prorated Premium to cover to April 2019	18/19	121,010	5216		121,010	-
28	2210904	APA Insurance	Motor Vehicle Insurance FY 2018/19	18/19	2,546,179	5216		2,546,179	-
29	2210904	Madison General Insurance	Motor Vehicle Insurance FY 2019/20	19/20					351,858
			2210904		2,667,189		-	2,667,189	351,858
30	2210910	Madison Insurance	Medical Insurance	18/19	154,837	5021		154,837	(0)
			COMMISSIONERS						
31	2210402	Madison Insurance	Travel Insurance for 3 Commissioners	18/19	18,598	4951		18,598	-
			2210904		154,837		-	173,435	(0)
32	2211009	KRA	WH VAT-EDUCATE YOURSELF LIMITED	17/18	7,262		(7,262)		0
			2211009		7,262		(7,262)		0

COMMISSION ON REVENUE ALLOCATION'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

S/No.	ITEM	SUPPLIER	DESCRIPTION	YEAR	CLOSING BALANCE FY 18/19	PV No.	Prior Year's Adjustment for Over & Understatements	AMOUNT PAID IN FY 19/20	CLOSING BALANCE FY 19/20
33	2211101	B.N Chege Florist	Flowers for the month of May 2019	17/18	16,500				16,500
34	2211101	B.N Chege Florist	Flowers for the month of June 2019	18/19	66,000	5045		62,586	3,414
35	2211101	GreenShamrock	Stationeries	18/19	253,000	5204		239,914	13,086
36	2211101	Lastborn Enterprises	Stationeries	18/19	234,000	5177		221,897	12,103
	2211101	B.N Chege Florist	Flowers for the month of March 20	19/20					22,500
			2211101		569,500		-	524,397	28,603
37	2211201	National oil	Fuel for the Month of May 2019	18/19	714,838	5009/1		617,000	97,838
38	2211201	National oil	Fuel for the Month of June 2019	18/19	563,930	5004/1		563,930	0
39	2211201	Fuel(Karisa, Elkana & John)		18/19	15,000		4948/49/50	15,000	-
			2211201		1,293,768		-	1,195,930	97,839
40	2211305	Liga Holdings	Supply of Sanitizer	19/20	-				17,806
			2211305		-		-	-	17,806
41	2211310	Auditor General	Audit fee for 2016/17	16/17	464,000	5993		456,000	8,000
42	2211310	Auditor General	Audit fee for 2017/18	17/18	464,000	5993		456,000	8,000
43	2211310	Auditor General	Audit fee for 2018/19	18/19	464,000				464,000
44	2211310	Auditor General	Audit fee for 2019/20	19/20					464,000
45	2211310	KRA	WHT Kamotho Waiganjo	19/20		5971			154,310
46	2211310	Paul Nyamodi & Co. Advocates	Legal Counsel						1,500,000
			2211310		1,392,000		-	912,000	16,000
47	2220101	Stoic Ltd Company	QTN-KK/NRB/019/0058/019	18/19	240,000	5167		227,586	12,414
48	2220101	KK Security	KK/NRB/0190058/019	18/19	105,000	5208		99,569	5,431
49	2220101	Toyota Kenya Ltd	GKB 083V - Repairs for May	18/19	14,800	5055		14,035	766
50	2220101	Toyota Kenya Ltd	GKB 525M - Repairs for May	18/19	98,982	5057		93,862	5,120
51	2220101	Toyota Kenya Ltd	GKA 841X - Repairs for May	18/19	31,976	5059		30,322	1,654
52	2220101	Toyota Kenya Ltd	GKB 157A - Repairs for May	18/19	154,466	5061		146,476	7,990
53	2220101	Toyota Kenya Ltd	GKB 040A - Repairs for May	18/19	22,827	5064		21,646	1,181

COMMISSION ON REVENUE ALLOCATION'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

S/No.	ITEM	SUPPLIER	DESCRIPTION	YEAR	CLOSING BALANCE FY 18/19	PV No.	Prior Year's Adjustment for Over & Understatements	AMOUNT PAID IN FY 19/20	CLOSING BALANCE FY 19/20
54	2220101	Toyota Kenya Ltd	GKB 157A - Repairs for May	18/19	123,481	5114/1		117,094	6,387
55	2220101	Toyota Kenya Ltd	GKA 843X - Repairs for May	18/19	35,295	5069		33,469	1,826
56	2220101	Toyota Kenya Ltd	GKB 200A - Repairs for April	18/19	33,238	5116		33,238	-
57	2220101	Toyota Kenya Ltd	GKB 084V - Repairs for May	18/19	14,800	5073		14,035	766
58	2220101	Toyota Kenya Ltd	GKB 084V - Repairs for June	18/19	14,800	5076		14,035	766
59	2220101	Toyota Kenya Ltd	GKA 839X - Repairs for June	18/19	39,857	5078		37,795	2,062
60	2220101	Toyota Kenya Ltd	GKB 923C - Repairs for June	18/19	58,779	5080/2		55,739	3,040
61	2220101	Toyota Kenya Ltd	Repair of GKA 843X	19/20					98,780
62	2220101	Toyota Kenya Ltd	Repair of GKA 843X	19/20					9,349
63	2220101	Toyota Kenya Ltd	Repair of GKB 157A	19/20					96,307
64	2220101	Toyota Kenya Ltd	Repair of GKB 084V	19/20					32,372
65	2220101	Toyota Kenya Ltd	Repair of GKA 839X	19/20					40,317
66	2220101	Toyota Kenya Ltd	Repair of GKB 083V	19/20					54,533
67	2220101	Toyota Kenya Ltd	Repair of GKA 842X	19/20					10,200
68	2220101	Toyota Kenya Ltd	Repair of GKB 923C	19/20					238,796
69	2220101	Toyota Kenya Ltd	Repair of GK 841X	19/20					351,660
70	2220101	KRA	MAINTENANCE GKB 200A	19/20		5095			766
			2220101		988,301		-	938,901	49,400
71	2220201	MFI	Maintenance of Kyocera Printers	18/19	33,640	5043		31,900	1,740
			2220201		33,640		-	31,900	1,740
72	2710100	Accrued Gratuity - 2014/15	Accrued Gratuity - 2014/15	14/15	1,657,468	,011019		1,657,468	-
73	2710100	Accrued Gratuity - 2015/16	Accrued Gratuity - 2015/16	15/16	1,657,468	,011019		1,657,468	-
74	2710100	Accrued Gratuity - 2016/17	Accrued Gratuity - 2016/17	16/17	1,657,468	,011019		1,657,468	-
75	2710100	Accrued Gratuity - 2017/18	Accrued Gratuity - 2017/18	17/18	1,657,468	,011019		1,657,468	-
76	2710100	Accrued Gratuity - 2018/19	Accrued Gratuity - 2018/19	18/19	1,657,468	,011019		1,657,468	-
77									
	2710100	Dr. Moses Sichei	Accrued Gratuity - 2019/20	19/20					462,210
	2710100	Emily Kimani	Accrued Gratuity - 2018/19	17/18	18,060				18,060
	2710100	Emily Kimani	Accrued Gratuity - 2018/19	18/19	504,611				504,611
	2710100	Emily Kimani	Accrued Gratuity - 2019/20	19/20					558,345

COMMISSION ON REVENUE ALLOCATION'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2020

S/No.	ITEM	SUPPLIER	DESCRIPTION	YEAR	CLOSING BALANCE FY 18/19	PV No.	Prior Year's Adjustment for Over & Understatements	AMOUNT PAID IN FY 19/20	CLOSING BALANCE FY 19/20
77	2710100	Oliver Mwenda	Accrued Gratuity – 2018/19	18/19	429,867				429,867
	2710100	Oliver Mwenda	Accrued Gratuity - 2019/20	19/20					643,525
			2710101			0	-	8,287,340	2,616,618
78		OSIEA	Loss in Foreign Exchange Transaction	18/19					360,269
			GRAND TOTAL		17,667,469	0	(9,085)	15,727,916	7,470,306

Annex III. Analysis of pending staff payables

S/No	ITEM	NAME	DESCRIPTION	YEAR	CLOSING BALANCE FY18/19	PV No.	AMT PAID IN FY 19/20	CLOSING BALANCE FY 19/20
1	2110101	Naoimi Mathenge	Acting Allowance	19/20				11,249
2	2110101	Domnie Luteno	Acting Allowance	19/20				2,133
3	2110316	Dr. Moses Sichei	Security Allowance	19/20				240,000
4	2110320	Dr. Moses Sichei	Leave Allowance	19/20				16,667
5	2110320	Nelly Amiani	Leave Allowance	19/20				6,667
6	2110320	Andrew Munyao	Leave Allowance	19/20				6,667
7	2110405	Dr. Moses Sichei	Telephone Allowance	19/20				60,000
			Salary & Allowances					343,383
8	2210301	Amenya Nyakundi	Overpaid Imprest	17/18	1,200	3273		1,200
9	2210402	Edward Oyugi	Contingency	18/19	147,472	CLAIM128/70	147,472	-
10	2210402	Peter Gachuba	Contingency	18/19	70,187	CLAIM00127	70,187	-
			2210400		217,659	-	217,659	-
11	2210910	William Birech	Medical Claim (Partial)	18/19	1,000	4961	1000	-
12	2210910	Humphrey Wattanga	Medical Claim	18/19	6,200	4966	6200	-
13	2210910	Humphrey Wattanga	Medical Claim	18/19	1,000	4964	1000	-
14	2210910	Humphrey Wattanga	Medical Claim	18/19	4,500	4965	4500	-
15	2210910	Elsie Kemei	Medical Claim	18/19	15,850	4963	15850	-
16	2210910	Zinzi Khalwale	Medical Claim	18/19	9,550	4962	9550	-
17	2210910	Justus Emeri	Medical Claim	18/19	10,000	4872	10000	-
18	2210910	Joyce Kuria	Medical Claim	19/20				1,400
19	2210910	Geoffrey Ntooki	Medical Claim	19/20				11,600
20	2210910	Humphrey Wattanga	Medical Claim	19/20				10,100
21	2210910	Rachel Kagwanja	Medical Claim	19/20				10,590
			2210910		48,100		48,100	33,690
22	2211201	Fouzia Abdikadir	Fuel	19/20				12,700
23	2211306	William Birech	HR Practicing Cert	19/20				7,000
			2211306					7,000
			GRAND TOTAL		266,959		265,759	397,973

Annex IV. Prior Year's adjustment for FY 2018/19

Note	Particulars	Year	PV	Audited	Revised	Difference	Reason	Action	Affected Statement	Effect on Financial Statements
5	Gratuity for Emily Kimani	17/18 & 18/19		-	522,671	(522,671)	Understatement	Increase General Expenses, and Payables & reduce Accumulated Supplus by 934,478	Statement of Financial Performance	Decreased surplus
5	Gratuity for Oliver Mwenda	18/19		-	429,867	(429,867)	Understatement		Financial Position	Decreased Net Assets
5	Gratuity for Emily Kimani	18/19		-	504,611	(504,611)	Understatement	Increase General Expenses, and Payables & reduce Accumulated Supplus by 934,478	Statement of Financial Performance	Decreased surplus
9	Simon Richu's Cash bail- Isiolo Law courts	18/19	2805	100,440	440	100,000	Refund of Cash Bail	Reduce: 1. General Expenses, and increase Accumulated Supplus by 100,000	Statement of Financial Performance	Increased surplus
									Financial Position	Increased Net Assets
									Changes in Equity	Increased accumulated surplus
9	Safariicom's June 19 Payment	18/19	5013	54,908	53,264	1,644	Overstatement	Reduce General Expenses, and Payables & Increase Accumulated Supplus by 1644	Statement of Cashflows	Increased cash and cash equivalent
9	Airtel's May & June 18	17/18				35	Overstatement		Financial Position	Increased Net Assets
9	VAT Ikuality PV	17/18	2374	288	144	144	Overstatement	Reduce: 1. Payables & 2. Increase Accumulated Supplus by 35, 144 and 7,262	Changes in Equity	Increased accumulated surplus
9	Educate Yourself-WHT	17/18	2365	14,524	7,262	7,262	Overstatement			
9	Sarova Stanley	18/19	Accrual	77,200	-	77,200	Overstatement	Reduce General Expenses, and Payables & Increase Accumulated Supplus by 77,200	Statement of Financial Performance	Increased surplus
									Statement of Financial Position	Increased Net Assets
12(d)	Jubilee Insurance			15,692	-	(15,692)	Unhonoured Credit Notes	Reduce receivables and accumulated surplus by 61,536	Financial Position	Decreased Net Assets
12(d)	First Assurance			45,844	-	(45,844)			Changes in Equity	Decreased accumulated surplus
						((827,789))				

Workings:

Audited Net Assets FY 18/19	190,829,294
Revised figures (Annex IV)	(827,789)
Revised Net Assets FY 18/19	190,001,505

Annex V. Reconciliation on Budget and Actual amounts to Financial Statements

ITEM	DETAILS	REVISED BUDGET	STAFF	COMMISSIONERS	AMOUNT CAPTURED IN FSs FY 19/20	PREPAYMENTS FY 18/19	PREPAYMENTS FY 2019/20	ACCRUALS PAID IN FY 19/20	ACCRUALS FY 19/20	OTHERS	ACTUAL EXPENDITURE
		(a)	(b)	(c)	(d) = (b+c)	(e)	(f)	(g)	(h)	(i)	(j) = (d+e+f+g-h+i)
	REVENUE										
1	9910201	364,674,022	353,304,254	11,369,768	364,674,022						360,324,938
2	1420102	11,560,000	11,560,000		11,560,000						6,720,000
	Total Inflow	376,234,022	364,864,254	11,369,768	376,234,022	-	-	-	-	-	367,044,938
	EXPENDITURE										
3	2110101	111,341,873	111,334,321		111,334,321				13,382	2,426	111,323,365
4	2110202	1,836,450	1,207,762		1,207,762						1,207,762
5	2110301	21,733,000	21,684,790		21,684,790					28,000	21,712,790
6	2110309	2,592,000	2,448,000		2,448,000						2,448,000
7	2110310	883,280	427,950		427,950						427,950
8	2110312	3,660,000	3,606,452		3,606,452						3,606,452
9	2110314	9,896,000	9,877,889		9,877,889					12,500	9,890,389
10	2110316	8,160,400	720,000	7,680,000	8,400,000				240,000		8,160,000
11	2110320	2,090,600	1,455,001	400,000	1,855,001				30,001		1,825,000
12	2110405	4,979,000	3,537,474	1,480,000	5,017,474				60,000	3,000	4,960,474
13	2120103	22,903,847	19,461,285		19,461,285					18,737	19,480,022
		190,076,450	175,760,924	9,560,000	185,320,924	-	-	-	343,383	64,663	185,042,204
14	2210901	981,992	899,178		899,178	653,680	736,493				981,991
15	2210910	19,157,061	17,395,702	110,100	17,505,802	9,969,601	11,432,982	221,535	33,690		19,157,028
16	2710102	9,392,320	2,769,056		2,769,056			8,287,340	1,664,080		9,392,316
	SALARY AND ALLOWANCES	29,531,373	21,063,936	110,100	21,174,036	10,623,281	12,169,475	8,508,875	1,697,770	-	29,531,335
		219,607,823	196,824,860	9,670,100	206,494,960	10,623,281	12,169,475	8,508,875	2,041,153	64,663	214,573,539
17	2210101	1,876,128	2,090,948		2,090,948	218,766	110,992	28,035	135,082		1,876,127
18	2210102	283,809	327,648		327,648	43,840					283,808
	Utilities	2,159,937	2,418,596	-	2,418,596	262,606	110,992	28,035	135,082	-	2,159,935

COMMISSION ON REVENUE ALLOCATION'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

ITEM	DETAILS	REVISED BUDGET	STAFF	COMMISSIONERS	AMOUNT CAPTURED IN FSs FY 19/20	PREPAYMENTS FY 18/19	PREPAYMENTS FY 2019/20	ACCRUALS PAID IN FY 19/20	ACCRUALS FY 19/20	OTHERS	ACTUAL EXPENDITURE
19	2210201 Telephone, Telex, Facsimile and Mobile Phone Services	1,302,055	1,239,550		1,239,550		8,468	54,037			1,302,055
20	2210202 Internet Connections	3,539,562	3,179,931		3,179,931		163	359,468			3,539,562
21	2210203 Courier & Postal Services	107,865	107,865		107,865						107,865
	Communication	4,949,482	4,527,346	-	4,527,346		8,631	413,505	-	-	4,949,482
22	2210301 Travel Costs (airlines, bus, railway, mileage allowances, etc.)	1,022,463	1,235,806		1,235,806				67,900	(145,445)	1,022,461
23	2210302 Accommodation - Domestic Travel	6,918,276	6,086,286	789,400	6,875,686						6,875,686
	Domestic Travel	7,940,739	7,322,092	789,400	8,111,492		-	-	67,900	(145,445)	7,898,147
24	2210401 Travel Costs (airlines, bus, railway, etc.)	90,795			-			90,795			90,795
25	2210403 Daily Subsistence Allowance	2,394,495	1,735,804	366,468	2,102,272			135,864		145,445	2,383,581
	Foreign Travel	2,485,290	1,735,804	366,468	2,102,272		-	226,659	-	145,445	2,474,376
26	2210502 Publishing & Printing Services	3,462,691	3,462,690		3,462,690						3,462,690
27	2210503 Subscriptions to Newspapers, Magazines and Periodicals	702,564	703,580		703,580	3,060	1,800	240			702,560
28	2210505 Trade Shows	65,000	65,000		65,000						65,000
	Printing and Advertising	4,230,255	4,231,270	-	4,231,270	3,060	1,800	240	-	-	4,230,250
29	2210603 Rents and Rates - Non-Residential	50,181,655	48,566,654		48,566,654		1,614,477				50,181,131
30	2210604 Hire of Transport, Equipment	1,504,707	1,444,983		1,444,983	89,371	29,196				1,384,808
31	2210700 Travel Allowance	2,971,335	2,971,335		2,971,335						2,971,335
32	2210801 Catering Services (receptions), Accommodation, Gifts, Food and Drinks	2,608,116	2,333,988		2,333,988			274,075			2,608,063
33	2210802 Boards, Committees, Conferences and Seminars	4,950,021	4,605,957	43,800	4,649,757			325,850			4,975,607

COMMISSION ON REVENUE ALLOCATION'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2020

ITEM	DETAILS	REVISED BUDGET	STAFF	COMMISSIONERS	AMOUNT CAPTURED IN F\$ FY 19/20	PREPAYMENTS FY 18/19	PREPAYMENTS FY 2019/20	ACCRUALS PAID IN FY 19/20	ACCRUALS FY 19/20	OTHERS	ACTUAL EXPENDITURE
34	2210802 Boards, Committees, Conferences and Seminars (CCIO)	11,560,000	5,136,782		5,136,782						5,136,782
35	2210903 Plant, Equipment and Machinery Insurance	165,200	255,139		255,139	227,606	137,667				165,200
36	2210904 Motor Vehicle Insurance	5,035,723	746,613		746,613		1,973,776	2,667,189	351,858		5,035,720
	Insurance costs	5,200,923	1,001,752	-	1,001,752	227,606	2,111,443	2,667,189	351,858	-	5,200,920
37	2211009 Supply of Library Books	573,459	573,458		573,458						573,458
38	2211016 Purchase of Uniforms and Clothing - Staff	319,005	319,000		319,000						319,000
39	2211101 General Office Supplies (papers, pencils, forms, small office equipment etc)	2,377,861	1,846,906		1,846,906			553,000	22,500		2,377,406
40	2211102 Supplies and Accessories for Computers and Printers	1,278,740	1,278,739		1,278,739						1,278,739
41	2211103 Sanitary and Cleaning material	247,501	247,500		247,500						247,500
	General supplies	3,904,102	3,373,144	-	3,373,144	-	-	553,000	22,500	-	3,903,644
42	2211201 Refined Fuels and Lubricants for Transport	7,016,221	5,832,118		5,832,118			1,195,929	12,700		7,015,347
43	2211305 Contracted Guards & Cleaning Services	3,803,007	3,820,811		3,820,811				17,806		3,803,005
44	2211306 Membership Fees, Dues and Subscriptions to Professional and Trade Bodies	999,621	506,620	500,000	1,006,620				7,000		999,620
45	2211310 Contracted Professional Services	6,839,450	8,029,399		8,029,399			928,000	2,118,310		6,839,089
		11,642,078	12,356,830	500,000	12,856,830	-	-	928,000	2,143,116	-	11,641,714

COMMISSION ON REVENUE ALLOCATION'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

ITEM	DETAILS	REVISED BUDGET	STAFF	COMMISSIONERS	AMOUNT CAPTURED IN FSS FY 19/20	PREPAYMENTS FY 18/19	PREPAYMENTS FY 2019/20	ACCRUALS PAID IN FY 19/20	ACCRUALS FY 19/20	OTHERS	ACTUAL EXPENDITURE
46	3111404 Pre-feasibility, Feasibility and Appraisal Studies	2,214,280	2,214,280		2,214,280						2,214,280
	Sub-Total General Expenses	126,411,605	110,965,389	1,699,668	112,665,057	582,643	3,876,539	6,612,482	2,733,156	-	119,838,279
47	2211301 Bank Charges	62,383	66,320		66,320	4,550					61,770
48	2220101 Maintenance Expenses - Motor Vehicles	4,584,031	4,522,425		4,522,425		5,619	988,301	933,080		4,583,265
49	2220201 Maintenance of Plant, Machinery and Equipment (including lifts)	711,202	677,559		677,559						711,199
	Maintenance	5,295,233	5,199,984	-	5,199,984	-	5,619	1,021,941	933,080	-	5,294,464
	GENERAL EXPENSES	131,769,221	116,231,693	1,699,668	117,931,361	587,193	3,882,158	7,634,423	3,666,236	-	125,194,513
	SALARIES AND GEN EXPENSES	351,377,044	313,056,553	11,369,768	324,426,321	11,210,474	16,051,633	16,143,298	5,707,389	64,663	339,768,052
50	3110302 Refurbishment of Non-Residential Buildings	-	4,630,541		4,630,541	(73,229,477)		(77,860,018)			(0)
51	3110701 Purchase of Motor Vehicles	10,797,078	27,276,078		27,276,078	(91,876,969)	19,989,002	(128,344,970)			10,797,078
52	3111001 Purchase of Office Furniture and Fittings	889,900	3,869,118		3,869,118	(20,287,822)		(23,267,141)			889,800
53	3111002 Purchase of Computers, Printers and other IT	-	4,527,399		4,527,399	(25,997,080)	(2,895,700)	(27,628,779)			0
54	3111009 Purchase of other Office Equipment	20,000	695,151		695,151	(9,526,462)		(10,201,613)			20,000
55	4110403 Housing loans to public servants	1,875,000	117,402,126		117,402,126			(115,527,126)			1,875,000
56	4110403 Car loans to public servants	11,275,000	11,276,000		11,276,000			(1,000)			11,275,000
	CAPITAL EXPENDITURE	24,856,978	169,676,413	-	169,676,413	(220,917,811)	17,093,302	(382,830,646)	-	-	24,856,879
	TOTAL EXPENDITURE	376,234,022	482,732,966	11,369,768	494,102,734						364,624,931

Closing Balance 2,420,007