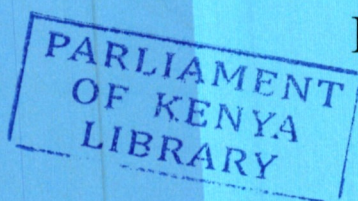


REPUBLIC OF KENYA



**OFFICE OF THE AUDITOR-GENERAL**

*Enhancing Accountability*



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**REVENUE STATEMENTS – STATE  
DEPARTMENT FOR INTERIOR**

**FOR THE YEAR ENDED  
30 JUNE, 2020**



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
**REGISTRY**

21 DEC 2020

**RECEIVED**

**STATE DEPARTMENT FOR INTERIOR**

**REVENUE STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

*JUNE 30, 2020*

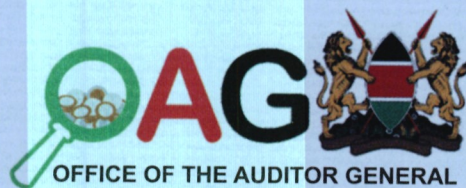
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Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

RECEIVED  
REGISTRY  
OFFICE OF THE ATTORNEY GENERAL  
STATE OF TEXAS

# REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR GENERAL

*Enhancing Accountability*

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

## **REPORT OF THE AUDITOR-GENERAL ON REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2020 - STATE DEPARTMENT FOR INTERIOR**

---

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

#### **Qualified Opinion**

I have audited the accompanying revenue statements of the State Department for Interior set out on pages 6 to 19, which comprise the statement of arrears of revenue as at 30 June, 2020, and the statement of receipts and disbursements for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the revenue statements present fairly, in all material respects, the arrears of revenue of the State Department for Interior as at 30 June, 2020, and the revenue performance for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

#### **Basis for Qualified Opinion**

##### **Long Outstanding Arrears of Revenue**

The statement of arrears of revenue as at 30 June, 2020 reflects a balance of Kshs.401,584,900. The outstanding arrears of revenue includes Kshs.188,802,500, Kshs.2,218,800 and Kshs.210,563,600 relating to Security of Government Buildings, Kenya Police Service and Directorate of Criminal Investigations, respectively.

As reported in 2018/2019 financial year, the amounts of Kshs.188,802,500 and Kshs.210,563,600 are owed by the Kenya Revenue Authority (KRA) for security services rendered by the Security of Government Buildings (SGB) Unit and the Postal Corporation of Kenya for fees collected in respect of certificates of good conduct on behalf of Directorate of Criminal Investigations (DCI), respectively. These amounts have been outstanding for a long period of time.

In the circumstances, the recoverability of the arrears of Kshs.188,802,500 and Kshs.210,563,600 included in the statement of arrears of revenue could not be confirmed.

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

### **Key Audit Matters**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **Manual Collection of Revenue at Civil Registration Department**

Examination of the Civil Registration Department revenue records revealed that an amount of Kshs.116,184,053 was collected during the year under review from certificates of births and deaths. Included in the amount is Kshs.83,428,086 which was received in cash instead of through the e-citizen online platform. The Management explained that the

Department continued to collect revenue directly without embracing the e-citizen because the staff had not been trained on how to operate the system. It was further explained that the pre-requisite hardware and software had not been installed.

Considering the huge investment by the government on e-citizen platform, the explanations for failure to use the platform fully in the collection of revenue are not plausible. The manual system for collection of revenue appears to be weak and prone to manipulation.

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 processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Management is responsible for the preparation and fair presentation of these revenue statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of revenue statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the revenue statements, Management is responsible for assessing the ability of the State Department for Interior 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 State Department or to cease operations.

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

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

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

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

The audit objectives are to obtain reasonable assurance about whether the revenue statements as a whole are free from material misstatement, whether due to fraud or error,

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

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

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

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


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

- Identify and assess the risks of material misstatement of the revenue statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the sustainability of services 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 ability of the State Department for Interior to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the revenue statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the State Department to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the revenue statements, including the disclosures, and whether the revenue statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the State Department to express an opinion on the revenue statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

**27 April, 2021**

**STATE DEPARTMENT FOR INTERIOR  
REVENUE STATEMENTS  
FOR FINANCIAL YEAR ENDED 30 JUNE, 2020**

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**STATE DEPARTMENT FOR INTERIOR  
REVENUE STATEMENTS  
FOR FINANCIAL YEAR ENDED 30 JUNE, 2020**

**I. KEY ENTITY INFORMATION AND MANAGEMENT**

The *State Department for Interior* is under the Ministry of Interior and Coordination of National Government At cabinet level, the *State Department for Interior* is represented by the Cabinet Secretary for Interior, who is responsible for the general policy and strategic direction of the *State Department for Interior*. The *State Department for Interior* was appointed as a receiver on 30<sup>th</sup> June 2016.

**Principal activities**

The receiver of revenue collects revenue from Licence Fees for Firearms Licensing Board and Betting Control and Licensing Board, Registration of births & deaths, Immigration Visa and other Consular fees, Passport Fees, Work Permit Fees, Id Card Fees, Certificate of Good Conduct Fees, Hire of Security and other Immigration Fees. Revenue collected is remitted to the National Treasury.

**Key Management**

- **Cabinet Secretary**
- Dr. Fred Matiang'i, PhD , EGH
- 
- **Chief Administrative Secretary**
- Patrick Ole Ntutu.
- 
- **Principal Secretary**
- **State Department for Interior**
- Dr.( Eng.) Karanja Kibicho, CBS
- 
- **Inspector General Of Police**
- Hilary N. Mutyambai, nsc (AU)
- 
- **Secretary, Internal Security**
- Moffat M. Kangi, EBS
- 
- **Secretary, National Administration**
- Chimwaga Mongo, EBS
- 
- **Director , Directorate of Criminal Investigation**
- George M. Kinoti , CBS
- 
- **Ag: Director , Betting Control and Licensing Board.**
- P.K Mbugi , OGW
- 
- **Director , Directorate of Civil Registration.**
- Janet Mucheru.
- 
- **Director , National Registration Bureau**
- Reuben Kimotho , OGW
- 
- **Chairman, Firearms Licensing Board**
- Charles M. Mukindia.
-

**STATE DEPARTMENT FOR INTERIOR  
REVENUE STATEMENTS  
FOR FINANCIAL YEAR ENDED 30 JUNE, 2020**

- **Senior Chief Finance Officer**  
Alice W. Gichu
- 
- **Senior Assistant Accountant General**  
James K. Karori.
- 

**Entity Headquarters**

Harambee Building/House/Plaza  
Harambee Avenue/Road/Highway  
Nairobi, KENYA

**Entity Contacts**

P.O. Box 30510  
Telephone: (254) 020-2227411  
E-mail: [ps.interior@kenya.go.ke](mailto:ps.interior@kenya.go.ke)  
Website: [www.interior-coordination.go.ke](http://www.interior-coordination.go.ke)

**Independent Auditors**

Auditor General  
Kenya National Audit Office  
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  
NAIROBI, Kenya

**Bankers**

Central Bank of Kenya  
Haile Selassie Avenue  
City Square 00200  
Nairobi, Kenya

Kenya Commercial Bank  
Head Office  
Kencom House  
P.O Box 48400  
Nairobi, Kenya

National Bank of Kenya  
Harambee Avenue  
P.O Box 72866  
Nairobi Kenya

**STATE DEPARTMENT FOR INTERIOR  
REVENUE STATEMENTS  
FOR FINANCIAL YEAR ENDED 30 JUNE, 2020**

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

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

The Principal Secretary in charge of the *State Department for Interior* is responsible for the preparation and presentation of the *department's revenue account*, which gives a true and fair view of the state of affairs of the *department* 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 entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *department*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

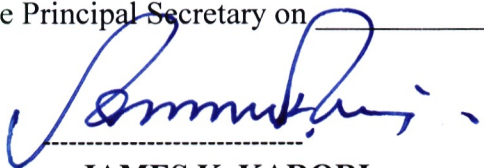
The Principal Secretary in charge of the *State Department for Interior* accepts responsibility for the *department's revenue* accounts, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Principal Secretary is of the opinion that the *department's revenue* account gives a true and fair view of the state of *department's revenue* transactions during the financial year ended June 30, 2020, and of the *department's* financial position as at that date. The Principal Secretary charge of the *State Department for Interior* further confirms the completeness of the accounting records maintained for the *department's revenue*, which have been relied upon in the preparation of the *department's revenue* account as well as the adequacy of the systems of internal financial control.

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

**Approval of the Revenue Statements**

The *revenue* statements were approved and signed by the Principal Secretary on \_\_\_\_\_ 2020

  
-----  
**DR (ENG) KARANJA KIBICHO, CBS**  
Principal Secretary

  
-----  
**JAMES K. KARORI**  
Senior Assistant Accountant General  
ICPAK Member No . 3972

**STATE DEPARTMENT FOR INTERIOR  
REVENUE STATEMENTS  
FOR FINANCIAL YEAR ENDED 30 JUNE, 2020**

**III. REPORT OF THE INDEPENDENT AUDITORS ON THE REVENUE STATEMENTS**

We have audited the accompanying revenue statements *for the year ended June 30, 2020* which comprise a statement of revenue and transfers and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the revenue statements**

The *State Department for Interior* Management is responsible for the preparation and fair presentation of the revenue statements in accordance with International Public Sector Accounting Standards, and for such internal control as the management determines is necessary to enable the preparation of revenue statements that are free from material misstatement, whether due to fraud or error.

**Auditors' responsibility**

Our responsibility is to express an opinion on the revenue statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the revenue statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the revenue statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the revenue statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the *entity's* preparation and fair presentation of the revenue statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the revenue statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the accompanying revenue statements present fairly, in all material respects, the financial position of the revenue collected as at June 30, 2020, and transfers to the exchequer account for the year then ended in accordance with International Public Sector Accounting Standards.

\_\_\_\_\_  
Auditor General


\_\_\_\_\_  
Date

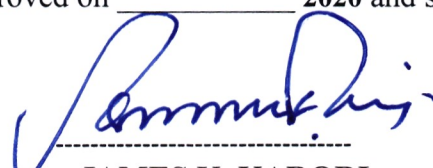
**STATE DEPARTMENT FOR INTERIOR  
REVENUE STATEMENTS  
FOR FINANCIAL YEAR ENDED 30 JUNE, 2020**

**IV. STATEMENT OF RECEIPTS AND DISBURSEMENTS.**

	Note	2019/2020 Kshs	2018/2019 Kshs
<b>NON TAX RECEIPTS</b>			
Fees on use of Goods/Services	1	2,138,942,403.55	4,838,182,626.30
Other Receipts not Classified Elsewhere	2	225,622,589.00	24,947,783.80
Sale of Goods and Services	3	526,000.00	760,500.00
Receipts from sale of Non Financial Assets	4	1,589,520.00	18,896,182.15
<b>TOTAL NON TAX RECEIPTS</b>		<b>2,366,680,512.55</b>	<b>4,882,787,092.25</b>
<b>TOTAL RECEIPTS COLLECTED</b>		<b>2,366,680,512.55</b>	<b>4,882,787,092.25</b>
<b>TRANSFERS TO EXCHEQUER ACCOUNT</b>		<b>(2,366,608,612.55)</b>	<b>(4,898,466,448.75)</b>
<b>BALANCE BROUGHT FORWARD</b>		<b>2,492,118.50</b>	<b>18,171,475.00</b>
<b>BALANCE CARRIED FORWARD</b>	5	<b>2,564,018.50</b>	<b>2,492,118.50</b>

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on \_\_\_\_\_ 2020 and signed by:

  
 DR (ENG) KARANJA KIBICHO, CBS  
 Principal Secretary

  
 JAMES K. KARORI  
 Senior Assistant Accountant General  
 ICPAK Member No.3972

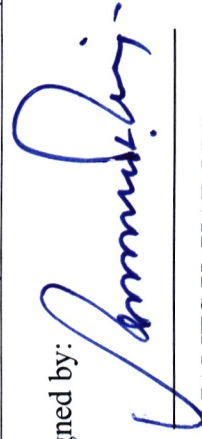
**STATE DEPARTMENT FOR INTERIOR  
REVENUE STATEMENTS  
FOR FINANCIAL YEAR ENDED 30 JUNE, 2020**

**V. STATEMENT OF ARREARS OF REVENUE AS AT 30 JUNE 2020**

Classification of Revenue	Balance as at 1 <sup>st</sup> July 2019	Arrears received during the year	Addition in arrears for the current year to 30 <sup>th</sup> June 2020	Total arrears as at 30 <sup>th</sup> June 2020	Measures taken to recover the arrears	Assessment to the recoverability of arrears
<b>Non Tax Revenues</b>						
Hire of Security – (SGB) Security of Government Buildings – KRA Revenue arrears.	128,780,500.00	0	60,022,000.00	188,802,500.00	Follow up and Commitment letter by KRA to pay the arrears.	
Hire of Security – (CIPU) Critical Infrastructure Protection Unit	911,500.00	911,500.00	0	0.00	The Revenue in arrears cleared by the Machakos County.	
Hire of Security – (KPS) Kenya Police Service	8,008,433.00	5,789,633.00	0	2,218,800.00	Follow up by KPS on payment.	
Certificate of Good Conduct – (DCI) Postal Corporation Revenue arrears	214,203,050.00	3,639,450.00	0	210,563,600.00	The Revenue in arrears under investigation by DCI.	
<b>TOTAL ARREARS</b>	<b>351,903,483.00</b>	<b>10,340,583.00</b>	<b>60,022,000.00</b>	<b>401,584,900.00</b>		

These revenue statements were approved on \_\_\_\_\_ 2020 and signed by:

  
**DR (ENG) KARANJA KIBICHO, CBS**  
 Principal Secretary

  
**JAMES K. KARORI**  
 Senior Assistant Accountant General  
 ICPAK Member No.3972

**STATE DEPARTMENT FOR INTERIOR  
REVENUE STATEMENTS  
FOR FINANCIAL YEAR ENDED 30 JUNE, 2020**

**VI. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *department*. The accounting policies adopted have been consistently applied to all the years presented.

The revenue statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the *department*.

**2. Recognition of Revenue**

The *Department for Interior* recognises all revenues from the Issue of Licence Fees under Firearms Licensing Board, Betting Control and Licensing Board, Registration of births & deaths, Immigration Visa and other Consular fees, , Id Card Fees, Certificate of Good Conduct Fees, Hire of Security. Revenue is recognised when the event occurs and the related cash has actually been received by the *department*.

**3. Budget**

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

**4. Cash and cash equivalents**

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

**5. Revenue in Arrears**

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

**STATE DEPARTMENT FOR INTERIOR  
REVENUE STATEMENTS  
FOR FINANCIAL YEAR ENDED 30 JUNE, 2020**

**6. Comparative Figures**

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

**7. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended June 30, 2020.

STATE DEPARTMENT FOR INTERIOR  
REVENUE STATEMENTS  
FOR FINANCIAL YEAR ENDED 30 JUNE, 2020

1. FEES ON USE OF GOODS AND ON PERMISSION TO USE GOODS OR TO PERFORM SERVICES AND ACTIVITIES

Types of Revenue	Item	Item	Original Estimates	Revised Estimates	Actual	% Realized
INTERIOR REVENUE						
Betting Fees	1140599	1145014	294,855,618.61	-	145,209,425.05	49 %
Licence Fees	1420223	1422023	48,539,462.67	-	48,280,250.00	99 %
Registration of births & deaths	1420224	1420024	322,221,639.90	-	116,184,053.45	36 %
Identity Card Fees	1420228	1420029	122,092,131.40	-	106,914,578.55	88 %
Certificate of good conduct	1420234	1422034	705,676,298.33	-	781,676,260.00	111 %
Hire of security	1420235	1422035	865,787,051.55	-	893,076,950.05	103 %
			2,359,172,202.46		2,091,341,517.10	89 %
IMMIGRATION REVENUE						
Immigration visa & other consular fees	1420225	1420025	-	-	47,600,886.45	
					2,138,942,403.55	
<b>TOTAL REVENUE</b>					<b>2,138,942,403.55</b>	
Transfers to Exchequer			-		<b>2,138,870,503.55</b>	
Balance Brought Forward			-		<b>2,492,118.50</b>	
Balance Carried Forward			-		<b>2,564,018.50</b>	

**Betting Fees** – The Decrease was due to two major gaming players having pending court cases i.e Pevans Ltd. (Sportpesa) and Gamecode Ltd (Betin), hence halting their businesses The Betting operations also ceased due to Government directives on Covid-19.

**Registration of Births and Deaths** – The under-collection on this item was due to the waiver issued for the months of July and August 2019 by the Interior Cabinet Secretary and the effects of the Covid-19 especially in the 4<sup>th</sup> quarter..

**Immigration Visa** – There was under-collection on Visa Fees as most of the Revenue is Collected by the Immigration Department

**Identity Card Fees** – The under collection especially in 4<sup>th</sup> Quarter was occasioned by the Covid-19 pandemic as one is required to appear physically at the offices.

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**Certificate of Good Conduct** – The Revenue Increase is due to the Online services that have been devolved to the sub-county level through the Ecitizen platform.

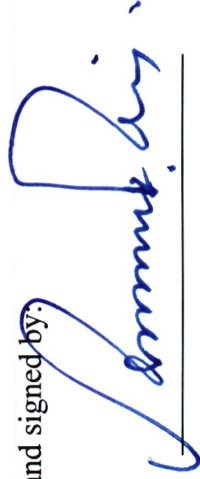
**Hire of Security** - The Revenue Increase was due to the Revenue inspections carried out during the Financial Year and sensitization of the collectors of Revenue in the various Counties on collection and surrender of Revenue.

**Revenue Items.** – The two Revenue Items indicated against the Classification of Revenue are as indicated in the reports in the IFMIS system and revenue estimates respectively.

These revenue statements were approved on \_\_\_\_\_ 2020 and signed by:



**DR (ENG) KARANJA KIBICHO, CBS**  
Principal Secretary



**JAMES K. KARORI**  
Senior Assistant Accountant General  
ICPAK Member No.3972

**STATE DEPARTMENT FOR INTERIOR  
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**2. OTHER RECEIPTS NOT CLASSIFIED ELSEWHERE**

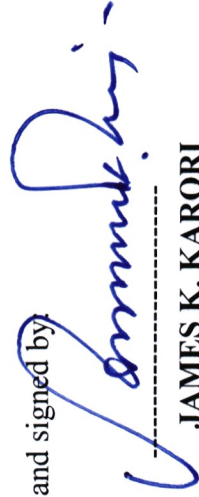
	<b>Original Estimates</b>	<b>Revised Estimates</b>	<b>Actual</b>	<b>% Realized</b>
<b>Miscellaneous Revenue</b>				
<b>Sundry Revenue</b>	2,725,563.63	0	225,622,589.00	8,278 %
<b>Total Revenue</b>	<b>2,725,563.63</b>	<b>0</b>	<b>225,622,589.00</b>	<b>8,278 %</b>
<b>Balance brought forward</b>			-	
<b>Transfers to the Exchequer account</b>			225,622,589.00	
<b>Balance carried forward</b>			-	

Out of the above revenue Kshs. 209,370,045.00 was received from Integrated Population Registration Services (IPRS) Department whose Revenue has not been classified under any of the Revenue items of the State Department for Interior hence the over collection.

The other revenue received was from General Service Unit (GSU) as training levy for GSU training school and Payments in Lieu of notice on resignation from Directorate of Criminal Investigation (DCI) .

These revenue statements were approved on \_\_\_\_\_ 2020 and signed by:

  
 -----  
**DR (ENG) KARANJA KIBICHO, CBS**  
 Principal Secretary


  
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**JAMES K. KARORI**  
 Senior Assistant Accountant General  
 ICPAK Member No.3972

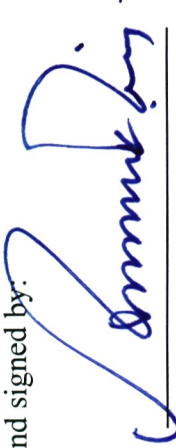
**STATE DEPARTMENT FOR INTERIOR  
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**3. SALE OF GOODS AND SERVICES**

	Original Estimates	Revised Estimates	Actual	% Realized
Administrative Fees and Charges				
Incidental Sales by Non-Market Establishments	0	0	0	
Sale of Tender Documents	1,409,628.03	0	526,000.00	36 %
<b>Total Revenue</b>	<b>1,409,628.03</b>	<b>0</b>	<b>526,000.00</b>	<b>36 %</b>
Balance brought forward	-		-	
Transfers to Exchequer account	-		526,000.00	
Balance carried forward	-		-	

These revenue statements were approved on \_\_\_\_\_ 2020 and signed by:

  
**DR (ENG) KARANJA KIBICHO, CBS**  
 Principal Secretary

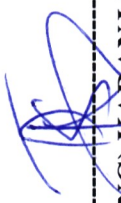
  
**JAMES K. KARORI**  
 Senior Assistant Accountant General  
 ICPAK Member No.3972

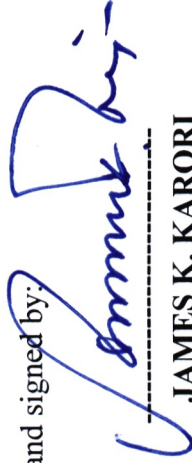
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4. RECEIPTS FROM SALE OF NON FINANCIAL ASSETS

	Original Estimates	Revised Estimates	Actual	% Realized
Receipts from the Sale of Buildings	0	0	0	
Receipts from the Sale of Vehicles and Transport Equipment		0	1,589,520.00	0
Receipts from the Sale of Inventories, Stocks and Commodities	0	0	0	
Receipts from the Sale of Intangible Non-Produced Assets		0	0	
Total Revenue	0	0	1,589,520.00	0
Balance brought forward	-	-	-	
Transfers to the exchequer account	-	-	1,589,520.00	
Balance carried forward	-	-	-	

These revenue statements were approved on \_\_\_\_\_ 2020 and signed by:

  
-----  
DR (ENG) KARANJA KIBICHO, CBS  
Principal Secretary

  
-----  
JAMES K. KARORI  
Senior Assistant Accountant General  
ICPAK Member No.3972

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5. BALANCES CARRIED FORWARD

<u>Balance carried forward subsequently transferred</u>	<i>Date transferred</i>
Amount	
<u>Balance carried forward yet to be transferred</u>	
1. 2018/2019 – 2,492,118.50	
2. Quarter 2 - 35,100.00	
3. Quarter 3 - 36,800.00	
<b>TOTAL -- 2,564,018.50</b>	

*Notes to the Quarterly Balance brought forward yet to be transferred*  
 The Amount of Kshs. 2,564,018.50 was the total amount of unpaid cheques.

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**6. AGEING ANALYSIS OF REVENUE IN ARREARS.**

<b>Description</b>	<b>Less than 1 year</b>	<b>Between 1-2 years</b>	<b>Between 2-3 years</b>	<b>Over 3 years</b>	<b>Total</b>
Hire of Security					
(SGB) Security of Government Buildings	0	60,022,000.00	89,418,000.00	39,362,500.00	188,802,500.00
(KPS) Kenya Police Service	0	2,218,800.00	0	0	2,218,800.00
Certificate Of Good Conduct (DCI)	0	3,700,900.00	200,580,750.00	6,281,950.00	210,563,600.00
<b>TOTAL</b>		<b>65,941,700.00</b>	<b>289,998,750.00</b>	<b>45,644,450.00</b>	<b>401,584,900.00</b>

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

Name of person / organisation benefitting from waiver/ variation	Year in which waiver/ variation relates	Amount of variation/ waiver	Reasons for waiver/ variation	The law in terms of which the variation was granted
N/A	N/A	N/A	N/A	N/A

(PFM ACT section 82 sub section 4, 5)

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**APPENDIX 2. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue (Name and designation)</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
<b>1.1</b>	License under-charge at Betting Control and Licensing Board of Kshs. 1,500,000.00	Betting Control and Licensing Board (BCLB) is guided by the Customer Service Charter on Fees to charge for various gaming permits.	Director, BCLB	Not resolved	2020/2021
<b>1.2</b>	Uncollected Revenue for Hire of Security Services rendered to KRA from January 2016 to October 2019 by Security of Government Buildings.(SGB) of Kshs. 143,233,000.00	The amount in question has not been paid to date and the KRA Management has factored the debt for funding request to the National Treasury.	HAU, CIPU	Not resolved	2020/2021
	Further Nairobi Area Police offered security services to banks in Nairobi Region from July 2018 to June 2019 and no evidence to confirm that the banks paid Kshs. 8,526,033.00	The Nairobi area sub county had an amount of Kshs. 8,008,033.00 and not 8,526,033.00 for Hire of security Services that remained unpaid in the period. The service recipients(Banks) were sent demand letters and are responding well. Payment of Kshs.5,181,633.00 having been paid so far.	HAU, KPS	Not resolved	2020/2021
	Further Critical Infrastructure Protection Unit (CIPU) offered security services to various Machakos Sub County clients amounting to Kshs. 911,450.00 which has	The CIPU Commander had arrears of Kshs. 695,450.00 and not 911,450.00 the office of the Director of operations has been following up on the payments and the payments have been made.	HAU, CIPU	Not resolved	2020/2021

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.3	not been paid. Collection of Revenue in undesignated Accounts. Examination of records revealed that despite the Principal Secretary's instructions, Kenya Police Service and Security of Government Buildings (SGB) have continued to bank revenue in undesignated Accounts.	All cheques received from clients at Kenya Police Service and Security of Government Buildings are drawn in favour of Inspector General or Commandant respectively, hence the banking in these accounts. The Departments have since been advised to have all cheques drawn in favour of PS. and banking in the designated accounts.	HAU, KPS/CIPU	Not resolved	2020/2021