

REPUBLIC OF KENYA



KENYA NATIONAL ASSEMBLY



TENTH PARLIAMENT-FOURTH SESSION

JOINT COMMITTEE OF THE BUDGET COMMITTEE AND
DEPARTMENTAL COMMITTEE ON FINANCE, PLANNING AND TRADE

REPORT ON INACCURANCIES/INCONSISTENCIES IN
TREASURY TAX/REVENUE ACCOUNTS FOR 2007/2008

SEPTEMBER, 2012

VOLUME 11 - APPENDICIES

4 pages tabled on
17/9/12 at 2:30pm
by Hon. Sambu on
behalf of the Budget
Committee

Sambu

PRESENTATION TO THE JOINT COMMITTEE ON INVESTIGATION OF
THE STATUS OF REVENUE ACCOUNTS OF GOVERNMENT OF KENYA
FOR 2007/2008

BY THE FINANCIAL SECRETARY, MINISTRY OF FINANCE
ON 12TH JULY, 2012

Mr. Chairman, following your invitation to appear before the Joint Committee to explain the causes of any material differences that might have been queried by the Controller and Auditor-General in the Report for Financial Year 2007/2008, I wish to provide explanations on the same as follows:

Qualified Revenue Statements for Financial Year 2007/2008

It is true that after auditing the Revenue Accounts for the Financial Year 2007/2008 the Controller and Auditor-General certified three accounts as correct while the remaining thirteen (13) revenue statements were not certified during the year under review. The accounts that were accepted and certified included the following:

1. Revenue Head 1410000 - Property Income, Sub-head 1410200 - Profits and Dividends
2. Revenue Head 1430000 - Fines, Penalties and Forfeitures, Sub-head 1430100 - Fines, Penalties and Forfeitures and Other Charges
3. Revenue Head 1140000 - Taxes on Goods and Services, Sub-head 1140600 - Royalties (including Mining Revenue)

The remaining thirteen (13) revenue statements were qualified by the Auditor-General due to one or more of the following reasons:

1. Timing differences between revenues received by KRA, the revenue-holding account at the Treasury and the Exchequer account
2. Uncaptured receipts and posting errors in the revenue ledger accounts; and
3. Unavailability of reconciliation statements by the time the audit was being concluded.

I wish to assure the Committee that these anomalies were addressed through reconciliations which were later availed to the Auditor-General for audit review and were confirmed correct. This demonstrates that the revenue statements were not qualified because of fraud or loss of money but due to pending reconciliations which were later satisfactorily finalized. Please find copies of reconciliation statements regarding which the Auditor-General had raised issues, marked as Appendix No. 1,

for evidence. I wish to clarify further that these issues were presented before the Public Accounts Committee, together with the reconciliations and were fully interrogated and investigated.

Actual Revenue Receipts for Financial Year 2007/2008

Mr. Chairman, Sir, I wish to confirm to this Committee that the actual revenue received into the Exchequer during Financial Year 2007/2008 against all the revenue accounts was Kshs.516,108,407,205.15. This was the final revenue position after all Receivers of Revenue had remitted the collections for the year, availed supporting documents for the same and reconciliations had also been done on the same. This is the revenue position that was reported to Parliament by the Controller and Auditor-General (Appendix No. 2).

Inconsistency between Printed Revenue Estimates and Actual Exchequer Position for Financial Year 2007/2008

The Ministry presented to the House the Estimates of Revenue for Financial Year 2009/2010, which incorporated the interim position of actual receipts for 2007/2008, amounting to Kshs.446,098,740,921.00, compared to the final audited receipts of Kshs.516,108,407,205.15 (a shortfall of Kshs.70,009,666,284.15).

It is regretted that the actual receipts as reflected in the Printed Revenue Estimates tabled in Parliament in June, 2009 did not capture the final audited revenue position and the Ministry has since ensured that future revenue estimates will only reflect the actual audited final revenue position and not the initial raw data on the same. Mr. Chairman, Sir, further analysis between Printed Revenue Estimates and actual receipts as per the Exchequer has been done and reasons for the variances provided as Appendix No. 3 for further evidence. I have also enclosed a schedule comparing the actual receipts as per the Exchequer and actual receipts as per KRA together with remarks on causes of the variances as Appendix No. 4 for further clarification.

I wish to assure the Committee, Mr. Chairman, Sir, that the procedures adopted for revenue collection do not allow for withdrawal of cash for expenditure while in transit. Hence all revenue collected progressively moves from the collection accounts with the Receivers of Revenue to the Exchequer Account without leakages in between. No revenue was, therefore, lost during the year under focus.

Interventions

Mr. Chairman, Sir, the Ministry of Finance has put in place the following interventions to ensure that revenue collections are accurately captured and reported, both to Parliament and to the public:

1. The Treasury, KRA and other Receivers of Revenue have embarked on monthly revenue reconciliations aimed at clarifying any variations in a timely manner.
2. The Auditor-General has been enabled to track Exchequer inflows and data on a continuous basis, up to and including the final collection date of the year.
3. The Ministry, through its Audit Committee/Task Force closely liaises with the Auditor-General's office to ensure timely provision of required documents, data and explanations to avoid audit observations escalating into major audit issues.
4. The actual revenue data to be published in the Estimates of Revenue will be based on audited the final revenue position to ensure consistency of data being availed to both Parliament and the public.
5. The Ministry is computerizing its financial management systems and soon a revenue management module will be developed and integrated with the reengineered IFMIS. It is expected that online revenue management will avoid inconsistencies and inaccuracies in revenue, data and reports. It will also enable online interrogation on the status of revenue by the public.

With the above remarks, Mr. Chairman, Sir, I wish to assure the members of the Committee and the public at large that public revenue is being managed properly by the various Receivers of Revenue under the supervision of the Treasury. Thank you.



MUTUA KILAKA, CBS, SS
FINANCIAL SECRETARY AND ACCOUNTING OFFICER FOR VOTE 7

Appendix 1

AUDIT QUERY 2007/2008

PARAGRAPH 1

(REF AA 51/2007/2008)

REVENUE HEAD 1140000 - TAXES ON GOODS AND SERVICES FOR THE YEAR ENDED 30TH JUNE 2008.

PAYEE AND OTHER TAXES

Records maintained by Kenya Revenue Authority show that a total of Kshs. 166,152,969,569.00 (inclusive of 5% LATF) was collected as follows:-

<u>PAYEE</u>	<u>AMOUNT</u>
<u>OTHER INCOME</u>	<u>166,152,969,569.00</u>
	<u>80,012,729,460.00</u>

On the other hand however, the statement reflects actual receipts of Kshs. 177,555,275,349.45 comprising ~~PAYEE OF Kshs. 81,680,929,230.20~~ other income Tax of Kshs. 86,695,983,472.40 and income Tax share of LATF of Ksh. 9,178,362,642.85 (5%). The resultant difference of Kshs. 11,402,305,780.45 has not been reconciled or explained.

1. 2. 3. 4. 5. 6. 7. 8. 9. 10.

**KENYA REVENUE AUTHORITY
DOMESTIC TAXES DEPARTMENT**

PAYE

FINANCIAL YEAR 2007/2008
BANK RECONCILIATION

Balance as per KRA Report (Cashbook) 86,140,240,109.00
 (See Appendix 1)
 For the Financial Year 2007/2008

02.07.07 Previous yr (2007/2008) collections transferred in July 2008 23,520,039.25
 Add TSC collections reported on 30.06.07 584,441,056.15
 Telkom 30.06.07 reported separately 25,861,294.00
 Adjustments 861,213.46

Less Cash in transit 634,683,602.86
(58,223,070.95)

TOTAL CBK BANKINGS FOR THE FINANCIAL YEAR 2007/2008 **86,716,700,640.91**
 (See Appendix 2)

ADD
 02.07.07 Amount in Treasury not in CBK 294,221,346.40
 25.09.07 Amount in Treasury not in CBK 53,833,249.10
 17.08.07 Amount in Treasury not in CBK 156,886,409.15
 27.03.08 Amount in Treasury not in CBK 147,834,563.50
 20.06.08 Amount in Treasury not in CBK 1,000.00

652,776,568.15

LESS
 27.08.08 Amount in CBK not in Treasury 817,645.02
 17.08.08 Amount in CBK not in Treasury 71,708,011.72
 07.09.08 Amount in CBK not in Treasury 51.30
 01.10.08 Amount in CBK not in Treasury 1,000.00
 10.03.08 Amount in CBK not in Treasury 75.98
 27.03.08 Amount in CBK not in Treasury 156,384,468.50
 30.06.08 Cash in transit 1,099,552,018.25
 2007 -2008 LATF 5% 4,335,835,031.95
 25.09.07 Amount in CBK not in Treasury 24,249,674.92
1.22

(5,688,547,978.86)

TREASURY AMOUNT AS AT THE QUERY **81,680,929,230.20**
 (See Appendix 3)

**KENYA REVENUE AUTHORITY
DOMESTIC TAXES DEPARTMENT**

PAYE

FINANCIAL YEAR 2007/2008
BANK RECONCILIATION

Balance as per KRA Report (Cashbook)
(See Appendix 1)
For the Financial Year 2007/2008 86,140,240,109.00

02.07.07	Previous yr (2007/2008) collections transferred in July 2008	23,520,039.25
Add	TSC collections reported on 30.06.07	584,441,056.15
	Telkom 30.06.07 reported separately	25,861,294.00
	Adjustments	861,213.46
		<u>634,683,602.86</u>

Less Cash in transit (58,223,070.95)

TOTAL CBK BANKINGS FOR THE FINANCIAL YEAR 2007/2008 86,716,700,640.91
(See Appendix 2)

ADD

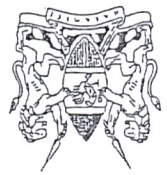
02.07.07	Amount in Treasury not in CBK	294,221,346.40
25.09.07	Amount in Treasury not in CBK	53,833,249.10
17.08.07	Amount in Treasury not in CBK	156,886,409.15
27.03.08	Amount in Treasury not in CBK	147,834,563.50
20.06.08	Amount in Treasury not in CBK	1,000.00
		<u>652,776,568.15</u>

LESS

27.08.08	Amount in CBK not in Treasury	817,645.02
17.08.08	Amount in CBK not in Treasury	71,708,011.72
07.09.08	Amount in CBK not in Treasury	51.30
01.10.08	Amount in CBK not in Treasury	1,000.00
10.03.08	Amount in CBK not in Treasury	75.98
27.03.08	Amount in CBK not in Treasury	156,384,468.50
30.06.08	Cash in transit	1,099,552,018.25
2007-2008	LATF 5%	4,335,835,031.95
25.09.07	Amount in CBK not in Treasury	24,249,674.92
		<u>1.22</u>
		<u>(5,688,547,978.86)</u>

Appendix 3

KENYA NATIONAL AUDIT OFFICE



REPUBLIC OF KENYA

P.O. Box 30084 -00100
NAIROBI

Telegraphic Address:
NAIROBI - KENYA
FAX No.

Telephone: 342360

When replying please quote

Ref: AAS1/2007/2008

And date:

4 December 2008

The Financial Secretary,

Ministry of Finance,

P.O. Box 30007,

NAIROBI

Att: Senior Principal Accounts Controller

STATEMENT OF REVENUE HEAD 110000 - TAXES ON INCOME, PROFITS AND CAPITAL GAINS FOR THE YEAR ENDED 30 JUNE 2008

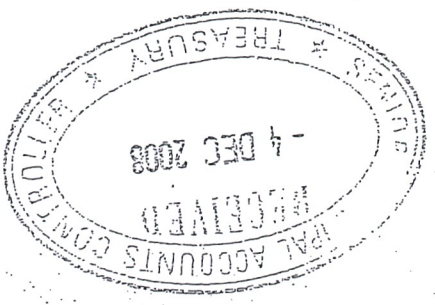
The audit of the above Revenue Statement revealed the following issues which are brought to your attention for comments and necessary action.

1 Variations between figures in the Revenue Statement and Kenya Revenue Authority records.

Records maintained by Kenya Revenue Authority show that a total of Kshs.166,152,969,569.00 (Inclusive of 5% LATF) was collected as follows:-

Amount (Kshs.)	86,140,240,109.00	←	PAYE
	80,012,729,460.00	←	Other Income Tax
Total	166,152,969,569.00		

On the other hand however, the Statement reflects actual receipts of Kshs.177,555,275,349.45 comprising PAYE of Kshs.81,680,929,230.20, Other Income Tax of Kshs.86,695,983,472.40 and Income Tax share of LATF of Kshs.9,178,362,642.85 * 5%. The resultant difference of Kshs.11,402,305,780.45 has not been explained or reconciled.



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 3. copy - Wangari
 4. copy - Wangari
 5. copy - Wangari

AUDIT QUERY 2007/2008

PARAGRAPH 1

(REF AA 51/2007/2008)

REVENUE HEAD 1110000 – TAXES ON GOODS AND SERVICES FOR THE YEAR ENDED 30TH JUNE 2008.

PAYE AND OTHER TAXES

Records maintained by Kenya Revenue Authority show that a total of Kshs. 166,152,969,569.00 (inclusive of 5% LATF) was collected as follows:-

	AMOUNT
PAYE	86,140,240,109.00
<u>OTHER INCOME</u>	<u>80,012,729,460.00</u>
	166,152,969,569.00

On the other hand however, the statement reflects actual receipts of Kshs. 177,555,275,349.45 comprising PAYE of Kshs. 81,680,929,230.20, Other income tax of Kshs. 86,695,983,472.40 and income Tax share of LATF of Ksh. 9,178,362,642.85 (5%).

The resultant difference of Kshs. 11,402,305,780.45 has not been reconciled or explained.

Appendix 3

KENYA NATIONAL AUDIT OFFICE



REPUBLIC OF KENYA

Telegraphic Address:
NAIROBI - KENYA
FAX No.
Telephone: 342360
When replying please quote

P.O. Box 30084-00100
NAIROBI

① File
② Copy - Wamungu
Be respond argu
H/2/08

Ref: AA51/2007/2008

And date:

4 December 2008

The Financial Secretary,
Ministry of Finance,
P.O. Box 30007,
NAIROBI



Att: Senior Principal Accounts Controller

STATEMENT OF REVENUE HEAD 1110000 - TAXES ON INCOME, PROFITS AND CAPITAL GAINS FOR THE YEAR ENDED 30 JUNE 2008

The audit of the above Revenue Statement revealed the following issues which are brought to your attention for comments and necessary action.

① Variations between figures in the Revenue Statement and Kenya Revenue Authority records.

W. Kijaji / 1/12/08

Records maintained by Kenya Revenue Authority show that a total of shs.166,152,969,569.00 (Inclusive of 5% LATF) was collected as follows:-

	Amount (Kshs.)
PAYE	86,140,240,109.00 → 5
Other Income Tax	80,012,729,460.00 →
Total	166,152,969,569.00 ✓

On the other hand however, the Statement reflects actual receipts of Kshs.177,555,275,349.45 comprising PAYE of Kshs.81,680,929,230.20, Other Income Tax of Kshs.86,695,983,472.40 and Income Tax share of LATF of Kshs.9,178,362,642.85. The resultant difference of Kshs.11,402,305,780.45 has not been explained or reconciled.

OTHER TAXES

KENYA REVENUE AUTHORITY

DOMESTIC TAXES DEPARTMENT

2007/2008 FINANCIAL YEAR REPORT

BANK RECONCILIATION

TOTAL COLLECTIONS AS PER KRA REPORT

(Appendix 1)

80,012,729,460.57

ADD: Provisions for the year

Amount for Telkom reported separately

11,518,961,560.00

91,531,691,020.57

LESS: Cash in Transit

24.08.07	Amount double counted in KRA report.	15,368,608.75
30.02.08	Amount double counted in KRA report.	54,569,927.20
30.06.08	Overstated revenue collections on 30th June 2008	1,353,190.22
31.05.08	report adjustment	<u>17,686,611.40</u>

(88,978,337.57)

TOTAL CBK BANKINGS FOR THE FINANCIAL YEAR 2007/2008

(See Appendix 2)

91,442,712,683.00

ADD:

02.07.07	Cash in transit 30.06.07	313,897,012.20
02.07.07	Cash in transit 30.06.07	498,809,821.06
04.07.07	Receipts in Treasury and not in CBK	36,023,923.85
23.07.07	Receipts in Treasury and not in CBK	27,639,099.10
16.08.07	Receipts in Treasury and not in CBK	71,708,011.70
03.09.07	Receipts in Treasury and not in CBK	14,911,585.45
04.09.07	Receipts in Treasury and not in CBK	74,079,675.60
24.09.07	Receipts in Treasury and not in CBK	24,249,674.90
26.09.07	Receipts in Treasury and not in CBK	326,052,237.70
02.01.08	Receipts in Treasury and not in CBK	26,845,333.15
07.02.08	Receipts in Treasury and not in CBK	330,226,810.95
19.02.08	Receipts in Treasury and not in CBK	21,621,947.70
28.09.07	Receipts in Treasury and not in CBK	47,338,578.70
24.08.07	Receipts in Treasury and not in CBK	59,893,476.00
30.06.08	Casting cents	10.00

1,873,297,198.06

LESS:

03.07.07	Receipts in CBK and not in Treasury	46,957,470.06
04.07.07	Receipts in CBK and not in Treasury	38,491,004.00
23.07.07	Receipts in CBK and not in Treasury	26,913,149.05
16.08.07	Receipts in CBK and not in Treasury	165,143,588.55
29.08.07	Receipts in CBK and not in Treasury	40,156,149.02
31.08.07	Receipts in CBK and not in Treasury	83,069,757.88
03.09.07	Receipts in CBK and not in Treasury	43,992,430.95
04.09.07	Receipts in CBK and not in Treasury	15,696,405.75
24.09.07	Receipts in CBK and not in Treasury	56,666,478.85
25.09.07	Receipts in CBK and not in Treasury	42,890,478.85
26.09.07	Receipts in CBK and not in Treasury	299,161,092.42
01.10.07	Receipts in CBK and not in Treasury	43,428,469.29
02.01.08	Receipts in CBK and not in Treasury	30,267,723.60
07.02.08	Receipts in CBK and not in Treasury	25,486,847.15
19.02.08	Receipts in CBK and not in Treasury	339,079,511.65
19.03.08	Receipts in CBK and not in Treasury	190.00
30.06.08	Cash in Transit	217,275,261.15
30.06.08	Cash in Transit	273,919,028.10
2007/2008 Provisions for refunds		150,000,000.00
2007 -2008	LATF of 5%	4,547,575,919.69
28.09.07	Receipts in CBK and not in Treasury	55,440,879.70
24.08.07	Receipts in CBK and not in Treasury	<u>78,414,572.95</u>

(6,620,026,408.66)

TOTAL TREASURY RECEIPTS AS PER THE QUERY

(See Appendix 3)

86,695,983,472.40

QUERY 2007/2008

PARAGRAPH 3

(REF:AA 50/2007/2008)

REVENUE HEAD 1420000 – SALE OF GOODS AND SERVICES STATEMENT OF REVENUE FOR THE YEAR ENDED 30TH JUNE 200:

FEES UNDER TRAFFIC ACT

Records maintained by the Kenya Revenue Authority show a total of Kshs. 1,948,026,933.66 was collected under item 1420201 - Fees under Traffic Act as follows:-

	Ksh.
Road Safety Council (640)	206,583,545.00
Second Hand Purchase Tax (722)	269,745,378.00
Registration and Transfer Fees (740)	577,652,296.00
Road Licences (751)	108,398,128.00
Driving Licence (752)	627,037,980.00
T.L.B Licences (753)	70,412,824.00
Subtotals	<u>1,859,830,151.00</u>
Traffic Fees	89,996,717.00
Subtotals	<u>1,949,826,868.00</u>
Less Agency Fees (KRA)	1,799,934.34
TOTALS	<u>1,951,626,802.34</u>

On the other hand the statement reflects actual receipts of Kshs. 1,880,336,872.75 for the same year leading to unexplained and non reconciled difference of Kshs. 67,690,060.91 between two records:

KENYA REVENUE AUTHORITY
 BANK RECONCILIATION STATEMENT
 For the Financial Year 2007/2008
 Traffic Revenue
 DEPT: ROAD TRANSPORT

Balance as per KRA Report (Cashbook)			1,948,026,933.66
ADD			
Mispostings and adjustment			
Understated Traffic Fees (114,330,425+146,126,365-89,996,717)	Appendix I -(a)	170,460,073.00	
LESS			
Overstatement by Treasury of Road Licences (751) - (9,108,398,128-98,748,485)	Appendix I -(b)	9,649,643.00	
Agency Fees (KRA)	Appendix I -(c)	<u>3,409,201.46</u>	13,058,844.46
Adjusted KRA Cashbook (Gross Collections for the Financial Year)			2,105,428,162.20
Amount Banked in Refund Account 04-010-135	Appendix II		(213,508,107.00)
Balance Brought Forward from June 2007, Banked in July 2007			(11,436,386.70)
Mispostings	Appendix III		(146,795.75)
TOTAL AMOUNT AS PER TREASURY REPORT (AS PER THE LEDGER)			1,880,336,872.75
Amount in CBK not in Treasury Report			(105,679,121.90)
Total Bankings as per CBK Statements as at 30/06/2008	- Appendix IV		1,986,015,994.65

NB :
 Traffic Revenue is collected by both Registrar of Motor Vehicles main collection account 04-010-134 and Registrar of Motor Vehicles payment account 04-010-135.

The Variance between the KRA Reported Cashbook amount and the CBK receipts Statements amount is as a result of revenue collected by RMV Payment account 04-010-135, which being a refunds account to KRA's AIA and the Commissioner of Police, also collects Agency Taxes ; Driving Test Application fees (601) and Motor Vehicles Inspection fees(651).

AUDIT QUERY 2007/2008

PARAGRAPH 1 AND 4

(REF AA 64/2007/2008)

REVENUE HEAD 1140000 - TAXES ON GOODS AND SERVICES FOR THE YEAR ENDED 30TH JUNE 2008.

EXCISE DUTY (NET)

KRA records - Ksh. 34,049,962,824.00

Treasury Receipts - Ksh. 61,857,468,348.75

Difference - 27,807,505,524.75

-

BANK RECONCILIATION STATEMENT

For the Financial year 2007/2008

Excise Duty- A/C 04-010-0125 (REF AA 64/207/208 PARA 1)

DEPT: CUSTOMS SERVICES

Balance as per KRA Report (Cashbook)	34,049,962,824.00
ADD: 2007/2008 Provision for refunds (200M*12Months)	2,400,000,000.00
Excise Duty Dom- A/C 04-010-0299	22,069,619,794.25
Excise Duty Airtime- A/C 04-010-0233	6,397,484,549.75
	<hr/>
	64,917,067,168.00

(copy of the Monthly/Financial cumulative report is attached) Appendix 1

LESS: ii Receipts in the Cash Book/KRA- Customs report not in the Bank Statement

30.6.07	Cash in transit 30.06.07	211,679,067.00
30.6.07	Cash in transit 30.06.07	98,378,245.00
30.6.07	Cash in transit 30.06.08	57,500,742.00
11.6.08	VAT Misreported in Excise duty Account	25,271,307.00
17.9.07	Excise Duty misposted to VAT Account	1,115,620.00
17.9.07	Excise misposted to Import Duty Account	164,351,740.00
30.6.08	Excise misposted to Import Duty Account	12,679.00
28.2.08	Excise Duty misposted to VAT Account	59,570.00
30.6.08	NBK adjustment	1,595,901.94
	Casting error in the Report	2,256,420.00
Excise Duty Dom- A/C 04-010-0299		
	Collections for 2006/2007 F/Y Transferred	1,206,122.65
	(Cash in transit)	
	Adjusted Excise Domestic from VAT	388,549,520.00
		1.36
		<hr/>
		(951,976,935.95)

ADD: iii Receipts in the Bank Statement not in the Cash Book/ KRA - Customs Report

	Collections for 2006/2007 F/Y Transferred	611,541,699.00
10.6.08	Import Misposted to Excise duty A/c	666,472.00
4.6.08	Import Misposted to Excise duty A/c	787.00
10.6.08	Misposted Import Duty	23,082,083.00
16.4.08	Misposted Import Duty	212,904.00
4.12.07	JKIA adjustment	1,031.00
11.6.08	NBK adjustment	2,938.00
10.6.08	Revenue initially misreported by PCA now corrected	8,816,428.00
25.03.08	Revenue initially misreported by PCA now corrected	1,060,716.00
Excise Duty Dom- A/C 04-010-0299		
	Backdated collections	880,282.90

646,265,340.90

Total Central Bank balance as at 30.06.08

64,611,355,572.95

Cntd

Total Central Bank balance as at 30.06.08

64,611,355,572.95

(A copy of monthly bankings summary for the year 2007/2008 is attached) Appendix 2

LESS:	Receipts in CBK and not Treasury	115,576,438.00
5.7.07	Receipts in CBK and not Treasury	137,888,646.00
9.7.07	Receipts in CBK and not Treasury	31,762,929.00
1.10.07	Receipts in CBK and not Treasury	133,523,805.00
2.10.07	Receipts in CBK and not Treasury	160,957,197.00
3.10.07	Receipts in CBK and not Treasury	52,256,014.00
21.12.07	Receipts in CBK and not Treasury	372,959,841.00
30.6.08	Receipts in CBK and not Treasury	445,199,584.00
	Receipts in CBK and not Treasury(refunds)	2,000,000,000.00
	2007/2008 F/Y Collections(cash in transit)	30,129,026.50
	Adjustment	4,784,292.00
10.7.07	Receipts in CBK and not Treasury(transferred to payment A/c)	1,000,000.00
7.8.07	Receipts in CBK and not Treasury(transferred to payment A/c)	1,000,000.00
11.9.07	Receipts in CBK and not Treasury(transferred to payment A/c)	1,000,000.00
19.10.07	Receipts in CBK and not Treasury(transferred to payment A/c)	11,273,900.00
9.11.07	Receipts in CBK and not Treasury(transferred to payment A/c)	1,000,000.00
11.12.07	Receipts in CBK and not Treasury(transferred to payment A/c)	1,000,000.00
3.1.08	Receipts in CBK and not Treasury(transferred to payment A/c)	500,000.00

5.2 08	Receipts in CBK and not Treasury(transferred to payment A/c)	1,000,000 00	
9 4 08	Receipts in CBK and not Treasury(transferred to payment A/c)	1,000,000 00	
5 5 08	Receipts in CBK and not Treasury(transferred to payment A/c)	1,000,000 00	
12 06 08	Receipts in CBK and not Treasury(transferred to payment A/c)	1,000,000 00	
20 6 08	Receipts in CBK and not Treasury(transferred to payment A/c)	78,861,087 25	
28 9 07	Receipts in CBK and not Treasury	6,982,805 95	
18 1 08	Receipts in CBK and not Treasury	3,838,490 40	
1 2 08	Receipts in CBK and not Treasury	13,813,553 60	
5 2 08	Receipts in CBK and not Treasury	13,635.85	
6.2 08	Receipts in CBK and not Treasury	4,660,320.00	
7 2.08	Receipts in CBK and not Treasury	4,704 90	
8 2 08	Receipts in CBK and not Treasury	61,020 00	
11 2 08	Receipts in CBK and not Treasury	8,683,091 00	
12.2 08	Receipts in CBK and not Treasury	102,020 00	
13 2.08	Receipts in CBK and not Treasury	4,168,697 25	
14 2 08	Receipts in CBK and not Treasury	60,000.00	
15 2 08	Receipts in CBK and not Treasury	53,025 00	
18 2 08	Receipts in CBK and not Treasury	1,958,458.00	
19 2 08	Receipts in CBK and not Treasury	628,806 70	
20 2.08	Receipts in CBK and not Treasury	49,254,045 00	
20 3 08	Receipts in CBK and not Treasury	96,210,376.75	
			<u>(3,775,165,810.15)</u>
01.07 08	2006/2007 FY Collections(cash in transit)	326,932,847 00	
2 07.07	2006/2007 FY Collections(cash in transit)	73,964,700 00	
	Receipts in Treasury and not CBK	53,465,084.00	
	Receipts in Treasury and not CBK	11,767,097 95	
	Receipts in Treasury and not CBK	21,838,841 00	
	Receipts in Treasury and not CBK	68,537,734.00	
ADD:	Receipts in Treasury and not CBK	372,959,841.00	
	Receipts in Treasury and not CBK	36,299,275.70	
	Receipts in Treasury and not CBK	55,513,165.30	
			<u>1,021,278,585.95</u>

THE TREASURY FIGURE AS PER THE ATTACHED SHEDULES OR THE CASHBOOK
(Appendix 4)

61,857,468,348.75

(Attached also is the analysis of the CBK bankings againts the Treasury report)
(Appendix2)

QUERY 2007/2008

PARAGRAPH 1 AND 4

(REF AA 60/2007/2008)

REVENUE HEAD 1140000 - TAXES ON GOODS AND SERVICES FOR THE YEAR ENDED 30TH JUNE 2008.

IMPORT DUTY (NET) AND IDF

The statement reflects actual receipts of Kshs. 45,857,772,816.60 comprising of Custom Duties of Kshs. 32,944,348,580.05 and other Taxes on International Trade and Transactions of Kshs. 12,913,424,236.55.

On the other hand records maintained by the Kenya Revenue Authority show that a total of Kshs. 44,970,088,516.00 was collected as follows:-

<u>Revenue item</u>	<u>Amount (Kshs.)</u>
Import Duty (Net)	32,539,472,977.00
IDF	12,430,613,539.00
TOTALS	<u>44,970,088,516.00</u>

The difference of kshs. 887,684,300.60. Attached herein are reconciliations for the two accounts.

KENYA REVENUE AUTHORITY

BANK RECONCILIATION STATEMENT

For the Financial year 2007/2008

Import Duty- A/C 04-010-0124 (REF AA 60/2007/2008 PARA 2)

DEPT: CUSTOMS SERVICES

Balance as per KRA Report (Cashbook)	32,539,472,977.00
ADD: 2007/2008 Provision for refunds (20M*12Months)	240,000,000.00
2007/2008 Exemptions monies meant to be recovered from Treasury	230,000,000.00
	<u>33,009,472,977.00</u>

(copy of the Monthly/Financial cumulative report is attached) Appendix 1

LESS: ii	<u>Receipts in the Cash Book/KRA- Customs report not in the Bank Statement</u>	
30.6.08	Cash in transit 30.06.08	23,420,154.00
30.6.08	Cash in transit 30.06.08	241,837,172.00
30.6.08	Cash in transit 30.06.08	972,415.00
30.6.08	Cash in transit 30.06.08	24,163,644.00
30.6.08	Cash in transit 30.06.08	934.00
10.6.08	Misposted to Excise duty A/c	666,472.00
4.6.08	Misposted to Excise duty A/c	787.00
30.5.08	NBK - JKIA adjustments	35,783.00
2.5.08	NBK - JKIA adjustments	44,910.00
3.6.08	Misreported IDF	296.00
8.2.08	NBK - adjustments	250.00
23.6.08	Misposted to PDF	4.00
11.12.07	Untransferred NBK Kisumu	195,789.00
10.6.08	Misposted to Excise duty A/c	23,082,083.00
16.4.08	Misposted to Excise duty A/c	212,904.00
17.6.08	Misposted to miscellaneous A/c	3,500.00
	Casting error in the Report	11,933.80
		<u>(314,637,097.00)</u>

ADD: iii	<u>Receipts in the Bank Statement not in the Cash Book/KRA - Customs Report</u>	
	Collections for 2006/2007 F/Y Transferred	234,782,946.15
12.6.08	VAT Misposted to Import Duty Account	57,001,979.00
19.9.07	Excise misposted to Import Duty Account	164,351,740.00
30.6.08	Excise misposted to Import Duty Account	12,679.00
22.5.08	Jkia adjustments	48,234.00
13.3.08	Coop double transfers	12,426,248.00
31.1.08	IDF misposted to import	1,887,376.00
7.3.08	Miscellaneous initially misreported now corrected by PCA	36,441,600.00
29.4.08	IDF misposted to import	75,600.00
	Coop msa cents adjustment	93.30
		<u>507,028,495.45</u>

Total Central Bank balance as at 30.06.08 33,201,864,375.45

Cntd

Total Central Bank balance as at 30.06.08 33,201,864,375.45

(A copy of monthly bankings summary for the year 2007/2008 is attached)
Appendix 2

LESS:	01.07.08 2007/2008 F/Y Collections(cash in transit)	234,782,946.15
	2007/2008 Provision for refunds (20M*12Months)	240,000,000.00
	12.02.08 Receipts in CBK and not Treasury	1,400.00
	2007/2008 Bank charges	58,531,614.50
	01.10.07 Receipts in CBK and not Treasury	78,480,582.80
	02.10.07 Receipts in CBK and not Treasury	140,965,029.00
	03.12.07 Receipts in CBK and not Treasury	68,537,734.00
	04.12.07 Receipts in CBK and not Treasury	500.00
	16.01.08 Receipts in CBK and not Treasury	650.00
	30.06.08 Receipts in CBK and not Treasury	226,155,126.50
		<u>(1,047,455,582.95)</u>

ADD:	10.07.08 Receipts in Treasury and not CBK	0.80
	25.11.07 Receipts in Treasury and not CBK	0.60
	14.12.07 Receipts in Treasury and not CBK	0.90
	28.01.08 Receipts in Treasury and not CBK	0.05
	05.02.08 Receipts in Treasury and not CBK	0.40
	2.7.07 Receipts in Treasury and not CBK	366,490,653.85
	3.7.07 Receipts in Treasury and not CBK	125,463,752.35
	4.7.07 Receipts in Treasury and not CBK	90,140,304.80
	5.7.07 Receipts in Treasury and not CBK	14,335,171.00
	3.10.07 Receipts in Treasury and not CBK	193,509,902.80
		<u>789,939,787.55</u>

THE TREASURY FIGURE AS PER THE ATTACHED SCHEDULES OR THE CASHBOOK
(Appendix 4)

32,944,348,580.05

(Attached also is the analysis of the CBK bankings againsts the Treasury report)
(Appendix 2)

CBK	3,144,264,166.40
JULY	2,698,737,228.15
AUGUST	2,759,572,056.55
SEPTEMBER	3,126,851,143.30
OCTOBER	2,969,463,605.70
NOVEMBER	2,071,921,072.25
DECEMBER	

JANUARY	2,977,280,348 00
FEBRUARY	3,028,635,188 65
MARCH	3,032,695,568 80
APRIL	2,257,024,827 85
MAY	2,670,598,767 15
JUNE	2,464,820,400 65
	33,201,864,378 45

QUERY 2007/2008

PARAGRAPH 2

(REF AA 15/2007/2008)

REVENUE HEAD 1160000 - OTHER TAXES FOR THE YEAR ENDED 30TH JUNE 2008.

STAMP DUTY

The statement reflects actual receipts of Kshs. 4,584,430,435.30 while the records maintained by Kenya Revenue Authority reflects actual receipts of Kshs. 4,532,751,118.00. the resultant difference of Kshs. 51,679,317.30 between the tow sets of records has not been explained or reconciled

BANK RECONCILIATION STATEMENT
Frothe financial year 2007/2008
Traffic Revenue

Balance as per KRA Report (Cashbook)		4,532,751,118.00
For the Financial Year 2007/2008		
ADD		
	03.07.07	500,000.00
	20.08.07	1,259,073.35
	27.08.07	277,091.50
	03.09.07	500,000.00
	11.09.07	0.10
	02.10.07	47,254,659.80
	15.10.07	2,722,500.00
	01.11.07	500,000.00
	03.12.07	500,000.00
	02.01.08	1,000,000.00
	16.01.08	3,121,042.00
	01.02.08	500,000.00
	15.02.08	201,395.65
	03.03.08	500,000.00
	29.04.08	496,417.50
	02.05.08	3,582.50
	13.05.08	0.10
Land rent misposted		16,838,845.50
30th june 2008 collections		43,202,208.00
		119,376,816.00

LESS			
	02.07.07	(34,993,231.05)	
	19.09.07	(3,562,726.00)	
	19.09.07	(755,174.00)	
	27.09.07	(7,570,549.00)	
	09.11.07	(321.50)	
Misposted stampduty into Landrenta/c	19 10.07	(3,361,091.70)	
Cash intransit		(17,068,504.55)	
			(67,311,597.80)
			4,584,816,336.20

KENYA REVENUE AUTHORITY

BANK RECONCILIATION STATEMENT

For the financial year 2007/2008

Stamp Duty

Balance as per KRA Report (Cashbook)	4,532,751,118.00
For the Financial Year 2007/2008	
ADD:	

03.07.07	Receipt in CBK not in treasury	500,000.00	
20.08.07	Receipt in CBK not in treasury	1,259,073.35	
27.08.07	Receipt in CBK not in treasury	277,091.50	
03.09.07	Receipt in CBK not in treasury	500,000.00	
11.09.07	Receipt in CBK not in treasury	0.10	
02.10.07	Receipt in CBK not in treasury	47,254,659.80	
15.10.07	Receipt in CBK not in treasury	2,722,500.00	
01.11.07	Receipt in CBK not in treasury	500,000.00	
03.12.07	Receipt in CBK not in treasury	500,000.00	
02.01.08	Receipt in CBK not in treasury	1,000,000.00	
16.01.08	Receipt in CBK not in treasury	3,121,042.00	
01.02.08	Receipt in CBK not in treasury	500,000.00	
15.02.08	Receipt in CBK not in treasury	201,395.65	
03.03.08	Receipt in CBK not in treasury	500,000.00	
29.04.08	Receipt in CBK not in treasury	496,417.50	
02.05.08	Receipt in CBK not in treasury	3,582.50	
13.05.08	Receipt in CBK not in treasury	0.10	
30.06.08	Land rent misposted	16,838,845.50	
30th June 2008 collections		43,202,208.00	119,376,816.00

LESS:

02.07.07	Receipts in Treasury not in CBK	(34,993,231.05)	
02.07.07	Receipts in Treasury not in CBK	(385,900.90)	
19.09.07	Receipts in Treasury not in CBK	(3,562,726.00)	
19.09.07	Receipts in Treasury not in CBK	(755,174.00)	
27.09.07	Receipts in Treasury not in CBK	(7,570,549.00)	
09.11.07	Receipts in Treasury not in CBK	(321.50)	
	Misposted stamp duty into Landrent a/c	(3,361,091.70)	
	Cash in transit 30th June 2007	(17,068,504.55)	<u>(67,697,498.70)</u>

Balance per Treasury 4,584,430,435.30

QUERY 2007/2008

PARAGRAPH 1 and 4

(REF AA 64/2007/2008)

REVENUE HEAD 1140000 - TAXES ON GOODS AND SERVICES FOR THE YEAR ENDED 30TH JUNE

Value Added Tax - Imports

KRA records - Ksh. 53,634,410,526.00

Treasury Receipts - Ksh. 53,807,634,460.85

Difference - 173,223,934.85

KENYA REVENUE AUTHORITY
BANK RECONCILIATION STATEMENT

For the Financial year 2007/2008

VAT - Imports AJC 04-010-0127 (REF AA 64/207/208 PARA 1)

DEPT: CUSTOMS SERVICES

Balance as per KRA Report (Cashbook)	53,634,410,526.00
ADD: Casting error in the Report	2,256,420.00
	<u>53,636,666,946.00</u>

(copy of the Monthly/Financial cumulative report is attached) Appendix 1

LESS: ii Receipts in the Cash Book/KRA- Customs report
not in the Bank Statement

03.07.07 NBK - nbi adjustment	633,385.00
30.04.08 NBK - nbi adjustment	11,531.00
28.02.08 NBK - nbi adjustment	249,028.00
30.06.08 NBK - nbi adjustment	89,216.00
30.06.08 VAT Mispsted to Import Duty Account	57,001,979.00
30.06.08 Cash in Transit	149,364,821.00
30.06.08 Cash in Transit	96,634,897.00
30.06.08 Cash in Transit	28,945,146.00
30.06.08 NBK - Jkia adjustment	60,504.00
casting error	48.15

(332,990,555.15)

ADD: iii Receipts in the Bank Statement
not in the Cash Book/ KRA - Customs Report

30.6.07 30.06.07 Cash in transit transferred in July 07	279,509,596.00
11.6.08 VAT Misreported in Excise duty Account	25,271,307.00
17.9.07 Excise Duty misposted to VAT Account	1,115,620.00
28.2.08 Excise Duty misposted to VAT Account	59,570.00
2.7.07 CBK error correction	39,757,707.00
11.3.08 Error correction 11.03.08	6,273,272.00

351,987,072.00

Total Central Bank balance as at 30.06.08 53,655,663,462.85

Cntd

Total Central Bank balance as at 30.06.08 53,655,663,462.85

(A copy of monthly bankings summary for the year 2007/2008 is attached)
Appendix 2

LESS: 01.07.07 2007/2008 FY Collections(cash in transit)	299,788,759.00
01.10.07 Receipts in CBK and not Treasury	162,275,057.00
02.10.07 Receipts in CBK and not Treasury	239,257,026.00
20.06.08 Receipts in CBK and not Treasury	182,112,855.00
30.06.08 Receipts in CBK and not Treasury	525,433,134.00

(1,408,866,831.00)

ADD: Receipts in Treasury and not CBK	714,732,404.00
Receipts in Treasury and not CBK	96,960,232.00
Receipts in Treasury and not CBK	182,549,364.00
Receipts in Treasury and not CBK	20,279,163.00
Receipts in Treasury and not CBK	374,080,920.00
Receipts in Treasury and not CBK	172,235,746.00

1,560,837,829.00

THE TREASURY FIGURE AS PER THE ATTACHED SHEDULES OR THE CASHBOOK
(Appendix 4) 53,807,634,460.85

(Attached also is the analysis of the CBK bankings againts the Treasury report)
(Appendix2)

QUERY 2007/2008

PARAGRAPH 1 and 4

(REF AA 64/2007/2008)

REVENUE HEAD 1140000 - TAXES ON GOODS AND SERVICES FOR THE YEAR ENDED 30TH JUNE 2008.

Value Added Tax -Local

KRA records - Ksh. 57,373,875,358.00

Treasury Receipts - Ksh. 61,586,108,468.70

Difference - 4,212,233,110.70

KENYA REVENUE AUTHORITY
BANK RECONCILIATION STATEMENT
 For the financial year 2007/2008
Value Added Tax - Local

Balance as per KRA Report (Cashbook)	57,373,875,358.00
Add back 1. Provision for refunds	12,169,000,000.00
Actual KRA collections (Appendix 1)	<u>69,542,875,358.00</u>

ADD:		
30.06.07	Back dated collections	201,268,112.10
20.07.07	Adjusted excise duty	388,549,520.00
30.08.07	Adjusted Sugar Dev Duty	8,978,087.70
14.12.07	Telkom Collections reported separately	3,455,177,146.00
	Adjustments made on the report (Appendix 2)	392,675,608.35

LESS:		4,446,648,474.15
30.06.08	Cash in transit	66,437,244.55
2007/2008 FY	Bank charges	531,203.65
		<u>(66,968,448.20)</u>

Final CBK Balance		<u><u>73,922,555,383.95</u></u>
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LESS:		
12.07.07	Receipt in CBK not in treasury	68,900.00
13.07.07	Receipt in CBK not in treasury	251,750.00
20.07.07	Receipt in CBK not in treasury	391,922,450.00
22.08.07	Receipt in CBK not in treasury	14,307.00
14.09.07	Receipt in CBK not in treasury	81,229,979.90
21.09.07	Receipt in CBK not in treasury	968,747.53
09.10.07	Receipt in CBK not in treasury	279,844,222.48
11.10.07	Receipt in CBK not in treasury	137,925.65
19.10.07	Receipt in CBK not in treasury	493,400.00
27.11.07	Receipt in CBK not in treasury	134,791,453.28
10.01.08	Receipt in CBK not in treasury	455,000.00
14.01.08	Receipt in CBK not in treasury	61,562.93
26.02.08	Receipt in CBK not in treasury	271,410,887.43
20.05.08	Receipt in CBK not in treasury	9,073,525.03
30.06.08	Receipt in CBK not in treasury	218,112,780.78
12.02.08	Receipt in CBK not in treasury	60,428.33
28.02.08	Receipt in CBK not in treasury	386.37
13.02.08	Receipt in CBK not in treasury	175,850.00
15.02.08	Receipt in CBK not in treasury	75,000.00
12.04.08	Receipt in CBK not in treasury	127,669.13
14.04.08	Receipt in CBK not in treasury	204,800.00
12.03.08	Receipt in CBK not in treasury	213,250.00
17.03.08	Receipt in CBK not in treasury	64,700.00
14.11.07	Receipt in CBK not in treasury	62,125.00
16.08.07	Receipt in CBK not in treasury	73,118.78
2007-2008 FY	Receipt in CBK not in treasury (Refunds 1B*12months)	12,000,000,000.00
30.07.08	Receipt in CBK not in treasury	173,462,375.28
30.06.08	error	65,650.74

ADD:		(13,563,422,245.64)
02.07.07	Collections for f/y 2006 /2007 received in treasury (Treasury opening balance)	296,669,739.35
14.09.07	Receipt in Treasury a not in CBK	167,073,795.35
26.11.07	Receipt in Treasury a not in CBK	48,712,637.80
25.02.08	Receipt in Treasury a not in CBK	262,432,799.70
26.03.08	Receipt in Treasury a not in CBK	29.97
20.05.08	Receipt in Treasury a not in CBK	7,999,999.97
28.07.08	Receipt in Treasury a not in CBK	442,786,328.25
22.05.08	Receipt in Treasury a not in CBK	1,300,000.00
		<u>1,226,975,330.39</u>

CBK Balance as per Treasury Report (Appendix 3)		<u><u>61,586,108,468.70</u></u>
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AUDIT QUERY 2007/2008

PARAGRAPH 1 AND 4

(REF AA 60/2007/2008)

REVENUE HEAD 1150000 - TAXES ON GOODS AND SERVICES FOR THE YEAR ENDED 30TH JUNE 2008.

IMPORT DUTY (NET) AND IDF

The statement reflects actual receipts of Kshs. 45,857,772,816.60 comprising of Custom Duties of Kshs. 32,944,348,580.05 and other Taxes on International Trade and Transactions of Kshs. 12,913,424,236.55.
On the other hand records maintained by the Kenya Revenue Authority show that a total of Kshs. 44,970,088,516.00 was collected as follows:-

<u>Revenue item</u>	<u>Amount (Kshs.)</u>
IMPORT NET	32,539,472,977.00
IDF	12,430,615,539.00
TOTAL KRA	44,970,088,516.00
TOTAL TREASURY	45,857,772,816.60
VARIANCE	(887,684,300.60)

The difference of kshs. 887,684,300.60. Attached herein are reconciliations for the two accounts.

KENYA REVENUE AUTHORITY

BANK RECONCILIATION STATEMENT

For the Financial year 2007/2008

Import Duty- A/C 1150101 (REF AA 60/2007/2008 PARA 2)

DEPT: CUSTOMS SERVICES

Balance as per KRA Report (Cashbook)

32,539,472,977.00

ADD: 2007/2008 Provision for refunds (20M*12Months)

240,000,000.00

2007/2008 Exemptions monies meant to be recovered from Treasury

230,000,000.00

33,009,472,977.00

(copy of the Monthly/Financial cumulative report is attached) Appendix 1

LESS: ii Receipts in the Cash Book/KRA- Customs report
not in the Bank Statement

30.6.08	Cash in transit 30.06.08	23,420,154.00
30.6.08	Cash in transit 30.06.08	241,837,172.00
30.6.08	Cash in transit 30.06.08	972,415.00
30.6.08	Cash in transit 30.06.08	24,163,644.00
30.6.08	Cash in transit 30.06.08	934.00
10.6.08	Misposted to Excise duty A/c	666,472.00
4.6.08	Misposted to Excise duty A/c	787.00
30.5.08	NBK - JKIA adjustments	35,783.00
2.5.08	NBK - JKIA adjustments	44,910.00
3.6.08	Misreported IDF	296.00
8.2.08	NBK - adjustments	250.00
23.6.08	Misposted to PDF	4.00
11.12.07	Untransferred NBK Kisumu	195,789.00
10.6.08	Misposted to Excise duty A/c	23,082,083.00
16.4.08	Misposted to Excise duty A/c	212,904.00
17.6.08	Misposted to miscellaneous A/c	3,500.00
	Casting error in the Report	11,933.80

- (314,637,097.00)

ADD: iii Receipts in the Bank Statement
not in the Cash Book/ KRA - Customs Report

	Collections for 2006/2007 F/Y Transferred	234,782,946.15
12.6.08	VAT Misposted to Import Duty Account	57,001,979.00
19.9.07	Excise misposted to Import Duty Account	164,351,740.00
30.6.08	Excise misposted to Import Duty Account	12,679.00
22.5.08	Jkia adjustments	48,234.00
13.3.08	Coop double transfers	12,426,248.00
31.1.08	IDF misposted to import	1,887,376.00
7.3.08	Miscellaneous initially misreported now corrected by PCA	36,441,600.00
29.4.08	IDF misposted to import	75,600.00
	Coop msa cents adjustment	93.30

507,028,495.45

Total Central Bank balance as at 30.06.08

33,201,864,375.45

Cntd

Total Central Bank balance as at 30.06.08

33,201,864,375.45

(A copy of monthly bankings summary for the year 2007/2008 is attached)

Appendix 2

LESS:	01.07.08 2007/2008 F/Y Collections(cash in transit)	234,782,946.15
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2007/2008 Provision for refunds (20M*12Months)	240,000,000.00
12.02.08 Receipts in CBK and not Treasury	1,400.00
2007/2008 Bank charges	58,531,614.50
01.10.07 Receipts in CBK and not Treasury	78,480,582.80
02.10.07 Receipts in CBK and not Treasury	140,965,029.00
03.12.07 Receipts in CBK and not Treasury	68,537,734.00
04.12.07 Receipts in CBK and not Treasury	500.00
16.01.08 Receipts in CBK and not Treasury	650.00
30.06.08 Receipts in CBK and not Treasury	226,155,126.50

(1,047,455,582.95)

ADD:

10.07.08 Receipts in Treasury and not CBK	0.80
25.11.07 Receipts in Treasury and not CBK	0.60
14.12.07 Receipts in Treasury and not CBK	0.90
28.01.08 Receipts in Treasury and not CBK	0.05
05.02.08 Receipts in Treasury and not CBK	0.40
2.7.07 Receipts in Treasury and not CBK	366,490,653.85
3.7.07 Receipts in Treasury and not CBK	125,463,752.35
4.7.07 Receipts in Treasury and not CBK	90,140,304.80
5.7.07 Receipts in Treasury and not CBK	14,335,171.00
3.10.07 Receipts in Treasury and not CBK	193,509,902.80

789,939,787.55

THE TREASURY FIGURE AS PER THE ATTACHED SHEDULES OR THE CASHBOOK

32,944,348,580.05

IMPORT DUTY 1150101

JULY

COLLECTION DATE	2	3	4	5
CBK CREDIT DATE	5	6	9	10
KRA	70,167,528.00	251,858,410.00	88,740,603.00	228,648,476.00
CBK	70,853,635.00	250,632,892.15	87,032,648.00	236,915,169.00
TREASURY	70,853,635.00	250,632,892.15	87,032,648.00	236,915,169.80
VARIANCE	-	-	-	0.80

IMPORT DUTY 04-010-0124

AUGUST

COLLECTION DATE	1	2	3	6
CBK CREDIT DATE	6	7	8	9
KRA	106,843,610.00	99,999,361.55	185,419,243.95	86,716,937.00
CBK	126,155,717.55	99,573,131.00	162,710,057.70	100,007,469.00
TREASURY	126,155,717.15	95,949,231.00	162,710,057.70	100,007,469.00
VARIANCE	0.40	3,623,900.00	-	-

bank charges

IMPORT DUTY 04-010-0124

SEPTEMBER

COLLECTION DATE	03.09.07	04.08.07	5	6
CBK CREDIT DATE	6	7	10	11
KRA	65,256,193.00	184,551,837.00	98,562,120.00	108,658,847.00
CBK	90,165,455.00	193,061,371.40	105,128,473.00	118,715,836.45
TREASURY	90,165,455.00	193,061,371.40	105,128,473.00	118,715,836.45
VARIANCE	-	-	-	-

IMPORT DUTY 04-010-0124

OCTOBER

COLLECTION DATE	1	2	3	4
CBK CREDIT DATE	4	5	8	9
KRA	83,264,306.00	95,228,128.00	214,906,566.00	100,065,179.00
CBK	110,112,420.00	104,629,525.10	205,464,340.40	127,322,379.50
TREASURY	110,112,420.00	104,629,525.10	205,464,340.40	127,322,379.50
VARIANCE	-	-	-	-

IMPORT DUTY 04-010-0124

NOVEMBER

COLLECTION DATE	01.11.07	02.11.07	05.11.07	06.11.07
CBK CREDIT DATE	06.11.07	07.11.07	8	9
KRA	145,679,932.00	165,461,773.00	95,056,411.00	102,134,290.00
CBK	155,087,860.00	127,960,060.00	134,423,599.00	108,710,774.00

IMPORT DUTY 04-010-0124

JULY

COLLECTION DATE	2	3	4	5
CBK CREDIT DATE	5	6	9	10
KRA	70,167,528.00	251,858,410.00	88,740,603.00	228,648,476.00
CBK	70,853,635.00	250,632,892.15	87,032,648.00	236,915,169.00
TREASURY	70,853,635.00	250,632,892.15	87,032,648.00	236,915,169.00
VARIANCE	-	-	-	0.80

IMPORT DUTY 04-010-0124

AUGUST

COLLECTION DATE	1	2	3	6
CBK CREDIT DATE	6	7	8	9
KRA	106,843,610.00	99,999,361.55	185,419,243.95	86,716,937.00
CBK	126,155,717.55	99,573,131.00	162,710,057.70	100,007,469.00
TREASURY	126,155,717.15	95,949,231.00	162,710,057.70	100,007,469.00
VARIANCE	0.40	3,623,900.00	-	-

bank charges

IMPORT DUTY 04-010-0124

SEPTEMBER

COLLECTION DATE	03.09.07	04.08.07	5	6
CBK CREDIT DATE	6	7	10	11
KRA	65,256,193.00	184,551,837.00	98,562,120.00	108,658,847.00
CBK	90,165,455.00	193,061,371.40	105,128,473.00	118,715,836.45
TREASURY	90,165,455.00	193,061,371.40	105,128,473.00	118,715,836.45
VARIANCE	-	-	-	-

IMPORT DUTY 04-010-0124

OCTOBER

COLLECTION DATE	1	2	3	4
CBK CREDIT DATE	4	5	8	9
KRA	83,264,306.00	95,228,128.00	214,906,566.00	100,065,179.00
CBK	110,112,420.00	104,629,525.10	205,464,340.40	127,322,379.50
TREASURY	110,112,420.00	104,629,525.10	205,464,340.40	127,322,379.50
VARIANCE	-	-	-	-

IMPORT DUTY 04-010-0124

NOVEMBER

COLLECTION DATE	01.11.07	02.11.07	05.11.07	06.11.07
CBK CREDIT DATE	06.11.07	07.11.07	8	9
KRA	145,679,932.00	165,461,773.00	95,056,411.00	102,134,290.00
CBK	155,087,860.00	127,960,060.00	134,423,599.00	108,710,774.00
TREASURY	155,087,860.00	127,293,224.75	134,423,599.00	108,710,774.00

VARIANCE	-	666,835.25	-	-
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IMPORT DUTY 04-010-0124

DECEMBER

COLLECTION DATE	03.12.07	4.12.07	05.12.07	06.12.07
CBK CREDIT DATE	06.12.07	07.12.07	10	11
KRA	101,476,596.00	203,834,142.00	164,408,595.00	162,774,156.00
CBK	109,714,024.00	250,288,144.00	167,792,377.00	104,103,265.00
TREASURY	109,714,024.00	249,590,899.35	167,792,377.00	104,103,265.00
VARIANCE	-	697,244.65	-	-

IMPORT DUTY 04-010-0124

JANUARY

COLLECTION DATE	02.01.08	03.01.08	04.01.08	07.01.08
CBK CREDIT DATE	07.01.08	08.01.08	09.01.08	10.01.08
KRA	29,519,043.00	10,957,073.00	96,748,271.00	113,758,864.00
CBK	14,879,112.00	141,559,097.00	27,267,706.00	233,999,800.00
TREASURY	14,879,112.00	141,559,097.00	27,267,706.00	233,999,800.00
VARIANCE	-	-	-	-

IMPORT DUTY 04-010-0124

FEBRUARY

COLLECTION DATE	1.02.08	4.02.08	5.02.08	6.02.08
CBK CREDIT DATE	6.02.08	7.02.08	8.02.08	11.02.08
KRA	117,169,762.00	96,554,702.00	225,930,623.00	82,403,329.00
CBK	115,175,427.95	119,263,650.00	210,486,974.00	112,832,739.00
TREASURY	115,175,427.95	118,694,433.10	210,486,974.40	112,832,739.00
VARIANCE	-	569,216.90	(0.40)	-

IMPORT DUTY 04-010-0124

MARCH

COLLECTION DATE	3.03.08	4.03.08	5.03.08	6.03.08
CBK CREDIT DATE	5.03.08	6.03.08	7.03.08	10.03.08
KRA	100,496,439.98	194,225,514.98	96,669,657.98	106,744,303.98
CBK	119,894,802.00	194,225,515.50	136,873,584.00	106,744,514.00
TREASURY	119,894,802.00	194,225,515.50	136,873,584.00	106,744,514.00
VARIANCE	-	-	-	-

IMPORT DUTY 04-010-0124

APRIL

COLLECTION DATE	1.04.08	2.04.08	3.04.08	4.04.08
CBK CREDIT DATE	3.04.08	4.04.08	7.04.08	8.04.08
KRA	85,826,377.00	77,795,261.00	88,555,040.00	123,672,190.00
CBK	84,373,347.50	77,354,491.00	88,028,524.00	89,843,587.00

TREASURY	84,373,347.50	77,354,491.00	88,028,524.00	89,843,587.00
VARIANCE	-	-	-	-

IMPORT DUTY 04-010-0124

MAY

COLLECTION DATE	2.05.08	5.05.08	6.05.08	7.05.08
CBK CREDIT DATE	6.05.08	7.05.08	8.05.08	9.05.08
KRA	162,258,192.60	132,270,408.00	117,006,260.00	129,409,416.00
CBK	128,357,737.00	165,392,937.00	116,891,638.00	129,180,353.00
TREASURY	128,357,737.00	165,392,937.00	116,891,638.00	125,491,493.00
VARIANCE	-	-	-	3,688,860.00

bank charges

IMPORT DUTY 04-010-0124

JUNE

COLLECTION DATE	3.06.08	4.06.08	5.06.08	6.06.08
CBK CREDIT DATE	5.06.08	6.06.08	9.06.08	10.06.08
KRA	56,932,342.00	91,872,225.00	91,369,422.00	138,244,862.00
CBK	56,904,246.00	90,665,088.10	91,369,822.00	141,247,064.00
TREASURY	56,904,246.00	90,665,088.10	91,369,822.00	141,247,064.00
VARIANCE	-	-	-	-

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6	9	10	11	12
11	12	13	16	17
398,273,887.00	74,832,194.00	119,142,578.00	148,132,591.00	127,467,605.00
311,298,420.00	80,389,407.00	204,848,283.50	167,566,864.00	124,759,789.00
311,298,420.00	79,911,785.95	204,848,283.50	167,566,864.00	124,759,789.00
-	477,621.05	-	-	-

7	8	9	10	13
10	13	14	15	16
160,020,691.00	96,090,024.65	85,727,999.00	143,168,322.00	96,436,810.00
173,919,521.10	87,653,701.00	104,351,466.60	111,136,754.00	116,385,373.00
173,919,521.10	87,653,701.00	104,351,466.60	111,136,754.00	115,823,830.60
-	-	-	-	561,542.40

7	10	11	12	13
12	13	14	17	18
161,736,426.00	99,443,643.00	118,075,272.00	137,683,096.00	116,683,075.00
107,756,505.20	143,084,712.00	113,095,830.85	138,876,364.90	150,216,563.30
107,756,505.20	143,084,712.00	113,095,830.85	138,876,364.90	150,216,563.30
-	-	-	-	-

5	8	9	11	12
11	12	15	16	17
161,309,868.00	83,459,230.00	102,618,860.00	83,080,656.00	149,826,390.00
102,496,107.00	118,473,000.00	109,240,829.10	79,078,325.00	149,719,241.00
101,224,409.15	118,473,000.00	109,240,829.10	79,078,325.00	149,719,241.00
1,271,697.85	-	-	-	-

07.11.07	8	9	12	13
12	13	14	15	16
125,054,832.00	105,693,618.00	153,940,998.00	115,288,225.00	130,962,940.00
117,040,384.25	121,081,663.25	105,557,214.00	161,998,844.00	123,315,490.15
117,040,384.25	121,081,663.25	105,557,214.00	161,998,844.00	123,315,490.15

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07.12.07	10	11	13	14
13	14	17	18	20
148,385,801.00	104,249,623.00	143,252,845.00	119,153,532.00	221,867,217.00
121,678,772.00	147,386,877.00	133,461,630.00	153,953,394.00	165,463,639.00
121,678,772.00	147,386,877.90	133,461,630.00	319,417,033.00	
-	0.90	-	- 165,463,639.00	165,463,639.00

08.01.08	9	10	11	14
1.01.08	14	15	16	17
150,010,587.00	160,280,583.00	200,561,514.00	214,884,039.00	99,036,629.00
155,146,731.00	193,670,443.75	157,401,873.40	150,875,678.00	159,463,800.00
141,852,751.00	193,135,090.75	157,401,873.40	150,875,028.00	159,463,800.00
13,293,980.00	535,353.00	-	650.00	-
13,293,980.00				

bank charges

7.02.08	8.02.08	11	12	13
12.02.08	13.02.08	13	14	15
190,452,595.00	147,923,507.00	87,982,656.00	198,249,363.00	90,025,937.00
200,782,782.20	172,482,443.40	-	197,963,874.00	90,025,938.00
200,781,382.20	169,436,113.40		197,963,874.00	90,025,938.00
1,400.00	3,046,330.00		-	-

bank charges

7.03.08	10	11	12	13
11.03.08	12	13	14	17
112,266,013.98	83,659,281.98	122,170,486.98	188,750,866.98	330,544,304.98
81,851,944.10	114,051,816.00	134,660,931.00	184,360,047.00	323,982,316.00
81,851,944.10	114,051,816.00	134,660,931.00	184,360,047.00	323,423,168.30
-	-	-	-	559,147.70

7	8	9	10	11
9	10	11	14	15
65,378,881.00	92,879,147.00	92,787,290.00	93,823,677.00	152,439,036.00
97,732,120.00	92,878,202.00	93,051,726.00	93,557,396.00	139,191,039.00

97,732,120.00	92,878,202.00	93,051,726.00	93,156,875.10	139,191,039.00
-	-	-	400,520.90	-

637,756,875.60
132,878,255.60

8.5.08	9.5.08	12	13	14
12.5.08	13.5.08	14	15	16
96,812,599.00	139,781,455.00	120,648,810.00	95,512,717.00	133,515,773.00
96,812,599.00	121,528,743.15	139,150,632.00	95,512,408.00	132,705,073.00
96,812,599.00	121,528,743.15	139,150,632.00	95,512,408.00	132,705,073.00
-	-	-	-	-

9	10	11	12	13
11	12	13	16	17
152,533,275.00	142,974,398.00	153,756,795.00	150,109,965.00	93,019,283.00
152,647,952.45	176,823,493.10	153,756,795.00	150,115,965.25	91,695,147.00
152,647,952.45	176,823,493.10		303,872,760.25	91,695,147.00
-	-	153,756,795.00	(153,756,795.00)	-

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13	16	17	18	19
18	19	20	23	24
155,368,809.35	115,970,867.00	152,154,756.00	136,106,845.00	111,930,765.00
116,763,405.35	153,756,384.40	148,078,126.95	122,967,558.00	136,492,514.00
116,763,405.35	153,756,384.40	148,078,126.95	122,967,558.00	136,492,514.00
-	-	-	-	-

14	15	16	17	20
17	20	21	22	23
116,474,411.00	105,682,879.00	112,603,857.00	151,020,391.80	92,804,469.75
117,036,476.45	104,641,446.00	139,062,823.00	103,437,361.10	113,796,539.00
117,036,476.45	104,641,446.00	139,062,823.00	103,437,361.10	113,796,539.00
-	-	-	-	-

14	17	18	19	20
19	20	21	24	25
159,967,783.00	116,412,186.00	137,026,374.00	111,661,259.00	92,327,323.00
283,825,229.00	133,547,895.85	119,229,648.00	86,331,996.00	92,698,524.80
283,825,229.00	133,547,895.85	119,229,648.00	86,331,996.00	92,698,524.80
-	-	-	-	-

429,584,849.00
405,021,909.00

15	16	17	18	19
18	19	22	23	24
101,229,769.00	183,924,390.00	205,621,058.00	155,205,105.00	151,095,294.00
104,319,691.00	202,874,274.05	203,723,866.25	136,999,327.80	149,102,078.00
104,319,691.00	193,945,194.05	203,723,866.25	136,999,327.80	149,102,078.00
-	8,929,080.00	-	-	-

9,229,080.00
bank charges

14	15	16	19	20
19	20	21	22	23
115,159,989.00	157,755,695.00	174,903,714.00	153,015,019.00	123,075,209.00
110,604,200.50	202,932,850.00	109,811,399.00	179,045,429.00	129,330,216.00
110,604,200.50	202,932,850.00	109,811,399.00	179,045,429.00	129,330,216.00

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17	18	20	21	24
21	24			
161,951,112.00	169,238,661.00	145,416,303.00	243,545,009.00	155,587,784.00
184,056,839.25	184,895,581.00	224,808,674.15	8,736,775.00	144,434,580.00
184,056,839.25	184,895,581.00	204,808,674.15	8,736,775.00	144,434,580.00
-	-	20,000,000.00	-	-

15	16	17	18	21
18	21	22	23	24
198,299,427.00	127,419,936.00	110,874,553.00	124,205,777.00	89,751,292.00
181,824,903.00	129,289,833.00	129,389,776.75	77,020,241.50	107,373,842.90
181,824,903.00	129,289,833.00	129,389,776.75	77,020,241.50	107,373,842.90
-	-	-	-	-



14	15	18	19	20
18	19	20	21	22
105,405,609.00	111,177,923.00	85,450,317.00	94,119,921.00	121,857,129.00
105,396,009.85	99,729,752.00	97,034,274.00	94,406,802.65	121,857,129.00
105,396,009.85	99,729,752.00	97,034,274.00	94,406,802.65	118,372,669.00
-	-	-	-	3,484,460.00

bank charges



14	17	18	19	20
18	19	20	25	26
517,762,531.98	132,926,024.98	151,940,008.00	183,628,517.98	120,587,621.98
361,487,631.35	262,405,538.00	177,224,641.00	183,628,518.00	112,917,999.75
361,487,631.35	262,405,538.00	177,224,641.00	183,628,518.00	112,917,999.75
-	-	-	-	-



14	15	16	17	18
16	17	18	21	22
56,914,572.00	112,529,802.00	116,487,571.00	89,302,072.00	91,256,390.00
70,130,216.00	112,752,917.30	116,274,317.20	89,302,072.00	73,374,306.75

70,130,216.00	112,752,917.30	116,274,317.20	89,302,072.00	73,374,306.75
-	-	-	-	-

608,020,310.00
63,619,111.25

15	16	19	20	21
19	20	21	22	23
118,561,555.00	177,917,933.00	121,751,908.00	108,896,926.00	102,263,620.00
119,372,255.00	159,775,433.45	140,539,328.00	108,945,160.00	100,915,785.00
116,209,356.00	158,972,091.35	140,539,328.00	108,945,160.00	100,915,785.00
3,162,899.00	803,342.10	-	-	-

16	17	18	19	20
18	19	20	23	24
73,271,314.00	138,451,545.00	126,375,189.00	128,505,436.00	106,352,593.00
73,271,322.50	138,922,933.10	126,187,789.00	128,509,184.95	91,308,900.10
	212,194,255.60			90,660,996.10
73,271,322.50	(73,271,322.50)	126,187,789.00	128,509,184.95	647,904.00

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20	23
25	26
146,472,534.00	159,682,194.00
104,270,869.15	197,625,991.00
104,270,869.15	197,625,991.00
-	-

21	22
24	27
93,809,814.00	114,541,880.00
97,572,557.00	120,173,836.00
97,572,557.00	120,173,836.00
-	-

21	24
26	27
150,812,535.00	134,857,394.00
118,046,029.00	225,483,385.00
115,592,249.00	225,483,385.00
2,453,780.00	-

22	23
25	26
118,495,662.00	136,242,200.00
120,713,371.00	134,331,059.00
120,713,371.60	134,331,059.00
-	-
0.60	-

21	22
26	27
138,801,203.00	85,476,371.00
129,539,965.00	169,198,467.00
129,539,965.00	169,198,467.00

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22	23
25	28
98,020,938.00	188,947,407.00
110,440,069.00	204,828,027.00
110,440,069.00	204,828,027.05
-	(0.05)

21	22
25	26
140,768,297.00	333,337,747.00
140,843,775.00	306,409,028.50
140,843,775.00	306,409,028.50
-	-

25	26
27	28
73,806,473.98	113,935,179.98
78,803,222.00	115,653,876.00
78,803,222.00	112,666,206.00
-	2,987,670.00

bank charges

21	22
23	24
77,493,511.00	93,280,517.20
94,859,520.00	93,249,462.60

94,859,520.00	93,249,462.60
-	-

22	23
26	27
156,698,502.00	143,888,688.00
157,928,382.30	111,082,875.25
157,928,382.30	111,082,875.25
-	-

23	24
25	26
64,944,593.00	94,314,166.00
79,994,454.60	94,107,584.00
79,994,454.60	87,811,924.00
-	6,295,660.00

KENYA REVENUE AUTHORITY

BANK RECONCILIATION STATEMENT

For the Financial year 2007/2008
 PIF/IDF A/C 1150401 (REF AA 60/2007/2008 PARA 2)
 DEPT: CUSTOMS SERVICES

Balance as per KRA Report (Cashbook) 12,430,613,539.00

(copy of the Monthly/Financial cumulative report is attached) Appendix 1

LESS: ii Receipts in the Cash Book/KRA- Customs report
not in the Bank Statement

30.6.08	Cash in Transit	10,680,226.00
30.6.09	Cash in Transit	25,035,232.00
7.2.08	Pre IDF	7,120,000.00
31.1.08	IDF misposted to import	1,887,376.00
29.4.08	IDF misposted to import	75,600.00
25.6.08	JKIA adjustment	43,850.00
3.6.08	JKIA baggage adjustment	5,000.00

(44,847,284.00)

ADD: iii Receipts in the Bank Statement
not in the Cash Book/ KRA - Customs Report

3.6.08	Misposted in import	296.00
30.6.07	30.06.07 Cash in transit transferred in July 07	75,325,982.00
6.6.08	Misposted RML	3,420,000.00
30.6.08	Pre IDF	10,180,000.00
7.3.08	Misposted RML coop msa	47,202,597.00
7.3.08	Misposted miscellaneous	7,696,502.00
12.6.08	Misposted miscellaneous coop msa	17,677.00
11.6.08	Coop msa adjustment	18,623.00
7.2.08	Pre IDF	7,210,000.00
12.4.07	Wilson RBC	249,139.00
2.10.07	Coop double transfers	4,622,294.00
	Casting error	1,085.40

155,944,195.40

Total Central Bank balance as at 30.06.08 12,541,710,450.40

Cntd

Total Central Bank balance as at 30.06.08 12,541,710,450.40

(A copy of monthly bankings summary for the year 2007/2008 is attached)
 Appendix 2

LESS:

1.7.07	2007/2008 F/Y Collections(cash in transit)	62,187,073.00
1.10.07	Receipts in CBK and not Treasury	41,923,853.00
12.3.08	Receipts in CBK and not Treasury	46,931,481.00
20.6.08	Receipts in CBK and not Treasury	50,507,064.00
30.6.08	Receipts in CBK and not Treasury	145,251,643.00

(346,801,114.00)

ADD:

	Receipts in Treasury and not CBK	3,088,654.00
	Receipts in Treasury and not CBK	10,000.00
	Receipts in Treasury and not CBK	40,295,695.00
	Receipts in Treasury and not CBK	624,631,164.15
	Receipts in Treasury and not CBK	50,489,387.00

718,514,900.15

THE TREASURY FIGURE AS PER THE ATTACHED SHEDULES OR THE CASHBOOK 12,913,424,236.55
 (Appendix 4)

COLLECTION DATE	2	3	4	5	6	9
CBK CREDIT DATE	5	6	9	10	11	12
TREASURY	34,184,020.00	40,471,905.00	28,166,681.00	51,322,070.00	81,766,055.00	31,841,715.00
CBK	34,184,020.00	40,471,905.00	28,166,681.00	51,322,070.00	81,766,055.00	31,841,715.00
VARIANCE	-	-	-	-	-	-

COLLECTION DATE	1	2	3	6	7	8
CBK CREDIT DATE	6	7	8	9	10	13
TREASURY	43,726,637.00	29,146,843.00	60,436,640.00	109,119,314.00	24,400,982.00	42,634,204.00
CBK	43,726,637.00	29,146,843.00	60,436,640.00	109,119,314.00	24,400,982.00	42,634,204.00
VARIANCE	-	-	-	-	-	-

COLLECTION DATE	03.09.07	04.08.07	5	6	7	10
CBK CREDIT DATE	6	7	10	11	12	13
TREASURY	28,459,059.00	27,223,929.00	84,012,508.00	46,187,888.00	29,291,531.00	120,999,278.00
CBK	28,459,059.00	27,223,929.00	84,012,508.00	46,187,888.00	29,291,531.00	120,999,278.00
VARIANCE	-	-	-	-	-	-

COLLECTION DATE	1	2	3	4	5	8
CBK CREDIT DATE	4	5	8	9	11	12
TREASURY	52,871,540.00	44,889,912.00	44,381,012.00	84,964,179.00	45,819,934.00	103,615,933.00
CBK	52,871,540.00	44,889,912.00	44,381,012.00	84,964,179.00	45,819,934.00	103,615,933.00
VARIANCE	-	-	-	-	-	-

COLLECTION DATE	01.11.07	02.11.07	05.11.07	06.11.07	07.11.07	8
CBK CREDIT DATE	06.11.07	07.11.07	8	9	12	13
TREASURY	35,495,344.00	55,996,588.00	60,574,632.00	80,124,528.00	39,081,356.00	38,989,835.00
CBK	35,495,344.00	55,996,588.00	60,574,632.00	80,124,528.00	39,081,356.00	38,989,835.00
VARIANCE	-	-	-	-	-	-

COLLECTION DATE	03.12.07	4.12.07	05.12.07	06.12.07	07.12.07	10
CBK CREDIT DATE	06.12.07	07.12.07				
TREASURY	30,844,903.00	68,969,937.00	46,765,930.00	45,754,720.00	25,660,826.00	45,459,616.00
CBK	30,844,903.00	68,969,937.00	46,765,930.00	45,754,720.00	25,660,826.00	45,459,616.00
VARIANCE	-	-	-	-	-	-

COLLECTION DATE	02.01.08	03.01.08	04.01.08	07.01.08	08.01.08	9
CBK CREDIT DATE	07.01.08	08.01.08	09.01.08	10.01.08		
TREASURY	81,151,576.00	63,195,228.00	44,246,407.00	94,241,537.00	37,227,615.00	48,604,216.00
CBK	81,151,576.00	63,195,228.00	44,246,407.00	94,241,537.00	37,227,615.00	48,604,216.00
VARIANCE	-	-	-	-	-	-

COLLECTION DATE	1.02.08	4.02.08	5.02.08	6.02.08	7.02.08	8.02.08
CBK CREDIT DATE	6.02.08	7.02.08	8.02.08	11.02.08	12.02.08	13.02.08
TREASURY	40,730,556.00	48,115,638.00	60,229,656.00	36,600,406.00	32,256,063.00	152,128,546.00
CBK	40,730,556.00	48,115,638.00	60,229,656.00	36,600,406.00	32,256,063.00	152,128,546.00
VARIANCE	-	-	-	-	-	-

COLLECTION DATE	3.03.08	4.03.08	5.03.08	6.03.08	7.03.08	10
CBK CREDIT DATE	5.03.08	6.03.08	7.03.08	10.03.08	11.03.08	12
TREASURY	51,222,572.00	41,858,647.00	78,935,092.00	26,374,478.00	28,557,880.00	46,931,481.00
CBK	51,222,572.00	41,858,647.00	78,935,092.00	26,374,478.00	28,557,880.00	46,931,481.00
VARIANCE	-	-	-	-	-	-

COLLECTION DATE	1.04.08	2.04.08	3.04.08	4.04.08	7
CBK CREDIT DATE	3.04.08	4.04.08	7.04.08	8.04.08	9
TREASURY	30,676,605.00	55,961,404.00	44,614,878.00	69,059,117.00	45,980,629.00
CBK	30,676,605.00	55,961,404.00	44,614,878.00	69,059,117.00	45,980,629.00
VARIANCE	-	-	-	-	-

COLLECTION DATE	2.05.08	5.05.08	6.05.08	7.05.08	8.5.08	9.5.08
CBK CREDIT DATE	6.05.08	7.05.08	8.05.08	9.05.08	12.5.08	13.5.08
TREASURY	65,145,770.00	46,863,522.00	59,868,947.00	26,097,607.00	35,862,367.00	52,408,309.00
CBK	65,145,770.00	46,863,522.00	59,868,947.00	26,097,607.00	35,862,367.00	52,408,309.00
VARIANCE	-	-	-	-	-	-

COLLECTION DATE	3.06.08	4.06.08	5.06.08	6.06.08	9	10
CBK CREDIT DATE	5.06.08	6.06.08	9.06.08	10.06.08	11	12
TREASURY	75,910,477.00	55,171,174.00	33,804,994.00	36,643,146.00	46,576,642.00	36,691,280.00
CBK	75,910,477.00	55,171,174.00	33,804,994.00	36,643,146.00	46,576,642.00	36,691,280.00
VARIANCE	-	-	-	-	-	-

10	11	12	13	16	17	18	19
13	16	17	18	19	20	23	24
39,706,428.00	76,310,239.00	34,480,421.00	45,981,854.00	41,015,219.00	32,700,502.00	31,155,368.00	37,040,002.00
39,706,428.00	76,310,239.00	34,480,421.00	45,981,854.00	41,015,219.00	32,700,502.00	31,155,368.00	37,040,002.00
-	-	-	-	-	-	-	-

9	10	13	14	15	16	17	20
14	15	16	17	20	21	22	23
72,632,719.00	24,440,204.00	32,507,852.00	39,373,249.00	48,407,674.00	46,406,507.00	31,470,365.00	23,454,530.00
72,632,719.00	24,440,204.00	32,507,852.00	39,373,249.00	48,407,674.00	46,406,507.00	31,470,365.00	23,454,530.00
-	-	-	-	-	-	-	-

11	12	13	14	17	18	19	20
14	17	18	19	20	21	24	25
22,825,718.00	46,043,678.00	45,127,998.00	32,538,486.00	47,516,892.00	33,747,550.00	29,431,894.00	29,349,887.00
22,825,718.00	46,043,678.00	45,127,998.00	32,538,486.00	47,516,892.00	33,747,550.00	29,431,894.00	29,349,887.00
-	-	-	-	-	-	-	-

9	11	12	15	16	17	18	19
15	16	17	18	19	22	23	24
116,034,988.00	65,388,256.00	36,647,700.00	50,543,620.00	35,837,752.00	42,191,257.00	32,953,132.00	31,749,695.00
116,034,988.00	65,388,256.00	36,647,700.00	50,543,620.00	35,837,752.00	42,191,257.00	32,953,132.00	31,749,695.00
-	-	-	-	-	-	-	-

9	12	13	14	15	16	19	20
14	15	16	19	20	21	22	23
27,809,897.00	62,062,630.00	32,915,153.00	93,364,257.00	54,026,215.00	18,636,173.00	45,256,848.00	38,001,851.00
27,809,897.00	62,062,630.00	32,915,153.00	93,364,257.00	54,026,215.00	18,636,173.00	45,256,848.00	38,001,851.00
-	-	-	-	-	-	-	-

11	13	14	17	18	20	21	24
17	18	20	21	24			
62,363,078.00	151,532,582.00	59,656,584.00	54,309,356.00	58,894,404.00	1,706,125.00	39,414,075.00	
62,363,078.00	54,216,895.00	97,315,687.00	59,656,584.00	54,309,356.00	58,894,404.00	1,706,125.00	39,414,075.00
-	54,216,895.00	54,216,895.00	-	-	-	-	-

10	11	14	15	16	17	18	21
15	16	17	18	21	22	23	24
90,995,889.00	39,651,746.00	65,116,378.00	40,044,566.00	52,001,365.00	49,889,062.00	45,569,272.00	38,738,781.00
90,995,889.00	39,651,746.00	65,116,378.00	40,044,566.00	52,001,365.00	49,889,062.00	45,569,272.00	38,738,781.00
-	-	-	-	-	-	-	-

11	12	13	14	15	18	19	20
13	14	15	18	19	20	21	22
70,694,580.00	25,510,548.00	39,283,314.00	38,616,463.00	28,884,148.00	34,634,301.00	35,952,809.00	
70,694,580.00	25,510,548.00	39,283,314.00	38,616,463.00	28,884,148.00	34,634,301.00	35,952,809.00	
-	-	-	-	-	-	-	-

11	12	13	14	17	18	19	20
13	14	17	18	19	20	25	26
80,123,898.00	25,384,893.00	52,396,856.00	64,298,888.00	53,735,221.00	51,730,468.00	49,208,421.00	52,595,433.00
80,123,898.00	25,384,893.00	52,396,856.00	64,298,888.00	53,735,221.00	51,730,468.00	49,208,421.00	52,595,433.00
-	-	-	-	-	-	-	-

9	10	11	14	15	16	17	18
11	14	15	16	17	18	21	22
43,328,976.00	28,605,230.00	30,370,423.00	39,402,282.00	50,555,712.00	114,546,334.00	63,942,276.00	25,094,558.00
43,328,976.00	28,605,230.00	30,370,423.00	39,402,282.00	50,555,712.00	114,546,334.00	63,942,276.00	25,094,558.00
-	-	-	-	-	-	-	-

12	13	14	15	16	19	20	21	22	23	24
14	15	16	19	20	21	22	23	24		
75,233,855.00	35,212,445.00	35,312,015.00	56,221,050.00	32,043,260.00	40,722,461.00	121,012,843.00	65,484,730.00			
75,233,855.00	35,212,445.00	35,312,015.00	56,221,050.00	32,043,260.00	40,722,461.00	121,012,843.00	65,484,730.00			
-	-	-	-	-	-	-	-	-	-	-

11	12	13	16	17	18	19	20	19	20
13	16	17	18	19	20	23	24		
118,752,365.00	36,494,379.00	102,313,031.00	22,583,217.00	79,729,814.00	50,507,064.00	46,938,101.00	23,279,637.00		
48,747,382.00	70,004,983.00	36,494,379.00	22,583,217.00	79,729,814.00	50,507,064.00	46,938,101.00	23,279,637.00		
70,004,983.00	- 70,004,983.00	-	79,729,814.00	- 79,729,814.00	- 50,507,064.00	23,279,637.00	- 23,279,637.00		

	22	23	26	27	28	29	30	TOTALS
	26	27	28	29	30			
	44,333,396.00	32,482,336.00	109,359,482.00	46,133,577.00	35,585,673.00	35,793,037.00	76,206,971.00	1,127,383,653.00
	44,333,396.00	32,482,336.00	109,359,482.00	46,133,577.00	35,585,673.00	35,793,037.00	76,206,971.00	1,127,383,653.00
	-	-	-	-	-	-	-	-

	23	24	25	26	27	30	TOTALS
	25	26	27	30			
	40,435,374.00	38,909,199.00	43,223,966.00	145,251,643.00			735,143,765.00
	40,435,374.00	38,909,199.00	43,223,966.00	145,251,643.00			930,902,472.00
	-	-	-	-145,251,643.00			-195,758,707.00

TOTALS	
981,685,632.00	
981,675,632.00	
10,000.00	

	31	TOTALS
05.09.07		
50,432,263.00		1,011,266,622.00
50,432,263.00		1,011,266,622.00
-		-

TOTALS	
1,164,992,629.40	
1,164,992,629.40	
-	

TOTALS	
1,158,354,760.00	
1,158,354,760.00	
-	

TOTALS
691,332,136.00
691,332,136.00
-

TOTALS
1,266,354,189.00
1,266,354,189.00
-

TOTALS
1,163,325,926.00
1,163,325,926.00
-

TOTALS
917,923,884.00
964,855,365.00
- 46,931,481.00

TOTALS
1,106,282,781.00
1,106,282,781.00
-

VARIANCE BETWEEN ACTUAL RECEIPTS AND REVISED ESTIMATES - 2007/2008

DETAILS	PRINTED ESTIMATES		REVISED ESTIMATES		ACTUAL RECEIPTS as per		VARIANCE	COMMENTS
	2007/2008	Kshs.	2007/2008	Kshs.	Exchequer 2007/2008	Kshs.		
Taxes on Income, Profit and Capital Gains	151,767,000,000.00		165,155,000,000.00		168,376,912,702.60	3,221,912,702.60		
PAYE	79,427,000,000.00		85,169,000,000.00		81,680,929,230.20	(3,488,070,769.80)	The shortfall was expected from employment of additional teachers, employment of whom was postponed to a later date.	
INCOME TAX from CORPORATIONS	72,340,000,000.00		79,986,000,000.00		86,695,983,472.40	6,709,983,472.40	Excess realised from more aggressive enforcement operations.	
Taxes on Property	331,340,786.00		301,594,914.00		-	(301,594,914.00)		
Immovable Property (Stand Premia on Town Plots)	46,000,000.00		25,277,328.00		-	(25,277,328.00)	Collected under item "Other Taxes not Elsewhere Classified" below.	
Financial and Capital Transactions	285,340,786.00		276,317,586.00		-	(276,317,586.00)		
Total VAT	111,820,000,000.00		115,014,000,000.00		115,393,742,929.55	379,742,929.55		
VAT on Domestic Goods and Services	59,828,000,000.00		59,827,000,000.00		61,586,108,468.70	1,759,108,468.70	Under-forecasted into VAT on imports	
VAT On Imported Goods and Services	51,992,000,000.00		55,187,000,000.00		53,807,634,460.85	(1,379,365,539.15)	Over-forecasted into VAT on domestics	
Taxes on Goods & Services (Excluding AIA)	67,476,525,736.00		64,934,585,911.00		63,925,604,629.85	(1,008,981,281.15)		
Excise Taxes	65,551,000,000.00		64,289,000,000.00		61,857,468,359.10	(2,431,531,640.90)	Slowdown in the economy due to post-election violence	
Taxes on Specific Services	15,261,633.00		-		-	-		
Licences Under Traffic Act	944,230,000.00		110,210,840.00		1,880,336,872.75	1,770,126,032.75	Typographical error in the Revised Estimates	
Royalties	397,000,000.00		257,000,000.00		187,799,398.00	(69,200,602.00)	Slowdown in the economy due to post-election violence and increased maritime risk in the high seas due to piracy.	
Taxes on Goods and Services Collected as AIA	-		-		-	-		
Other Taxes on Goods and Services	569,034,103.00		278,375,071.00		-	(278,375,071.00)		
Taxes on Inter. Trade & Transactions	44,024,000,000.00		47,149,000,000.00		45,857,772,816.60	(1,091,227,183.40)		
Custom Duties	32,337,000,000.00		33,403,000,000.00		32,944,348,580.05	(458,651,419.95)		
Export Levies	-		-		-	-		
Exemptions on Customs and other Import Duties	-		200,000,000.00		-	-	Slowdown in the economy due to post-election violence and increased maritime risk in the high seas due to piracy.	
Other Taxes on Int. Trade & Transactions	11,687,000,000.00		13,546,000,000.00		12,913,424,236.55	(632,575,763.45)		
Other Taxes (not elsewhere classified)	3,337,625,115.00		4,288,624,929.00		4,584,430,435.50	295,805,506.50		
Stamp Duty	3,337,625,115.00		4,288,624,929.00		4,584,430,435.50	295,805,506.50	Within acceptable margin	
Social Security Contributions	-		1,000,000,000.00		-	(1,000,000,000.00)		
Contributions from Government Employees to Social and Welfare Schemes within Government	-		1,000,000,000.00		-	(1,000,000,000.00)	Collection into NSSF outside Exchequer	
Grants from Foreign Government	36,481,423,733.00		33,153,000,000.00		20,077,231,195.75	(13,075,768,804.25)		
Grants - Cash through Exchequer	15,240,633,935.00		15,912,000,000.00		11,887,485,396.95	(4,024,514,603.05)	Delayed release of Official Development Assistance	
Grants - Direct Payments	21,240,789,798.00		17,241,000,000.00		8,189,745,798.80	(9,051,254,201.20)	(ODA)	

VARIATION BETWEEN ACTUAL RECEIPTS AND REVISED ESTIMATES - 2007/2008

DETAILS	PRINTED ESTIMATES 2007/2008 Kshs.	REVISED ESTIMATES 2007/2008 Kshs.	ACTUAL RECEIPTS as per Exchequer 2007/2008 Kshs.	VARIANCE Kshs.	COMMENTS
Grants From International Organizations	3,806,000,000.00	3,759,000,000.00	-	(3,759,000,000.00)	
Grants From International Organizations - Cash through Exchequer	-	3,759,000,000.00	-	(3,759,000,000.00)	Delayed release of Official Development Assistance (ODA)
Property Income	6,990,967,178.00	4,082,522,553.00	5,080,746,219.45	998,223,666.45	
Interest Received	1,067,000,000.00	635,000,000.00	572,016,914.55	(62,983,085.45)	Non-performing on-lent loans
Profits and Dividends from CBK	2,000,000,000.00	-	-	-	
Other Profits and Dividends	2,703,000,000.00	2,038,000,000.00	3,133,350,633.50	1,095,350,633.50	More dividends declared from parastatals than anticipated
Rent Of Land	1,220,967,178.00	1,409,522,553.00	1,375,378,671.40	(34,143,881.60)	Within acceptable limits
Webuye Housing Scheme Rents	-	-	-	-	
Sale Of Goods and Services	41,900,000,000.00	76,416,000,000.00	75,988,457,100.00	(427,542,900.00)	
Sale of KENGEN Shares	2,500,000,000.00	-	-	-	
Sale of MUMIAS Shares	-	2,000,000,000.00	-	(200,000,000.00)	
Sales Of KE-RE Shares	33,800,000,000.00	50,000,000,000.00	1,800,000,000.00	(112,862,900.00)	
Sales Of Safaricom Shares	5,600,000,000.00	24,416,000,000.00	49,887,137,100.00	(114,680,000.00)	Within acceptable limits
Administrative Fees and Charges	1,696,541,189.00	998,671,692.00	-	(998,671,692.00)	
Fees under Traffic Act	698,738,367.00	169,372,225.00	-	(169,372,225.00)	
Motor Drivers Licenses	540,770,000.00	819,099,348.00	-	(819,099,348.00)	
Other Land Revenue	443,517,723.00	3,091,807.00	-	(3,091,807.00)	
Land Adjudication and Case Fees	636,780.00	1,625,324.00	-	(1,625,324.00)	Collected under item "Other Taxes not Elsewhere Classified" below.
Sale of Freehold Interest in Agricultural Land	12,878,319.00	5,482,988.00	-	(5,482,988.00)	
Fines, Penalties and Forfeitures	406,000,000.00	141,000,000.00	158,521,084.00	17,521,084.00	Within acceptable limits
Other Receipts not Classified Elsewhere	7,913,000,000.00	6,419,000,000.00	15,956,423,390.40	9,537,423,390.40	
Miscellaneous Revenue	7,913,000,000.00	6,419,000,000.00	15,956,423,390.40	9,537,423,390.40	Includes receipts from other categories
Repayment from Domestic Lending and On-lending	700,000,000.00	628,000,000.00	708,564,701.45	86,171,818.45	
Loans to Non-Financial Public Enterprises	697,882,968.00	622,392,883.00	708,564,701.45	86,171,818.45	Previously non-performing loans realised
Loans to Financial Institutions	2,117,032.00	5,607,117.00	-	-	
Other- Land Revenue (Ministry Of Lands)	-	-	-	-	
Other- Other Receipts (Op)	-	-	-	-	
Net Domestic Borrowing from Monetary Authorities (Central Bank)	33,959,000,000.00	34,000,000,000.00	-	-	
TOTAL	512,609,423,737.00	556,439,999,999.00	516,108,407,205.15	(6,125,985,676.85)	

VARIANCE BETWEEN ACTUAL RECEIPTS AND REVISED ESTIMATES - 2007/2008

DETAILS	PRINTED ESTIMATES	REVISED ESTIMATES	ACTUAL RECEIPTS as per	VARIANCE	COMMENTS
	2007/2008 Kshs.	2007/2008 Kshs.	Exchequer 2007/2008 Kshs.	Kshs.	
Total Ordinary Revenue				-	
Total Grants				-	
Appropriations-in-Aid				-	
Total Net Domestic Borrowing				-	
Total Revenue				-	

APPENDIX NO. 3: VOTE 7 - MINISTRY OF FINANCE
 VARIANCE BETWEEN ACTUAL RECEIPTS AS PER LEDGER AND ACTUAL RECEIPTS AS PER EXCHEQUER

DETAILS	ACTUAL RECEIPTS as per Ledger 2007/2008 Kshs.	ACTUAL RECEIPTS as per Exchequer 2007/2008 Kshs.	VARIANCE Kshs.
Taxes on Income, Profit and Capital Gains	156,824,100,000.00	168,376,912,702.60	11,552,812,702.60
PAYE	81,655,350,000.00	81,680,929,230.20	25,579,230.20
INCOME TAX from CORPORATIONS	75,168,750,000.00	86,695,983,472.40	11,527,233,472.40
Taxes on Property	331,895,301.00	-	(331,895,301.00)
Total VAT	111,904,508,116.00	115,393,742,929.55	3,489,234,813.55
VAT on Domestic Goods and Services	58,277,000,000.00	61,586,108,468.70	3,309,108,468.70
VAT On Imported Goods and Services	53,627,508,116.00	53,807,634,460.85	180,126,344.85
Taxes on Goods & Services (Excluding AIA)	62,231,095,428.00	63,925,604,629.85	1,694,509,201.85
Excise Taxes	61,905,511,272.00	61,857,468,359.10	(48,042,912.90)
Taxes on Specific Services	-	-	-
Licences Under Traffic Act	70,000,000.00	1,880,336,872.75	1,810,336,872.75
Royalties	187,799,398.00	187,799,398.00	-
Taxes on Goods and Services Collected as AIA	-	-	-
Other Taxes on Goods and Services	67,784,758.00	-	(67,784,758.00)
Taxes on Inter. Trade & Transactions	45,857,772,816.00	45,857,772,816.60	0.60
Custom Duties	32,944,348,580.00	32,944,348,580.05	0.05
Export Levies	-	-	-
Exemptions on Customs and other Import Duties	-	-	-
Other Taxes on Int. Trade & Transactions	12,913,424,236.00	12,913,424,236.55	0.55
Other Taxes (not elsewhere classified)	4,536,387,522.00	4,584,430,435.50	48,042,913.50
Stamp Duty	4,536,387,522.00	4,584,430,435.50	48,042,913.50
Social Security Contributions	1,062,000,000.00	-	(1,062,000,000.00)
Contributions from Government Employees to Social and Welfare Schemes within Government	1,062,000,000.00	-	(1,062,000,000.00)
Grants from Foreign Government	22,954,246,774.00	20,077,231,195.75	(2,877,015,578.25)
Grants From International Organizations	3,759,295,312.00	-	(3,759,295,312.00)
Property Income	5,004,260,992.00	5,080,746,219.45	76,485,227.45
Interest Received	572,016,914.00	572,016,914.55	0.55
Profits and Dividends from CBK	-	-	-
Other Profits and Dividends	3,133,350,633.00	3,133,350,633.50	0.50
Rent Of Land	1,297,434,958.00	1,375,378,671.40	77,943,713.40
Webuye Housing Scheme Rents	1,458,487.00	-	(1,458,487.00)
Sale Of Goods and Services	1,554,926,797.00	75,988,457,100.00	74,433,530,303.00
Administrative Fees and Charges	-	-	-
Fees under Traffic Act	-	-	-
Motor Drivers Licenses	-	-	-
Other Land Revenue	-	-	-
Land Adjudication and Case Fees	-	-	-
Sale of Freehold Interest in Agricultural Land	-	-	-
Fines, Penalties and Forfeitures	158,521,084.00	158,521,084.00	-

APPENDIX NO. 3: VOTE 7 - MINISTRY OF FINANCE
VARIANCE BETWEEN ACTUAL RECEIPTS AS PER LEDGER AND ACTUAL RECEIPTS AS PER EXCHEQUER

Other Receipts not Classified Elsewhere	7,402,166,078.00	15,956,423,390.40	8,554,257,312.40
Miscellaneous Revenue	7,402,166,078.00	15,956,423,390.40	8,554,257,312.40
Repayment from Domestic Lending and On-lending	708,564,701.00	708,564,701.45	0.45
Loans to Non-Financial Public Enterprises	708,564,701.00	708,564,701.45	0.45
Loans to Financial Institutions	-	-	-
Other- Land Revenue (Ministry Of Lands)	-	-	-
Other- Other Receipts (OP)	-	-	-
	-	-	-
Net Domestic Borrowing from Monetary Authorities (Central Bank)	-	-	-
	-	-	-
TOTAL	424,289,740,921.00	516,108,407,205.15	91,818,666,284.15
Total Ordinary Revenue			
Total Grants			-
Appropriations-in-Aid	35,700,000,000.00		(35,700,000,000.00)
Total Net Domestic Borrowing	(13,891,000,000.00)		13,891,000,000.00
Total Revenue	446,098,740,921.00		70,009,666,284.15

Figures as per the Ledger are interim figures captured as at 30th June, 2008. These figures are subject to change as final figures are obtained from various receivers of revenue. These are the figures captured in the audited Appropriation Accounts.

The figures as per the Exchequer have incorporated the final figures as obtained from the receivers of revenue.

Reconciliation is, therefore, usually done between the two sets of records to fully account for the difference between initial and final figures. Reconciliations were later done and availed for audit verification.

APPENDIX NO. 4: VOTE 7 - MINISTRY OF FIN
 VARIANCE BETW. ACTUAL RECEIPTS AS PER EXCHEQUER AND ACTUAL RECEIPTS AS PER KRA

DETAILS	ACTUAL RECEIPTS as per		ACTUAL RECEIPTS as per		VARIANCE	COMMENTS
	Exchequer 2007/2008	Kshs.	KRA 2007/2008	Kshs.		
Taxes on Income, Profit and Capital Gains	168,376,912,702.60		166,152,969,569.00		2,223,943,133.60	
PAYE	81,680,929,230.20		86,140,240,109.00		(4,459,310,878.80)	Timing difference in remittance to the Exchequer
INCOME TAX from CORPORATIONS	86,695,983,472.40		80,012,729,460.00		6,683,254,012.40	2006/2007 balance b/f remitted
Taxes on Property	-		-		-	
Total VAT	115,393,742,929.55		111,008,285,884.00		4,385,457,045.55	
VAT on Domestic Goods and Services	61,586,108,468.70		57,373,875,358.00		4,212,233,110.70	
VAT On Imported Goods and Services	53,807,634,460.85		53,634,410,526.00		173,223,934.85	2006/2007 balance b/f remitted
Taxes on Goods & Services (Excluding AIA)	63,925,604,629.85				27,927,614,872.19	
Excise Taxes	61,857,468,359.10		34,049,962,824.00		27,807,505,535.10	2006/2007 balance b/f remitted
Licences Under Traffic Act	1,880,336,872.75		1,948,026,933.66		(67,690,060.91)	Timing difference in remittance to the Exchequer
Royalties	187,799,398.00				187,799,398.00	Different Receiver of Revenue
Taxes on Goods and Services Collected as AIA	-		-		-	
Other Taxes on Goods and Services	-		-		-	
Taxes on Inter. Trade & Transactions	45,857,772,816.60		44,970,088,516.00		887,684,300.60	
Custom Duties	32,944,348,580.05		32,539,472,977.00		404,875,603.05	2006/2007 balance b/f remitted
Export Levies	-		-		-	
Exemptions on Customs and other Import Duties	-		-		-	
Other Taxes on Int. Trade & Transactions	12,913,424,236.55		12,430,615,539.00		482,808,697.55	2006/2007 balance b/f remitted
Other Taxes (not elsewhere classified)	4,584,430,435.50		4,532,751,118.00		51,679,317.50	
Stamp Duty	4,584,430,435.50		4,532,751,118.00		51,679,317.50	2006/2007 balance b/f remitted
Social Security Contributions	-		-		-	
Contributions from Government Employees to Social and Welfare Schemes within Government	-		-		-	
Grants from Foreign Government	20,077,231,195.75		-		20,077,231,195.75	
Grants From International Organizations	-		-		-	
Property Income	5,080,746,219.45				3,823,730,870.45	
Interest Received	572,016,914.55				572,016,914.55	
Profits and Dividends from CBK	-				-	
Other Profits and Dividends	3,133,350,633.50				3,133,350,633.50	Different Receiver of Revenue
Rent Of Land	1,375,378,671.40		1,257,015,349.00		118,363,322.40	2006/2007 balance b/f remitted
Webuye Housing Scheme Rents	-		-		-	

APPENDIX NO. 4: VOTE 7 - MINISTRY OF FINANCE
 VARIANCE BETWEEN ACTUAL RECEIPTS AS PER EXCHEQUER AND ACTUAL RECEIPTS AS PER KRA

DETAILS	ACTUAL RECEIPTS as per Exchequer 2007/2008 Kshs.	ACTUAL RECEIPTS as per KRA 2007/2008 Kshs.	VARIANCE Kshs.	COMMENTS
Sale Of Goods and Services	75,988,457,100.00	-	75,988,457,100.00	Different Receiver of Revenue
Administrative Fees and Charges	-	-	-	
Fees under Traffic Act	-	-	-	
Motor Drivers Licenses	-	-	-	
Other Land Revenue	-	-	-	
Land Adjudication and Case Fees	-	-	-	
Sale of Freehold Interest in Agricultural Land	-	-	-	
Fines, Penalties and Forfeitures	158,521,084.00	-	158,521,084.00	Different Receiver of Revenue
Other Receipts not Classified Elsewhere	15,956,423,390.40	-	15,956,423,390.40	
Miscellaneous Revenue	15,956,423,390.40	-	15,956,423,390.40	Different Receiver of Revenue
Repayment from Domestic Lending and On-lending	708,564,701.45	-	708,564,701.45	
Loans to Non-financial Public Enterprises	708,564,701.45	-	708,564,701.45	Different Receiver of Revenue
Loans to Financial Institutions	-	-	-	
Other- Land Revenue (Ministry Of Lands)	-	-	-	
Other- Other Receipts (OP)	-	-	-	
Domestic Borrowing	-	-	-	
Net Domestic Borrowing from Monetary Authorities (Central Bank)	-	-	-	
TOTAL	516,108,407,205.15	326,664,095,087.00	152,189,307,011.49	
Total Ordinary Revenue				
Total Grants				
Appropriations-in-Aid				
Total Net Domestic Borrowing				
Total Revenue				

3

KRA RESPONSE TO INNACURACIES/INCONSISTENCIES IN
TREASURY TAX/REVENUE ACCOUNTS FOR FY 2007/08

1. Revenue Collected in the 2007/2008 Financial Year

During the Financial Year 2007/08, Kenya Revenue Authority (KRA) collected a total of Kshs.433,920 million against a target of Kshs.424,671 million which represents a performance rate of 102.2%. (For details see Annex 1)

The analysis of the total revenue collected during the year is as follows:

Revenue type	KShs. (Million)
Exchequer	407,819
Agency	26,101
TOTAL	433,920

2. Collection and Accounting of Revenue

— Collection of Revenue is done through KRA cash office and commercial-banks.

... The Revenue collected is accounted on daily basis by verifying bank statements and
... relevant record collection sheet. A daily Revenue Report is generated for
... management decision making.

(a) Modes of payments

Revenue collection is made at various paying points using various methods. These methods include the following;

(i) *Cheque/Cash*

All payments of amounts less than **Kshs 1 million** can be paid using either cash or cheque through KRA Cash Office or commercial banks. Collections through the Cash Office are subsequently banked the following working day at the Central Bank of Kenya.

(ii) *Payments made through RTGS*

All payments can be made through Real Time Gross Settlement System (RTGS). However, it is mandatory for all payments above **Kshs 1 million** to

be made via RTGS. Taxpayers are required to initiate RTGS transactions through their commercial banks to accounts at Central Bank of Kenya and KRA appointed commercial banks for onward transmission to CBK.

(iii) *Payment through Electronic Funds Transfer (EFT)*

For payments of less than Kshs 1 million a taxpayer can give instructions for transmission of funds from his domicile bank to either the Central bank main Collections accounts or to the commercial banks collection Accounts incase of online payment.

3. Banking

All the KRA revenue departments operate separate Collection Accounts for all the revenue items, being either Exchequer or Agency Taxes. These Accounts have been opened at both the commercial banks and Central Bank of Kenya (CBK). All collections at the commercial banks are transferred to corresponding tax heads accounts maintained at Central Bank by the second working day.

All collections made at KRA Cash offices are either banked directly to Central Bank or commercial banks where there are no CBK branches for transmission to CBK.

4. Reconciliation

Reconciliation for all revenue tax head accounts is done on monthly basis, however there is daily tracking of revenue from commercial bank to Central Bank of Kenya. It is done in three levels.

Level 1: Reconciliation for accounts held at Commercial Banks

The reconciliation for the collections made at the Commercial banks is done on daily and monthly basis. where payment slips/returns are matched to bank statements. Revenue monitoring is also done using daily system generated reports.

Movement of revenue collected at various commercial bank accounts are monitored on daily basis to ensure the correct amounts are reflected and transferred to the CBK.

Bank statements are collected on daily basis from the banks. KRA compares the collection data from the commercial bank with the transfers to CBK. Verification of collection by commercial banks is done against payment slips and returns. Any variances or omissions discovered are addressed immediately with the respective bank.

Level 2: Reconciliation for accounts held at CBK

Reconciliation of collections to various collection accounts at CBK is done on daily and monthly basis.

The bank statements are reconciled against the cashbook, systems reports and other bank documents such as debit/credit slips. Any variances or omissions discovered are immediately cleared with the bank. Finally a bank reconciliation statement is prepared and maintained.

Level 3: Reconciliation of KRA, CBK and Treasury figures

A team comprising of KRA, Treasury and CBK officers meets fortnightly to reconcile revenue collected and reported to Treasury by KRA against the transfers to the Exchequer. Differences between these three sets of figures is inevitable due to mainly:

- Timing difference
- Adjustment for LATF
- Transposition errors
- Misposting
- Omissions
- Under/overcasts

Any discrepancies are adjusted accordingly.

Annex 1: Revenue Performance 2007/2008- Kshs million

	Actual	Target	Variance	Perf. Rate (%)
CUSTOMS SERVICES				
<i>Exchequer Revenue</i>				
Gross Import Duty	32,780	32,577	203	100.6
Less Provision For Refunds	240	240		100.0
Net Import Duty	32,540	32,337	203	100.6
Gross Excise Duty	36,450	37,859	(1,409)	96.3
Less Provision For Refunds	2,400	2,400		100.0
Net Excise Duty	34,050	35,459	(1,409)	96.0
VAT - Imports	53,637	51,992	1,645	103.2
Import Declaration Fees	12,431	11,687	744	106.4
<i>Sub Total of Exchequer Revenue</i>	<i>132,657</i>	<i>131,475</i>	<i>1,182</i>	<i>100.9</i>
<i>Agency Revenue</i>				
Airport Revenue	1,921	2,367	(446)	81.2
Aviation Revenue	1,694	1,925	(231)	88.0
Petroleum Development Fund	1,318	1,421	(103)	92.7
Road Maintenance Levy	18,896	20,274	(1,378)	93.2
K.A.A. Concession Fees	71	67	3.3	104.9
Road Transit Toll Levy	352	408	(55)	86.4
Sugar Levy	176	626	(450)	28.1
Miscellaneous	222		222	
<i>Sub Total of Agency Revenue</i>	<i>24,650</i>	<i>27,089</i>	<i>(2,439)</i>	<i>91.0</i>
TOTAL CUSTOMS SERVICES	157,307	158,564	(1,257)	99.2
DOMESTIC TAXES				
<i>Exchequer Revenue</i>				
VAT-Gross Collection	69,543	71,997	(2,454)	96.6
Provision for Refunds	12,169	12,169		100.0
VAT Domestic	57,374	59,828	(2,454)	95.9
P. A. Y. E	86,140	79,427	6,713	108.5
Other Income Tax	80,013	72,229	7,784	110.8
Turnover Tax	28	111		
Excise Duty Domestic	22,070	23,542	(1,472)	93.7
Excise Tax on Airtime	6,397	6,550	(153)	97.7
Stamp Duty	4,533	3,338	1,195	135.8
Land Rent	1,257	1,221	36	102.9
Telkom Kenya Ltd	15,000	15,000		100.0
<i>Sub-Total Exchequer Revenue</i>	<i>272,812</i>	<i>261,246</i>	<i>11,566</i>	<i>104.4</i>
<i>Agency Revenue</i>				

	Actual	Target	Variance	Perf. Rate (%)
KEBS - Levy	335	354	(19.1)	94.6
Sugar Levy	1,117	1,570	(453)	71.1
<i>Sub Total of Agency Revenue</i>	<i>1,452</i>	<i>1,924</i>	<i>(472)</i>	<i>75.5</i>
Gross Receipts	271,432	260,338	11,094	104.3
TOTAL DOMESTIC TAXES	259,263	248,169	11,094	104.5
TOTAL DTD INCLUDING TELKOM	274,263	263,169	11,094	104.2
ROAD TRANSPORT				
Exchequer Revenue	2,350	2,469	(119)	95.2
Agency Revenue		469	(469)	.0
TOTAL ROAD TRANSPORT	2,350	2,938	(588)	80.0
Total Exchequer Revenue	392,819	380,190	12,629	103.3
Total Agency Revenue	26,101	29,482	(3,380)	88.5
TOTAL	418,920	409,671	9,249	102.3
TOTAL INCLUDING TELKOM	433,920	424,671	9,249	102.2

Annex 2: Provisions for refunds

The provisions for refunds are provided on monthly basis on the following tax heads:

Tax Head	Amount (Million)
Excise duty oils	200
Import duty ordinary	20
Stamp duty	0.5
Excise duty domestic	1
VAT	1,076
Other Taxes (Income Tax)	50 (quarterly)

5% on Income Tax, PAYE and Turn over Tax (TOT) is transferred to Local Authority Transfer Fund (LATF). In 2007/08 total LATF transfer was Kshs 8,883 million (PAYE: KShs 4,336 million, other taxes: Kshs 4,548 million).

KENYA REVENUE AUTHORITY
BANK RECONCILIATION STATEMENT
For the financial year 2007/2008
Stamp Duty

Balance as per KRA Report (Cashbook) 4,532,751,118.00
For the Financial Year 2007/2008
ADD:

03.07.07	Receipt in CBK not in treasury	113,376,816.00	
	(mispostings and cash in transit)		
	and Provision for refunds	6,000,000.00	
			<u>119,376,816.00</u>

LESS:

02.07.07	Receipts in Treasury not in CBK	(50,628,994.15)	
	Cash intransit 30th June 2008	(17,068,504.55)	<u>(67,697,498.70)</u>

Balance per Treasury 4,584,430,435.30



C.806 Vol. II/12

18 July 2012

KENYA NATIONAL AUDIT OFFICE

Mr. Patrick Gichohi, C.B.S.,
Clerk of the National Assembly,
Parliament Building,
P.O. Box 41842-00100,
NAIROBI.

Dear Mr. Gichohi

INACCURACIES/INCONSISTENCIES IN TREASURY TAX/REVENUE ACCOUNTS FOR THE FINANCIAL YEARS 2007/08

Reference is made to your letter No. NA/BC.FP & T. PAC/L-12/05 dated 5 July 2012 regarding the above subject and my subsequent representation to the Joint Committee on 11 July 2012.

Please find six (6) copies of the final representation to the Joint Committee on Investigations of the Status of Revenue Accounts of the Government of Kenya for 2007/2008 by the Auditor-General.

Yours Sincerely

Handwritten signature of Edward R. O. Ouko in black ink.

Edward R. O. Ouko
AUDITOR-GENERAL

Encl.

REPRESENTATION TO THE JOINT COMMITTEE ON INVESTIGATION OF THE STATUS OF REVENUE ACCOUNTS OF THE GOVERNMENT OF KENYA FOR 2007/2008

1. Introduction

Mr. Chairman, following your invitation to appear before the Joint Committee to explain the causes of any material differences that might have been queried by the Controller and Auditor General in the Report for Financial Year 2007/2008, I wish to provide explanations on the same as follows:

1.2. The specific issues raised by the Joint Committee include:-

- (i) Actual receipts as per the audited 2007/2008 exchequer account differ from actual receipts reflected in the printed revenue estimates for 2009/2010 by ksh.70,009,666,284.15.
- (ii) Reasons why thirteen (13) out sixteen (16) revenue statements were not accepted by the Auditor-General.
- (iii) Confirmation of revenue collection for the financial year 2007/2008

1.3. Background Information

- The accounts of Government of Kenya for the year ended 30 June 2008 were prepared and submitted to KENAO for audit within the statutory date of 30 September 2008.
- The accounts were audited and the audit report on the accounts for the year ended 30 June 2008 was signed by the then Controller and Auditor General on 28 May 2009.
- In the report, thirteen (13) out of a total of sixteen (16) revenue statements were not satisfied and were therefore rejected.

- Subsequently, further audit evidence and reconciliations were presented to KENAO for review.
- The audit report on the revenue statements was discussed by Public Accounts Committee (PAC) on 23 October 2009 upon which Treasury officials and Ministry of Finance Accounting Officer gave evidence to the Committee.
- The accuracy of further audit evidence and reconciliations provided were certified by the then Controller and Auditor General. This is also supported by the report of the Public Accounts Committee on the Government of Kenya Accounts for 2007/2008 (pages 37 to 50). I have reviewed the files and the underlying records and see no cause for alarm.
- However, I will now explain in detail, which explanation was also verbally given to this Joint Committee, the position of each of the Joint Committee concerns raised in 1.2 above.

2. Actual receipts as per the audited 2007/2008 exchequer account differ from actual receipts reflected in the printed revenue estimates for 2009/2010 by ksh.70,009,666,284.15.

- 2.1. In 2009/2010 Estimates of Revenue of the Government of Kenya for the year ended 30 June 2010 tabled in Parliament erroneously reflected comparative figures for 2007/2008 actual revenue totaling Kshs.446,098,740,921.00 instead of the audited actual revenue figure of Kshs.516,108,407,205.15 thereby occasioning a difference of Kshs.70,009,66,284.15. Treasury put without consultation 2007/2008 comparative actual revenue figure of Kshs.446,098,740,921.00 in the 2009/2010 estimates of revenue instead of the audited actual revenue figure of Kshs.516,108,407,205.15 which was also the figure certified by the Controller and Auditor General and Public Accounts Committee, and which figure we also confirm today.

For record purposes, we reiterate that the difference of Kshs.70,009,666,284.15 between the audited actual revenue figure for 2007/2008 of

Kshs.516,108,407,203.46 and the figure appearing in the 2009/2010 estimates of revenue of Kshs.446,098,740,921.00 was committed by Treasury, for which the Financial Secretary has taken responsibility and apologized. However, we confirm that the error did not result in loss of Government Revenue for 2007/2008 (see attached appendix).

3. Reasons why thirteen (13) out sixteen (16) revenue statements were not accepted by the Auditor-General

3.1. Out of sixteen (16) Statements of Revenue for 2007/2008 audited, only the following three (3) were accepted by the Auditor-General:-

Revenue Head	Description
(i) 1410000-Subhead 1410200	Property Income – Profits and Dividends
(ii) 1430100 – Fines and Forfeitures	Judicial Department
(iii) 160-210 – Forest and Mining	Ministry of Environment

3.2. The following ten (10) Statements prepared by the Ministry of Finance and three (3) prepared by the other Ministries were not accepted.

Ministry of Finance

Revenue Head	Description
(i) 1110000	Taxes on Income, Profits and Capital Gains
(ii) 1140000	Taxes on Good and Services
(iii) 1150000	Taxes on International Trade and Transactions
(iv) 1160000	Other Taxes Not Elsewhere Classified
(v) 1140000	Sub-Head 1410100 Loan Interest Receipts
(vi) 1410000	Sub-Head 1410401 – Property Income – Rent of Land

- (vii) 1450000 Other Receipts Not Classified Elsewhere
- (viii) 4510000 Repayments from Domestic Lending and On-Lending
- (ix) 1420000 Sale of Goods and Services
- (x) Head DR 1 Statement of Development Revenue

Other Ministries

- (i) 170 – 010 Tourist and Wildlife (Office of the President)
- (ii) 210 – 010 Trading Licenses (Office of the President)
- (iii) 150 – 360 Lands Revenue (Ministry of Lands)

3.3. The Main reason for rejecting the Statements was due to unreconciled differences between the statement figures and KRA figures occasioned by the following weaknesses in the accounting system of revenue receipts:-

- (i) Failure to reconcile on time KRA revenue figures with Central Bank of Kenya (CBK) and Treasury main figures to clear and explain timing differences.
- (ii) Posting errors in the ledger account.
- (iii) Failure to capture on time all revenue receipts in the ledger occasioning revision of the final trial balance as at 30 June 2008.

3.4. I wish to confirm that after the report of Controller and Auditor General, Treasury prepared reconciliations for all the affected statements of revenue which I have reviewed and confirmed correct.

4. Confirmation of Revenue Collection for the Financial Year 2007/2008

I wish to confirm the revenue receipts collected in 2007/2008 was Kshs.516,108,407,205.15 made up of ordinary revenue of Kshs.419,334,154,207.95 and other revenue of Kshs.96,774,252,997.20 as detailed below:

Ordinary Revenue

Revenue Head	Details	Amount (Kshs.)
1110000	Taxes on Income, Profits and Capital Gains	168,376,912,702.60
1140000	Taxes on Goods and Services	177,439,010,686.65
1150000	Taxes on International Trade and Transactions	45,857,772,816.60
1160000	Other Taxes (Not Elsewhere Classified)	4,584,430,435.50
1410000	Property Income	5,080,746,219.45
1420000	Sales of Goods and Services	1,880,336,872.75
1430000	Fines, Penalties and Forfeitures	158,521,084.00
1450000	Other Receipts Not Classified Elsewhere	<u>15,956,423,390.40</u>
	Total	<u>419,334,154,207.95</u>

Other Revenue

1420100	Sales of Market Establishments	75,988,457,100.00
4510000	Repayments from Domestic Lending and On-Lending	708,564,701.45
-	Grants and Loans	<u>20,077,231,195.75</u>
	Total	<u>96,774,252,997.20</u>

5. Annex

I have attached the following two appendixes for clarity.

- Annex 1 - The difference of Kshs.70,009,666,284.15 between 2007/2008 Audited Revenue receipts and the figures appearing as 2007/2008 Actual Revenue Comparatives and the Audited Figures.
- Annex 2 - Detailed Report of Auditor General presented earlier to this Joint Committee.



Edward R. O. Ouko
AUDITOR-GENERAL

Annex 1

The Difference of Kshs.70,009,666,284.15 between 2007/2008 Audited Revenue Receipts and the Figures appearing as 2007/2008 Actual Revenue Comparatives and the Audited Figures

Head No.	Details	Actual Receipts as per Audited Exchequer Accounts	Actual Receipts as Per Printed Estimates	Variance
		Kshs.	Kshs.	Kshs.
1110000	Taxes on Income, Profits and Capital Gains	168,376,912,702.60	156,824,100,000.00	11,552,812,702.60
1120000	Taxes on Payroll and Workforce			-
1130000	Taxes on Property		331,895,301.00	(331,895,301.00)
1140000	Taxes on Goods and Services	177,439,010,686.65	174,135,603,544.00	3,303,407,142.65
1150000	Taxes on International Trade & Transactions	45,857,772,816.60	45,857,772,816.00	0.60
1160000	Other Taxes (not elsewhere classified)	4,584,430,435.50	4,536,387,522.00	48,042,913.50
1210000	Social Security Contributions		1,062,000,000.00	(1,062,000,000.00)
1310000	Grants from Foreign Governments			
1320000	Grant from International Organizations			-
1330000	Grants from Other Level of Government			-
1410000	Property Income	5,080,746,219.45	5,004,260,992.00	76,485,227.45
1420000	Sales of Goods and Services	1,880,336,872.75	1,554,926,797.00	325,410,075.75
1430000	Fines Penalties and Forfeitures	158,521,084.00	158,521,084.00	-
1440000	Receipts from Voluntary transfers other than grants			-
1450000	Other Receipts Not Classified Elsewhere	15,956,423,390.40	7,402,166,078.00	8,554,257,312.40
4510000	Repayments from Domestic Lending and On-lending	708,564,701.45	708,564,701.00	0.45
	Sale of Market establishments	75,988,457,100.00		75,988,457,100.00
	Total Ordinary Revenue	496,031,176,009.40	397,576,198,835.00	98,454,977,174.40
	Total Grants	20,077,231,195.75	26,713,542,086.00	(6,636,310,890.25)
	Appropriations-In-Aid		35,700,000,000.00	(35,700,000,000.00)
	Total Net Domestic Borrowing		(13,891,000,000.00)	13,891,000,000.00
	Total Revenue			-
	GRAND TOTAL	516,108,407,205.15	446,098,740,921.00	70,009,666,284.15

Annex 2

Reasons why thirteen (13) out of sixteen (16) revenue statements were not accepted by the Auditor-General

The following are my comments on audit issues raised in the various audited Statements of Revenue for 2007/2008:-

(a) Out of the sixteen (16) Statements of Revenue for 2007/2008 audited, only the following three (3) were accepted by the Auditor-General:-

Revenue Head	Description
i) 1410000 – Sub Head 1410200 – Property Income – Profits and Dividends	
ii) 1430100 – Fines and Forfeitures	Judicial Department
iii) 160-210 – Forest and Mining	Ministry of Environment

(b) The following ten (10) Statements are prepared by the Ministry of Finance and three (3) prepared by other ministries were not accepted due to various unexplained variations as detailed below;

Ministry of Finance

Revenue Head	Description
i) 1110000	Taxes of Income, Profits and Capital Gains
ii) 1140000	Taxes on Goods and Services
iii) 1150000	Taxes on International Trade and Transactions
iv) 1160000	Other Taxes Not Elsewhere Classified

- v) 1140000 Sub-Head 1410100 Loan Interest Receipts
- vi) 1410000 Sub-Head 1410401 – Property Income – Rent of Land
- vii) 1450000 Other Receipts Not Classified Elsewhere
- viii) 4510000 Repayments from Domestic Lending and On-lending
- ix) 1420000 Sales of Goods and Services
- x) Head DR I Statement of Development Revenue

Other Ministries

- i) 170 – 010 Tourist and Wildlife (Office of the President)
- ii) 210 – 010 Trading Licences (Office of the President)
- iii) 150 – 360 Lands Revenue (Ministry of Lands)

1. REVENUE STATEMENT HEAD 1110000 – TAXES ON INCOME, PROFITS AND CAPITAL GAINS

a) Qualification Issue

- Unexplained difference of Kshs.11,093,780,541.40 between the Statement's actual receipts figure of Kshs.177,246,750,110.40 and Kshs.166,152,969,569.00 reflected in records maintained by Kenya Revenue Authority(KRA).

Clearance

- The difference of Kshs.11,093,780,541.40 is made up of the following variances:-

Revenue	Amount as Per	Amount as Per	Variance
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Item	Revenue	KRA records	
	Statement		
	Kshs.	Kshs.	Kshs.
PAYE	81,680,929,230.20	86,140,240,109.00	(4,459,310,878.85)
OIT	86,695,983,472.40	80,012,729,460.00	6,683,254,012.40
LATF	<u>8,869,837,407.80</u>	<u>-</u>	<u>8,869,837,407.80</u>
Total	<u>177,246,750,110.40</u>	<u>166,152,969,569.00</u>	<u>11,093,780,541.40</u>

i) Pay As You Earn (P.AY.E)

- Reconciliation for the difference of Kshs. 4,459,310,878.85 between the figure of Kshs.81, 680,929,230.20 reflected in the Revenue Statement and KRA figure of Kshs. 86,140,240,109.00 is as follows;

	Amount Kshs
Balance of per KRA Records as at 30 June 2008	86,140,240,109.00
Add: 2006/2007 collections transferred in July 2007	634,683,602.86
Less: Cash in transit from other banks as at 30/6/08	<u>(58,223,070.95)</u>
Total Banking for 2007/2008	86,716,700,640.91
Add: Amount in Treasury not in CBK	652,776,568.15
Less: Amount in CBK not in Treasury	1,352,712,947.00
Less LATF 5%	<u>4,335,835,031.95</u>
Balance as per Revenue Statement	<u>81,630,929,230.20</u>

Appendix II

ii) Other Income Tax (OIT)

- Reconciliation for the difference of Kshs. 6,683,254,012.40 between the figure of Kshs.86, 695,983,472.40 reflected in the Revenue Statement and KRA figure of Kshs. 80,012,729,460.00 is as shown;

	Amount Kshs
Balance as per KRA Records	80,012,729,460.57
Add: Previous year provision	11,518,961,560.00
Less: Cash in transit	<u>(88,978,337.57)</u>
Total banking for 2007/2008	91,442,712,683.00
Add: Cash in transit 30.6.07	812,706,833.26
Add Receipts in Treasury not in CBK	1,060,590,364.80
Less: Receipts in CBK not in Treasury	(1,581,256,199.72)
Cash in transit	(491,194,289.25)
5% LATF	<u>(4,547,575,919.69)</u>
Amount as per Revenue Statement	<u>86,695,983,472.40</u>

APPENDIX III

b) Qualification Issue

- Unexplained difference of Kshs.120, 420,998.00 between the Ministry of Finance LATF disbursements figure of Kshs.8, 648,006,036.00 reflected in the Statement and Kshs.8,768,427,034.00 shown LATF Accounts prepared by the Ministry of Local Government.

Clearance

- The Local Authorities Transfer Fund (LATF), whose purpose is to facilitate disbursements of funds to local authorities, is administered by the Permanent Secretary, Ministry of Local Government. Each financial year, five per cent (5%) of all tax collected under the Income Tax Act (P.A.Y.E and Other Income Tax) is paid into LATF Account maintained at the Central Bank of Kenya.
- After the Permanent Secretary, Ministry of Local Government authorizes disbursements of LATF monies to local authorities; the Treasury approves and directs Central Bank of Kenya to release the funds directly to the local authorities.
- During the year under review, the Permanent Secretary, Ministry of Local Government authorized disbursements of Kshs.8, 768,427,034.00 to various local authorities. However, and according to Treasury records, only an amount of Kshs.8, 648,006,036.00 was released to the local authorities. The resultant difference of Kshs.120, 420,998.00 represents funds which had not been released from the LATF Account for disbursement to the local authorities by the end of the financial year.
- As at 30 June 2008, the total amount held by CBK in the LATF Account was Kshs. 2,811,475,595.50

APPENDIX III a

2. REVENUE STATEMENT HEAD 1140000 – TAXES ON GOODS AND SERVICES

a) Qualification Issue

- Unreconciled difference of Kshs.3,725,958,227.30 between the Statement actual receipts figure of Kshs.177,251,211,178.30 and Kshs.173,525,253,051.00 reflected in records maintained by KRA.

Clearance

- The difference of Kshs.3,725,958,227.30 is made up of the following variances:-

Revenue Item	Amount as Per Revenue Statement Kshs.	Amount as Per KRA records Kshs.	Variance Kshs.
VAT-Local	61,586,108,468.70	57,373,875,358.00	4,212,233,110.70
VAT-Imports	53,807,634,460.85	53,634,410,526.00	173,223,934.85
Excise Taxes	<u>61,857,468,348.75</u>	<u>62,516,967,167.00</u>	<u>(659,498,818.25)</u>
Total	<u>177,251,211,278.30</u>	<u>173,525,253,051.00</u>	<u>3,725,958,227.30</u>

- Reconciliations in respect of VAT - Local, VAT-Imports and Excise Taxes are shown below

VAT Local

	Amount (Kshs)
Amount of collections as per KRA Records	57,373,875,358.00
Add: money provided by Treasury for VAT Refunds	<u>12,169,000,000.00</u>
Sub total	69,542,875,358.00
Add: Collections reported separately(Telkom)	4,446,648,474.15
Less: Cash in transit from collecting Banks	<u>(66,968,448.20)</u>
_Actual Bank balance	73,922,555,383.95

Less: Receipts in CBK not in Treasury	(13,563,422,245.64)
Add: Receipts in Treasury not in CBK	<u>1,226,975,330.39</u>
Amount as per Revenue Statement	<u>61,586,108,468.70</u>

Appendix IV a

VAT – IMPORTS

	Amount (Kshs.)
Amount as per KRA Records	53,634,410,526.00
Add: Casting Error	<u>2,256,420.00</u>
Receipts as per KRA	53,636,666,946.00
Less: Receipts in KRA Cashbook not in Bank (Cash in transit from commercial banks to KRA)	(332,990,555.15)
Add: Receipts in Bank not in KRA (Cash in transit as at 30 June 2007but received in 2008)	<u>351,987,072.00</u>
CBK balance	53,655,663,462.85
Less: Receipts in CBK not in Treasury	(1,408,866,831.00)
Add: Receipt in Treasury not in CBK	<u>1,560,837,829.00</u>
Amount as per Revenue Statement	<u>53,807,634,460.85</u>

APPENDIX IV b

EXCISE TAXES

Amount (Kshs.)

Amount as per KRA Records	62,517,067,168.00
Add: Provisions for Refunds	<u>2,400,000,000.00</u>
	64,917,067,168.95
Less: Receipts in Cashbook not in Bank	(951,976,935.96)
Add: Receipts in Bank not in Cashbook	<u>646,265,340.90</u>
CBK balance	64,611,355,572.95
Less: Receipts in CBK not in Treasury	(3,775,165,810.15)
Add: Receipts in Treasury not in CBK	<u>1,021,278,585.95</u>
Amount as per Revenue Statement	<u>61,857,468,348.75</u>

APPENDIX IV c

b) Qualification Issues

- Unexplained difference of Kshs.60, 135,349,498.40 between the actual receipt figure of Kshs.177, 251,211,278.30 and Kshs.117, 115,861,779.00 reflected in the Ministry's Ledger.
- Excise Taxes of Kshs.61, 857,468,348.75 reflected in the Statement were omitted from the Ministry's Ledger.

Clearance

- The two balances were reconciled as follows:-

	Amount (Kshs.)
Receipts as per Ministry's Ledger	117, 115,861,779.00
Add: Excise Taxes omitted from the Ledger	61, 857,468,348.75

Less: Credit balance from previous year	<u>1,722,118,850.35</u>
Receipts as per Revenue Statement	<u>177,251,211,278.30</u>

- The 2007/2008 Ledger was subsequently amended to reflect the total receipts as per the Revenue Statement.

3 REVENUE STATEMENT HEAD 1150000 – TAXES ON INTERNATIONAL TRADE AND TRANSACTIONS

a) Qualification Issue

- Unreconciled difference of Kshs.887, 684,300.60 between the actual receipts figure of Kshs.45, 857,772,816.60 reflected in the Statement and Kshs.44,970,088,516.00 reflected in records maintained by KRA.

Clearance

- The difference of Kshs.887,684,300.60 is made up of the following variances:-

Revenue Item	Amount as Per Revenue Statement Kshs.	Amount as Per KRA records Kshs.	Variance Kshs.
Customs			
Duty	32,944,348,580.05	32,539,472,977.00	404,875,603.05
Other			
Taxes	<u>12,913,424,236.55</u>	<u>12,430,615,539.00</u>	<u>482,808,697.53</u>

Total	<u>45,857,772,816.60</u>	<u>44,970,088,516.00</u>	<u>887,684,300.60</u>
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- Reconciliation in respect of Customs Duty and Other Taxes has been prepared as shown;

CUSTOMS DUTY

	Amount (Kshs.)
Amount as per KRA	32,539,472,977.00
Add: money from Treasury for refunds and Exemptions	<u>470,000,000.00</u>
	33,009,472,977.00
Less: Receipts in KRA not in Bank	(314,637,097.00)
Add: Receipts in Bank not in KRA	<u>507,028,495.45</u>
Balance as per CBK	33,201,864,374.45
Less: Receipts in CBK not in Treasury	(1,047,455,582.95)
Add; Receipts in Treasury not in CBK	<u>789,939,787.55</u>
Amount as per Revenue Statement	<u>32,944,348,580.05</u>

APPENDIX V a

OTHER TAXES

	Amount (Kshs.)
Balance as per KRA records	12,430,613,539.00
Less: Receipts in Cashbook not in Bank	(44,847,284.00)

Add: Receipts in Bank not in Cashbook	<u>155,944,195.40</u>
Bank balance	12,541,710,450.40
Less: Receipts in CBK not in Treasury	(346,801,114.00)
Add: Receipts in Treasury not in CBK	<u>718,514,900.15</u>
Amount as per Revenue Statement	<u><u>12,913,424,236.55</u></u>

APPENDIX V b

b) Qualification Issue

- Unreconciled difference of Kshs.367,449,065.85 between the Statement actual receipts figure of Kshs.45,857,772,816.60 and Kshs.45,490,323,750.75 reflected Ministry's Ledger.

Clearance

- The difference of Kshs.367,449,065.85 represents receipts not entered in the Ledger. The 2007/2008 Ledger was later adjusted to reflect the omitted amount and confirmed.

4 REVENUE STATEMENT HEAD 1160000 – OTHER TAXES NOT ELSEWHERE CLASSIFIED

Qualification Issue

- Unexplained difference of Kshs.51,679,317.30 between the Ministry actual receipts of Kshs.4,584,430,435.30 and KRA figure of Kshs.4,532,751,118.00.

Clearance

- Reconciliation for the difference of Kshs.51, 676,317.30 was later availed as shown;

STAMP DUTY

	Amount (Kshs.)
Amount as per KRA	4,532,571,118.00
Add: Receipts in CBK not in Treasury	119,376,816.00
Less: Receipts in Treasury not in CBK	<u>(67,697,498.70)</u>
Balance as per Treasury	<u>4,584,430,435.30</u>

APPENDIX VI

5 STATEMENT OF REVENUE HEAD 1410000-SUBHEAD 1410100-STATEMENT OF PROPERTY INCOME – LOAN INTEREST RECEIPTS FROM DOMESTIC AND ON-LENDING

a) Qualification Issue

- Unexplained difference of Kshs.200,762,900.85 between the Statement of Revenue payments to the Exchequer figure of Kshs.371,254,013.70 and Treasury Exchequer figure of Kshs.572,016,914.55.

Clearance

- The difference of Kshs.200,762,900.85 was attributed to receipts relating to 2006/2007 financial year but posted to the Exchequer records during the 2007/2008 financial as follows:-

<u>Date of Receipts</u>	<u>Amount (Kshs.)</u>
30.6.2007	4,628,514.20
30.6.2007	<u>196,134,395.00</u>
Total	<u>200,762,909.85</u> ✓

b) Qualification Issues

- Unreconciled difference of Kshs.108, 267,742.70 between the Statement actual receipts of Kshs.371, 254,013.70 and Kshs.262, 986,271.00 reflected in Ministry's Ledger.
- Unreconciled difference of Kshs.3,368,828.00 between the Statement actual receipts of Kshs.371,254,013.70 and Kshs.367,885,185.70 supported by receipt vouchers.

Clearance

- The difference of Kshs.108,267,742.70 was attributed to uncaptured receipts in the ledger and was reconciled as follows:-

	<u>Amount (Kshs.)</u>
Interest Revenue as per Ministry's Ledger	262,986,271.00
Add: Uncaptured receipts as at	
30 June 2008	108,288,916.90
Less: Directors Fee's captured as	
Interest receipts	<u>(21,174.20)</u>
Interest Receipts as per Revenue Statement	<u>371,254,013.70</u>

The 2007/2008 Ledger was later adjusted to reflect the correct receipts.

- The difference of Kshs.3,368,828.00 was reconciled as follows:-

	Amount (Kshs.)
Total Receipts as per Receipt Vouchers	367,885,185.70
Add: Receipts supported by vouchers not availed for audit	3,368,583.45
Rounding off figure	<u>244.55</u>
Actual Interest receipts	<u>371,254,013.70</u>

The receipt vouchers were later availed.

**6 REVENUE STATEMENT HEAD 1410000 – PROPERTY INCOME – SUB HEAD
1410401 – RENT OF LAND**

Qualification Issue

- Unexplained difference of Kshs.118, 363,222.40 between the Statement actual receipts of Kshs. 1,375,378,571.00 and KRA figure of Kshs.1, 257,015,349.00.

Clearance

- The difference of Kshs.118, 363,222.40 was attributed to credits paid directly to the Exchequer by the Ministry of Lands.

7 REVENUE STATEMENT HEAD 1450000 – OTHER RECEIPTS NOT CLASSIFIED ELSEWHERE

Qualification Issue

- Unexplained difference of Kshs.2, 502,166,934.85 between the Statement actual receipts of Kshs.15, 956,423,389.60 and Kshs.13, 904,256,454.75 reflected in Ministry's Ledger.

Clearance

- The difference was attributed to uncaptured receipts in the ledger and has been reconciled as follows:-

	Amount (Kshs.)
Actual receipts as per General Ledger	13,904,256,454.75
Add: Receipts not captured in the Ledger	=
(i) 605,288,882.05	
(ii) <u>1,446,878,052.20</u>	<u>2,052,166,934.25</u>
Amount as per Statement	<u>15,956,423,389.00</u>

The 2007/208 ledger was subsequently amended and the correct receipt figures reflected.

8. REVENUE STATEMENT HEAD 4510000 – REPAYMENTS FROM DOMESTIC LENDING AND ON-LENDING

Qualification Issues

- Unexplained difference of Kshs.236,131,179.90 between the Statement payments to Exchequer figure of Kshs.472,433,521.55 and the Exchequer records figure of Kshs.708,564,701.45.
- Unexplained difference of Kshs.61,740,522.10 between the Statement actual receipts figure of Kshs.472,433,521.55 and the Ministry's Ledger figure of Kshs.410,692,999.45.

Clearance

- The difference of Kshs.236,131,179.90 represents receipts received on 30 June 2008 but captured in the Exchequer records in 2008/2009 financial year.
- The receipts of Kshs.61,740,522.10 were subsequently captured in the amended 2007/2008 Ledger.

9. REVENUE STATEMENT HEAD 1420000 – SALE OF GOODS AND SERVICES

Qualification Issues

- Unexplained difference of Kshs.67,690,060.91 between the Statement actual receipts of Kshs.1,880,336,872.75 in respect of Fees Under Traffic Act and Motor Drivers Licenses and the KRA figure of Kshs.1,948,026,933.66.

- Unexplained difference of Kshs.30, 869,263.95 between the Statement actual receipts of Kshs.1, 880,336,872.75 and the figure of Kshs.1, 911,206,136.70 reflected in the Ministry's Ledger.

Clearance

- The receipts were subsequently captured in the amended 2007/2008 Ledger.

10. STATEMENT OF DEVELOPMENT REVENUE – HEAD DRI

Qualification Issue

- Unexplained difference of Kshs.73,908,047.75 between the Statement payments to Exchequer figure of Kshs.20,003,323,148.00 and Treasury Exchequer records figure of Kshs.20,077,231,195.75.

Clearance

- The difference of Kshs.73,908,047.75 represents receipts received on 30 June 2008 but captured in the Exchequer records in 2008/2009 financial year.

**MARS GROUP KENYA SUBMISSIONS TO THE JOINT COMMITTEE OF BUDGET,
PUBLIC ACCOUNTS AND FINANCE, PLANNING & TRADE.**

19TH JULY 2012

RE: INCONSISTENCIES IN THE REVENUE ACCOUNTS FOR THE FY 2007-2008

Mr. Chairman: This submission is on behalf of Mars Group Kenya a Leadership, Governance and Accountability watchdog organization, and it is on the State of Revenue Reporting by the Government of Kenya with specific detail to the Revenue Accounts for the Financial Year that ended on 30th June 2008.

Mr. Chairman: We trust our information today will be useful to Parliament and we hope that we will continue to contribute towards the ability of the National Assembly to carry out its watchdog role over the funds of the Kenyan people.

Mr. Chairman: With your permission we will now present our submission on the subject matter before this Joint Committee. We have three issues to address and the first one is:-

1. Revenue Accounts failing Audits

Mr. Chairman: Early April 2011 Mars Group Kenya completed a report entitled "*Revenue Accounting by the Government of Kenya: unsatisfactory state of affairs!*" We shared the same with the budget committee on 22 June 2011.

Mr. Chairman: The logic behind the release of this report was that not as much attention was being focused on tracking revenues of the Government of Kenya despite frequent reporting by the Auditor General decrying inconsistent

revenue accounting by the Treasury over the years. The report intended to red-flag the issue of revenue accounting by the Treasury with a view to getting greater transparency and accountability for the benefit of Kenyan taxpayers. Mars Group discussed the report with Hon. John Mbadi MP, who agreed with us that there was reason for concern and that he would ask for a ministerial statement from the Minister for Finance to explain to the National Assembly why there were discrepancies in the revenue accounting of taxes collected from Kenyans.

Mr. Chairman: Hon. John Mbadi MP, sought the ministerial statement on April 21st 2011 and for a whole year the Minister for Finance was unable to bring the statement to Parliament, giving various unsatisfactory reasons for not doing so, and ultimately causing the Speaker to impose sanctions against the ministry of Finance. When the Statement was eventually delivered to the Honorable house, the answer was found to be wanting and this Joint Committee was mandated to investigate and report back to the House in 4 weeks. This casual attitude by the Ministry of Finance to respond to questions on accountability of Public funds by our Members of Parliament is unacceptable and we believe Parliament will stamp its Authority on the Treasury in exercising its oversight role. Parliament is the Supreme body in the accountability relationship relating to collection of revenue and control of use of public finances.

Mr. Chairman: The Ministerial Statement brought to the house on 15th May 2012 by the Minister of finance raises many issues of grave concern. The first issue we wish to address is that of revenue accounts failing Audit tests *(We attach the Ministerial Statement annex MGK 001 (pages 1-9 of annexure) to this submission, which is extracts of the official Hansard of the National Assembly Tuesday 15th May, 2012 on this matter for your reference)*

Mr. Chairman: With Permission we refer the committee to the Part of the statement at annex MGK 001 which can be found at page 2 of the annexure

where the Minister of Finance states as follows:

“ Mr. Deputy Speaker, Sir, with regard to the question of the number of revenue statements for the financial year 2007/2008 that were certified by the Controller and Auditor-General, I would like to confirm that only two statements were certified. These were the Property Income Interest Received Account, and the Dividends and Fines, Penalties and Forfeitures Account. For the financial year 2008/2009, all the 14 statements were qualified.”

The Report of the Controller and Auditor-General for the financial year 2007/2008 provided specific reasons as to why each revenue statement was excluded from his certificate, and this was basically for accounting reasons. The Report of the Controller and Auditor-General for the financial year 2007/2008 has already been discussed by the PAC, and the Committee has given specific recommendations on actions to be taken by the respective receivers of revenue. Indeed, revenue receivers have been taking action as directed by the PAC, through the Treasury.”

Mr. Deputy Speaker, Sir, therefore, I wish to say that the action by the PAC is in order, and this is being implemented.”

Mr. Chairman: The truth is that, Kenya’s Auditor General has in his three latest reports excluded from the general certificate the great majority of Statements of Revenue of the Government of Kenya. In 2008, the Auditor General certified only **three** Statements of revenue and only **one** as presenting a fair revenue position of the government of Kenya for the year ending 2009. This sad state of affairs continues with the Auditor General able to certify only **Five** Statements of revenue as presenting a fair revenue position of the government of Kenya for

the year ending 2010. (We attach annex MGK 002 (Page 10 of annexure) to this submission, which is a copy of the of Appendix B at page 265 of the C&AG report which contains a list of revenue accounts excluded from certificate by the C&AG for the Financial years 2007-2008, and annex MGK 003 (Page 11 of annexure) which is a summary of revenues excluded from certificate by the C&AG for the Financial years 2007-2008, 2008-2009 & 2009-2010)

Mr. Chairman: Out of the Kshs 516 Billion for the FY2007/8 collected on 16 revenue accounts only Kshs 3.4 Billion was certified on 3 accounts as follows:

Revenue Head	Kshs Amount
revenue head 1410000 Property Income, sub head 1410200 - Profits and Dividends	3,133,350,633.50
revenue head 1430000 Fines, Penalties & Foreitures, sub head 1430100 - Fines, Penalties & Foreitures	158,521,084.00
revenue head 1140000 Taxes on Goods & services, sub head 1140600 - Royalties	187,799,398.00
Total	3,479,671,115.50

Mr. Chairman: Simply put, the current position is that almost all revenue



accounts fail and continue to fail audit tests annually. The amount of the money involved in the concerned statements is as follows:

1. FY 2007 - 2008 KES 498,920,681,246.35

(Refer to annex MGK 004 (Page 12 - 16 of annexure) for tabulation of Audit queries and annex MGK 005 (Page 17 -25 of annexure) for reasons given by C&AG for exclusion of Revenue accounts from certificate for the FY 2007-2008)

2. FY 2008 - 2009 KES 215,098,237,274.38

(Refer to annex MGK 006 (Page 26 - 30 of annexure) for tabulation of Audit queries and annex MGK 007 (Page 31 - 38 of annexure) for reasons given by C&AG for exclusion of Revenue accounts from certificate for the FY 2008-2009)

3. FY 2009 - 2010 KES 239,262,793,105.76

(Refer to annex MGK 008 (Page 39 - 43 of annexure) for tabulation of Audit queries and annex MGK 009 (Page 44 - 51 of annexure) for reasons given by C&AG for exclusion of Revenue accounts from certificate for the FY 2009-2010)

Mr. Chairman: The number of Audit queries raised by the Auditor general for the financial year 2007/2008 is 57 in respect to revenue accounts. We are aware that the Auditor General testified before you on Wednesday 11th July, 2012. The Auditor General addressed 18 of the queries and did not deal with 39 of the queries in his own report. Treasury while testifying before you on the same day, dealt only with KRA audit queries. Unsatisfactory responses we

might add.

Mr. Chairman: The reasons for exclusion from General Certificate given by the Auditor general are numerous. Examples include

- Statements of Revenue reflect differences between figures reflected in the Statements and those reflected in the supporting documents
- Statements of Revenue received reflect receipts which materially differ from those reflected in Kenya Revenue Authority (KRA) records
- Payments to the Exchequer differ with amounts reflected in the Exchequer records
- Amounts carried forward differ with those reflected in the relevant Statement of Assets and Liabilities
- Revenue is accounted for under heads under which it was not estimated with the Heads reflected in the Estimates reflecting nil receipts
- Receipts are at times lumped together under one item

Mr. Chairman: Until we see the Report for 2010/2011, which is ready, and tabled in the National Assembly, we are unable to say how many revenue accounts have passed the audit test this time. Suffice to say the pattern is almost certain to recur.

Mr. Chairman: To emphasize our concerns, we quote directly from a statement extracted from the Report of the Controller and Auditor General on the Appropriation Accounts, other Public Accounts and the Accounts of the Funds of the Republic of Kenya for the year ended June 2007:



“ 55. I am concerned by the lack of attention in the preparation of Statements of Revenue as indicated in the reports under each Revenue Head. Many Statements of Revenue reflect differences between figures reflected in the Statements and those reflected in the supporting documents. For example, most of the revenue is collected by Kenya Revenue Authority (KRA) but the Receiver of Revenue is the Financial Secretary. However, the Statements of Revenue received reflect receipts which materially differ from those reflected in KRA records. They also reflect payments to the Exchequer which differ with amounts reflected in the Exchequer records. Even amounts carried forward differ with those reflected in the relevant Statement of Assets and Liabilities. Such differences are not explained or reconciled and therefore cast doubts on the accuracy of the Statements of Revenue. As a result, many Statements of Revenue have been excluded from the general certificate... No explanation has been given for this unsatisfactory state of affairs.”

Mr. Chairman: We wish to demonstrate using 5 examples, why the Minister of Finance should account to Parliament for Revenue accounts failing the Audit tests. Indeed the Minister acknowledged himself that *“The Report of the Controller and Auditor-General for the financial year 2007/2008 provided specific reasons as to why each revenue statement was excluded from his certificate,”* and added that *“this was basically for accounting reasons”*

We refer the Committee to annex MGK 004 (Page 12 - 16 of annexure) for tabulation of revenue Audit queries excluded from certificate for the FY 2007-2008 and annex MGK 005 (Page 17 -25 of annexure) which has the detailed reasons given by the Controller and Auditor General for the exclusion to demonstrate the problems using examples for the FY2007 - 2008.

Example 1 records maintained at KRA differ from Statement of Revenue)

Refer to paragraph 72 - **Paragraph 72:** Taxes on Income, Profits, and Capital Gains for the year ended 30th June 2008 reflects actual receipts of Kshs **177,246,750,110.40**. Records at the Kenya Revenue Authority (K.R.A) reflect actual receipts of Kshs **166,152,969,569.00**. The resultant difference of Kshs **11,093,780,541.40** has not been reconciled and explained.

Refer to paragraph 79 - **Paragraph 79:** The statement of Revenue for head 1140000-Taxes on goods and services for the year ended 30 June 2008 reflects actual receipts of **Kshs 177,251,211,278.30** comprising of **Kshs 61,586,108,468.70**, **Kshs 53,807,634,460.85** and under local VAT, VAT-imports and Excise taxes. Records maintained at the K.R.A show a different figure for total receipts of **Kshs 173,525,253,051.00** made up of **Kshs 57,373,875,358.00**, **Kshs 53,634,410,526.00** and **Kshs 62,516,967,167.00** relating to VAT local, VAT Imports and Excise taxes. The difference of **Kshs 3,725,958,227.30** between the two sets of records is yet to be explained and reconciled.

Mr. Chairman: Example 1 recurs at paragraphs 84,89,99, and 115 of the 2007-2008 report of the Controller & Auditor General. But what explanations can the treasury give for these differences. 6 out of the 57 queries by the Auditor General relate to unreconciled and unexplained differences between the Revenue Statements and KRA records.

Mr. Chairman: You will see that if you look at the annexes for 2008-2009 and 2009-2010, the same issues arise. At this Point it would be prudent to remind the Committee of the statement by the Controller & Auditor General from 2007 that *“Many Statements of Revenue reflect differences between figures reflected in the Statements and those reflected in the supporting documents. For example,*

most of the revenue is collected by Kenya Revenue Authority (KRA) but the Receiver of Revenue is the Financial Secretary. However, the Statements of Revenue received reflect receipts which materially differ from those reflected in KRA records"

Example 2 (payments to the Exchequer differ with amounts reflected in the Exchequer records)

Refer to paragraph 92 - **Paragraph 92:** The Statement reflects payments to the Exchequer of **Kshs 371,254,013.70** while the records maintained at the Exchequer show a figure of **Kshs 572,016,914.55**. The difference of **Kshs 200,762,900.85** has yet to be reconciled and explained.

Refer to paragraph 97 - **Paragraph 97:** The Statement of Revenue for Head 1410000-Sub Head 1410200-Property Income for the year ended 30 June 2008 reflects a figure of **Kshs 2,914,370,680.05** as having paid to the Exchequer. Records maintained at the Exchequer shows a balance of **Kshs 3,133,350,633.50**. The difference of **Kshs 218,979,953.45** has yet to be reconciled. The amount of **Kshs 2,914,370,680.05** also differs with the amount of **Kshs 2,965,275,674.05** shown in the ledger by **Kshs 50,904,994.00**. Again this difference has yet to be explained and reconciled

Mr. Chairman: Example 2 recurs at paragraphs 35,81,86,90, and 105 of the 2007-2008 report of the Controller & Auditor General. But what explanations can the treasury give for these differences and failure to remit funds to the Exchequer. You will see that if you look at the annexes for 2008-2009 and 2009-

2010, the same issues arise.

Example 3 (Actual receipts differ with amounts reflected in the ledger)

Refer to paragraph 75 - Paragraph 75: Actual receipts reflected in the Statement total **Kshs 177,246,750,110.40** while the ledger shows a total of **Kshs 172,965,015,195.55**. The difference of **Kshs 4,281,734,914.85** has not been explained nor reconciled

Refer to paragraph 101 - Paragraph 101: Actual receipts of **Kshs 15,956,423,389.60** differ with the amount of **Kshs 13,904,256,454.75** reflected in the Ministry's Ledger. The difference of **Kshs 2,052,166,934.85** has not been explained or reconciled.

Mr. Chairman: Example 3 recurs at paragraphs 80,85, and 93 of the 2007-2008 report of the Controller & Auditor General. But what explanations can the treasury give for these differences in Actual receipts and ledger balances? You will see that if you look at the annexes for 2008-2009 and 2009-2010, the same issues arise.

Example 4 (Amounts carried forward differ with those reflected in the relevant Statement of Assets and Liabilities)

Refer to paragraph 76 - Paragraph 76: The statement shows a balance carried



forward to 2008/2009 of **Kshs 3,148,921,514.05**. The statement of Assets and Liabilities for Deposits 07 as at 30 June 2008 shows a figure **Kshs 8,647,022,282.19** against the same account. The difference of **Kshs 5,498,100,768.14** has not been reconciled and explained.

Refer to paragraph 81 - **Paragraph 81**: A carried forward net balance of **Kshs 446,379,166.10** made up of both VAT and Customs excise is reflected in the statement. The statement of Assets and Liabilities for Deposits 07 as at 30 June 2008 reflects a net total of **Kshs 2,177,957,773.20**. The difference of **Kshs 2,624,336,939.30** has not been reconciled. Furthermore no reason has been provided for not remitting the balance of **Kshs 446,379,166.10** to the Exchequer.

Mr. Chairman: Example 4 recurs at paragraphs 86,90, 98,94,102, 106 and 36 of the 2007-2008 report of the Controller & Auditor General. But again, what explanations can the treasury give for these differences in Actual revenue balances carried forward and brought forward? You will see that if you look at the annexes for 2008-2009 and 2009-2010, the same issues arise.

Example 5 (Arrears of Revenue due unaccounted for)

Refer to paragraph 78 - **Paragraph 78**: The statement does not show details of Arrears of Revenue due as at 30 April 2008 and uncollected as at 30 June 2008. As a result it cannot confirm whether Arrears of Revenue totaling **Kshs 125,166,946,067.00**, made up of PAYE and Other Income Tax of **Kshs 8,038,915,157.00** and **Kshs 117,128,030,910.00** as at 30 June 2007 had been recovered as at 30 June 2008.

Refer to paragraph 82 - Paragraph 82: The statement does not show details of Arrears of Revenue uncollected as at 30 June 2008. Due to this it has not been possible to confirm whether arrears totaling Kshs 91,734,032,909.00 as at 30 June 2007 had been recovered

Mr. Chairman: Example 5 recurs at paragraphs 87,96, and 108 of the 2007-2008 report of the Controller & Auditor General. But what explanations can the treasury give for the Arrears in revenue not being accounted for? You will see that if you look at the annexes for the next 2 financial years, the same issues arise.

Mr. Chairman: We urge your Committee to scrutinize line by line, the revenue accounts and the reasons given by the Auditor General for failing revenue accounts at Audit. We would like to remind the committee, that according to the Minister of Finance, the reasons for non-certification *"are basically auditing issues and more of reporting time"*

Mr. Chairman: As your committee seeks to address the issues arising from the foregoing, the following may assist the members of the Joint Committee:

What is the role of the treasury?

Government Financial Management Act

3 - Ministerial responsibility

The Minister shall manage the Consolidated fund and be responsible for all matters



relating to public financial affairs that are not assigned to any other Minister

4. - Treasury duties.

4) *The Treasury shall –*

(a) *establish procedures and systems for proper and effective management of government money and property;*

(b) *establish accounting procedures and systems for the government to properly account for government money and property;*

(c) *superintend the expenditure of government money to ensure that it can be properly accounted for;*

(d) *prepare and submit accounts for each financial year under the Public Audit Act, 2003 for audit by the Controller and Auditor-General; and'*

(e) *ensure- that the accounts prepared under paragraph. (d) comply with the provisions of this Act.*

Public Audit Act

Treasury accounts

3. (1) *For each financial year, the Treasury shall prepare accounts showing fully the financial position of the government at the end of the year and submit the accounts to the Controller and Auditor-General*

(2) *The accounts shall include the following–*

(a) *a statement of receipts into and issues from the exchequer account;*

(b) *summaries of the following-*

(i) *the appropriation accounts prepared by accounting officers under section 4 (2)(a);*



(ii) the statements, prepared by accounting officers under section 4 (2)(b), of the outstanding amounts in respect of loans issued by the government; and

(iii) the statements of receipts and disbursements prepared by the receivers of revenue under section 5 (2)(a);

(3) The accounts must be submitted within three months after the end of the financial year.

(4) Notwithstanding subsection (3), the summaries required under subsection (2)(b) need not be submitted until four months after the end of the financial year.

Receiver of revenue accounts.

5. (1) For each financial year, each receiver of revenue shall prepare accounts in respect of the revenue in respect of which the receiver of revenue is appointed and submit the accounts to the Controller and Auditor-General.

(2) The accounts shall include the following-

(a) a statement of receipts and disbursements in such form as the Treasury may direct; and

(b) a statement of arrears of revenue.

(3) The accounts must be submitted within three months after the end of the financial year.



What is the Role of the C&AG

Public Audit Act

Audit

8. The Controller and Auditor-General shall audit the accounts submitted under sections 3 to 7 and shall express an opinion on the accounts based on the results of each audit stating whether:—

(a) all information and explanations considered necessary for the audit were received;

(b) proper records were maintained of all transactions as required under the generally accepted accounting practices;

(c) the accounts are in agreement with the records referred to under paragraph (b);

(d) in his opinion, the accounts reflected fairly the financial position of the entity audited.

Report on Audit

9. (1) The Controller and Auditor-General shall prepare a report on the audit conducted under section 8 and submit the report to the Minister responsible for finance and such report shall include the matters covered under section 8 and any other information he may consider appropriate including but not limited to matters concerning efficiency in the usage of resources.

(2) Without limiting what may be included in the report, the report shall indicate whether—

(a) the information and explanations that were required to perform the examination and audit were received; and

(b) the accounts have been properly maintained.

(3) Without limiting what may be included in the report, the report shall identify cases in which—

(a) money has been spent in a way that was not efficient or economical;

(b) the rules and procedures followed, or the records kept, were inadequate to safeguard property and the collection of revenue;

(c) money that should have been paid into the exchequer account was not so paid;

2. Reporting Actual Revenue Receipts to the National Assembly

Mr. Chairman: It also appears that the Treasury has been keeping different sets of books for the revenue collected and is now involved in an intricate web of a possible cover up and deception as it continues to present different revenue figures to the Controller and Auditor General and to Parliament. The actual revenue receipts as captured by the Controller and Auditor General in the exchequer account differ significantly with the actual revenue receipts presented to Parliament in the estimates of Revenue.

Mr. Chairman: The question we would like your Committee to consider “Whether it is possible that treasury can maintain different sets of revenue accounts for the same financial period? The Same treasury, but with different revenue positions? ”

Mr. Chairman: We invite you to refer to annex MGK 010 (Page 52 - 53 of annexure) which is an extract from the controller & Auditor Generals report

for the FY 2007-2008 on receipts into the Exchequer Account. We also refer to the document annex MGK 011 (Page 54 - 60 of annexure) which is the Estimates of Revenue of the Government of Kenya for the year ending 30th June 2010. You will agree with us, that this document was tabled in Parliament in June 2009. This document Mr. Chairman records and therefore reports to Parliament the Actual revenue receipts for the FY 2007-2008 - the financial year your committee is tasked to investigate.

Mr. Chairman: We refer our table in annex MGK 012 (Page 61 of annexure). The actual receipts into the Exchequer account in the Auditor General's document annexed MGK 010 (Page 52 - 53 of annexure) have been entered into Column A of the table. You will note that the Auditor General has made 38 entries. Column B is derived from the Estimates of Revenue published by the Ministry for Finance at annex MGK 011 (Page 54 - 60 of annexure). All the entries state themselves to be Actual revenue for FY2007 -2008. Column C is the difference in Actual Revenue as stated in the 2 documents.

Mr. Chairman: Out of the 38 entries only 18 reflect the same actual revenue receipts.

Mr. Chairman: The Actual receipts into the Exchequer Account were submitted to the Auditor General by the Permanent Secretary, Ministry of Finance on 11 September 2008, some 2 months and 13 days after the end of the financial year 2007-2008. The Controller & Auditor General after Audit gives his certificate for the Exchequer Account on May 28 2009. As of 28th May 2009, both the treasury and the Controller & Auditor General agree on the receipts into the Exchequer Account. **Refer to (annex MGK 013 (Page 62 of annexure) which is the summary of the Exchequer Account for the FY 2007-2008 by the PS, Treasury and the Certificate therein of the Controller & Auditor General.**

Mr. Chairman: What is shocking, is that in June 2009, a month after receiving the Auditor General's signature on the Exchequer Account for FY 2007-2008, the Minister of Finance presents a totally different set of Actual Revenue

Receipts to Parliament. So blatant that for example, he tells Parliament:

1. Ordinary Revenue is KES 397,576,198,835.00 while the Exchequer Account records ordinary revenue as KES 496,031,176,009.40. A difference of KES 98,454,977,174.40. Revenue Receipts under declared. WHY?
2. Total Grants/Loans revenue is KES 26,713,542,086.00 while the Exchequer account records Grants/Loans revenue as KES 20,077,231,195.75. A difference of KES 6,636,310,890.25. Revenue Receipts over stated. WHY?
3. Miscellaneous Revenue is KES 7,402,166,078.00 while the Exchequer account records Miscellaneous Revenue as KES 15,956,423,390.40. A difference of KES 8,554,257,312.40. Miscellaneous revenue Receipts under stated. WHY?
4. Net Domestic Borrowing (CBK) is KES -13,891,000,000.00 while the Exchequer account records Net Domestic Borrowing (CBK) as KES 0.00. A difference of KES -13,891,000,000.008. Net Domestic Borrowing (CBK) that does not exist WHY?
5. Income tax from corporations is KES 79,125,000,000.00 while the Exchequer account records Income tax from corporations as KES 86,695,983,472.40. A difference of KES 7,570,983,472.40 Income tax from corporations under stated. WHY?

Mr. Chairman: Where do the timing issues the Minister referred to on May 15TH 2012 arise? This is plain mischief that could be related to theft of Billions of Shillings. Is under declaring the revenue to Parliament likely to cause a gap, where such revenue goes missing?

Mr. Chairman: Further issues with Actual receipts are illustrated in the



examples listed in (annex MGK 014 (Page 63-68 of annexure))

Mr. Chairman: All these issues discussed recur in the FY 2008-2009 and 2009-2010. And now we move on to the final issue before this Joint Committee.

3. Approved Revenue Estimates - Parliamentary Authority

Mr. Chairman: The estimates of Revenue as tabled in parliament by the Finance Minister which reflect the final revised estimates of revenue differ at every revenue line item from the estimates of revenue as captured by the Controller and Auditor General in his reports.

Mr. Chairman: We would like to refer you to the documents annex MGK 010 (Page 52 - 53 of annexure) , annex MGK 015 (Page 69 - 76 of annexure), annex MGK 016 (Page 77 of annexure) and annex MGK 017 (Page 78 of annexure) .

Mr. Chairman: The Treasury cannot alter the approved revised estimates of revenue. This fact was confirmed by the famous "computer error" when Parliament recalled 2008-9 supplementary estimates for this very reason, restating the fact that what Parliament approves is the final approval. The implications of treasury altering these figures are very serious and grave.

Mr. Chairman: If you look at annex MGK 010 (Page 52 - 53 of annexure) you will see the original estimates for FY 2007-2008 as captured in the C&AG audit report totaling to KES 522,372,682,070.00. These figures have been entered in

Column A of the table at annex MGK 016 (Page 77 of annexure). Column B is the final revised estimates for FY 2007-2008 as captured in the Estimates of Revenue for the year ending 30th June, 2009 at annex MGK 015 (Page 69 - 76 of annexure). Column B shows Revised Estimates as KES 558,439,999,999.00. A Net negative difference of KES (36,067,317,929.00).

Mr. Chairman: We would like to now demonstrate the problem. And there are two scenarios' both which appear to be very serious. If you look at Column D at annex MGK 016 (Page 77 of annexure), we input again the Original estimates as captured in the C&AG report at annex MGK 010 (Page 52 - 53 of annexure) the amount is KES 522,372,682,070.00 while Column E captures the Actual revenue receipts as reported to Parliament in June 2009 at annex MGK 011 (Page 54 - 60 of annexure) as KES 494,371,368,021.00. This means that if we use the original 2007-2008 estimates and the actual receipts for 2007-2008 as declared to Parliament, there is a net under collection of KES 28,001,314,049.00

Mr. Chairman: What did the Auditor General Audit?. If you look again at annex MGK 016 (Page 77 of annexure). In Column G, we input again the Original estimates as captured in the C&AG report at annex MGK 010 (Page 52 - 53 of annexure) the amount is KES 522,372,682,070.00 while Column H captures the Actual revenue receipts in the Exchequer account at annex MGK 010 (Page 52 - 53 of annexure) as KES 516,108,407,205.15. This means that if we use the Controller and Auditor Generals' audited Accounts for the FY 2007-2008 as the true position, then there is a net under collection of KES 6,264,274,864.85. The final net under collection would be KES 6,256,173,113.10 taking into account the Exchequer Account opening Balance as at 1st July 2007 of KES 8,101,751.75.

Mr. Chairman: We then pose the question. Does the Controller and Auditor General's Audit report represent the correct Under (Over) collection of revenue or is it the treasury that has misrepresented the position to Parliament in this scenario?

Mr. Chairman: The matter becomes even more serious if you use the revised estimates as reported to Parliament. Lets look at scenario 2. We refer you to annex MGK 017 (Page 78 of annexure). If you look at Column D, we input the final revised estimates for FY 2007-2008 as captured in the Estimates of Revenue for the year ending 30th June, 2009 at annex MGK 015 (Page 69 - 76 of annexure). The amount is KES 558,439,999,999.00 while Column E captures the Actual revenue receipts as reported to Parliament in June 2009 at annex MGK 011 (Page 54 - 60 of annexure) as KES 494,371,368,021.00. This means that if we use the revised 2007-2008 estimates and the actual receipts for 2007-2008 as declared to Parliament, there is a net under collection of KES 64,068,631,978.00

Mr. Chairman: If you look again at annex MGK 017 (Page 78 of annexure). In Column G, we input again the final revised estimates for FY 2007-2008 as captured in the Estimates of Revenue for the year ending 30th June, 2009 at annex MGK 015 (Page 69 - 76 of annexure). The amount is KES 558,183,256,999.00 . Column H captures the Actual revenue receipts in the Exchequer account at annex MGK 010 (Page 52 - 53 of annexure) as KES 516,108,407,205.15. This means that if we use the Revised estimates as Parliaments final authority, and revenues collected as in the Exchequer account, then there is a net under collection of KES 42,074,849,793.85. The final net under collection would be KES 42,066,748,042.10 taking into account the Exchequer Account opening Balance as at 1st July 2007 of KES 8,101,751.75

Mr. Chairman: We are concerned; that there can be so many possible revenue

positions in the same Financial Year, and that it is even now possible that the Audit reports might not reflect the actual revenue position of the Government of Kenya.

Mr. Chairman: Kenyans expected the Minister of Finance to answer the issues raised by the Controller and Auditor General and asked by our representatives on the floor of the House -

1. How many revenue accounts Failed the Audit test and Why?
2. Do the Actual revenue receipts as reported to parliament faithfully reflect the actual receipts as captured by the controller & Auditor General In the exchequer account?
3. Do the revised estimates of revenue tabled in Parliament reflect the actual approval by given by parliament?

Mr. Chairman: Mars Group Kenya previously had the opportunity to appear before a Joint Parliamentary Enquiry by the Budget and Finance Committees into the Supplementary Estimates of the Financial Year 2008-2009. Our findings of discrepancies in the Supplementary Estimates triggered the enquiry and resulted in the adoption of a unanimous report which included a recommendation that an independent forensic audit should be done by an independent body to look into past three years of the National Budget including the Consolidated Fund Services to determine whether there might have been other inaccuracies or inconsistencies in the last two years in addition to the current year. Unfortunately 3 years later the Independent Forensic Audit has not yet been commissioned. It is now worrying that it appears that Parliament does not implement its own resolutions. Had the Audit been done, Parliament would have spotted this issue and dealt with it conclusively.

Mr. Chairman: This Committee needs to ask treasury to provide the following:



A detailed response to each of the 57 Auditors queries and a memorandum supporting the same.

A certificate from the Auditor General clearing each of the 57 issues according to International Accounting Standards.

Mr. Chairman: We wish to make the following recommendations to the Joint Committee:

1. That an Independent Forensic Audit into the Revenue Accounts of the Government of Kenya for the Financial Years 2007- 2008,2008-2009, 2009-2010,2010-2011,2011-2012 be commissioned and conducted to determine the true Revenue position of the Government, whether there is misappropriation of Revenue, and to identify the loopholes/weaknesses in the Financial systems and provide recommendations on how to seal the loopholes.
2. The immediate withdrawal of all falsified documents tabled in Parliament, and a special resolution to resubmit and adopt clear, accurate documents for the renewed authority of Parliament.
3. That the Committee recommends the immediate retirement of the Accounting Officers at the Treasury responsible for Revenue Collection and Accounting for failing to keep proper, authentic records, and preparing documents for the sole purpose of misleading Parliament to approve false documents.
4. That the Committee recommends the implementation of the resolution of the National Assembly of May 2009, that an independent forensic audit should be done by an independent body to look into past three years of the National Budget including the Consolidated Fund Services to determine whether there might have been other inaccuracies or inconsistencies in the last two years in addition to the current year.
5. That the Committee recommends to parliament the need to involve



the Controller of Budget as per the mandate in the Constitution. To oversee the implementation of the Budget which includes Expenditure and Revenue. The Controller of Budget should in her Quarterly reports to Parliament include revenue accounting. These reports must be Independent.

Mr. Chairman: We appear before you today in good faith. We mention this because we do what we do because we believe in parliamentary democracy and accountability. As such we have always appeared before Parliament when invited to do so and we at Mars Group have never declined nor failed to appear before a committee of Parliament.

Mr. Chairman: We are grateful to your Committee, our elected representatives, for taking time to hear us. With your kind permission we wish to submit our Memorandum and supporting documents. We request that Under Article 35 of the Constitution of Kenya, and in the Public Interest, that our entire submissions and supporting documents be annexed to your final report. We would be happy to take any clarifications.

Dated at Nairobi this 19 day of July 2012 and signed: for Mars Group Kenya


Jayne Mati


Mwalimu Mati

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LIST OF MGK
ANNEXURES

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NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 15th May, 2012

The House met at 2.30 p.m.

[Mr. Deputy Speaker in the Chair]

Page 27 Tuesday, 15th May, 2012

MINISTERIAL STATEMENTS

INACCURACIES/INCONSISTENCIES IN TREASURY TAX/ REVENUE ACCOUNTS

The Minister for Finance (Mr. Githae): Mr. Deputy Speaker, Sir, on Thursday, 21st April, 2011, the Member of Parliament for Gwasi, hon. Mbadi, sought a Ministerial Statement on the Tax Account at the Treasury. In particular, he wanted explanation made to the House on the following:-

- (i) whether our Tax Account, and especially the revenue rates are properly kept;
 - (ii) the number of revenue statements that were certified by the Controller and Auditor-General for the financial years 2007/2008 and 2008/2009;
 - (iii) the actual receipts of revenue for the financial years 2007/2008 and 2008/2009 in respect of various Budgetary Heads, including Mining, Profits and Dividends, Fines and Penalties, Other Charges, Taxes on Income, Profits and Capital Gains; Taxes on Goods and Services, Taxes on International Trade and Transactions, Other Taxes Not Classified; Property Income Interest Receivable, Property Income, Rents on Land, Sale of Goods and Services, Other Records not Classified; Repayment from Domestic Lending and On-lending, Tourism and Wildlife, and Trading Licences;
- and,
- (iv) whether the receipts of the revenue for the financial years 2007/2008 and 2008/2009, as declared to Parliament in the Estimates of Revenue, reflected the actual receipts into the Exchequer Account for the respective Revenue Heads for the same period.

On 15th March, 2012, the Chair directed the Minister for Finance to issue a Ministerial Statement in relation to the receipts of revenue for the financial years 2007/2008 and 2008/2009 as only the accounts for the financial years 2008 and 2009 were already receiving attention by the Public Accounts Committee (PAC).

Mr. Deputy Speaker, Sir, I beg to, first of all, tell this august House that revenue collection and accounting is a process, and that it involves various stakeholders. The taxpayer pays his or her taxes due directly to the tax collector or indirectly into the Kenya Revenue Authority (KRA) collection accounts in the banks appointed by the KRA. On receiving the tax revenue payments, the revenue collector remits the same to the appointed receiver of that revenue, who subsequently remits the same to the Exchequer Account.

The KRA is legally appointed collector of Income Tax, Customs Duty, Excise Duty and Value Added Tax (VAT). Collectors of other revenues, who largely include Ministry

Departments, are appointed by respective receivers of revenue, who are in turn appointed by the Treasury.

Mr. Deputy Speaker, Sir, from the above description, you appreciate that the process of collecting and accounting for revenue involves parties who are independent of each other, and who maintain their own separate sets of books of accounts. Indeed, the revenue records maintained by these parties often show different revenue positions and, therefore, require reconciliation – in some cases, on monthly basis and in other cases even on a daily basis.

Let me underscore the fact that variances are usually explained by the timing differences when revenues are received and then ultimately remitted to the Exchequer.

For instance, when a taxpayer pays his or her taxes through the KRA collection account in a bank, the KRA immediately recognises the receipts in their books but such receipts take time to be reflected in the receiver's account at the Central Bank of Kenya (CBK) and subsequently to the Exchequer Account.

Mr. Deputy Speaker, Sir, with this background, I now wish to respond to the specific questions raised by hon. Mbadi.

First, I am not aware of a Tax Account under the Government Financial Management Act but I presume that the hon. Member was referring to the Exchequer Account.

Let me clarify that for all revenues due to the Government – tax, non-tax and proceeds from borrowing – are paid into the Exchequer Account, which is properly kept and indeed audited on a daily basis by officers from the Office of the Controller and Auditor-General. As part of his or her legal mandate, the Auditor-General also keeps a mirror account of the Exchequer Account.

Mr. Deputy Speaker, Sir, with regard to the question of the number of revenue statements for the financial year 2007/2008 that were certified by the Controller and Auditor-General, I would like to confirm that only two statements were certified. These were the Property Income Interest Received Account, and the Dividends and Fines, Penalties and Forfeitures Account. For the financial year 2008/2009, all the 14 statements were qualified.

The Report of the Controller and Auditor-General for the financial year 2007/2008 provided specific reasons as to why each revenue statement was excluded from his certificate, and this was basically for accounting reasons. The Report of the Controller and Auditor-General for the financial year 2007/2008 has already been discussed by the PAC, and the Committee has given specific recommendations on actions to be taken by the respective receivers of revenue. Indeed, revenue receivers have been taking action as directed by the PAC, through the Treasury.

Mr. Deputy Speaker, Sir, therefore, I wish to say that the action by the PAC is in order, and this is being implemented.

Regarding the question as to whether the receipts for the financial year 2007/2008, as declared to Parliament in the Estimates of Revenue, reflect the actual receipts into the Exchequer Account for the respective Heads and for the same period, I wish to clarify that the actual receipts for that year, as reflected in the Printed Estimates of Revenue, were based on

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unaudited revenue returns because at the time of reporting to Parliament the accounts were in the process of being audited. So, preparation of the Printed Estimates of Revenue was based on unaudited accounts.

Mr. Deputy Speaker, Sir, in conclusion, let me reassure this House and the public at large that the Treasury remains fully committed to ensuring full accountability and optimal utilisation of all revenues collected and received by the Government of Kenya.

Indeed, we have strived to uphold a high level of transparency in dealing with public finances. We have continued to demonstrate this, in accordance with the Fiscal Management Act, by publishing in the Kenya Gazette, on monthly basis, the Statement of Revenues and Net Issues out of the Exchequer Account.

In addition, we submit to this House the Quarterly Economic and Budgetary Report, as required by the law. Indeed, the later publication can also be downloaded from the Treasury's website for wider access.

Thank you.

Mr. Mbadi: Mr. Deputy Speaker, Sir, the Statement by the Minister sounded like a Paper prepared for a seminar, but not a clear explanation on accountability to the National Assembly on the part of the Government.

According to the Minister, only two out of 14 revenue accounts were certified. According to my information, three out of the 14 revenue accounts were certified. So, I have added him one account that was also certified. These are the Mining Account, the Profits and Dividends Account, and the Fines and Penalties Account; which are the smallest revenue accounts. All the other major revenue accounts such as the Taxes on Income Account, the VAT Account, the Corporation Tax, *et cetera*, were only qualified.

Mr. Deputy Speaker, Sir, in accounting language, "qualified" means they were not certified. When the Minister says that the accounts were qualified in the following year, it may mislead one to think that everything was perfect. It means that all the 14 accounts did not meet the threshold of auditing standards. Revenue is collected and banked in the Exchequer Account.

The Constitution is very clear under Article 206, which states that there is established the Consolidated Fund into which shall be paid all money raised or received by or on behalf of the national Government. This actually has been uplifted from the other Constitution that we did away with in August, 2010. So, it is just a law that has been in place all this time. Once the money is banked, that is what the Controller and Auditor-General is given and that is what should be reported to this House. Could the Minister now address the following three pertinent issues?

First, could the Minister tell this House why, for example, taxes on income - and I want to be very particular, Pay-As-You-Earn--- According to the Exchequer Account, what was given to the Controller and Auditor-General for 2007/2008 was Kshs81.6 billion. To Parliament you reported Kshs85.9 billion. That is over-reporting by Kshs4.3 billion.

On taxes on corporations, to the Controller and Auditor-General you reported Kshs86 billion, but to Parliament you reported Kshs79 billion. It is now the opposite. That is under-declaring

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to Parliament of Kshs7 billion. I could go on and on, but the most interesting one is net domestic borrowing. You reported to the Controller and Auditor-General that for the year 2007/2008 you collected zero. This is very straightforward. On this one you do not need any book reconciliation because it is the CBK borrowing. So, if you are telling the Controller and Auditor-General that you collected zero and yet you come to Parliament and report that you borrowed Kshs13.8 billion then the question is, if you borrowed that money, where did you bank it such that the Controller and Auditor-General could not find it in the Exchequer Account?

Mr. Deputy Speaker, Sir, finally, I want to take the Minister to task for saying that the reason why there is a difference between the figures given to the Controller and Auditor-General who is now the Auditor-General and what was given to Parliament is because the figures given to Parliament were based on unaudited revenue returns. Could the Minister tell us why these figures were based on unaudited revenue returns and yet he reported to Parliament in June, 2009 and the audit was conducted between September, 2008 and May, 2009? The audit report was actually out by May, 2009 and he reported to Parliament in June, 2009. Why did he then base it on unaudited accounts? Does it really make sense? So, this is a very big issue and the Minister should not treat it casually as if that this is just mere book entry. The Controller and Auditor-General is telling this Parliament--- Remember that this Parliament has employed the Controller and Auditor-General to be auditing on its behalf and be reporting to Parliament. The Controller and Auditor-General is telling us: "Parliament, I have done my work. I cannot certify these accounts because they do not make sense to me. There is a total sum of Kshs489 billion for the 2007/2008 Financial Year that I cannot give my opinion on."

I think this House deserves clear reasons as to why the Controller and Auditor-General found it difficult to certify our accounts; why the figures in the Exchequer account where we should keep all our money are different from what the Minister has given us on the Floor of the House.

Thank you, Mr. Deputy Speaker, Sir.


The Minister for Finance (Mr. Githae): Mr. Deputy Speaker, Sir, as I explained, the balance differences will always be there. They will be there this year and they will be there next year. Why? Basically because of timing differences.

As I said, if you look at the whole scenario where you as an individual, for example, if you pay to the Kenya Revenue Authority (KRA) as a collector it recognizes that tax immediately. But if you pay to the bank on behalf of the KRA, there is a difference of one or two days before the money is actually reflected in the KRA account. It is even worse where it is another collector. So, if you do--

Mr. Mbadi: On a point of order, Mr. Deputy Speaker, Sir.

The Minister for Finance (Mr. Githae): Mr. Deputy Speaker, Sir, let me explain so that the hon. Member can understand the timing differences.

Mr. Mbadi: On a point of order, Mr. Deputy Speaker, Sir. I would have allowed the Minister to continue with his time differences. The Minister can tell this House what it may not understand. However, can he just explain to us, for example, in his timing difference, the net domestic borrowing? The Central Bank of Kenya is the one which gets the money through


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borrowing and reports. Why is it that the Minister reported to the Controller and Auditor-General that there was zero in the Exchequer Account for that year and yet he reported to Parliament Kshs13.8 billion? It is just as simple as that. One can understand the Minister's talk about paying through banks, PAYE, VAT and whatever. However, can he explain the net domestic borrowing, for example, where it is the CBK which borrows? That should go directly to the Exchequer Account. Can the Minister tell me, for example, why there was that difference? That is where he told the Controller and Auditor-General that we did not borrow anything according to his records in the Exchequer Account but he came to Parliament one month later to report to us that he borrowed Kshs13 billion. How does this tally with the Minister's timing difference?

The Minister for Finance (Mr. Githae): Thank you, Mr. Deputy Speaker, Sir. Let me begin from the beginning. As I said, differences in balances will always be there. They were there last year, they will be there this year and they will be there next year, basically, because of timing differences. I was giving you the example when you pay your taxes. If you pay them directly to the KRA it is recognized immediately but if you pay to a collector, it takes some time. There are other collectors who take more time before this is recognized. Ultimately, the total taxes will find their way into the Exchequer. So, depending at what time you are looking at the figures, there will be time differences. That is why reconciliations are done – I said some on daily basis---

Mr. Njuguna: On a point of order, Mr. Deputy Speaker, Sir.

The Minister for Finance (Mr. Githae): Mr. Deputy Speaker, Sir, I think they do not want to hear the answer


Mr. Deputy Speaker: Proceed, Mr. Minister!

The Minister for Finance (Mr. Githae): Mr. Deputy Speaker, Sir, depending on when you ask for the books of account, there will be these timing differences. I assure you that they will be there and that is why there is reconciliation. In this particular case, since the figures were being audited, what we reported to Parliament were the unaudited accounts.

Coming to the specific accounts - and I thank Mr. Mbadi - they are three. In fact, I mentioned them but the calculation is wrong. There were three that were satisfied by the Auditor-General. If you look at the reasons for non-certification, you will see that they are basically auditing issues and more of reporting time. Again there are other collectors who do not remit their accounts immediately. So, it will take time. There are others, for example, which are shown as having been received but ultimately this has not been remitted to the Auditor-General. Again, this depends on the timing. For example, if you closed your books today, you will have a different figure but when those figures on the net borrowing are taken to the Exchequer Account tomorrow, they will be different. So, these timing differences will be there.

Mr. Deputy Speaker, Sir, the most important thing is that not a single cent of Kenyan money has been lost and it will not be lost under my watch. Thank you.

Mr. Mbadi: On a point of order, Mr. Deputy Speaker, Sir. I do know whether the House is convinced, but you will agree with me that if there is timing difference, it should be systematic and consistent; if PAYE is low in terms of this date, the corporation tax should be

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the same and the Value Added Tax (VAT) should be the same. Why is it that we have a difference; for some the report to Parliament is higher and for others the report to Parliament is lower? How then would we be sure that this is a timing difference?

Mr. Deputy Speaker, Sir, I was very clear to the Minister that he reported to this House in June after the audit was concluded. Why did the Ministry choose to bring to this House what they are calling "unaudited" accounts? The Minister has not addressed himself to that. Again, when you are presenting the books to the auditor, it is assumed that you have done reconciliations. Can the Minister tell us, these figures that he gave to Parliament, where did they come from? Did they come from the Exchequer Account? Is he giving us figures from the Kenya Revenue Authority (KRA)? Can he explain to us where these figures are from? These figures are different from what is in the Exchequer Account, where we expect our money to be banked. If today, I come to this House and tell you that you gave me Kshs50,000 to bank in your account and I give you a banking slip that shows a banking of shs35,000, and then I tell you there is a reconciliation and timing difference. Am I not supposed to explain to you how that timing difference has resulted into the difference in the amount?

Mr. Deputy Speaker, Sir, I would expect the Minister to be very clear and forthright to the people of Kenya. You are new in this Ministry. You might not even know how the money disappeared; chances are that money disappeared. This is because the Auditor-General is saying, "I do not know how much this country is collecting".

Mr. Deputy Speaker: Order, Minister! Allow another request for clarification!

Mr. Ogingo: Mr. Deputy Speaker, Sir, I rise to seek clarification from the Minister. According to the Constitution, the Auditor-General is required to audit the books after eight months. Previously, audits have been done after a reasonable period of time. The question of timing difference does not, therefore, arise. This is because the only tax that is collected through agents is VAT. The remittance is done in not more than a week's period. The auditing is done after about three months. Therefore, the question of timing does not arise.

Having said that, Article 216 says that the revenue allocation shall be based on the revenue collected by the central Government. At this point when we are going into devolution, it is very important that we get the figures of revenue accurately. Could the Minister clarify the differences in view of the fact that we want to know the accurate figure to be used for revenue allocation?

Mr. Deputy Speaker: We are going to allow the Member of Parliament for Lari to seek one clarification; that is the last clarification.

Mr. Njuguna: Mr. Deputy Speaker, Sir, it is sad and a bad signal to this House, and even the country, that 14 accounts were presented to the Auditor-General and only three qualified. What measures is the Minister taking to make sure that the remaining 11 accounts are qualified? In addition, what measures will the Government take to make sure that this will not happen in this country in future, as the Minister tries to display a degree of accountability and transparency in his new Ministry?

The Minister for Finance (Mr. Githae): Mr. Deputy Speaker, Sir, beginning with the last question by the Member for Lari, it is not our intention to have the accounts qualified. In fact, to the contrary we would like the accounts not to be qualified by the Auditor-General.

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Coming to the other issue raised by Mr. Ogindo, the funds that are to be remitted to the county governments will be based on the last year's audited accounts for every year. That is what the Constitution says. Those are the figures that have been used by the Treasury and the Commission on Revenue Allocation (CRA).

Coming to the other issues that were raised, as I said these accounts are reconciled on a daily basis. I have a schedule here which I would like to share with Mr. Mbadi. It shows that for every account you would have what was estimated, the actual receipt and the amount paid to the Exchequer, as per the revenue statement, and then the actual receipts in the Exchequer Account. You will find that in any given day there will always be differences. Even for reporting purposes, if you close your books today and the other institution accepts the figure from the following day, there will be a difference. I would like to share this list with Mr. Mbadi. As I said, we have absolutely nothing to hide. He can actually see even the causes for the differences. Sometimes payment is made directly by the collector of revenue. Sometimes some loanees pay directly. If dividend income is declared it may not be received until sometime later. Therefore, these differences will always be there.

Mr. Okemo: On a point of order, Mr. Deputy Speaker, Sir. From the information available to me, these same accounts we are querying here are exactly under scrutiny, currently, by the Public Accounts Committee (PAC) whose report will be brought here because the qualification means there must be reasons which have been given why the 11 accounts were not satisfactory. Therefore, unless we want to anticipate what is going to be in that report--- Why can we not give the PAC the opportunity to complete their work and bring the report to Parliament?

Mr. Deputy Speaker: Mr. Okemo, for the benefit of the Chair when will that report be ready? Chair of the PAC, are you in concurrence with what Mr. Chris Okemo is saying?

Dr. Khalwale: Mr. Deputy Speaker, Sir, we have lost a bit of time because of the work we are doing on the special audit of De La Rue; therefore, probably in another two weeks to three weeks, we will have concluded and presented the report to the House.

Mr. Mbadi: On a point of information, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Who do you wish to inform?

Mr. Mbadi: The hon. Chair of the Committee.

Mr. Deputy Speaker: Dr. Khalwale, you should be ready to have that information.

Dr. Khalwale: Mr. Deputy Speaker, Sir, I can only get reliable information from Members of the Committee if I am not right about it.

Mr. Mbadi: On a point of order, Mr. Deputy Speaker, Sir. It is very sad that the Chair of the PAC is not even aware of the work of his Committee. You had ruled that the accounts of 2007/2008 had been looked at by the PAC. They have been tabled there and adopted. You made a specific ruling that the 2008/2009 accounts, which are before the Committee, will not be addressed by the Minister. However, the 2007/2008 accounts were finalized by the Committee, and a report brought here; it had only one small paragraph on revenue to be

addressed. That is why the Minister is addressing this issue. It is very sad that the Chair of the PAC is not even sure. When I want to inform him, he behaves in a funny way.

Mr. Deputy Speaker: Fair enough! He is a medical doctor! He is not an accountant like you! Proceed, nonetheless. Dr. Khalwale, listen to the experts at times. It helps.

Mr. Mbadi: Mr. Deputy Speaker, Sir, this is my final plea to the Chair. Let me put this matter very clearly; the accounts we are referring to were for the year that ended on 30th June, 2008. These accounts were audited between September 2008 and May 2009 and a report issued by the Controller and Auditor-General in May 2009. The financial statements I am referring to, which were brought to this House, were brought in June, 2009, 12 months after the end of the financial year. Therefore, the figures that were tabled before the House should have been the same ones that the Controller and Auditor-General was given.

Mr. Deputy Speaker, Sir, from the Minister's answer, either he has not reconciled himself to the gist of this matter or he has deliberately been misled by his Office. I want you to help this House and this country because this is taxpayers' money. We are talking about the Kshs489 billion in question. The Controller and Auditor-General is not sure. If today you asked the Minister how much we collected as a country in that particular year, he may not answer us because the figures he gave the auditor are different from what he gave to this Parliament. So my concern is that this matter needs to be revisited by this House. We need to take this matter to either the Revenue sub-committee of the Budget Committee or the Public Accounts Committee (PAC) to specifically look at the revenue.

Otherwise, we may approve and give a clean bill of health to the Government to proceed with inaccuracies. The following year the amount was less but in 2007/2008, it is shocking.

Mr. Ogindo: On a point of order, Mr. Deputy Speaker, Sir. Is the Minister in order to persistently mislead this House that the differences in account of revenue are as a result of timing difference? The Government accounting system is cash based and the cutoff point is very clear; 30th June and the Government does not engage in accrual. So, the Government can never put in its books dividends that it has not received. I want to invite you to find the Minister's answer unacceptable and hollow. I want you to order that this matter be taken up by the Budget Committee because Kshs489 billion is a mind boggling sum if it is being included or excluded as revenue. It is going to affect the operations of this Government and also the county governments. I invite you to find the Minister's answer unacceptable!

Mr. Deputy Speaker: Mr. Okemo, maybe you can help us and help this House because you are the former Minister for Finance. Indeed, the Chair finds this mind boggling and finds reason to direct the matter to the Budget Committee as well as the Departmental Committee on Finance as a joint committee.

Mr. Okemo: Mr. Deputy Speaker, Sir, personally, I think to help the House I would recommend that this matter which involves accounts for the year 2007/2008 be referred back to the PAC because all audit queries or all accounts that have queries are the responsibility of the PAC and they can incorporate the Budget Committee and the Departmental Committee on Finance and we can then interrogate this issue because they are actually very genuine concerns, in my view. That, indeed, if there are issues that cannot be explained between the revenue collected as reported by the Minister, then this must be looked into much more deeply.

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Mr. Deputy Speaker: Clearly, the Chair also finds reason or cause to give a direction because the amounts and the figures and the disparity is clearly mind boggling and we have a responsibility, as much as possible, to the extent we can do it within our means; to use the relevant Committees to interrogate this issue at length. The Chair directs a joint Committee of the Budget, the PAC and the Departmental Committee on Finance to be led by the Budget Committee because the PAC Chairman has already said he is too busy with some other issues--

So proceed with speed and report back to this House in a maximum of two weeks. If you can do it in one week, so much the better! Clearly as the argument goes, we want to see if the money that we have contributed as taxes and for any reason that it does not look like it is tallying up, then there is need for the House with its own limited understanding and knowledge to use the relevant Committees who can also seek experts in the process both inside and outside Parliament to get to the bottom of this and report to this House in a maximum of two weeks.

Next Order!

(Several hon. Members stood up in their places)

Not on the same!

Mr. Ogindo: Mr. Deputy Speaker, Sir, I thank you for your ruling but I want you to appreciate that the Budget Committee today is seized of the Budget process which takes precedence over this thing. If we give it the same time within which we are processing the Budget, it might not work. So, I would plead that you give us a month.

Dr. Khalwale: It is on a different matter, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: No; on the same! Mr. Okemo, much as you are not rising on a point of order---

Mr. Okemo: Mr. Deputy Speaker, Sir, I think I want to support Mr. Ogindo's observation that we finish the Budget process and then maybe deal with this one more exhaustively.

Mr. Deputy Speaker: Fair enough! I will revise my earlier direction and direct that this matter be done within a month; four weeks!

(Applause)

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APPENDIX B

LIST OF ACCOUNTS EXCLUDED FROM THE CERTIFICATE:-

CONSOLIDATED FUND SERVICES:

Statement of Subscriptions by the Government of Kenya to International Organizations.

SUMMARY:

Summary of Statements of Revenue (Recurrent).
Summary of Statements of Revenue (Development).
Summary of Statements of Outstanding Loans.
Summary of Statements of Obligations Guaranteed by the Government of Kenya.
Summary of Statements of Participation by the Government of Kenya in Quasi-Government Organizations and Other Statutory Organizations.
Summary of Statements of Investments by the Government of Kenya in Local Companies.

APPROPRIATION ACCOUNTS - RECURRENT:

Vote R.7, R.11, R.13, R.14, R.18, R.20, R.35, R.49, R.59.

APPROPRIATION ACCOUNTS - DEVELOPMENT:

Votes D.4, D.7, D.11, D.13, D.14, D.18, D.23, D.25, D.40, D.49, D.59.

STATEMENTS OF REVENUE - RECURRENT:

1110000, 1140000, 1150000, 1160000, 1410000, 1410100, 1410000-1410401,
1420000, 1450000, 4510000, 150-360, 170-010, 210-010

STATEMENTS OF REVENUE - DEVELOPMENT:

Development Revenue - Head DR.1.

STATEMENTS OF OUTSTANDING LOANS:

Ministry of Finance.

STATEMENTS OF OBLIGATIONS GUARANTEED BY THE GOVERNMENT OF KENYA:

Ministry of Finance.
Ministry of Agriculture.
Ministry of Transport.



Annex MGK 003 List of Revenue Accounts of the GOK excluded from General Certificate
Source: Reports of the Controller and Auditor General on the Appropriation Accounts, other public accounts and the accounts of the funds of the republic of Kenya for the year 2007 -2008, 2008-2007, and 2009-2010

Revenue Statements	FY 2007 -2008	FY 2008-2009	FY 2009-2010
160 -210 Mining revenue -royalties	Certified	Certified	Certified
1410000-1410200 Profits & dividends	Certified	Excluded	Excluded
1430100 Fines, Penalties, Forfeitures & other Charges	Certified 3,489,810	Excluded	Certified
1110000 Taxes on Income, Profits & Capital Gains	Excluded	Excluded	Excluded
1140000 Taxes on Goods and Services	Excluded	Excluded	Excluded
1150000 Taxes on International Trade and Transactions	Excluded	Excluded	Excluded
1160000 Other Taxes (not elsewhere classified)	Excluded	Excluded	Excluded
1410000-1410100 Property Income - Interests Received	Excluded	Excluded	Excluded
1410000-1410401 Property Income -Rent of Land	Excluded	Excluded	Certified
1420000 Sales of Goods and Services	Excluded	Excluded	Excluded
1450000 Other Receipts Not Classified Elsewhere	Excluded	Excluded	Excluded
4510000 Repayments from Domestic Lending and On-Lending	Excluded	Excluded	Excluded
150-360	Excluded	Excluded	Excluded
170-010 Tourism & wildlife (OP)	Excluded	Excluded	Certified
210-010 Trading licences (OP)	Excluded	Excluded	Certified
Revenue Head DR.	Excluded	Excluded	Excluded

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**REVENUE HEADS ACCOUNTS OF THE GOK EXCLUDED FROM CERTIFICATE BY
CONTROLLER & AUDITOR GENERAL FOR THE FINANCIAL YEAR 2007 -2008**

Statement of Revenue Head 111000			
- Taxes on Income, Profits, and Capital Gains			
<i>Paragraph 72</i>		11,093,780,541.40	
<i>Paragraph 73</i>		17,868,750,110.40	
<i>Paragraph 74</i>		1,613,944.30	
<i>Paragraph 74</i>		120,420,998.00	
<i>Paragraph 75</i>		4,281,734,914.85	
<i>Paragraph 76</i>		5,498,100,768.14	
<i>Paragraph 77</i>		408,866,981.95	
<i>Paragraph 78</i>		125,166,946,067.00	
			164,440,214,326.04

Statement of Revenue Head 1140000			
- Taxes on Goods and Services			
<i>Paragraph 79</i>		3,725,958,227.30	
<i>Paragraph 80</i>		60,135,349,498.40	
<i>Paragraph 80</i>		61,857,468,348.75	
<i>Paragraph 81</i>		2,624,336,939.30	
<i>Paragraph 81</i>		446,379,166.10	


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<i>Paragraph 82</i>	91,734,032,909.00	220,523,525,088.85
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Statement of Revenue Head 1150000		
- Taxes on International Trade and Transactions		
<i>Paragraph 83</i>	1,833,772,816.60	
<i>Paragraph 84</i>	887,684,300.60	
<i>Paragraph 85</i>	367,449,065.85	
<i>Paragraph 86</i>	900,841,513.05	
<i>Paragraph 86</i>	847,412,641.95	
<i>Paragraph 87</i>	2,130,227,040.80	6,967,387,378.85

Statement of Revenue Head 1160000		
- Other taxes not elsewhere classified		
<i>Paragraph 88</i>	1,246,805,320.30	
<i>Paragraph 89</i>	51,679,317.30	
<i>Paragraph 90</i>	60,935,697.60	
<i>Paragraph 90</i>	63,562,042.30	1,422,982,377.50

Statement of Revenue Head 1420000		
- Sale of Goods and Services		
<i>Paragraph 111-2</i>	34,729,285,605.75	
<i>Paragraph 113</i>	1,181,598,505.75	

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<i>Paragraph 114</i>	640,828,505.75
<i>Paragraph 115</i>	67,690,060.91
<i>Paragraph 115</i>	30,868,263.95
<i>Paragraph 115</i>	1,958,384,345.50
	38,608,655,287.61

Statement of Revenue Head 1410000	118,363,222.40
- Property Income, Sub Head 1410401 -Rent of Land	118,363,222.40

Statement of Revenue Head 1410000	218,979,953.45
- Sub Head 1410200-Property Income	50,904,994.00
	346,026.10
	270,230,973.55

Statement Revenue Head 1410000	695,745,986.30
- Sub Head 1410100-Statement Of Loan Interests Receipts	200,762,900.85
	108,267,742.70
	3,368,828.00

<i>Paragraph 94</i>	38,593,485.00	2,774,822,283.62
<i>Paragraph 95</i>	499,209,623.86	
<i>Paragraph 96</i>	1,228,873,716.91	

Revenue Head 1450000	5,310,423,389.60	9,190,196,772.50
- Other Receipts Not Classified Elsewhere	2,052,166,934.85	
	1,827,606,448.05	

Statement of Revenue Head 4510000	227,566,478.45	19,819,480,861.73
- Repayments from Domestic Lending and On-Lending	236,131,179.90	
<i>Paragraph 103</i>	61,740,522.10	
<i>Paragraph 105</i>	28,191,159.20	
<i>Paragraph 106</i>	4,128,665,313.94	
<i>Paragraph 107</i>	3,645,781,874.94	
<i>Paragraph 108</i>	2,058,303,911.10	
<i>Paragraph 108</i>	9,433,100,422.10	
<i>Paragraph 110</i>		

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Development Revenue DR.1	Paragraph 33	6,953,548,416.00	
-	Paragraph 33	19,460,369,488.00	
-	Paragraph 34	8,273,280,102.00	
-	Paragraph 35	73,908,047.75	
	Paragraph 36	23,716,619.95	34,784,822,673.70
AMOUNTS QUERIED BY AUDITOR GENERAL ON REVENUE ACCOUNTS			498,920,681,246.35

Detailed reasons why revenue heads accounts of the GOK excluded from certificate by Controller & Auditor General for the financial year 2007 -2008

Extracts from the Controller and Auditor General's report for the Government of Kenya Accounts for the financial year 2007 – 2008

Statement of Revenue Head 1110000 – Taxes on Income, Profits, and Capital Gains



Paragraph 72: Taxes on Income, Profits, and Capital Gains for the year ended 30th June 2008 reflects actual receipts of Kshs 177,246,750,110.40. Records at the Kenya Revenue Authority (K.R.A) reflect actual receipts of Kshs 166,152,969,569.00. The resultant difference of Kshs 11,093,780,541.40 has not been reconciled and explained.

Paragraph 73: The statement shows actual receipts of Kshs 177,246,750,110.40 against estimated receipts of Kshs 159,378,000,000.00. This resulted in an over-collection of Kshs 17,868,750,110.40. This over-collection has not been explained by the way of footnotes as required by the Government Financial regulations and procedures


Paragraph 74: The Statement of Revenue reflects Income Tax Share of LATF actual receipts and LATF disbursements of Kshs 8,869,837,407.80 and Kshs 8,648,006,036.00 respectively. These amounts differ with the amounts shown in the LATF Accounts for 2007/2008 prepared by the Ministry of Local Government of Kshs 8,871,451,352.10 and Kshs 8,768,427,034.00. The differences of Kshs 1,613,944.30 and Kshs 120,420,998.00 respectively have not been reconciled and explained.

Paragraph 75: Actual receipts reflected in the Statement total Kshs 177,246,750,110.40 while the ledger shows a total of Kshs 172,965,015,195.55. The difference of Kshs 4,281,734,914.85 has not been explained nor reconciled.


Paragraph 76: The statement shows a balance carried forward to 2008/2009 of Kshs 3,148,921,514.05. The statement of Assets and Liabilities for Deposits 07 as at 30 June 2008 shows a figure Kshs 8,647,022,282.19 against the same account. The difference of Kshs 5,498,100,768.14 has not been reconciled and explained.




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Paragraph 77: The LATF figure of Kshs 2,770,184,499.70 carried forward while the LATF cashbook balance as at 30 June 2008 shows a figure of Kshs 2,361,317,517.75. The difference of Kshs 408,866,981.95 has not been reconciled and explained.


Paragraph 78: The statement does not show details of Arrears of Revenue due as at 30 April 2008 and uncollected as at 30 June 2008. As a result it cannot confirm whether Arrears of Revenue totaling Kshs 125,166,946,067.00, made up of PAYE and Other Income Tax of Kshs 8,038,915,157.00 and Kshs 117,128,030,910.00 as at 30 June 2007 had been recovered as at 30 June 2008.

Statement of Revenue Head 1140000 – Taxes on Goods and Services


Paragraph 79: The statement of Revenue for head 1140000- Taxes on goods and services for the year ended 30 June 2008 reflects actual receipts of Kshs 177,251,211,278.30 comprising of Kshs 61,586,108,468.70, Kshs 53,807,634,460.85 and Kshs 61,857,468,348.75 under local VAT, VAT-Imports and Excise taxes. Records maintained at the K.R.A show a different figure for total receipts of Kshs 173,525,253,051.00 made up of Kshs 57,373,875,358.00, Kshs 53,634,410,526.00 and Kshs 62,516,967,167.00 relating to VAT local, VAT Imports and Excise taxes. The difference of Kshs 3,725,958,227.30 between the two sets of records is yet to be explained and reconciled.


Paragraph 80: The statement shows total actual receipts of Kshs 177,251,211,278.30 while the Ministry ledger shows a figure of Kshs 117,115,861,779.90. The difference of Kshs 60,135,349,498.40 has not been reconciled and explained. Also no excise tax was reflected in the ledger while in the statement it shows actual collections of taxes totaling Kshs 61,857,468,348.75. Again no explanation has been given for the omission.

Paragraph 81: A carried forward net balance of Kshs 446,379,166.10 made up of both VAT and Customs excise is reflected in the statement. The statement of Assets and Liabilities for Deposits 07 as at 30 June 2008 reflects a net total of Kshs 2,177,957,773.20. The difference of Kshs 2,624,336,939.30 has not been reconciled. Furthermore no reason has been provided for not remitting the balance of Kshs 446,379,166.10 to the Exchequer.

Paragraph 82: The statement does not show details of Arrears of Revenue uncollected as at 30 June. Due to this it has not been possible to confirm whether arrears totaling Kshs 91,734,032,909.00 as at 30 June 2007 had been recovered

Statement of Revenue Head 1150000 – Taxes on Goods and Services

Paragraph 83: The Statement of Revenue for Head 1150000–Taxes on International Trade and Transactions for he year ended 30 June 2008 shows an over collection of **Kshs 1,833,772,816.60** in respect of Customs Duties and other taxes on international trade and transactions. This represents approximately 4% of the estimated receipts of **Kshs 44,024,000,000.00**. No reason has been provided for the material difference between he estimated and actual receipts.

Paragraph 84: Actual receipts balance of **Kshs 45,857,772,816.60** comprising of amounts of **Kshs 32,944,348,580.05** and **Kshs 12,913,424,236.55** under Customs Duties and Other taxes on International Trade and Transactions respectively.. Records at the K.R.A reflect total receipts of **Kshs 44,970,088,516.00**. The material difference of **Kshs 887,684,300.60** has not been reconciled and explained.

Paragraph 85: The actual receipts figure of **Kshs 45,857,772.816.60** differs with the Ministry's ledger balance of **Kshs 45,490,323,750.75**. The difference of **Kshs 367,449,065.85** is yet to be explained and reconciled.

Paragraph 86: The Revenue on hand balance of **Kshs 847,412,641.95** as at 30 June 2008 differs with the figure of **Kshs 53,428,871.10** that appears in the Statement of Assets and Liabilities for Deposits 07. This is an over payment against the revenue head by **Kshs 900,841,513.05**. The difference is yet to b reconciled and explained. Also no clarification had been given as to why the significant balance of **Kshs 847,412,641.95** was not paid to the Exchequer during the year.

Paragraph 87: The statement does not show details of Arrears of Revenue due as at 30 April 2008 but uncollected as at 30 June 2008 with the result that the level of revenue could not be determined as at 30 June 2008. The Statement also does not show how much of the receivables balance of **Kshs 2,130,227,040.80** due from eight organizations as at 30 June had been realized during 2007/2008.

Statement of Revenue Head 1160000 –Other Taxes Not Elsewhere Classified

Paragraph 88: The Statement of Revenue for Head 1160000-Other Taxes not Elsewhere Classified for the year ended 30 June 2008 reflects actual receipts of Kshs 4,584,430,435.30 against estimated collections of Kshs 3,337,625,115.00. This resulted in an over collection of Kshs 1,246,805,320.30. No footnotes have been given to explain the deviation between estimated and actual receipts.

Paragraph 89: The Statement shows actual receipts of Kshs 4,584,430,435.30 while records held at the K.R.A show collections of Kshs 4,532,751,118.00. The difference of Kshs 51,679,317.30 between he two sets of records has not been reconciled nor explained.

Paragraph 90: A Revenue on Hand balance of Kshs 63,562,042.30 as at 30 June 2008 is reflected. The statement of Assets and Liabilities for Deposits 07 shows a figure of Kshs 2,626,344.70. The difference of Kshs 60,935,697.60 between the two sets of records is yet to be reconciled. There is also no explanation of why the balance of Kshs 63,562,042.30 has not been remitted to the Exchequer.

Statement of Revenue Head 1410000 – Sub Head 1410100-Statement of Property Income-Loan Interest Receipts from Domestic and On-Lending

Paragraph 91: The Statement of Revenue for Head 1410000-Sub Head 1410100-Property income-Loan interest receipts from Domestic and On Lending for the year ended 30 June 2008 reflects actual receipts of Kshs 371,254,013.70 against estimated receipts of Kshs 1,067,000,000.00. This resulted in an under collection of Kshs 695,745,986.30. It was also noted that 32 out of 43 institutions did not remit any interest income during the year although most of them recorded profits.

Paragraph 92: The Statement reflects payments to the Exchequer of Kshs 371,254,013.70 while the records maintained at the Exchequer show a figure of Kshs 572,016,914.55. The difference of Kshs 200,762,900.85 has yet to be reconciled and explained.

Paragraph 93: Actual receipts of Kshs 371,254,013.70 differ with the amount of Kshs 262,986,271.00 reflected in the Ministry's ledger. The difference is a figure of Kshs 108,267,742.70. The receipts of Kshs 371,254,013.70 also differ with the analyzed

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vouchers figure of Kshs 367,885,185.70. The difference is Kshs 3,368,828.00. The difference between the three sets of records is yet to be explained and reconciled.

Paragraph 94: No balance on hand as at 30 June 2008 is reflected in the Statement. On the other hand the Statement of Assets and Liabilities for Deposits 07 shows an amount of Kshs 38,593,485.00. No explanation has been given or the discrepancy.

Paragraph 95: The Statement of Arrears of Revenue as at 30 April 2008 and uncollected as at 30 June 2008 shows a balance of Kshs 27,467,181,021.34 brought forward from 2006/2007. This balance differs with the carried forward amount of Kshs 26,967,971,397.48. The difference of Kshs 499,209,623.86 has yet to be explained and reconciled.


Paragraph 96: The Statement of Arrears of revenue shows that arrear increased by an amount of Kshs 1,228,873,716.91 from Kshs 26,967,971,397.48 as at 30 June 2007 to Kshs 28,196,845,114.39 as at 30 June 2008. The increase was attributed to arrears not being received from The Kenya Electricity generating Company, Agro-Chemical and Food Company Ltd and the Kenya Power and Lighting Company of Kshs 390,768,754.00, Kshs 158,320,135.00 and Kshs 102,342,641.00 respectively. No explanation has been provided to show how the Ministry is addressing the problem.

Statement of Revenue Head 1410000 –Sub Head 1410200-Property Income

Paragraph 97: The Statement of Revenue for Head 1410000-Sub Head 1410200-Property Income for the year ended 30 June 2008 reflects a figure of Kshs 2,914,370,680.05 as having paid to the Exchequer. Records maintained at the Exchequer shows a balance of Kshs 3,133,350,633.50. The difference of Kshs 218,979,953.45 has yet to be reconciled. The amount of Kshs 2,914,370,680.05 also differs with the amount of Kshs 2,965,275,674.05 shown in the ledger by Kshs 50,904,994.00. Again this difference has yet to be explained and reconciled.

Paragraph 98: The carried forward balance of Kshs 107,036.05 differs with the amount of Kshs 453,062.15 shown in the Statement of Assets and Liabilities for Deposits 07 as at 30 June 2008. The difference of Kshs 346,026.10 is yet to be reconciled and explained.

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Statement of Revenue Head 1410000 –Property Income-Sub Head 1410401-Rent of Land

Paragraph 99: The Statement of Revenue for Head 1410000-Sub Head 1410401-Rent of Land for the year ended 30 June 2008 reflect actual receipts of Kshs 1,375,378,571.40 which differs with records held at the K.R.A of Kshs 1,257,015,349.00. The difference of Kshs 118,363,222.40 has not been reconciled and explained.

Statement of Revenue Head 1450000 –Other Receipts not classified Elsewhere

Paragraph 100: The Statement of Revenue for Head 1450000-Other receipts not classified elsewhere for the year ended 30 June 2008 reflect actual receipts of Kshs 15,956,423,389.60 against estimated receipts of Kshs 10,646,000,000.00. This resulted in an over-collection of Kshs 5,310,423,389.60. No reason has been provided for the material difference between estimated and actual receipts.



Paragraph 101: Actual receipts of Kshs 15,956,423,389.60 differ with the amount of Kshs 13,904,256,454.75 reflected in the Ministry's Ledger. The difference of Kshs 2,052,166,934.85 has not been explained or reconciled.

Paragraph 102: The Statement reflects a balance of Kshs 46,512,835.25 carried forward as at 30 June 2008. This amount differs from the amount of Kshs 1,781,093,612.80 reflected under Miscellaneous Revenue in the Statement of Assets and Liabilities for Deposits 07. The difference of Kshs 1,827,606,448.05 has not been reconciled and explained.

Statement of Revenue for Head 4510000 –Repayments from Domestic Lending and On -Lending

Paragraph 103: The Statement of Revenue for Head 4510000-Repayments from Domestic lending and on –lending for the year ended 30 June 2008 reflect actual receipts of Kshs 472,433,521.55 against estimated receipts of Kshs 700,000,000.00. This resulted in an under-collection of Kshs 227,566,478.45. No reason has been provided for the material difference between

estimated and actual receipts. The figure of Kshs 700,000,000.00 has not been analyzed to show the amounts expected from the various organizations

Paragraph 104: The Statement also reflects nil receipts during the year from 33 out of 39 State corporations and organizations. No explanation has been given to explain failure to collect revenue. It has been observed that several of these organizations are financially sound and should be able to pay off their loans.

Paragraph 105: A figure of Kshs 472,433,521.55 paid to the Exchequer differs with the balance of Kshs 708,564,701.45 reflected in the Exchequer records by Kshs 236,131,179.90. Also the figure of Kshs 472,433,521.55 differs with the figure of Kshs 410,692,999.45 reflected in the Ministry's ledger by Kshs 61,740,522.10. The discrepancies between the three sets of records are yet to be reconciled and explained.

Paragraph 106: No explanation has been given as to the reason why the Statement does not reflect any balance on hand under loan redemption Receipts as at 30 June 2008, while the Statement of Assets and Liabilities for Deposits 07 shows an amount on hand of Kshs 28,191,159.20.

Paragraph 107: The Statement of Arrears due as at 30 April 2008 and uncollected as at 30 June 2008 reflects a balance of Kshs 10,943,601,980.96 brought forward from 2006/2007. This differs with the audited amount of Kshs 15,072,267,294.90 as at 30 June 2007. The difference of Kshs 4,128,665,313.94 is attributed to write-off loans due from 5 organizations and a new loan to another. No documentary evidence has been provided to confirm this.

Paragraph 108: The Statement reflects a balance of Kshs 11,426,485,419.96 in respect of Arrears of Revenue due as at 30 June 2008 compared to Kshs 15,072,267,294.90 as at 30 June 2007. The decrease of Kshs 3,645,781,874.94 has been related to write-offs of loans. During the year there was a significant increase in Arrears of revenue of Kshs 443,848,975.00 and Kshs 37,816,000.00 from Kengen and Mombasa Pipeline Board respectively. Also the balance of Kshs 11,436,485,419.96 includes an amount of Kshs 2,058,303,911.10 due from the Kenya Railways Corporation which has been taken over by the Rift Valley Railways Limited. No explanation has been provided on how the loan will be recovered.

Paragraph 109: The total Arrears of Revenue of Kshs 11,426,485,419.96 includes amounts of Kshs 9,433,100,422.10 about 83% of the total owed from 4 organizations

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Paragraph 110: It has been indicated in the past that measures were undertaken to ensure that organizations repay the loans on time. Arrears of Kshs 9,433,100,422.10 had not been repaid as at 30 June 2008

Statement of Revenue for Head 1420000—Sale of Goods and Services

Paragraph 111: The Statement of Revenue for Head 1420000-Sale of Goods and Services for the year ended 30 June 2008 reflect actual receipts of Kshs 77,868,793,972.75 against estimated gross receipts of Kshs 43,139,508,367.00. This resulted in an over-collection of Kshs 34,729,285,605.75. The significant over collection occurred under item 1420103-Sale of Kenya-Re share with receipts of Kshs 1,800,000,000.00 against nil provisions, item 1420104-Sale of Safaricom shares with receipts of Kshs 49,887,137,100.00 against a provision of Kshs 33,800,000,000.00 and item 1420105-Sale of Telkom shares with receipts of Kshs 24,301,320,000.00 against a provision of Kshs 5,600,000,000.00.

Paragraph 112: No action has been taken to address the inherent weaknesses in the estimation of revenue receipts under the sale of goods and services. Also no reasons have been provided for the material difference between he estimated and actual receipts under revenue items 1420101-Sale of Kengen shares, 1420104-Sale of Safaricom shares and 1420105-Sale of Telkom shares.

Paragraph 113: The Statement reflects receipts of Kshs 1,880,336,872.75 on item 1420201-Fees under Traffic Act, for which an amount of Kshs 698,738,367.00 was estimated. The over collection of Kshs 1,181,598,505.75 is explained in the footnotes to the Statement as due to the inclusion under this item, receipts for 1420202-Motor Drivers Licenses for which a figure of Kshs 540,770,000.00 had been estimated against nil collections. The lumping of receipts under the Traffic Revenue item with those collectable under Motor Drivers License has in the past been attributed to he fact that the Registrar of Motor Vehicles maintained one Revenue Account with the Central Bank. It has not been made clear why this issue has not been addresses.

Paragraph 114: Actual receipts of Kshs 1,880,336,872.75 under item 1420201(Fees under Traffic Act) and 1420202(Motor Drivers Licenses) as at 30 June 2008 exceeded the estimated receipts of Kshs 1,239,508,367.00 by Kshs 640,828,505.75. The over-collection has yet to be explained.



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Paragraph 115: The balance of Kshs 1,880,336,872.75 differs with the K.R.A records of Kshs 1,948,026,933.66 by Kshs 67,690,060.91. Also the figure of Kshs 1,880,336,872.75 differs with the figure of Kshs 1,911,206,136.70 reflected under revenue items 1420201 and 1420202 in the Ministry's ledger by Kshs 30,868,263.95. In addition the carried forward amount of Kshs 6,259,828.40 differs with Kshs 1,964,644,173.90 reflected in the Statement of Assets and Liabilities for Deposits 07 as at 30 June 2008 by Kshs 1,958,384,345.50. All these discrepancies are yet to be reconciled and explained.

Development Revenue-Head DR.1

Paragraph 33: The Statement of Development Revenue for Head DR.1 for the year ended 30 June 2008 reflect actual receipts of Kshs 20,003,323,148.00 or approximately 62% of the estimated collections of Kshs 32,510,144,220.00. The receipts of Kshs 20,003,323,148.00 include an amount of Kshs 6,953,548,416 received from 8 donors in respect of 18 projects which had not been provided for in the approved estimates 2007/2008. Had these unbudgeted receipts had not been received during the year, the Statement of Revenue would have reflected collections of Kshs 13,049,774,732.00. A shortfall of Kshs 19,460,369,488.00 would have been recorded.

Paragraph 34: No receipts were received during the year in respect of 58 projects against which collections of Kshs 8,273,280,102.00 were expected. It has not been explained why this weakness in budgeting for the Development Revenue has not been addressed.

Paragraph 35: The Statement shows a balance of Kshs 20,003,323,148.00 as having been paid to the Exchequer during 2007/2008 while records maintained at the Exchequer show an amount of Kshs 20,077,231,195.75. The difference of Kshs 73,908,047.75 has yet to be explained and reconciled.

Paragraph 36: The Statement shows a balance of Kshs 94,104.40 carried forward to 2008/2009. This amount differs with Kshs 23,810,724.35 reflected in the Statement of Assets and Liabilities for Deposits 07 as at 30 June 2008 by Kshs 23,716,619.95

**REVENUE HEADS ACCOUNTS OF THE GOK EXCLUDED FROM CERTIFICATE BY
CONTROLLER & AUDITOR GENERAL FOR THE FINANCIAL YEAR 2008 -2009**


Statement of Revenue Head 111000		10,097,873,709.10
- Taxes on Income, Profits, and Capital Gains	<i>Paragraph 146</i>	
	<i>Paragraph 147</i>	5,985,337,940.35
	<i>Paragraph 147</i>	3,765,965,139.10
	<i>Paragraph 148</i>	20,734,997.00
	<i>Paragraph 149</i>	3,657,184,846.84
	<i>Paragraph 149</i>	1,840,915,921.30
	<i>Paragraph 150</i>	876,805,377.90
	<i>Paragraph 150</i>	1,870,415,969.99
	<i>Paragraph 151</i>	60,489,211,087.00
		88,604,444,988.58

Statement of Revenue Head 1140000		
- Taxes on Goods and Services	<i>Paragraph 152</i>	6,575,099,029.00
	<i>Paragraph 153</i>	72,005.50
	<i>Paragraph 155</i>	1,368,450,949.65
	<i>Paragraph 156</i>	7,228,048,009.00
		8,596,498,958.65

Statement of Revenue Head 1150000 - Taxes on International Trade and Transactions	Paragraph 157	52,473,210.00	1,709,392,679.50
	Paragraph 158	793,983,774.85	
	Paragraph 159	809,506,823.55	
	Paragraph 159	53,428,871.10	

Statement of Revenue Head 1160000 - Other taxes not elsewhere classified	Paragraph 160	91,023,332.90	157,211,719.90
	Paragraph 161	66,188,387.00	

Statement of Revenue Head 1420000 - Sale of Goods and Services	Paragraph 162	7,634,661,810.45	21,884,298,796.05
	Paragraph 162	8,000,000,000.00	
	Paragraph 163	1,184,437,537.55	
	Paragraph 163	819,099,348.00	
	Paragraph 165	487,715,760.45	
	Paragraph 166	1,958,384,345.50	
	Paragraph 166	1,799,999,994.10	

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Statement of Revenue Head 1410000			
- Property Income, Sub Head 1410401-Rent of Land	<i>Paragraph 167</i>	507,311,773.95	556,986,493.00
	<i>Paragraph 167</i>	49,674,719.05	
Statement of Revenue Head 1410000			
- Sub Head 1410200-Property Income	<i>Paragraph 168</i>	218,135,600.40	7,260,328,111.45
	<i>Paragraph 168</i>	7,041,846,484.95	
	<i>Paragraph 169</i>	346,026.10	
Statement Revenue Head 1410000			
- Sub Head 1410100-Statement Of Loan Interests Receipts	<i>Paragraph 170</i>	130,099,562.24	
	<i>Paragraph 170</i>	74,226,842.00	
	<i>Paragraph 171</i>	321,344,627.86	
	<i>Paragraph 171</i>	219,704,222.39	
	<i>Paragraph 172</i>	32,300,691.90	
	<i>Paragraph 173</i>	3,778,049,210.38	
	<i>Paragraph 173</i>	10,160,506,075.60	
	<i>Paragraph 173</i>	12,989,332,887.10	

	Paragraph 173	907,967,764.00	28,613,531,883.47
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Revenue Head 1450000 - Other Receipts Not Classified Elsewhere	Paragraph 174	245,839.00	
	Paragraph 175	3,673,720,021.75	
	Paragraph 176	1,734,580,777.55	
	Paragraph 177	2,742,882,215.85	
	Paragraph 177	1,781,318,602.55	

Statement of Revenue Head 4510000 - Repayments from Domestic Lending and On- Lending	Paragraph 178	3,199,842,881.68	
	Paragraph 179	3,158,866,135.58	
	Paragraph 179	2,573,879,187.63	
	Paragraph 180	996,140.90	
	Paragraph 181	2,234,751,667.59	
	Paragraph 182	13,661,237,087.25	
	Paragraph 187	2,924,718,696.00	
	Paragraph 188	7,596,649,741.00	
	Development Revenue DR.1		

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MGK 006

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<i>Paragraph 190</i>	815,787,251.35		
<i>Paragraph 191</i>	14,540,786,094.10		
AMOUNTS QUERIED BY AUDITOR GENERAL ON REVENUE ACCOUNTS			22,953,223,086.45
			215,098,237,274.38

Detailed Reasons why revenue heads accounts of the GOK excluded from certificate by Controller & Auditor General for the financial year 2008 -2009

Extracts from the Controller and Auditor General's report for the Government of Kenya Accounts for the financial year 2008 - 2009

Statement of Revenue Head 111000 - Taxes on Income, Profits, and Capital Gains

Paragraph 146: Taxes on Income, Profits, and Capital Gains for the year ended 30th June 2009 reflects actual receipts of Kshs 184,446,777,305.90 while the records maintained by the Kenya Revenue Authority (K.R.A) reflect actual receipts of Kshs 194,544,651,051.00 This difference of Kshs 10,097,873,709.10 has not been reconciled.

Paragraph 147: Income share of Local Authority Transfer Fund (LATF) reflects actual receipts of Kshs 9,751,303,079.45, records at K.R.A show nil collections. This amount of actual receipts also differs with the amount Kshs 5,985,337,940.35 that appears in the ledgers. The differences between the three sets of records have yet to be explained and reconciled.

Paragraph 148: The statement of Revenue reflects that payments of Kshs 9,214,929,938.00 were made to various Local Authorities across the country during the year. Records maintained at the Central Bank of Kenya indicate that the same payments totaled Kshs 9,235,664,935.00. The difference of Kshs 20,734,997.00 has yet again to be reconciled and explained.

Paragraph 149: The statement of Revenue reflects a balance brought forward from 2007/2008 in respect of PAYE and Other income taxes of Kshs 4,035,921,861.19. The balance differs with the carried forward amount of Kshs 378,737,014.35 against the same item in the audited statement for 2007/2008 by Kshs 3,657,184,846.84. The statement also shows a difference in the amount carried forward from 2007/2008 in respect of the income share of LATF. The balance carried forward was Kshs 4,611,100,421.00, the amount in the audited statement was 2,770,184,499.70 and the difference is Kshs 1,840,915,921.30. The above differences have not been reconciled and explained.

Paragraph 150: The statement of Revenue shows a carried forward balance of Kshs 5,108,532,562.45 in respect of Income share of LATF. The statement of assets and Liabilities for Deposits 07 as at 30th June 2009 reflects a figure of Kshs 5,985,337,940.35 The difference of Kshs 876,805,377.90 has not been explained or reconciled. The amount of Kshs 5,108,532,562.45 also differs with the reconciled LATF cashbook balance of Kshs 3,238,116,592.46 as at 30th June 2009. The difference here has also not been reconciled or explained.

Paragraph 151: The statement of arrears of revenue due as at 30 April 2009 and uncollected as at 30 June 2009 reflect a balance of Kshs 3,723,039,311.00 on PAYE and Kshs 56,766,171,776.00 on Other Income tax totaling Kshs 60,489,211,087.00. The arrears have not been collected and the two balances have not been supported with relevant records. Their accuracy and completeness has not been ascertained.

Statement of Revenue Head 1140000 – Taxes on Goods and Services

Paragraph 152: The Statement of Revenue Head 1140000 – Taxes on Goods and Services for the year ended 30th June 2009 reflects actual receipts of Kshs 196,726,120,891.00, comprising of VAT-Local and VAT-Imports and Excise Taxes. Records at the KRA show total receipts of Kshs 190,151,021,826.00. The difference of Kshs 6,575,099,029.00 between the two sets of records is yet to be explained and reconciled.

Paragraph 153: The Statement of Revenue Head 1140000 – Taxes on Goods and Services for the year ended 30th June 2009 reflects payments of Kshs 196,726,120,891.00 made to the exchequer. Records maintained at the Exchequer Section, Treasury on the other hand shows a figure of Kshs 196,726,192,896.50. The resultant difference of Kshs 72,005.50 has not been reconciled or explained.

Paragraph 155: The Statement shows an overpayment of Kshs 2,231,386,644.30 to the Exchequer as at 30 June 2009 while the Statement of Assets and Liabilities for Deposits 07 as at the same date shows an amount of Kshs 862,935,694.65. The difference of Kshs 1,368,450,949.65 has not been explained and reconciled.

Paragraph 156: The Statement of Arrears of Revenue reflects a balance of Kshs 7,228,048,009.00 in respect of Arrears of Revenue due as at 30 April 2009 and uncollected as at 30 June 2009, made up of VAT Kshs 7,108,154,172.00 and Excise taxes Kshs 119,893,837.00.

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MGK 007

The statement does not separately show arrears in respect of 2007/2008 and earlier years, **contrary to the requirements of Section 11.9.2 (a) of Government Financial Regulations and Procedures**. Further no reasons have been provided for failure to collect the arrears.

Statement of Revenue Head 1150000 – Taxes on International Trade and Transactions

Paragraph 157: The Statement of Revenue Head 1150000 – Taxes on International Trade and Transactions for the year ended 30 June 2009 reflects receipts of Kshs 51,131,413,788.00 which include customs duties and other taxes on international trade and transactions. The records maintained at the KRA show receipts of Kshs 51,183,886,998.00. The difference of Kshs 52,473,210.00 has not been explained or reconciled

Paragraph 158: The Statement reflects a balance brought forward of Kshs 53428871.10 while the audited Statements for 2007/2008 shows a balance at hand of Kshs 847,412,645.95 as at 30 June 2008. This discrepancy has not been explained or reconciled.

Paragraph 159: The statement reflects a revenue on hand balance of Kshs 53,428,871.10 which differs with the figure of Kshs 862,935,694.65 reflected in the Statement of Assets and Liabilities deposits 07 as at 30 June 2009 by Kshs 809,506,823.55. The difference has not been explained or reconciled and it has not been clarified why the balance of Kshs 53,428,871.10 has not been surrendered to the exchequer as at 30 June 2009

Statement of Revenue Head 1160000 – Other taxes not elsewhere classified

Paragraph 160: The Statement of Revenue Head 1160000 – Other taxes not elsewhere classified for the year ended 30 June 2009 reflects actual receipts of Kshs 4,669,685,264.10 while records at the KRA show receipts of Kshs 4,760,708,597.00. The difference of Kshs 91,023,332.90 has not been explained or reconciled.

Paragraph 161: The statement reflects a debit balance brought forward from 2007/2008 of Kshs 2,626,344.70 which differs from the amount shown in the audited statement for that year by Kshs 66,188,387.00. This difference has not been explained or reconciled.

Statement of Revenue Head 1420000 - Sale of Goods and Services

Paragraph 162: The Statement of Revenue Head 1420000 - Sale of Goods and Services for the year ended 30 June 2009 reflects actual receipts Kshs 2,656,240,663.55 against estimated collections of Kshs 10,290,902,474.00. This resulted in an under collection of Kshs 7,634,661,810.45. The under collection occurred under item 1420109-Other receipts where no receipts were realized against an estimate of Kshs 8,000,000,000.00.


Paragraph 163: The Statement reflects receipts of Kshs 2,656,240,663.55 under item 142021-Fees under Traffic Act, against estimated collection of Kshs 1,471,803,126.00. This resulted in an over collection of Kshs 1,184,437,537.55. According to the footnotes the over-collection was caused by the inclusion under this item, receipts for item 1420202 - Motor Drivers Licenses, for which an amount of Kshs.819,099,348.00 had been estimated but nil was realized.

Paragraph 164: As similarly observed in 2007/2008, the lumping up of receipts under Traffic Revenue item with those collectable under Motor Drivers licenses has been attributed to the fact that the Registrar of Motor Vehicles maintained during the year one Revenue Account with the Central Bank of Kenya. **No action however has been taken to have the revenue collected under Revenue Head 1420000 - Sale of Goods and Services properly accounted in accordance with the Estimates of Revenue for 2008/2009.**

Paragraph 165: The revenue receipts of Kshs 2,656,240,663.55 differ with the figures reflected in the KRA records of Kshs 3,143,956,424.00. The difference of Kshs 487,715,760.45 has not been explained or reconciled.

Paragraph 166: The Statement reflects a balance brought forward of Kshs.1,964,644,173.90, while the audited Statement for 2007/2008 shows an amount of Kshs.6,259,828.40.00. The Statement also reflects a carried forward balance of kshs.1,964,644,179.80 as at 30 June 2009, while the Statement of Assets and Liabilities for Deposits 07 as at the same date shows a figure of Kshs.3,764,644,173.90 against the item. No reconciliation or explanation has been provided for these discrepancies

Statement of Revenue Head 1410000 - Property Income, Sub Head 1410401-Rent of Land


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MGK 007

Paragraph 167: The Statement-of Revenue Head for 1410000 - Sub Head 1410401, Rent of Land for the year ended 30 June 2009 reflects actual receipts of Kshs.1,135,342,883.05 against estimated receipts of Kshs.1,642,654,657.00, resulting in a deficiency of Kshs.507,311,773.95. Also the actual receipts of Kshs.1,135,342,883.05 differ with the Kenya Revenue Authority total figure of Kshs.1,085,668,164.00, by KShs.49,674,719.05. The difference has not been reconciled or explained.

Statement of Revenue Head 1410000 - Sub Head 1410200-Property Income

Paragraph 168: The Statement-of Revenue Head for 1410000 - Sub Head 1410200, Property Income for the year ended 30 June 2009 reflects Kshs 7,136,798,375.55 paid to the exchequer during the year. Records maintained at the Exchequer shows a figure of Kshs 6,918,662,775.15 against the same item. The ledger on the other hand shows a balance Kshs 94,951,890.60. The differences between the three sets have yet to be explained or reconciled.

Paragraph 168: The Statement reflects a balance carried forward of Kshs 107,036.05 to 2009/2010 which differs with the amount Kshs 453,062.15 shown against Investment Revenue in the Statement of Assets and Liabilities The difference of Kshs 346,026.10 has not been reconciled nor explained.

Revenue Head 1410000 - Sub Head 1410100-Statement Of Loan Interests Receipts

Paragraph 170: The Statement-of Revenue Head for 1410000 - Sub Head 1410100-Loan Interests Receipts from Domestic and On-lending for the year ended 30 June 2009 reflects actual receipts of Kshs 1,242,526,372.24 against an estimated collection of Kshs 1,112,426,810.00. This resulted in an over collection of Kshs 130,099,562.24. The over collection has been attributed to an amount of Kshs 74,226,872.99 received from five institutions from which nil amounts were expected.

Paragraph 171: The Statement shows payments totaling Kshs 1,242,526,372.24 to the Exchequer while records maintained at the Treasury show a figure of Kshs 1,563,871,000.10 showing a difference of Kshs 321,344,627.86 between the two sets of records. The

figure of Kshs 1,242,526,372.24 is also different from the amount of Kshs 1,022,822,149.85 reflected in the Ministry's ledger. Again the differences between the three sets of records are yet to be reconciled and explained.

Paragraph 172: The statement also does not reflect any balance on hand as at 30 June 2009, while the statement of Assets and Liabilities for Deposits 07 as the same date shows an amount of Kshs 32,300,691.90. No reason has been provided for the discrepancies.

Paragraph 173: The statement of Arrears of revenue shows that during the year arrears increased by amount of Kshs 3,778,049,210.38 from Kshs 28,196,845,114.99 as at 30 June 2008 to Kshs 31,974,894,425.37 as at 30 June 2009. The 13% increase has been attributed to arrears not been received from the Horticultural Development Authority (HCDA), Agro-chemical and Food Company Ltd and Catering Levy Trustee. Also significant arrears of revenue of Kshs.10,160,506,075.60, Kshs.12,989,332,887.10 and Kshs.907,967,764.00 brought forward from 2007/2008 and earlier years in respect of Nairobi City Council, Kenya Railways Corporation and National Water Conservation and Pipeline were not been recovered. The Ministry is not showing an indication of addressing the persistent upward trend of arrears of revenue.

Revenue Head 1450000 - Other Receipts Not Classified Elsewhere

Paragraph 174: The Statement-of Revenue Head 1450000 - Other receipts not classified elsewhere for the year ended 30 June 2009 shows actual receipts of Kshs 4,431,514,947.80 while the ledger for the Month of June 2009 shows a figure of Kshs 4,431,760,786.80. The difference of Kshs 245,839.00 between the two sets of records has yet to be explained and reconciled.

Paragraph 175: Payments to the Exchequer totaled Kshs 4,431,289,958.05 which differ with the amount of Kshs 8,105,009,979.80 reflected in the records maintained at the Exchequer in Treasury by Kshs 3,673,720,021.75. This difference, as in all other instances has yet to be explained and reconciled.

Paragraph 176: The statement reflects a balance brought forward of Kshs 1,781,093,612.80 while the audited statement for 2007/2008 shows a balance carried forward of Kshs 46,512,835.25. The difference has not been explained.


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M&K 007

Paragraph 177: The statement shows an amount of **Kshs 1,781,318,602.55** against a balance carried forward as at 30 June 2009 which is different by a figure of **Kshs 2,742,882,215.85** with the balance of **Kshs 961,563,613.30** reflected under Miscellaneous Revenue in the Statement of Assets and Liabilities for Deposits 07 for 2008/2009. The difference has not been explained or reconciled. Also no reason has been given for the failure to remit to the exchequer the balance of **Kshs 1,781,318,602.55** as at 30 June 2009.

Statement of Revenue Head 4510000 - Repayments from Domestic Lending and On-Lending

Paragraph 178: The Statement-of Revenue Head 4510000 - Repayments from Domestic Lending and on lending for the year ended 30 June 2009 shows actual receipts of **Kshs 3,838,118,511.68** against estimated collections of **Kshs 638,275,630.00**. This resulted in an over collection of **Kshs 3,199,842,881.68**. This amount includes **Kshs 2,556,250,000.00** received from Telkom Kenya and two local financial institutions, where nil amounts were expected during the year.

Paragraph 179: The Statement reflects payments to the Exchequer totaling **Kshs 3,838,118,511.68** as at 30 June 2009. The records maintained at the Exchequer show receipts of **Kshs 679,252,376.10**. The ledger on the other hand shows a figure of **Kshs 1,264,239,324.05**. No reconciliation or explanation for the differences in the three records has been provided.

Paragraph 180: The Statement reflects nil cash balance as at 30 June 2009, while on the other hand Statement of Assets and Liabilities for Deposits 07 shows an amount of **Kshs 996,140.90**. No reconciliation or explanation has been given.

Paragraph 181: The Statement of arrears of Revenue due as at 30 April 2009 and uncollected as at 30 June 2009 shows an increase of arrears in revenue by **Kshs 2,234,751,667.59** from **Kshs 11,426,485,419.96** as at 30 June 2008 to **Kshs 13,661,237,087.25**. According to available information the increase was attributed to arrears from five organizations including Coffee Board of Kenya, Horticultural Development Authority, Catering Levy Trustee and Pyrethrum Board of Kenya, all which were experiencing financial difficulties during the year.

Paragraph 182: Total arrears of **Kshs 13,661,237,087.25** which includes a large amount of **Kshs 11,143,073,607.33** owed by five institutions Nairobi City Council, Agricultural Finance Corporation, Kenya Railways Corporation, Agro-Chemical and Food Company Ltd and Horticultural Development Authority.

Paragraph 183: It has been indicated in the past that measures have been taken to ensure that the various institutions and organizations that have been mentioned above repay the loans promptly. Limited success appears to have been recorded during the year.

Statement of Development Revenue DR.1

Paragraph 187: The statement of Development revenue DR 1 for the year ended 30 June 2009 shows actual receipts amounting to Kshs 21,919,680,971.00 representing approximately 66%. Of the estimated collections of Kshs.33, 214,982,317.00.00 The receipts however include amounts of KShs.2, 924,718,696.00 received from eight (8) donors/lenders in respect of fifteen projects which had not been provided for in the approved estimates for 2008/2009. Had these unbudgeted for receipts not been received, the Statement would have reflected reduced collections of Kshs.18,994,962,275.00 or about 57% of the estimated total receipts of Kshs.33,214,982,317.00.

Paragraph 188: No receipts were received during the year in respect of sixty six projects against which collection of Kshs 7,596,649,741.00 were expected. The same was observed in 2007/2008. It has not been explained why the weaknesses in the budgeting for Development have not been addressed.

Paragraph 189: The reasons for the differences between the estimated and the actual receipts in respect to fifty eight projects were also not provided in the statement.

Paragraph 190: The statement shows a balance of Kshs 21,919,680,971.00 as having been paid to the exchequer during 2008/2009. Records maintained at the exchequer in Treasury show an amount of Kshs 21,103,893,719.65. The difference of Kshs 815,787,251.35 between the two records has yet to be explained and reconciled.

Paragraph 191: Actual receipts of Kshs 21,919,775,075.40 shown in the Statement differ significantly with the amount of Kshs 36,460,561,169.50 shown in the Ministry's ledger for the month of June 2009. As in all other instances the difference of Kshs 14,540,786,094.10 has yet to be reconciled and explained.

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MGK 007

**REVENUE HEADS ACCOUNTS OF THE GOK EXCLUDED FROM CERTIFICATE BY
CONTROLLER & AUDITOR GENERAL FOR THE FINANCIAL YEAR 2009 -2010**

Statement of Revenue Head 111000			
- Taxes on Income, Profits, and Capital Gains			
	Paragraph 198	8,154,215.60	
	Paragraph 199	128,258,579.77	
	Paragraph 199	10,095,171,246.73	
	Paragraph 200	4,629,695,487.00	
	Paragraph 200	10,000,000.00	
	Paragraph 201	4,013,094,970.04	
	Paragraph 201	4,013,094,970.69	
	Paragraph 202	1,870,415,969.99	
	Paragraph 203	3,142,067,001.36	
	Paragraph 203	76,372,433.55	
	Paragraph 204	76,967,037,231.00	104,953,362,105.73

Annex MGK 008

Statement of Revenue Head 1140000	Paragraph 170	619,415,211.05	
- Taxes on Goods and Services	Paragraph 171	862,935,623.85	

MGK 008 (39)

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MGK 008

Paragraph 172	5,260,583,761.00	6,742,934,595.90
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Statement of Revenue Head 1150000		
- Taxes on International Trade and Transactions		
Paragraph 173	191,329,010.55	
Paragraph 174	76,202,113.65	
Paragraph 175	733,304,709.10	1,000,835,833.30

Statement of Revenue Head 1160000		
- Other taxes not elsewhere classified		
Paragraph 177	34,133,846.35	
Paragraph 178	10,164,614.70	
Paragraph 179	2,626,420.40	
Paragraph 179	2,626,410.40	49,551,291.85

Statement of Revenue Head 1420000		
- Sale of Goods and Services		
Paragraph 205	7,044,010,933.95	
Paragraph 206	237,785,478.95	
Paragraph 207	527,473,366.95	
Paragraph 208	1,799,999,994.10	9,609,269,773.95

Statement of Revenue Head 1410000 - Property Income	Paragraph 181	312,798,113.80	376,864,043.00
	Paragraph 181	64,065,929.20	

Statement of Revenue Head 1210000 - Social Security Contributions	Paragraph 180	738,949,512.25	1,080,000,000.00
	Paragraph 180	341,050,487.75	

Statement Revenue Head 1410000 - Sub Head 1410100-Statement Of Loan Interests Receipts	Paragraph 182	566,219,632.70	31,664,770,647.22
	Paragraph 183	298,813,111.95	
	Paragraph 183	607,771,293.20	
	Paragraph 184	32,300,691.90	
	Paragraph 185	1,440,685,572.22	
	Paragraph 185	10,160,506,075.60	
	Paragraph 185	12,989,332,887.10	
	Paragraph 185	3,196,553,616.00	
	Paragraph 185	2,372,587,766.55	

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MGK 008

Revenue Head 1450000	
- Other Receipts Not Classified Elsewhere	
Paragraph 188	717,588,262.25
Paragraph 189	7,561,961.45
Paragraph 190	1,559,908,406.85
Paragraph 191	739,928,416.65
Paragraph 191	221,410,195.70
	3,246,397,242.90

Statement of Revenue Head 4510000	
- Repayments from Domestic Lending and On- Lending	
Paragraph 192	600,428,900.50
Paragraph 193	336,156,990.45
Paragraph 194	996,140.90
Paragraph 195	860,904,595.85
Paragraph 196	11,183,241,623.26
Paragraph 165	1,495,736,828.00
Paragraph 165	16,398,152,944.00
Paragraph 166	10,122,518,384.00
Paragraph 167	21,624,047,061.00
Paragraph 168	22,734,331.95
	12,981,728,250.96
Development Revenue DR.1	
-	
-	
-	
-	

67,557,079,320.95

17,893,889,772.00

Paragraph 169

AMOUNTS QUERIED BY AUDITOR
GENERAL ON REVENUE ACCOUNTS

239,262,793,105.76

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[Signature]

STATEMENT OF REVENUE HEAD 1140000 – TAXES ON GOODS AND SERVICES

170. The Statement of Revenue for Head 1140000 – Taxes on Goods and Services for the year ended 30 June 2010 reflects total actual receipts of Kshs.216,082,775,103.05, made up of amounts of Kshs.78,859,162,401.45, Kshs.63,111,534,882.80 and Kshs.74,112,077,818.80 under VAT – Local, VAT – Imports and Excise Taxes respectively. Records maintained at the Kenya Revenue Authority however show total receipts of Kshs.215,463,359,892.00 during the period. The resultant difference of Kshs.619,415,211.05 between the two sets of records has not been reconciled or explained.

171. The Statement also reflects a Revenue On Hand balance of Kshs.2,231,386,644.30 as at 30 June 2010, while the Statement of Assets and Liabilities for Deposits 07 as at the same date shows an amount of Kshs.1,368,451,020.45 against the item. As in the previous instance, the difference of Kshs.862,935,623.85 between the two sets of records has not been reconciled or explained.

172. The Statement of Arrears of Revenue reflects a balance of Kshs.5,260,583,761.00 in respect of arrears due as at 30 April 2010 and uncollected as at 30 June 2010, comprising VAT and Excise arrears of Kshs.5,157,624,334.00 and Kshs.102,959,427.00 respectively. No reasons have been provided for failure to collect the arrears. Further, and as similarly noted in 2008/2009, the Statement does not also separately show arrears in respect of 2008/2009 and earlier years, contrary to the requirement of the Government Financial Regulations and Procedures.

STATEMENT OF REVENUE HEAD 1150000 - TAXES ON INTERNATIONAL TRADE AND TRANSACTIONS

173. The Statement of Revenue for Head 1150000-Taxes on International Trade and Transactions for the year ended 30 June 2010 reflects receipts of Kshs.57,205,803,597.55, which include Custom Duties and Other Taxes on International Trade and Transactions balances of Kshs.41,271,116,477.55 and Kshs.15,934,687,120.00 respectively. However, records maintained in respect of the Revenue Head by the Kenya Revenue Authority show receipts of Kshs.57,014,474,587.00, resulting in a difference of Kshs.191,329,010.55. The difference has not been reconciled or explained.

174. The Statement also reflects a Balance Brought Forward of Kshs.129,630,984.75, while the audited Statement for

2008/2009 shows a Balance on Hand of Kshs.53,428,871.10 as at 30 June 2009. As in the previous instance, the difference of Kshs.76,202,113.65 has not been reconciled or explained.

175. The Statement further reflects a Revenue on Hand balance of Kshs.129,630,984.75, which however differs by a figure of Kshs.733,304,709.10 from the amount of Kshs.862,935,693.85 reflected in the Statement of Assets and Liabilities for Deposits 07, as at 30 June 2010. Again, the difference has not been reconciled or explained. In addition, and as in the previous year, it has not been clarified why the significant balance of Kshs.129,630,984.75 had not been surrendered to the Exchequer as at 30 June 2010.

176. The Statement of Revenue for 2009/2010 does not show details of Arrears of Revenue uncollected as at 30 June 2010, contrary to the Government Financial Regulations and Procedures.

STATEMENT OF REVENUE HEAD 1160000 - OTHER TAXES NOT ELSEWHERE CLASSIFIED

177. The Statement of Revenue for Head 1160000 - Other Taxes (Not Elsewhere Classified) for year ended 30 June 2010 reflects actual receipts totalling Kshs.5,365,782,408.35 realized during the year, while records maintained at the Kenya Revenue Authority show collections of Kshs.5,331,648,562.00 against the Head. The resultant difference of Kshs.34,133,846.35 between the two sets of records has not been reconciled or explained.

178. The Statement also reflects payments to Exchequer amounting to Kshs.5,365,782,408.35, while records maintained at the Exchequer Section, Treasury show a figure of Kshs.5,355,617,793.65 against the item. The difference of Kshs.10,164,614.70 has not been reconciled or explained.

179. The Statement further reflects a debit balance of Kshs.75.70 brought forward from 2008/2009 which differs from the credit figure of Kshs.2,626,344.70 shown in the audited Statement for that year, by a figure of Kshs.2,626,420.40.

Similarly, the difference has not been reconciled or explained. The Statement in addition shows a Revenue On Hand debit balance of Kshs.75.70 as at 30 June, 2010, while the Statement of Assets and Liabilities for Deposits 07 as at the same date reflects a figure of Kshs.2,626,334.70 against the item. As in the previous instances, the difference of Kshs.2,626,410.40 has not been reconciled or explained.

STATEMENT OF REVENUE HEAD 1210000 - SOCIAL SECURITY CONTRIBUTIONS

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AB

180. The Statement of Revenue for Head 1210000 – Social Security Contributions for the year ended 30 June 2010 reflects actual receipts of Kshs.341,050,487.75 against estimated collections of Kshs.1,080,000,000.00, resulting in an under- collection of Kshs.738,949,512.25 or approximately 68% of the estimated amount. The under-collection has been attributed to the lumping up together of Social Security Contributions with receipts relating to Income Tax from individuals, i.e Pay As You Earn (PAYE) by various Government Agencies. No action however appears to have been taken during the year to address this anomaly. Further, and although the Statement shows actual receipts of Kshs.341,050,487.75 as at 30 June 2010, the Ministry's ledger for the month of June 2010 reflects nil collections. No reason has been provided for the significant difference of Kshs.341,050,487.75 between the two sets of records.


STATEMENT OF REVENUE HEAD 1410000 – PROPERTY INCOME, RENT OF LAND

181. The Statement of Revenue for Head 1410000 – Rent of Land for the year ended 30 June 2010 reflects actual receipts of Kshs.1,111,099,171.20 against estimated receipts of Kshs.1,423,897,285.00, resulting in a deficiency of Kshs.312,798,113.80 or approximately 22% of the estimated receipts. According to the footnote provided, the under-collection was caused by fewer transactions of land during the year. Further, the actual receipts of Kshs.1,111,099,171.20 differ from the Kenya Revenue Authority total figure of Kshs.1,047,033,242.00, by Kshs.64,065,929.20. This difference has not been reconciled or explained.

STATEMENT OF REVENUE HEAD 1410000 – SUB HEAD 1410100, LOAN INTEREST RECEIPTS

182. The Statement of Revenue for Head 1410000, Sub-Head 1410100 – Loan Interest Receipts from Domestic and On-lending for the year ended 30 June 2010 reflects actual receipts of Kshs.681,280,367.30 against estimated receipts of Kshs.1,247,500,000.00, resulting in an under-collection of Kshs.566,219,632.70 or approximately 45% of the estimated amount. According to information available, the under-collection was mainly recorded under Kenya Power & Lighting Co. Ltd, Cooperative Bank of Kenya and K-Rep Bank Ltd. However, no reasons have been provided for the material difference between the approved estimated receipts and actual receipts.

183. The Statement also reflects payments to the Exchequer totalling Kshs.681,280,367.30 as at 30 June 2010, while


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records maintained at the Treasury show a figure of Kshs.382,467,255.35 against the item. The difference of Kshs.298,813,111.95 between the two sets of records has not been reconciled or explained. Further, the figure of Kshs.681,280,367.30 also differs from the amount of Kshs.73,509,074.10 reflected in the Ministry's Ledger for the month of June 2010, by Kshs.607,771,293.20. Again, the difference has not been reconciled or explained.

184. The Statement does not reflect any balance on hand as at 30 June 2010, while the Statement of Assets and Liabilities for Deposits 07 as at the same date shows an amount of Kshs.32,300,691.90 against the item. No explanation has been provided for the discrepancy.

185. The Statement of Arrears of Revenue indicates that during the year, arrears of revenue increased by an amount of Kshs.1,440,685,572.22, from Kshs.31,974,894,425.37 as at 30 June 2009 to Kshs.33,415,579,997.59 as at 30 June 2010. The increase was mainly attributed to substantial arrears not having been received from the National Irrigation Board, Kenya Power and Lighting Company, Horticultural Crop Development Authority and Meru Central Farmers Co-operative Union. Further, significant arrears amounting to Kshs.10,160,506,075.60, Kshs.12,989,332,887.10, Kshs.3,196,553,616.00 and Kshs.2,372,587,766.55 brought forward from 2008/2009 and earlier years against Nairobi City Council, Kenya Railways Corporation, Agro-Chemical and Food Co. Ltd and Horticultural Crop Development Authority (HCDA) respectively amongst others, were not recovered during the year.

STATEMENT OF REVENUE HEAD 1410000 – SUBHEAD 1410200, PROPERTY INCOME

186. The Statement of Revenue for Head 1410000, Sub Head 1410200 – Property Income for the year ended 30 June 2010 reflects a balance of Kshs.1,523,997,092.15 as having been paid over to the Exchequer during the year, while records maintained at the Exchequer Section, Treasury show a figure of Kshs.8,353,986,805.60 against the item. The Ledger for the month of June 2010 on the other hand reflects nil receipts. The differences between the three sets of records have not been reconciled or explained.

187. The Statement also reflects a carried forward balance of Kshs.107,036.05, which however differs from the figure of Kshs.1,028,478,346.78 shown against Investment Revenue in the Statement of Assets and Liabilities for Deposits 07 as at 30 June 2010. As in the previous instance, the difference between the two sets of records has not been reconciled or explained.

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STATEMENT OF REVENUE HEAD 1450000 – OTHER RECEIPTS NOT CLASSIFIED ELSEWHERE

188. The Statement of Revenue for Head 1450000 – Other Receipts Not Classified Elsewhere for year ended 30 June 2010 reflects actual receipts of Kshs.6,469,984,720.60, while the Ledger as at the same date shows a figure of Kshs.5,752,396,458.35. The difference of Kshs.717,588,262.25 between the two sets of records has not been reconciled or explained.

189. The Statement also reflects payments to the Exchequer totalling Kshs.6,469,984,720.60 as at 30 June 2010, while the Exchequer records show an amount of Kshs.6,477,546,682.05 as at the same date. As in the previous instance, the difference of Kshs.7,561,961.45 has not been reconciled or explained.

190. The Statement further reflects a balance brought forward of Kshs.221,410,195.70, while the audited Statement for 2008/2009 shows a figure of Kshs.1,781,318,602.55 as carried forward. The discrepancy has not been reconciled or explained.

191. The Statement in addition shows an amount of Kshs.221,410,195.70 against balance carried forward as at 30 June 2010, which differs by a figure of Kshs.739,928,416.65 from the debit balance of Kshs.961,338,612.35 reflected under Miscellaneous Revenue in the Statement of Assets and Liabilities for Deposits 07 as at the same date. Again, the difference has not been reconciled or explained. In addition, and as in the previous years, no reason has been provided for failure to remit to the Exchequer the significant balance of Kshs.221,410,195.70 as at 30 June 2010.

STATEMENT OF REVENUE HEAD 4510000 – REPAYMENTS FROM DOMESTIC LENDING AND ON-LENDING

192. The Statement of Revenue for Head 4510000 – Repayments from Domestic Lending and On-lending for the year ended 30 June 2010 reflects actual receipts of Kshs.907,641,449.50 against estimated collections of Kshs.1,508,070,350.00 resulting in an under-collection of Kshs.600,428,900.50 representing approximately 39% of the estimated receipts. No reason has however been provided for the material difference between the estimated and the actual receipts.

193. The Statement also reflects payments to the Exchequer totalling Kshs.907,641,449.50 as at 30 June 2010, while

records maintained at the Exchequer Section in Treasury show receipts of Kshs.571,484,459.05. The difference of Kshs.336,156,990.45 between the two sets of records has not been reconciled or explained.

194. The Statement reflects nil cash balance as at 30 June 2010, while the Statement of Assets and Liabilities for Deposits 07 as at the same date shows an amount of Kshs.996,140.90 against the Head. No reconciliation or explanation has been provided for the discrepancy.

195. The Statement of Arrears of Revenue due and uncollected as at 30 June 2010 indicates that arrears of revenue increased by an amount of Kshs.860,904,595.85, from Kshs.13,661,237,087.25 as at 30 June 2009 to Kshs.14,522,141,683.10 as at 30 June 2010. The increase is mainly attributed to arrears due from five (5) organizations/institutions including Kenya Power and Lighting Company, Coffee Board of Kenya, Agro Chemical and Food Company Limited, Pyrethrum Board of Kenya and Meru Central Farmers Co-operative Union, all of which were indicated as having been experiencing financial problems during the year.

196. The total Arrears of Revenue of Kshs.14,522,141,683.10 includes substantial balances totalling Kshs.11,183,241,623.26 owed by various organizations/institutions including; Nairobi City Council, Agricultural Finance Corporation, Kenya Railways, Agro-chemical & Food Co. Ltd and the Horticultural Development Authority.

197. Although indications are that efforts are being made to ensure that the organizations/institutions repay the loans as and when they fall due, no meaningful progress appears to have recorded in this regard during the year.

STATEMENT OF REVENUE HEAD 1110000 – TAXES ON INCOME, PROFITS AND CAPITAL GAINS

198. The Statement of Revenue for Head 1110000 – Taxes on Income, Profits and Capital Gains for the year ended 30 June 2010 reflects actual receipts of Kshs.209,098,248,366.20 made up of Kshs.115,448,284,656.35 in respect of Income Tax from Individuals (PAYE) and Kshs.93,649,963,709.85 under Income Tax from Corporations (Other Income Tax). Records maintained by the Kenya Revenue Authority however show total receipts of Kshs.209,090,094,150.60 comprising Kshs.114,562,975,456.80 and Kshs.94,527,118,693.80 relating to PAYE and Other Income Tax respectively. The resultant difference of Kshs.8,154,215.60 between the two sets of records has not been reconciled or explained.

199. The Statement also reflects Income Share of Local Authority Transfer Fund (LATF) actual receipts of Kshs.10,876,483,217.63, while records maintained by the Kenya Revenue Authority show receipts of Kshs.11,004,741,797.40. The difference of Kshs.128,258,579.77 has not been reconciled or explained. The actual

receipts of Kshs.10,876,483,217.63 also differ from the amount of Kshs.781,311,970.90 appearing in the Ledger for the month of June 2010, by Kshs.10,095,171,246.73. As in the previous instance, the difference has not been reconciled or explained.

200. The Statement further reflects payments totalling Kshs.10,324,234,520.00 made to various Local Authorities in respect of LATF during the year. However, records maintained by the Ministry and the Ministry of Local Government and other information available at the Central Bank of Kenya (CBK), on the other hand, indicate that such payments totalled Kshs.14,953,930,007.00, Kshs.10,932,331,390.84 and Kshs.10,435,963,542.00 respectively, during the period. As in the previous instances, the differences have not been reconciled or explained. Similarly, the Statement shows payments amounting to Kshs.42,000,000.00 against various administrative costs incurred by the Ministry of Local Government, while the Ministry's Cashbook and records maintained at CBK indicate that such payments totalled Kshs.52,000,000.00 during the period. Again, the difference of Kshs.10,000,000.00 has not been reconciled or explained.

201. The Statement in addition reflects a balance of Kshs.22,826,891.15 brought forward from 2008/2009 in respect of PAYE and Other Income Tax. The balance however differs with the carried forward amount of Kshs.4,035,921,861.19 against the same item in the audited Statement for 2008/2009, by Kshs.4,013,094,970.04. The Statement also reflects a carried forward balance of Kshs.22,826,891.15, while the Statement of Assets and Liabilities for Deposit 07 as at 30 June 2010 reflects a balance of Kshs.4,035,921,861.84. The difference of Kshs.4,013,094,970.69 between the two sets of figures has not been reconciled or explained.

202. The Statement further shows a balance of Kshs.3,238,116,592.46 in respect of Income Share of LATF brought forward from 2008/2009, which similarly differs from the carried forward amount of Kshs.5,108,532,562.45 against the same item in the audited Statement for 2008/2009, by Kshs.1,870,415,969.99. Again, the difference has not been reconciled or explained.

203. The Statement shows a carried forward balance of Kshs.3,748,365,290.09 in respect of Income Share of LATF, while the Statement of Assets and Liabilities for Deposits 07 as at 30 June 2010 reflects a figure of Kshs.6,890,432,291.45 against the item. The difference of Kshs.3,142,067,001.36 has, as in the previous instances, not been reconciled or explained. The amount of Kshs.3,748,365,290.09 further differs by Kshs.76,372,433.55 from the reconciled LATF Cashbook balance of Kshs.3,824,737,723.64 at 30 June 2010.

204. The Statement of Arrears of Revenue due as at 30 April 2010 and uncollected as at 30 June 2010 reflects a balance

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of Kshs.76,967,037,231.00, made up of arrears of PAYE and Other Income Tax of Kshs.2,394,314,664.00 and Kshs.74,572,722,567.00 respectively. Apart from failure to collect the arrears, these two particular balances have not been analysed or supported with the relevant records and as a result, their completeness and accuracy could not be ascertained.

STATEMENT OF REVENUE HEAD 1420000 – SALE OF GOODS AND SERVICES

205. The Statement of Revenue for Head 1420000 – Sale of Goods and Services for the year ended 30 June 2010 reflects actual receipts totalling Kshs.2,221,372,360.05 against estimated collections of Kshs.9,265,383,294.00, resulting in an under-collection of Kshs.7,044,010,933.95 representing approximately 76% of the estimated amount. As in the previous year, the under-collection occurred mainly under Item 1420109 – Other Receipts, where no receipts were realized, against estimated collections of Kshs.6,000,000,000.00.
206. The Statement also reflects actual receipts of Kshs.2,221,372,360.05 under Item 1420201 – Fees Under Traffic Act, against estimated collections of Kshs.2,459,157,839.00, resulting in an under-collection of Kshs.237,785,478.95, or about 10% of the estimated receipts. As similarly observed in 2008/2009, receipts under the Traffic Revenue item have been lumped up with those collectable under Motor Drivers Licenses. According to information available, the omission has been attributed to the fact that the Registrar of Motor Vehicles maintained only one Revenue Account for both items at the Central Bank of Kenya during the year. No action however appears to have been taken as at 30 June 2010 to rectify the situation.
207. Although as indicated above the Statement reflects receipts of Kshs.2,221,372,360.05 as at 30 June 2010, records maintained at the Kenya Revenue Authority show collections of Kshs.2,748,845,727.00 as at the same date. No reconciliation or explanation has been provided for the difference of Kshs.527,473,366.95 between the two sets of records.
208. The Statement shows a carried forward balance of Kshs.1,964,644,179.80 as at 30 June 2010, while the Statement of Assets and Liabilities for Deposits 07 as at the same date reflects a figure of Kshs.3,764,644,173.90 against the item. Again, no reconciliation or explanation has been provided for the discrepancy.

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REPUBLIC OF KENYA
THE EXCHEQUER ACCOUNT
RECEIPTS INTO AND ISSUES FROM EXCHEQUER ACCOUNT FOR THE YEAR 2007/2008

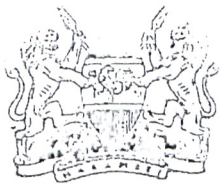
Annex MGK 010

RECURRENT	ORIGINAL ESTIMATES		ACTUAL RECEIPTS		UNDER (OVER) ESTIMATES	
	Kshs	Kshs	Kshs	Kshs		
TAXATION RECEIPTS:-						
				8,101,751.75		
Opening Balance						
① Income Tax from Individuals (P.A.Y.E)	71,816,000,000.00	81,680,929,230.20				(9,864,929,230.20)
② Income Tax from Corporations	72,340,000,000.00	86,695,983,472.40				(14,355,983,472.40)
③ Withholding Tax	17,298,507,856.00	-				17,298,507,856.00
④ Immovable Property	46,000,000.00	-				46,000,000.00
⑤ Second Hand Motor Vehicle Purchase Tax	285,340,782.00	-				285,340,782.00
⑥ V.A.T on Domestic Goods & Services	59,828,000,000.00	61,586,108,468.70				(1,758,108,468.70)
⑦ V.A.T on Imported Goods & Services	51,992,000,000.00	53,807,634,460.85				(1,815,634,460.85)
⑧ Excise Taxes	65,551,000,000.00	61,857,468,359.10				3,693,531,640.90
⑨ Taxes on Specific Services	15,261,633.00	-				15,261,633.00
⑩ Fees on use of Goods and on Perm.	1,297,230,000.00	-				1,297,230,000.00
⑪ Licences under Traffic Act	944,230,000.00	1,880,336,872.75				(936,106,872.75)
⑫ Royalties	397,000,000.00	187,799,398.00				209,200,602.00
⑬ Other Taxes on Goods & Services	569,034,103.00	-				569,034,103.00
⑭ Customs Duties	32,337,000,000.00	32,944,348,580.05				(607,348,580.05)
⑮ Other Taxes on Int. Trade & Transactions	11,687,000,000.00	12,913,424,236.55				(1,226,424,236.55)
⑯ Stamp Duty	3,337,625,115.00	4,584,430,435.50				(1,246,805,320.50)
⑰ Grants from Foreign Govt. through Exchequer	15,240,633,935.00	11,887,485,396.95				3,353,148,538.05
⑱ Loan from Foreign Govt. through Exchequer	17,286,310,279.00	8,189,745,798.80				9,096,564,480.20
⑲ Grants from International Organisations	3,806,000,000.00	-				3,806,000,000.00
⑳ Interest Received	1,067,000,000.00	572,016,914.55				494,983,085.45
㉑ Profits & Dividends from C.B.K.	2,000,000,000.00	-				2,000,000,000.00

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RECURRENT	ORIGINAL ESTIMATES		ACTUAL RECEIPTS		UNDER (OVER) ESTIMATES	
		Kshs	Kshs	Kshs	Kshs	Kshs
(22) Other Profits & Dividends	2,703,000,000.00	3,133,350,633.50	(430,350,633.50)			
(23) Rent of Land	1,220,967,178.00	1,375,378,671.40	(154,411,493.40)			
(24) Sales of KE- RE Shares	-	1,800,000,000.00	(1,800,000,000.00)			
(25) Sales of Kengen Shares	2,500,000,000.00	-	2,500,000,000.00			
(26) Sales of Safaricom Shares	33,800,000,000.00	49,887,137,100.00	(16,087,137,100.00)			
(27) Sales of Telkom Shares	5,600,000,000.00	24,301,320,000.00	(18,701,320,000.00)			
(28) Fees under Traffic Act	698,738,367.00	-	698,738,367.00			
(29) Motor Driver's Licences	540,770,000.00	-	540,770,000.00			
(30) Other Land Revenue	443,517,723.00	-	443,517,723.00			
(31) Land Adjudication & Case Fees	636,780.00	-	636,780.00			
(32) Sale of freehold interest in Agri. Land	12,878,319.00	-	12,878,319.00			
(33) Fines, Penalties & Forfeitures & Other Charges	406,000,000.00	158,521,084.00	247,478,916.00			
(34) Miscellaneous Revenue	7,913,000,000.00	15,956,423,390.40	(8,043,423,390.40)			
(35) Collected AIA	2,733,000,000.00	-	2,733,000,000.00			
(36) Loans to Non-Financial Public Enterprises	697,882,968.00	708,564,701.45	(10,681,733.45)			
(37) Loans to Financial Institutions	2,117,032.00	-	2,117,032.00			
(38) Net Domestic Borrowing (CBK)	33,959,000,000.00	516,116,508,956.90	33,959,000,000.00			
	522,372,682,070.00		6,256,173,113.10			
Unspent Exchequer Issues 2006/2007		7,318,162,121.85				
Unspent Cash Balances 2005/2006		62,059,889.10				
Treasury Bills		4,630,000,000.00				
Treasury Bonds		89,654,000,000.00				
Civil Contingencies Fund		2,000,000,000.00				
TOTAL RECEIPTS	522,372,682,070.00	619,780,730,967.85	(97,408,048,897.85)			

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REPUBLIC OF KENYA

2009/2010

ESTIMATES OF REVENUE

OF THE

GOVERNMENT OF KENYA

for the year ending 30th June, 2010

2009

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KENYA NATIONAL ASSEMBLY

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APR 2010

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LIBRARY
MAIN BUILDING

NATIONAL ASSEMBLY LIBRARY

SESSION No. 10015-237

ASS No. 357-0072 2252 051

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ESTIMATES OF REVENUE - SUMMARY

Head No.	Details	Actual Receipts 2007/2008	Revised Estimates 2008/2009	Estimates 2009/2010
		Ksh	Ksh	Ksh
1110000	Taxes on Income, Profits and Capital Gains	156,824,100,000	182,159,650,000	209,266,950,000
1120000	Taxes on Payroll and Workforce	0	0	0
1130000	Taxes on Property	331,895,301	336,791,385	341,761,363
1140000	Taxes on Goods and Services	174,135,603,544	199,994,891,302	227,387,810,126
1150000	Taxes on International Trade & Transactions(customs)	45,857,772,816	50,663,000,000	57,746,000,000
1160000	Other Taxes (not elsewhere classified)	4,536,387,522	4,684,290,516	5,192,193,510
1210000	Social Security Contributions	1,062,000,000	929,000,000	1,080,000,000
1310000	Grants from Foreign Governments	22,954,246,774	29,375,374,110	35,308,011,184
1320000	Grants from International Organizations	3,759,295,312	0	0
1330000	Grants from Other Level of Government	0	0	0
1410000	Property Income	5,004,260,992	9,794,632,099	12,403,355,772
1420000	Sales of Goods and Services	1,554,926,797	2,820,394,698	3,268,879,229
1430000	Fines Penalties and Forfeitures	158,521,084	107,000,000	121,000,000
1440000	Receipts from Voluntary transfers other than grants	0	0	0
1450000	Other Receipts Not Classified Elsewhere	7,402,166,078	4,463,000,000	5,142,000,000
4510000	Repayments from Domestic Lending and On-lending	708,564,701	638,275,630	817,521,165
	Total Ordinary Revenue	397,576,198,835	458,590,925,630	522,767,471,185
	Total Grants	26,713,642,086	29,375,374,110	35,308,011,184
	Appropriations-In- Aid	35,700,000,000	45,321,000,000	46,740,825,670
	Total Net Domestic Borrowing	(13,891,000,000)	92,400,000,000	109,500,000,000
	Total Revenue	433,276,198,835	501,911,925,630	569,508,296,835
	GRAND TOTAL	446,098,740,921	623,687,299,740	714,316,308,019

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REVENUE

Item	Details	Actual Receipts 2007/2008	Revised Estimates 2008/2009	Estimate 2009/2010
		Ksh	Ksh	Ksh
	1110000 Taxes on Income, Profits and Capital Gains			
	(Receiver of Revenue - Financial Secretary to the Treasury)			
1110100	Income Tax from Individuals (P.A.Y.E)	85,953,000,000	101,836,000,000	116,626,000,000
1110200	Income Tax from Corporations (Other Income Tax)	78,125,000,000	90,111,000,000	103,855,000,000
1110300	Withholding Tax	-	-	-
	Gross Income Tax	166,078,000,000	191,947,000,000	220,481,000,000
1110400	Exemptions	-	-	-
1110500	Income Tax Share of LATF	8,253,900,000	9,587,350,000	11,014,050,000
	Total Taxes on Income, Profits and Capital Gains	174,331,900,000	201,534,350,000	231,495,050,000
	1120000 Taxes on Payroll and Workforce			
	1130000 Taxes on Property			
	(Receiver of Revenue - Permanent Secretary of Lands, Financial Secretary to the Treasury)			
1130100	Immovable Property (Stand Premis on Town Plots)	61,895,301	62,518,658	63,148,293
1130200	Financial & Capital Transactions	-	-	-
1130202	Second Hand Motor Vehicle Purchase Tax	270,000,000	274,272,727	278,613,070
	Total Taxes on Property	311,895,301	336,791,385	341,761,363
	1140000 Taxes on Goods and Services			
	(Receiver of Revenue - Financial Secretary to the Treasury, Permanent Secretary Ministry of Roads, Permanent Secretary Ministry of Energy, Permanent Secretary Environment and Natural Resources)			
1140100	VAT on Domestic Goods and Services	58,277,000,000	65,910,000,000	75,673,000,000
1140200	VAT on Imported Goods and Services	53,627,508,116	63,581,000,000	72,680,000,000
1140300	VAT Remissions	-	-	-
	Total VAT	111,904,508,116	129,491,000,000	148,353,000,000
1140300	Excise Taxes	61,905,511,272	69,876,000,000	78,066,000,000
1140400	Taxes on Specific Services	-	-	-
1140500	Fees on use of Goods and on Permission to use the Goods or to Perform Services and Activities	70,000,000	86,181,818	106,003,636
	Of which Licences under Traffic Act	70,000,000	86,181,818	106,003,636
1140600	Royalties	187,799,398	156,000,000	176,000,000
1140700	Taxes on Goods and Services Collected as AIA	-	-	-
1140703	Petroleum Development Levy (PDL)	1,204,000,000	1,414,000,000	1,512,000,000
1140705	Road Maintenance Levy (RML)	17,301,000,000	19,631,400,000	20,079,000,000
1140800	Other Taxes on Goods and Services	67,784,758	385,709,484	686,806,490
	Total (excluding PDL and RML)	82,231,095,428	70,503,891,302	79,034,810,126
	Total Taxes on Goods and Services	174,135,603,544	199,994,891,302	227,387,810,126

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REVENUE

Item	Details	Actual Receipts 2007/2008	Revised Estimates 2008/2009	Estimates 2009/2010
		Ksh	Ksh	Ksh
	1150000 Taxes on Inter. Trade & Transactions (Receiver of Revenue - Financial Secretary to the Treasury)			
1150100	Customs Duties	32,944,348,580	35,842,000,000	40,600,000,000
1150200	Export Levies	-	-	-
1150300	Exemptions on customs and other import duties	-	-	-
1150400	Other Taxes on International Trade and Transactions (IDF Fee)	12,913,424,236	15,021,000,000	17,146,000,000
	Total Taxes on International Trade & Transactions(customs)	46,857,772,816	50,863,000,000	57,746,000,000
	1160000 Other Taxes (not elsewhere classified) (Receiver of Revenue - Financial Secretary to the Treasury)			
1160100	Other Taxes Not Elsewhere Classified			
1160101	Stamp duty	4,636,387,522	4,684,290,516	5,192,193,510
1160200	Taxes Not Elsewhere Classified Collected as AIA	-	-	-
	Total Other Taxes (not elsewhere classified)	4,636,387,522	4,684,290,516	5,192,193,510
	1210000 Social Security Contributions (Receiver of Revenue - Financial Secretary to the Treasury)			
1210100	Health Insurance Contribution	-	-	-
1210200	Receipts to NHIF for Health Insurance Contributions	-	-	-
1210300	Contribution from Government Employees to Social and Welfare Schemes within Government	1,062,000,000	929,000,000	1,080,000,000
	Total Social Security Contributions	1,062,000,000	929,000,000	1,080,000,000
	1310000 Grants from Foreign Governments			
1310100	Grants from Foreign Governments - Cash Through Exchequer	13,055,831,657	14,529,430,548	15,130,447,858
1310200	Grants from Foreign Governments - Direct Payments - Treated as AIA	9,898,415,117	14,845,943,562	20,177,563,328
	Total Grants from Foreign Governments	22,954,246,774	29,375,374,110	35,308,011,186
	1320000 Grants from International Organizations			
1320100	Grants from International Organizations - Cash Through Exchequer	3,759,295,312	-	-
1320200	Grants from International Organizations - Treated as AIA	-	-	-
	Total Grants from International Organizations	3,759,295,312	0	0

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REVENUE

Item	Details	Actual Receipts 2007/2008	Revised Estimates 2008/2009	Estimates 2009/2010
		Ksh	Ksh	Ksh
	1330000 Grants from Other Levels of Government			
1330100	Grants to Central Government from General Government Units	-	-	-
1330200	Grants to Local Authorities from General Government Units	-	-	-
1330300	Grants to Fund Accounts from Central Government Budget	-	-	-
1330400	Grants to Other General Government Units from General Government Units	-	-	-
	Total Grants from Other Levels of Government	-	-	-
	1410000 Property Income			
	(Receiver of Revenue - Financial Secretary to the Treasury, Permanent Secretary for Lands)			
1410100	Interest Received	572,016,914	1,112,000,000	1,974,000,000
1410200	Profits and Dividends	-	-	-
1410201	Profits and Dividends from Central Bank of Kenya (CBK)	0	4,000,000,000	3,000,000,000
1410202	Other Profits and Dividends	3,133,350,633	3,464,000,000	6,004,000,000
1410300	Withdrawals from Income of quasi-corporations	-	-	-
1410400	Rents on land, houses and buildings	-	-	-
1410401	Rent of Land	1,297,434,958	1,217,173,612	1,423,897,295
1410402	Rent of Government Buildings and Housing	0	0	0
1410403	Webuye Housing Scheme Rents	1,458,487	1,458,487	1,458,487
1410500	Other Property Income Collected as AIA	-	-	-
	Total Property Income	5,004,280,992	9,794,832,099	12,403,355,772
	1420000 Sales of Goods and Services			
	(Receiver of Revenue - Financial Secretary to the Treasury, Permanent Secretary for Lands)			
1420100	Sales of Market Establishments	76,988,457,100	0	6,000,000,000
1420101	Sale of Kengen shares	0	0	0
1420102	Sale of Mumias shares	0	0	0
1420103	Sale of Kenya Re shares	1,800,000,000	0	0
1420104	Sale of Safaricom shares	49,887,137,100	0	0
1420105	Sale of Telkom shares	24,301,320,000	0	0
1420109	Others	0	0	6,000,000,000
1420200	Administrative Fees and Charges	1,554,928,787	2,820,384,598	3,258,879,229
1420201	Fees under Traffic Act	913,336,872	2,186,363,636	2,459,157,809
1420202	Motor Driver's Licences	627,000,000	650,181,818	806,225,455
1420203	Other Land Revenue	0	0	0
1420204	Land Adjudication and Case Fees	12,150	60,962	106,073
1420205	Sale of Freehold Interest in Agricultural Land	14,577,775	3,788,261	3,389,863
1420300	Administrative Fees and Charges Collected as AIA	0	0	0
1420400	Incidental Sales by Non-Market Establishments	0	0	0
1420500	Sales by Non-Market Establishments Collected as AIA	0	0	0
	Total Sales of Goods and Services (excluding sales of market establishments)	1,554,928,787	2,820,384,598	3,258,879,229

REVENUE

Item	Details	Actual Receipts 2007/2008	Revised Estimates 2008/2009	Estimates 2009/2010
		Ksh	Ksh	Ksh
	1430000 Fines, Penalties and Forfeitures (Receiver of Revenue - Registrar of High court)			
1430100	Fines, Penalties and Forfeitures and Other Charges	158,521,084	107,000,000	121,000,000
	Total Fines Penalties and Forfeitures	158,521,084	107,000,000	121,000,000
	1440000 Receipts from Voluntary transfers other than grants			
1440100	Current Grants from International NGOs - paid through Exchequer	-	-	-
1440200	Capital Grants from International NGOs - paid through Exchequer	-	-	-
1440300	Current Grants from International NGOs - collected as AIA	-	-	-
1440400	Capital Grants from International NGOs - collected as AIA	-	-	-
1440500	Other Voluntary Transfers for Current purposes	-	-	-
1440600	Other Voluntary Transfers for Capital purposes	-	-	-
	Total Receipts from Voluntary transfers other than grants	-	-	-
	1450000 Other Receipts Not Classified Elsewhere (Receiver of Revenue - Financial Secretary to the Treasury)			
1450100	Paid to Exchequer			
1450101	Miscellaneous Revenue	7,402,166,078	4,463,000,000	5,142,000,000
1450200	Collected as AIA	-	-	-
	Total Other Receipts Not Classified Elsewhere	7,402,166,078	4,463,000,000	5,142,000,000
	4510000 Repayments from Domestic Lending and On-lending (Receiver of Revenue - Financial Secretary to the Treasury)			
4510100	Loans to Government Agencies and Other Levels of Government	0	0	0
4510200	Loans to Non-Financial Public Enterprises	708,564,701	638,275,630	781,570,350
4510300	Loans to Financial Institutions	0	0	35,950,815
4510400	Loans to Individuals and Households	-	-	-
4510500	Other Lending and On-lending	-	-	-
	Total Repayments from Domestic Lending and On-lending	708,564,701	638,275,630	817,521,165
	5110000 Domestic Borrowing (Receiver of Revenue - Financial Secretary to the Treasury)			
5110200	Net Domestic Borrowing from Monetary Authorities (Central Bank)	(13,891,000,000)	92,400,000,000	108,500,000,000
	Ordinary Revenue(Excluding LATF)	398,514,198,835	486,690,925,630	522,767,471,165
	Total Grants	28,713,542,086	28,375,374,110	35,308,011,184
	Appropriations-In- Aid	35,700,000,000	45,321,000,000	46,740,825,870
	Total Revenue	432,214,198,835	501,911,925,630	569,508,298,835
	Total Net Domestic Borrowing	(13,891,000,000)	92,400,000,000	108,500,000,000
	GRAND TOTAL	445,036,740,821	623,687,298,740	714,316,308,019

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Revenue head	C&AG Ref	TAXATION RECEIPTS	Exchequer Account - 2007-2008 (May 2009)	Actual Receipts 2007-2008 reported to Parliament (June 2009)	Material Differences in Actual Receipts 2007-2008 (Over) under
			A	B	SUM (A-B)
		Opening Balance	8,101,751.75	0.00	
1110100	1	Income tax from Individuals (PAYE)	81,680,929,230.20	85,953,000,000.00	(4,272,070,769.80)
1110200	2	Income tax from corporations	86,695,983,472.40	79,125,000,000.00	7,570,983,472.40
1110300	3	Withholding Tax	0.00	0.00	0.00
1130100	4	Immovable Property	0.00	61,895,301.00	(61,895,301.00)
1130200	5	Second hand motor Vehicles pur tax	0.00	270,000,000.00	(270,000,000.00)
1140100	6	VAT on domestic goods and services	61,586,108,468.70	58,277,000,000.00	3,309,108,468.70
1140200	7	VAT on imported goods and services	53,807,634,460.85	53,627,508,116.00	180,126,344.85
1140300	8	Excise Taxes	61,857,468,359.10	61,905,511,272.00	(48,042,912.90)
1140400	9	Taxes on specific services	0.00	0.00	0.00
1140500	10	Fee on use of Goods & on permission	0.00	0.00	0.00
1140500	11	Licences under traffic act	1,880,336,872.75	70,000,000.00	1,810,336,872.75
1140600	12	Royalties	187,799,398.00	187,799,398.00	0.00
1140800	13	Other taxes on goods and services	0.00	67,784,758.00	(67,784,758.00)
1150100	14	Customs duties	32,944,348,580.05	32,944,348,580.00	0.05
1150400	15	Other taxes on International trade on transactions	12,913,424,236.55	12,913,424,236.00	0.55
1160101	16	Stamp Duty	4,584,430,435.50	4,536,387,522.00	48,042,913.50
1310100	17	Grants from foreign Governments through Exchequer Cash	11,887,485,396.95	13,055,831,657.00	(1,168,346,260.05)
	18	Loans from foreign Governments through Exchequer	8,189,745,798.80	0.00	8,189,745,798.80
1320100	19	Grants from International Organizations	0.00	3,759,295,312.00	(3,759,295,312.00)
1410100	20	Interests received	572,016,914.55	572,016,914.00	0.55
1410201	21	Profits and dividends from CBK	0.00	0.00	0.00
1410202	22	Other profits and dividends	3,133,350,633.50	3,133,350,633.00	0.50
1410101	23	Rent of land	1,375,378,671.40	1,297,434,958.00	77,943,713.40
1420103	24	Sale of KE-RE Shares	1,800,000,000.00	1,800,000,000.00	0.00
1420101	25	Sale of Kenyan Shares	0.00	0.00	0.00
1420104	26	Sale of Safaricom Shares	49,887,137,100.00	49,887,137,100.00	0.00
1420105	27	Sale of Telkom Shares	24,301,320,000.00	24,301,320,000.00	0.00
1420201	28	Fees under Traffic Act	0.00	913,336,872.00	(913,336,872.00)
1420202	29	Motor drivers licences	0.00	627,000,000.00	(627,000,000.00)
1420203	30	Other land revenue	0.00	0.00	0.00
1420204	31	Land adjudication and case fees	0.00	12,150.00	(12,150.00)
1420205	32	Sale of freehold interests in agr/land	0.00	14,577,775.00	(14,577,775.00)
1430100	33	Fines, penalties and forfeitures and other charges	158,521,084.00	158,521,084.00	0.00
1450101	34	Miscellaneous Revenue	15,956,423,390.40	7,402,166,078.00	8,554,257,312.40
1450200	35	Collected AIA	0.00	0.00	0.00
4510200	36	Loans to non financial public enterprises	708,564,701.45	708,564,701.00	0.45
4510300	37	Loans to financial institutions	0.00	0.00	0.00
5110200	38	Net domestic borrowing (CBK)	0.00	(13,891,000,000.00)	13,891,000,000.00
		OTHER RECEIPTS	516,116,508,956.90	483,679,224,417.00	32,429,182,788.15
		Unspent Exchequer issues 2006/2007	7,318,162,121.85		
		Unspent Cash Balances 2005/2006	62,059,889.10		
		Treasury Bills	4,630,000,000.00		
		Treasury Bonds	89,654,000,000.00		
		Civil Contingencies Fund	2,000,000,000.00		
		TOTAL RECEIPTS	619,780,730,967.85		

Notes Questions arising
 Total ordinary revenue 496,031,176,009.40
 loans/ grants 20,077,231,195.75

397,576,198,835.00
 26,713,542,086.00

98,454,977,174.40
 (6,636,310,890.25)

**SUMMARY OF THE EXCHEQUER ACCOUNT FOR THE
YEAR ENDING 30 JUNE 2008.**

	2006/2007 Kshs.	2007/2008 Kshs.	8,101,751.75
Opening Balance as at 1st July 2007			
ADD:			
Exchequer Receipts			
Ordinary Revenue	337,652,874,651.45	496,031,176,009.40	
Unspent Cash Balances Received	6,357,447,100.25	7,380,222,010.95	
Loans/Grants Revenue	14,711,116,108.70	20,077,231,195.75	
Treasury Bonds/Bills	106,572,800,000.00	94,284,000,000.00	
CCF Recoveries	1,620,000,000.00	2,000,000,000.00	
			619,772,629,216.10
			619,780,730,967.85
LESS:			
Exchequer Issues			
Recurrent Exchequer Issues	253,562,677,910.00	308,068,699,000.00	
Development Exchequer Issues	85,687,177,989.00	141,288,899,486.00	
Consolidated Fund Services	131,411,243,685.00	168,187,244,215.00	
CCF Advances	1,620,000,000.00	2,000,000,000.00	
			619,544,842,701.00
			235,888,266.85
Closing Balance as at 30th June 2008			

NOTES

1. Cereals and Sugar Finance Corporation (CSFC)

The Exchequer Account made direct advances to CSFC totalling KES 897,797,000 under CSFC ordinance Cap. 329 Section 6. The recovery of this amount is not certain as the institution is in the process of being wound up.

2. Tax Reserve Certificates

A sum of KES 51,702,360 was issued to the Ministry of Finance under CFS 50, Consolidated Fund Services. The balance accruing in the Exchequer Account as at 30.06.07 was KES 17,774,920


11 September 2008

JOSEPH K. KINYUA, CBS
PERMANENT SECRETARY/TREASURY
MINISTRY OF FINANCE

CERTIFICATE OF THE CONTROLLER AND AUDITOR GENERAL

I have audited the above Exchequer Account in accordance with the provisions of the Public Audit Act, 2003. I have obtained all the information and the explanations that I have required and as a result of the audit, I certify that, in my opinion, the Account properly presents the receipts into and issues from the Exchequer Account for the year ended 30 June 2008.

A.S.M. Gatumbu
CONTROLLER AND AUDITOR GENERAL
28 May 2009

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MGK 013

Example 1**Statement of Revenue Head 1110000 - Taxes on Income, Profits, and Capital Gains**

	Actual Revenue receipts as in Exchequer Account C&AG Report FY 2007-2008 (A)	Actual Revenue receipts as captured in the estimates for FY 2007-2008 (B)	Material differences (over) under Actual Revenue receipts (A- B)
Income tax from individuals (PAYE)	81,680,929,230.20	85,953,000,000.00	(4,272,070,769.80)
Income tax from corporations	86,695,983,472.40	79,125,000,000.00	7,570,983,472.40
Withholding Tax	0.00	0.00	0.00
TOTAL	168,376,912,702.60	165,078,000,000.00	

1. What does the C&AG say about the Actual Receipts Declared in the Statement of Revenue head 1110000 taxes on Income, Profits and Capital Gains in his report for 2007-2008?

Paragraph 72: Taxes on Income, Profits, and Capital Gains for the year ended 30th June 2008 reflects actual receipts of Kshs **177,246,750,110.40**. Records at the Kenya Revenue Authority (K.R.A) reflect actual receipts of Kshs **166,152,969,569.00**.

Paragraph 75: Actual receipts reflected in the Statement total **Kshs 177,246,750,110.40** while the ledger shows a total of **Kshs 172,965,015,195.55**. The difference of **Kshs 4,281,734,914.85** has not been explained nor reconciled.

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2. What is the Actual Revenue collected in 2007-2008 for head 1110000 taxes on Income, Profits and Capital Gains? Is it

Amount in Exchequer - KES 168,376,912,702.60
 Amount in KRA records - KES 166,152,969,569.00
 Amount in Ledger records - KES 172,965,015,195.55
 Amount in Revenue Statement - KES 177,246,750,110.40
 Amount declared to Parliament - KES 165,078,000,000.00

Example 2

Statement of Revenue Head 1110500 – Income Tax Share of LATF

	Actual Revenue receipts as in Exchequer Account C&AG Report FY 2007-2008 (A)	Actual Revenue receipts as captured in the estimates for FY 2007-2008 (B)	Material differences (over) under Actual Revenue receipts (A- B)
Income tax share of LATF		8,253,900,000.00	
TOTAL		8,253,900,000.00	

1. What does the C&AG say about the Actual Receipts Declared in the Statement of Revenue head 1110500 Income Tax Share of LATF in his report for 2007-2008?

Paragraph 74: The Statement of Revenue reflects Income Tax Share of LATF actual receipts and LATF disbursements of **Kshs 8,869,837,407.80** and **Kshs 8,648,006,036.00** respectively. These amounts differ with the amounts shown in

the LATF Accounts for 2007/2008 prepared by the Ministry of Local Government of Kshs 8,871,451,352.10 and Kshs 8,768,427,034.00. The differences of Kshs 1,613,944.30 and Kshs 120,420,998.00 respectively have not been reconciled and explained.


2. What is the Actual Revenue collected in 2007-2008 for head 1110500 Income Tax Share of LATF? Is it

Amount in Revenue Statement	- KES 8,869,837,407.80
Amount in Local Govt records	- KES 8,871,451,352.10
Amount declared to Parliament	- KES 8,253,900,000.00

Example 3

Statement of Revenue Head 1140000 - Taxes on Goods and Services

	Actual Revenue receipts as In Exchequer Account C&AG Report FY 2007-2008 (A)	Actual Revenue receipts as captured in the estimates for FY 2007-2008 (B)	Material differences (over) under Actual Revenue receipts (A- B)
VAT on domestic goods and services	61,586,108,468.70	58,277,000,000.00	3,309,108,468.70
VAT on imported goods and services	53,807,634,460.85	53,627,508,116.00	180,126,344.85
Excise Taxes	61,857,468,359.10	61,905,511,272.00	
TOTAL	177,251,211,288.65	173,810,019,388.00	


 (65)
 M&K 014

1. What does the C&AG say about the Actual Receipts Declared in the Statement of Revenue head 1140000 taxes on Goods and Services in his report for 2007-2008

Paragraph 79: The statement of Revenue for head 1140000-Taxes on goods and services for the year ended 30 June 2008 reflects actual receipts of **Kshs 177,251,211,278.30** comprising of **Kshs 61,586,108,468.70**, **Kshs 53,807,634,460.85** and **Kshs 61,857,468,348.75** under local VAT, VAT-imports and Excise taxes. Records maintained at the K.R.A show a different figure for total receipts of **Kshs 173,525,253,051.00** made up of **Kshs 57,373,875,358.00**, **Kshs 53,634,410,526.00** and **Kshs 62,516,967,167.00** relating to VAT local, VAT Imports and Excise taxes. The difference of **Kshs 3,725,958,227.30** between the two sets of records is yet to be explained and reconciled.

Paragraph 80: The statement shows total actual receipts of **Kshs 177,251,211,278.30** while the Ministry ledger shows a figure of **Kshs 117,115,861,779.90**. The difference of **Kshs 60,135,349,498.40** has not been reconciled and explained. Also no excise tax was reflected in the ledger while in the statement it shows actual collections of taxes totaling **Kshs 61,857,468,348.75**. Again no explanation has been given for the omission.

2. What is the Actual Revenue collected in 2007-2008 for head 1140000 taxes on Goods and services? Is it

Amount in Exchequer	- KES 177,251,211,288.65
Amount in KRA records	- KES 173,525,253,051.00
Amount in Ledger records	- KES 117,115,861,779.90
Amount in Revenue Statement	- KES 177,251,211,278.30
Amount declared to Parliament	- KES 173,810,019,388.00

Example 4

Statement of Revenue Head 1450000 -Other Receipts not classified Elsewhere

	Actual Revenue receipts as In Exchequer Account C&AG Report FY 2007-2008 (A)	Actual Revenue receipts as captured in the estimates for FY 2007-2008 (B)	Material differences (over) under Actual Revenue receipts (A- B)
Miscellaneous Revenue	15,956,423,390.40	7,402,166,078.00	8,554,257,312.40
TOTAL	15,956,423,390.40	7,402,166,078.00	

1. What does the C&AG say about the Actual Receipts Declared in the Statement of Revenue head 1450000 other Receipts not classified Elsewhere in his report for 2007-2008

Paragraph 101: Actual receipts of Kshs 15,956,423,389.60 differ with the amount of Kshs 13,904,256,454.75 reflected in the Ministry's Ledger. The difference of Kshs 2,052,166,934.85 has not been explained or reconciled

2. What is the Actual Revenue collected in 2007-2008 for head 1450000 other Receipts not classified Elsewhere? Is it

Amount in Exchequer	- KES 15,956,423,390.40
Amount in Ledger records	- KES 13,904,256,454.75
Amount in Revenue Statement	- KES 15,956,423,389.60
Amount declared to Parliament	- KES 7,402,166,078.00

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MGK 014

Example 5

Revenue Head 5110000 - Domestic Borrowing

	Actual Revenue receipts as in Exchequer Account C&AG Report FY 2007-2008 (A)	Actual Revenue receipts as captured in the estimates for FY 2007-2008 (B)	Material differences (over) under Actual Revenue receipts (A- B)
Net domestic borrowing(CBK)	0.00	(13,891,000,000.00)	13,891,000,000.00
TOTAL	0.00	(13,891,000,000.00)	

1. What is the Actual Revenue collected in 2007-2008 for head 5110200 Net domestic borrowing from monetary Authorities (Central Bank)?
Is it

Amount in Exchequer - KES 0.00

Amount declared to Parliament - KES 13,891,000,000.00

2008/2009

ESTIMATES OF REVENUE

OF THE

GOVERNMENT OF KENYA

For the year ending 30th June, 2009

2008



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∴ MGK 015

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MAR. 015

ESTIMATES OF REVENUE - SUMMARY

Head No.	Details	Actual Receipts 2006/2007	Revised Estimates 2007/2008	Estimates 2008/2009
		Ksh	Ksh	Ksh
1110000	Taxes on Income, Profits and Capital Gains	124 817,392,356	156 897,250,000	184 261 050 000
1120000	Taxes on Payroll and Workforce	0	0	0
1130000	Taxes on Property	250,491,908	301,594,914	351 334 554
1140000	Taxes on Goods and Services	153,257 172,376	179,948,585 911	207 581,494,246
1150000	Taxes on International Trade & Transactions(customs)	38,482,034,972	46 949,000,000	52 051,000,000
1160000	Other Taxes (not elsewhere classified)	3,051,812,867	4,288 624,929	4,995,726 871
1210000	Social Security Contributions	0	1 000,000,000	1,058,000,000
1310000	Grants from Foreign Governments	15,494,000 000	33,153,000,000	33,792,312,028
1320000	Grants from International Organizations	0	3 759,000,000	0
1330000	Grants from Other Level of Government	-	-	-
1410000	Property Income	7 780,751,223	4,082,522,553	7,797,654 657
1420000	Sales of Goods and Services	1,492 867 598	1,998 671,692	2 302 799,671
1430000	Fines Penalties and Forfeitures	384,679,569	141,000,000	164,000,000
1440000	Receipts from Voluntary transfers other than grants	-	-	-
1450000	Other Receipts Not Classified Elsewhere	7,409,400,824	6,419,000,000	6,693,000,000
4510000	Repayments from Domestic Lending and On-lending	688 388 020	828,000,000	638,000,000
	Total Ordinary Revenue	337,614,991,713	402,554,250,000	467,894,050,000
	Total Grants	15,494,000,000	36,912,000,000	33,792,312,028
	Total AIA	33,020,000,000	46,099,000,000	44,825,000,000
	Total Net Domestic Borrowing	34,700,000,000	34,000,000,000	54,500,000,000
	Total Revenue	370,834,991,713	448,763,250,000	512,719,050,000
	GRAND TOTAL	420,828,991,713	519,665,250,000	601,011,362,028

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MGK 015

Item	Details	Actual Receipts 2006/2007	Revised Estimates 2007/2008	Estimates 2008/2009
		Ksh	Ksh	Ksh
	1110000 Taxes on Income, Profits and Capital Gains			
	(Receiver of Revenue - Financial Secretary to the Treasury)			
1110100	Income Tax from Individuals (P.A.Y.E)	71,125,696,477	85,169,000,000	100,620,000,000
1110200	Income Tax from Corporations (Other Income Tax)	60,300,909,087	79,986,000,000	93,339,000,000
1110300	Withholding Tax			
	Gross Income Tax	131,426,605,564	165,155,000,000	193,959,000,000
1110400	Exemptions			
1110500	Income Tax Share of LATF	6,609,213,208	8,257,750,000	9,697,950,000
	Total Taxes on Income, Profits and Capital Gains	124,817,392,356	156,897,250,000	184,261,050,000
	1120000 Taxes on Payroll and Workforce	0	0	0
	1130000 Taxes on Property			
	(Receiver of Revenue - Permanent Secretary of Lands and Housing, Financial Secretary to the Treasury)			
1130100	Immovable Property (Stand Premia on Town Plots)	22,037,426	25,277,328	29,458,146
1130200	Financial & Capital Transactions			
1130202	Second Hand Motor Vehicle Purchase Tax	228,454,482	276,317,586	321,876,408
	Total Taxes on Property	228,491,908	301,594,914	351,334,554
	1140000 Taxes on Goods and Services			
	(Receiver of Revenue - Financial Secretary to the Treasury, Permanent Secretary Environment and			
1140100	VAT on Domestic Goods and Services	52,568,447,938	59,827,000,000	70,980,000,000
1140200	VAT on Imported Goods and Services	43,701,340,973	55,187,000,000	62,899,000,000
1140300	VAT Remissions			
	Total VAT	96,269,788,911	115,014,000,000	133,879,000,000
1140300	Excise Taxes	56,405,520,389	64,289,000,000	72,925,000,000
1140400	Taxes on Specific Services	0	0	0
1140500	Fees on use of Goods and on Permission to use the Goods or to Perform Services and Activities	101,077,351	110,210,840	154,221,117
	Of which Licences under Traffic Act	101,077,351	110,210,840	154,221,117
1140600	Royalties	282,692,248	257,000,000	299,000,000
1140700	Taxes on Goods and Services Collected as AIA			
1140703	Petroleum Development Levy (PDL)	1,349,000,000	1,292,000,000	1,424,000,000
1140705	Road Maintenance Levy (RML)	18,217,000,000	19,300,000,000	21,271,000,000
1140800	Other Taxes on Goods and Services	198,093,477	278,375,071	324,273,129
	Total (excluding PDL and RML)	56,987,383,465	64,934,585,911	73,702,494,246
	Total Taxes on Goods and Services	153,257,172,376	179,948,585,911	207,581,494,246

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MGR 015

Item	Details	Actual Receipts 2006/2007	Revised Estimates 2007/2008	Estimates 2008/2009
		Ksh	Ksh	Ksh
	1150000 Taxes on Inter. Trade & Transactions (Receiver of Revenue - Financial Secretary to the Treasury)			
1150100	Customs Duties	27 509,524 495	33,403 000 000	36,459 000,000
1150200	Export Levies			
1150300	Exemptions on customs and other Import duties	240,000,000	200,000,000	400,000,000
1150400	Other Taxes on International Trade and Transactions (IDF Fee)	10,972,510,477	13 546,000,000	15,592,000 000
	Total Taxes on International Trade & Transactions(customs)	38,482,034,972	46,949,000,000	52,051,000,000
	1160000 Other Taxes (not elsewhere classified) (Receiver of Revenue - Financial Secretary to the Treasury)			
1160100	Other Taxes Not Elsewhere Classified			
1160101	Stamp duty	3,051,812,867	4,288,624 929	4,995 726 271
1160200	Taxes Not Elsewhere Classified Collected as AIA	0	0	0
	Total Other Taxes (not elsewhere classified)	3,051,812,867	4,288,624,929	4,995,726,271
	1210000 Social Security Contributions (Receiver of Revenue - Financial Secretary to the Treasury)			
1210100	Health Insurance Contribution			
1210200	Receipts to NHIF for Health Insurance Contributions			
1210300	Contribution from Government Employees to Social and Welfare Schemes within Government	0	1,000,000,000	1,058,000 000
	Total Social Security Contributions	0	1,000,000,000	1,058,000,000
	1310000 Grants from Foreign Governments			
1310100	Grants from Foreign Governments - Cash Through Exchequer	8,938,000,000	15,912,000,000	16,763,972,302
1310200	Grants from Foreign Governments - Direct Payments - Treated as AIA	6,556,000 000	17,241,000,000	17 028,339,726
	Total Grants from Foreign Governments	15,494,000,000	33,153,000,000	33,792,312,028
	1320000 Grants from International Organizations			
1320100	Grants from International Organizations - Cash Through Exchequer	0	3,759,000,000	0
1320200	Grants from International Organizations - Treated as AIA	0	0	0
	Total Grants from International Organizations	0	3,759,000,000	0

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MGH 015

Item	Details	Actual Receipts 2006/2007	Revised Estimates 2007/2008	Estimates 2008/2009
		Ksh	Ksh	Ksh
	1330000 Grants from Other Levels of Government			
1330100	Grants to Central Government from General Government Units	-	-	-
1330200	Grants to Local Authorities from General Government Units	-	-	-
1330300	Grants to Fund Accounts from Central Government Budget	-	-	-
1330400	Grants to Other General Government Units from General Government Units	-	-	-
	Total Grants from Other Levels of Government			
	1410000 Property Income			
	(Receiver of Revenue - Investment Secretary to the Treasury, Financial Secretary to the Treasury, Permanent Secretary for Lands)			
1410100	Interest Received	557,166,045	635,000,000	482,000,000
1410200	Profits and Dividends			
1410201	Profits and Dividends from Central Bank of Kenya (CBK)	2,000,000,000	0	2,000,000,000
1410202	Other Profits and Dividends	3,994,727,107	2,038,000,000	3,673,000,000
1410300	Withdrawals from Income of quasi-corporations			
1410400	Rents on land, houses and buildings			
1410401	Rent of Land	1,228,858,071	1,409,522,553	1,642,654,657
1410402	Rent of Government Buildings and Housing	0	0	0
1410403	Webuye Housing Scheme Rents	0	0	0
1410500	Other Property Income Collected as AIA			
	Total Property Income	7,780,751,223	4,082,522,553	7,797,654,657
	1420000 Sales of Goods and Services			
	(Receiver of Revenue - Financial Secretary to the Treasury, Permanent Secretary for Lands, Permanent Secretary for Environment and Natural Resources)			
1420100	Sales of Market Establishments	4,000,000,000	76,416,000,000	8,000,000,000
1420101	Sale of Kengen shares	0	0	0
1420102	Sale of Mumias shares	4,000,000,000	0	0
1420103	Sale of Kenye Re shares	0	2,000,000,000	0
1420104	Sale of Safaricom shares	0	50,000,000,000	0
1420105	Sale of Telkom shares	0	24,416,000,000	0
1420109	Others	0	0	8,000,000,000
1420200	Administrative Fees and Charges	1,492,867,598	1,998,671,692	2,302,789,671
1420201	Fees under Traffic Act	947,132,747	1,169,372,225	1,471,803,126
1420202	Motor Driver's Licences	536,842,125	619,099,348	819,099,348
1420203	Other Land Revenue	2,695,517	3,091,807	3,603,185
1420204	Land Adjudication and Case Fees	1,416,999	1,625,324	1,894,149
1420205	Sale of Freehold Interest in Agricultural Land	4,780,210	5,482,988	6,389,663
1420300	Administrative Fees and Charges Collected as AIA	0	0	0
1420400	Incidental Sales by Non-Market Establishments	0	0	0
1420500	Sales by Non-Market Establishments Collected as AIA	0	0	0
	Total Sales of Goods and Services	1,492,867,598	1,998,671,692	2,302,789,671

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MKG OK

Item	Details	Actual Receipts 2006/2007	Revised Estimates 2007/2008	Estimates 2008/2009
		Ksh	Ksh	Ksh
	1430000 Fines Penalties and Forfeitures (Receiver of Revenue - Registrar of High court)			
1430100	Fines, Penalties and Forfeitures and Other Charges	384,679,569	141,000,000	164,000,000
	Total Fines Penalties and Forfeitures	384,679,569	141,000,000	164,000,000
	1440000 Receipts from Voluntary transfers other than grants			
1440100	Current Grants from International NGOs - paid through Exchequer	-	-	-
1440200	Capital Grants from International NGOs - paid through Exchequer	-	-	-
1440300	Current Grants from International NGOs - collected as AIA	-	-	-
1440400	Capital Grants from International NGOs - collected as AIA	-	-	-
1440500	Other Voluntary Transfers for Current purposes	-	-	-
1440600	Other Voluntary Transfers for Capital purposes	-	-	-
	Total Receipts from Voluntary transfers other than grants	-	-	-
	1450000 Other Receipts Not Classified Elsewhere (Receiver of Revenue - Financial Secretary to the Treasury)			
1450100	Paid to Exchequer	-	-	-
1450101	Miscellaneous Revenue	7,409,400,824	6,418,000,000	6,693,000,000
1450200	Collected as AIA	0	0	0
	Total Other Receipts Not Classified Elsewhere	7,409,400,824	6,419,000,000	6,693,000,000
	4510000 Repayments from Domestic Lending and On-lending (Receiver of Revenue - Investment Secretary to the Treasury)			
4510100	Loans to Government Agencies and Other Levels of Government	0	0	0
4510200	Loans to Non-Financial Public Enterprises	682,241,727	622,392,883	632,303,597
4510300	Loans to Financial Institutions	6,146,294	5,607,117	5,696,403
4510400	Loans to Individuals and Households	-	-	-
4510500	Other Lending and On-lending	-	-	-
	Total Repayments from Domestic Lending and On-lending	688,388,020	628,000,000	638,000,000
	5110000 Domestic Borrowing (Receiver of Revenue - Financial Secretary to the Treasury)			
5110200	Net Domestic Borrowing from Monetary Authorities (Central Bank)	34,700,000,000	34,000,000,000	54,500,000,000
	Ordinary Revenue (Excluding LATF)	337,614,891,713	402,654,250,000	467,894,050,000

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M&K 015

Item	Details	Actual Receipts	Revised	Estimates
		2006/2007	Estimates	2008/2009
		Ksh	Ksh	Ksh
	Total Grants	15,494,000,000	36,912,000,000	33,797,312,028
	Total AIA	33,020,000,000	46,099,000,000	44,825,000,000
	Total Revenue	370,634,991,713	448,753,250,000	512,719,050,000
	Total Net Domestic Borrowing	34,700,000,000	34,000,000,000	54,500,000,000
	GRAND TOTAL	420,828,991,713	519,665,250,000	601,011,362,028

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	A			B			C			D			E			F			G			H			I		
	Original Estimates of Revenue as Captured in the CRA Report for FY2007-2008 (May 2009)	Final Revised Estimates in the Estimates Report for FY2007-2008 (June 2008)	Differences in the Authority given by Parliament as recorded by CRA (A) & estimates (B) (A-B)=C	Original Estimates of Revenue as Captured in the CRA Report for FY2007-2008 (May 2009)	Actual Revenue as Captured in the Estimates Report for FY2007-2008 (June 2009)	Differences in the Authority given by Parliament as recorded by CRA (D) & estimates (E) (D-E)=F	Original Estimates of Revenue as Captured in the CRA Report for FY2007-2008 (May 2009)	Actual Revenue in Report for FY 2007-2008 (May 2009)	Differences in the Authority given by CRA & estimates (G) & estimates (H) (G-H)=I	Original Estimates of Revenue as Captured in the CRA Report for FY2007-2008 (May 2009)	Actual Revenue in Report for FY 2007-2008 (May 2009)	Differences in the Authority given by CRA & estimates (J) & estimates (K) (J-K)=L	Original Estimates of Revenue as Captured in the CRA Report for FY2007-2008 (May 2009)	Actual Revenue in Report for FY 2007-2008 (May 2009)	Differences in the Authority given by CRA & estimates (M) & estimates (N) (M-N)=O												
1110100 Income tax from individuals (PAYE)	71,816,000,000.00	85,169,000,000.00	(13,353,000,000.00)	71,816,000,000.00	85,953,000,000.00	(14,137,000,000.00)	71,816,000,000.00	81,680,929,230.20	71,816,000,000.00	86,699,933,472.40	(14,353,563,472.40)	71,816,000,000.00	81,680,929,230.20	(9,864,929,230.20)													
1110200 Income tax from corporations	72,340,000,000.00	79,966,000,000.00	(7,646,000,000.00)	72,340,000,000.00	79,125,000,000.00	(6,785,000,000.00)	72,340,000,000.00	83,656,466,720.00	72,340,000,000.00	86,553,466,720.00	(4,213,466,720.00)	72,340,000,000.00	83,656,466,720.00	(11,316,466,720.00)													
1110300 Withholding Tax	17,298,507,856.00	0.00	17,298,507,856.00	17,298,507,856.00	0.00	17,298,507,856.00	17,298,507,856.00	0.00	17,298,507,856.00	0.00	17,298,507,856.00	17,298,507,856.00	0.00														
1110400 Exemptions	46,000,000.00	0.00	46,000,000.00	46,000,000.00	0.00	46,000,000.00	46,000,000.00	0.00	46,000,000.00	0.00	46,000,000.00	46,000,000.00	0.00														
1110401 Exemptions	46,000,000.00	0.00	46,000,000.00	46,000,000.00	0.00	46,000,000.00	46,000,000.00	0.00	46,000,000.00	0.00	46,000,000.00	46,000,000.00	0.00														
1110402 Exemptions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00														
1130202 Second hand motor Vehicles purchase	285,340,782.00	276,317,586.00	9,023,196.00	285,340,782.00	270,000.00	285,070,782.00	285,340,782.00	0.00	285,340,782.00	0.00	285,340,782.00	285,340,782.00	0.00														
1140100 VAT on domestic goods and services	59,828,000,000.00	59,827,000,000.00	1,000,000.00	59,828,000,000.00	58,277,000,000.00	1,551,000,000.00	59,828,000,000.00	58,277,000,000.00	59,828,000,000.00	58,277,000,000.00	1,551,000,000.00	59,828,000,000.00	58,277,000,000.00														
1140200 VAT on imported goods and services	51,992,000,000.00	55,187,000,000.00	(3,195,000,000.00)	51,992,000,000.00	53,627,506,116.00	(1,635,506,116.00)	51,992,000,000.00	53,607,934,460.85	51,992,000,000.00	53,607,934,460.85	(1,615,934,460.85)	51,992,000,000.00	53,607,934,460.85														
1140300 VAT Remissions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00														
1140301 Excise Taxes	65,551,000,000.00	64,289,000,000.00	1,262,000,000.00	65,551,000,000.00	61,905,511,272.00	3,645,488,728.00	65,551,000,000.00	61,857,466,359.10	65,551,000,000.00	61,857,466,359.10	3,693,533,640.90	65,551,000,000.00	61,857,466,359.10														
1140400 Taxes on specific services	15,261,633.00	0.00	15,261,633.00	15,261,633.00	0.00	15,261,633.00	15,261,633.00	0.00	15,261,633.00	0.00	15,261,633.00	15,261,633.00	0.00														
1140500 Fee on use of Goods & services	1,297,230,000.00	0.00	1,297,230,000.00	1,297,230,000.00	0.00	1,297,230,000.00	1,297,230,000.00	0.00	1,297,230,000.00	0.00	1,297,230,000.00	1,297,230,000.00	0.00														
1140501 Licences under traffic Act	944,230,000.00	110,210,840.00	834,019,160.00	944,230,000.00	70,000,000.00	874,230,000.00	944,230,000.00	874,230,000.00	944,230,000.00	874,230,000.00	70,000,000.00	944,230,000.00	874,230,000.00														
1140600 Royalties	397,000,000.00	257,000,000.00	140,000,000.00	397,000,000.00	187,299,398.00	209,700,602.00	397,000,000.00	209,700,602.00	397,000,000.00	187,299,398.00	209,700,602.00	397,000,000.00	187,299,398.00														
1140800 Other taxes on goods and services	569,034,103.00	278,375,071.00	290,659,032.00	569,034,103.00	67,784,758.00	501,249,345.00	569,034,103.00	501,249,345.00	569,034,103.00	67,784,758.00	501,249,345.00	569,034,103.00	67,784,758.00														
1150100 Customs duties	32,337,000,000.00	33,403,000,000.00	(1,066,000,000.00)	32,337,000,000.00	32,944,348,580.00	(607,348,580.00)	32,337,000,000.00	32,944,348,580.05	32,337,000,000.00	32,944,348,580.05	(607,348,580.05)	32,337,000,000.00	32,944,348,580.05														
1150200 Export Levies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00														
1150201 Exemptions on customs and other import duties	0.00	200,000,000.00	(200,000,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00														
1150400 Other taxes on international trade on transactions	11,687,000,000.00	13,546,000,000.00	(1,859,000,000.00)	11,687,000,000.00	12,913,424,236.00	(1,226,424,236.00)	11,687,000,000.00	12,913,424,236.55	11,687,000,000.00	12,913,424,236.55	(1,226,424,236.55)	11,687,000,000.00	12,913,424,236.55														
1160101 Stamp Duty	3,337,625,115.00	4,286,624,929.00	(950,999,814.00)	3,337,625,115.00	4,536,587,522.00	(1,198,962,407.00)	3,337,625,115.00	4,564,450,435.50	3,337,625,115.00	4,564,450,435.50	(1,226,805,320.50)	3,337,625,115.00	4,564,450,435.50														
1210300 Grants from foreign Governments through Exchequer	0.00	1,000,000,000.00	(1,000,000,000.00)	0.00	1,062,000,000.00	(1,062,000,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00														
1310100 Cash	15,240,633,935.00	15,912,000,000.00	(671,366,065.00)	15,240,633,935.00	13,055,831,657.00	2,184,802,278.00	15,240,633,935.00	11,887,485,396.95	15,240,633,935.00	11,887,485,396.95	3,353,148,538.05	15,240,633,935.00	11,887,485,396.95														
1310200 Grants from foreign Governments treated as AIA	0.00	17,241,000,000.00	(17,241,000,000.00)	0.00	9,898,415,117.00	(9,898,415,117.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00														
Loans from foreign Governments through Exchequer	17,286,310,279.00	0.00	17,286,310,279.00	17,286,310,279.00	0.00	17,286,310,279.00	17,286,310,279.00	0.00	17,286,310,279.00	0.00	17,286,310,279.00	17,286,310,279.00	0.00														
1320100 Grants from International Organizations	3,806,000,000.00	3,759,000,000.00	47,000,000.00	3,806,000,000.00	3,759,295,312.00	46,704,688.00	3,806,000,000.00	3,759,295,312.00	3,806,000,000.00	3,759,295,312.00	46,704,688.00	3,806,000,000.00	3,759,295,312.00														
1410100 Interest received	1,067,000,000.00	633,000,000.00	434,000,000.00	1,067,000,000.00	572,016,914.00	494,983,086.00	1,067,000,000.00	494,983,086.45	1,067,000,000.00	572,016,914.55	494,983,085.45	1,067,000,000.00	572,016,914.55														
1410201 Profits and dividends from CBK	2,000,000,000.00	0.00	2,000,000,000.00	2,000,000,000.00	0.00	2,000,000,000.00	2,000,000,000.00	0.00	2,000,000,000.00	0.00	2,000,000,000.00	2,000,000,000.00	0.00														
1410202 Other profits and dividends	2,703,000,000.00	2,038,000,000.00	665,000,000.00	2,703,000,000.00	3,133,350,633.00	(430,350,633.00)	2,703,000,000.00	3,133,350,633.50	2,703,000,000.00	3,133,350,633.50	(430,350,633.50)	2,703,000,000.00	3,133,350,633.50														
1410101 Rent of land	1,220,967,178.00	1,409,522,553.00	(188,555,375.00)	1,220,967,178.00	1,297,434,958.00	(76,467,780.00)	1,220,967,178.00	1,375,528,621.40	1,220,967,178.00	1,375,528,621.40	(154,411,443.40)	1,220,967,178.00	1,375,528,621.40														
1410402 Rent of Government Buildings	0.00	0.00	0.00	0.00	1,458,487.00	(1,458,487.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00														
1420101 Sale of KE-RE Shares	0.00	2,000,000,000.00	(2,000,000,000.00)	0.00	1,800,000,000.00	(1,800,000,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00														
1420102 Sale of Mumias	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00														
1420101 Sale of Kenyan Shares	2,500,000,000.00	0.00	2,500,000,000.00	2,500,000,000.00	0.00	2,500,000,000.00	2,500,000,000.00	0.00	2,500,000,000.00	0.00	2,500,000,000.00	2,500,000,000.00	0.00														
1420104 Sale of Telkom Shares	33,800,000,000.00	50,000,000,000.00	(16,200,000,000.00)	33,800,000,000.00	49,887,137,100.00	(16,087,137,100.00)	33,800,000,000.00	49,887,137,100.00	33,800,000,000.00	49,887,137,100.00	(16,087,137,100.00)	33,800,000,000.00	49,887,137,100.00														
1420105 Sale of Telkom Shares	5,600,000,000.00	24,416,000,000.00	(18,816,000,000.00)	5,600,000,000.00	24,301,320,000.00	(18,701,320,000.00)	5,600,000,000.00	24,301,320,000.00	5,600,000,000.00	24,301,320,000.00	(18,701,320,000.00)	5,600,000,000.00	24,301,320,000.00														
1420109 Sale of market shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00														
1420201 Fees under Traffic Act	698,738,367.00	1,169,372,225.00	(470,633,858.00)	698,738,367.00	913,336,872.00	(214,598,505.00)	698,738,367.00	913,336,872.00	698,738,367.00	913,336,872.00	(214,598,505.00)	698,738,367.00	913,336,872.00														
1420202 Motor drivers Licences	540,770,000.00	819,099,348.00	(278,329,348.00)	540,770,000.00	637,000,000.00	(92,230,000.00)	540,770,000.00	637,000,000.00	540,770,000.00	637,000,000.00	(92,230,000.00)	540,770,000.00	637,000,000.00														
1420203 Other land revenue	443,517,223.00	3,091,807.00	440,425,416.00	443,517,223.00	0.00	443,517,223.00	443,517,223.00	0.00	443,517,223.00	0.00	443,517,223.00	443,517,223.00	0.00														
1420204 Land adjudication and case fees	636,780.00	1,626,324.00	(989,544.00)	636,780.00	12,150.00	624,630.00	636,780.00	624,630.00	636,780.00	12,150.00	624,630.00	636,780.00	12,150.00														
1420205 Sale of freehold interests in eqt. land	12,878,319.00	5,482,986.00	7,395,331.00	12,878,319.00	14,577,775.00	(1,699,456.00)	12,878,319.00	14,577,775.00	12,878,319.00	14,577,775.00	(1,699,456.00)	12,878,319.00	14,577,775.00														
Fines, penalties and forfeitures and other charges	406,000,000.00	141,000,000.00	265,000,000.00	406,000,000.00	158,521,084.00	247,478,916.00	406,000,000.00	158,521,084.00	406,000,000.00	158,521,084.00	247,478,916.00	406,000,000.00	158,521,084.00														
1430100 Miscellaneous Revenue	7,913,000,000.00	6,419,000,000.00	1,494,000,000.00	7,913,000,000.00	7,402,166,078.00	510,833,922.00	7,913,000,000.00	7,402,166,078.00	7,913,000,000.00	7,402,166,078.00	510,833,922.00	7,913,000,000.00	7,402,166,078.00														
1450200 other receipts not classified AIA	2,733,000,000.00	0.00	2,733,000,000.00	2,733,000,000.00	0.00	2,733,000,000.00	2,733,000,000.00	0.00	2,733,000,000.00	0.00	2,733,000,000.00	2,733,000,000.00	0.00														
4510300 Loans																											

Code	Description	A		B		C		D		E		F		G		H		I	
		Original Estimate of Revenue as Captured in the C&AG Report for FY2007-2008 (May)	Final Revised Estimate of Revenue as Captured in the Estimates Report (C&AG) for FY2007-2008 (June)	Differences in the Authority given by Parliament as recorded by C&AG (A) & Estimates (B)	Final Revised Estimate of Revenue as Captured in the Estimates Report (C&AG) for FY2007-2008 (June)	Actual Revenue as Captured in the Estimates Report for FY2007-2008 (June)	Revised estimate (D) & Actual revenue (E)	Final Revised Estimate of Revenue as Captured in the Estimates Report (C&AG) for FY2007-2008 (May)	Actual Revenue as Captured in the Estimates Report for FY2007-2008 (June)	Exchequer Account as Captured by C&AG Report for FY2007-2008 (May)	Estimates reported to Parliament & Actual revenue Exchequer A/C for FY2007-8 (G=H)	Differences in the Authority given by Parliament as recorded by C&AG (A) & Estimates (B)	Final Revised Estimate of Revenue as Captured in the Estimates Report (C&AG) for FY2007-2008 (June)	Actual Revenue as Captured in the Estimates Report for FY2007-2008 (June)	Revised estimate (D) & Actual revenue (E)	Final Revised Estimate of Revenue as Captured in the Estimates Report (C&AG) for FY2007-2008 (May)	Actual Revenue as Captured in the Estimates Report for FY2007-2008 (June)	Exchequer Account as Captured by C&AG Report for FY2007-2008 (May)	Estimates reported to Parliament & Actual revenue Exchequer A/C for FY2007-8 (G=H)
11101000	Income tax from individuals (PAYE)	21,815,000,000.00	21,815,000,000.00	0.00	21,815,000,000.00	21,815,000,000.00	21,815,000,000.00	21,815,000,000.00	21,815,000,000.00	21,815,000,000.00	0.00	21,815,000,000.00	21,815,000,000.00	21,815,000,000.00	21,815,000,000.00	21,815,000,000.00	21,815,000,000.00	21,815,000,000.00	21,815,000,000.00
11102000	Income tax from corporations	77,340,000,000.00	77,340,000,000.00	0.00	77,340,000,000.00	77,340,000,000.00	77,340,000,000.00	77,340,000,000.00	77,340,000,000.00	77,340,000,000.00	0.00	77,340,000,000.00	77,340,000,000.00	77,340,000,000.00	77,340,000,000.00	77,340,000,000.00	77,340,000,000.00	77,340,000,000.00	77,340,000,000.00
11103000	Withholding tax	17,298,507,855.00	17,298,507,855.00	0.00	17,298,507,855.00	17,298,507,855.00	17,298,507,855.00	17,298,507,855.00	17,298,507,855.00	17,298,507,855.00	0.00	17,298,507,855.00	17,298,507,855.00	17,298,507,855.00	17,298,507,855.00	17,298,507,855.00	17,298,507,855.00	17,298,507,855.00	17,298,507,855.00
11104000	Exemptions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11105000	Removable property	46,000,000.00	46,000,000.00	0.00	46,000,000.00	46,000,000.00	46,000,000.00	46,000,000.00	46,000,000.00	46,000,000.00	0.00	46,000,000.00	46,000,000.00	46,000,000.00	46,000,000.00	46,000,000.00	46,000,000.00	46,000,000.00	46,000,000.00
11106000	Second hand motor vehicles duty	265,340,782.00	265,340,782.00	0.00	265,340,782.00	265,340,782.00	265,340,782.00	265,340,782.00	265,340,782.00	265,340,782.00	0.00	265,340,782.00	265,340,782.00	265,340,782.00	265,340,782.00	265,340,782.00	265,340,782.00	265,340,782.00	265,340,782.00
11107000	VAT on domestic goods and services	59,828,000,000.00	59,828,000,000.00	0.00	59,828,000,000.00	59,828,000,000.00	59,828,000,000.00	59,828,000,000.00	59,828,000,000.00	59,828,000,000.00	0.00	59,828,000,000.00	59,828,000,000.00	59,828,000,000.00	59,828,000,000.00	59,828,000,000.00	59,828,000,000.00	59,828,000,000.00	59,828,000,000.00
11108000	VAT on imported goods and services	51,992,000,000.00	51,992,000,000.00	0.00	51,992,000,000.00	51,992,000,000.00	51,992,000,000.00	51,992,000,000.00	51,992,000,000.00	51,992,000,000.00	0.00	51,992,000,000.00	51,992,000,000.00	51,992,000,000.00	51,992,000,000.00	51,992,000,000.00	51,992,000,000.00	51,992,000,000.00	51,992,000,000.00
11109000	VAT Remissions	63,551,088.00	63,551,088.00	0.00	63,551,088.00	63,551,088.00	63,551,088.00	63,551,088.00	63,551,088.00	63,551,088.00	0.00	63,551,088.00	63,551,088.00	63,551,088.00	63,551,088.00	63,551,088.00	63,551,088.00	63,551,088.00	63,551,088.00
11110000	Excise taxes	32,433,267,833.00	32,433,267,833.00	0.00	32,433,267,833.00	32,433,267,833.00	32,433,267,833.00	32,433,267,833.00	32,433,267,833.00	32,433,267,833.00	0.00	32,433,267,833.00	32,433,267,833.00	32,433,267,833.00	32,433,267,833.00	32,433,267,833.00	32,433,267,833.00	32,433,267,833.00	32,433,267,833.00
11111000	Revenue from specific levies	1,297,230,000.00	1,297,230,000.00	0.00	1,297,230,000.00	1,297,230,000.00	1,297,230,000.00	1,297,230,000.00	1,297,230,000.00	1,297,230,000.00	0.00	1,297,230,000.00	1,297,230,000.00	1,297,230,000.00	1,297,230,000.00	1,297,230,000.00	1,297,230,000.00	1,297,230,000.00	1,297,230,000.00
11112000	Revenue from specific levies	944,230,000.00	944,230,000.00	0.00	944,230,000.00	944,230,000.00	944,230,000.00	944,230,000.00	944,230,000.00	944,230,000.00	0.00	944,230,000.00	944,230,000.00	944,230,000.00	944,230,000.00	944,230,000.00	944,230,000.00	944,230,000.00	944,230,000.00
11113000	Levies under traffic and	257,000,000.00	257,000,000.00	0.00	257,000,000.00	257,000,000.00	257,000,000.00	257,000,000.00	257,000,000.00	257,000,000.00	0.00	257,000,000.00	257,000,000.00	257,000,000.00	257,000,000.00	257,000,000.00	257,000,000.00	257,000,000.00	257,000,000.00
11114000	Levies under traffic and	278,375,071.00	278,375,071.00	0.00	278,375,071.00	278,375,071.00	278,375,071.00	278,375,071.00	278,375,071.00	278,375,071.00	0.00	278,375,071.00	278,375,071.00	278,375,071.00	278,375,071.00	278,375,071.00	278,375,071.00	278,375,071.00	278,375,071.00
11115000	Other taxes on goods and services	569,034,433.00	569,034,433.00	0.00	569,034,433.00	569,034,433.00	569,034,433.00	569,034,433.00	569,034,433.00	569,034,433.00	0.00	569,034,433.00	569,034,433.00	569,034,433.00	569,034,433.00	569,034,433.00	569,034,433.00	569,034,433.00	569,034,433.00
11116000	Customs duties	33,433,000,000.00	33,433,000,000.00	0.00	33,433,000,000.00	33,433,000,000.00	33,433,000,000.00	33,433,000,000.00	33,433,000,000.00	33,433,000,000.00	0.00	33,433,000,000.00	33,433,000,000.00	33,433,000,000.00	33,433,000,000.00	33,433,000,000.00	33,433,000,000.00	33,433,000,000.00	33,433,000,000.00
11117000	Report Levies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11118000	Exemptions on customs and other import duties	11,697,000,000.00	11,697,000,000.00	0.00	11,697,000,000.00	11,697,000,000.00	11,697,000,000.00	11,697,000,000.00	11,697,000,000.00	11,697,000,000.00	0.00	11,697,000,000.00	11,697,000,000.00	11,697,000,000.00	11,697,000,000.00	11,697,000,000.00	11,697,000,000.00	11,697,000,000.00	11,697,000,000.00
11119000	Other taxes on international trade on transactions	13,546,000,000.00	13,546,000,000.00	0.00	13,546,000,000.00	13,546,000,000.00	13,546,000,000.00	13,546,000,000.00	13,546,000,000.00	13,546,000,000.00	0.00	13,546,000,000.00	13,546,000,000.00	13,546,000,000.00	13,546,000,000.00	13,546,000,000.00	13,546,000,000.00	13,546,000,000.00	13,546,000,000.00
11120000	Stamp duty	3,337,953,113.00	3,337,953,113.00	0.00	3,337,953,113.00	3,337,953,113.00	3,337,953,113.00	3,337,953,113.00	3,337,953,113.00	3,337,953,113.00	0.00	3,337,953,113.00	3,337,953,113.00	3,337,953,113.00	3,337,953,113.00	3,337,953,113.00	3,337,953,113.00	3,337,953,113.00	3,337,953,113.00
11121000	Contribution from Govt. emp. to S & W S within Government	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12103000	Grants from foreign Governments through Exchequer Cash	15,240,633,935.00	15,240,633,935.00	0.00	15,240,633,935.00	15,240,633,935.00	15,240,633,935.00	15,240,633,935.00	15,240,633,935.00	15,240,633,935.00	0.00	15,240,633,935.00	15,240,633,935.00	15,240,633,935.00	15,240,633,935.00	15,240,633,935.00	15,240,633,935.00	15,240,633,935.00	15,240,633,935.00
13101000	Grants from foreign Governments treated as AIA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13102000	Grants from foreign Governments through Exchequer	17,286,310,279.00	17,286,310,279.00	0.00	17,286,310,279.00	17,286,310,279.00	17,286,310,279.00	17,286,310,279.00	17,286,310,279.00	17,286,310,279.00	0.00	17,286,310,279.00	17,286,310,279.00	17,286,310,279.00	17,286,310,279.00	17,286,310,279.00	17,286,310,279.00	17,286,310,279.00	17,286,310,279.00
13201000	Grants from International Organizations	3,605,000,000.00	3,605,000,000.00	0.00	3,605,000,000.00	3,605,000,000.00	3,605,000,000.00	3,605,000,000.00	3,605,000,000.00	3,605,000,000.00	0.00	3,605,000,000.00	3,605,000,000.00	3,605,000,000.00	3,605,000,000.00	3,605,000,000.00	3,605,000,000.00	3,605,000,000.00	3,605,000,000.00
14101000	Interest received from Govt.	1,667,000,000.00	1,667,000,000.00	0.00	1,667,000,000.00	1,667,000,000.00	1,667,000,000.00	1,667,000,000.00	1,667,000,000.00	1,667,000,000.00	0.00	1,667,000,000.00	1,667,000,000.00	1,667,000,000.00	1,667,000,000.00	1,667,000,000.00	1,667,000,000.00	1,667,000,000.00	1,667,000,000.00
14102000	Interest and dividend from Govt.	2,903,000,000.00	2,903,000,000.00	0.00	2,903,000,000.00	2,903,000,000.00	2,903,000,000.00	2,903,000,000.00	2,903,000,000.00	2,903,000,000.00	0.00	2,903,000,000.00	2,903,000,000.00	2,903,000,000.00	2,903,000,000.00	2,903,000,000.00	2,903,000,000.00	2,903,000,000.00	2,903,000,000.00
14103000	Interest and dividend from Govt.	1,409,522,553.00	1,409,522,553.00	0.00	1,409,522,553.00	1,409,522,553.00	1,409,522,553.00	1,409,522,553.00	1,409,522,553.00	1,409,522,553.00	0.00	1,409,522,553.00	1,409,522,553.00	1,409,522,553.00	1,409,522,553.00	1,409,522,553.00	1,409,522,553.00	1,409,522,553.00	1,409,522,553.00
14104000	Interest of Government Buildings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14105000	Interest of Government Buildings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14106000	Interest of Government Buildings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14107000	Interest of Government Buildings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14108000	Interest of Government Buildings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14109000	Interest of Government Buildings	0.00	0.00	0.00	0.00	0													

TABLE1: 2007/2008 FINANCIAL YEAR REVENUE ACCOUNTS
VARIANCE ANALYSIS.

Item	Details	Original Estimates (Ksh.)	Min. Actual (Ksh.)	A-G Actual (Ksh.)	Min-AG Variance (Ksh.)
	Opening Balance	-	-	8,101,751.75	
1110000	Taxes on Income, Profits and Capital Gains				
1110100	Income Tax from Individual (PAYE)	71,816,000,000.00	85,953,000,000.00	81,680,929,230.20	4,272,070,769.80
1110200	Income Tax from Corporations(Other Income Tax)	72,340,000,000.00	79,125,000,000.00	86,695,983,472.40	(7,570,983,472.40)
1110300	Withholding Tax	17,298,507,856.00	-	-	-
	Gross Income Tax.	161,454,507,856.00	165,078,000,000.00	168,385,014,454.35	(3,307,014,454.35)
1110400	Exemptions	-	-	-	-
1110500	Income Tax Share of LATF	-	8,253,900,000.00	-	8,253,900,000.00
	Total Taxes on Income, Profits and Capital Gains	161,454,507,856.00	156,824,100,000.00	168,385,014,454.35	(11,560,914,454.35)
1130000	Taxes on Propoerty				
1130100	Immovable Property	46,000,000.00	61,895,301.00	-	61,895,301.00
1130202	Second Hand Motor Vehicle Purchase	285,340,782.00	270,000,000.00	-	270,000,000.00
	Total Taxes on Property.	331,340,782.00	331,895,301.00	-	331,895,301.00
1140000	Taxes on Goods and Services				
1140100	VAT on domestic goods and services	59,828,000,000.00	58,277,000,000.00	61,586,108,468.70	(3,309,108,468.70)
1140200	VAT on Imported Goods and Service	51,992,000,000.00	53,627,508,116.00	53,807,634,460.85	(180,126,344.85)
	Total VAT.	111,820,000,000.00	111,904,508,116.00	115,393,742,929.55	(3,489,234,813.55)
1140300	Excise Taxes	65,551,000,000.00	61,905,511,272.00	61,857,468,359.10	48,042,912.90
1140400	Taxes on Specific Service	15,261,633.00	-	-	-
1140500	Fees on Use of goods and on Perm	1,297,230,000.00	-	-	-
	Lincenses Under Traffic Act	944,230,000.00	70,000,000.00	1,880,336,872.75	(1,810,336,872.75)
1140600	Royalties	397,000,000.00	187,799,398.00	187,799,398.00	-
1140700	Taxes on Goods and Services Collected as AIA				
1140703	Petroleum Development Levy (PDL)	-	1,204,000,000.00	-	1,204,000,000.00
1140704	Road Maintenance Levy (RML)	-	17,301,000,000.00	-	17,301,000,000.00
1140800	Other Taxes on Goods and Services	569,034,103.00	67,784,758.00	-	67,784,758.00
	Total Excluding PDL and RML	68,773,755,736.00	62,231,095,428.00	63,925,604,629.85	(1,694,509,201.85)

	Total Taxes on Goods and Services	180,593,755,736.00	174,135,603,544.00	179,319,347,559.40	(5,183,744,015.40)
1150000	Taxes on International Trade & Transactions				
1150100	Custom Duties	32,337,000,000.00	32,944,348,580.00	32,944,348,580.05	(0.05)
1150200	Export Levies	-	-	-	-
1150300	Exemptions on customs and other import duties	-	-	-	-
1150400	Other Taxes on International Trade and Transactions	11,687,000,000.00	12,913,424,236.00	12,913,424,236.55	(0.55)
	Total Taxes on International Trade & Transaction (Customs)	44,024,000,000.00	45,857,772,816.00	45,857,772,816.60	(0.60)
	1160000 Other Taxes (not elsewhere Classified)				
1160101	Stamp Duty	3,337,625,115.00	4,536,387,522.00	4,584,430,435.50	(48,042,913.50)
	Total Other Taxes (not elsewhere Classified)	3,337,625,115.00	4,536,387,522.00	4,584,430,435.50	(48,042,913.50)
	1210000 Social Security Contributions				
1210300	Contributions from Govt Employees to Social and Welfare Schemes within Govt.	-	1,062,000,000.00	-	1,062,000,000.00
	Totla Social Security Contributions	-	1,062,000,000.00	-	1,062,000,000.00
	1410000 Property Income				
1410100	Interest Received	1,067,000,000.00	572,016,914.00	572,016,914.55	(0.55)
1410201	Profits and Dividends from CBK	2,000,000,000.00	-	-	-
1410202	Other Profits and Dividend	2,703,000,000.00	3,133,350,633.00	3,133,350,633.50	(0.50)
1410401	Rent of Land	1,220,967,178.00	1,297,434,958.00	1,375,378,671.40	(77,943,713.40)
1410403	Webuye Housing Scheme Rent	-	1,458,487.00	-	1,458,487.00
	Total Property Income	6,990,967,178.00	5,004,260,992.00	5,080,746,219.45	(76,485,227.45)
	1420000 Sale of Goods and Service				
1420101	Sale of Kenya Re shares	-	1,800,000,000.00	1,800,000,000.00	-
1420102	Sale of Mumias Shares	-	-	-	-
1420103	Sale of Kengen Shares	2,500,000,000.00	-	-	-
1420104	Sale of Safaricom Shares	33,800,000,000.00	49,887,137,100.00	49,887,137,100.00	-
1420105	Sale of Telkom Shares	5,600,000,000.00	24,301,320,000.00	24,301,320,000.00	-
	Total Sale of Market Establishment	41,900,000,000.00	75,988,457,100.00	75,988,457,100.00	-
1420201	Fees under Traffic Act	698,738,367.00	913,336,872.00	-	913,336,872.00
1420202	Motor Driver's Licences	540,770,000.00	627,000,000.00	-	627,000,000.00
1420203	Other Land Revenue	443,517,723.00	-	-	-
1420204	Land adjudication & Case fees	636,780.00	12,150.00	-	12,150.00

1420205	Sale of freehold interest in agricultural land	12,878,319.00	14,577,775.00	-	14,577,775.00
	Total Sale of Goods and Services (excluding sale of market establishment.)	1,696,541,189.00	1,554,926,797.00	-	1,554,926,797.00
1430000	Fines Penalties & Forfeitures				
1430100	Fines, Penalties & Forfeitures & Other Charges	406,000,000.00	158,521,084.00	158,521,084.00	-
	Total Fines, Penalties and Forfeitures	406,000,000.00	158,521,084.00	158,521,084.00	-
1450000	Other Receipts Not classified Elsewhere				
1450101	Miscellaneous Revenue	7,913,000,000.00	7,402,166,078.00	15,956,423,390.40	(8,554,257,312.40)
1450200	Collected AIA	2,733,000,000.00	-	-	-
	Total Other Receipts Not classified Elsewhere	10,646,000,000.00	7,402,166,078.00	15,956,423,390.40	(8,554,257,312.40)
4510000	Repayments from Domestic Lending and On-Lending				
4510200	Loans to Non-Financial Public Enterprises	697,882,968.00	708,564,701.45	708,564,701.45	-
4510300	Loans to Financial Institutions	2,117,032.00	-	-	-
	Total Repayments from Domestic Lending and On-Lending	700,000,000.00	708,564,701.45	708,564,701.45	-
	TOTAL ORDINARY REVENUE (Excluding LATF)	452,080,737,856.00	397,576,198,835.45	496,039,277,761.15	(98,463,078,925.70)
1310000	Grants from Foreign Governments				
1310100	Grants from Foreign Governments -Cash through Exchequer	15,240,633,935.00	13,055,831,657.00	11,887,485,396.95	1,168,346,260.05
1310200	Grants from Foreign Governments -Direct payments A-I-A				
	Loans from Foreign Government through Exchequer	17,286,310,279.00	-	-	9,898,415,117.00
	Total Grants from Foreign Governments	32,526,944,214.00	22,954,246,774.00	20,077,231,195.75	(8,189,745,798.80)
1320000	Grants from International Organization				
1320100	Grants from International Org.	3,806,000,000.00	3,759,295,312.00	-	3,759,295,312.00
	Total Grants from International Organization	3,806,000,000.00	3,759,295,312.00	-	3,759,295,312.00
	Total Grants	36,332,944,214.00	26,713,542,086.00	20,077,231,195.75	6,636,310,890.25
	Appropriation in Aid.	-	35,700,000,000.00	-	35,700,000,000.00
	Total Revenue.	488,413,682,070.00	459,989,740,921.45	516,116,508,956.90	(56,126,768,035.45)
5110000	Domestic Borrowing				
5110200	Net Domestic Borrowing (CBK)	33,959,000,000.00	(13,891,000,000.00)	0	(13,891,000,000.00)
	Total Net Domestic Borrowing	33,959,000,000.00	(13,891,000,000.00)	-	(13,891,000,000.00)
	GRAND TOTAL	522,372,682,070.00	446,098,740,921.45	516,116,508,956.90	(70,017,768,035.45)