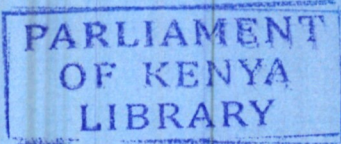


REPUBLIC OF KENYA



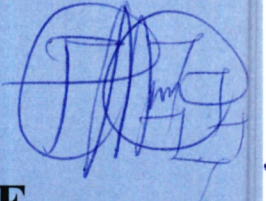
OFFICE OF THE AUDITOR-GENERAL

*Paper Laid by  
the Whip  
of  
the Majority Party*



**REPORT** [Hon. Benjamin  
Washiali] on  
Thursday

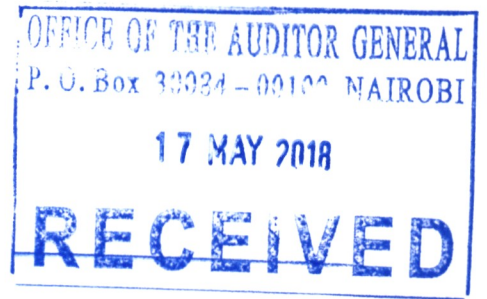
**OF**  
**THE AUDITOR-GENERAL** 21<sup>st</sup> June 2018  
**ON** [Afternoon]



**THE FINANCIAL STATEMENTS OF  
THE RECEIVER OF REVENUE – STATE  
DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT**

**FOR THE YEAR ENDED  
30 JUNE 2017**

**MINISTRY OF TRANSPORT,  
INFRASTRUCTURE, HOUSING AND  
URBAN DEVELOPMENT**



---

**RECEIVER OF REVENUE**

**MINISTRY OF TRANSPORT, INFRASTRUCTURE, HOUSING AND URBAN  
DEVELOPMENT**

**STATE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**REVENUE STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2017**

---

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

**RECEIVER OF REVENUE ENTITY – MINISTRY OF TRANSPORT, INFRASTRUCTURE,  
HOUSING AND URBAN DEVELOPMENT  
STATE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
REVENUE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

---

**Table of Contents**

	Page
I. KEY ENTITY INFORMATION AND MANAGEMENT .....	1
II. STATEMENT OF RECEIVER OF REVENUE'S RESPONSIBILITIES.....	3
III. STATEMENT OF RECEIPTS AND TRANSFERS.....	5
IV. STATEMENT OF ARREARS IN REVENUE AS AT 30 JUNE 2017 .....	6
V. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS .....	7
VI. SIGNIFICANT ACCOUNTING POLICIES.....	8
VII. NOTES TO THE FINANCIAL STATEMENTS.....	10
VIII. APPENDICES.....	12

**RECEIVER OF REVENUE ENTITY – MINISTRY OF TRANSPORT, INFRASTRUCTURE,  
HOUSING AND URBAN DEVELOPMENT  
STATE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
REVENUE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

---

**I. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

The Receiver of Rent of Government Buildings and Housing is under the Ministry of Transport, Infrastructure, housing and Urban Development. At cabinet level, the Receiver of rent of Government Buildings and Housing is represented by the Cabinet Secretary for collection of revenue who is responsible for the general policy and strategic direction of the rent of Government Buildings and Housing. The receiver of rent of Government Buildings and Housing was appointed as a receiver on 1st July, 2016.

**(b) Principal activities**

The Receiver of Revenue collects revenue from rent of government buildings. The Revenue collected is remitted to the National Treasury in accordance with Section 81 (2) of the PFM Regulations 2015 and used for exchequer issues.

**(c) Key Management**

The State Department of Housing and Urban Development day-to-day management is under the following key organs:

- Cabinet Secretary - James Wainaina Macharia.
- Principal Secretary- Aidah Njeri Munano
- Senior Management;
  - Director Administration.....;Hussein Ibrahim
  - Secretary Housing.....;Patrick Bucha
  - Director Estates.....;Leah Muraguri

**(d) Entity Headquarters**

Ministry of Transport, Infrastructure, Housing and Urban Development  
P.O. Box 52692 - 00200  
Transcom House  
Ngong road  
Nairobi, KENYA

**(e) Entity Contacts**

State Department of Housing and Urban Development  
Telephone: (254) (0)202718050  
E-mail: pshud@ardhi.go.ke  
Website:www.housingandurban.go.ke

**RECEIVER OF REVENUE ENTITY – MINISTRY OF TRANSPORT, INFRASTRUCTURE,  
HOUSING AND URBAN DEVELOPMENT  
STATE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
REVENUE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

---

**(f) Independent Auditors**

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

**(g) Principal Legal Adviser**

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

**(h) Bankers**

Central Bank of Kenya  
Telephone: (254) 202860000  
E-mail: [comms@centralbank.go.ke](mailto:comms@centralbank.go.ke)  
Website: [www.centralbank.go.ke](http://www.centralbank.go.ke)

**RECEIVER OF REVENUE ENTITY – MINISTRY OF TRANSPORT, INFRASTRUCTURE,  
HOUSING AND URBAN DEVELOPMENT  
STATE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
REVENUE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

---

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

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

Section 83 (2)(b) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Principal Secretary in charge of the State Department of Housing and Urban Development is responsible for the preparation and presentation of the receiver of rent of Government Buildings and Housing account, which gives a true and fair view of the state of affairs of the receiver of rent of Government Buildings and Housing for and as at the end of the period ended on June, 30, 2017.

This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the State Department of Housing and Urban Development;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Principal Secretary in charge of the State Department of Housing and Urban Development accepts responsibility for the entity's receiver of revenue accounts, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Principal Secretary is of the opinion that the State Department of Housing and Urban Development receiver of rent income account gives a true and fair view of the state of the State Department of Housing and Urban Development receiver of property income transactions during the period ended June, 30, 2017, and of the State Department of Housing and Urban Development's financial position as at that date.

The Principal Secretary in charge of the State Department of Housing and Urban Development further confirms the completeness of the accounting records maintained for the receiver of rent of Government Buildings and Housing, which have been relied upon in the preparation of the receiver of property income account as well as the adequacy of the systems of internal financial control.

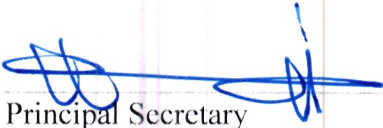
**RECEIVER OF REVENUE ENTITY – MINISTRY OF TRANSPORT, INFRASTRUCTURE,  
HOUSING AND URBAN DEVELOPMENT  
STATE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
REVENUE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**


---

The Principal Secretary in charge of the State Department of Housing and Urban Development confirms that the entity has complied fully with applicable Government Regulations and that the State Department of Housing and Urban Development funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Principal Secretary confirms that the receiver of the rent of Government Buildings and Housing accounts have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the Revenue Statements**

The revenue statements were approved and signed by the Principal Secretary on \_\_\_\_\_ 2017

  
Principal Secretary  
Name: AIDAH NJERI MUNANO

  
Principal Accounts Controller  
Name: Irene M. Mbugo  
ICPAK Member Number: 6869

# REPUBLIC OF KENYA

Telephone: +254-20-342330  
Fax: +254-20-311482  
E-mail: oag@oagkenya.go.ke  
Website: www.kenao.go.ke

P.O. Box 30084-00100  
NAIROBI



## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON THE RECEIVER OF REVENUE- STATE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - MINISTRY OF TRANSPORT, INFRASTRUCTURE, HOUSING AND URBAN DEVELOPMENT FOR THE YEAR ENDED 30 JUNE 2017

---

#### REPORT ON THE REVENUE STATEMENT

##### Qualified Opinion

I have audited the accompanying Statement of Revenue of Receiver of Revenue-State Department of Housing and Urban Development set out on pages 5 to 12, which comprise of the statement of arrears in revenue as at 30 June 2017, and the statement of receipts and transfers, the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the statement of revenue present fairly, in all material respects, the revenue position of the Receiver of Revenue- State Department for Housing and Urban Development as at 30 June 2017, and its revenue performance in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Government Financial Regulations and Procedures and the Public Finance Management Act, 2012.

In addition, as required by Article 229(6) of the Constitution, except for the matters described in the Basis for Qualified Opinion section of my report, based on the procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

##### Basis for Qualified Opinion

##### 1.0 Non Maintainance of Books of Accounts and Revenue Bank Account

During the period ended 30 June 2017, the State Department of Housing and Urban Development did not maintain books of accounts (e.g cash book and ledgers) and a revenue bank account, contrary to Public Financial Management (PFM) Act, Section 82 and Regulation 100 of the PFM (National Government) Regulations 2015.

---

*Report of the Auditor-General on the Financial Statements of Receiver of Revenue -State Department of Housing and Urban Development -Ministry of Transport, Infrastructure, Housing and Urban Development for the year ended 30 June 2017*

In the circumstances, the validity and completeness of rent revenue amount of Kshs.249,561,252.00 reported in the Revenue Statement for the year ended 30 June 2017 could not be confirmed.

## **2.0 Rental Income**

According to rent analysis provided by the Estate Department for the year ended 30 June 2017, the rent paying Houses totaling 27,547 were expected to generate monthly rent revenue of Kshs.49,131,995.00. Consequently, expected rental revenue for the year ended 30 June 2017 was Kshs.589,583,940.00, but only Kshs.249,561,252 was disclosed in the Revenue statement and the under collection of Kshs.340,022,688 was not satisfactory explained. Further, a summary of payroll by products held by the Estate Department shows that total rent revenue deducted from staff amounted to Kshs.407,966,482.35 during the year while the revenue statements reflect a total of Kshs.249,561,252.00 resulting to a variance of Kshs.158,405,252 which has not been accounted for. In the circumstances the management has failed to put in place measures and controls to ensure that all Government Houses are safeguarded and that rent deducted from payroll received, recorded, banked and remitted to Exchequer Accounts as required.

## **3.0 Statement of Revenue Arrears**

The Statement of arrears in revenue as at 30 June 2017 reflects nil balances and no explanation has been provided. This is Contrary to Public Finance Management Act, 2012 section 82 (2b), Regulation 65 of the Public Finance Management (National Government) Regulations, 2015 and Public Sector Accounting Standards Board (PSASB) Revenue Reporting Standards Guidelines.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Receiver of Revenue- State Department of Housing and Urban Development and in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the revenue statements. Except for the matters described in the Basis for Qualified Opinion section of my report, I have determined that there are no Key Audit Matters to communicate in my report.

### **Management's Responsibility for the Revenue Statements and Those Charged with Governance**

Management is responsible for the preparation and fair presentation of this revenue statements in accordance with International Public Sector Accounting Standards (Cash

Basis) and for such internal control as management determines is necessary to enable the preparation of revenue statements that are free from material misstatement, whether due to fraud or error.

In preparing the Statements, management is responsible for assessing the Receiver of Revenue's ability to sustain services, disclosing, as applicable, matters related to sustainability of services.

Management is also responsible for the submission of the statement to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015. Those charged with governance are responsible for overseeing the Receiver of Revenue's reporting process.

### **Auditor-General's Responsibilities for the Audit of the Financial Statements**

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

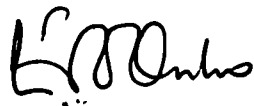
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement of revenues, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and for the purpose of giving an assurance on the effectiveness of the Receiver of Revenue's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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

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

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



**FCPA Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

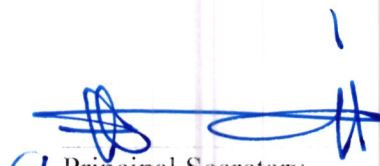
**05 June 2018**


RECEIVER OF REVENUE ENTITY – MINISTRY OF TRANSPORT, INFRASTRUCTURE,  
HOUSING AND URBAN DEVELOPMENT  
STATE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
REVENUE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

III. STATEMENT OF RECEIPTS AND TRANSFERS

	Note	2016/17 Kshs	2015/16 Kshs
<b>TAX RECEIPTS</b>			
Taxes on Property	1	-	-
<b>TOTAL TAX RECEIPTS</b>		-	-
<b>NON TAX RECEIPTS</b>			
Property Income	2	249,561,252.30	-
<b>TOTAL NON TAX RECEIPTS</b>		<b>249,561,252.30</b>	
<b>TOTAL RECEIPTS COLLECTED</b>		<b>249,561,252.30</b>	-
<b>TRANSFERS TO THE EXCHEQUER ACCOUNT</b>		94,927,852.60	-
<b>BALANCE BROUGHT FORWARD</b>	3	-	-
<b>BALANCE CARRIED FORWARD</b>	3	<b>154,633,409.70</b>	-

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on \_\_\_\_\_ 2017 and signed by:

  
Principal Secretary  
Name: AIDAH NJERI MUNAHO

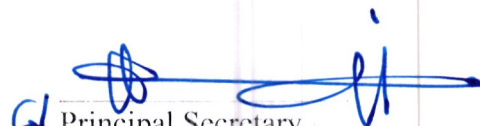
  
Principal Accounts Controller  
Name: Irene M. Njoro  
ICPAK Member Number: 6867


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

RECEIVER OF REVENUE ENTITY – MINISTRY OF TRANSPORT, INFRASTRUCTURE,  
HOUSING AND URBAN DEVELOPMENT  
STATE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
REVENUE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

7. STATEMENT OF ARREARS IN REVENUE AS AT 30 JUNE 2017

Classification of Revenue	Accumulated amount in arrears from prior periods to June 2015 (a)	Amount in arrears for the immediate previous year to 30 June 2016 (b)	Amount in arrears for the current year to June 30 2017 (c)	Total arrears as at 30 June 2017 (a+b+c)	Measures taken to recover the arrears	Assessment to the recoverability of arrears
<b>Tax Revenues</b>						
Taxes on property	-	-	-	-	N/A	N/A
<b>Non Tax Revenues</b>						
Property Income	-	-	-	-	N/A	N/A
<b>Total arrears</b>	-	-	-	-		

  
Principal Secretary  
Name: AIDAH NJERI MUNANO


  
Principal Accounts Controller  
Name: Irene M. Mbogo  
ICPAK Member Number: 6867


V. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE 2017

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference	
	2016-2017	Kshs	2016-2017	Kshs	2016-2017	Kshs	2016-2017	Kshs	2016-2017	Kshs
Revenue										
Taxes on Property	-	-	-	-	-	-	-	-	-	-
<b>Total tax receipts</b>	-	-	-	-	-	-	-	-	-	-
<b>Non tax receipts</b>										
Property Income	145,025,276	-	-	-	145,025,276	-	249,561,252.30	249,561,252.30	104,535,976.30	104,535,976.30
<b>Total Non-tax receipts</b>	<b>145,025,276</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>145,025,276</b>	<b>-</b>	<b>249,561,252.30</b>	<b>249,561,252.30</b>	<b>104,535,976.30</b>	<b>104,535,976.30</b>
<b>Total receipts</b>	<b>145,025,276</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>145,025,276</b>	<b>-</b>	<b>249,561,252.30</b>	<b>249,561,252.30</b>	<b>104,535,976.30</b>	<b>104,535,976.30</b>

The cumulative actual realised in during the year is more since some institutions had collected more than what they had budgeted to collect.

The revenue statements were approved and signed by the Principal Secretary on \_\_\_\_\_ 2017

  
 Principal Secretary  
 Name: ADAH NJERI MUNANO

  
 Principal Accounts Controller  
 Name: Juana M. Mboyo  
 ICPAK Member Number: 6867

**RECEIVER OF REVENUE ENTITY – MINISTRY OF TRANSPORT, INFRASTRUCTURE,  
HOUSING AND URBAN DEVELOPMENT  
STATE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
REVENUE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

---

**VI. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

**2. Recognition of Revenue**

The State Department of Housing and Urban Development recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the State Department of Housing and Urban Development.

**3. Budget**

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

**4. Cash and cash equivalents**

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

**RECEIVER OF REVENUE ENTITY – MINISTRY OF TRANSPORT, INFRASTRUCTURE,  
HOUSING AND URBAN DEVELOPMENT  
STATE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
REVENUE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

---

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Revenue in Arrears**

This relates to revenue due and is yet to be received or collected by the receiver of revenue. The revenue in arrears is as disclosed in the Statement of Revenue in Arrears under section IV of these financial statements.

**6. Comparative Figures**

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

**7. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended June 30, 2017.

**8. Statement of Arrears of Revenue**

The statement of arrears of revenue is not a requirement as per the IPSAS Cash Standard. The IPSAS Cash Standard encourages disclosure of accrual based balances since it's a transitional standard to accrual basis of accounting. The PFM Act, 2012 section 82,2b and section 69(c) of the PFM Regulations 2015 requires a Receiver of Revenue to prepare a statement on revenue of arrears due but not yet collected at the end of the period. This statement has been disclosed under section IV of these financial statements.

RECEIVER OF REVENUE ENTITY – MINISTRY OF TRANSPORT, INFRASTRUCTURE,  
HOUSING AND URBAN DEVELOPMENT  
STATE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
REVENUE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

VII. NOTES TO THE FINANCIAL STATEMENTS

I. TAXES ON PROPERTY

Description	2016-2017 Kshs	2015-2016 Kshs
Immovable Property (Stand Premia on Town Plots)	-	-
Second Hand Motor Vehicle Purchase Tax	-	-
<b>Total Revenue on Property</b>	-	-
<b>Balance brought forward</b>	-	-
Transfers to the Exchequer account	-	-
<b>Balance carried forward</b>	-	-

2. PROPERTY INCOME

Description	2016-2017 Kshs	2015-2016 Kshs
Interest	-	-
Other Profits and Dividends	-	-
Surplus funds from Regulatory Authorities	-	-
Rent of Land	-	-
Rent of Government Buildings and Housing	249,561,252.30	-
<b>Total Property Income</b>	249,561,252.30	-
<b>Balance brought forward</b>	-	-
Transfers to the Exchequer account	94,927,842.60	-
<b>Balance carried forward</b>	<b>154,633,409.70</b>	-

RECEIVER OF REVENUE ENTITY – MINISTRY OF TRANSPORT, INFRASTRUCTURE,  
 HOUSING AND URBAN DEVELOPMENT  
 STATE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
 REVENUE STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. BALANCES CARRIED FORWARD

<b>a) Balance brought forward subsequently transferred</b>		
Amount		<i>Date transferred</i>
1.-		<i>N/A</i>
2.-	94,927,842.60	<i>N/A</i>
<b>b) Balance carried forward yet to be transferred</b>		
Amount		
1.-		
2.	154,633,409.70	
	154,633,409.70	
	<b>154,633,409.70</b>	

Revenue not yet transferred to exchequer since the Revenue account had not been opened.

RECEIVER OF REVENUE ENTITY – MINISTRY OF TRANSPORT, INFRASTRUCTURE,  
 HOUSING AND URBAN DEVELOPMENT  
 STATE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
 REVENUE STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2017

III. APPENDICES

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

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

(PFM ACT section 82 sub section 4, 5)

**RECEIVER OF REVENUE ENTITY – MINISTRY OF TRANSPORT, INFRASTRUCTURE,  
HOUSING AND URBAN DEVELOPMENT  
STATE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
REVENUE STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue (Name and designation)</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
N/A	N/A	N/A	N/A	N/A	N/A

There were no audit issues to be resolve since the State Department of Housing and Urban Development is a new Receiver of Revenue appointed this final year and the Financial Statements year 2016/2017 will be the 1<sup>st</sup> statements to be produced.



## MINISTRY OF LANDS AND PHYSICAL PLANNING

Telegrams" MINILANDS", Nairobi  
Telephone: Nairobi 2718050  
When replying please quote

ARDHI HOUSE  
1<sup>st</sup> NGONG AVENUE  
OFF NGONG ROAD  
P.O. BOX 30450  
NAIROBI

Ref: MLPP/AC/9/6(32)

7<sup>th</sup> February , 2018

The Principal Secretary  
Ministry of Transport, Infrastructure,  
Housing and Urban Development  
NAIROBI

*(Attn: Head Accounting Unit)*

### **REF: RENT DEDUCTIONS – HOUSING AND URBAN DEVELOPMENT FINANCIAL YEAR 2016/2017**

---

Reference is made to your letter Ref. No. MTIHU/DH/3/21 Vol.IV/(23) dated 6<sup>th</sup> February, 2018 on the above subject.

I confirm that an amount totaling Kshs.94,927,842.60 being Rent Collections for State Department of Housing and Urban Development was received in the Ministry's Revenue account. The amount was ultimately transferred to exchequer account.

Kindly take note. A schedule of the same was forwarded to you earlier.

**JOHNSON W. NJUGUNA**  
**FOR: PRINCIPAL SECRETARY**