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REPORT	
THE NATIONAL ASSEMBLY	
DATE:	18 APR 2023
	TUESDAY
TABLED BY:	Hon. Owen Bayo M.P. Deputy Leader, Majority
CLERK-AT THE-TABLE:	Ann Shubuko

THE AUDITOR-GENERAL

ON

COMMISSION ON REVENUE ALLOCATION

**FOR THE YEAR ENDED
30 JUNE, 2022**



COMMISSION ON REVENUE ALLOCATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE 2022

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

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I. KEY COMMISSION INFORMATION AND MANAGEMENT

a) Background information

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

b) Principal Activities

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

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

c) Mission

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

d) Vision

No Kenyan Left Behind.

e) Key Management

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

- i. Commissioners
- ii. Commission Secretary / CEO
- iii. Management
- iv. Secretariat / Staff

f) *Fiduciary Management*

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were

- | | | |
|------|-------------------|-----------------------------|
| i. | CPA James Katule | Commission Secretary |
| ii. | Angela Kariuki | Director Corporate Services |
| iii. | CPA Maureen Junge | Finance Manager |
| iv. | Geoffrey Ntooki | Procurement Officer |

g) *Fiduciary Oversight Arrangements*

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

The Commission Committees are as follows:

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

- h) Commission Headquarters**
Commission on Revenue Allocation
14 Riverside Drive
Grosvenor suite 2nd and 3rd Floor
P.O Box 1310-00200 Nairobi
Tel: (020) 4298000
- i) Commission Contacts**
Telephone: (254) (020) 4298000
E-mail: info@crakenya.org
Website: www.crakenya.org
- j) Commission Bankers**
Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

KCB Bank Limited
KICC Branch
Harambee Avenue
P. O. Box 46950-00100 Nairobi
Tel: (020) 29248501,
Fax: (020) 29248501,
- k) Independent Auditors**
Auditor General
Office of Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100,
Nairobi, Kenya
- l) Principal Legal Adviser**
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. COMMISSIONERS

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



Prof. Edward Oyugi
Commissioner

Professor Edward Akong'o Oyugi holds a PhD in Psychology and Paedagogy from the University of Cologne, Germany and post-doctoral training from University of Cologne, Germany and University of Bayreuth, Germany.

He has held senior academic and research positions in several universities such as Kenyatta University, Bayreuth University (Germany), University of Heidelberg, (Germany), United States International University, Kenya and Tangaza College, Kenya.

He has been a member of the National Economic and Social Council and the Task Force on Devolution. He was also the executive Director of Social Development Network (SODNET) for several years.

Professor Oyugi has published extensively and written several books, articles, book chapters, and papers on diverse subjects. He has received several awards including Otto Benecke Foundation Award (1980) and Hellmann/Hammett Award of the Fund for Free Expression, New York (1992).




Dr. Irene Asienga
Commissioner

Dr. Irene Koech Asienga has over 15 years' experience in research, teaching and administration. Prior to joining the Commission on Revenue Allocation, Dr. Asienga worked as a Senior Lecturer and Director of Kabarak University, Nairobi Campus. Under this capacity, she was responsible for mentoring, teaching, grading and supervising students. She was also involved in preparation and implementation of the campus strategic plan, coordination of academic programs, supervision of teaching and non-teaching staff, academic advising, marketing the campus programs, drawing up annual reports for the campus and preparation of annual estimates of income and expenditure. She is a former Dean, Business School and Head of Commerce Department at the same university.

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

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

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

III. MANAGEMENT



CPA James Katule
Commission Secretary / CEO

CPA James Katule is the Chief Executive Officer (CEO) of CRA. Prior to his appointment, James Katule was the Director Fiscal Affairs (2014-2022) and Director Corporate Services (2012-2014) at CRA.


His experience spans over 32 years, 17 of which have been at various levels of management in public organizations as well as international donor-funded research institutions. These include the International Centre for Insect Physiology and Ecology (ICIPE), The International Livestock Research Institute (ILRI), African Medical and Research Foundation (AMREF), The Capital Markets Authority (CMA) and currently CRA.

James Katule is an experienced Certified Public Accountant – CPA (K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). He holds a Masters of Business Administration from the Eastern and Southern Africa Management Institute (ESAMI) and a Bachelor of Arts in Economics & Business Education from Kenyatta University. He is an alumnus of the Andrew Young School of School of Policy Studies, Georgia State University where he undertook a course on Fiscal Decentralization, Local Governance and Service Delivery.



Angela Kariuki
Director Corporate Services

She holds a Masters in International Commercial Law (LLM) from the University of Nottingham (UK) and a Bachelor of Laws (LLB) from the University of Sheffield (UK). She is an Advocate of the High Court of Kenya; member of the Law Society of Kenya and the Institute of Certified Public Secretaries of Kenya. Mrs. Kariuki has been with the Commission from inception for a period of six years. She has broad professional experience in the areas of human capital management, facilities management, supply chain management, strategic planning and corporate governance, legal compliance with regards to securities law, corporate law, policy formulation and implementation.

	<p>She previously worked with the Capital Markets Authority for nine years and Kilonzo & Company Advocates for two years.</p>
 <p>Sheila Yieke Director Legal Affairs</p>	<p>She is an Advocate of the High Court of Kenya and holds an MBA, Finance from the United States International University and a Certified Public Secretary (K). In addition she is alumni of the International Development Law Organization (IDLO) and a member of the Chartered Institute of Purchasing and Supplies (UK). She has worked with Sotik Tea and Sotik Highlands Tea Estates, Kenya Investment Authority and Kosgey and Masese Co. Advocates. Internationally she has worked at the UN, IGAD, NORDIC and UNOPS.</p>
 <p>Joseph Kuria Director ICT</p>	<p>He holds a Master's Degree in Business Administration, Strategic Management from the University of Nairobi and a BSc. Degree in Computer Science from Egerton University. He is currently pursuing a PhD in Information Systems.</p> <p>He holds the following professional certifications: MCP, MCSE, MCDDBA, CISA, CEH, MCT, PMP and PRINCE2 He is a member of Information Systems Audit and Control Association (ISACA). He has over 16 years working experience in both Public and Private Sector. Mr. Kuria is a leading technology strategist with experience spanning systems and network architecture, business re-engineering, data center technologies, application development, global vendor management, budgeting and project portfolio management. He is a strategic adviser to both National and County governments of Kenya on the adoption of computer based financial and revenue management systems and deployment of Integrated Shared Services across government.</p>



Lineth Oyugi
Director Economic Affairs

Lineth Oyugi holds a Masters of Arts in Economics from the University of Nairobi and a 4th year Phd student of Economics at University of Nairobi. She has vast knowledge and experience in Research having worked for the Federation of Kenya Employers as the Head of Research and Policy Advocacy.

Additionally Lineth has worked with the Institute of Policy Analysis and as a Research Fellow, Macroeconomics programme and also with the Ministry of Finance and Ministry of Planning and National Development as an Economist.



CPA Selly Yagan
Ag. Director Fiscal Affairs

She holds Masters Degree Master of Arts Degree in Economics Policy and Management from Makerere University and a Bachelor of Arts Degree (Economics) from the University of Nairobi. She is a Certified Public Accountant and a member of ICPAK. Mrs Yagan has a four years' experience in the Commission as a Deputy Director Fiscal Affairs She has a vast experience in the Public Sector as an Economist/ Statistician, having served in various capacities in various institutions. She has acquired a wealth of knowledge and skills in Planning, budgeting and budgetary processes, Research, Policy Formulation, Policy analysis, Implementation and Monitoring.

Prior to joining the Commission, Mrs Yagan worked with the Salaries and Remuneration Commission (SRC), a Young Professional at the Kenya Institute for Public Policy Research and Analysis (KIPPRA) in the Macroeconomics division and the Ministry of Planning and National Developments.



CPA Maureen Junge
Finance Manager

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

As the inaugural manager in charge of finance, Ms. Junge was instrumental in developing finance policies and setting up the operational procedures in the finance department including aligning them to the public financial management and reporting systems.

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

IV. CHAIRPERSON'S STATEMENT

It is a great personal privilege to present the Commission's Annual Report and Financial Statements for Financial Year 2021/2022. Our last one as Commissioners before our term comes to an end in December 2022. This Report presents the Commission's activities carried out between July 2021 and June 2022.

In the period under review, the country was in recovery mode from the COVID 19 pandemic and the economy started to gradually rise from its feet owing to the lifting of the containment measures of COVID protocols. This brought about more activity in the performance of the budget thus ensuring more activities in the counties.

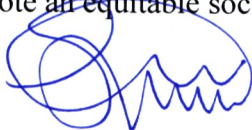
As a Commission, we engaged in several activities with our key stakeholders including Parliament and we also had direct engagements with the counties where we were able to experience first-hand the challenges the counties face and also have an in depth understanding on issues surrounding projects like non-core infrastructure which may require a review of policies by the key state actors. We also delivered on our core mandate of making recommendations concerning the equitable sharing of revenue between the national and county governments and among county governments.

During the year under review the Commission launched a series of reports and publications key among them being the County Fact Sheets for each of the 47 counties. The Fact Sheets provide information on the national and county governments on socio-economic indicators including: health, education, poverty, roads, water and sanitation, electricity and population. And further, introduces the following data sets: county revenues and expenditures, counties' contribution to Gross Domestic Product, counties' Intra-regional bloc contribution to the Gross Domestic Product, and data on the dominant economic activities per county.

The Commission received invaluable support from our Development Partners in this Financial Year which went a long way in ensuring we fulfil our mandate. We are grateful for this support and the continued partnership.

I must applaud the Commission's Secretariat staff who fully adjusted to the back to office work protocols and ensured continuity of service delivery even as we achieved our mandate.

As a Commission we remain committed to developing policies and recommendations that promote an equitable society to ensure that we leave no Kenyan behind.



Dr. Jane Kiringai
CHAIRPERSON

Date : 29/08/2022

V. REPORT OF THE COMMISSION SECRETARY / CEO

I am pleased to present the Commission's Annual Report and Financial Statements for the Financial Year (FY) 2021/2022. During the period under review, the Commission made significant contributions toward promoting equitable sharing of revenue between the national and county governments and among county governments. In addition, key recommendations on how to enhance financing of, and financial management needs of county governments were made.

To promote equitable sharing of revenue among county governments, the Commission prepared recommendations on equitable sharing of revenue between the national and county governments. The Commission recommended that in FY 2022/2023, the national government receive an allocation of Ksh. 1.77 trillion, county governments Ksh. 370 billion and the Equalisation Fund Ksh. 6.8 billion. These recommendations were based on revenue projections of Ksh. 2.14 trillion for the FY 2022/23. The allocation for county governments was developed using the Third Basis on Revenue Sharing among county governments.

To enhance financial management among county governments, the Commission published a report on the County Assemblies' Own Source Revenue Training, developed in collaboration with the National Treasury and the Public Finance Management Secretariat. The report documented training undertaken for Members of County Assemblies (MCAs) to develop their capacity to develop and implement Revenue-Raising Model Laws and other Own Source Revenue Legislation.

Further, the Commission commenced on the Own Source Revenue Potential & Tax Gap Study to establish the revenue potentials of the top streams in each of the 47 counties in Kenya. The study aims at providing a standardized legal, policy and institutional framework for local revenue-raising measures and enforcement actions to broaden County Governments' revenue bases while enhancing their revenue administrative capacity.

To boost fiscal responsibility in county governments, the Commission developed county recurrent expenditure budget ceilings for FY 2022/2023 following consultations with stakeholders. The ceilings aim at providing controls that balance expenditure and enhance fiscal discipline among the devolved units.

Additionally, to strengthen gender responsive planning and budgeting in counties, the Commission, in collaboration with UN Women, trained county budget economic forums (CBEFs) on how to ensure gender responsiveness in the budgeting process.

Data is key in informing policy and decision making in national and county governments. During this period, the Commission published the 3rd Edition of the Kenya County Fact Sheets. The report provides data on various socio-economic indicators for the national and county governments including: health, education, poverty, roads, water and sanitation, electricity and population. The Fact Sheets are useful for policy formulation and planning at the national and county levels.

Finally, I wish to sincerely appreciate all National and County Governments, development partners and other key stakeholders who continue to support the work of the Commission. I also appreciate the CRA secretariat whose tireless efforts continue to ensure that CRA implements its mandate in accordance with the provisions of the Constitution of Kenya (2010).


CPA James Katule

COMMISSION SECRETARY/CEO

Date : 29/08/2022

VI. STATEMENT OF PERFORMANCE VS PREDETERMINED OBJECTIVES FOR FY 2021/22

Sub Programme	Key Outputs	Key Performance Indicators	Target 2021/22	Achievements	Status	GoK Revised Budget (Kshs.)	GoK Actual Expenditure (Kshs.)
Sub programme 1: General Administration and Planning	1. Enhanced internal controls and prudence in Financial management	Unqualified Audit opinion 20/21	1	1		385,152,912	377,108,692
		Established Terms of References, tools and survey report.	1	-	Suspended due to budgetary constraints		
		Report on employee satisfaction survey	1	-			
	4. Staff Car and Mortgage Schemes	No. of Car Loan applications facilitated	10	7	Based on loan requests		
		No. of staff Mortgage Loan applications facilitated	30	23	Target not met due to budgetary constraints		
	5. Reviewed Organizational & Salary Structure	Cost of living adjustment (COLA)	1	1			
		No. of Commissioners and staff trained	25	20	Affected by Budget cuts		
	7. Replacement of motor vehicles	No. of vehicles	2	2			
Updated manuals (Finance, HR, Procurement, ICT and Communications)		5	5				
Sub programme 2: Equitable Sharing of Revenue	1. Equitable sharing of revenue between national and county governments (Vertical recommendation)	Annual Recommendation on equitable sharing of revenue between the national and county governments for the FY 20/21, 21/22 and 2022/23	1	1	Completed and submitted to Parliament in November 2021 in Line with the revised budget calendar for 2022/23	20,010,000	18,884,209
		Recommendations on the provisions of the Budget Policy Statement, Budget Review and Outlook Paper and the Debt Strategy Paper	3	3	Three memoranda were completed and submitted to the National Treasury in December 2021		

					Done as part of the Commission's recommendation on sharing of revenue between the national and county governments for FY 2021/22	
	Review bases for sharing conditional grants	1	1		Completed and submitted the three Bills to Parliament by end of March 2022	
2. Revenue shared equitably among county governments	No. of Bills Reviewed (DoRB, CARB, County government Grant Bill)	3	3		The technical report on the Third Basis for sharing of revenue is now available online and accessible to the public. No hard copies were printed due to limited budget	
3. Publicize Recommendation on equitable sharing of Revenue between the National and County governments and the 3rd basis formula for Revenue sharing among county govts	Technical report on the Third Basis for sharing of revenue among county governments and the popular version of the Third Basis recommendation printed and publicized (%)	100	100		-The report is also available in hard copy.	
4. Equity in sharing of decentralized funds	No. of conditional grants reviewed	4	-		Activity cancelled after the funds were merged into the Biashara Fund	
5. Report on performance of county governments	Performance assessment report	1	-		Partially done as part of the CRA recommendation on the sharing of revenue between the national and county governments	
6. Recommendation on a comprehensive natural resource revenue sharing criterion for adoption by national government	Natural Resources revenue sharing Criteria	1	1		Done as part of the CRA's recommendation on the sharing of revenue between the national and county governments. An intergovernmental taskforce was put in place under the State Department for Mining to determine a framework for the sharing of royalties from mining activities. A framework was developed and shared with stakeholders for their input.	

Sub programme 3: Public Finance Management	7. County Fact Sheets	County fact sheet developed and publicized	-	1	launched on 29th June 2022		
	8. Knowledge Management Framework	Establish partnerships with academic and other institutional resource centres and digital repository (%)	15	9	Partnership on sharing of information and collaboration on budget matters with the Parliamentary budget Office was initiated and a memorandum on collaboration discussed.		16,930,613
	1. Framework for recurrent expenditure budget ceilings for county governments.	Annual recommendation on recurrent budget ceiling FY20/21, 21/22, 22/23	1	1	Recommendation submitted to the Senate	19,050,954	
2. Counties engaged and supported to be compliant with PFM legislations	No. of ADPs, CBs, CFSPS and Financial Statements reviewed	188	76	Continuous and based on submission			
3. Report on status of assets and liabilities of both levels of government	County government public expenditure review report developed	1	1	Developed an analysis of the county budget cycle for the FY 2020/21 report			
	A report on Assets and Liabilities of both levels of government	1	1	The Identification, Verification, Validation and Transfer of Assets and Liabilities of; i. Defunct local Authorities in Kenya to respective county governments on basis and development of liquidation options for settlement of liabilities of defunct Local Authorities. (The exercise was effected vide Gazette Notice No. 2701 of 24th March, 2017, and subsequently Gazette Notice No. 4370 of 11th May, 2018. The Consolidated Report can be accessed through this link: https://igrtc.go.ke/download/consolidated-report-on-assets-and-			

Sub programme 4: Transitional Equalization	11. County Govt's Tariffs and Pricing Model	Recommendations on Revenue raising laws and Tariff policies	-	-	Recommendation given to the 47 county governments on Revenue raising laws.	21,812,596	21,121,860
	12. Integrated Data Management System	A model tariffs and pricing policy	1	1			
		Data portal to 47 counties (%)	100	-			
		Annual Report on status of marginalization in Kenya	-	-	Draft Report on social economic inequalities developed Commission plans to engage stakeholders to validate the report before publication		
	2. Master Plan on de-marginalization of communities	Baseline report on each county's development status (%)	1	-	Activity cancelled due to budgetary constraints.		
		Kenya inequality report 2020	1	1	The report on the Status of Social-economic Inequalities has been developed and validated by stakeholders. The report is awaiting publishing and launching		
	3. Policy identifying marginalized areas	Impact assessment report on implementation of projects under the first & second policies identifying marginalized areas	1	-	First policy on Marginalization not fully implemented due to the dissolution of the Board following a court ruling in 2019. Commission, jointly with the other stakeholders developed new regulations to operationalize the Equalization Fund as directed by the Courts in 2019.		
					The regulations were approved by Parliament in May 2021		
					The Commission has visited all the 14 marginalized counties to review implementation of the First policy. A draft report on implementation of projects across the 14 counties has been done.		

VII. CORPORATE GOVERNANCE STATEMENT

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

The Commission has continued to lead the organization in an effective manner by ensuring the implementation of good corporate governance through its governance structures. The Commission continues to operate through its six Committees which assist in discharging its mandate, responsibilities and obligations. The Committees are namely:

1. Division and Allocation of Revenue Committee
2. Public Financial Management Committee
3. Revenue Enhancement Committee
4. Stakeholder Management and Marginalization Committee
5. Finance and Administration Committee
6. Audit, Corporate Governance and Risk Management Committee

The Commission continuously assesses its governance operating model to ensure that robust and proper systems, processes are in place to support the Commission and Secretariat to drive change, set strategic direction and formulate high-level goals and policies. The Commission Secretary/CEO heads the Secretariat and has continued to provide leadership to the implementation of the Commission's strategies and as Accounting Officer oversees the financial and administrative functions of the Commission through laid down systems and processes.

During the year the Commission continued to deal with the effects of the global challenges brought about by the COVID-19 pandemic. This pandemic disrupted the working environment and necessitated the adoption of new ways of carrying out the Commission's activities as the Commission adopted the work from home modality. The Commission adopted and maintained the Public Health protocols issued by the Government and engaged technology to ensure smooth flow of activities, continuous engagements and holding of regular meetings.

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

As part of enhancing the systems and processes towards good corporate governance practices, the Commission procured an E-Board management system towards the tail-end of the year under review that will go a long way to help the Commission lead and govern effectively and operate efficiently.

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

a) GoK Funding

The Commission prepares a programme based budget under one programme and four sub-programmes namely:

Program:

Inter government revenue and financial matters.

Sub – programmes:

Sub Programme 1 – General Administration and Planning

Sub Programme 2 – Equitable Sharing of Revenue

Sub Programme 3 – Public Financial Mangement

Sub Programme 4 – Transitional Equalization and Stakeholder Engagement

In the reporting year, the Commission had various deliverables as highlighted under section VI above on CRA's performance against predetermined targets.

Further, with regard to facilitation of our activities, the Commission was allocated an approved budget of Kshs. 485.6 million which was later revised downwards through budget cuts of Kshs. 39.6 million in both the first and second supplementary budgets. The Commission's final revised budget for the reporting period was Kshs. 446 million.

The Commission managed to execute its mandate accordingly despite the budgetary constraints which called for downscaling of most expenditure items and other critical activities. Further, the Challenges of the recovery from the Covid 19 pandemic also affected execution of some other activities.

Given the Commission's revised budget of 446 million, we managed to absorb Kshs. 434 million being **97%** (2020/21: 98%) absorption rate of the budget.

b) Donor Funding

The Commission was allocated an indirect donor funding of **Kshs. 19,560,633** from United Nations Development Partners (UNDP), Public Financial Management Reforms (PFMR) and UN Women.

United Nations Development Partners (UNDP)

In the reporting year, the Commission continued with implementation of activities earlier supported by UNDP of up to **Kshs. 5,242,000**. The Commission utilized **Kshs. 2,633,876** being an absorption rate of **50%** of the funding compared to **53%** absorption rate in FY 2020/21. The funding was in support of the Commission's mandate inline with building capacity of counties in public financial management. The three main activities included:

- i. Dissemination of revenue administration assessment report to Kajiado County.
- ii. Design, Printing and Launch of the Third Edition of the County Fact Sheets.
- iii. Automation of the County Budget and Economic Forum (CBEF) tool.

The Commission managed to undertake activities i and ii above as at 30 June 2022.

Public Financial Management Reforms (PFMR)

The public financial management reform secretariat developed the government of Kenya's public finance management reform strategic plan for the period 2018-2023. The Commission had a role of delivering on two result areas: i.e

- i. Result area one - Sustainable and Predictable Fiscal Space to deliver Government Programs and
- ii. Result area six - Effective management of public resources in Education Institutions, Health and other Service Facilities.

During the financial year 2021-22, the Commission sought to implement the activities of result area six by developing a model tariff and pricing policy for county governments. The Commission was allocated a budget of **Kshs. 8,333,333** and it spent **Kshs. 7,946,437.56** hence an absorption rate of **95%**. Given the limited resources, the commission was able to develop a draft model tariff and pricing policy. It is expected that the model policy will be completed in the financial year 2022-23.

UN Women

The Commission partnered with UN Women on **4th August 2021** to deliver on; Mainstreaming gender in county plans, budgets, revenue administration and enforcement. The project sought to strengthen citizen participation in planning and budgeting processes through CBEF and mainstream gender in revenue administration and enforcement. The expected outcome was to increase budgetary allocation for gender equality and women empowerment in the FY 2022/23 at the county level. The two project outputs were:

- i. Gender-responsive planning and budgeting through enhanced County Budget Economic Forums
- ii. Gender-responsive revenue administration and enhanced enforcement.

In order to achieve the two projects, the Commission undertook the following;

- i. Capacity strengthening of CBEFs through peer to peer learning targeting FCDC counties (Kilifi, Mandera, Turkana, Wajir, Kwale, Garissa, West Pokot, Marsabit, Tana River, Samburu, Isiolo, and Lamu); and capacity strengthening of CBEFs in West Pokot, Narok and Kajiado Counties.
- ii. Reviewed the revenue administration and enforcement framework of Tana River, Marsabit, Busia and West Pokot; disseminate the revenue administration and enforcement framework assessment report and develop gender-responsive action plans based on the assessment reports, and monitor the implementation of gender-responsive action plans on revenue administration and enforcement in Lamu and Samburu and make relevant recommendations.

Project Implementation

To Implement this project the commission was allocated a budget of **Kshs 5,985,300** to run for a period of one year from August 2021 to July 2022. As at 30th June 2022, the Commission had implemented:

- i. Revenue administration and enforcement Framework assessment for Tana River County
- ii. CBEFs Peer-To-Peer Learning Workshop in Kajiado County
- iii. Dissemination of Tana River County Revenue Administration and enforcement report
- iv. Narok CBEF Workshop in Nakuru
- v. Joint Review Mission to County Government of Turkana

In implementing the above-mentioned activities the Commission spent a total of **Kshs 998,280** on airtime, conference and domestic travel hence an absorption rate of **17%**. The low absorption rate was mainly due to the delayed request to have the donor support incorporated in the government budgeting cycle which adversely affected expenditure.

IX. ENVIROMENTAL AND SUSTAINABILITY REPORTING

a) Sustainability Strategy And Profile

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

The Commission on Revenue Allocation was established to provide an objective and independent framework for equitable sharing of revenue raised by national government at the following levels:

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

The Commission successfully developed the first, second and third basis formula hence support the devolution process in Kenya which is a model for developing countries. It has since sustained its operations using annual Exchequer allocations. Further, it supplements the Government of Kenya funding with donor support from time to time besides prioritizing expenditure on need basis and in line with its constitutional mandate.

b) Environmental Performance

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

c) Employee Welfare

The Commission on Revenue Allocation values it's employees and has initiated various programs to enhance this aspect. To this end, employee welfare is highly regarded and hence it has instituted programs that are monetary and some in kind to achieve this initiative.

The key objective is to improve their welfare benefits such as medical, access to loans, provision of orthopaedic seats in order to manage the effects of long hours of sitting at the workstations. The Commission has established an independent contributory employee association where staff welfare funds are kept for support whenever one is bereaved or has lost a member of immediate family. This has gone a long way in ensuring staff get support in this endeavour.

d) Market Place Practices

The Commission as an Independent body, provides services to the Kenyan people as provided by the CoK (2010) and submits its recommendations to Parliament and other stakeholders. Despite being an Independent body it still adheres to the legal provisions in budgeting and procurement as provided by the Public Procurement and Asset Disposal Act, 2020.

The Commission further adheres to best practices in recruitment and selection which has enabled it to attract and retain best staff in recent times, with high qualifications and experience in their professional lines.

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

e) Community Engagements

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

X. COMMISSIONERS REPORT AND STATEMENT OF THEIR RESPONSIBILITIES

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

The Commissioners are responsible for the preparation and presentation of the Commission's financial statements, which give a true and fair view of the state of affairs of the Commission for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Commission; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Commission; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Commissioners accept responsibility for the Commission's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the Commission's Act. The Commissioners are of the opinion that the Commission's financial statements give a true and fair view of the state of Commission's transactions during the financial year ended June 30, 2022 and of the Commission's financial position as at that date. The Commissioners further confirm the completeness of the accounting records maintained for the Commission, which have been relied upon in the preparation of the Commission's financial statements as well as the adequacy of the systems of internal financial control.

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

Results

The results of the Commission for the year ended June 30, 2022 are set out on page 1 to 18.

Commissioners

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

Auditors

The Auditor General is responsible for the statutory audit of the Commission in accordance with Article 229 of the Constitution of Kenya, Section 81(4a) of the Public Finance Management Act, 2012 and Section 35 of the Public Audit Act, 2015.

Approval of the financial statements

The Commission's financial statements were approved by the Commission on **29th August 2022** and signed on its behalf by the Commission Secretary and Chairperson.



CPA James Katule

COMMISSION SECRETARY/CEO

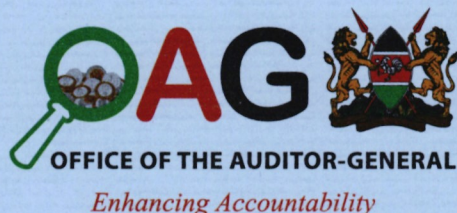


Dr. Jane Kiringai

CHAIRPERSON

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON COMMISSION ON REVENUE ALLOCATION FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Commission on Revenue Allocation set out on pages 1 to 19, which comprise the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and

actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Commission on Revenue Allocation as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Irregular Promotions of Staff Based on an Unapproved Salary Structure

As previously reported, the Commission on Revenue Allocation (CRA) implemented a new salary structure in 2020/2021 financial year and accorded direct promotion to fourteen (14) staff members without the necessary approval from the Salaries and Remuneration Commission (SRC). This was contrary to Article 230 Clause 4(b) of the Constitution of Kenya which provides that the power and function of SRC shall be to advise the National and County Governments on the remuneration and benefits of all other public officers.

Although Management explained that the CRA had sought approval from The National Treasury on the structural reorganization of the budget which was granted, The National Treasury had advised that the changes in salary structure be approved by SRC. Although, the CRA sought for the advisory opinion on structural reorganization and staffing from SRC, it went ahead and implemented the unapproved structure before receiving the advisory. CRA claimed that SRC was only to provide advisory services and that they were at liberty to accept or reject the advisory.

Management also indicated that review and development of a new Strategic Plan of the Commission will align the current approved organization and salary structures with the results of the Job Evaluation undertaken by the Salaries and Remuneration Commission for 2021/2022-2024/2025 remuneration review cycle. This is aimed at realizing the most updated and optimum structures for the Commission. However, the SRC advisory opinion on structural reorganization and staffing was not provided for audit review.

In the circumstances, Management was in breach of the law.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and the Commissioners

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

In preparing the financial statements, Management is responsible for assessing Commission's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to abolish the Commission or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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


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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 January, 2023

XII. STATEMENT OF FINANCIAL PERFORMANCE


FOR THE YEAR ENDED 30 JUNE 2022

	Note	2021-2022	Restated 2020-2021
		Kshs	Kshs
REVENUE			
Revenue from Non-Exchange transactions			
i Transfer from other Governments			
Exchequer Transfers	4.a	432,844,908	314,593,440
Donor Funding and other Income	4.b	11,578,594	30,382,848
ii Transfer from Ministries			
Ministry of ICT (MICT)-in kind	4.d	-	1,404,946
		444,423,502	346,381,234
Revenue from Exchange Transactions			
Other Incomes	4.c	45,000	
Sale of goods	4.e	-	8,840
Total revenue		444,468,502	346,390,074
EXPENDITURE			
Employee Benefits	5	196,004,252	190,087,159
Commissioner's Expenses (Board)	6	18,062,477	10,453,471
Depreciation & amortization	7	22,794,645	18,480,441
Repairs & maintenance	8	8,060,609	3,730,729
General expenses	9	148,666,564	82,830,547
General expenses funded by A.I.A	9	11,818,658	23,470,018
Finance costs	10	62,109	68,891
Total expenses		405,469,314	329,121,255
OTHER GAINS / (LOSSES)			
Gain on write off	14.a.	27,970	-
Surplus / (Deficit) for the Period		39,027,157	17,268,818
Remission to National Treasury	9.a.	338,442	3,244
Refund of unutilised A.I.A		-	6,912,830
Net Surplus for the Year		38,688,715	10,352,744

The notes set out on page 7 to 19 form an integral part of the Financial Statements


CPA James Katulé

COMMISSION SECRETARY/CEO
Date: 29/08/2022


CPA Maureen Junge
FINANCE MANAGER
ICPAK No. 9883
Date : 29/08/2022



Dr. Jane Kiringai
CHAIRPERSON
Date : 29/08/2022

XIII. STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	2021-2022 Kshs	Restated 2020-2021 Kshs
ASSETS			
Current assets			
Cash and cash equivalents	11	581,188	839,406
Receivables from non-exchange transactions	12.a & c	40,781,511	42,251,095
		41,362,699	43,090,501
Non-current assets			
Property, plant and equipment	13	69,466,610	25,262,279
Intangible assets	14	6,536,174	1,499,484
Mortgage Fund	15.a.	143,923,446	129,546,946
Car Loan Fund	15.b.	28,268,000	18,775,000
Covid 19 Fund	15.c.	2,771,315	5,130,000
		250,965,545	180,213,709
TOTAL ASSETS		292,328,244	223,304,210
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	16	3,743,890	7,380,571
		3,743,890	7,380,571
TOTAL LIABILITIES		3,743,890	7,380,571
NET ASSETS		288,584,354	215,923,639
Represented by:			
Accumulated surplus		254,612,354	215,923,639
Revaluation Surplus	14.a.	33,972,000	
TOTAL NET ASSETS & LIABILITIES		288,584,354	215,923,639

The Financial Statements set out on pages 1 to 6 were signed on behalf of the Commission by:


 CPA James Katule
 COMMISSION
 SECRETARY/CEO

Date : 29/08/2022


 CPA Maureen Junge
 FINANCE MANAGER /
 ICPAK No. 9883

Date : 29/08/2022


 Dr. Jane Kiringai
 CHAIRPERSON

Date : 29/08/2022

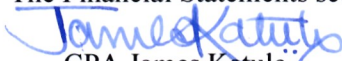
**XIV. STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2022**

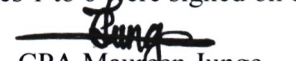
Particulars	Notes	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
As at July 1, 2020			205,570,895	205,570,895
Revaluation Gain				-
Surplus/Deficit for the year			10,352,744	10,352,744
As at June 30, 2021		0	215,923,639	215,923,639
As at July 1, 2021		0	215,923,639	215,923,639
Revaluation Gain	14.a.	33,972,000		33,972,000
Surplus/Deficit for the year			38,688,715	38,688,715
As at June 30, 2022		33,972,000	254,612,354	288,584,354

XV. STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2021-2022 Kshs	Restated 2020-2021 Kshs
Cash flows from operating activities			
Surplus / (Deficit) from operating Activities		38,688,715	10,352,744
Adjusted for:			
Depreciation and Amortization	7	22,794,645	18,480,441
(Gains) and losses on disposal of assets	14.b.	(27,970)	-
Working capital adjustments:			
(Increase)/Decrease in receivables	12	1,469,583	(760,157)
Increase/(Decrease) in payables	16	(3,636,681)	(1,879,247)
Increase in payments received in advance			
Net cash flows from operating activities		59,288,293	26,193,781
Cash flows from investing activities			
Purchase of Fixed Assets	13	(31,916,344)	(1,462,946)
Proceeds from sale/refund of written off Assets	14.b.	40,560	-
Purchase of intangible assets	14	(6,159,913)	-
Mortgage Fund	15.a.	(14,376,500)	(12,144,820)
Car Loan Fund	15.b.	(9,493,000)	(7,499,000)
Covid 19 Fund	15.c.	2,358,685	(5,130,000)
Net cash flows used in investing activities		(59,546,510)	(26,236,766)
Cash flows from financing activities			
(Increase)/Decrease in deposits	12.b.	-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(258,217)	(42,985)
Cash and cash equivalents at 1 July 2021	11	839,405	882,390
Cash and cash equivalents at 30 June 2022		581,188	839,405

The Financial Statements set out on pages 1 to 6 were signed on behalf of the Commission by:


CPA James Katule
COMMISSION
SECRETARY/CEO


CPA Maureen Junge
FINANCE MANAGER /
ICPAK No. 9883


Dr. Jane Kiringai
CHAIRPERSON

Date : 29/08/2022

Date : 29/08/2022

Date : 29/08/2022

XVI. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

Particulars	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		% Absorption
	Kshs		Kshs		Kshs		Kshs		Kshs		
Revenue											
Government grants and subsidies	485,616,016		(39,589,553)		446,026,463		432,844,908		13,181,555		97%
Donor funding			19,560,633		19,560,633		11,578,594		7,982,039		59%
Other Income			45,000		45,000		-		45,000		0%
Total income	485,616,016		(19,983,920)		465,632,096		444,423,502		21,208,594		95%
Expenditure											
Compensation of employees	228,150,000		(44,565,889)		183,584,111		179,648,687		3,935,424		98%
Group Life & Med Insurance	22,600,000		(2,500,000)		20,100,000		19,788,374		311,626		98%
Gratuity	1,617,200		2,594,200		4,211,400		4,211,367		33		100%
Operation and Maintenance	166,866,150		(1,626,979)		165,239,171		158,385,835		6,853,336		96%
Finance cost	85,000		(20,000)		65,000		62,109		2,891		96%
Repair & Maintenance-MV	6,820,000		691,650		7,511,650		7,452,745		58,905		99%
Repair & Maintenance-Others Assets	600,000		240,000		840,000		840,000		-		100%
Capital Expenditure	58,877,666		5,597,465		64,475,131		63,656,257		818,874		99%
Donor funded and other expenditure			19,605,633		19,605,633		11,578,594		8,027,039		59%
Total Expenditure (O&M)	485,616,016		(19,983,920)		465,632,096		445,623,968		20,008,128		96%

Note:

1. The Commission had a GoK budget of **Kshs. 485,616,016** which was revised downwards by budget cut of **Kshs. 39,589,553** and **A.I.A of Kshs. 19,605,633**. The budget cut necessitated a reallocation and reorganisation of the Commission's budget through the supplementary Estimates I and II that saw the Commission receive an additional funding of Kshs. 2.4 million
2. The absorption rate of **59%** for expenditure on donor funding was quite low due to the low expenditure from the **UN Women support**. These were caused by the challenges of incorporating the donor support into the budgeting cycle hence the double effect on expenditure.
3. **Annex V** provides a detailed reconciliation of the Commission's GoK Annual approved budget, Actual Expenditure and Financial statements FY 2021/22 (Accrual Vs Cash reporting)

XVII. BUDGET EXECUTION

a) BY PROGRAMMES AND SB-PROGRAMMES (Exchequer and A.I.A)

No.	Particulars	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Absorption
		Kshs	Kshs	Kshs	Kshs	Kshs	
SP1	General Administration and Planning (GoK)	407,742,466	(22,589,554)	385,152,912	377,108,692	8,044,220	98%
	General Administration and Planning (A.I.A)		45,000	45,000		45,000	0%
SP2	Equitable Sharing of Revenue	31,010,000	(11,000,000)	20,010,000	18,884,209	1,125,791	94%
SP3	Public Financial Management (GoK)	21,050,954	(2,000,000)	19,050,954	16,930,613	2,120,341	89%
	Public Financial Management (A.I.A)		19,560,633	19,560,633	11,578,594	7,982,039	59%
SP4	Transitional Equalization and SM	25,812,596	(4,000,000)	21,812,596	21,121,860	690,736	97%
	Total expenditure	485,616,016	(19,983,920)	465,632,096	445,623,968	20,008,128	96%

b) BY ECONOMIC CLASIFICATION (Exchequer and A.I.A)

No.	Particulars	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Absorption
		Kshs	Kshs	Kshs	Kshs	Kshs	
1	Salary and Allowance	228,150,000	(44,565,889)	183,584,111	179,648,687	3,935,424	98%
2	Operations and Maintenance (GoK)	120,714,800	16,378,870	137,093,670	133,803,748	3,289,922	98%
	Operations and Maintenance (A.I.A)		45,000	45,000	-	45,000	0%
3	Capital Expenditure	58,877,666	5,597,465	64,475,131	63,656,257	818,874	99%
4	Technical Sub-Programmes (GoK)	77,873,550	(17,000,000)	60,873,550	56,936,682	3,936,868	94%
	Technical Sub-Programmes (GoK)		19,560,633	19,560,633	11,578,594	7,982,039	59%
	Total expenditure	485,616,016	(19,983,920)	465,632,096	445,623,968	20,008,128	96%

c) SUMMARISED BUDGET (Exchequer and A.I.A)

No.	Particulars	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Absorption
		Kshs	Kshs	Kshs	Kshs	Kshs	
1	Exchequer (GoK Funding)	485,616,016	(39,589,553)	446,026,463	434,045,374	11,981,089	97%
2	Appropriation In Aid (A.I.A)		19,605,633	19,605,633	11,578,594	8,027,039	59%
	Total expenditure	485,616,016	(19,983,920)	465,632,096	445,623,968	20,008,128	96%

XVIII. NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022

1. General Information

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

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

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

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

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

3. Summary of Significant Accounting Policies

(i) Revenue from non-exchange transactions – IPSAS 23

Exchequer Allocations

The Commission recognizes revenue from exchequer allocation when the monies are received, and asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, differed income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will be received by the Commission and fair value of the asset can be measured reliably.

Donor Funding

The Commission received indirect donor funding of **Kshs. 19,560,633** from United Nations Development Partners (UNDP), Public Financial Management Reforms (PFMR) and UN Women. A detailed report is provided under Section VIII on management discussion and analysis

(ii) Revenue from exchange transactions – IPSAS 9

Sale of Newspapers

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

(iii) Non-Current Assets

Property, Plant and Equipment – IPSAS 17

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

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

Revaluation of Motor Vehicles

The Commission undertook a revaluation of its fully depreciated vehicles which were still in usable condition. The Revaluation was done for a total of 15 vehicles with a cost of **Kshs. 108,355,969** all of which had been fully depreciated to a Net Book Value of zero. Through the exercise the Commission realised a revaluation surplus of **Kshs. 33,972,000**

Mortgage and Car Loan Fund Accounts

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

Establishment of these schemes has attracted a Fringe Benefit Tax payable by the Commission / Sponsor.

Fringe Benefit Tax

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

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

The prescribed rates of interest are published by the Commissioner of Tax on a quarterly basis. In the reporting year the interests were published as 7%, 7%, 7% and 7% for Q1, Q2, Q3 and Q4 respectively

Covid 19 Fund Account

The Commission established a Covid 19 Fund with capital outlay of **Kshs. 5,130,000**. The fund was initially administered by CIC Insurance but has since been transferred to Jubilee Insurance (Current medical insurance service provider). The purpose of this fund is to offer assistance to both Commissioners and Staff in lessening the costly medical burden whenever a need arises. This fund is administered independently from the normal staff medical scheme.

As at the close of the FY 2021/22, the Commission had utilised **Kshs. 2,358,685** (46%) hence a roll over of **Kshs. 2,771,315**. On cancellation of the fund, any surpluses will be tranfered back to the Commission.

(iv) Intangible Assets – IPSAS 31

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

(v) Annual Depreciation & Amortization rates

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

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

(vi) Provisions – IPSAS 19

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

(vii) Employee Benefits – IPSAS 2

Retirement Benefit Plans

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

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

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

(viii) Related parties – IPSAS 20

The Commission regards a related party as a person or an Authority with the ability to exert control individually or jointly, or to exercise significant influence over the Commission or vice versa. Management are regarded as related parties and comprise the Commission Secretary and directors.

(ix) Public Sector Combinations – IPSAS 40

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

Financial Instruments – IPSAS 41 *(The standard is not relevant to the Commission)*

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

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

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

(x) Social Benefit – IPSAS 42

Applicable: 1st January 2022

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

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

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

(xi) Cash and Cash equivalents

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

(xii) Pending Bills

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

	2021-2022 Kshs	2020-2021 Kshs
4 Transfers from other Governments		
(a) Operational Grant (Exchequer Transfers)		
1st Quarter Exchequer	95,020,972	44,711,193
2nd Quarter Exchequer	121,733,042	90,866,513
3rd Quarter Exchequer	88,075,683	73,298,594
4th Quarter Exchequer	128,015,212	105,717,140
	432,844,908	314,593,440
(b) Other Grants (Donor funding)		
United Nation Development Partners (UNDP)	2,633,876	14,795,050
Public Financial Management Reforms (PFMR)	7,946,438	15,587,798
UN Women	998,280	
	11,578,594	30,382,848
(c) Other Income		
Insurance refund on medical claim	45,000	
	45,000	
(d) Transfer from Ministries		
Ministry of ICT (MICT)-in kind	-	1,404,946
	-	1,404,946
(e) Sale of Goods		
Sale of Newspapers/Assets	-	8,840
	-	8,840
5 Employee costs		
Basic salaries	111,952,158	104,902,985
Casual Labour	435,620	501,786
Acting Allowance	564,446	165,537
House Allowance	21,202,053	21,019,000
Special Duty	2,076,000	2,408,000
Top up for seconded staff	987,072	814,900
Responsibility Allowance	2,259,222	3,400,000
Transport Allowance	9,685,785	9,563,500
Security Allowance	-	535,000
Leave Allowance	1,415,000	1,390,000
Telephone Allowance	3,306,677	3,385,000
Pension contribution	20,084,654	19,485,839
Gratuity	1,155,525	1,974,826
Medical Insurance	18,680,711	18,702,142
Group Life Insurance	1,193,060	981,991
WIBA	1,006,269	856,653
	196,004,252	190,087,159
6 Commissioner's Expenses		
Telephone Allowance	1,440,000	1,440,000
Leave Allowance	400,000	400,000
Security Allowance	3,840,000	7,680,000
Domestic Travel costs	4,607,800	244,200
Pre-feasibility studies and Research	280,800	
Foreign Travel Costs	5,854,468	-
Hospitality and Conference	1,363,200	386,841
Training Expenses	91,000	
Medical Insurance (Ex Gratia)	35,209	102,430
Club Membership	150,000	200,000
	18,062,477	10,453,471

	2021-2022	2020-2021
	Kshs	Kshs
7 Depreciation & Amortization		
Refurbishment	692,266	1,967,340
Furniture & Fittings	573,619	976,717
Motor Vehicle	17,328,770	10,938,770
Computer & Printers	2,776,668	2,798,274
Office Equipment	300,100	517,853
Intangible Assets	1,123,223	1,281,488
	22,794,645	18,480,441
8 Repairs and maintenance		
Routine maintenance of Motor vehicles *	7,220,609	3,614,909
Routine maintenance of Assets	840,000	115,820
	8,060,609	3,730,729
9 General expenses		
Utilities Supplies -Electricity	1,919,972	1,773,293
Utilities Supplies -Water	-	110,603
Communication Supplies & Services	4,616,133	4,442,315
Domestic Travel costs	21,011,413	2,249,650
Pre-feasibility studies and Research	2,582,803	
Foreign Travel Costs	7,298,821	-
Printing Advertising & Information	6,624,936	2,190,219
Rent Expenses	55,998,549	51,951,794
Hire of Transport	63,114	1,095,963
Training Expenses	8,042,478	173,800
Catering Services	1,581,179	1,371,944
Boards, Seminars & Conferences	15,951,088	2,678,200
Boards, Seminars & Conferences - Audit Committee	176,000	192,000
Insurance Costs (Motor Vehicle & Plant and Machinery)	3,669,527	2,602,565
Specialised Materials & Supplies–Library resources &Uniforms.	434,690	30,000
Office & General Expenses	3,932,196	980,267
Fuel oils and Lubricants	6,677,929	4,603,877
Security Guards	803,922	783,146
Cleaning Services	2,008,476	2,316,640
Membership fee, Dues and Subscriptions	533,152	429,620
Contracted Professional Services	526,732	1,500,000
Contracted Professional Services – Audit Fee OAG	464,000	464,000
Fringe Benefit Tax (Mortgage and Car Loan Schemes)	1,390,769	890,651
Expenditure on Covid Fund	2,358,685	
	148,666,564	82,830,547
Expenses Funded by A.I.A		
Boards, Seminars & Conferences (UNDP)	2,633,876	7,882,220
Boards, Seminars & Conferences (PFMR)	7,946,438	15,587,798
UN Women	998,280	-
Refund of unspent UNDP funding	240,064	-
	11,818,658	23,470,018
Total General Expenses	160,485,222	106,300,565
9(a) Surplus Remission / Unspent A.I.A		
Refund to other Govt entities (NT)	338,442	3,244
Unspent A.I.A - UNDP		6,912,830
Sub – Total unspent A.I.A	338,442	6,912,830
	338,442	6,916,074

13 Property, Plant and Equipment

<u>Cost or Valuation:</u>	Computers & Printers	Office Equipment	Furniture & Fittings	Motor Vehicles	Total
	KShs	KShs	KShs	KShs	KShs
As at 30th June 2020	30,524,478	10,221,613	102,016,958	119,153,047	261,916,095
Additions during the year (Comps & Printers funded by PFMR)	1,404,946		58,000		1,462,946
Disposal					
As at 30th June 2021	31,929,424	10,221,613	102,074,958	119,153,047	263,379,041
Additions	5,741,951	465,450	148,943	25,560,000	31,916,344
Write off	(261,388)				(261,388)
Adjustment of Cost for 15 vehicles revalued				(108,355,969)	(108,355,969)
Revaluation				33,972,000	33,972,000
As at 30th June 2022	37,409,987	10,687,063	102,223,901	70,329,078	220,650,028
<u>Depreciation and Impairment</u>					
As at 30 June 2020	25,997,079	9,526,462	93,517,299	91,876,969	220,917,809
Depreciation	2,798,274	517,853	2,944,057	10,938,770	17,198,953
Disposals/Write off					
As at 30 June 2021	28,795,353	10,044,314	96,461,356	102,815,738	238,116,762
Depreciation	2,776,668	300,100	1,265,885	17,328,770	21,671,422
Disposal / Write off	(248,798)				(248,798)
Adjustment of Accumulated depr for 15 vehicles revalued				(108,355,969)	(108,355,969)
At 30 June 2022	31,323,223	10,344,414	97,727,241	11,788,539	151,183,417
<u>Net Book Values</u>					
At 30 June 2022	6,086,763	342,648	4,496,660	58,540,539	69,466,610
At 30 June 2021	3,134,071	177,298	5,613,602	16,337,308	25,262,279

	2021-2022	2020-2021
	Kshs	Kshs
14 Intangible assets - software		
<u>Cost or Valuation:</u>		
At 30 June 2020	14,260,261	12,045,981
Additions		2,214,280
At 30 June 2021	14,260,261	14,260,261
Additions	6,159,913	
At 30 June 2022	20,420,174	14,260,261
<u>Amortization and impairment</u>		
At 30 June 2020	11,479,289	10,114,449
Amortization	1,281,488	1,364,839
At 30 June 2021	12,760,777	11,479,289
Amortization	1,123,223	1,281,488
Impairment loss		
At 30 June 2022	13,884,000	12,760,777
<u>Net Book Values</u>		
At 30 June 2022	6,536,175	1,499,484
At 30 June 2021	1,499,484	2,780,973
(a) Revaluation of Motor Vehicles		
<u>Cost or Valuation:</u>		
As at 1st July 2021	108,355,969	-
Accumulated depreciation	(108,355,969)	-
Net Book Value At 30 June 2022	-	-
Revalued amount	33,972,000	-
Surplus/gain on Revaluation	33,972,000	-
(b) Write off of two Laptops		
<u>Cost or Valuation:</u>		
As at 1st July 2021	261,388	-
Accumulated depreciation	(248,798)	-
Net Book Value At 30 June 2022	12,590	-
Salvage Value	40,560	-
Gain / (Loss on write off)	27,970	-
15 (a) Mortgage Account (Restricted Cash)		
At 30 June 2021	129,546,946	117,403,126
Additions	14,376,500	12,143,820
At 30 June 2022 *	143,923,446	129,546,946
(b) Car Loan Account (Restricted Cash)		
At 30 June 2021	18,775,000	11,275,000
Additions	9,493,000	7,500,000
At 30 June 2022 *	28,268,000	18,775,000
(c) Covid 19 Fund (Restricted Cash)		
At 30 June 2021	5,130,000	-
Additions	-	5,130,000
Expenditure FY 2021/22	(2,358,685)	
At 30 June 2022	2,771,315	5,130,000

Mortgage scheme is administered by KCB Bank Limited (KICC branch). The loans to staff are issued at 4% interest rate being; 3% Administration cost and 1% earnings to the revolving fund. Further, the Car Loan scheme is managed internally at 3% interest which is recouped back to the account.

Covid 19 Fund was established in FY 2020/21 for purposes of catering for staff expenses related to Covid 19. It is previously administered by CIC Insurance and in the reporting period it was administered by Jubilee Insurance Co. The expenditure on Covid fund for the reporting period did not affect the Budget/Vote book.

16. Trade and other payables

	2021-2022	2020-2021
	Kshs	Kshs
Gratuity	462,210	3,518,052
Other Staff Payables	39,044	108,695
Audit Fees	464,000	464,000
Trade Payables (Suppliers Invoices) *	2,778,636	3,289,824
	3,743,890	7,380,571

17. Financial Risk Management

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

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

(i) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Commission.

Credit Risk arises from bank balances, receivables and amounts due from related parties. Although this risk is unlikely to occur in the short term, it is mitigated as follows; (a) Cash and short-term deposits are placed with well established financial institutions of high credit standing, (b) The Commission does not raise debtors in its ordinary course of business apart from those arising from related parties or members of staff which can easily be recovered.

Credit risk with respect to accounts receivable is limited due to the nature of the Commission's business and its reliance on government grant as the main source of funding.

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

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

(ii) Liquidity Risk

Liquidity risk is the risk that the Commission will not be able to meet its financial obligations when they fall due. The Commission manages this risk by always ensuring that it has sufficient liquidity to meet its liabilities when due, under both normal and constrained conditions, without incurring unexpected losses.

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

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

- a) Trade payables
- b) Accrued audit fees and

c) Accrued gratuity.

18. Contingent liabilities /Assets

Gratuity payment for employees on contract

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

19. Comparatives

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

20. Subsequent Events

There have been no events subsequent to the financial year end with significant impact on the financial statements for the year ended June 30, 2022.

21. Significant Judgements and Sources of information uncertainty

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

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

22. Estimates and assumptions

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

23. Useful lives and residual values

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

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

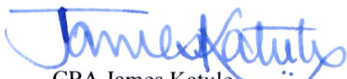
24. Provisions

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

Appendix I. Progress on follow up of Audit recommendations

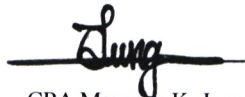
The Commission received Unqualified Audit opinion in financial year 2020/21. Three governance issues listed below were however raised on lawfulness and effectiveness in use of public resources.

Reference No. on external audit report	Issue / Observation from Auditor	Management Comments	Focal point person to resolve the issue	Status:	Time frame:
1746	Non-Compliance with the law on Fiscal Responsibility – Wage bill	Personnel emoluments in the current and previous years is approximated at 60% of the approved estimates. The Commission therefore is committed to continuously pursue the National Treasury and Parliament to consider increasing our annual budget allocation in order to settle this matter.	Finance Manager	Matter not resolved	Continuous
1747	Irregular promotion of staff based on an unapproved salary structure	The Commission undertook a legitimate process within its mandate and also sought the approval of both the National Treasury and Salaries and Remuneration Commission to promote its staff internally.	DCS / CEO	Matter still under review	N/A
1748	Irregular issuance of salary advance to Commissioners	The Commission revised its HR policy which clearly stipulates that Commissioners are not entitled to salary advances. In addition, the Commission has since managed to recover all outstanding advances from Commissioners.	DCS / CEO	Matter resolved	N/A



CPA James Katule
COMMISSION SECRETARY / CEO

Date : 29/08/2022



CPA Maureen K. Junge
FINANCE MANAGER / ICPAK No.9883

Date : 29/08/2022



Dr. Jane Kiringai
CHAIRPERSON

Date : 29/08/2022

Annex II. Analysis of pending accounts payables (KShs)

S/No.	Item	Supplier	Description	Year	Closing Balance FY 20/21	PV No.	Paid In FY 21/22	Prior Year's Adjustment	Pending For FY 21/22	Closing Balance FY 21/22
	A	B	C	D	E	F	G	H	I	J=E-G+I
1	2210101	14 Riverside mgt	Electricity bill-June 21	20/21	17,854	7266	17,854	-	-	-
2	2210101	15 Riverside mgt	Electricity bill-March 22	21/22					194,115	194,115
3	2210101	15 Riverside mgt	Electricity bill-Bal May 22	21/22					12,152	12,152
4	2210201	Safaricom	2210101 Telephone Bill - June	20/21	17,854		17,854	-	206,267	206,267
5	2210201	Safaricom	Telephone Bill -Bal for June 2022	21/22	1,166	6957	1,166		3,672	3,672
6	2210301	Affic & Longrook tours and travel	2210201 Tickets to Lamu	20/21	1,166		1,166	-	3,672	3,672
7	2210503	Juska General Supplies	2210301 Newspapers - May 21	20/21	124,700	6961/6963	124,700	-	-	-
8	2210603	Cape Holdings	2210503 Partial Rent Q4	20/21	6,340	7012	6,340	-	-	-
9	2210603	Cape Holdings	Balance for Q4 rent	21/22	6,340		6,340	-	-	-
10	2210801	Naivas Supermarket	2210603 Supplies - June 2021	20/21	220,149	250821	220,149	-	553,548	553,548
11	2210801	Oliveira Restaurant	Supplies - May 2022	21/22	115,647	6952	115,647	-	64,925	64,925
12	2210801	Oliveira Restaurant	Supplies - June 2022	21/22				-	113,495	113,495
13	2210802	Obina (CRA/COG Function)	2210801 Fuel Balance for May 22	20/21	115,647		115,647	-	178,420	178,420
14	2210802	Kayamba Africa (CRA/COG Function)		20/21	116,000	7007	116,000	-	-	-
15	2211201	NOCK	2210802 Fuel - Bill June 22	20/21	75,400	7003	75,400	-	-	-
16	2211201	NOCK			191,400		191,400	-	-	-
17	2211305	Jepco Cleaning Services	Cleaning -Bal for June 2022	21/22	-		-	-	147,005	147,005
18	2211310	Auditor General	2211305 Audit fee for 2020/21	20/21	464,000	7530	464,000	-	100,000	100,000
19	2211310	Paul Nyamodi & Co. Advocates	Legal Counsel	19/20	500,000					500,000

S/No.	Item	Supplier	Description	Year	Closing Balance FY 20/21	PV No.	Paid In FY 21/22	Prior Year's Adjustment	Pending For FY 21/22	Closing Balance FY 21/22
20	2211310	Dr. Linda Musumba & Co. Advocate	Legal Counsel	20/21	1,500,000	020921/051021	1,050,000			450,000
21	2211310	Auditor General	Audit fee for 2021/22	21/22					464,000	464,000
22	2211310	TeamsThatwin Consultants Ltd	Balance for provision of documentary services for the county fact sheets launch	21/22					100,092	100,092
			2211310		2,464,000		1,514,000	-	564,092	1,514,092
23	2220101	Toyota Kenya Ltd	Repairs GKA841X	20/21	15,100	6948	15,100			-
24	2220101	Toyota Kenya Ltd	Repairs GKA842X	20/21	92,124	6959	92,124			-
25	2220101	Toyota Kenya Ltd	Repairs GKB040A	20/21	87,787	7100	81,410	6,377		-
26	2220101	Ctrack Kenya	Tracking for June 2021	20/21	43,500	7159	43,500			-
			2220101		238,511		232,134	6,377	-	-
		Staff Mortgage & Car Loan Expenses								
27	4110403	Mortgage Fringe Benefit Tax		20/21	373,434	6928	373,434			-
28	4110405	Staff Car Loan Fringe Benefit Tax		20/21	7,000	6928	7,000			-
29	4110403	Mortgage Fringe Benefit Tax	4110403 & 4110405	21/22	380,434		380,434	-	60,703	60,703
		TOTAL PENDING BILLS			3,760,201		2,803,824	6,377	2,292,636	3,242,636

Annex III. Analysis of pending staff payables

S/No.	Item	Name	Description	Year	Closing Balance FY20/21	Pv No. /Iw	Amt Paid In FY 21/22	Pending For FY 21/22	Closing Balance FY 21/22
		A	B	C	D	E	F	G	H=D-F+G
1	2110101	Edwin Ombaka	Leave Allowance	20/21	5,000				5,000
2	2210302	Kelvin Kimanathi	Salary & Allowances	20/21	5,000				5,000
3	2210302	Lineth Oyugi	Visit to Tana River	20/21	24,500	2336/1	24,500		-
			Visit to Tana River	20/21	37,800	2331/1	37,800		-
4	2210801	William Birech	Domestic - 2210302		62,300		62,300		-
			Lunch -Proc & Finance Staff on 30/6/21	20/21	7,040	1414	7,040		-
5	2210910	Geoffrey Ntooki	Hospitality - 2210801		7,040		7,040		-
6	2210910	Salvatory Okoth	Medical Claim	20/21	11,000	6907	11,000		-
7	2210910	Maureen Junge	Medical Claim	20/21	4,000	6908	4,000		-
8	2210910	William Birech	Medical Claim	20/21	1,700	6909	1,700		-
			Joyce Funeral - Wreath	20/21	4,655	1422	4,655		-
			Medical Claim-2210910		21,355		21,355		-
9	2211201	Zaddock	Fuel - June 21	20/21	5,000	6905	5,000.00		-
10	2211201	Elizabetha Muriithi	Fuel - June 21	20/21	5,000	6906	5,000.00		-
11	2211201	Salvatory Okoth	Fuel - June 21	20/21	3,000	6904	3,000.00		-
12	2211306	Peter Gachuba	Fuel - 2211201		13,000		13,000		-
			Club Subscription	21/22		310522/4		34,044	34,044
			Subscription - 2211306		-		-	34,044	34,044
13	2710100	Emily Kimani	Accrued Gratuity	17/18	18,060	060921/1	18,060		-
14	2710100	Emily Kimani	Accrued Gratuity	18/19	504,611	060921/1	504,611		-
15	2710100	Emily Kimani	Accrued Gratuity	19/20	558,344	060921/1	558,344		-
16	2710100	Emily Kimani	Accrued Gratuity	20/21	588,196	060921/1	588,196		-
17	2710100	Dr. Moses Sichei	Accrued Gratuity	19/20	462,210	7508	462,210		-
18	2710100	Dr. Moses Sichei	Accrued Gratuity	20/21	1,386,630	7508	1,386,630		-
19	2710100	CPA James Katule	Accrued Gratuity	21/22				462,210	462,210
			Gratuity - 2710101		3,518,052		3,518,052		462,210
			TOTAL COMMISSIONERS & STAFF PAYABLES		3,626,747		3,621,747	496,254	501,254

Annex IV. Prior Year's adjustment for FY 2021/22

Note	Particulars	Year	Item	PV	Audited	Revised	Difference	Reason	Action	Affected Statement	Effect on Financial Statements
	A	B	C	D	E	F	G=E-F				
8 & 16	Motor Vehicle maintenance Expenditure and Trade payables	20/21	2220101	7100	3,621,286	3,614,909	6,377	Overstatement	Reduce Repairs and maintenance, Trade payables and increase surplus by 6,377	Financial Performance, Financial Position, Changes in Equity and Cash flow statement	Increased Net Assets and Surplus by 6,377
15.a.	Staff Mortgage Fund Account	20/21	4110403		129,545,946	129,546,946	(1,000)	Understatement	Increase mortgage fund and reduce car loan fund by 1,000	Statement of Financial Position	Nil
15.b.	Staff Car Loan Fund Account	20/21	4110405		18,776,000	18,775,000	1,000	Overstatement			
	Total Adjustment					(A)	6,377				
	Note:										
	Audited Net Assets 20/21					(B)	215,917,262				
	Revised Net Assets 20/21 (Opening Bal)					C=(A + B)	<u>215,923,639</u>				

Annex V. Reconciliation on Budget, Accrued and Actual amounts of Financial Statements

No	Item	Details	Revised Estimates	Staff	Commissioners	Actual Recorded Expenditure	B/D Prepayments from 20/21	C/D Prepayments 21/22	Prior Year Adjustments	Accruals Paid in FY 21/22	Accruals for FY 21/22	Actual Cash Expenditure
A	B	C	D	E	F	G	H	I	J	K	L=F-G+H+J-K	
		REVENUE										
1	9910201	GoK Exchequer	446,026,462	432,844,908		432,844,908						432,844,908
		EXPENDITURE										
2	2110101	Basic Salaries - Civil Service	114,196,844	112,516,604		112,516,604						112,516,604
3	2110202	Casual Labour - Others	474,100	435,620		435,620						435,620
4	2110301	House Allowance	21,436,000	21,202,053		21,202,053						21,202,053
5	2110309	Special Duty Allowance	2,448,000	2,076,000		2,076,000						2,076,000
6	2110310	Top-up Allowance	1,097,572	987,072		987,072						987,072
7	2110312	Responsibility Allowance	2,380,000	2,259,222		2,259,222						2,259,222
8	2110314	Transport Allowance	9,844,000	9,685,785		9,685,785						9,685,785
9	2110316	Security Allowance	3,840,000	3,840,000	3,840,000	3,840,000						3,840,000
10	2110320	Leave Allowance	1,815,000	1,415,000	400,000	1,815,000						1,815,000
11	2110405	Telephone Allowance	4,805,677	3,306,677	1,440,000	4,746,677						4,746,677
12	2120103	Employer Contribution to Staff Pensions Scheme	21,246,918	20,084,654		20,084,654						20,084,654
		Salary and Allowances	183,584,111	173,968,687	5,680,000	179,648,687						179,648,687
13	2710102	Gratuity - Civil Servants	4,211,400	1,155,525		1,155,525				3,518,052	462,210	4,211,367
14	2210901	Group Life	1,100,000	1,010,433		1,010,433	736,493	821,820				1,095,760
15	2210910	Medical Insurance & WIBA	19,000,000	20,417,487	35,209	20,452,696	13,128,919	11,347,483		21,355		18,692,615
		Employee Benefits	24,311,400	22,583,445	35,209	22,618,654	13,865,413	12,169,303		3,539,407	462,210	23,999,742
		Salaries and Employees benefits	207,895,511	196,552,132	5,715,209	202,267,341	13,865,413	12,169,303		3,539,407	462,210	203,648,429
16	2210101	Electricity	1,930,000	1,919,972		1,919,972				8,548	206,267	1,722,253
17	2210102	Water and Sewerage Charges	0									
		Utilities	1,930,000	1,919,972	-	1,919,972	-	-		8,548	206,267	1,722,253
18	2210201	Telephone, Telex, Facsimile and Mobile Phone Services	1,055,100	1,057,573		1,057,573				1,166	3,672	1,055,067

No	Item	Details	Revised Estimates	Staff	Commissioners	Actual Accrued Recorded Expenditure	B/D Prepayments from 20/21	C/D Prepayments 21/22	Prior Year Adjustment \$	Accruals Paid in FY 21/22	Accruals for FY 21/22	Actual Cash Expenditure
19	2210202	Internet Connections	3,593,440	3,513,519		3,513,519						3,513,519
20	2210203	Courier & Postal Services	49,800	45,041		45,041						45,041
		Communication	4,698,340	4,616,133	-	4,616,133	-	-	-	1,166	3,672	4,613,627
21	2210301	Travel Costs (airlines, bus, railway, etc.)	2,652,200	2,442,660		2,442,660				124,700		2,567,360
22	2210302	Accommodation - Domestic Travel	24,945,239	17,910,453	4,607,800	22,518,253				62,300		22,580,553
23	2210303	Daily Subsistence Allowance	680,000	658,300		658,300						658,300
		Domestic Travel	28,277,439	21,011,413	4,607,800	25,619,213	-	-	-	187,000	-	25,806,213
24	3111401-403	Pre-feasibility studies and Research	3,300,000	2,582,803	280,800	2,863,603						2,863,603
		Research	3,300,000	2,582,803	280,800	2,863,603	-	-	-	-	-	2,863,603
25	2210401	Travel Costs (airlines, bus, railway, etc.)	4,200,000	4,134,489		4,134,489						4,134,489
26	2210403	Daily Subsistence Allowance	9,800,000	3,164,332	5,854,468	9,018,800						9,018,800
		Foreign Travel	14,000,000	7,298,821	5,854,468	13,153,289	-	-	-	-	-	13,153,289
27	2210502	Publishing & Printing Services	5,687,000	5,684,336		5,684,336						5,684,336
28	2210503	Subscriptions to Newspapers, Magazines and Periodicals	760,000	606,600		606,600				6,340		612,940
29	2210504	Advertising	200,000									
30	2210505	Trade Shows and Exhibitions	395,000	334,000		334,000						334,000
		Printing and Advertising	7,042,000	6,624,936	-	6,624,936	-	-	-	6,340	-	6,631,276
31	2210603	Rents and Rates - Non-Residential	56,218,700	55,998,549		55,998,549				220,149	553,548	55,665,150
32	2210604	Hire of Transport, Equipment	70,000	63,114		63,114						63,114
		Rentals of produced assets	56,288,700	56,061,663	-	56,061,663	-	-	-	220,149	553,548	55,728,264
33	2210700	Training	8,352,500	8,042,478	91,000	8,133,478						8,133,478
		Training	8,352,500	8,042,478	91,000	8,133,478	-	-	-	-	-	8,133,478

No	Item	Details	Revised Estimates	Staff	Commissioners	Actual Accrued Recorded Expenditure	B/D Prepayments from 20/21	C/D Prepayments 21/22	Prior Year Adjustments	Accruals Paid in FY 21/22	Accruals for FY 21/22	Actual Cash Expenditure
34	2210801	Catering Services (receptions), Accommodation, Gifts, Food and Drinks	1,550,000	1,581,179		1,581,179				122,687	178,420	1,525,446
35	2210802	Boards, Committees, Conferences and Seminars	18,135,000	16,127,088	1,363,200	17,490,288				191,400		17,681,688
		Hospitality	19,685,000	17,708,267	1,363,200	19,071,467	-	-	-	314,087	178,420	19,207,134
36	2210903	Plant, Equipment and Machinery Insurance	-									-
37	2210904	Motor Vehicle Insurance	4,890,000	3,669,527		3,669,527	2,455,612	3,673,700				4,887,615
		Insurance	4,890,000	3,669,527	-	3,669,527	2,455,612	3,673,700	-	-	-	4,887,615
38	2211009	Supply of Library Books	500,000	434,690		434,690						434,690
39	2211016	Purchase of Uniforms and Clothing - Staff	-									-
		Library Supplies and Uniforms	500,000	434,690	-	434,690	-	-	-	-	-	434,690
40	2211101	General Office Supplies (papers, pencils, forms, small office equipment etc)	1,765,343	1,745,811		1,745,811						1,745,811
41	2211102	Supplies and Accessories for Computers and Printers	2,110,440	2,186,385		2,186,385						2,186,385
42	2211103	Sanitary and Cleaning material	-									-
		General office supplies.	3,875,783	3,932,196	-	3,932,196	-	-	-	-	-	3,932,196
43	2211201	Refined Fuels and Lubricants for Transport	6,000,000	6,677,929		6,677,929	94,946			13,000	625,934	5,970,049
		Fuel	6,000,000	6,677,929	-	6,677,929	94,946	-	-	13,000	625,934	5,970,049
44	2211301	Bank Charges	65,000	62,109		62,109						62,109
45	2211305	Contracted Cleaning Services	2,712,500	2,812,398		2,812,398					100,000	2,712,398
46	2211306	Membership Fees, Dues and Subscriptions to Professional and Trade Bodies	877,908	533,152	150,000	683,152					34,044	649,108

No	Item	Details	Revised Estimates	Staff	Commissioners	Actual Accrued Recorded Expenditure	B/D Prepayments from 20/21	C/D Prepayments 21/22	Prior Year Adjustments	Accruals Paid in FY 21/22	Accruals for FY 21/22	Actual Cash Expenditure
47	2211310	Contracted Professional Services	2,809,000	990,732		990,732				1,514,000	564,092	1,940,640
		Other operation Costs	6,464,408	4,398,391	150,000	4,548,391	-	-	-	1,514,000	698,136	5,364,255
48	4110403	Housing loans Fringe Benefit tax Expense	1,183,500	748,224		870,769				373,434	60,703	1,183,500
49	4110405	Car loans Fringe Benefit tax Expense	527,000	642,545		520,000				7,000		527,000
		Fringe Benefit Tax	1,710,500	1,390,769	-	1,390,769	-	-	-	380,434	60,703	1,710,500
		General Expenditure	167,014,670	146,369,988	12,347,268	158,717,256	2,550,558	3,673,700	-	2,644,724	2,326,680	160,158,442
47	2220101	Maintenance Expenses - Motor Vehicles	7,511,650	7,220,609		7,220,609			6,377	232,134		7,452,743
48	2220201	Maintenance of Plant, Machinery and Equipment (including lifts)	840,000	840,000		840,000						840,000
			8,351,650	8,060,609	-	8,060,609	-	-	6,377	232,134	-	8,292,743
49	3110302	Refurbishment of Non-Residential Buildings	100,000	99,943		99,943						99,943
50	3110701	Purchase of Motor Vehicles	25,560,000	25,560,000		25,560,000						25,560,000
51	3111001	Purchase of Office Furniture and Fittings	70,000	49,000		49,000						49,000
52	3111002	Purchase of Computers, Printers and other IT Equipment	5,911,490	5,741,951		5,741,951						5,741,951
53	3111009	Purchase of other Office Equipment	486,000	465,450		465,450						465,450
54	3111112	Purchase of Software	6,767,641	6,159,913		6,159,913						6,159,913
55	4110403	Housing loans to public servants	14,376,500	14,376,500		14,376,500						14,376,500
56	4110405	Car loans to public servants	9,493,000	9,493,000		9,493,000						9,493,000
		Capital Expenditure	62,764,631	61,945,757	-	61,945,757	-	-	-	-	-	61,945,757
		TOTAL EXPENDITURE	446,026,462	412,928,486	18,062,477	430,990,963	16,415,970	15,843,003	6,377	6,416,265	2,788,890	434,045,371