

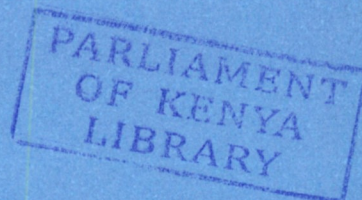
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

**REPORT**



THE NATIONAL ASSEMBLY  
PAPERS LAID

**OF**

DATE: 28 FEB 2024

DAY: WED

TABLED  
BY:

Hon Naomi Wasey, MP  
Deputy Majority Whip

**THE AUDITOR-GENERAL**

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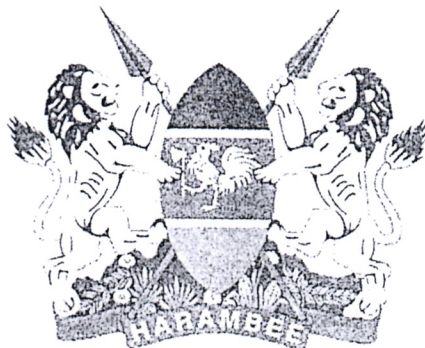
**ON**

**RECEIVER OF REVENUE-RECURRENT**

**FOR THE YEAR ENDED  
30 JUNE, 2023**

**THE NATIONAL TREASURY**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
★ 14 NOV 2023 ★  
NATIONAL TREASURY OFFICE  
TREASURY BUILDING



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THE NATIONAL TREASURY AND PLANNING

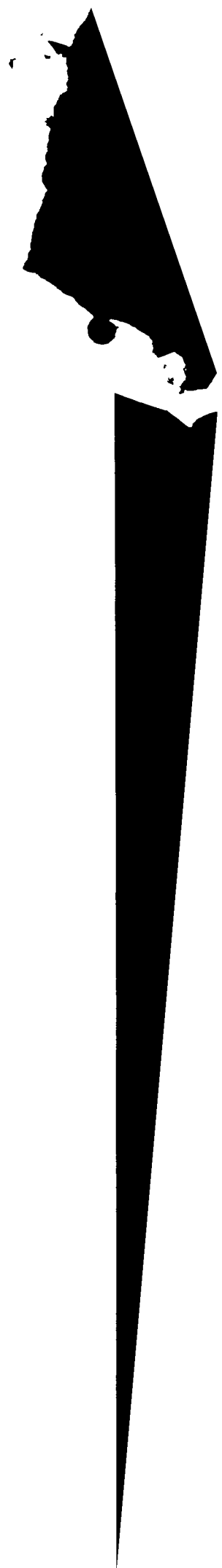
RECEIVER OF REVENUE(RECURRENT)  
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE, 2023

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



RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

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Table of Contents

1. ACRONYMS AND GLOSSARY OF TERMS.....	ii
2. KEY NATIONAL TREASURY INFORMATION AND MANAGEMENT.....	iii
3. STATEMENT OF GOVERNANCE .....	x
4. STATEMENT BY THE CABINET SECRETARY .....	xii
5. STATEMENT BY THE PRINCIPAL SECRETARY .....	xvi
6. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FY 2022/23	xxiii
7. MANAGEMENT DISCUSSION AND ANALYSIS .....	xxvi
8. ENVIRONMENTAL AND SUSTAINABILITY REPORTING .....	xxxiv
9. STATEMENT OF RECEIVER OF REVENUE'S RESPONSIBILITIES.....	xxxvi
10. REPORT OF THE AUDITOR-GENERAL ON THE NATIONAL TREASURY RECEIVER OF REVENUE	xxxvii
11. STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED 30 JUNE, 2023 .....	1
12. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30 JUNE 2023 .....	2
13. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023 .....	3
14. STATEMENT OF ARREARS OF REVENUE AS AT 30 <sup>TH</sup> JUNE 2023.....	5
15. SIGNIFICANT ACCOUNTING POLICIES .....	6
16. NOTES TO THE FINANCIAL STATEMENTS.....	8
17. Appendices.....	16

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

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1. ACRONYMS AND GLOSSARY OF TERMS

AGPO:	Access to Government Procurement Opportunities
A-in-A	Appropriations in Aid
AFC:	Agricultural Finance Corporation
BETA:	Bottom-Up Economic Transformation Agenda
CARB:	County Allocation of Revenue Bill
CCF:	Climate Change Fund
CGS:	Credit Guarantee Scheme
CSD:	Central Securities Depository
DORB:	Division of Revenue Bill
IPSAS:	International Public Sector Accounting Standards (IPSAS)
IRMF:	Institutional Risk Management Framework
KRA:	Key Result Areas
MCDAs:	Ministries, Counties, Departments and Agencies
MDAs:	Ministries, Departments and Agencies
MSME:	Micro, Small and Medium Enterprises
NIFC:	Nairobi International Financial Centre
NHIF:	National Hospital Insurance Fund
NSSF:	National Social Security Fund
PFM:	Public Finance Management
PSSS:	Public Service Superannuation Scheme
RK-FINFA:	Rural Kenya Financial Inclusion Facility
RTPs:	Restrictive Trade Practices
SACCOs:	Saving and Credit Cooperative Organizations
SAGAs:	Semi-Autonomous Government Agencies
VFM:	Value for Money

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

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2. KEY NATIONAL TREASURY INFORMATION AND MANAGEMENT

(a) Background Information

The National Treasury was established via the Executive Order No. 1 of 2023. The basis for establishment of the National Treasury is found in Article 225 (i) of the Constitution of Kenya which states that an Act of Parliament shall provide for the establishment, functions and responsibilities of the National Treasury. This has been actualized in Section 11 and 12 of the Public Finance Management (PFM) Act 2012.

At Cabinet level, the National Treasury is represented by the Cabinet Secretary for National Treasury and Economic Planning, who is responsible for the general policy and strategic direction of the Ministry.

Vision

“Excellence in economic and public financial management, and development planning”.

Mission

“To provide leadership in economic and public financial management, and development planning for shared growth through formulation, implementation and monitoring of economic, financial and development policies”.

Core Values

The National Treasury is guided by the following core values: Customer Focus, Results Oriented, Stakeholder Participation, Professionalism and Ethical Practices, Transparency and Accountability, Integrity, Teamwork and Commitment all geared towards excellence in service delivery.

Mandate of the National Treasury

The National Treasury derives its mandate from Article 225 of the Constitution, Public Finance Management Act 2012 and the Executive Order No.1 of 2023. The National Treasury will be executing its mandate in consistency with any other legislation as may be developed or reviewed by Parliament from time to time.

The core functions of the National Treasury as derived from the above legal provisions include:

- (i) Overall Economic Policy Management;
- (ii) Management of Public Finance;
- (iii) Formulation of National Budget;
- (iv) Public Debt Management;
- (v) Formulation and Maintenance of Government Accounting Standards;
- (vi) Bilateral and Multilateral Financial Relations;
- (vii) Capital Markets Policy;
- (viii) Oversight over Revenue Collection;
- (ix) Competition Policy Management; National Pensions Policy Management;
- (x) Insurance Policy and Regulation;
- (xi) Public Procurement and Disposal Policy;
- (xii) Public Investment Policy and Oversight;
- (xiii) Development and Enforcement of Financial Governance Standards;
- (xiv) Financial Sector Analysis and Management including SACCOs, NSSF and NHIF;
- (xv) Financial Institutions Oversight;

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

- (xvi) Management of National and County Governments Financial Management System and Standards;
- (xvii) Development of Kenya as an International Financial Centre;
- (xviii) Anti-Money Laundering Policy;
- (xix) Custodian of National Government Assets and Properties; and,
- (xx) Secretariat to Intergovernmental Budget and Economic Council.

**Role of the National Treasury in the Devolved System of Government**

The National Treasury is mandated by law to:

- (i) Strengthen financial and fiscal relations between the National Government and County Governments and support for county governments in performing their functions;
- (ii) Issue guidelines on the preparation of county development planning;
- (iii) Prepare the annual legislative proposals on intergovernmental fiscal transfers;
- (iv) Provide logistical support to intergovernmental institutions overseeing intergovernmental fiscal relations;
- (v) Coordinate the development and implementation of financial recovery plans for County Governments that are in financial distress;
- (vi) Build capacity of County Governments on public finance management matters for efficient, effective and transparent financial management as well as planning, monitoring and evaluation; and,
- (vii) Administer the Equalization Fund.

**(b) Key Management**

The National Treasury day-to-day management is under the following key offices.

**Office of the Principal Secretary**

The Office of the Principal Secretary is responsible for the day-to-day administration of the National Treasury operations and is the accounting officer. In addition, the Principal Secretary is charged with the responsibility of providing advice to the Cabinet Secretary in order to enhance efficiency and collective responsibility.

**Organizational structure of the National Treasury**

The National Treasury is organized into five (5) technical Directorates headed by Directors General and (1) Administrative and Support Services Directorate headed by a Principal Administrative Secretary. Each Director General is responsible for a Directorate comprising a cluster of Departments responsible for related policy functions. In addition, the National Treasury has two independent departments namely Public Procurement and Internal Auditor General, headed by Directors and a Public Finance Management Secretariat headed by a Programme Coordinator. The Directorates and Departments are as follows:

**Directorate of Budget, Fiscal and Economic Affairs**

The Directorate is headed by a Director General, reporting to the Principal Secretary, National Treasury. It is organized into the following four (4) Technical Departments each headed by a director:

- (a) Budget Department;
- (b) Macro and Fiscal Affairs Department;
- (c) Financial and Sectoral Affairs Department; and,

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

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(d) Inter-Governmental Fiscal Relations Department.

**Directorate of Accounting Services and Quality Assurance**

The Directorate is headed by a Director General reporting to the Principal Secretary, National Treasury. It is organized into the following four (4) Technical Departments each headed by a Director:

- (a) Government Accounting Services;
- (b) Information Financial Management Systems (IFMIS);
- (c) National Sub-County Treasuries; and,
- (d) Government Digital Payments Unit.

**Directorate of Public Investment and Portfolio Management**

The Directorate is headed by a Director General, reporting to the Principal Secretary. It is organized into the following four (4) Technical Departments each headed by a Director:

- (a) Government Investment and Public Enterprises;
- (b) National Assets and Liabilities Management;
- (c) Pensions Department; and,
- (d) Public Investment Management Unit.

**Directorate of Public Debt Management Office**

The Directorate is headed by a Director General, reporting to the Principal Secretary. It is organized into the following three (3) Technical Departments each headed by a Director:

- (a) Resource Mobilization (Front Office);
- (b) Debt Policy, Strategy and Risk Management (Middle Office); and,
- (c) Debt Recording and Settlement (Back Office).

**Directorate of Public Private Partnership**

The Directorate is headed by a Director General, reporting to the Principal Secretary on matters relating to Public Private Partnership.

**Directorate of Administrative and Support Services (Common Shared Services)**

The Directorate is headed by a Principal Administrative Secretary, reporting to the Principal Secretary. It is organized into ten (10) specialized functions offering common shared services. The common shared services of the National Treasury consist of functions that are not core to the National Treasury but offer critical support services to the National Treasury. The functions include:

- (a) Accounting;
- (b) Finance;
- (c) Human Resource Management and Development;
- (d) Central Planning and Project Monitoring;
- (e) Supply Chain Management;
- (f) Legal;
- (g) Public Communications;
- (h) General Administration;
- (i) Internal Audit; and,
- (j) ICT.

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

D Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

S/NO.	Designation	Name
1.	Principal Secretary	Dr. Chris Kiptoo, CBS
2.	Principal Administrative Secretary	Mr. Samson Wangusi, OGW
3.	Director General, BFEA	Mr. Albert Mwenda, HSC
4.	Director General, Accounting Services	Mr. Bernard Ndung'u, MBS
5.	Director General, PIPM	Mr. Lawrence Kibet
6.	Director General, PDMO	Dr. Haron Sirma, EBS
7.	Director General, PPP	Mr. Christopher Kirigua, OGW
8.	Director, Macro and Fiscal Affairs Department	Mr. Musa Kathanje
9.	Director, Budget Department	Mr. Francis Anyona, OGW
10.	Ag. Director, Financial and Sectoral Affairs Department	Mr. Mark Obongo
11.	Director, Public Procurement Department	Mr. Eric Korir
12.	Ag. Director, Intergovernmental Fiscal Relations Department	Ms. Josephine Kanyi, HSC
13.	Ag. Director, Internal Auditor General	Ms. Jane Micheni
14.	Ag Director, Government Accounting Services Department	Mr. Jona Wala
15.	Ag. Director, National Sub County Treasuries	Mr. Francis Kariuki, OGW
16.	Ag. Director, Information Financial Management System	Mr. Mboni Kyallo
17.	Ag. Director, National Assets and Liability Management	Mr. Geoffrey Malombe
18.	Director, Government Investment and Public Enterprises	Mr. Kennedy Ondicki
19.	Director, Pensions Department	Mr. Michael Kagika, EBS
20.	Ag. Director, Public Investment Management Unit	Dr. Patrick Mugo
21.	Ag. Director, Resource Mobilization Department	Mr. David Komen
22.	Director, Debt Policy, Strategy and Risk Management Department	Mr. Daniel Ndolo
23.	Ag Director, Debt Recording and Settlement Department	Mr. George Kariuki
24.	Director Administration	Mr. Elijah Song'ony
25.	Head, Accounts Division	Mr. George Gichuru
26.	Head, Finance	Mr. Ambrose Ogango
27.	Senior Deputy Director, SCM	Mr. Caleb Ogot
28.	Deputy Internal Auditor General, Internal Audit Unit	Ms. Lucy Mugwe
29.	Principal State Counsel, Legal Unit	Ms. Faith Pesa
30.	Director, Human Resource Management and Development	Mr. Benson Giuthua
31.	Ag Director, Information Communication and Technology	Ms. Lynn Nyongesa

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

32.	Director, Central Planning and Project Monitoring Department	Mr. Antony Muriu, HSC
33.	Head, Public Communications	Ms. Catherine Njoroge
34.	Programme Coordinator, Public Financial Management Reform Secretariat	Mr. Julius Mutua

**Fiduciary Oversight Arrangements**

To manage the fiduciary risk, the National Treasury has put in place fiduciary oversight arrangements including setting up committees. The key oversight arrangements include:

**(i) Audit Committees**

In line with the Public Finance Management Act, the National Treasury has established a Ministerial Audit Committee comprising five members, three of whom are independent. The Committee provides overall oversight and quality assurance including follow up on the effectiveness of implementation of audit recommendations.

Further, the National Treasury established an audit committee comprising of officers from all departments of the Ministry, under the chairmanship of the Senior Chief Finance Officer. The Committee reviews and analyses all audit queries and makes recommendations on how to reduce fiduciary risks. In addition, the committee prepares responses to all audit queries for presentation to the relevant committees of parliament.

**(ii) Public Finance Management Committees**

**Budget Implementation Steering Committee**

In order to effectively monitor the implementation of the National Government budget implementation, the National Treasury has established a steering Committee chaired by the Cabinet Secretary, National Treasury and Economic Planning. The Principal Secretaries for the National Treasury and State Department for Economic Planning provide general oversight in the Budget implementation.

**Budget Implementation Technical Committee**

The Committee is chaired by the Principal Administrative Secretary and comprises the Directors General and various Heads of Department. The Committee is responsible for monitoring the actual implementation of the identified measures and programmes and reporting detailed progress on the same regularly.

**Budget Implementation Ministerial Committee**

To monitor the implementation of the Ministry's budget, programmes and activities, the National Treasury has appointed a committee comprising of officers from all the Departments of the Ministry. The Committee reviews and analyses the progress made by Departments in the implementation of budget and the planned programmes and activities and advises the management accordingly.

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

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(iii) Senior Management Committee

To monitor the implementation of the Ministry's programmes and performance, the National Treasury has appointed Senior Management Committee comprising of Directors General. The Committee receives reports from departments, build consensus on National Treasury responses to emerging issues, challenges and risks and ensures that the decisions made are implemented in a timely manner. Additionally, the Treasury constituted Ad hoc Committees to handle specific assignments in the Financial Year 2022/23.

(iv) Other oversight activities

Other fiduciary oversight arrangements include the following committees with specific objectives;

**Project Implementation Committee**

To monitor the implementation of the Government's Infrastructure Projects, the National Treasury has established a Project Steering Committee comprising Principal Secretaries from implementing Ministries and appointed a technical committee comprising officers from the technical departments of the Ministry. The Committees review and analyse the progress made by ministries in the implementation of domestically and externally funded projects and advises accordingly.

**Parliamentary Activities**

In order to effectively manage the parliamentary activities relating to the Ministry, the National Treasury has established a committee and designated a liaison officer to coordinate the activities under the Office of the Cabinet Secretary.

**Development Partner Oversight**

To effectively manage Official Development Assistance to the Government, the National Treasury has, under the Public Debt Management, a department responsible for all matters relating to Development Partners. The Department has various Units that coordinate different development partner activities in the Country.

**Public Financial Management Sector Working Group**

To facilitate the implementation of financial management reforms, the National Treasury has appointed senior officers to the Public Financial Management Sector Working Group. The Committee plays an oversight role in the implementation of financial reforms in the public service in collaboration with the development partners.

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

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**Monitoring and Evaluation**

The Ministry undertakes monitoring and evaluation exercises to establish progress made in the implementation of various programmes and projects including those that are funded by the development partners.

**The National Treasury Headquarters**

P.O. Box 30007- 00100,  
Treasury Building,  
Harambee, Avenue  
NAIROBI, KENYA

**The National Treasury Contacts**

Telephone: (254)020-2252299  
Email: [Communication@treasury.go.ke](mailto:Communication@treasury.go.ke)  
Website: [www.treasury.go.ke](http://www.treasury.go.ke)

**The National Treasury Bankers**

Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
NAIROBI, KENYA

**Independent Auditors**

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O Box 30084  
GPO 00100  
NAIROBI, KENYA

**Principal Legal Adviser**

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

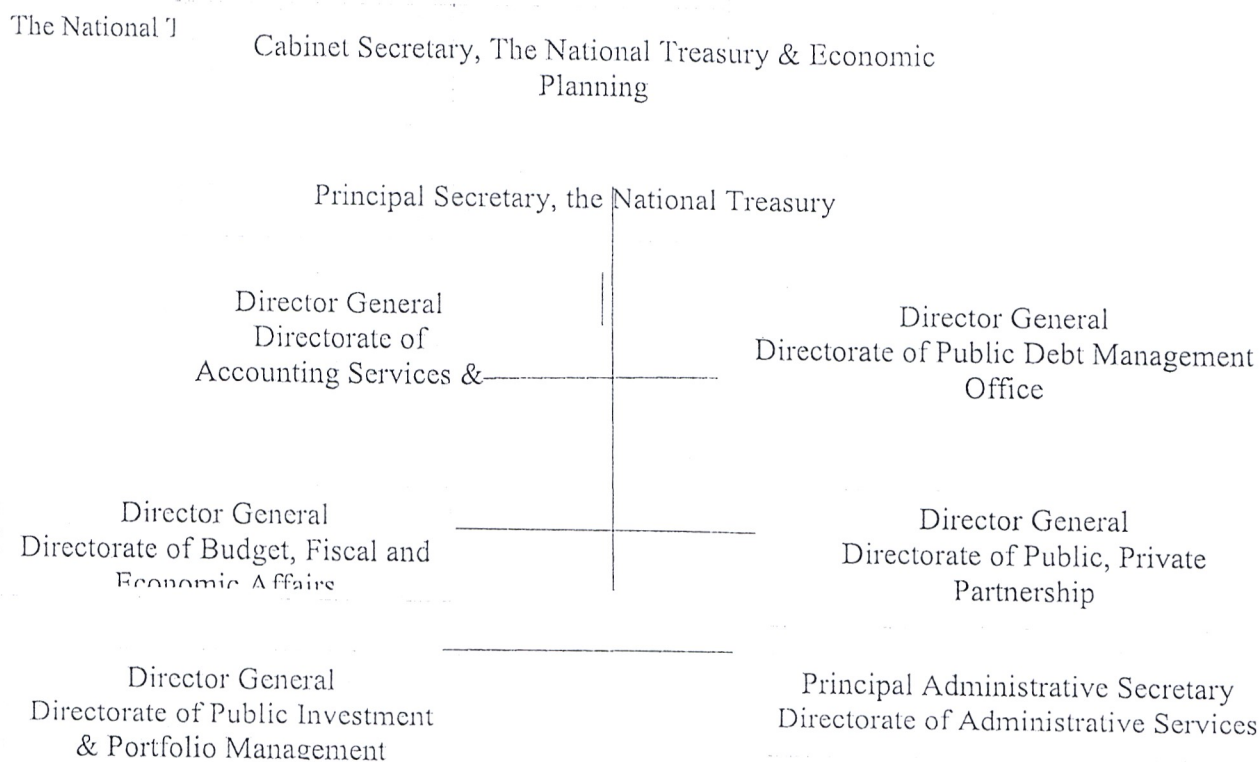
RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

3. STATEMENT OF GOVERNANCE

(i) Brief of Key Leadership Structure

The National Treasury and Economic Planning is divided into two entities: The National Treasury and State Department for Economic Planning. It is represented by the Cabinet Secretary who is responsible for the general policy and strategic direction of the Ministry.

At the top management level, the National Treasury is headed by the Principal Secretary who is the accounting officer and is responsible to the Cabinet Secretary in the performance of his duties. The National Treasury has six Directorates headed by Director Generals and a Principal Administrative Secretary who is responsible for Administration and Support Services.



(ii) Management Committees Established and Their Roles

The National Treasury has appointed managements committees to monitor the implementation of programmes, projects and report on their performance. They include:

Top Management Committee

Top Management Committee comprises of Cabinet Secretary, Principal Secretary and Directors General. The Committee receives reports from departments, build consensus on National Treasury responses to emerging issues, challenges and risks and ensures that the decisions made are implemented in a timely manner.

(iii) The Audit Committee

In line with the Public Finance Management Act, the National Treasury has established a Ministerial Audit Committee comprising of the Chairperson and four members, of which three are independent. The members were appointed on 15<sup>th</sup> December, 2022.

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

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The Committee provides overall oversight and quality assurance including follow up on the effectiveness of implementation of audit recommendations.

The Committee is active and meets on a quarterly basis to deliberate on their functions.

(iv) Risk Management, compliance, conflict of interest

The National Treasury appointed risk champions who have been trained. The processes of developing a risk management framework have commenced.

(v) Recent Trainings and development in governance for those in key leadership

The National Treasury supported those in key leadership positions to attend leadership and strategic management courses at the Kenya school of Government and other reputable international institutions.

(vi) Public participation activities

The National Treasury underscores the importance for public participation as provided for under the Constitution of Kenya and Public Finance Management (PFM) Act, 2012 by giving Kenyans opportunities to interrogate proposed amendments to the PFM Act, 2012 and make submissions on their views for consideration in policy making and implementation so as to strengthen and deepen good governance. The National Treasury carried out Public Sector Hearings for the Proposed Budget for the FY 2022/23 and the medium term by holding both physical meetings and virtual hearings. In addition, it carried out five (5) public participations in all regions in the country on the proposed Privatization Bill, 2023. The National Treasury provided an opportunity to all Kenyans across the country to interrogate the Public Finance Management Act 2012 Amendments that aimed at settling debt anchored in line with international best practices.

(vii) Compliance with laws and regulations

The National Treasury complies with the Constitution of Kenya, all applicable laws and regulations in line with acceptable national and international standards as well as its internal policies. The National Treasury identified and documented all laws and regulations that are applicable in its operations.

The National Treasury through the legal unit is planning to carry out the first legal compliance audit in September 2023/24 FY, to establish the level of adherence of applicable laws, rules, regulations and standards, and make recommendations for implementation.

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

4. STATEMENT BY THE CABINET SECRETARY

In accordance with Section 12 of the Public Finance Management Act, 2012, the National Treasury is responsible for coordinating the country's economic and financial management. Overall, the National Treasury has continued to maintain a policy environment that is conducive to economic growth and development of the country.

The FY 2022/23 marked the transition from the previous administration to the current one. The first half of the FY 2022/23 was marked by slow implementation of programmes and projects due to inadequate revenue resources and transition related challenges. There was a general slowdown of economic activities.

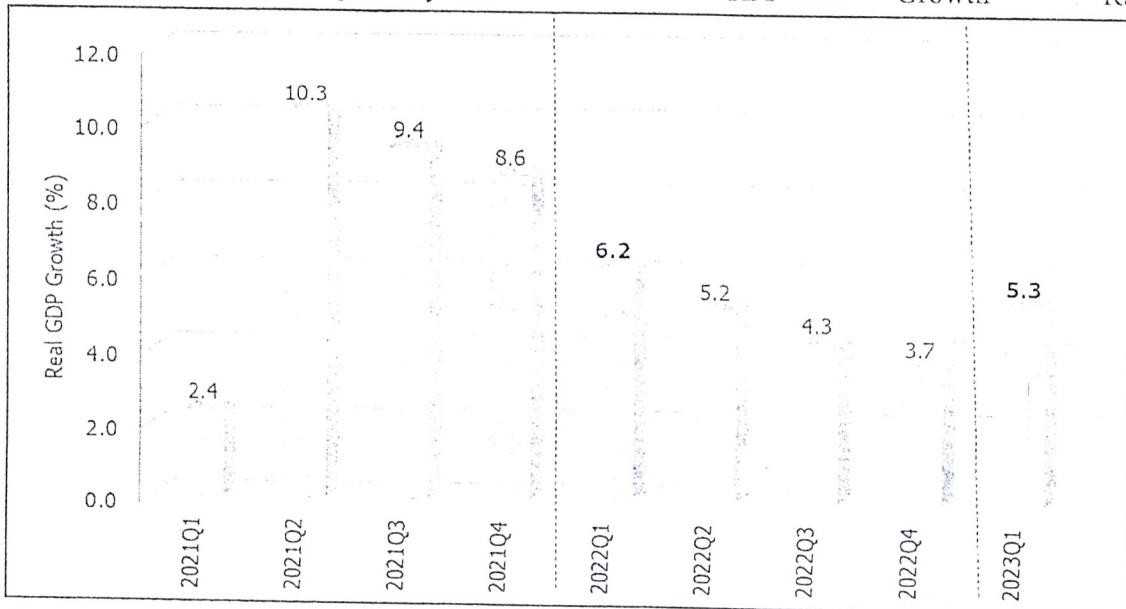
This was occasioned by external shocks including supply chain problems and prolonged Covid-19 impacts in the global arena; climate change occasioning the worst drought in 40 years and the ongoing Russia – Ukraine conflict.

Economic Growth

The Kenyan economy slowed down to a growth of 4.8 percent in 2022 compared to a revised growth of 7.6 percent in 2021. The slowdown was due to the impact of climate change that led to drought affecting agricultural productivity which also contributed to a slowdown in growth in manufacturing and in wholesale and retail trade. The growth in 2022 was spread across all sectors of the economy but was more pronounced in service-oriented activities.

The economy remained resilient and expanded by 5.3 percent in the first quarter of 2023, compared to 6.2 percent in a similar quarter in 2022 (Chart 1). The growth was mainly supported by a rebound of the agriculture sector and continued resilience of service sectors. All economic sectors recorded positive growths, though the magnitudes varied across activities.

Chart 1: Quarterly Real GDP Growth Rates



Source of Data: Kenya National Bureau of Statistics

Activities in the agriculture, forestry and fishing sub-sector expanded by 5.8 percent in the first quarter of 2023 compared to a contraction of 1.7 percent in the first quarter of 2022 (Table 1). The significantly improved performance of the sector was attributable to favorable weather conditions that led to

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

enhanced production, especially that of food crops. The performance was evident in the significant increase in export of vegetables and fruits recorded during the first quarter of 2023. However, the sector's performance was somewhat curtailed by decline in milk deliveries to processors, production of tea, coffee and sugarcane.

The performance of the industry sector slowed down to a growth of 2.4 percent in the first quarter of 2023 compared to a growth of 4.4 percent in the first quarter of 2022. This was mainly on account of a slowdown in activities in the manufacturing; electricity and water supply; and construction sub-sectors.

Manufacturing sub-sector expanded by 2.0 percent in the first quarter of 2023 compared to a growth of 3.8 percent in a similar quarter in 2022. The growth was mainly supported by the manufacture of food products that included bakery products and processing and preservation of fish. In the non-food manufacturing, the growth performance was supported by substantial growth in the manufacture of basic metals and fabricated metal products.

Electricity and Water Supply sub-sector expanded by 2.3 percent in the first quarter of 2023 compared to 3.2 percent growth registered in the first quarter of 2022. The growth in the sub-sector was supported by increased generation of electricity from renewable sources such as geothermal and wind that more than offset the decline in generation from hydroelectric sources. Activities of the construction sub-sector expanded by 3.1 percent in the first quarter of 2023 compared to a 6.0 percent growth in the first quarter of 2022. The slowdown in growth of the sector's performance in the first quarter of 2023 was mirrored in the decline of volume of cement consumption and imports of various construction materials such as bitumen and iron and steel.

The activities in the services sector remained strong in the first quarter of 2023 growing by 6.0 percent compared to a growth of 8.5 percent in a similar period in 2022. This performance was largely characterized by significant growths in Accommodation and Food Service; Information and Communication Technology; Transportation and Storage; Financial and Insurance; and Wholesale and Retail Trade Sub-Sectors.

Accommodation and Food Service sub-sector is estimated to have expanded by 21.5 percent in the first quarter of 2023 compared to 40.1 percent growth recorded in the first quarter of 2022. Activities in the sub-sector have been growing steadily owing to dissipation of the effects of the COVID-19 pandemic that consequently led to improved economic environment in most tourist destinations. Transportation and Storage sub-sector grew by 6.2 percent in the first quarter of 2023 compared to a growth of 7.7 percent in a similar quarter in 2022. The growth was attributed to improved performance in most of the subsectors, especially transportation of passenger and freight through rail.

Information and communication sub-sector recorded a growth of 8.7 percent in the first quarter of 2023 compared to a growth of 9.0 percent in the first quarter of 2022. This growth was mainly supported by increase in mobile money transfers, domestic voice traffic, domestic Short Messaging Services (SMSs), and utilized international bandwidth. Financial and Insurance sub-sector grew by 5.8 percent in the first quarter of 2023 compared to 17.0 percent growth in the corresponding quarter of 2022.

The Government undertook reprioritization and cost-cutting measures to ensure smooth implementation of priority programmes for the remainder of the financial year.

Consequently, we managed to bring the fiscal deficit from the planned 6.2% under the previous administration to about 5.3% of the GDP by the closure of FY 2022/23. Moving forward in the FY 2023/24, the fiscal deficit is planned to come further down to 4.4% of the GDP.

The FY 2022/2023 closed on a strong and positive note with total revenue collection by the year to June 2023 growing by 7.3% to amount to Kshs.2.36 trillion (16.3% of GDP). Of these ordinary revenues collected amounted to Kshs.2.04 trillion which was an annual growth of 6.4 % and represented a performance rate of 95.1% against target. All tax revenue targets recorded positive growth, an

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

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indication of continued recovery in revenue collection.

Total expenditure by end of FY 2022/23 amounted to Kshs.3.21 trillion against target of Kshs.3.36 trillion translating to a shortfall in expenditure of Kshs.148.4 billion.

Critical payments made that had significant impact at the grassroots, included:

- (i) 100% payment of equitable share was disbursed to the 47 County Governments amounting to Kshs.399.6 billion. This figure included the equitable share of Kshs.370.0 billion and arrears of KSh.29.6 billion from the previous year;
- (ii) The entire allocation of KSh. 47.2 billion to the National Government Constituency Development Fund (NGCDF); and,
- (iii) 100% Cash transfer to the Elderly to cater for their needs including for food, health and upkeep. Additionally, all arrears for cash transfers to Orphans and Vulnerable Children (OVCs) amounting to Kshs.16Billion were funded.

#### Inflation

Year-on-year overall inflation rate has been above the 7.5 percent upper bound of the policy target range since June 2022. Inflation rate remained sticky at 7.9 percent in June 2023 same as June 2022 driven by relatively higher food and fuel prices. Overall annual average inflation increased to 8.8 percent in June 2023 compared to 6.3 percent recorded in June 2022.

#### Interest Rates

Monetary policy stance remains tight to anchor inflation expectations due to the sustained inflationary pressures, increased risks to the inflation outlook, the elevated global risks such as financial market volatility, and their potential impact on the domestic economy. In this regard, the Central Bank Rate was raised from 9.50 percent to 10.50 percent in June 2023.

Short-term interest rates have remained relatively stable despite tight liquidity conditions. The interbank rate increased to 9.6 percent in June 2023 compared to 5.1 percent in June 2022 while the 91-day Treasury Bills rate was at 11.5 percent compared to 7.9 percent over the same period.

#### Exchange Rates

The foreign exchange market has largely remained stable despite the tight global financial conditions attributed to strengthening of the US Dollar and uncertainties regarding the ongoing Russian-Ukraine conflict. Due to the strong dollar, the exchange rate to the Kenya shilling like with all world currencies has weakened to exchange at KSh. 139.7 in June 2023 compared to KSh. 117.3 in June 2022. Against the Euro, the Kenya shilling weakened to exchange at KSh 151.4 in June 2023 compared to KSh. 124.1 in June 2022 while against the Sterling Pound the Kenyan shilling also weakened to exchange at KSh. 176.3 compared to KSh. 144.8, over the same period.

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

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**Pending Bills**

The total outstanding national government pending bills as at 30<sup>th</sup> June, 2023 amounted to KSh. 567.5 billion. These comprise of KSh. 443.6 billion (78.2 percent) and KSh.123.9 billion (21.8 percent) for the State Corporations (SCs) and Ministries/State Departments/other government entities respectively. The SCs pending bills include payment to contractors/projects, suppliers, unremitted statutory and other deductions, pension arrears for Local Authorities Pension Trust, and others. Ministries/State Departments and other government entities pending bills constitutes mainly of historical pending bills for the last two years.

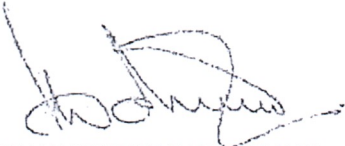
The National Government policy on clearance of pending bills continues to be in force. The National Treasury is currently developing a comprehensive strategy to clear outstanding stock of verified pending bills of the National Government over the medium term. In this strategy, deficiencies and lapses that led to accumulation of pending bills will be addressed. In the FY 2023/24 all Ministries, Departments and Agencies (MDAs) are expected to clear all the expenditure carryovers from FY 2022/23 as a first charge before payment of commitments of the current financial year.

**Bottom-Up Economic Transformation Agenda (BETA)**

Going forward, MDAs will be required to prioritize allocations towards the achievement of the BETA priorities while addressing the policy, legal, regulatory, and governance issues as a matter of priority to ensure optimal use of resources in execution of the planned interventions. BETA is geared towards economic turn around and inclusive growth and aims to increase investments in at least five sectors with high potential impact on the economy as well as household welfare. These include: -

- (i) Agricultural Transformation;
- (ii) Micro, Small and Medium Enterprise (MSME);
- (iii) Housing and Settlement;
- (iv) Health care; and,
- (v) Digital superhighway and Creative Industry.

The BETA priorities should therefore be mainstreamed into the regular programmes of Ministries, Departments and Agencies. The planning and budgeting should embrace the value chain approach ensuring that there are no funding gaps, no duplications and allows for efficiency in the use of resources.

Signature.....

Date.....25-09-2023

NJUGUNA NDUNG'U, CBS

CABINET SECRETARY

THE NATIONAL TREASURY AND ECONOMIC PLANNING

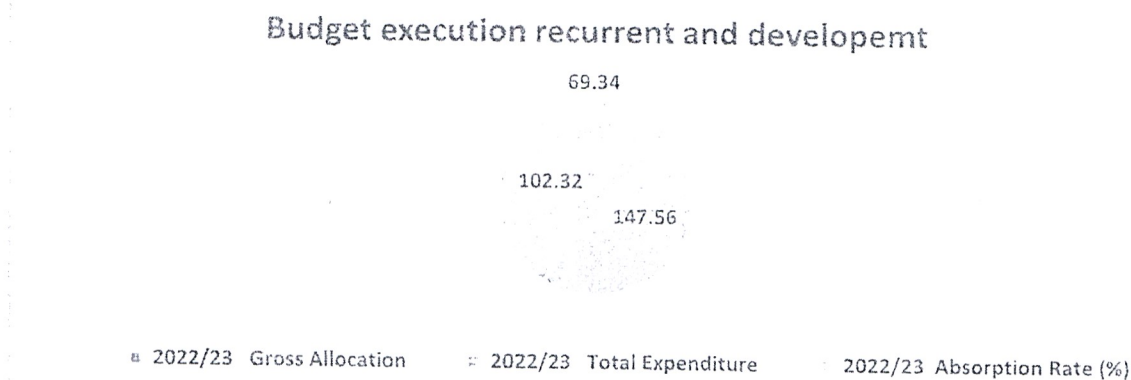
RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

5. STATEMENT BY THE PRINCIPAL SECRETARY

Budget performance

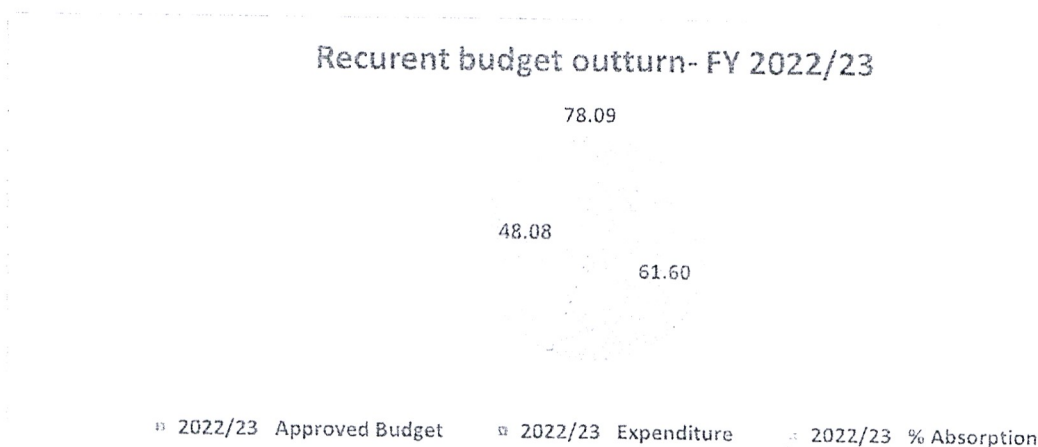
The National Treasury expenditure (inclusive of A-in-A) for the FY 2022/23 stood at KSh. 102.032 billion against an approved budget of KSh. 147.56 billion translating to an overall absorption rate of 69.43 percent as demonstrated in the pie chart below. This translates to an improvement of 6.43 percent from 63% recorded in the financial year 2021/22. Chart 2 below presents the National Treasury total budget execution for the FY 2022/23.

Chart 2: Total Allocation against Total Expenditure (KSh. Billions)



When disaggregated by recurrent and development expenditure, the budget execution indicates that recurrent expenditure (inclusive of A-in-A) stood at KSh. 48.08 billion in the FY 2022/23 against an allocation of KSh 61.60 billion translating to 78.05 % absorption rate as shown in Chart 3 below.

Chart 3: National Treasury recurrent budget execution for the FY 2022/23 (KSh. Billions)

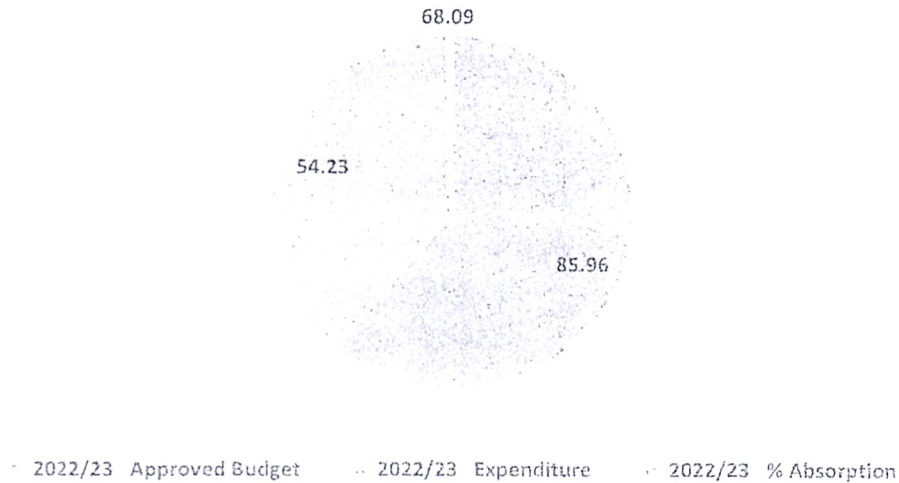


On the other hand, development expenditure (inclusive of A-in-A) absorption was KSh 54.23 billion against an allocation of KSh 85.96 billion recording an absorption rate of 63.09% as illustrated in Chart 4 below. The underabsorption in development expenditure is attributed to exchequer challenges.

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

Chart 4: National Treasury development budget execution for the FY 2022/23 (KSh. Billions)

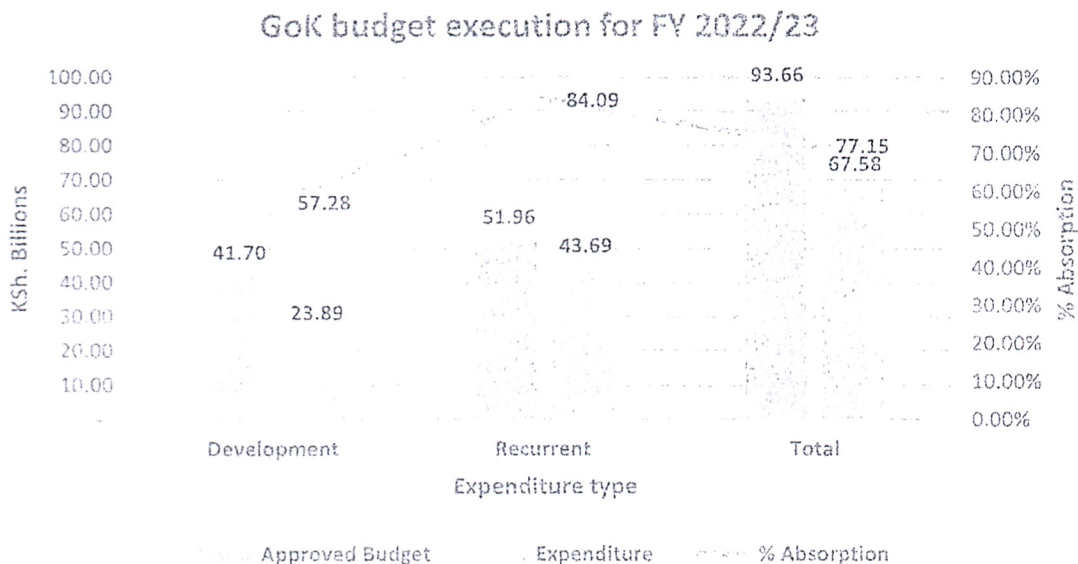
Development budget outturn- FY 2022/23



Budget execution for GoK Funds (Net of A-in-A)

The National Treasury expenditure for GoK funds (exclusive of A-in-A) for the FY 2022/23 stood at KSh. 67.58 billion against an allocation of KSh. 93.66 billion. This translates to an absorption rate of 72.15 per cent. GoK development expenditure for the year was KSh. 23.89 billion against an allocation of KSh. 41.70 billion. This constitutes an absorption rate of 57.28 per cent. On the other hand, recurrent GoK budget recorded an expenditure of KSh. 43.69 billion against an allocation of KSh. 51.96 billion translating to an absorption of 84.09 per cent. Chart 5 below illustrates budget execution for GoK funded budget for the FY 2022/23.

Chart 5: budget execution for GoK funded budget for the FY 2022/23 (KSh. Billions)

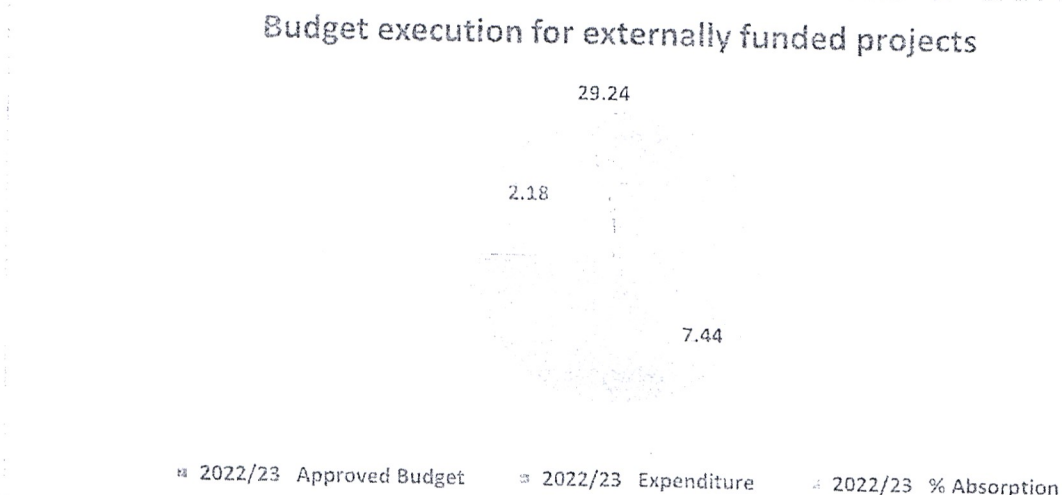


Budget execution for externally funded resources for FY 2022/23

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

The externally funded projects recorded an absorption of Ksh. 2.18 billion against an allocation of KSh. 7.44 billion translating to an absorption rate of 29.24%. The under absorption in externally funded resources was attributed to: transfer of a budget of KSh. 2 billion for the National Treasury Dongo Kundu Special Economic Zones to Ministry of Transport and Infrastructure; inability to secure donor commitments; differences in accounting period of the donor; and lack of no objection from the donors for some projects. Chart 6 below presents the budget execution for externally funded resources for the FY 2022/23.

Chart 6: Budget execution for externally funded resources for FY 2022/23 (KSh. Billions)



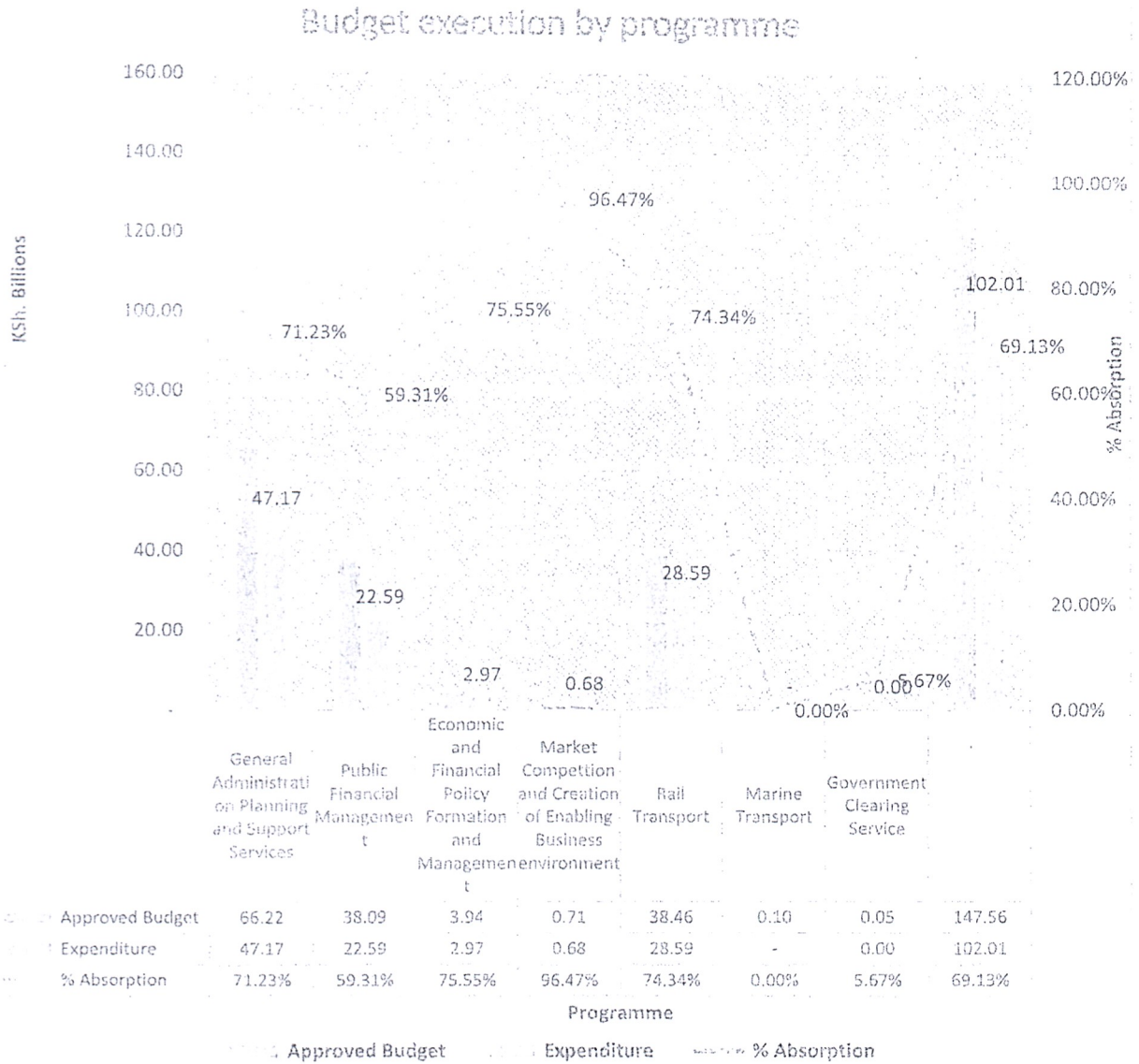
**Budget Execution by Programmes**

The National Treasury implemented the 2022/23 budget within seven economic programmes. These were: General Administration, Planning and Support Services; Public Financial Management; Economic and Financial Policy Formulation and Management; Market Competition and Creation of an Enabling Business Environment; Government Clearing Services; Rail Transport; and Marine Transport. The latter three programmes were transferred to the National Treasury by an executive directive that merged the ports, rail and pipeline services in the FY 2021/22. These three programmes have since been transferred back to the Ministry of Transport and Infrastructure and will no longer be under the National Treasury reporting in the FY 2023/24.

As demonstrated in the chart below, Market Competition and Creation of Enabling Business Environment Programme had the highest absorption at 96.47 percent followed by Economic and Financial Policy Formulation and Management at 75.55 percent, Rail Transport at 74.43 percent, General Administration at 71.23 percent, Public Financial Management at 59.31 percent, Government Clearing Service at 5.67 percent, and Marine transport at zero (0) per cent. The lack of absorption in Government Clearing Service and Marine Transport is due to the transfer of the functions to Ministry of Transport and Infrastructure in the FY 2022/23. Chart 7 below illustrates the National Treasury budget execution by programme for the FY 2022/23.

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

Chart 7: Budget execution (KSh. Billions) and proportion (%) by Programme (KSh. Billions)



**Key Achievements**

The National Treasury registered Key Achievements during the Financial Year 2022/23. These include:

1. Under General Administration, Planning and Support Services programme, the National Treasury leased 4,023 security vehicles for the National Police Service towards enhancing security;
2. Under the Public Financial Management programme, the National Treasury mobilized a total of KSh. 22.6 billion worth of private capital under Public Private Partnerships; mobilized KSh. 8.8 billion under the Global Fund towards treatment of HIV, TB and Malaria, registered

29,435 AGPO Enterprises; and digitized an additional 4,687 government services; and conducted 269 Value for Money Audits;

3. Under Economic and Financial Policy Formulation and Management programme, the National Treasury implemented fiscal consolidation initiatives that led to realization of 5.7 % fiscal deficit

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

against a target of 6.3% of GDP; developed the Nairobi International Financial Centre (NIFC) Guidelines and Regulations; established Climate Change Fund (CCF) in 7 Counties; and provided 197,960 No. of Clients with Agricultural Finance Corporation (AFC) loans in both wholesale and retail lending against a target of 196,617; and,

4. Under Market Competition and Creation of an Enabling Business Environment programme, the National Treasury through Competition Authority of Kenya determined 100% merger and acquisitions applications and developed one (1) Restrictive Trade Practices Guideline and one (1) Consumer Protection Guideline.

### Emerging Issues

The emerging issues that impacted or may impacted the operations of the National Treasury include:

- (i) The Ongoing Russia-Ukraine conflict, and lingering effects of the COVID-19 pandemic and drought has heightened global inflation and resulted in tightening monetary policy and persistent supply chain disruptions. This hampered achievement of targets for the period under review;
- (ii) Technological advancement in the ICT sector presented opportunities to leverage ICT innovations in the conduct of business as well as risks relating to governance and data security;
- (iii) The proliferation of fake news on social media platforms, which have a wider audience and faster response time sometimes portrayed the National Treasury in a negative manner; and,
- (iv) Development of Sector specific Project Appraisal Manuals: although the National Treasury developed a generic manual to guide the investment appraisal processes, it has now emerged that there is need to develop sector specific methodological appraisal manuals to guide sector specific analysis. Therefore, the National Treasury is required to develop over 40 sector specific appraisal manuals to guide the over 40 sectors on the nuanced appraisal process.

### Challenges

Some of the challenges the National Treasury faced while implementing the 2022/23 budget include:-

**(i) Resource Constraint continues to persist and affects implementation of budgets**

The rationalization of the budget, occasioned by underperformance of revenue collection and emerging government priorities affected the implementation of programmes on training, hospitality, transfer of conditional grants to County Governments and to semi-autonomous Agencies (SAGAs). The underperformance in revenue also caused delays in disbursement of funds by the National Treasury to MCDAs. The underperformance of county governments own source revenue led to overreliance on transfers from the National Government occasioning more pressure on the exchequer.

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

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Shortage of Key Technical Staff continues to affect operational efficiency in core mandate

Despite recruitment of staff across certain cadres, the National Treasury continues to experience staff shortage across all cadres against authorized establishment. As indicated in the operational performance on human resource, the current staff capacity is at 58%. This is mainly attributed to natural attrition. The planned recruitment and promotion of staff by the appointing authorities has been slow hence affecting service delivery and succession management initiatives.

(ii) **Operating environment** is manifested, among others, by shortage of office space especially for key technical staff and, inadequate resourcing of the Monitoring and Evaluation function.

To manage the above emerging issues and challenges and ensure successful implementation of the National Treasury goals and objectives, the Ministry undertook the following: -

- (a) Continued to implement borrowing policy that provides for domestic borrowing to plug the financing gap created by non-performing revenue;
- (b) The effects of the Eastern Europe Conflict on inflation and cost of living were moderated by the Government's interventions including among others, making fertilizer available and improve productivity in counties and regions that plant in the short rain season, where the Government imported 1.5 million 50 kg bags of fertilizers and distributed them at a lower cost of Ksh 3,500;
- (c) Continued to implement succession planning towards progressively filling in staff shortage, continued training and timely promotions. As at the end of the Financial Year 2022/23, the National Treasury had enhanced its staff capacity to 80% of authorized establishment from 30% in the Financial Year 2020/21; and,
- (d) Engaged other development partners for concessional loans and grants as well as pursued strategies to finance government projects.

**Recommendations**

- (i) There is need for increasing allocation to the National Treasury to facilitate effective mobilization of resources to finance public expenditure particularly towards facilitation and implementation of post COVID-19 Economic Recovery Strategy and emerging Government priorities;
- (ii) Reforms in Public Financial Management and taxation shall be sustained to enable the National Treasury to mobilize adequate financial resources and enhance absorption capacity;

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

- (iii) Continued sustained implementation of succession planning, especially with respect to recruitment of key technical staff to achieve optimal staffing levels for enhanced operational efficiency;
- (iv) Strengthening Monitoring and Evaluation Framework and capacity;
- (v) Continued leveraging on ICT to ensure timely delivery of targets; and,
- (vi) Implementing the project rationalization to achieve optimal project portfolio and increase fiscal space.

Going forward, the National Treasury will continue to implement fiscal policies that pursue growth friendly fiscal consolidation to preserve debt sustainability. This will be achieved through enhancing revenue collection and curtailing non-core expenditures while prioritizing high impact social and investment expenditure. As such, fiscal deficit is projected to decline from 5.7 percent of GDP in FY 2022/23 to 4.4 percent of GDP in FY 2023/24.

Signature 

DR. CHRIS KIPTOO, CBS

PRINCIPAL SECRETARY/THE NATIONAL TREASURY

Date 25/9/23

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

6. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FY 2022/23

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each National Government National Treasury in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives. The key development objectives of the National Treasury's 2018-2022 Strategic Plan are to:

- a) Strengthen organization capacity for quality service delivery;
- b) Enhance mobilization, allocation and utilization of public resources;
- c) Ensure stable and sustainable macro-economic environment; and,
- d) Ensure market structures that encourage competition and orderly conduct of business;

**Progress on Attainment of Strategic Development Objectives**

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Table 1: Performance against Predetermined Objectives for 2022/23

MDA Program	Strategic Objective	Outcome	Indicator	Performance	Comments
General Administration, Planning and Support Services.	To enhance institutional and human resource capacity for quality delivery of services	Efficient and effective service delivery	No. of vehicles leased	In FY 2022/23, 4,023 security vehicles were leased for the National Police Service towards enhancing security against a target of 3,477	Target surpassed
			Ordinary revenue as a percentage of GDP	In FY 2022/23 the ordinary revenue as a percentage of GDP collected was 16% against a target of 17.1%	Target was not achieved
			% level of compliance to PSSS	100%	The eligible public servants were on boarded in real time
			No. of Pension claims processed	Pensions claims were processed within 60 days of submission.	Target achieved
Public Financial Management	To increase the reliability, stability and soundness of the financial sector	Increased reliability and soundness of the financial sector	Annual National Budget presented to Parliament by 30th April 2023	1 achieved against a target of 1	Budget presented to parliament.
			No. of Published External Public Debt Stock & Register on the TNT website	1 External Public Debt Stock & Register on the TNT website published against a target of 1	Target achieved and published in the website
			No. of benchmark bonds issued	12 bonds issued against a target of 12	Target achieved. benchmark bonds are determined by the issuer to create liquidity and have established to attract more liquidity over time than other bonds

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

MDA Program	Strategic Objective	Outcome	Indicator	Performance	Comments
			% Of mature serviceable public debt serviced	100% mature serviceable public debt serviced achieved against a target of 100%	Target achieved
			No. of Audit Committees Capacity Built.	31 Audit Committees Capacity Built	Target achieved
			Amount mobilized in KSh. (Billion)	A total of KSh. 22.6 billion worth of private capital was mobilized following private sector investments against a target of 50 billion	Target was not achieved
			No. of People receiving ACT (Millions)	6 Million doses of ACT treatment were issued in the FY 2022/23.	The total number of confirmed malaria cases annually is about 6 million. The number of doses of ACT distributed to ensure continuous supply at facility is 7 million doses annually. On a quarter about 1.5 million doses are issued to facilities.
			No. of Registered AGPO Enterprises	Registered 29,435 AGPO Enterprises against a target of 20,000	Over achievement is due to stabilization of system uptime and deployment of staff at Huduma Center to assist in enterprise registration
			No. of additional Government Payments Digitized	4687 additional Government payments digitized from 397 as at June 2022	Target surpassed
			No of Annual Borrowing Plans	1 annual borrowing plan achieved against a target of 1	Annual borrowing plan developed
			No. of Strategies	1 Medium Term debt strategy developed medium strategy against a target of 1	Target achieved
			No. of Government Entities capacity built on IRMF	26 Government Entities capacity built on Institutional Risk Management Framework (IRMF)	Target achieved
			No. of VFM Audits reports	Conducted 269 Value for Money Audits. Target surpassed due to increased requests	Target achieved
Economic and Financial Policy Formulation and Management	To ensure a stable macroeconomic environment	Stable macroeconomic environment	Inflation rate (%)	7.9% against a policy range target of 5 +/-2.5.	Target was out of policy range due to higher food and fuel prices
			Months of import cover	4.5 months of import cover against a target of 5.8	Target not met due to high demand for foreign exchange
			% of fiscal deficit	(5.7) % of GDP against the target of 6.3%	Target surpassed due to fiscal consolidation initiatives such as budget rationalization in the second Quarter

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

MDA Program	Strategic Objective	Outcome	Indicator	Performance	Comments
			No. of Guidelines and regulations prepared	1 Nairobi International Financial Centre (NIFC) Guidelines and regulations prepared against a target of 1	Target achieved
			No. of legal frameworks developed	1 Legislative framework for NIFC and financial services sector developed against a target of 1	Target achieved
			No. of counties with CCF	7 Counties have established their Climate Change Fund (CCF)	Remaining Counties to be targeted in the FY 2023/24
			County Allocation of Revenue Bill (CARB) & Division of Revenue Bill (DORB)	Prepared the County Allocation of Revenue Bill (CARB) 2023 & Division of Revenue Bill (DORB) 2023.	Target achieved in 2nd quarter
			No. of Clients accessing Agricultural Finance Corporation (AFC) loans	A total of 197,960 client outreach was achieved in both wholesale and retail lending	The AFC client outreach was achieved against a target of 196,616
			Loan amount issued to clients in KSh. millions	KSh. 4,112 Million Loan issued to clients	The corporation achieved against a target of KSh. 4,000 Million
			Loan repayments as % of disbursements	82% loan repayments was achieved against a target of 85% of disbursements	AFC will strive to collect the balance of 18% of disbursements in the FY 2023/24
			Public Debt at ≤ KSh. 10 trillion	KSh. 9.2 Trillion. Target within the ceiling	Target within the ceiling
			% of Government imports/exports cleared within 9 days at the ports and 2 days at the airports	100%	Target achieved
Market Competition and Creation of an Enabling Business Environment	To promote and sustain competition	Sustained high productivity and competitive markets	% of Merger and acquisitions applications determined	100% merger and acquisitions applications determined	Target achieved
			Merger, Restrictive Trade Practices (RTPs) and Consumer protection guidelines	Developed one (1) Restrictive Trade Practices and one (1) Consumer Protection Guideline	Target achieved
			Cases concluded as a % of total investigations	83% cases concluded against a target of 95%	Target not achieved due to delay in release of resources
			% of cases on restrictive trade practices investigated and finalized	60% cases on restrictive trade practices investigated and finalized	Target achieved
			% of Appeals on Competition Determined	100% appeals on competition determined achieved	Target achieved

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

7. MANAGEMENT DISCUSSION AND ANALYSIS

Report on Operational and Performance financial performance of the organization for the last three-to-five-year period

Operational Performance

Operational performance is examined from three main indicators. These are: (i) Performance Contract Management (ii) Effectiveness in implementation of National Treasury Strategic Plan 2018/19-2022/23, and (iii) Human Resource Staff Capacity.

Performance Contract Management

Although the Ministries have been completing the performance contracting cycle that ends with announcement of results by the Ministry responsible for Public Service, announcement of results have not been undertaken except for the two FYs (FY 2019/2020 and 2020/2021).

In the Financial Year 2019/2020, the National Treasury and Economic Planning was ranked as the best performing Ministry with a Composite Score of 3.0209. This means that TNT&P achieved but not fully all its set PC targets resulting to a score of between 70 – 100% which translates to Good Performance.

In the Financial Year 2020/ 21, the National Treasury and Planning was ranked 5<sup>th</sup> in the Top Five Performing Ministries with an Average Composite Score of 3.2124 which is a good performance. There was a decline in performance compared to that of 2019/2020 whereby TNT&P was ranked the best performing Ministry with a Composite Score of 3.0209. A summary of performance contract ranking is given in table 2 below.

Table 2: Summary of performance of the National Treasury and Economic Planning in ranking of Ministries Departments and Agencies over three Financial Years

2018/19	2019/2020	2020/2021
Ministries were not ranked	Overall Score: 3.0209 Overall Rank: Position 1 Overall Grade: 70-100% Performance category: Good Core Mandate Score: 1.8089 Core Mandate Rank: Position 3	Overall Score: 3.2124 Overall Rank: Position 5 Overall Grade: 70-100% Performance category: Good Core Mandate Score: Not measured Core Mandate Rank: Not ranked among the 5 best performing Ministries

Effectiveness in implementation of Strategic Plan 2018-2023

The National Treasury implemented its Strategic Plan under four (4) Key Result Areas (KRAs) namely: (i) Stable Macro Economic Environment, (ii) Resource Mobilisation for financing public expenditure, (iii) Development planning, budgeting and intergovernmental relations and (iv) Institutional efficiency and effectiveness.

Effectiveness measures considered achievement of planned outcomes and outputs against set targets. In this regard the National Treasury achieved overall effectiveness level of 73% implementation of the objectives under the four KRAs. On the Key Result Areas, the National Treasury recorded the following level of effectiveness: Stable and sustainable macroeconomic

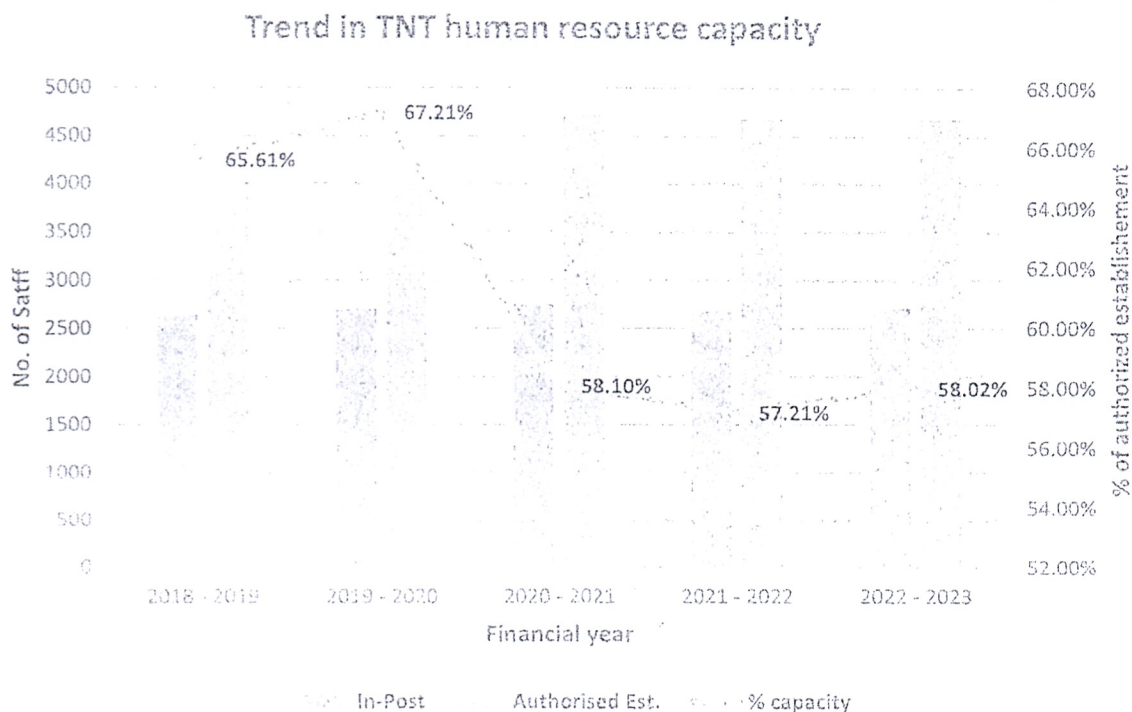
RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

environment - 90%; Resource mobilization for financing public expenditure realised 74 %; Development planning, budgeting, and intergovernmental relations, 80%; and Institutional efficiency and effectiveness- 29%. KRA 4: Institutional efficiency and effectiveness recorded lowest level of effectiveness in achievement of set objectives. This is attributed to inadequate resources to effectively implement targets.

Human Resource Staff Capacity

Human resource capacity is a component of operational efficiency in the National Treasury. In this regard, the National Treasury currently operates at 58 per cent staff capacity in relation to authorized establishment. This is a decline from staff operational capacity of 65.6 percent in 2018/19. The decline in staff capacity is attributed to slow succession management in relation to increasing staff requirement as indicated by authorized establishment. Chart 8 below illustrates the current staff capacity against authorised establishment.

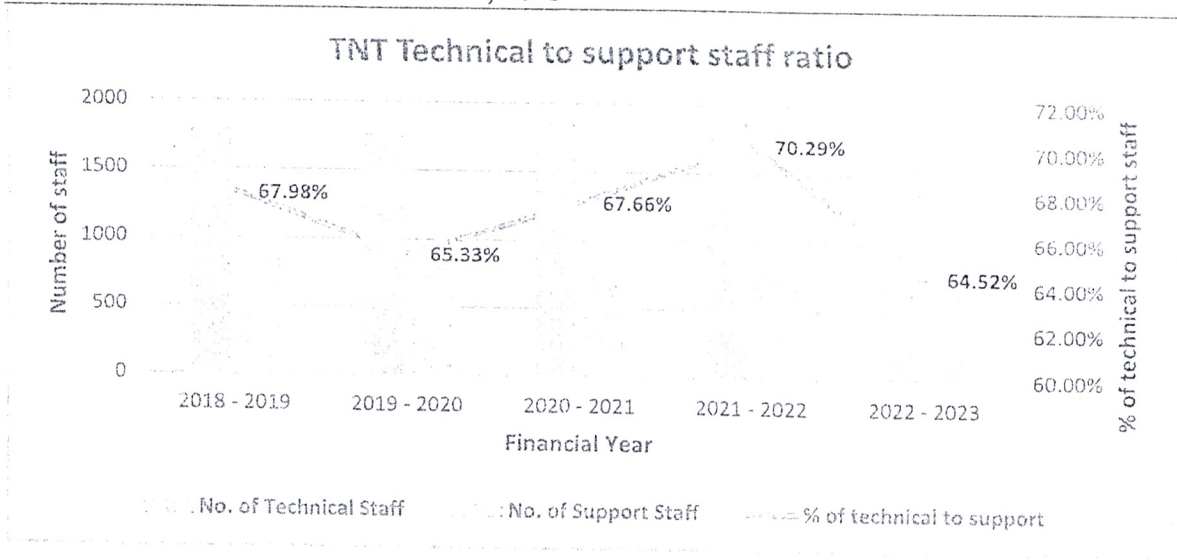
Chart 8: Human resource capacity for the period 2018/19 to 2022/23



In terms of cadre, the National Treasury ratio of technical to support staff currently stands at 64.52 per cent of in-post staff against a target of 70 per cent. This ratio has remained fairly stable at an average of 67 per cent over the period 2018/19-2022/23. Specifically, the technical staff requirement is 3,278 (70 % of staff authorized establishment). However, the current technical staff in-post is 1,753 (53 per cent of technical staff requirement). Chart 9 below illustrates the composition of the National Treasury staff disaggregated by technical and support cadre

Chart 9: The National Treasury staff composition by technical and support cadre

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023



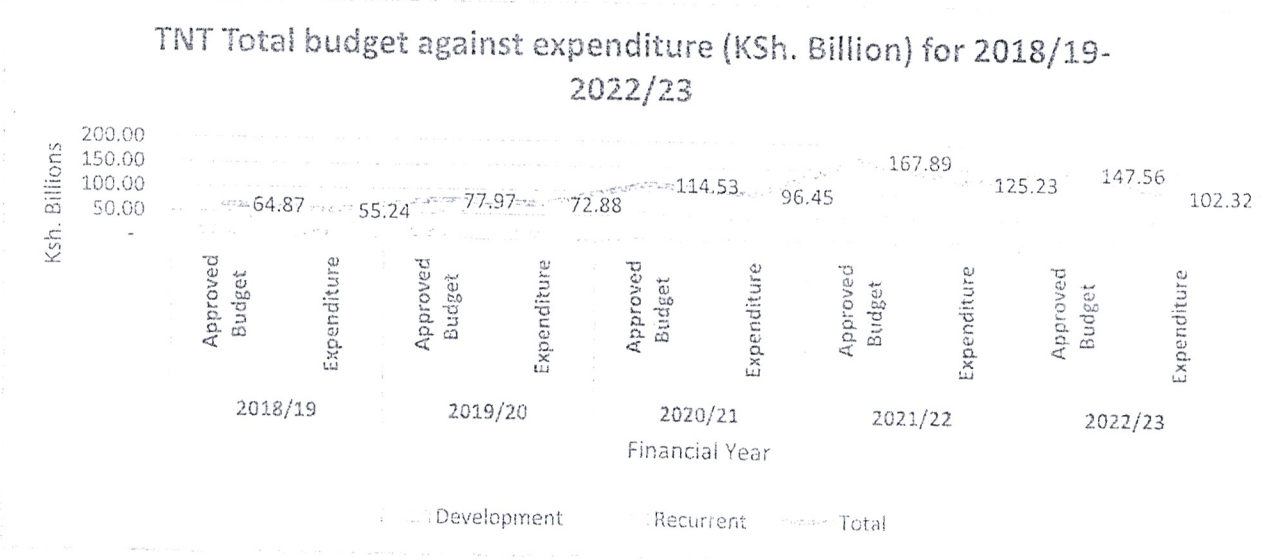
Financial Performance

Over the last five-year period, the National Treasury recorded mixed trend in performance in financial stewardship relating to absorption of GoK funds and externally funded resources as well as in A-in-A. Charts 10, 11 and 12 below indicate the specific performance in the mentioned areas.

Overall budget execution for the National Treasury for the period 2018/19- 2022/23

Chart 10 illustrates the National Treasury financial performance in relation to expenditure for the period 2018/19- 2022/23. The allocations to the National Treasury recorded increasing trend with highest allocations recorded in the FY 2021/22. The increase in allocation in the FY 2021/22 is attributed to transferring of marine and transport functions to the National Treasury. The same functions have since been transferred back to the Ministry of Transport and Infrastructure in the FY 2023/24.

Chart 10: The National Treasury total budget against expenditure for 2018/19- 2022/23 (KSh. Billions)

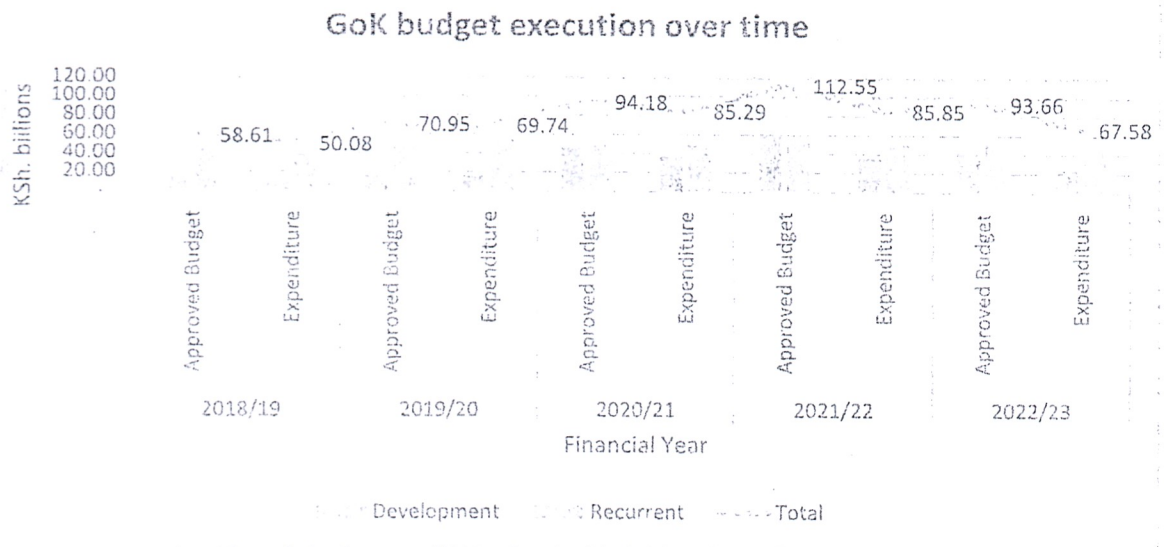


RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

Performance of GoK funded resources for the period 2018/19-2022/23

An analysis of budget performance for the National Treasury for the period 2018/19 to 2022/23 for GoK funded resources indicate increasing allocation over time. The highest allocation of KSh. 112. billion was recorded in the FY 2021/22. This was due to transfer of marine and transport functions to the National Treasury by executive order. There was a decline in allocations in FY 22/23 when the same functions were transferred back to the Ministry of Transport and Infrastructure. The performance of GoK funded resources is shown in Chart 11.

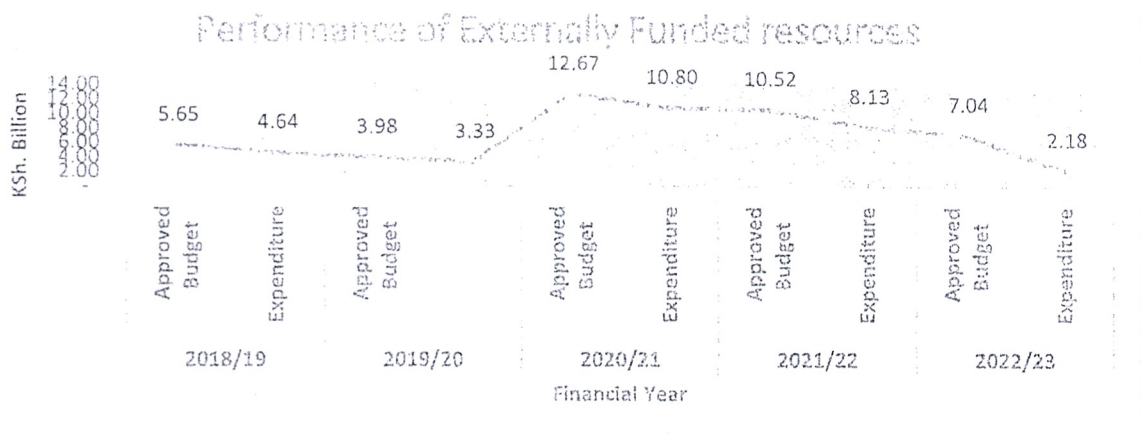
Chart 11: Performance of GoK funded resources for the period 2018/19-2022/23 (KSh. Billions)



Performance of externally funded resources for the period 2018/19-2022/23

The externally funded resources rose sharply in the FY 2020/21 before gradually decreasing in the subsequent years. The rise was due to mobilization of additional resources to combat the COVID 19 pandemic. Chart 12 highlights the performance of externally funded resources for the period 2018/19- 2022/23.

Chart 12: the performance of externally funded resources for the period 018/19-22/23 (KSh. Billions)

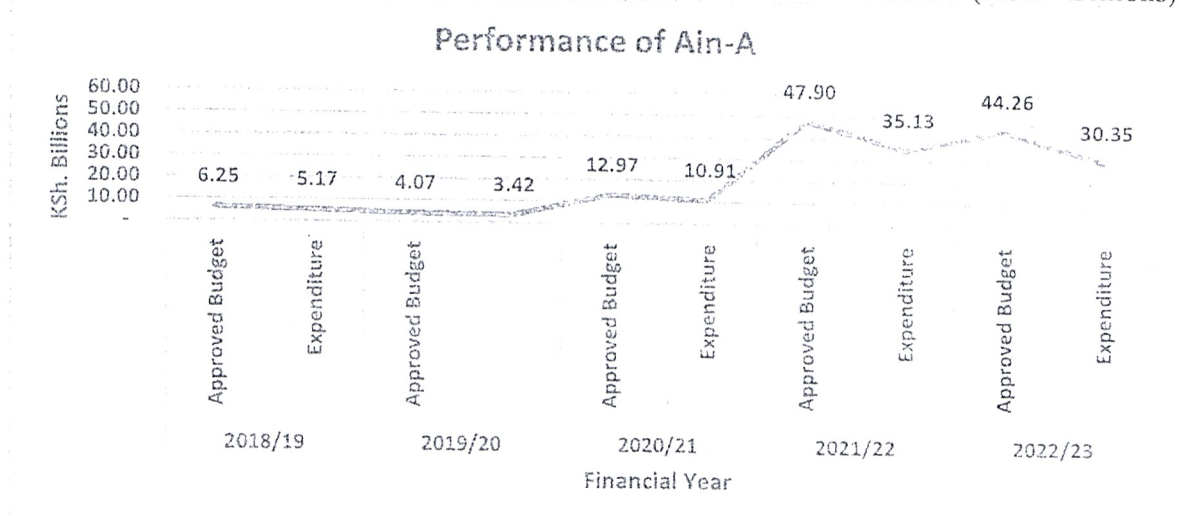


Performance of Appropriation in Aid the period 2018/19-2022/23

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

The National Treasury registered a sharp rise in A-in-A allocations in the FY year 2020/21. The rise in A-in-A relates to development partner financing towards interventions to combat COVID 19 pandemic as well as the transfer of the rail transport function to the National Treasury. Chart 13 below illustrates the trend in the performance of A-in-A for the period 2018/19 to 2022/23.

Chart 13: Performance of A-in-A for the period 2018/19-2022/23 (KSh. Billions)



The National Treasury Key Projects/ Investments implemented or ongoing indicating source of Funds, Project Status, Project Costs and amount spent so far

The Table below indicates a summary of 13 key projects for the National Treasury indicating project cost, source of funds, cumulative expenditure to date and project status

Table 3: Key projects implemented by the National Treasury

S/No.	Project Name	Project Timelines			Estimated Cost of the Project (KSh. Millions)							
		Start Date	End Date	% of Time Elapsed	Total Project Cost (a)	Foreign	GoK	Total Allocations to Date	Actual cumulative Expenditure (As of 30 <sup>th</sup> June 2022/23 (b))	Outstanding Balance as of 30 <sup>th</sup> June 2022/23 (a-b)	Project Completion Rate as of 30 <sup>th</sup> June 2022/23	
1.	Project Code & Title											
2.	Credit Guarantee Scheme	8/12/2020	Continuous	20%	10,000.00	0	10,000.00	3,000	830.3	9,169.70	8.3%	
3.	Kenya Electronic Single Window System	9/11/2012	Continuous	80%	8,830.00	330	8500	8300	8300	530.00	100% for the legacy TradeNet system and 71% for the upgrade (TFP)	
4.	Implementation of the e-procurement system for the Government of Kenya	5/1/2022	5/1/2026	25%	5,000.00	0	5000	942.19	22	4,978.00	25%	

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

S/No.	Project Name	Project Timelines			Estimated Cost of the Project (KSh. Millions)							
5.	Rural Kenya Financial Inclusion Facility	6/2/2022	12/31/2028	14%	13,405.00	11005	2400	200.08	0	13,405.00	5%	
6.	Global Fund HIV	7/1/2021	6/30/2024	58%	27,596.19	17931.91	9664.28	14837.36	9296.97	18,299.22	34%	
7.	Global Fund TB	7/1/2021	6/30/2024	58%	5,594.13	4276.28	1317.85	1782.59	1112.69	4,481.44	20%	
8.	Global Fund Malaria	7/1/2021	6/30/2024	58%	3,641.27	2323.42	1317.85	1064.23	878.76	2,762.51	24%	
9.	1071107900, Infrastructure Finance Public Private Partnerships Project Additional Financing (IFPPP-AF)	2017	6/1/2023	95%	5,000.00	5000	0	1396.05	585.65	4,414.35	85%	
10.	1071102201: Strategic Investments in Public Entities	7/1/2014	30th June 2024	85%	150,000.00	0	150000	73851	87881	62,119.00	59%	
11.	1071100101: Support to Public Financial Management (PFMR)	7/1/2018	6/1/2028	50%	26,102.00	1189	24913	3312	2466	23,636.00	70%	
12.	10711040 Green Climate Fund Readines Project	3/10/2021	3/10/2024	66.60%	84.50	84.5	0	84.5	18.5	66.00	22.30%	
13.	107106600 Strategic Response to Public Initiatives	1 Jul 2019	30th June 2024	70%	6,000.00		6000	3950	350	5,650.00	5.80%	

**Future Developments and other information**

In the next five (5) Year period, the National Treasury is planning to implement key policies and strategies as follows:

**Stable and sustainable macroeconomic environment**

Under this Key Result Area, the National Treasury plans to:

- (i) Develop and implement macroeconomic and fiscal policies that support stable macroeconomic environment and stimulate economic recovery to 5.6 percent growth in FY 2027/28; boost the ratio of gross national savings to GDP to 13.3 percent in the FY 2027/28; increase the ratio of national investments to 18.6 percent of GDP in the FY 2027/28;
- (ii) Oversee implementation of monetary policy that targets to maintain inflation rate at 5 percent +/-2.5 percent; low and stable lending interest rates; stable and competitive exchange rates; and strong official foreign exchange reserves;
- (iii) Develop and implement tax policy and administrative measures designed to gradually reduce the fiscal deficit including grants to 3.5 percent of GDP in the FY 2027/28; increase revenue collection to 18.5 percent of GDP in FY 2027/28; and reduce total expenditures and net lending to 22.3 percent as a share of GDP in the FY 2027/28;

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

- (iv) Establish the Kenya Credit Guarantee Company to administer CGS – This will entail establishing a functional Credit Guarantee Company to administer Credit Guarantee Scheme (CGS);
- (v) Agricultural and Rural Financial Inclusion (RK- FINFA) – this will enhance access, efficiency and stability of agricultural and rural finance by smallholder farmers and agribusiness MSME; and,
- (vi) Implement the Green Financial Markets programme to enhance access to green finance and strengthen the enabling environment to attract green finance and investments needed to transition to a low-carbon, climate resilient and green economy.

Resource mobilization for financing public expenditure

Under this Key Result Area, the National Treasury plans to:

- (i) Integrate Meridian Debt Management System with IFMIS- Development of integration Solutions and training officers with new system and with CBK DHOW Central Securities Depository (CSD) System- Development of integration Solutions and uploading of Domestic Debts in the system;
- (ii) Develop a Resource Mobilization Strategy;
- (iii) Review the Debt and Borrowing Policy to capture the emerging issues and changes in the operational environment; and,
- (iv) Implement the digitalization of Government services through the Digital Payments by enhancing the capabilities and scope of the eCitizen payment platform.

Development Planning, budgeting and intergovernmental relations

This Key Result area aims to undertake the following:

- (i) Business process automation to improve efficiency in National Treasury operations;
- (ii) Digitalization and digitization of Government process for effective service delivery and, revenue enhancement;
  - i. Strengthening the internal audit fiduciary assurance and advisory services for effective governance process, internal control structures and risk management to increase the level of transparency, effectiveness, efficiency, economy and accountability;
  - ii. Development and implementation of the Public Finance Management Reforms Strategy 2023-2028;
  - iii. Enhancing participation of marginalized groups in public procurement by registration and capacity building;
  - iv. Operationalize the Treasury Single Account to ensure efficient distribution of cash balances; and,
  - v. Upgrading and integration of Pension Management Information System for effective and efficient processing and payment of pension benefits.

Institutional Efficiency and Effectiveness

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

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Under this Key Result Area; the National Treasury will implement the following:

- i. Undertake Value for Money Audits;
- ii. Installation of Visitors' management system and Integrated Security Management System at the National Treasury;
- iii. Development of a Disaster Recovery Plan;
- iv. Enhance the work environment for efficient service delivery;
- v. Implement succession planning towards enhancing staff capacity to 80% of the authorized establishment by June 2027 and the ratio of technical to support from 65 per cent to 70 per cent by the same period;
- vi. Finalization of the Government Transport Policy and Scaling up of the government motor vehicle leasing programme; and,
- vii. Finalization of the development of the e-GP system.

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

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8. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The National Treasury's mandate is to formulate, implement and monitor prudent economic and financial policies at national and county levels of government. The core values include customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Guided by the above principles, we undertake the following: -

**Sustainability Strategy and Profile**

To ensure economic sustainability, the National Treasury put in place several measures geared towards protecting the economy. Some of the key focus interventions are to: reduce the cost of living; create jobs; achieve more equitable distribution of income; enhance social security; expand tax base for more revenue for financing development; and increase foreign exchange earnings.

The economic performance for the period under review is against a background of increased uncertainties in the global economic outlook, continuing geopolitical tensions and the pace of monetary policy tightening amidst concerns about financial sector stability in the advanced economies. Nevertheless, commodity prices in the global markets, particularly of oil and food, have been easing due to improved and functioning supply chains.

Kenya's economic growth for 2022 slowed down to 4.8 percent from 7.6 percent in 2021 due to the adverse impact of the multiple shocks that affected the economy. The growth in 2022 was supported by growth in the services sectors while the agricultural sector contracted for the second consecutive year due to the prolonged drought effect which also contributed to a slowdown in growths in the manufacturing as well as that of the wholesale and retail trade sectors.

In 2023, the economy is expected to rebound and expand by 5.5 percent from 4.8 percent in 2022 and maintain that pace over the medium term. This growth will be supported by a broad-based private sector led growth, including continued strong performance of the services sector and recovery in the agriculture sector due to improved weather conditions during the March – May rain season. This growth outlook will further be reinforced by the interventions being implemented by the Government, under the Bottom-Up Economic Transformation Agenda (BETA).

In order to realize the aspirations of the Bottom-Up Economic Transformation Agenda, the National Treasury will: Continue to maintain macroeconomic stability and enhance security to foster a secure and conducive business environment for all Kenyans and their investments; Intensify national infrastructure development and connectivity in roads, rail, port, energy and fibre optic infrastructure to lower the cost of movement of people and goods, lower the cost of doing business thereby enhancing profitability of businesses; Enhance investment in key economic sectors for broad based sustainable economic recovery by promoting: agricultural transformation, growth in manufacturing, environmental conservation and water supply, food security, climate change mitigation and adaptation, tourism recovery, and sustainable land use and management. Food security and climate change will also become a focal point for policy going forward. The National Treasury will expand access to quality social services in health, education and appropriate social safety nets for the vulnerable population; and support the youth, women and persons living with disability through Government-funded empowerment programs that leverage on partnerships with private sector organizations.

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

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**Environmental performance/climate change/mitigation of natural Disaster**

The National Treasury has constituted a committee comprising officers from the key Departments of the Ministry to oversee all matters relating to environmental sustainability. The Committee has since developed a ministerial policy on the same in line with the National Policy on environmental management and participated in planting trees thus contributing towards the 10 percent tree cover initiative. Additionally, to ensure a conducive work environment, the National Treasury has contracted a company to manage cleaning and waste disposal services.

**Employee welfare**

Employee welfare is critical for effective implementation of the programmes and projects of an organization. Noting the importance of human resources, the National Treasury has a department established to handle Human Resources Management and Development. The Ministry has also established a Human Resource Management Advisory Committee and Departmental Training Committees that processes all the promotions, discipline, training, appraisal and general employee matters in line with the Public Service guidelines and procedures. Recruitment of officers is guided by the principles of the public service such as inclusivity among others.

In addition, a committee on occupational safety and health has been established to follow up of the safety conditions in the work place. In order to attract and retain competent officers, the National Treasury conducted capacity building for the staff in various technical subjects and recruited officers at the entry grade to fill skills gaps and enhance human resource capacity.

During the review period, we implemented succession management plan by declaring vacant posts to be filled by the Public Service Commission at the higher levels. This is in preparation for the exists anticipated in the next two years arising from retirement of officers who will have attained the mandatory retirement age. Further, the National Treasury has continued to build the capacity on the online staff appraisal management system in collaboration with the Public Service Commission to ensure seamless implementation of the system.

**Operational Practices/Market place practices**

The National Treasury is responsible for promoting fair trade practices in the economy. To ensure effective implementation of this function assigned by the Constitution, one of the programmes implemented by the Treasury is ensuring that existing market structures encourage competition and orderly conduct of business in order to support high productivity and competitive markets. This is undertaken mainly by the Competition Authority of Kenya, a State Corporation under the National Treasury.

Further, to ensure fairness in the allocation of procurement contracts, the National Treasury ensures strict adherence to the provisions of the Public Procurement and Assets Disposal Act and its regulations.

**Community Engagements**

Towards Corporate social responsibility, members of staff from the National Treasury participated in these years Annual Kaptagat Tree planting exercise which was graced by His Excellency the President on 1<sup>st</sup> July, 2023 in Elgeyo Marakwet. The two-day exercise saw over 30,000 seedlings planted at Kessup Forest Station by the National Treasury staff, Corporates and members of the community.

To mitigate technological hazards, terrorism, fire and natural disasters, the National Treasury engaged a professional security services firm contracted for purposes of enhancing security in the Ministry. The National Treasury continued to improve security within the building and its environs by use of CCTV cameras installed at the Treasury Building and at the entrances and maintained firefighting facilities at the premises in collaboration with the State Department for Public Works.

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

9. STATEMENT OF RECEIVER OF REVENUE'S RESPONSIBILITIES

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

The Principal Secretary in charge of The National Treasury is responsible for the preparation and presentation of the Revenue statement, which gives a true and fair view of the state of affairs of The National Treasury for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the National Treasury (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Principal Secretary in charge of The National Treasury accepts responsibility for the National Treasury revenue accounts, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Principal Secretary is of the opinion that the National Treasury's revenue account gives a true and fair view of the state of The National Treasury's revenue transactions during the financial year ended June 30, 2023, and of the National Treasury's financial position as at that date. The Principal Secretary in charge of The National Treasury further confirms the completeness of the accounting records maintained for the National Treasury, which have been relied upon in the preparation of the National Treasury revenue account as well as the adequacy of the systems of internal financial control.

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

Approval of the Revenue Statements

The revenue statements were approved and signed on 3/11/2023 by:

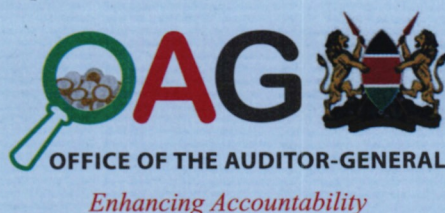


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Dr. CHRIS KIPTOO, CBS

PRINCIPAL SECRETARY

# 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 RECEIVER OF REVENUE-RECURRENT FOR THE YEAR ENDED 30 JUNE, 2023 - THE NATIONAL TREASURY**

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### **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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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, risk management environment and 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**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Receiver of Revenue-Recurrent set out on pages 1 to 80, which comprise of the statement of financial assets and liabilities and statement of arrears of revenue as at 30 June, 2023, and the statement of receipts and disbursements for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229

of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the revenue statements present fairly, in all material respects, the revenue position of the Receiver of Revenue-Recurrent for the year ended 30 June, 2023, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Unallocated Balance**

The statement of receipts and disbursements reflects total tax receipts collected during the year amounting to Kshs.1,961,969,728,861. However, the total tax receipts balance excludes unallocated revenue balance of Kshs.395,802,640 reflected in the Keya Revenue Authority (KRA) revenue accountability statement for the year under review and held in various accounts. The unallocated revenue relates to payments remitted to the KRA collection accounts but with missing mandatory information including the taxpayers details and Payment Registration Numbers (PRN) while some payments were made using expired PRN.

In the circumstances, the completeness and accuracy of total tax receipts of Kshs.1,961,969,728,861 could not be confirmed.

### **2. Unreconciled Arrears of Revenue Balance**

The statement of arrears of revenue reflects arrears of tax receipts of Kshs.999,599,467,329 which, as disclosed in Note 14 to the revenue statements, is net of Kshs.541,763,028,833 referred as erroneous, uncollectable and doubtful debts whose details are as summarized below;

<b>Category</b>	<b>Amount (Kshs.)</b>
Pending/outstanding backlog waivers	20,949,940,032
Erroneous VAT auto assessments	10,313,211,906
Outstanding tax in dispute	456,040,870,989
Resolved disputes not updated in taxpayers' ledgers	54,459,005,906
<b>Total</b>	<b>541,763,028,833</b>

Further, the aging analysis of the arrears of tax receipts indicates that arrears totalling Kshs.1,161,076,105,513 have been outstanding for over three (3) years casting doubt on the accuracy and recoverability of the balance. In addition, the arrears of tax receipts includes an amount of Kshs.245,553,868,392 in respect to public sector revenue debt. However, third party confirmation from eighty-nine (89) Public Sector Departments (PSD) taxpayers with revenue debt of Kshs.65,525,185,389, revealed balances totalling to Kshs.21,071,361,935 resulting to an unreconciled variance of Kshs.44,453,823,454.

In the circumstances, the recoverability, completeness and accuracy of the arrears of revenue of Kshs.999,599,467,329 could not be confirmed.

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

## Emphasis of Matter

### 1. Long Outstanding Arrears of Revenue

The statement of arrears of revenue reflects non-tax receipts from Government Investment and Public Enterprises (GIPE) amounting to Kshs.267,937,400,728 which comprise of Kshs.180,458,854,968 and Kshs.87,478,545,760 in respect of loan redemption receipts and loan interest receipts, respectively. The balances include loan redemption receipts of Kshs.40,111,581,511 and loan interest receipts of Kshs.36,763,767,836 which have been outstanding for more than three (3) years.

Further, the non-tax receipts from GIPE also include arrears totalling Kshs.145,289,519,414 as at 30 June, 2023 receivable from State Corporations that are operational. However, no satisfactory explanation was provided for the failure by the State Corporations to service the loans, resulting in arrears as analyzed below;

Entity	Total Arrears (Kshs.)
National Water Conservation	2,069,496,885
Tanathi Water Services Board	1,137,037,550
Coast Water Services Board	5,017,030,806
Tana Water Service Board	1,136,067,333
Athi Water Services Board	7,604,908,863
Lake Victoria North Water Service Board	1,737,534,827
Lake Victoria South Water Service Board	1,587,349,649
Central Rift Valley Water Services Board	322,043,253
Kenya Railways Corporation	124,678,050,248
<b>Total</b>	<b>145,289,519,414</b>

Although Management provided various reasons for the non-receipt of the revenues and explained measures in place to improve the outstanding debt arrears position, it is not clear why some unrecovered long outstanding balances continue to be retained in the revenue statements.

In the circumstances, full recoverability of the outstanding arrears of revenue could not be confirmed.

## **2. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects a final tax targets and actual collections of Kshs.2,067,874,568,509 and Kshs.1,961,969,728,861 respectively resulting to an under-collection of Kshs.105,904,839,648 or 5% of the budget. Similarly, the statement reflects a final non-tax targets and actual collections of Kshs.79,183,051,442 and Kshs.81,316,841,862 respectively resulting to an over-collection of Kshs.2,133,790,420 or 3% of the budget.

The resultant total collection of Kshs.2,043,286,570,723 was an improvement from previous year's collection of Kshs.1,917,602,928,795 by Kshs.125,683,641,928 representing a 7% increase.

My opinion is not modified in respect of these matters.

### **Key Audit Matters**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

### **Conclusion**

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

## **Basis for Conclusion**

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

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

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

In preparing the revenue statements, Management is responsible for assessing the Receiver of Revenue'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 terminate the Receiver of Revenue or to cease its operations.

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

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

Those charged with governance are responsible for overseeing the Receiver of Revenue'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 revenue statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect

a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the revenue statements.

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

Further, in planning and performing the audit of the revenue statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 revenue statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

I communicate with 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.



FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

Nairobi

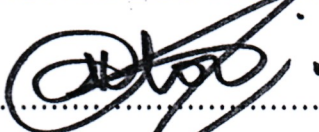
31 January, 2024

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

11. STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR  
ENDED 30 JUNE, 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Tax receipts</b>			
Taxes on Income, Profits and Capital Gains	1	947,182,708,540	879,963,120,730
Taxes on Property	2	12,211,040,991	13,358,299,444
Taxes on Goods and Services	3	816,410,323,091	776,860,719,333
Taxes on International Trade & Transactions	4	186,165,656,240	169,292,153,811
<b>Total tax receipts</b>		<b>1,961,969,728,861</b>	<b>839,474,293,318</b>
<b>Non -tax receipts</b>			
Fees on use of Goods/Services	5	29,598,059,010	30,556,354,805
Social security contributions	6	271,254,146	224,575,477
Property income	7	40,355,172,276	41,942,114,728
Miscellaneous receipts	8	412,345,943	275,584,422
Receipts from Sale of Non- Financial Assets	9	-	158,695
Proceeds from domestic Borrowings	10	5,830,810,487	5,129,847,351
Proceeds from foreign grants(OMISON)	11	4,849,200,000	-
<b>Total non -tax receipts</b>		<b>81,316,841,862</b>	<b>78,128,635,477</b>
<b>TOTAL RECEIPTS</b>		<b>2,043,286,570,723</b>	<b>1,917,602,928,795</b>
Disbursements to exchequer account		2,018,058,774,395	1,891,470,606,448
Transfer to petroleum development levy(PDL)		25,227,796,329	26,132,322,347
Balance due for disbursement		NIL	NIL

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 8/11 2023 and signed by:-



Dr. CHRIS KINYOO, CBS  
PRINCIPAL SECRETARY  
(Ref: PFM ACT section 82,2(a))



GEORGE K. GICHURU  
HEAD OF ACCOUNTING UNIT  
ICPAK NO. 9262

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

12. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30 JUNE  
 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash and Cash Equivalents			
Bank Balances	12	39	39
Total Financial Assets		39	39
Financial Liabilities			
Payables-Due to Exchequer	13	39	39
Total Financial Liabilities		39	39

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 2/11/2023 and signed by:



DR. CHRIS KIPTOO, CBS  
 PRINCIPAL SECRETARY  
 (Ref: PFM ACT section 82,2(a))



GEORGE K. GICHURU  
 HEAD OF ACCOUNTING UNIT  
 ICPAK NO. 9262

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

13. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
 FOR THE YEAR ENDED 30 JUNE 2023

	Original Targets	Adjustments	Final Targets	Actual	% Realized
	Kshs	Kshs	Kshs	Kshs	
<b>Tax receipts</b>					
Taxes on Income, Profits and Capital Gains	997,340,271,548	15,200,000,000	982,140,271,548	947,182,708,540	96.44%
Taxes on Property(Stamp Duty)	7,449,957,235	6,223,676,681	13,673,633,916	12,211,040,991	89.30%
Taxes on Goods and Services	881,839,095,205	7,250,000,000	874,589,095,205	816,410,323,091	93.35%
Taxes on International Trade & Transactions	179,968,676,857	17,502,890,983	197,471,567,840	186,165,656,240	94.27%
Other taxes	-	-	-	-	
<b>Total tax receipts</b>	<b>2,066,598,000,845</b>	<b>1,276,567,664</b>	<b>2,067,874,568,509</b>	<b>1,961,969,728,861</b>	<b>94.88%</b>
<b>Non -tax receipts</b>					
Social security contributions	521,174,393	-	521,174,393	271,254,146	52.05%
Property income	34,230,225,820	3,045,924,459	37,276,150,279	40,355,172,276	108.26%
Fees on use of Goods/Services	38,158,886,804	8,708,777	29,450,109,418	29,598,059,010	100.50%
Miscellaneous receipts	740,394,002	37,087,220	703,306,782	412,345,943	58.63%
Proceeds from Domestic borrowings (LOAN REDEMPTION)	4,250,000,000	-	4,250,000,000	5,830,810,487	137.20%
Proceeds from foreign grants (AMISON)	-	6,982,310,570	6,982,310,570	4,849,200,000	69.45%
<b>Total non -tax receipts</b>	<b>77,900,681,019</b>	<b>9,982,439,032</b>	<b>79,183,051,442</b>	<b>81,316,841,862</b>	<b>102.69%</b>
<b>Total receipts</b>	<b>2,144,498,681,864</b>	<b>11,259,006,696</b>	<b>2,147,057,619,951</b>	<b>2,043,286,570,723</b>	

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

BUDGET NOTES: A  
TAX RECEIPTS

1. Taxes on Income, Profits and Capital Gains: includes PAYE and other income taxes

The revenue shortfall is recorded in both PAYE and other income tax. PAYE collection and withholding income taxes were below target on due to shortfalls in remittance from the public sector mainly affected by below optimal disbursements to various Government entities leading to accrual of debt by public universities, Counties and various SAGAs as well as accumulation of pending bills to suppliers. Further, corporation income tax (CIT) was affected by drop in instalment remittance from Transport and Construction sectors.

2. Stamp Duty

Collection of stamp duty is pegged on transactions such as on land. Shortfall in this revenue item is associated with decline in number of such transactions. Going forward, KRA has nominated the State Department for Lands and Physical Planning as the collector of stamp duty through the ARDHISASA platform, this is expected to increase efficiency in the collection of stamp duty.

3. Taxes on Goods and Services

Taxes on Goods and services include value added tax (VAT) and excise duty. VAT (imports) shortfall is explained by decline in import values of Vatable (non-oil) goods such as telephone sets, motor vehicles and motor cycles among others. Domestic VAT collection was mainly affected by subdued growth in the construction, transport and manufacturing sectors owing to the high cost of inputs and increasing inflationary pressures. The shortfall in excise duty is explained by the decline in oil volumes, motor vehicle imports and deliveries of domestic excisable goods such as cosmetics, beer and spirits.

4. Taxes on International Trade and Transaction:

Revenue items under this category are custom duty and import declaration fees (IDF). Shortfall in this category is on account of import duty while IDF was above target. Import duty performance is explained by decline in volumes of containerized cargo imports by 8.4%, mainly influenced by change in buying patterns given the import price pressures.

NON – TAX RECEIPTS

1. Social Security Contribution

Social security contribution performance affected by same challenges affecting the public sector PAYE that is, below optimal disbursements to various Government entities.

2. Miscellaneous Receipts


Miscellaneous receipts collections are bound to fluctuations and shortfalls because of improvements in the classification of revenue items.

3. Proceeds from foreign grants (AMISON)

The Actual collection from Program grants AMISON was Ksh 6,982.3 billion (as reported by exchequer), which is 100 percent of the target

The entity financial statements were approved on 31/11 2023 and signed by:

  
.....  
Dr. CHRIS KIPTOO, CBS  
PRINCIPAL SECRETARY

  
.....  
GEORGE K. GICHURU  
HEAD OF ACCOUNTING UNIT  
ICPAK NO. 9262

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

14. STATEMENT OF ARREARS OF REVENUE AS AT 30<sup>TH</sup> JUNE 2023  
1.KENYA REVENUE AUTHORITY STATEMENT OF ARREARS

Classification of Receipts	Balance as at 1 <sup>st</sup> July 2022	Arrears received during the year	Additions in arrears for the current year to 30 <sup>th</sup> June 2023	Erroneous, Doubtful/ uncollected debts	Total arrears as at 30 <sup>th</sup> June 2023	Measures taken to recover the arrears	Assessment to the recoverability of arrears
	Kshs	Kshs	Kshs		Kshs		
<b>Tax Receipts</b>							
Taxes on income profits and capital gains	1,199,142,103,848	(138,564,594,507)	64,524,773,762				
Taxes on goods and services	346,203,938,714	51,174,186,670	5,693,228,484	(541,763,028,833)	986,410,609,138		
Taxes on International Trade and Transactions	12,912,530,159	(7,316,385,362)	7,592,714,394		13,188,859,191		
<b>Total arrears</b>	<b>1,558,258,572,722</b>	<b>(94,706,793,199)</b>	<b>77,810,716,640</b>	<b>(541,763,028,833)</b>	<b>999,599,467,329</b>		
<b>2.Non Tax Receipts- Government Investment and Public Enterprises(DGIPE)</b>							
Loan Redemption Receipts	53,610,477,129	-	126,848,377,838	-	180,458,854,968		
Loan interest Receipts	41,875,581,440	-	45,602,964,320	-	87,478,545,760		
<b>Total arrears</b>	<b>95,486,058,570</b>	<b>-</b>	<b>172,451,342,158</b>	<b>-</b>	<b>267,937,400,728</b>		

An ageing analysis of revenue in arrears has been shown on note 14 of these financial statements.



Dr. CHRIS KIPTOO, CBS  
PRINCIPAL SECRETARY  
(Ref: PFM ACT section 82,2(a))



GEORGE K. GICHURU  
HEAD OF ACCOUNTING UNIT  
ICPAK NO. 9262

## 15. SIGNIFICANT ACCOUNTING POLICIES

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

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

The revenue statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting and relevant legal framework of the Government of Kenya. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya. The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the entity, and all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

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

### 2. Recognition of Receipts

The (entity) recognises all receipts from the various sources when the related cash has been received by the entity.

### 3. Budget

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

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

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Significant Accounting Policies (Continued)

4. Cash and cash equivalents

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

5. Revenue in Arrears

This relates to revenue earned and is yet to be received or collected by the receiver of revenue. These arrears are disclosed under the statement of arrears as required under the PFM Act, 2012 which is a memorandum statement.

6. Disbursements to the Exchequer

The Receiver of Revenue has a daily arrangement for sweeping of funds from its bank account to the Exchequer account. Total disbursements to the exchequer are as a result of the sweeping arrangement during the year. (Indicate the receiver's actual policy on disbursements)

7. Comparative Figures

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

8. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended June 30, 2023

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

16. NOTES TO THE FINANCIAL STATEMENTS

1. Taxes On Income, Profits and Capital Gains

Description	2022-2023	2021-2022
	Kshs	Kshs
Income Tax from Individuals (PAYE)	494,904,356,074	462,356,803,661
Income from Corporations (Other Enterprises) (O.I.T)	452,278,352,466	417,606,317,069
Other Income Tax	-	-
Less: Refunds	-	-
<b>Total Revenue</b>	<b>947,182,708,540</b>	<b>879,963,120,730</b>
Balance brought forward	-	-
Transfers to the Exchequer account	947,182,708,540	879,963,120,730
Balance carried forward	-	-

2. Taxes On Property

Description	2022-2023	2021-2022
	Kshs	Kshs
Immovable Property (Stand Premia on Plots, Land Rent)	-	-
Second-hand Motor Vehicle Purchase Tax	-	-
Capital gains tax	-	-
Stamp Duty	12,211,040,991	13,358,299,444
Other Property Taxes	-	-
Less: Refunds	-	-
<b>Total Revenue on Property</b>	<b>12,211,040,991</b>	<b>13,358,299,444</b>
Balance brought forward	-	-
Transfers to the Exchequer account	12,211,040,991	13,358,299,444
Balance carried forward	-	-

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

Notes to the financial statements (Continued)

3. Taxes On Goods and Services

Description	2022-2023	2021-2022
	Kshs	Kshs
VAT on Domestic Goods and Services(VAT-DOMESTIC)	272,526,653,866	244,926,288,969
VAT on Imported Goods and Services(VAT-IMPORT)	277,771,281,971	278,171,348,432
VAT Refund	-	-
VAT Remissions	-	-
<b>Total VAT</b>	<b>550,297,935,837</b>	<b>523,097,637,401</b>
Excise Receipts(EXCISE DUTY \$ DOMESTIC TAXES)	266,112,387,254	253,763,081,933
Refunds	-	-
Anti- adulteration levy	-	-
Other taxes on goods and services- Cement Levy	-	-
<b>Total Revenue from Taxes on goods and services</b>	<b>816,410,323,091</b>	<b>776,860,719,333</b>
Balance brought forward	-	-
Transfers to the Exchequer account	816,410,323,091	776,860,719,333
Balance carried forward	-	-

4. Taxes On International Trade and Transactions (Customs)

Description	2022-2023	2021-2022
	Kshs	Kshs
Customs Duties(IMPORT DUTY)	130,120,687,782	118,871,006,017
Customs Duties refunds	-	-
Other Taxes on International Trade and Transactions (Import Declaration and Inspection Fees-IDF)	56,044,968,458	50,421,147,794
<b>Total Revenue</b>	<b>186,165,656,240</b>	<b>169,292,153,811</b>
Balance Brought Forward	-	-
Transfers to the Exchequer Account	186,165,656,240	169,292,153,811
Balance carried forward	-	-

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

Notes to the financial statements (Continued)

5. Fees on Use of Goods/Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Licences under Traffic Act	4,370,262,681	4,424,032,458
Licenses under the Communication Act	-	
Licenses under Betting, Lotteries and Gaming Act	-	
Mineral Export Licensing	-	
Prospecting Fee	-	
Petroleum Development Levy (PDL)	25,227,796,329	26,132,322,347
Roads Maintenance Levy (RML)	-	
Total Fees	29,598,059,010	30,556,354,805
Balance brought forward	-	
Transfers to the Exchequer account	4,370,262,681	4,424,032,458
Transfer to Petroleum Development Levy(PDL)	25,227,796,329	26,132,322,347
Balance carried forward	Nil	Nil-

6. Social Security Contributions

Descriptions	2022-2023	2021-2022
	Kshs	Kshs
Contributions from Government Employees to Social and Welfare Schemes within Government	271,254,146	224,575,477
Total Contributions	271,254,146	224,575,477
Balance brought forward	-	-
Transfers to the Exchequer account	271,254,146	224,575,477
Balance carried forward	Nil	Nil-

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

Notes to the financial statements (Continued)

7. Property Income

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest	2,325,198,129	1,613,363,273
Dividends from Central Bank of Kenya (CBK)	4,000,000,000	5,500,000,000
Other Profits and Dividends (specify entity)	24,861,915,516	33,597,402,873
Surplus funds from Regulatory Authorities	8,949,127,528	896,187,900
Rent of Land	195,027,885	315,343,006
Directors fees	23,903,218	19,817,675
Stand Premia on Town Plots	-	-
Royalty on Carbon Dioxide	-	-
Mining Royalties	-	-
Magadi Soda Royalty	-	-
Base Titanium Royalty	-	-
Fishing Rights	-	-
Balance brought forward	-	-
Transfers to the Exchequer account	40,355,172,276	8,344,711,854
Balance carried forward	Nil	Nil-

8. Miscellaneous Receipts (Not classified elsewhere)

Description	2022-2023	2021-2022
	Kshs	Kshs
Miscellaneous Revenue	-	-
Sundry Revenue	412,345,943	275,584,422
Total Revenue	412,345,943	275,584,422
Balance brought forward	-	-
Transfers to the Exchequer account	412,345,943	275,584,422
Balance carried forward	Nil	Nil-

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

Notes to the financial statements (Continued)

9. Receipts from Sale of Non- Financial Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Receipts from the Sale of Buildings	nil-	158,695
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Receipts from the Sale of Intangible Non-Produced Assets	-	-
Total Revenue	-	158,695
Balance brought forward	-	-
Transfers to the Exchequer account	-	158,695
Balance carried forward	NIL	NIL

10. Proceeds from Domestic Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
Borrowing within General Government (LOAN REMPTION)	5,830,810,487	5,129,847,351
Borrowing from Monetary institutions (CBK)	-	-
Borrowings from Commercial Banks	-	-
Borrowings from other domestic financial institutions	-	-
Borrowings from other domestic creditors	-	-
Domestic Accounts Payable	-	-
Total Proceeds from domestic borrowings	5,830,810,487	5,129,847,351
Balance brought forward	-	-
Transfers to the Exchequer account	5,830,810,487	5,129,847,351
Balance carried forward	NIL	NIL

11. Proceeds from Foreign Grants

Description	2022-2023	2021-2022
	Kshs	Kshs
Grants from International Organisations through the Exchequer		
Program Grants (OMISON)	4,849,200,000	-
Total proceeds from grants	4,849,200,000	-
Balance brought forward		
Transfers to the Exchequer account	4,849,200,000	-
Balance carried forward	Nil	Nil

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

Notes to the financial statements (Continued)

12. Bank Balances

Name of Bank, Account No. & currency	Amount in bank account currency	Exc. rate (if in foreign currency)	2022-2023	2021-2022
			Kshs	Kshs
Central Bank of Kenya			39	39
<b>Total</b>			<b>39</b>	<b>39</b>

13. Payables- Due to Exchequer

Payables	2022-2023	2021-2022
	Kshs	Kshs
Balance b/f at the beginning of the year	39	39
Amounts received during the year		
Amounts disbursed to Exchequer during the year		
Balance c/d at the end of the year	39	39
<b>Total</b>	<b>39</b>	<b>39</b>

This relates to amounts yet to be disbursed to the exchequer at the end of the financial year. The amount should be supported by the bank balances as per note 13 above.

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

Notes to the Financial Statements (Continued)

**14. Ageing Analysis of Revenue in Arrears**

Description	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Erroneous, Doubtful/ uncollectable Debts	Total
	Kshs	Kshs	Kshs	Kshs		Kshs
Taxes on income profits and capital gains	64,524,773,762	127,284,514,512	117,351,620,472	815,941,374,357		986,410,608,138
Taxes on goods and services	5,693,228,484	27,130,113,851	29,953,997,267	340,294,014,266	(541,763,028,833)	
Taxes on international transactions	2,414,002,707	1,497,579,796	4,436,559,798	4,840,716,890		13,188,859,191
<b>Total (Agree to Statement of Arrears)</b>	<b>72,632,004,953</b>	<b>155,912,208,158</b>	<b>151,742,177,538</b>	<b>1,161,076,105,513</b>	<b>541,763,028,833</b>	<b>999,599,467,329</b>
	7.3%	15.6%	15.2%	116-.2%	-54.2%	100%

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

Classification of Revenue	Description of Debt	Cumulative Amount of Arrears as at 30 <sup>th</sup> June, 2022				Cumulative Arrears as at 30 <sup>th</sup> June, 2023				
		Principal	Penalty	Interest	Total	Principal	Penalty	Interest	Erroneous, Doubtful / Uncollectable Debts	Total
Domestic Taxes	Legacy System Debt	83,882	18,941	74,965	177,788					
	iTax System Debt	869,107	194,679	303,772	1,367,558	994,097	193,785	340,292	-541,763	986,411
Sub Total		952,989	213,620	378,737	1,545,346	994,097	193,785	340,292	-541,763	986,411
International Trade Taxes	Customs Debt	7,006	4650	1257	12,913	9,191	1,978	2,020		13,189
Total		959,995	218,270	379,993	1,558,259	1,003,288	195,762	342,312	-541,763	999,599

DEPARTMENT OF GOVERNMENT INVESTMENT AND PUBLIC ENTERPRISE(DGIPE)

	Less than 1 year	1 -2 Years	2-3 Years	Over 3 Years	Total
Principal Arrears	63,209,341,999	46,766,624,681	30,371,306,776	40,111,581,511	180,458,854,965
Interest Arrears	23,919,513,210	16,406,679,568	10,388,585,142	36,763,767,836	87,478,545,761
	87,128,855,209	63,173,304,249	40,759,891,924	76,975,349,347	267,937,400,728
	33%	23%	15%	29%	

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

17. Appendices

**Appendix 1: A Report of Waivers and Variations of Taxes, Fees or Charges granted by the Receiver of Revenue during the year.**

**KENYA REVENUE AUTHORITY**

S. no.	Quarter	Name of Person/Organisation Benefiting from the Waiver	ITax Acknowledgement Number	Month	Taxpayer Customs Entry	PIN/	Waiver Amount requested for (Tax, Fee or Charge)	Waiver amount granted	Applicable Law	Reasons For Waiver
<b>Quarter 1 Tax Waivers</b>										
1	Q1	CHINA ROAD AND BRIDGE CORPORATION (KENYA)		Jul-22	P000592470W		1,178,104,988.00	1,178,104,988.00	Section 89(7) of the Tax Procedures Act 2015.	The non-compliance leading to the penalties and interest was as a result of varied interpretation of the tax legislation adopted by the KRA and CRBC Kenya. CRBC Kenya has experienced volatile financial performance over the last six years swinging between losses and marginal profits. This was occasioned by the unfavourable change in prices of key construction inputs between the tendering and the contract execution dates, material devaluation of the Kenyan Shilling against major foreign currencies and increased competition which has eroded project margins.
2	Q1	CHINA ROAD AND BRIDGE CORPORATION (KENYA)		Jul-22	P000592470W		278,693,131.00	278,693,131.00	Section 89(7) of the Tax Procedures Act 2015.	The non-compliance leading to the penalties and interest was as a result of varied interpretation of the tax legislation adopted by the KRA and CRBC Kenya. CRBC Kenya has experienced volatile financial performance over the last six years swinging between losses and marginal profits. This was occasioned by the unfavourable change in prices of key construction inputs between the tendering and the contract

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

3	Q1	AIRTEL NETWORKS KENYA LIMITED				Aug-22	P051131780Q	42,588,634.50	21,294,317.25	Section 89(7) of the Tax Procedures Act 2015.	KRA's commitment to support 50% waiver of total penalties and interest (Kshs. 85,177,269) after Airtel Networks Kenya Limited paid its share of 50% (Kshs. 42,588,634.50). KRA recommended 100% waiver of the outstanding penalties and interest of Kshs. 42,588,634. The Cabinet Secretary approved total waiver amount of Kshs. 21,294,317.25	execution dates, material devaluation of the Kenyan Shilling against major foreign currencies and increased competition which has eroded project margins.
4	Q1	ZAKHEM CONSTRUCTION (KENYA) LIMITED				Sep-22	P000598272K	85,550,235.00	85,550,235.00	Section 89(7) of the Tax Procedures Act 2015.	Financial difficulties experienced by the taxpayer (Zakhem Construction Kenya) and KRA's commitment to support the taxpayer's waiver application as undertaken during the ADR agreement negotiations	
5	Q1	FRESH AN JUICI LIMITED	KRA201811740 898			Aug-22	P051153183W	876,977.00	876,977.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer was unable to file return on 9th May 2016 because the systems were not working. They managed to make payment of the outstanding taxes and sort for assistance to file returns from the KRA iTax office. Full waiver recommended since the factors which led to the penalty were beyond the taxpayer's control.	
6	Q1	Sarah Ashiali	KRA201710064 087			Jul-22	A009816706E	190,000.00	190,000.00	Section 89(7) of the Tax Procedures Act 2015.	<ul style="list-style-type: none"> <li>Did not have any PAYE liability, as there were no PAYE liability for the period, the company had not added the obligation.</li> <li>The company was added for the obligation in error, and registration date rolled out at Jan 2017.</li> <li>The company was registered in 2017.</li> <li>The company is filing nil returns, as the company is operated by the director as a part time job.</li> </ul>	

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

7	Q1	SOTICO CS & CS LTD	KRA202204036552	Jul-22	P051153904N	332,996.47	332,996.47	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer's membership is largely drawn from low income earners in the tea sector which had been facing perennial challenges ranging from tea prices to unfavourable weather conditions. Further, the onset of the Covid-19 Pandemic largely affected their operations negatively as most of their members carrying out small scale business had to close. The taxpayer has filled all the tax returns since then and has been a compliant taxpayer and have paid all principal taxes.
8	Q1	Christine Kamuki	KRA202206627866	Dec-22	A005531460M	319,483.20	319,483.20	Section 89(7) of the Tax Procedures Act 2015.	1. The Taxpayer provided enough evidence to support her case.2. The Taxpayer suffers a medical condition.3. The Investigations & Enforcement Department have issued an approval to proceed with the waiver process indicating that she is under any investigation.RecommendationIn view of the above mitigating factors, the taxpayer qualifies for 100 per cent (100%) waiver of penalties under Overriding Factor 10.1.4, Incapacitation due to prolonged illness and treatment, as per the Waiver Evaluation Template.
9	Q1	Ijara Constituency	KRA202100522509	Jul-22	P051349254M	984,589.76	254,237.09	Section 89(7) of the Tax Procedures Act 2015.	The non-compliance leading to the penalties and interest was as a result of late payment due to delayed disbursement of funds from the Parliamentary Service Commission.
10	Q1	Lomagalkori Investments Limited	KRA202211012868	Jul-22	P051633750G	282,726.74	250,057.82	Section 89(7) of the Tax Procedures Act 2015.	Cashflow hardship during the year of assessment occasioned by pending bills / delayed payments from public institution, and Economic Hardship experienced by the taxpayer due to natural calamity.
11	Q1	Shackrov Sartuy Agui	KRA201807144849	Jul-22	A009386034W	20,000.00	20,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer was a student and applied for PIN and was not advised to be filing his annual returns. The taxpayer is not in a position to raise the penalty imposed. Allow the waiver.

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

12	Q1	Silvano Mutambuki Kyallo	KRA201809596 003	Aug-22	A005133589U	10,000.00	10,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayers pin was registered on 31/12/2008 and VAT registered on 23/07/2009 as shown in itax. The taxpayer has never filed a VAT return in itax since he claimed it was erroneous. He has also never filed income tax. The first return was for MAY 2018 and could have been due to misadvise from cyber attendants. This makes it even more difficult to cancel the obligation. I recommend approval of the waiver of the penalties arising from wrong VAT obligation.
13	Q1	LINET WAMALWA NAFULA	KRA201809705 916	Jul-22	A009341392S	20,000.00	20,000.00	Section 89(7) of the Tax Procedures Act 2015.	Waiver recommended by reason that the taxpayer is a student and has never secured any gainful employment
14	Q1	MUNYUA WAIYAKI	KRA202201327 861	Aug-22	A000128509I	123,752.65	123,752.65	Section 89(7) of the Tax Procedures Act 2015.	10.1.2 Death of individual taxpayer and hardship in recovery of tax
15	Q1	Subukia	KRA202206487 566	Nov-22	P051306684M	847,720.42	106,131.35	Section 89(7) of the Tax Procedures Act 2015.	1. The taxpayer files and submits current tax returns as well as make timely payments of taxes as evidenced in the ledger. 2. The Investigations & Enforcement Department have issued an approval to proceed with the waiver process indicating that neither the company nor its directors are under any investigation. 3. After analysing the bank statement provided by the taxpayer, it is evidenced that late disbursement of funds from National Treasury is a mitigating factor. 4. The late payment penalties and interests that qualify for waiver is totalling to ksh. 106,131.35 . In view of the above mitigating factors, the taxpayer qualifies for thirteen percent (13%) waiver of interest and penalties.

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

16	Q1	Gideon Waitula	Cadeshi	KRA201804806 747	Jul-22	A006963682N	80,000.00	80,000.00	80,000.00	Section 89(7) of the Tax Procedures Act 2015.	<ul style="list-style-type: none"> <li>The taxpayer is a student</li> <li>He has no source of income</li> </ul> <b>OBSERVATION</b> <ul style="list-style-type: none"> <li>The taxpayer has never engaged in any gainful employment or done business with the pin therefore recommending her for a waiver</li> </ul> <p>In view of the above, I recommend that taxpayer be granted waiver.</p>
17	Q1	Esther Karithi Munene		KRA201811968 950	Dec-22	A006242407E	20,000.00	20,000.00	20,000.00	Section 89(7) of the Tax Procedures Act 2015.	<p>Approve. She has been sickly and in and out of hospital during the return filing period.</p>
18	Q1	Joseph Naitanyang	Kurikor	KRA201811989 295	Nov-22	A010936046Z	20,000.00	20,000.00	20,000.00	Section 89(7) of the Tax Procedures Act 2015.	<ul style="list-style-type: none"> <li>Being a student, this taxpayer might not have had the chance to submit this return on time due to commitment on his studies and he may not have the money to settle the accrued penalties since he doesn't have a gainful employment.</li> </ul> <p>In view of the facts considered above, you may consider granting 100% waiver of penalties charged as per attached waiver template.</p>
19	Q1	Prisca Msomba	Mwendwa	KRA201812194 990	Dec-22	A008132635G	80,000.00	80,000.00	80,000.00	Section 89(7) of the Tax Procedures Act 2015.	<p>Waiver to be approved. Has no source of income to pay the penalties since she is a student. Wasn't aware when she was supposed to start filing nil returns when unemployed.</p>
20	Q1	CAROLINE MOMANYI	B	KRA201805343 764	Jul-22	A007179707W	80,000.00	80,000.00	80,000.00	Section 89(7) of the Tax Procedures Act 2015.	<p>Waiver approved since taxpayer is a student and has no source of income.</p>

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

21	Q1	Kinangop Constituency	KRA202201114 461	Nov-22	P051338270J	101,825.29	73,451.75	Section 89(7) of the Tax Procedures Act 2015.	<p>After analysing the bank statement provided by the taxpayer, it is evidenced that late disbursement of funds from National Treasury is a mitigating factor.</p> <p>The taxpayer has not provided evidence for late filing penalties thus does not qualify for waiver on late filing.</p> <p>The late payment penalties and interests that qualify for waiver is totalling to ksh. 73,451.76.</p> <p>Recommendation</p> <p>In view of the above observations, the taxpayer qualifies for Twenty-five (25%) waiver of interest under Common Factors 10.3.1 (Cashflow hardship during the year of assessment occasioned by pending bills / delayed payments from public institution) per the Waiver Evaluation Template attached. However, this is a public entity is fully funded by the government. As per our observation, the taxpayer has provided all supporting documents, which have all been verified. We therefore recommend 72% waiver interest and penalties as per our analysis.</p> <p>Approved at 100%. In his case he was a full time student and he had no income.</p>
22	Q1	ADAN ALIO ADAN	KRA201815702 414	Dec-22	A007619056J	2,000.00	2,000.00	Section 89(7) of the Tax Procedures Act 2015.	

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

23	Q1	BIL GROUP KENYA LIMITED	KRA201802796 919	Sep-22	P051608833N	50,000.00	50,000.00	50,000.00	Section 89(7) of the Tax Procedures Act 2015.	These were among the first VAT returns that the company filed as they had just registered the company. The company has not engaged in any business since its registration. The taxpayer has been filing the subsequent returns on time Observation The attached PIN certificate shows that the company was registered in July 2016. The taxpayer might have been unaware that they were expected to file the returns even if they had not transacted However, the taxpayer has been filing the subsequent returns in time I recommend approval of the waiver of the penalties.
24	Q1	SIMON KINYANJUI GACHEGU	KRA201816136 109	Dec-22	A008915408C	40,000.00	40,000.00	20,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer qualifies for 50% waiver of penalties under Special Factor 10.2.1 (Has never secured any gainful employment) as per the Waiver Evaluation Template.
25	Q1	STEPHEN WANDIASILO SIFIRINO	KRA201803758 041	Jul-22	A006507169H	40,000.00	40,000.00	40,000.00	Section 89(7) of the Tax Procedures Act 2015.	Waiver approved since taxpayer is a student and has no source of income.
26	Q1	KAMOTHO AGNES GEORGE	KRA201815193 020	Dec-22	A005402869X	40,000.00	40,000.00	40,000.00	Section 89(7) of the Tax Procedures Act 2015.	Waiver approved since taxpayer is a student and has no source of income.
27	Q1	MUTURIA MORRIS NTOMBURA	KRA201815368 228	Dec-22	A010014244X	40,000.00	40,000.00	40,000.00	Section 89(7) of the Tax Procedures Act 2015.	Taxpayer was in NYS for training and waiver is approved.
28	Q1	Belinda Kathambi Mwereria	KRA201901398 648	Dec-22	A006948914J	40,000.00	40,000.00	40,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer mitigation was that the PIN was having both VAT and Income tax obligation and migrating to itax was a challenge and qualifies for 100% waiver
29	Q1	JOSHUA GITONGA KAMANJA	KRA201901678 877	Dec-22	A008099793Q	40,000.00	40,000.00	40,000.00	Section 89(7) of the Tax Procedures Act 2015.	Approved at 100%. Taxpayer has indicated in his letter that he is a continuing student who is yet to graduate.

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

30	Q1	SUNNY FOREX BUREAU LIMITED	KRA201908226 110	Oct-22	P051201936Z	538,094.40	537,921.90	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer was autoregistered for VAT and they were not informed of the same. The withholding was not supposed to have withheld since while invoicing they did not charge VAT.
31	Q1	Charles Mugendi Nyaga	KRA202015052 914	Nov-22	A006069471C	42,000.00	40,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer qualifies for 100% waiver of interest and penalties for the period 2019.15 to 2016 as the taxpayer was out of the country for further studies during the filing period.
32	Q1	FRANCIS KAHUTHU IRUNGU	KRA202018618 097	Jul-22	A002826419X	90,852.00	90,852.00	Section 89(7) of the Tax Procedures Act 2015.	Waiver is approved. Taxpayer has faced a lot of challenges due to minimal income.
33	Q1	KAKA BUILDING AND CONSTRUCTION COMPANY LIMITED	KRA202100217 293	Jul-22	P051551521Q	209,620.62	209,620.62	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer qualifies for 100% waiver of interest and penalties under Special Factor 10.1.2 (Economic Hardship due to natural calamity) as per the Waiver Evaluation Template.
34	Q1	Kelvin Kamau Maina	KRA202109522 754	Nov-22	A010154561G	4,000.00	4,000.00	Section 89(7) of the Tax Procedures Act 2015.	Taxpayer was a student. The taxpayer qualifies for 100% waiver of interest and penalties as per the Waiver Evaluation Template.
35	Q1	JOHNSTONE UMAE OLOGELA	KRA202110501 184	Sep-22	A007966130D	64,000.00	32,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer has provided sufficient evidence to support the waiver application. He was a student during the year in question. Taxpayer qualifies for 50% waiver of interest and penalties as illustrated in the waiver remission form.
36	Q1	OPTIMA ACCOUNTING SERVICES LIMITED	KRA202119052 875	Nov-22	P051714634F	10,000.00	10,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer has no outstanding principal taxes. The obligation was approved after the due date of filing the PAYE return. The taxpayer qualifies for 100% waiver of interest and penalties as per the Waiver Evaluation Template.

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

37	Q1	Loci Computech Enterprises Limited	KRA202201006 717	Oct-22	P0517142631	105,395.76	52,498.53	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer provided sufficient/applicable grounds and evidence to support their waiver application request. (As per the attachment in the online waiver application plus further documentation provided via email.) Recommendation In view of the above mitigating factors the taxpayer (Loci Computech Enterprises Limited) Qualifies for Fifty per cent (50%) waiver of interest and penalties under special Factor 10.2.2 (Technical misinterpretation) as per the Waiver Evaluation Template
38	Q1	Lilian Debora Sitawa	KRA201815146 697	Oct-22	A005491684Y	30,000.00	30,000.00	Section 89(7) of the Tax Procedures Act 2015.	Ø Lilian Debora Sitawa did not file VAT monthly returns due to lack of knowledge as the obligation was added to her pin by mistake. She even applied for cancellation before moving to itax I recommend 100% waiver of penalties based on the above reasons.
39	Q1	Aaron Stronga Swagei	KRA202204531 757	Sep-22	A015706667K	2,000.00	1,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer has provided sufficient evidence to support the waiver application. He is currently a student and from the look of things, he acquired the PIN to enable him get the HELP Recommendation In view of the above of mitigating factors, the taxpayer qualifies for Fifty per cent (50%) waiver of interest and penalties as illustrated in the waiver remission form.
40	Q1	KELVIN KAMAU MUCHOKI	KRA202206315 141	Aug-22	A014522020A	2,000.00	1,000.00	Section 89(7) of the Tax Procedures Act 2015.	Waiver recommended by reason that the taxpayer is a student and has never secured any gainful employment
41	Q1	Martin Kirimi	KRA201901845 415	Dec-22	A008067650X	21,000.00	21,000.00	Section 89(7) of the Tax Procedures Act 2015.	Approve. The taxpayer is a student who does not have any source of income to settle the penalty

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

42	Q1	Tom Kiprotoich Chenge	KRA201803883 832	Jul-22	A010265277V	20,000.00	20,000.00	20,000.00	Section 89(7) of the Tax Procedures Act 2015.	A 100% waiver is recommended. The taxpayer was informed about filing of returns after application of compliance certificate. The taxpayer is a student of Moi University.
43	Q1	Samwel Muriuki Murimi	KRA202207864 901	Aug-22	A015056093V	2,000.00	2,000.00	1,000.00	Section 89(7) of the Tax Procedures Act 2015.	Waiver recommended by reason that the taxpayer has never secured any gainful employment
44	Q1	DAVID NJORGE GICHURE	KRA202208570 545	Aug-22	A014529482K	4,000.00	2,000.00	2,000.00	Section 89(7) of the Tax Procedures Act 2015.	This is a submission for waiver of penalties and interest arising from Failure to file annual return i.e. self-assessment etc) for the year 2019 & 2020. The department established that the taxpayer has failed to file annual returns i.e. self—assessment etc) for the year 2019 & 2020. Because he is a student, who obtained pin for the purpose of school and did not have the knowledge on filing the return.
45	Q1	Domitic Mwangi Maina	KRA202208811 148	Aug-22	A015806637E	2,000.00	1,000.00	1,000.00	Section: 89(7) of the Tax Procedures Act 2015.	This is a submission for waiver of penalties and interest arising from Failure to file annual return i.e. self-assessment etc) for the year 2020. The department established that the taxpayer has failed to file annual returns i.e. self—assessment etc) for the year 2020. Because he is a student, who obtained pin for the purpose of school and did not have the knowledge on filing the return.
46	Q1	Steve Davis Macharia Nyaga	KRA202209955 010	Aug-22	A015657226Y	2,000.00	1,000.00	1,000.00	Section 89(7) of the Tax Procedures Act 2015.	This is a submission for waiver of penalties and interest arising from Failure to file annual return i.e. self-assessment etc) for the year 2020. The department established that the taxpayer has failed to file annual returns i.e. self—assessment etc) for the year 2020. Because he is a student, who obtained pin for the purpose of school and did not have the knowledge on filing the return.

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

47	Q1	Mary Bancy Wawira Kamande	KRA202210180 171	Aug-22	A014608464G	4,000.00	2,000.00	Section 89(7) of the Tax Procedures Act 2015.	This is a submission for waiver of penalties and interest arising from Failure to file annual return i.e. self-assessment etc) for the year 2019 & 2020. The department established that the taxpayer has failed to file annual returns i.e. self-assessment etc) for the year 2019 & 2020. Because he is a student, who obtained pin for the purpose of school and did not have the knowledge on filling the return.
48	Q1	Faith Njoki Ng'ethe	KRA202211525 331	Aug-22	A015629699Y	2,000.00	1,000.00	Section 89(7) of the Tax Procedures Act 2015.	This is a submission for waiver of penalties and interest arising from Failure to file annual return i.e. self-assessment etc.) for the year 2020. The department established that the taxpayer has failed to file annual returns i.e. self-assessment etc.) for the year 2020. Because he is a student, who obtained pin for the purpose of school and did not have the knowledge on filling the return.
49	Q1	Brenda Njeri Mugo	KRA202211525 924	Aug-22	A015871039S	2,000.00	1,000.00	Section 89(7) of the Tax Procedures Act 2015.	Waiver recommended by reason that the taxpayer is a student and has never secured any gainful employment
50	Q1	Jacqueline Kendi Miriri	KRA201901535 045	Dec-22	A007283401F	20,000.00	20,000.00	Section 89(7) of the Tax Procedures Act 2015.	Approved at 100%. Taxpayer mitigation is that she was not aware of the requirement to file returns and that she is a full time student at Kilimambogo Teachers College
51	Q1	Michelle Njoki Ngoco	KRA202211928 049	Aug-22	A015109256S	2,000.00	1,000.00	Section 89(7) of the Tax Procedures Act 2015.	This is a submission for waiver of penalties and interest arising from Failure to file annual return i.e. self-assessment etc.) for the year 2020. The department established that the taxpayer has failed to file annual returns i.e. self-assessment etc.) for the year 2020. Because he is a student, who obtained pin for the purpose of school and did not have the knowledge on filling the return.
52	Q1	Winifred Gatwiri	KRA201903451 922	Nov-22	A009895951T	20,000.00	20,000.00	Section 89(7) of the Tax Procedures Act 2015.	Student. Applied for the PIN for HELB loan application and was not able to file returns by then.



RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

57	Q1	Catherine Mamo	Wambui	KRA202204162361	Sep-22	A010275055Z	20,000.00	10,000.00	<p>The taxpayer has provided sufficient evidence to support the waiver application. She has been an undergraduate student at Maseno University since 2015 pursuing Bachelor of Science — Fisheries and Aquaculture, with IT. She graduated in December 2019. Attached are the admission letter to the university and the Degree certificate. After engaging the taxpayer over the phone, she claims she is unable to settle the debt, as she is currently unemployed and has never secured any employment since graduation.</p> <p>Recommendation</p> <p>In view of the above observation factor, the taxpayer qualifies for fifty per cent (50%) waiver of interest and penalties as illustrated in the remission form</p>
58	Q1	Evans Muiuri Mwangi		KRA202211625408	Oct-22	A009329515V	10,000.00	8,000.00	<p>He provided evidence of School ID, certificates and a letter from the doctor (attached). In View of the above mitigating factors, the taxpayer EVANS MUIIRURI MWANGI qualifies for one hundred per cent (100%) waiver of ITI late filing penalties for 2017,2018 and 2019 and fifty per cent (50%) for 2015 and 2016.</p>
59	Q1	Michael Thuku	Kaberere	KRA202211757493	Dec-22	A012199948D	6,000.00	3,000.00	<p>10.2.1 Has never secured any gainful employment - 50% granted. During the period, the taxpayer was a student at Jomo Kenyatta University of Agriculture and Technology, Reg No: SCM221-0745/2018</p>
60	Q1	SALOME WANJIRU WACHIRA		KRA201605832947	Jul-22	A007777438N	800.00	800.00	<p>A 100% waiver is recommended. The taxpayer was informed about filing of returns after application of compliance certificate. The taxpayer is a student of University of Nairobi</p>
61	Q1	LIZ GAKILLEE		KRA201812234061	Dec-22	A008341582R	20,000.00	20.00	<p>Waiver recommended by reason that the taxpayer is a student and has never secured any gainful employment</p>



RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

68	Q1	DANIEL KABUCHO KINORO	Jul-22	P051557301B	77,754.00	77,754.00	Regulations(EAC CMR) 2010	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN PROCESSING C405 FOR UNIT BOUGHT IN PUBLIC AUCTION
69	Q1	KENNEDY MUSYOKA KALONZO	Jul-22	A006366586I	41,132.00	41,132.00	Regulations(EAC CMR) 2010	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	UNIT WAS ERRONEOUSLY SHIPPED TO KENYA INSTEAD OF TANZANIA WHICH NECESSITATED CORRECTION.
70	Q1	PHILIP MWENDWA KINOTI	Jul-22	A004253255H	435,487.00	435,487.00	Regulations(EAC CMR) 2010	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	FRAUDULENT TRANSACTION LEADING TO A COURT CASE IN FAVOUR OF THE CLIENT
71	Q1	PHILIP NDUNGU KARANJA	Jul-22	A001247289D	1,909,540.00	1,909,540.00	Regulations(EAC CMR) 2010	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	OCCASIONED BY PROLONGED INVESTIGATION AND CLEARANCE PROCESS.
72	Q1	Eric Ogola Adula	Jul-22	A003081893Q	1,300,512.00	1,300,512.00	Regulations(EAC CMR) 2010	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	COURT CASE RULED IN FAVOUR OF THE APPLICANT
73	Q1	AVIC-INTL PROJECT ENGINEERING CO.	Aug-22	P051135829Z	400,185.00	400,185.00	Regulations(EAC CMR) 2010	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN PROCESSING OF EXEMPTION

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

74	Q1	AVIC-INTL PROJECT ENGINEERING CO.	Aug-22	P051135829Z	389,370.00	389,370.00	389,370.00	Regulation 85 of the East African Community Management Regulations(EAC CMR) 2010	DELAY IN PROCESSING OF EXEMPTION
75	Q1	MOSES AJUONG GAR	Aug-22	P051163996K	298,755.00	298,755.00	298,755.00	Regulation 85 of the East African Community Management Regulations(EAC CMR) 2010	DELAY IN CLEARANCE DUE TO ECONOMIC HARDSHIP EXPERIENCED DUE TO COVID 19 PANDEMIC
76	Q1	JOSEPH ALFRED TINDIRI	Aug-22	P051195068G	297,138.00	297,138.00	297,138.00	Regulation 85 of the East African Community Management Regulations(EAC CMR) 2010	DELAY IN CLEARANCE DUE TO AILMENT
77	Q1	CHARLES MUIRURI KIMEMIA	Aug-22	P051438386U	9,971.00	9,971.00	9,971.00	Regulation 85 of the East African Community Management Regulations(EAC CMR) 2010	DELAY DUE TO LONG PROCESS OF C405 APPROVAL
78	Q1	ALEXANDER MUOHI KAMAU	Aug-22	A003987944R	11,513.00	11,513.00	11,513.00	Regulation 85 of the East African Community Management Regulations(EAC CMR) 2010	DELAY DUE TO LONG PROCESS OF C405 APPROVAL
79	Q1	MARTHA WAGAKI WANJIKU	Aug-22	A004814094E	21,717.00	21,717.00	21,717.00	Regulation 85 of the East African Community Management Regulations(EAC CMR) 2010	DELAY DUE TO LONG PROCESS OF C405 APPROVAL
80	Q1	RTC TRUCKERS LTD	Aug-22	P051236737F	285,849.00	285,849.00	142,924.00	Regulation 85 of the East African Community Management Regulations(EAC CMR) 2010	DELAY DUE TO REASONS BEYOND THE CONTROL OF THE IMPORTER



RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

87	Q1	MARIDADY MOTORS	Sep-22	P051636697C	114,013.00	114,013.00	114,013.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	FINANCIAL HARDSHIP DUE TO COVID-19 PANDEMIC.
88	Q1	MARIDADY MOTORS	Sep-22	P051636697C	133,661.00	133,661.00	133,661.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	FINANCIAL HARDSHIP DUE TO COVID-19 PANDEMIC.
89	Q1	MARIDADY MOTORS	Sep-22	P051636697C	139,761.00	139,761.00	139,761.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	FINANCIAL HARDSHIP DUE TO COVID-19 PANDEMIC.
90	Q1	MARIDADY MOTORS	Sep-22	P051636697C	196,893.00	196,893.00	196,893.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	FINANCIAL HARDSHIP DUE TO COVID-19 PANDEMIC.
91	Q1	MARIDADY MOTORS	Sep-22	P051636697C	133,159.00	133,159.00	133,159.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	FINANCIAL HARDSHIP DUE TO COVID-19 PANDEMIC.
92	Q1	MARIDADY MOTORS	Sep-22	P051636697C	163,381.00	163,381.00	163,381.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	FINANCIAL HARDSHIP DUE TO COVID-19 PANDEMIC.
93	Q1	MARIDADY MOTORS	Sep-22	P051636697C	213,547.00	213,547.00	213,547.00	Regulation 85 of the East African Community Customs Management	FINANCIAL HARDSHIP DUE TO COVID-19 PANDEMIC.



**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

100	Q1	ETG LOGISTICS	Sep-22	P051650872J	273,067.00	273,067.00	273,067.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	CONSIGNMENT WAS SUBJECTED TO A LOCAL INSPECTION BY BOTH MINISTRY OF TRANSPORT AND KEBS
101	Q1	ETG LOGISTICS	Sep-22	P051650872J	273,067.00	273,067.00	273,067.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	CONSIGNMENT WAS SUBJECTED TO A LOCAL INSPECTION BY BOTH MINISTRY OF TRANSPORT AND KEBS
102	Q1	ETG LOGISTICS	Sep-22	P051650872J	273,067.00	273,067.00	273,067.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	CONSIGNMENT WAS SUBJECTED TO A LOCAL INSPECTION BY BOTH MINISTRY OF TRANSPORT AND KEBS
103	Q1	ESCORT LOGISTICS LTD	Sep-22	P051516199V	296,746.00	296,746.00	296,746.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY DUE TO ECONOMIC HARDSHIP, EXPERIENCED DURING COVID-19, A FACTOR BEYOND THEIR CONTROL.
104	Q1	LUNIA CLEANING PRODUCTS CO. LTD	Sep-22	P052108321Q	84,552.00	84,552.00	84,552.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY DUE TO TARIFF DISPUTE.
105	Q1	HENRY OWINO MALIT	Sep-22	A008897028M	13,398.00	13,398.00	13,398.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY DUE TO LONG PROCESS OF SEEKING TAX EXEMPTION.
106	Q1	SYLKA KENYA LIMITED	Sep-22	P051233009M	90,631.00	90,631.00	45,315.50	Regulation 85 of the East African Community Customs Management	DELAY DUE TO FACTORS BEYOND THE CONTROL OF THE IMPORTER.

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

107	Q1	IRFAAN HAJI	AKBER	Sep-22	A005568871P	9,917.00	9,917.00	9,917.00	Regulations(EAC CMR) 2010	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	THE UNIT WAS BOUGHT ON PUBLIC AUCTION.
108	Q1	SAJEEL (U) LIMITED	TRADING	Sep-22	P051383515T	81,669.00	81,669.00	81,669.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY DUE TO LONG PROCESS OF EXEMPTION APPROVAL BY UGANDA REVENUE AUTHORITY	
109	Q1	SAJEEL (U) LIMITED	TRADING	Sep-22	P051383515T	101,742.00	101,742.00	101,742.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY DUE TO LONG PROCESS OF EXEMPTION APPROVAL BY UGANDA REVENUE AUTHORITY	
					Sub total	12,589,545.00		11,571,242.50			

Quarter 2 Tax Waivers

110	Q2	FIG TREE HEALTH OPTIONS KERICHO LIMITED	KRA202219145 247	Dec-22	P051355855M	2,183,515.18		1,935,653.99	Section 89(7) of the Tax Procedures Act 2015.	The waiver was granted by consideration of Economic Hardship due to the Covid -19 pandemic which had affected their cash flow as a Hospital. The taxpayer requested for a payment plan covering ALL the principal tax, and after making full payment applied for waiver of interest and penalty as they were financially constrained.
111	Q2	Embu County Woman Representative Office	KRA202215884 550	Nov-22	P051427453J	296,635.74		66,226.00	Section 89(7) of the Tax Procedures Act 2015.	In view of the above mitigating factors - Late disbursement of funds from the National Treasury; the taxpayer (Embu Women Representative Office) qualifies for



RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

114	Q2	Erasmus Muthcc	Magambo	KRA202212400 211	Jul-22	A013653190X	4,000.00	2,000.00	Section 89(7) of the Tax Act Procedures Act 2015.	In view of the above mitigating factors, the taxpayer (Mathew Muindi Kitenye of PIN A001944847F) qualifies for One hundred per cent (100%) waiver of interest and penalties under Special Factor 10.1.4 as per the Waiver Evaluation Template.
115	Q2	Alvin Kenyagah	Odhiambo	KRA202213263 177	Sep-22	A015163800Y	2,000.00	1,000.00	Section 89(7) of the Tax Act Procedures Act 2015.	She is a student in the University of Eldoret. Admission letter and id attached. Recommendation In view of the above mitigating factor, the taxpayer qualifies for Fifty per cent (50%) waiver of interest and penalties as illustrated in the remission form He has been a student since 2016 in JKUAT university pursuing Bachelor of Business Information Technology. I asked him why he took too long to finish and he explained that he had school fees challenges. School fees Statement attached showing he was still in school upto 2021. Recommendation In view of the above observation factor, the taxpayer qualifies for fifty per cent (50%) waiver of interest and penalties as illustrated in the remission form

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

116	Q2	Casey Joy Kenyaga	KRA202213410 361	Sep-22	A016753739D	2,000.00	1,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer has provided sufficient evidence to support the waiver application. She is a student in KCA university. Recommendation In view of the above observation factor, the taxpayer qualifies for fifty per cent (50%) waiver of interest and penalties as illustrated in the remission form
117	Q2	Betty Njeri Mbugua	KRA202213450 525	Jul-22	A017197552Y	24,000.00	24,000.00	Section 89(7) of the Tax Procedures Act 2015.	From the taxpayer's application, the following has been attached to support the mitigation grounds: 1. School documents. 2. Letter of application 3. M-pesa statements Recommendation In view of the above, the taxpayer Mercy Mukami Njeri does qualify for 100% waiver of interest and penalties as per the Waiver Evaluation Template
118	Q2	Faith Naserian Santana	KRA202213712 527	Sep-22	A015558490M	2,000.00	1,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer has provided sufficient evidence to support the waiver application. She is a student at The Technical university of Kenya. Recommendation In view of the above observation factor, the taxpayer qualifies for fifty per cent (50%) waiver of interest and penalties as illustrated in the remission form
119	Q2	BEEHOPE HARDWARE	KRA202218753 625	Nov-22	P052133292X	10,000.00	10,000.00	Section 89(7) of the Tax Procedures Act 2015.	Bee Hope Hardware had applied for a VAT obligation on 16th September 2022. However due to the long procedure required for approval including site visits, the approval was done in on 31st October 2022. It was therefore not possible to file VAT for the Month of September as they did not have the obligation on the I-tax portal.

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

120	Q2	SOIPARE SHABANI NGARIKA	KRA202218583 322	Dec-22	A010082787S	14,000.00	7,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer has written a letter indicating that she is old. She is 69 years of age. Recommendation In view of the above factors, the taxpayer qualifies for Fifty per cent (50%) waiver of interest and penalties.
121	Q2	SHREE HARI PETROLEUM	KRA202214080 500	Aug-22	P051609698G	29,998.80	29,998.80	Section 89(7) of the Tax Procedures Act 2015.	SHREE HARI PETROLEUM a non individual with his Tax base in Kijumu In the period 2021, KRA delayed issuing one of the Non-resident individual with a pin forcing the taxpayer to file PAYE returns without his details. Later on, the returns were amended and thus resulted to penalty and interest over the same It is my View that this was the Commissioners mistake that led to this liability hence this taxpayer be granted a waiver over the same.
122	Q2	Hannah Okwela	KRA202214230 763	Dec-22	A014618291I	4,000.00	4,000.00	Section 89(7) of the Tax Procedures Act 2015.	Evidence attached From the taxpayer's application, the following has been attached to support the mitigation grounds: 1. Form Four leaving certificate. 2. A copy of university Student ID. 3. Waiver Application letter. Recommendation In view of the above, the taxpayer Hannah IGIlangi Okwela does qualify for 100% waiver of interest and penalties as per the Waiver Evaluation Template

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

123	Q2	Mary's Meals Kenya	KRA2022.14244 213	Sep-22	P052132637Q	10,000.00	10,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer provided sufficient/applicable grounds and evidence to support their waiver application request.(As per the attachment in the waiver application plus documentation provided upon appearing for an interview as invited by the department on 01/09/2022.)Recommendation in view of the above mitigating factors, the taxpayer (Mary Meal's Kenya) Qualifies for One Hundred per cent (100%) waiver of interest and penalties under Special Factor 10.1.1 (Act of Omission or Commission by KRA) as per the Waiver Evaluation Template.
124	Q2	Charles Gitagia Murira	KRA2022.14260 632	Dec-22	A015286497K	2,000.00	2,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer has attached necessary documents to prove that reason he wasn't able to file the return on time. From the taxpayer's application, the following has been attached to support the mitigation grounds: 1. Waiver Application letter, which states that he was unable to file returns for the year "2020" since he did not know that for those who had the pin and were students and no employment had to file nil returns. Recommendation In view of the above, the taxpayer Charles Gitagia Murira does qualify for 100% waiver of interest and penalties as per the Waiver Evaluation Template.

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

125	Q2	Alex Kibet Moim	KRA202214267 593	Oct-22	A010928982R	10,000.00	5,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer has provided sufficient evidence to support the waiver application which shows that the taxpayer was a student during those years in question Recommendation In view of the lack of any mitigating factors, the taxpayer qualifies for fifty per cent (50%) waiver of interest and penalties as illustrated in the remission form.
126	Q2	MACREEN JOAN OGINGA	KRA202214288 768	Jul-22	A010235335H	22,000.00	11,000.00	Section 89(7) of the Tax Procedures Act 2015.	In the periods 2016-2018, the taxpayer was in school, Maseno university
127	Q2	WINCY AUMA OKUMU	KRA202214289 066	Aug-22	A010163843E	20,000.00	10,000.00	Section 89(7) of the Tax Procedures Act 2015.	In their mitigation letter, the taxpayer advanced the following grounds In the periods 2016, the taxpayer was in school, Kisii university
128	Q2	Lucy Wangari Mungai	KRA202213409 424	Jul-22	A011427516L	8,000.00	4,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer has provided sufficient evidence to support the waiver application. She is currently a third year student at Maseno university pursuing Bachelor of science. She has gone through challenges of school fees as explained in her application letter. Recommendation In view of the above observation factor, the taxpayer qualifies for fifty per cent (50%) waiver of interest and penalties as illustrated in the remission form
129	Q2	Elijah Ngywa	KRA202214357 809	Nov-22	A010163528A	20,000.00	10,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer has attached his letter of admission to the university as prove that he was in college as from the year 2016 onwards and the penalty amount Ksh 20,000 is for the same year. Therefore 50% of the penalty can be waived due to the above qualification as per kra threshold.
130	Q2	BRIAN MUCHIRA NDAMBIRI	KRA202215122 335	Sep-22	A012819937L	4,000.00	2,000.00	Section 89(7) of the Tax Procedures Act 2015.	The department established that the taxpayer has failed to file annual returns i.e self assessment etc. For the year 2020. Because he is a student, who obtained pin for the purpose of

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

131	Q2	Morris Murimi Kinyua	KRA202215325 718	Sep-22	A015934346B	2,000.00	1,000.00	Section 89(7) of the Tax Procedures Act 2015.	The department established that the taxpayer has failed to file annual returns i.e. self assessment etc. For the year 2020. Because he is a student, who obtained pin for the purpose of school and did not have the knowledge on filling the return.
132	Q2	Alice Njoki Gicobi	KRA202215438 127	Sep-22	A016701429M	2,000.00	1,000.00	Section 89(7) of the Tax Procedures Act 2015.	The department established that the taxpayer has failed to file annual returns i.e. self assessment etc. For the year 2020. Because he is a student, who obtained pin for the purpose of school and did not have the knowledge on filling the return.
133	Q2	Irene Njoki Ithiri	KRA202215553 385	Sep-22	A015403419F	38,000.00	38,000.00	Section 89(7) of the Tax Procedures Act 2015.	1. The taxpayer has provided the evidence supporting their mitigating grounds waiver. 2. The taxpayer has attached necessary documents to prove that the obligation is wrongly added as they are a student. Evidence attached From the taxpayer's application, the following has been attached to support the mitigation grounds: 1. School documents. 2. Letter of application 3. Death certificate of parent Recommendation In view of the above, the taxpayer Irene Njoki Ithiri does qualify for 100% waiver of interest and penalties as per the Waiver Evaluation Template.
134	Q2	Joel Githinji Muriugu	KRA202215801 853	Sep-22	A015826145B	2,000.00	1,000.00	Section 89(7) of the Tax Procedures Act 2015.	The department established that the taxpayer has failed to file annual returns i.e. self assessment et. For the year 2021. Because he is a student, who obtained pin for the purpose of

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

135	Q2	Gatangi-ini Self Help Group	KRA202216359 941	Dec-22	P051658623Z	20,000.00	20,000.00	20,000.00	Section 89(7) of the Tax Procedures Act 2015.	Mr. Stephen Kiragu, one of the members of the group who always submitted the tax returns, was diagnosed with Covid-19 during the period and was hospitalized at Radiant Hospital and was thus not able to file the Tax Return on time.
136	Q2	KENYA DECORATORS SERVICES LIMITED	KRA202216475 162	Dec-22	P051682618D	40,000.00	40,000.00	40,000.00	Section 89(7) of the Tax Procedures Act 2015.	From the taxpayer's application, the following has been attached to support the mitigation grounds: 1. Hospital documents from the Neurology Centre 2. Letter of application In view of the above, the taxpayer, KENYA DECORATORS SERVICES LIMITED does qualify for 100% waiver of interest and penalties due to the director's illness suffered.
137	Q2	Petrozzi Wanjiru Kangethe	KRA202214327 610	Aug-22	A012331623X	6,000.00	3,000.00	3,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer has provided sufficient evidence to support the waiver application. She was a student at Daystar university during these tax period. Recommendation In view of the above observation factor, the taxpayer qualifies for fifty per cent (50%) waiver of interest and penalties as illustrated in the remission form - Has never secured any gainful employment
138	Q2	Daniel Kabiru Ndung'u	KRA202217811 947	Nov-22	A015537869P	2,000.00	2,000.00	2,000.00	Section 89(7) of the Tax Procedures Act 2015.	From the taxpayer's application, the following has been attached to support the mitigation grounds: 1. School documents i.e letter of admission 2. Letter of application In view of the above, the taxpayer, Daniel Kabiru Ndung'u does qualify for 100% waiver of interest and penalties as per the Waiver Evaluation Template (Has never secured any gainful employment).

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

139	Q2	Shirley Rabwet	Cherotich	KRA202213779 894	Jul-22	A015786522C	2,000.00	1,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer has provided sufficient evidence to support the waiver application. The evidence indicates that she is still pursuing her studies in Catholic University of East Africa. Evidence attached. Recommendation In View of the lack of any mitigating factors, the taxpayer qualifies for fifty per cent waiver of interest and penalties as illustrated in the waiver remission form - Has never secured any gainful employment
140	Q2	Lavender Oyugi	Achieng	KRA202213823 671	Sep-22	A013429862F	2,000.00	1,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer has provided sufficient evidence to support the waiver application. She is a student in at Michigan Technology University. Recommendation In view of the above observation factor, the taxpayer qualifies for fifty per cent (50%) waiver of interest and penalties as illustrated in the remission form
141	Q2	Esali General Supplies Limited	General Supplies	KRA202219460 258	Dec-22	P052045216Z	40,000.00	40,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer has attached necessary documents to prove that reason he wasn't able to file the return on time. The PIN was placed on put on the VAT Special Table and the taxpayer was unable to file the returns. In view of the above, the taxpayer ESALI GENERAL SUPPLIES LIMITED does qualify for 100% waiver of interest and penalties as per the Waiver Evaluation Template
142	Q2	Kipyegon Josphat	Josphat	KRA202215603 611	Oct-22	A013497183G	2,000.00	1,000.00	Section 89(7) of the Tax Procedures Act 2015.	The taxpayer has provided sufficient evidence to support the waiver application. He was a student at East Africa University. The ledger shows that he has not acquired any form of employment. In view of the above observation factor, the taxpayer qualifies for fifty percent 50% waiver of interest and penalties as illustrated in the remission form - Has never secured any gainful employment

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

143	Q2	SUPERFOAM LIMITED	Nov-22	P000596967Q	26,451,576.00	26,451,576.00	Economic hardship due to loss of property suffered through tragic event
				Sub total	28,836,454.79		
Quarter 2 Customs Waivers							
144	Q2	LABLINK (EAST AFRICA) COMPANY LIMITED	Dec-22	P0513040151	99,746,068.00	99,746,068.00	The applicant acquired the consignment from the former consignee, M/s Jaf Company. Additionally, the applicant had Customs Duty and Income Tax matters that needed resolution with KRA. These processes coupled with the effects of COVID 19 pandemic contributed to the delay. The delay was thus due to reasons beyond control of the applicant.
145	Q2	NOVOGAMES (U) LTD	Oct-22	P051317181H	3,637,000.00	1,818,500.00	REASONS BEYOND THE CONTROL OF THE IMPORTER.
146	Q2	PAN AFRICAN LOGISTICS LTD	Oct-22	P051152864Y	336,158.00	16,808.00	DELAY DUE TO LOSS OF DOCUMENTS
147	Q2	HASSAN COMMODITIES LTD	Oct-22	P051906112A	271,590.00	271,590.00	DELAY IN DISCHARGING PROCESS BY KPA,A FACTOR BEYOND THEIR CONTROL
148	Q2	MOSES KHISA MAKOKHA	Oct-22	A002547714T	113,155.00	33,947.00	DELAY DUE TO FINANCIAL CONSTRAINTS BROUGHT ABOUT BY SICKNESS

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

149	Q2	MAAN COMMODITIES LTD, C/O AIR MENZIES		Oct-22	P051898676L		290,741.00	290,741.00	Regulations(EAC CMR) 2010	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN DISCHARGING PROCESS BY KPAA FACTOR BEYOND THEIR CONTROL
150	Q2	ASIA AGRO COMMODITIES, C/O AIR MENZIES		Oct-22	P051603286K		290,741.00	290,741.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN DISCHARGING PROCESS BY KPAA FACTOR BEYOND THEIR CONTROL
151	Q2	COSTELA IMPORT LIMITED, C/O AIR MENZIES		Oct-22	P051887462A		145,139.00	145,139.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN DISCHARGING PROCESS BY KPAA FACTOR BEYOND THEIR CONTROL
152	Q2	AVIC-INTL PROJECT ENGINEERING CO.		Oct-22	P0511358292		1,898,175.00	949,087.50	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY DUE TO FINANCIAL CONSTRAINTS
153	Q2	NAILS AND STEEL PRODUCTS LTD		Oct-22	P051348124B		126,577.00	126,577.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY DUE TO PENDING CLEARANCE FROM KENYA ASSOCIATION OF MANUFACTURERS TO CABINET SECRETARY INDICATING DISPUTE REGARDING 25% DUTY ON WIRE RODS
154	Q2	CAROL KABIBI, C/O ALUJO ENTERPRISES CO. LTD.		Oct-22	P051383517T		104,863.00	104,863.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY DUE TO UGANDA GOVERNMENT IMPORT REGULATION ON MOTOR VEHICLES WHICH WAS LATER GRANTED VIDE STATUTORY INSTRUMENT 2022 NO. 39, EXEMPTION NO. 2 OREDR, 2022.

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

155	Q2	MINISTRY OF EDUCATION	Oct-22	P051098571N	6,850,397.00	6,850,397.00	6,850,397.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	NATURAL CALMITY COVID 19
156	Q2	COSTELLA IMPORT LTD, C/O. AIR MENZIES	Nov-22	P051887462A	236,535.00	236,535.00	236,535.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN DISCHARGING PROCESS BY KPA.A FACTOR BEYOND THEIR CONTROL
157	Q2	M/S NATIONS GUARD UNIT	Nov-22	P051231721I	440,545.00	440,545.00	440,545.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	REASON BEYOND THEIR CONTROL
158	Q2	M/S NATIONS GUARD UNIT	Nov-22	P051231721I	440,545.00	440,545.00	440,545.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	REASON BEYOND THEIR CONTROL
159	Q2	STAR AFRICA LIMITED	Nov-22	P051460270W	671,606.00	500,000.00	500,000.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY DUE TO A FACTOR BEYOND THEIR CONTROL
160	Q2	PAUL KABAYA MUNGAI	Nov-22	A014223885V	16,063.00	16,063.00	16,063.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY DUE TO RELEASE PROCEDURE REQUIRED BY KRA BEFORE RELEASE. UNIT WAS BOUGHT ON AUCTION.
161	Q2	MAAN COMMODITIES LTD.	Nov-22	P051898676L	530,371.00	500,000.00	500,000.00	Regulation 85 of the East African Community Customs Management	DELAY DUE TO A FACTOR BEYOND THEIR CONTROL

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

162	Q2	MAAN COMMODITIES LTD.	Nov-22	P051898676L	713,620.00	500,000.00	Regulations(EAC CMR) 2010	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY DUE TO A FACTOR BEYOND THEIR CONTROL
163	Q2	ASIA AGRO COMMODITIES	Nov-22	P051603286K	584,642.00	500,000.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN DISCHARGING PROCESS BY KPA.A FACTOR BEYOND THEIR CONTROL
164	Q2	MAAN COMMODITIES LTD.	Nov-22	P051898676L	292,825.00	292,825.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN DISCHARGING PROCESS BY KPA.A FACTOR BEYOND THEIR CONTROL
165	Q2	MAAN COMMODITIES LTD.	Nov-22	P051898676L	292,825.00	292,825.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN DISCHARGING PROCESS BY KPA.A FACTOR BEYOND THEIR CONTROL
166	Q2	NAILS AND STEEL PRODUCTS LIMITED	Nov-22	P051131284P	228,054.00	228,054.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY DUE TO PENDING CLEARANCE FROM KENYA ASSOCIATION OF MANUFACTURERS TO CABINET SECRETARY INDICATING DISPUTE REGARDING 25% DUTY ON WIRE RODS
167	Q2	NAILS AND STEEL PRODUCTS LIMITED	Nov-22	P051131284P	60,604.00	60,604.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY DUE TO PENDING CLEARANCE FROM KENYA ASSOCIATION OF MANUFACTURERS TO CABINET SECRETARY INDICATING DISPUTE REGARDING 25% DUTY ON WIRE RODS

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

168	Q2	NAILS AND STEEL PRODUCTS LIMITED	Nov-22	P051131284P	140,300.00	140,300.00	140,300.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY DUE TO PENDING CLEARANCE FROM KENYA ASSOCIATION OF MANUFACTURERS TO CABINET SECRETARY INDICATING DISPUTE REGARDING 25% DUTY ON WIRE RODS
169	Q2	NOBLE ELECTRONICS CO. LTD	Nov-22	P051505692Q	187,196.00	187,196.00	187,196.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN CLEARANCE DUE TO PENDING INVESTIGATIONS FROM UGANDA REVENUE AUTHORITY NOW CLEARED.
170	Q2	SMARTEC ELECTRONICS LTD	Nov-22	P051505692Q	164,820.00	164,820.00	164,820.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN CLEARANCE DUE TO PENDING INVESTIGATIONS FROM UGANDA REVENUE AUTHORITY NOW CLEARED.
171	Q2	SMARTEC ELECTRONICS LTD	Nov-22	P051505692Q	164,820.00	164,820.00	164,820.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN CLEARANCE DUE TO PENDING INVESTIGATIONS FROM UGANDA REVENUE AUTHORITY NOW CLEARED.
172	Q2	SMARTEC ELECTRONICS LTD	Nov-22	P051505692Q	237,914.00	237,914.00	237,914.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN CLEARANCE DUE TO PENDING INVESTIGATIONS FROM UGANDA REVENUE AUTHORITY NOW CLEARED.
173	Q2	SMARTEC ELECTRONICS LTD	Nov-22	P051505692Q	268,181.00	268,181.00	268,181.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN CLEARANCE DUE TO PENDING INVESTIGATIONS FROM UGANDA REVENUE AUTHORITY NOW CLEARED.
174	Q2	SMART LINK SUPPLIES LTD.	Nov-22	P051545948R	278,229.00	278,229.00	278,229.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY DUE TO PENDING CLEARANCE FROM KENYA ASSOCIATION OF MANUFACTURERS TO CABINET SECRETARY INDICATING



**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

181	Q2	STAR AFRICA LTD.	Dec-22	P051460270W	677,067.00	500,000.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN DISCHARGING PROCESS BY KPAA FACTOR BEYOND THEIR CONTROL
182	Q2	NAILS AND STEEL LTD.	Dec-22	P051131284P	366,344.00	366,344.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY DUE TO PENDING CLEARANCE FROM KENYA ASSOCIATION OF MANUFACTURERS TO CABINET SECRETARY INDICATING DISPUTE REGARDING 25% DUTY ON WIRE RODS
183	Q2	STAR AFRICA LTD.	Dec-22	P051460270W	621,182.00	500,000.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN DISCHARGING PROCESS BY KPAA FACTOR BEYOND THEIR CONTROL
184	Q2	SMARTEC ELECTRONICS LTD	Dec-22	P051505692Q	343,606.00	343,606.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN CLEARANCE DUE TO PENDING INVESTIGATIONS FROM UGANDA REVENUE AUTHORITY NOW CLEARED.
185	Q2	SABRI MBARUKU ALI	Dec-22	A010417002B	73,575.00	73,575.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN CLEARANCE DUE TO DETENTION AND SUBIECTION THROUGH INVESTIGATION BY I&E DEPARTMENT
186	Q2	CHRISTMAS AFRICA LTD	Dec-22	P051836452R	112,908.00	56,454.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY DUE TO FINANCIAL CONSTRAINTS BROUGHT ABOUT BY SICKNESS. A FACTOR BEYOND THEIR CONTROL
187	Q2	TINGLES KENYA LTD	Dec-22	P051519790Y	112,908.00	56,454.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY DUE TO FINANCIAL CONSTRAINTS BROUGHT ABOUT BY SICKNESS. A FACTOR BEYOND THEIR CONTROL



RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

194	Q2	CFAO MOTORS KENYA LTD	Dec-22	P051126254X	192,043.00	192,043.00	192,043.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN CLEARANCE DUE TO CHALLENGES IN THE ICMS SYSTEM
195	Q2	ASIA AGRO COMMODITIES	Dec-22	P051603286K	348,501.00	348,501.00	348,501.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN DISCHARGING PROCESS BY KPA.A FACTOR BEYOND THEIR CONTROL
196	Q2	VIKING BUSINESS VENTURE LTD	Dec-22	P05263568E	176,418.00	176,418.00	176,418.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	Economic hardship due to natural calamity or delays in clearance due to civil strife
Quarter 3 Tax Waivers					Sub total	130,221,994.00	125,307,122.50		
197	Q3	Kevin Mbugua Wanjara	Jan-23	A008128681B	10,000.00	10,000.00	5,000.00	Section 89(7) of the Tax Procedures Act 2015.	Taxpayer granted 50% waiver as they qualify under the condition that he has never secured any gainful employment
198	Q3	ZAKHEM INTERNATIONAL CONSTRUCTION LIMITED	Feb-23	P051501464X	1,664,104,474.00	1,664,104,474.00	1,664,104,474.00	Section 89(7) of the Tax Procedures Act 2015.	Financial difficulties experienced by the taxpayer (Zakhem Construction Kenya) and KRA's commitment to support the taxpayer's waiver application as undertaken during the ADR agreement negotiations
Quarter 3 Customs Waivers					Sub total	1,664,114,474.00	1,664,109,474.00		

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

199	Q3	JOSPHAT KINYUA NYAGA	Jan-23	A003306956Z	100,745.00	100,745.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	The taxpayer has provided sufficient evidence to support the waiver application. He was a student at East Africa University. The ledger shows that he has not acquired any form of employment. In view of the above observation factor, the taxpayer qualifies for fifty percent 50% waiver of interest and penalties as illustrated in the remission form - Has never secured any gainful employment
200	Q3	EXPRESS SHIPPING & LOGS	Jan-23	P051139236A	335,200.00	167,600.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN DISCHARGING PROCESS BY KPAA FACTOR BEYOND THEIR CONTROL
201	Q3	BILATERAL SEMITE LIMITED	Jan-23	P051177235Z	212,166.00	106,083.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN STEERING ALTERATION FROM RIGHT HAND TO LEFT HAND DRIVE (COLUMN 44)
202	Q3	SPEEDAG INTERFREIGHT KENYA LTD	Jan-23	P0515460601	386,752.00	386,752.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN DISCHARGING PROCESS BY KPAA FACTOR BEYOND THEIR CONTROL
203	Q3	SPEEDAG INTERFREIGHT KENYA LTD	Jan-23	P0515460601	386,752.00	386,752.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN DISCHARGING PROCESS BY KPAA FACTOR BEYOND THEIR CONTROL
204	Q3	PINO PINE PRODUCTOS/JORA LOGISTICS	Jan-23	P0512317211	710,678.00	710,678.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	GOODS SUBJECT TO COURT CASE-ORDER ISSUED IN IMPORTERS FAVOUR

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

205	Q3	MOHAMED WASHALA	ABDI	Jan-23	A003078437U	111,370.00	111,370.00	111,370.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	THE UNIT WAS DETAINED AT VOI POLICE STATION UNDER FS9 NO. 131219. AMOUNT WAIVED IN LINE WITH MITIGATING FACTOR 11.1.1
206	Q3	REBECCA BENJAMIN		Jan-23	A017261749Z	146,253.00	146,253.00	146,253.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	ECONOMIC HARDSHIP
207	Q3	HAMPTONS HOSPITAL		Jan-23	P051773594W	1,798,738.00	1,798,738.00	1,798,738.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN SECURING EXEMPTION FOM TREASURY
208	Q3	HANNITO AUTOSPARES LTD		Feb-23	P051696652V	549,381.00	549,381.00	549,381.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	COULD NOT CLEAR GOODS DUE TO FINANCIAL CONSTRAINTS AND THE APPLICATION RE-FORWARDED FOR FURTHER CONSIDERATION
209	Q3	KUOL NABIER	JOHN	Feb-23	P051415920Y	172,427.00	172,427.00	172,427.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	GOODS NOT CLEARED IN TIME DUE TO THE POLITICAL INSTABILITY IN THEIR COUNTRY SOUTHERN SUDAN
210	Q3	ALUE MAKUACH	KOCRUP	Feb-23	P051415920Y	301,122.00	301,122.00	301,122.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	GOODS NOT CLEARED IN TIME DUE TO THE POLITICAL INSTABILITY IN THEIR COUNTRY SOUTHERN SUDAN
211	Q3	HANNITO AUTOSPARES LTD		Feb-23	P051696652V	549,381.00	549,381.00	500,000.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	COULD NOT CLEAR GOODS DUE TO FINANCIAL CONSTRAINTS AND THE APPLICATION RE-FORWARDED FOR FURTHER CONSIDERATION

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

212	Q3	ALEENA IMPORTS LIMITED	Feb-23	P051816098Z	260,077.00	260,077.00	Regulations(EAC CMR) 2010 Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN CLEARANCE WAS DUE TO CHALLENGES IMPORTER EXPERIENCED WITH EARLIER APPOINTED AGENT, THIS NECESSITATED THE IMPORTER TO REQUEST FOR HOME USE CONSUMPTION WHICH TOOK LONGER THAN EXPECTED THROUGH C11 AMENDMENT TO MITIGATE AGAINST FINANCIAL LOSS
213	Q3	ALEENA IMPORTS LIMITED	Feb-23	P051816098Z	294,373.00	294,373.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN CLEARANCE WAS DUE TO CHALLENGES IMPORTER EXPERIENCED WITH EARLIER APPOINTED AGENT, THIS NECESSITATED THE IMPORTER TO REQUEST FOR HOME USE CONSUMPTION WHICH TOOK LONGER THAN EXPECTED, VIDE APPROVAL LETTER REF:KRA/SR/C&BC/ENF/AUTH/H USE/01/2023
214	Q3	ALEENA IMPORTS LIMITED	Feb-23	P051816098Z	256,188.00	256,188.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN CLEARANCE WAS DUE TO CHALLENGES IMPORTER EXPERIENCED WITH EARLIER APPOINTED AGENT, THIS NECESSITATED THE REQUEST FOR HOME USE CONSUMPTION WHICH TOOK LONGER THAN EXPECTED THROUGH C11 AMENDMENT TO MITIGATE AGAINST FINANCIAL LOSS
215	Q3	ALEENA IMPORTS LIMITED	Feb-23	P051816098Z	257,219.00	257,219.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN CLEARANCE WAS DUE TO THE CHALLENGES THE IMPORTER EXPERIENCED WITH THE EARLIER APPOINTED AGENT, THIS NECESSITATED REQUEST FOR HOME USE CONSUMPTION WHICH TOOK LONGER THAN EXPECTED

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

216	Q3	ALEENA IMPORTS LIMITED	Feb-23	P051816098Z	228,640.00	228,640.00	228,640.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	THROUGH C11 AMENDMENT TO MITIGATE AGAINST FINANCIAL LOSS
217	Q3	MAISON PALOS SARL	Feb-23	P0050596439F	273,069.00	273,069.00	273,069.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN CLEARANCE WAS DUE TO THE CHALLENGES THE IMPORTER EXPERIENCED WITH THE EARLIER APPOINTED AGENT. THIS NECESSITATED REQUEST FOR HOME USE CONSUMPTION WHICH TOOK LONGER THAN EXPECTED VIDE APPROVAL LETTER REF:KRA/SR/C&BC/ENF/AUTH/H USE/01/2023
218	Q3	PINO PRODUCTS QUIMICOS SA	Feb-23	P051231721L	355,339.00	355,339.00	355,339.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN CLEARANCE DUE TO CHALLENGES IN TRANSPORTING THE TRANSIT CONSIGNMENT SAFELY DUE TO POLITICAL INSTABILITY AND CIVIL STRIFE IN THEIR COUNTRY, DRC CONGO.
219	Q3	SACHIO MOTORS LTD	Feb-23	P052073730R	20,934.00	20,934.00	20,934.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN CLEARANCE DUE TO LENGTHY PROCESS OF PROCESSING KENYA PORT AUTHORITY STORAGE FEES WAIVER
220	Q3	JEFF KWAGALA HARDWARE SHOP	Feb-23	P051529113B	108,050.00	108,050.00	108,050.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	DELAY IN CLEARANCE WAS BEYOND THE CLIENT CONTROL, HE WAS HOSPITALIZED FOR A LONG TIME AS PER THE MEDICAL RECORDS PROVIDED



**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

225	Q4	Dhirona Contractors And General Supplies Limited	KRA202310385 246	Jun-23	P051244611M	168,074.39	168,074.39	168,074.39	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
226	Q4	KEMUNTO YUNITA NCHORE	KRA202310411 841	Jun-23	A005357671E	5,111.20	5,111.20	5,111.20	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
227	Q4	Xingwang Company Limited	KRA202310434 732	Jun-23	P051537095U	215,037.66	215,037.66	215,037.66	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
228	Q4	Al-faris Mini Market	KRA202310449 690	Jun-23	P051331299D	83,988.00	83,988.00	83,988.00	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

229	Q4	NAIN EXCELLENCE LIMITED	KRA202310558 694	Jun-23	P051881243C	4,000.00	4,000.00	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
230	Q4	DAVID MBUGUA WANJIRU	KRA202311340 849	Jun-23	A008671687I	5,600.00	5,600.00	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
231	Q4	Sublime Suppliers & Services Ltd	KRA202311455 163	Jun-23	P051562205T	91,893.97	91,893.97	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
232	Q4	Youth Power Self Help Group	KRA202311461 554	Jun-23	P052000896Z	8,000.00	8,000.00	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

233	Q4	JOY CHEPTOO MARITIM	KRA202001285 676	Jun-23	A010220167C	20,000.00	8,000.00	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
234	Q4	CHRISTOPHER KIMITI KIMANI	KRA202312164 903	Jun-23	A010517812M	6,400.00	6,400.00	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
235	Q4	Owili Robert Ondiek	KRA202312174 078	Jun-23	A016376692J	800.00	800.00	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
236	Q4	Mary Mweru Njagi	KRA202312195 819	Jun-23	A015699316E	1,600.00	1,600.00	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

237	Q4	KEFIN NYAKUNDI ONSOBBI	KRA202312217 553	Jun-23	A009759733P	4,000.00	4,000.00	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
238	Q4	Samuel Kipngok	KRA202312226 873	Jun-23	A001486228U	5,600.00	5,600.00	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
239	Q4	BEMIAH VENTURES	KRA202312238 468	Jun-23	P051763332D	90,882.60	90,882.60	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
240	Q4	IRENE WAIKIMU MWANIKI	KRA202312241 576	Jun-23	A009096273C	3,200.00	3,200.00	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

241	Q4	Superlink Limited	Logistics	KRA202312494 063	Jun-23	P051864950R	8,000.00	8,000.00	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
242	Q4	PERIS NYAMBURA	NIJERI	KRA202312572 979	Jun-23	A010854620P	800.00	800.00	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
243	Q4	CORNELIUS ONSOMU NYAMBOKI		KRA202312607 123	Jun-23	A002697300T	66,639.00	66,639.00	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
244	Q4	NORAH CHELANGAT LASOI		KRA202312671 621	Jun-23	A003997428N	61,388.43	61,388.43	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

245	Q4	STEPHEN GJTHAIGA MAINA	KRA202312741 124	Jun-23	A007827172L	16,000.00	16,000.00	16,000.00	Section 89(7) of the Tax Act Procedures 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
246	Q4	JAMES KARANJA NDEGWA	KRA202312759 340	Jun-23	A003890750Y	116,214.28	116,214.28	116,214.28	Section 89(7) of the Tax Act Procedures 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
247	Q4	SIDI CAROL SUE	KRA202312784 431	Jun-23	A004767796Y	5,600.00	5,600.00	5,600.00	Section 89(7) of the Tax Act Procedures 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
248	Q4	Irene Wairimu Wangui	KRA202313018 734	Jun-23	A011762805Z	3,200.00	3,200.00	3,200.00	Section 89(7) of the Tax Act Procedures 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

249	Q4	Leonard Wanjama	Mwangi	KRA202313074 077	Jun-23	A001717185H *	109,334.68	109,334.68	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
250	Q4	FAITH GITAU	MUTHONI	KRA202313172 347	Jun-23	A007141465H	12,816.03	12,776.00	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
251	Q4	GRACE MAGUTTA	WANGUI	KRA202313293 642	Jun-23	A002472781W	800.00	800.00	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
252	Q4	Levinah Limited	Holdings	KRA202313297 119	Jun-23	P052009983P	16,000.00	16,000.00	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

253	Q4	Nakuru Investment Limited	Doctors Company 525	KRA202313313	Jun-23	P051583398B	4,000.00	4,000.00	4,000.00	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
254	Q4	Margaret Kimani	Wanjiru	KRA202313529 698	Jun-23	A005701752Q	5,600.00	5,600.00	5,600.00	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
255	Q4	SAMWEL CHERUYOT SANG		KRA202313538 832	Jun-23	A002596065F	34,623.56	34,623.56	34,623.56	Section 89(7) of the Tax Procedures Act 2015.	Upon receipt of payment of 60% of the outstanding penalties and interest as per the 60% - 40% tax waiver offer approved at the National Treasury, the Commissioner has approved waiver of 40% of the outstanding penalties and interest for the tax owed to the Government in accordance with the provisions of Section 89(7) of the Tax Procedures Act, 2015.
						Sub total	1,242,440.80		1,214,800.77		
<b>Quarter 4 Customs Waivers</b>											
256	Q4	KENYA NATIONAL LIBRARY SERVICES			Apr-23	P000632944T	50,775.00	50,775.00	50,775.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	Good imported by a UN body

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

257	Q4	SONGHONG FREIGHT SERVICES LTD		May-23	P051234813P	862,626.00	862,626.00	862,626.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	11.1.1 Act of omission/commission by KRA or any other Government agency
258	Q4	Yellow Services Ltd	Equipment	May-23	N/A (Foreign Entity)	784,019.00	784,019.00	784,019.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	Factor 11.1.9 Goods not cleared because of owner's sickness
259	Q4	Plan & Trend		May-23	P051320350H	927,000.00	927,000.00	927,000.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	Factor 11.1.1 - Act of omission/commission by KRA or any other Government agency
260	Q4	NATIONAL POLICE SERVICE	23MBAIM4005 91125	Jun-23	P051098582Q	2,921,982.00	2,921,982.00	2,921,982.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	The trucks are donations for use for National Security and continued stay at the CFS draws additional charges
261	Q4	SAQALAIN ENTERPRISES LTD	2021MSA78255 24	Jun-23	P051796357Z	3,081,624.00	3,081,624.00	3,081,624.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	CONSIGNMENT WAS SUBJECTED TO COURT CASE
262	Q4	SUNSWEEET TRADING LTD	2021MSA78255 64	Jun-23	P051809069Z	2,687,717.00	2,687,717.00	2,687,717.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	CONSIGNMENT WAS SUBJECTED TO COURT CASE
263	Q4	GAZZ LTD	2021MSA78255 67	Jun-23	P051797215L	2,379,291.00	2,379,291.00	2,379,291.00	Regulation 85 of the East African Community Customs Management	CONSIGNMENT WAS SUBJECTED TO COURT CASE

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

264	Q4	SWEETVILLE CONNECTIONS LTD	2021MSA78362 65	Jun-23	P051805067P	1,942,280.00	1,942,280.00	1,942,280.00	Regulations(EAC CMR) 2010 Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	CONSIGNMENT WAS SUBJECTED TO COURT CASE
265	Q4	PAPROTA LIMITED	2021MSA78255 69	Jun-23	P051796369D	2,017,737.00	2,017,737.00	2,017,737.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	CONSIGNMENT WAS SUBJECTED TO COURT CASE
266	Q4	GRAIN R US LTD	2021MSA78255 31	Jun-23	P051796362W	2,807,286.00	2,807,286.00	2,807,286.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	CONSIGNMENT WAS SUBJECTED TO COURT CASE
267	Q4	GANZE TRADING LTD	2021MSA78007 67	Jun-23	P051807817M	3,830,019.00	3,830,019.00	3,830,019.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	CONSIGNMENT WAS SUBJECTED TO COURT CASE
268	Q4	MINERGY (K) LTD	2021MSA78007 65	Jun-23	P051456944M	3,830,019.00	3,830,019.00	3,830,019.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	CONSIGNMENT WAS SUBJECTED TO COURT CASE
269	Q4	SUGAR CONNECTIONS LTD	2021MSA78255 78	Jun-23	P051807815K	2,149,329.00	2,149,329.00	2,149,329.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	CONSIGNMENT WAS SUBJECTED TO COURT CASE

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

270	Q4	MINERGY (K) LTD	2021MSA78255 33	Jun-23	P051456944M	2,819,900.00	2,819,900.00	2,819,900.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	CONSIGNMENT WAS SUBJECTED TO COURT CASE
271	Q4	GRAINERGY (K) LTD	2021MSA78007 71	Jun-23	P051456947P	3,081,624.00	3,081,624.00	3,081,624.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	CONSIGNMENT WAS SUBJECTED TO COURT CASE
272	Q4	DANIEL KABUCHO KINORO	23MBAIN4021 87895	Jun-23	A004546908A	23,456.00	23,456.00	23,456.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	Delay in Registration of the Motor vehicle
273	Q4	TRANSFREIGHT LOGISTICS LTD	22MBATR8030 89787	Jun-23	N/A	204,648.00	204,648.00	204,648.00	Regulation 85 of the East African Community Customs Management Regulations(EAC CMR) 2010	11.1.5 - UN Body/Foreign mission accredited to kenya
					Sub total	36,401,332.00	36,401,332.00	36,401,332.00		
					Grand Total	3,472,707,186.33	3,472,707,186.33	3,442,870,688.19		
					Overall Summary					
					Waiver Category	No of Cases	Amount			
					Tax Waivers	132	3,262,099,201.19			
					Customs Waivers	141	180,771,487.00			
					Total	273	3,442,870,688.19			

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

		Summary per Quarter				
		Quarter of 2022/23	No of Cases	Amount		
		Quarter 1 Tax waivers	61	1,567,938,471.63		
		Quarter 1 Customs waivers	48	11,571,242.50		
		Quarter 2 Tax waivers	34	28,836,454.79		
		Quarter 2 Customs waivers	53	125,307,122.50		
		Quarter 3 Tax waivers	2	1,664,109,474.00		
		Quarter 3 Customs Waivers	22	7,491,790.00		
		Quarter 4 Tax waivers	35	1,214,800.77		
		Quarter 4 Customs Waivers	18	36,401,332.00		
		<b>Total</b>	<b>273</b>	<b>3,442,870,688.19</b>		
<b>FY 2022/23 Summary</b>	Reviewed & Processed at KRA	Escalated to The National Treasury	Total Applications Reviewed			
	Number	Number	Number	Amount		
	126	6	132	3,254,198,721.25	3,262,099,201.19	
	137	4	141	110,213,703.00	180,771,487.00	
Total	263	10	273	3,364,412,424.25	3,442,870,688.19	

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

**THE NATIONAL TREASURY AND PLANNING  
SCHEDULE OF ARREARS OF REVENUE - LOAN REDEMPTION RECEIPTS DUE  
AS AT 30/6/2023**

	DESCRIPTION	Balance as at 1st July 2022	Arrears Received During The Year	Addition in the arrears for the year 2023	TOTAL FY2022/2023	ARREARS	Remarks
				Kshs	Kshs		
1	East African Sugar Industries (Muhoroni)	43,102,355		61,139,880	104,242,235		In the process of writing off the amount in arrears as per letter OP/CAB.26/1/3A dated 20/06/2023
2	South Nyanza Sugar Co.	207,504,015			207,504,015		In the process of writing off the amount in arrears as per letter OP/CAB.26/1/3A dated 20/06/2023
3	Nzoia Sugar Co.	12,964,320		1,800,209,231	1,813,173,551		In the process of writing off the amount in arrears as per letter OP/CAB.26/1/3A dated 20/06/2023
4	Miwani Outgrowers Mills Ltd	16,787,643		(10,187,643)	6,600,000		In the process of writing off the amount in arrears as per letter OP/CAB.26/1/3A dated 20/06/2023
5	Mumias Outgrowers Ltd	18,003,840			18,003,840		In the process of writing off the amount in arrears as per letter OP/CAB.26/1/3A dated 20/06/2023
6	Miwani Sugar Co.	74,544,107		19,544,093	94,088,200		In the process of writing off the amount in arrears as per letter OP/CAB.26/1/3A dated 20/06/2023
7	National Water Conservation	2,298,055,073		(228,558,188)	2,069,496,885		The loan is recommend for write-off by the Taskforce and will be implemented in 2023/24FY
8	Mombasa Pipeline Board			22,964,980	22,964,980		The loan is recommend for write-off by the Taskforce and will be implemented in 2023/24FY

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

9	Athi Water Services Board	5,585,709,262	2,019,199,601	7,604,901,863	The Board is servicing some loans partially, Inter-Ministerial Committee has been constituted to review all water Sector loans.
10	Tanathi Water Services Board	1,227,963,088	(90,925,538)	1,137,037,550	The Board is not servicing loans, Inter-Ministerial Committee has been constituted to review all water Sector loans.
11	Coast Water Services Board	3,888,328,470	1,128,702,336	5,017,030,806	The Board is not servicing loans, Inter-Ministerial Committee has been constituted to review all water Sector loans.
12	National Irrigation Board	398,614,538	(154,109,069)	244,505,469	The loan is recommend for write-off by the Taskforce and will be implemented in 2023/24FY
13	Lake Victoria North Water Service Board	748,273,115	989,261,712	1,737,534,827	The Board is servicing some loans partially, Inter-Ministerial Committee has been constituted to review all water Sector loans.
14	Lake Victoria South Water Service Board	1,310,757,207	276,592,442	1,587,349,649	The Board is servicing some loans partially, Inter-Ministerial Committee has been constituted to review all water Sector loans.
15	Tana Water Service Board	542,536,173	593,531,160	1,136,067,333	The Board is not servicing loans, Inter-Ministerial Committee has been constituted to review all water Sector loans.
16	Central Rift Valley Water Services Board	585,115,761	(263,072,508)	322,043,253	The Board is servicing some loans partially, Inter-Ministerial Committee has been constituted to review all water Sector loans.
17	Water Resources Management Authority	61,840,647	16,724,419	78,565,066	The loan has been recommend for write-off by the Taskforce and will be implemented in 2023/24FY
18	Lake Basin Development Authority		352,941,176	352,941,176	The entity is yet to start serving the loan
19	Loans to Local Government Authorities	293,009,980		293,009,980	The loan has been recommend for write-off by the Taskforce and will be implemented in 2023/24FY

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

20	Nairobi City Council	4,550,785,854		4,550,785,854	The loan has been recommend for write-off by the Taskforce and will be implemented in 2023/24FY
21	Kenya Urban Towns		40,706,140	40,706,140	The loan has been recommend for write-off by the Taskforce and will be implemented in 2023/24FY
			Kshs	Kshs	
22	Agricultural Settlement Fund and Central Land Board	72,130,857		72,130,857	The loan has been recommend for write-off by the Taskforce and will be implemented in 2023/24FY
23	Agricultural Finance Corporation		259,845,430	259,845,430	The Corporation is servicing the loans partially
24	Moi University	168,750,000	62,500,000	231,250,000	The loan was used in establishment of Karatina University. They university has requested for the conversion of loan into a grant. We are in the process of finalizing the conversion of loan to Grant.
25	Agro-Chemical and Food Co. Ltd	2,401,241,486		2,401,241,486	The Entity has requested for write-off, and will be considered in 2023/24FY
26	Co-operative Bank of Kenya	72,915,185		72,915,185	The loan has been recommend for write-off by the Taskforce and will be implemented in 2023/24FY
27	Catering Levy Trustee/Utalii College	122,000,000		122,000,000	The loan has been recommend for write-off by the Taskforce and will be implemented in 2023/24FY
28	Halal Meat Products	27,701,420		27,701,420	The loan has been recommend for write-off by the Taskforce and will be implemented in 2023/24FY
29	Kenya Meat Commission	338,000,000		338,000,000	The Commission is in financial difficulties and unable to service the old loans.WE have received a request for write off and the same will be reviewed in 2022/23 FY
30	Kenya Electricity Transmission Co. Ltd.		2,171,598,917	2,171,598,917	Loan transired from KPLC

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

31	Kenya Power and Lighting Co. Limited			17,915,934,826	17,915,934,826	The Company had requested a moratorium/Extension of payment period
32	Kenyatta University	1,817,058,587		1,912,575,340	3,729,633,927	The University Hospital (Project) was transferred to KUTRRH, in the process of converting into a Grant
33	Kenya Railways Corporation	26,726,784,147		97,951,266,101	124,678,050,248	The Corporation is yet to start repaying the loan
		53,610,477,129		126,848,377,839	180,45,8854,968	

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

**SCHEDULE OF ARREARS OF REVENUE LOAN INTEREST RECEIPTS**

**AS AT 30/6/2023**

	DESCRIPTION	Balance as at 1st July 2022	Arrears Received During The Year	Addition in the arrears for the year 2023	Total Arrears FY2022/2023	Remarks
				Kshs	Kshs	
1	South Nyanza Sugar Co.	372,512,027		311,973,930	684,485,957	In the process of writing off the amount in arrears as per letter OP/CAB.26/1/3A dated 20/06/2023
2	Muhoroni Sugar Co. (In receivership)	26,316,314		287,855,038	314,171,352	In the process of writing off the amount in arrears as per letter OP/CAB.26/1/3A dated 20/06/2023
3	Nzeia Sugar Co.	10,989,522		2,634,432,589	2,645,422,111	In the process of writing off the amount in arrears as per letter OP/CAB.26/1/3A dated 20/06/2023
4	Miwani Outgrowers Mills Ltd	11,409,917		15,963,583	27,373,500	In the process of writing off the amount in arrears as per letter OP/CAB.26/1/3A dated 20/06/2023
5	Mumias Outgrowers Ltd	3,056,485		-	3,056,485	In the process of writing off the amount in arrears as per letter OP/CAB.26/1/3A dated 20/06/2023
6	Miwani Sugar Co. (In receivership)	46,303,555		220,718,569	267,022,124	In the process of writing off the amount in arrears as per letter OP/CAB.26/1/3A dated 20/06/2023
7	Athi Water Services Board	771,205,848		2,324,779,797	3,095,985,645	The Board is servicing some loans partially. Inter-Ministerial Committee has been constituted to review all water Sector loans.
8	Central Rift Valley Water Services Board	233,216,571		162,110,773	395,327,344	The Board is servicing some loans partially. Inter-Ministerial Committee has been constituted to review all water Sector loans.

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

9	Coast Water Services Board	752,481,125	916,154,543	1,668,635,668	The Board is not servicing loans, Inter-Ministerial Committee has been constituted to review all water Sector loans.
10	Lake Victoria North Water Service Board	550,956,227	762,258,096	1,313,214,323	The Board is servicing some loans partially, Inter-Ministerial Committee has been constituted to review all water Sector loans.
11	Lake Victoria South Water Service Board	669,407,973	239,630,196	909,038,169	The Board is servicing some loans partially, Inter-Ministerial Committee has been constituted to review all water Sector loans.
12	National Irrigation Board	632,588,092	(297,578,055)	334,990,037	The loan has been recommend for write-off by the Taskforce and will be implemented in 2023/24FY
13	National Water Conservation	3,186,669,356	(219,743,671)	2,966,925,685	The loan has been recommend for write-off by the Taskforce and will be implemented in 2023/24FY
14	Tanathi Water Services Board	446,008,325	749,013,800	1,195,022,125	The Board is not servicing loans, Inter-Ministerial Committee has been constituted to review all water Sector loans.
15	Tana Water Services Board	371,517,333	719,268,113	1,090,785,446	The Board is not servicing loans, Inter-Ministerial Committee has been constituted to review all water Sector loans.
16	Water Resources Management Authority	66,114,462	90,385,695	156,500,157	The loan has been recommend for write-off by the Taskforce and will be implemented in 2023/24FY
17	Lake Basin Development Authority		545,371,732	545,371,732	The Entity is yet to start servicing the loan.
18	Loans to Local Government Authorities	555,107,640	-	555,107,640	The loan has been recommend for write-off by the Taskforce and will be implemented in 2023/24FY
19	Nairobi City Council	10,160,506,076	-	10,160,506,076	The loan has been recommend for write-off by the Taskforce and will be implemented in 2023/24FY

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

20	Kenya Meat Commission	37,091,046		37,091,046		The Commission is in financial difficulties and unable to service the old loans. WE have received a request for write off and the same will be reviewed in 2022/23 FY
21	Agricultural Settlement Fund and Central Land Board	23,913,813		23,913,813		The loan has been recommend for write-off by the Taskforce and will be implemented in 2023/24FY
22	KTDC Revolving Fund	52,616,000		52,616,000		The loan has been recommend for write-off by the Taskforce and will be implemented in 2023/24FY
23	Agro-Chemical and Food Co. Ltd	3,196,553,616		3,196,553,616		The Entity has requested for write-off, and will be considered in 2023/24FY
24	Agricultural Finance Corporation		64,829,163	64,829,162		The Corporation is servicing the loans partially
25	Moi University	32,143,292	(5,627,961)	26,515,331		The loan was used in establishment of Karatina University. The university has requested for the conversion of loan into a grant. We are in the process of finalizing the conversion of loan to Grant. (Overstated adjustment made)
26	Catering Levy Trustee/Utalii College	556,430,637		556,430,637		The loan has been recommend for write-off by the Taskforce and will be implemented in 2023/24FY
27	Halal Meat Products	9,071,026,442	(8,999,002,750)	72,023,692		The loan has been recommend for write-off by the Taskforce and will be implemented in 2023/24FY. (Overstated and adjustment made)
28	Kenya Electricity Transmission Co. Ltd.		412,783,970	412,783,970		Loan transferd from KPLC
29	Kenya Power and Lighting Co. Limited		5,856,204,078	5,856,204,078		The Company had requested a moratorium/Extension of payment period

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
 REVENUE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE, 2023

30	Kenyatta University	1,074,814,741		2,605,314,022	3,680,128,763	The University Hospital (Project) was transferred to KUTRRH, in the process of converting into a Grant
31	Kenya Airways			2,345,940,000	2,345,940,000	The Company requested for an extension to repay interest
32	Kenya Railways Corporation	8,964,645,006		33,889,929,070	42,824,574,076	The Corporation is yet to start servicing the loan
	<b>TOTAL</b>	<b>41,875,581,440</b>		<b>45,602,964,320</b>	<b>87,478,545,760</b>	

**RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023**

**Appendix 2: Progress on Follow Up of Prior Year Auditor-General Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved /Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2022/2023	MODIFIED REPORT/Long outstanding arrears of Revenue	<p>1.Kenya Revenue Authority(KRA) has put various measures through which Long out standing arrears of revenue amount has reduced from Kshs 1,558,258,572,722.00 in July 2022 to Kshs 999,599,467,329 as at 30 June 2023</p> <p>2.The National Assembly has approved The National Treasury Action Plan to revive and commercialise state owned sugar companies and also to write off loans owed to the government and sugar board.</p>	Not Resolved	In progress



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Dr. CHRIS KIPTOO, CBS  
PRINCIPAL SECRETARY



.....  
GEORGE K . GICHURU  
HEAD OF ACCOUNTING UNIT  
ICPAK NO. 9262  
3/11/2023 80

RECEIVER OF REVENUE(RECURRENT)-THE NATIONAL TREASURY  
REVENUE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2023

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Appendix 3 - Reports Generated from IFMIS

IFMIS financial reports presented