

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



*Paper laid by
LHM on 18/10/18 (am)
GAD*

REPORT

PARLIAMENT
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THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
THE OFFICE OF THE ATTORNEY GENERAL
AND DEPARTMENT OF JUSTICE –
REVENUE STATEMENT**

**FOR THE YEAR
ENDED 30 JUNE 2017**



RECEIVER OF REVENUE
OFFICE OF THE ATTORNEY GENERAL AND DEPARTMENT OF JUSTICE

REVENUE STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017

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

OFFICE OF ATTORNEY GENERAL AND DEPARTMENT OF JUSTICE
REVENUE STATEMENTS
FOR THE YEAR ENDED JUNE 30TH, 2017

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OFFICE OF ATTORNEY GENERAL AND DEPARTMENT OF JUSTICE
REVENUE STATEMENTS
FOR THE YEAR ENDED JUNE 30TH, 2017

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Office of the Attorney General and Department of Justice is represented at the Cabinet level, by the Attorney General, who is responsible for the general policy and strategic direction of the Office. The Solicitor General is the appointed as a receiver of revenue for the office.

(b) Principal activities

The Solicitor General collects revenue from the following activities;

- i.) Registration of Companies
- ii.) Public Trustee Fees
- iii.) Registration of Receiver's fees
- iv.) Registration of Coat of Arms
- v.) Registration of Business Names
- vi.) Registration of Marriages
- vii.) Registration of Hire Purchase Agreement
- viii.) Registration of Societies
- ix.) Conveyance/Chattels Fees
- x.) Registration of Books & Newspapers
- xi.) Business Name Search Fees

(c) Key Management

The Office of the Attorney General and Department of Justice's day-to-day management is under the following key organs:

- | | |
|----------------------------|----------------------|
| - Attorney General - | Hon. Githu Muigai |
| - Solicitor General - | Mr. Njee Muturi |
| - Senior Management - | |
| ▪ Secretary Administration | Mr. Njenga Miiri |
| ▪ Chief Finance Officer | Mr. Jacob Munge |
| ▪ Registrar General | Ms. Mary Njuya |
| ▪ Principal Accountant | Mrs. Leah W. Kimemia |
| ▪ BRS Ag. Director | Mr. Kenneth Gathuma |

(d) Entity Headquarters

P.O. Box 40112
Sheria House
Harambee Avenue
Nairobi, KENYA

OFFICE OF ATTORNEY GENERAL AND DEPARTMENT OF JUSTICE
REVENUE STATEMENTS
FOR THE YEAR ENDED JUNE 30TH, 2017

(e) Entity Contacts

Telephone: (254) 020 2227461
E-mail: info.statelawoffice@kenya.go.ke
Website: www.attorney-general.go.ke

(f) Independent Auditors

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

(g) Principal Legal Adviser

The Attorney General – Hon. Githu Muigai
The Solicitor General -
Telephone: (254) 020 2227461
E-mail: info@ag.go.ke

(h) Bankers (include all bankers)

1. Central Bank of Kenya
Haile Selassie Avenue
P O Box 60000
City Square 00200
Nairobi Kenya
Telephone: (254)202860000
E-Mail: comms@centralbank.go.ke
2. Kenya Commercial Bank LTD.
Branch: KCB MOI AVENUE-4001
Account No.: 1123414246
Telephone: (254) 20244939
FAX: 20244939
Website: www.kcb.go.ke

OFFICE OF ATTORNEY GENERAL AND DEPARTMENT OF JUSTICE
REVENUE STATEMENTS
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II. STATEMENT OF SOLICITOR GENERAL'S RESPONSIBILITIES

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


The Principal Secretary in charge of the *Office of the Attorney General and Department of Justice (entity)* is responsible for the preparation and presentation of the *Receiver of Revenue account*, which gives a true and fair view of the state of affairs of the *Receiver of Revenue* for and as at the end of the financial year(period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *entity*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Solicitor General in charge of the Office of Attorney General and Department of Justice accepts responsibility for the *entity's Receiver of Revenue* accounts, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Principal Secretary is of the opinion that the *entity's Receiver of Revenue* account gives a true and fair view of the state of *entity's Receiver of Revenue* transactions during the financial year ended June 30, 2017, and of the *entity's* financial position as at that date. The Principal Secretary charge of the Office of Attorney General and Department of Justice further confirms the completeness of the accounting records maintained for the *Receiver of Revenue*, which have been relied upon in the preparation of the *Receiver of Revenue* account as well as the adequacy of the systems of internal financial control.


The Solicitor General in charge of the Office of Attorney General and Department of Justice confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Solicitor General confirms that the *Receiver of Revenue'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 by the Solicitor General on **29th September, 2017**



Solicitor General
Kennedy Ogeto



Principal Accountant
Diaz Kimeu Muasya

REPUBLIC OF KENYA

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Fax: +254-20-311482
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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON THE OFFICE OF THE ATTORNEY GENERAL AND DEPARTMENT OF JUSTICE – REVENUE STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE REVENUE STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the Office of the Attorney General and Department of Justice – Revenue Statement set out on pages 5 to 14, which comprise the statement of revenues and transfers, statement of arrears of revenue as at 30 June 2017, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the revenue statements present fairly, in all material respects, the financial position of The Office of the Attorney General and Department of Justice - Revenue Statements as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unremitted Revenue

As reported in the previous year, a balance of Kshs.164,322,122 collected by various appointed agents and regions was not remitted to the National Treasury and Central Bank by the closure of the year 2015/2016. The balance has consecutively been brought forward to the current year and aggregated with the total collections for 2016/2017. We could not confirm whether the same balance was remitted in the year under audit.

Further, the receiver of revenue collected revenue worth Kshs.585,063,916 and remitted Kshs.531,547,618. Having a balance brought forward of Kshs.164,322,122 from the previous year, its not clear how Kshs.531,547,618 remitted revenue during the 2016/2017 financial year is apportioned between prior period revenue and the collections. There is no proper analysis to that effect indicating the source of collection, period, remitted amount and balance for each account and period. Further, there is no explanation as to why the revenue was not remitted.

Report of the Auditor-General on the Financial Statements of Office of the Attorney General and Department of Justice – Revenue Statement for the year ended 30 June 2017

Under the circumstances, revenue totaling to Kshs.531,547,618 collected and remitted during the financial year could not be apportioned. No further explanation has been provided.

2. Failure to Avail Regional Collections Analysis

The Regional offices collected revenue from various sources as listed. However, the analysis of revenue collected for the year under review and returns to head office was not provided during the audit.

Therefore, the total revenue collected may be in-accurate due to lack of reconciliation with the source documents.

3. Non-provision of Contracts

Office of the Attorney General and Department of Justice – Revenue Statement contracted service providers to collect revenue on their behalf. These service providers are Safaricom, E-citizen and Huduma Centre (Postal Corporation of Kenya). However, the contracts between service providers and Office of the Attorney General and Department of Justice - Revenue Statement were not provided for audit. We, therefore, could not establish whether the contract terms were binding and adhered to.

4. Failure to Collect Revenue from All Sources

Public Finance Management Act 74 (2) states that a receiver of Government revenue is responsible to the Cabinet Secretary for the collection of revenue for which he or she is responsible and such revenue shall be separately accounted for in accordance with Articles 206(1) and 209(1), (2) and (4) of the Constitution. It was however observed that the Solicitor General as the appointed receiver of revenue is thus required to collect revenue from eleven (11) sources but no revenue was collected from Conveyance/Chattel fees. No explanation was provided for the omission.

5. Previous Years Balances

Public Finance Management Act, 2012 Section 64 requires Accounting Officer to ensure that adequate safeguards exist and are applied for prompt collection and accounting for all National Government Revenue and other public moneys relating to their departments.

It was however observed that in 2015/2016 year audit, an amount of Kshs.164,322,122 was reflected as revenue balance that was not transferred to Treasury. This amount included revenue amount from Huduma Centre of Kshs.138,683,190, Kenya Commercial Bank Kshs.8,412,009, Deposits amount Kshs.1,099,057, Safaricom Kshs.1,538,316 among others. No analysis of the above amount was brought forward to the current year of 2016/2017 indicating clearly the current status of the unremitted funds.

6. Public Trustee Revenue

Revenue collected from Public Trustee amount to Kshs.1,099,057 was transferred to State Law deposit account on August 2015 but no evidence was provided to confirm that these funds were transferred to Exchequer by 30 June 2017.

7. Unremitted Revenue

Huduma Centre was contracted by Office of the Attorney General and Department of Justice to collect revenue on behalf of Office of the Attorney General. All revenue collected by Huduma Centre was to be remitted to National Treasury.

It was however observed that as at 30 June 2016, Postal Corporation of Kenya had not remitted Kshs.138,683,190 to the Central Bank Revenue account. This balance was carried forward to 2016/2017 and by end of 2016/2017 no evidence was provided to support the remittance. It is therefore not clear the whereabouts of the funds and why it has remained unaccounted for to date.

8. Revenue Regional Offices

Section 82(1) of the Public Finance Management Act 2012 requires that at the end of each financial year, Solicitor General prepares an account of the revenue received and collected by the Receiver. It was however observed that a summary of returns of the revenue collected from the regions/districts have not been availed for audit verifications. We could therefore not confirm whether the revenue collected in the regions were remitted to Exchequer and how much. No analysis of revenue collected from regions/districts was availed.

In the circumstances, the revenue collected balance indicated in the statement could not be ascertained, and how the figure was arrived at.

Key Audit Matters

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Office of the Attorney General and Department of Justice's ability to sustain services,

disclosing, as applicable, matters related to sustainability of services unless the management either intends to liquidate the Office of the Attorney General and Department of Justice or to cease operations, or have no realistic alternative but to do so.

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

Those charged with governance are responsible for overseeing the Office's financial reporting process.

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

The audit objectives are to obtain reasonable assurance about whether the revenue statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists.

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

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

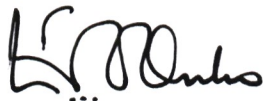
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Office of the Attorney General and Department of Justice's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office of the Attorney General and Department of Justice's ability to continue as

a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the revenue statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Office of the Attorney General and Department of Justice to cease to sustain its services.

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

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

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



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

Nairobi


20 August 2018

OFFICE OF ATTORNEY GENERAL AND DEPARTMENT OF JUSTICE
 REVENUE STATEMENTS
 FOR THE YEAR ENDED JUNE 30TH, 2017

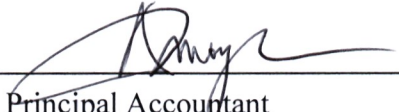
III. STATEMENT OF REVENUE AND TRASFERS

| | Note | 2016/17 Kshs | 2015/16 Kshs |
|---|------|--------------------|--------------------|
| NON TAX RECEIPTS | | | |
| Fees on use of Goods/Services | 1 | 585,063,916 | 469,814,685 |
| TOTAL NON TAX RECEIPTS | | 585,063,916 | 469,814,685 |
| TOTAL REVENUE COLLECTED | | 585,063,916 | 469,814,685 |
| TRANSFERS TO THE EXCHEQUER ACCOUNT | 2 | (531,547,618) | (329,671,837) |
| BALANCE BROUGHT FORWARD | | 164,322,122 | 24,179,274 |
| BALANCE CARRIED FORWARD | 3 | 217,838,420 | 164,322,122 |

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on **29th September, 2017** and signed by:



 Solicitor General
 Kennedy Ogeto



 Principal Accountant
 Diaz Kimeu Muasya

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

OFFICE OF ATTORNEY GENERAL AND DEPARTMENT OF JUSTICE
 REVENUE STATEMENTS
 FOR THE YEAR ENDED JUNE 30TH, 2017

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

| | Original budget | Adjustments | Final budget | Actual on comparable basis | Performance difference |
|-------------------------------|--------------------|-------------|--------------------|----------------------------|------------------------|
| | 2016-2017 | 2016-2017 | 2016-2017 | 2016-2017 | 2016-2017 |
| Non tax receipts | | | | | |
| Fees on use of Goods/Services | 378,040,320 | - | 378,040,320 | 585,063,916 | 207,023,596 |
| Total Non-tax receipts | 378,040,320 | - | 378,040,320 | 585,063,916 | 207,023,596 |
| Total receipts | 378,040,320 | - | 378,040,320 | 585,063,916 | 207,023,596 |

The 35 % of over collection attributed to introduction of E-citizen payment services, increase in marriage fees and completion of public trustee files. Under collection is attributed to non-registration of new books and decline of registration of hire purchase businesses in the year of reporting.

OFFICE OF ATTORNEY GENERAL AND DEPARTMENT OF JUSTICE
REVENUE STATEMENTS
FOR THE YEAR ENDED JUNE 30TH, 2017

V. NOTE: ANALYSIS OF OVER/UNDER COLLECTION:

| ITEM | Original Estimates | Revised Estimates | Actual | OVER (Kshs.) | UNDER (Kshs.) | REASONS |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|--|
| 1420208 | 286,865 | 286,865 | 356,028 | 69,163 | - | Under -estimation of revenue. |
| 1420209 | 247,569,028 | 247,569,028 | 289,347,051 | 41,778,023 | | Introduction of e-citizen platform hence ease of access. |
| 1420211 | 451,773 | 451,773 | 15,000 | - | 436,773 | Over -estimation of revenue. |
| 1420212 | 5,256,262 | 5,256,262 | 87,002,400 | 81,746,138 | - | Entry of E-Citizen platform. |
| 1420213 | 76,822,230 | 76,822,230 | 110,105,383 | 33,283,153 | - | Increase in Marriage fees and decentralization of marriage centres to regions |
| 1420214 | 3,371,921 | 3,371,921 | 2,082,234 | - | 1,289,687 | Over -estimation of revenue. |
| 1420215 | 8,393,926 | 8,393,926 | 8,881,908 | 487,982 | | Increase in registration of societies especially rental investment income societies and increase in filling of annual society returns. |
| 1420218 | 151,280 | 151,280 | 195,050 | 43,770 | | Under-estimation of revenue. Decrease in registration of books and newspapers |
| 1420231 | 33,010,535 | 33,010,535 | 64,378,131 | 31,367,596 | | Most PT cases were closed and Under-estimation of revenue. |
| 1420230 | 2,726,500 | 2,726,500 | 22,700,731 | 19,974,231 | | Entry of Safaricom & E-Citizen platform. |
| TOTAL FEES | 378,040,320 | 378,040,320 | 585,063,916 | 208,030,646 | 1,919,298. | |
| Balance brought forward | | | 164,322,122 | | | |
| Transfers to the Exchequer Account | | | 531,547,618 | | | |
| Balance carried forward | | | 217,838,420 | | | |



Solicitor General
Kennedy Ogeto



Principal Accountant
Diaz Kimeu Muasya

VI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. 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 Revenue

The Office of Attorney General and Department of Justice recognises all revenues from the various sources when the event occurs and the related cash has actually 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 the revenue statements. The revenue budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the revenue's actual performance against the comparable budget for the financial year under review has been included as part of notes to these financial statements.

4. Cash and cash equivalents

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

5. Revenue in Arrears

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

OFFICE OF ATTORNEY GENERAL AND DEPARTMENT OF JUSTICE
REVENUE STATEMENTS
FOR THE YEAR ENDED JUNE 30TH, 2017

SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Comparative Figures

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

7. Subsequent Events

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

8. Statement of Arrears of Revenue

The statement of arrears of revenue is not a requirement as per the IPSAS Cash Standard. The IPSAS Cash Standard encourages disclosure of accrual based balances since it's a transitional standard to accrual basis of accounting. The PFM Act, 2012 section 82,2b and section 69(c) of the PFM Regulations 2015 requires The Solicitor General to prepare a statement on revenue of arrears due but not yet collected at the end of the period. This statement has been disclosed under Note 16 of these Revenue statements.

9. Economic activities

The Receiver of Revenue noted that two economic items i.e. 1420114 - Registration of Births and Deaths and 1420216 – Examination and Tuition Fees initially included in the Receiver of Revenue appointment letter are not under the entity's jurisdiction.

OFFICE OF ATTORNEY GENERAL AND DEPARTMENT OF JUSTICE
 REVENUE STATEMENTS
 FOR THE YEAR ENDED JUNE 30TH, 2017

VII. NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: FEES ON SALE OF GOODS AND SERVICES

| ITEM | ECONOMIC ACTIVITIES | KSH |
|---------|---|--------------------|
| 1420208 | Official Receiver's fees | 356,028 |
| 1420209 | Registration of Companies | 289,347,051 |
| 1420211 | Registration of Coat of Arms | 15,000 |
| 1420212 | Registration of Business Names | 87,002,400 |
| 1420213 | Registration of Marriages | 110,105,383 |
| 1420214 | Registration of Hire Purchase Agreement | 2,082,234 |
| 1420215 | Registration of Societies | 8,881,908 |
| 1420218 | Registration of Books & Newspapers | 195,050 |
| 1420231 | Public Trustee Fees | 64,378,131 |
| 1420230 | Business Name Search Fees | 22,700,731 |
| | TOTAL FEES | 585,063,916 |

NOTE 2: TRANSFER TO EXCHEQUER ACCOUNT.

| SUMMARY OF REVENUE TRANSFER TO EXCHEQUER | |
|---|-----------------------|
| 2016/2017 FINANCIAL YEAR | |
| MONTH | KSH |
| JULY-16 | 23,057,607.00 |
| AUGUST-16 | 14,878,790.75 |
| SEPTEMBER-16 | 52,029,118.10 |
| OCTOMBER -16 | 32,091,436.10 |
| NOVEMBER -16 | 45,549,378.75 |
| DECEMBER-16 | 85,226,202.75 |
| JANUARY -17 | 57,264,198.50 |
| FEBRUARY- 17 | 46,098,254.00 |
| MARCH -17 | 65,910,626.00 |
| APRIL-17 | 40,700,284.90 |
| MAY-17 | 56,335,688.00 |
| JUNE -17 | 12,386,054.00 |
| TOTAL | 531,547,618.05 |

OFFICE OF ATTORNEY GENERAL AND DEPARTMENT OF JUSTICE
REVENUE STATEMENTS
FOR THE YEAR ENDED JUNE 30TH, 2017

NOTE 3: CASH BALANCE RECONCILIATION

| | Ksh |
|-------------------------------|--------------------|
| Balance b/d | 164,322,122 |
| Actual receipts 2016/2017 | 585,063,916 |
| Subtotal | 729,386,038 |
| Transfer to exchequer | 531,547,618 |
| Totals | 217,838,420 |
| | |
| Reconciled by: | |
| Kenya commercial Bank ltd b/d | 8,412,009 |
| Kenya commercial Bank ltd c/d | 16,391,580 |
| Huduma Centres b/d | 168,776,500 |
| E- citizen | 22,700,731 |
| Cash book balance | 1,557,600 |
| Totals | 217,838,420 |

OFFICE OF ATTORNEY GENERAL AND DEPARTMENT OF JUSTICE
 REVENUE STATEMENTS
 FOR THE YEAR ENDED JUNE 30TH, 2017

NOTE 4: NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. BALANCES CARRIED FORWARD

| | |
|--|--|
| a) Balance carried forward subsequently transferred | |
| Amount | |
| 217,838,420 | |
| b) Balance carried forward yet to be transferred | |
| | |
| | |

Ksh.217,838,420 is the balance carried forward.



Solicitor General
 Kennedy Ogeto



Principal Accountant's controller
 Diaz Kimeu Muasya

OFFICE OF ATTORNEY GENERAL AND DEPARTMENT OF JUSTICE
 REVENUE STATEMENTS
 FOR THE YEAR ENDED JUNE 30TH, 2017

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

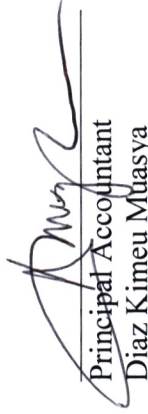
| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|--|-----------------------------------|--|
| 1. | Huduma Centres non remittance of Ksh 138,683,190 validity not ascertained | All efforts have been intensified to recover the outstanding from the cooperation. Amount not yet transferred | HEAD OF ACCOUNTING UNIT | NOT RESOLVED | FY 2016/2017 |
| 2. | E- citizen Kshs. 11,040,750 no evidence of transfer | KSH.11,040,750 was subsequently transferred to CBK Revenue account. Evidence provided. | HEAD OF ACCOUNTING UNIT | RESOLVED | FY 2016/2017 |
| 3 | Safaricom Ksh.1,538,316 not remitted | Safaricom of Ksh. 1,538,316 has been remitted to CBK | HEAD OF ACCOUNTING UNIT | RESOLVED | FY 2016/2017 |
| 4 | Deposit account Ksh. 1,019,057 in deposit account. | The money in the deposit account now has been transferred to CBK Revenue account. | HEAD OF ACCOUNTING UNIT | NOT RESOLVED | FY 2016/2017 |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved/ Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|--|-------------------------------------|--|
| 5 | Conveyance fees not in IFMIS | The Economic activity was not budgeted hence total amount involved in Registration of Companies. | HEAD OF ACCOUNTING UNIT | RESOLVED | FY 2016/2017 |
| 6. | Revenue old Balance Prior year old balance not comprehensively resolved | Prior year old balance has been settled by old balance task force. | HEAD OF ACCOUNTING UNIT | YET TO BE RESOLVED BY AUDIT GENERAL | FY 2016/2017 |



Solicitor General
 Kennedy Ogeto




Principal Accountant
 Diaz Kimeu Muasya

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NOTE 5: ANALYSIS OF OVER/UNDER COLLECTION:

| ITEM | Original Estimates | Revised Estimates | Actual | OVER (Kshs.) | UNDER (Kshs.) | REASONS |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|--|
| 1420208 | 286,865 | 286,865 | 356,028 | 69,163 | - | Under -estimation of revenue. |
| 1420209 | 247,569,028 | 247,569,028 | 289,347,051 | 41,778,023 | - | Introduction of e-citizen platform hence ease of access. |
| 1420211 | 451,773 | 451,773 | 15,000 | - | 436,773 | Over -estimation of revenue. |
| 1420212 | 5,256,262 | 5,256,262 | 87,002,400 | 81,746,138 | - | Entry of E-Citizen platform. |
| 1420213 | 76,822,230 | 76,822,230 | 110,105,383 | 33,283,153 | - | Increase in Marriage fees and decentralization of marriage centres to regions |
| 1420214 | 3,371,921 | 3,371,921 | 2,082,234 | - | 1,289,687 | Over -estimation of revenue. |
| 1420215 | 8,393,926 | 8,393,926 | 8,881,908 | 487,982 | - | Increase in registration of societies especially rental investment income societies and increase in filling of annual society returns. |
| 1420218 | 151,280 | 151,280 | 195,050 | 43,770 | - | Under-estimation of revenue. |
| 1420231 | 33,010,535 | 33,010,535 | 64,378,131 | 31,367,596 | - | Decrease in registration of books and newspapers |
| 1420230 | 2,726,500 | 2,726,500 | 22,700,731 | 19,974,231 | - | Most PT cases were closed and Under-estimation of revenue. |
| | | | | | | Entry of Safaricom & E-Citizen platform. |
| TOTAL FEES | 378,040,320 | 378,040,320 | 585,063,916 | 208,030,646 | 1,919,298. | |
| Balance brought forward | | | 164,322,122 | | | |
| Transfers to the Exchequer Account | | | 531,547,618 | | | |
| Balance carried forward | | | 217,838,420 | | | |

Solicitor General
Kennedy Ogeto


Principal Accountant
Diaz Kimeu Muasya