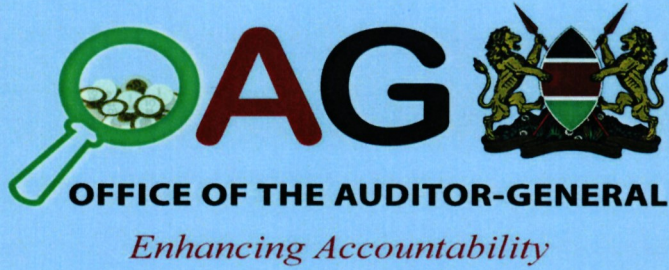
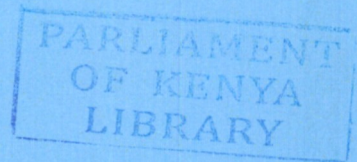



REPUBLIC OF KENYA



REPORT

OF



 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 FEB 2022	DAY: Tue
TABLED BY: LDM	
CLERK-AT THE-TABLE: S. [Signature]	

ON

REVENUE STATEMENTS

**FOR THE YEAR ENDED
30 JUNE, 2021**

**STATE DEPARTMENT FOR INTERIOR
AND CITIZEN SERVICES**



STATE DEPARTMENT FOR INTERIOR
AND
CITIZEN SERVICES

REVENUE STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 FEB 2022	DAY: <i>1st</i>
TABLED BY:	<i>LOM</i>
CLERK-AT-THE-TABLE:	<i>Kalama Samuel</i>

**STATE DEPARTMENT FOR INTERIOR & CITIZEN SERVICES
REVENUE STATEMENTS
FOR FINANCIAL YEAR ENDED 30 JUNE, 2021**

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**STATE DEPARTMENT FOR INTERIOR & CITIZEN SERVICES
REVENUE STATEMENTS
FOR FINANCIAL YEAR ENDED 30 JUNE, 2021**

I. KEY ENTITY INFORMATION AND MANAGEMENT

The *State Department for Interior* is under the Ministry of Interior and Coordination of National Government At cabinet level, the *State Department for Interior* is represented by the Cabinet Secretary for Interior, who is responsible for the general policy and strategic direction of the *State Department for Interior*. The *State Department for Interior* was appointed as a receiver on 30th June 2016.

Principal activities

The receiver of revenue collects revenue from Licence Fees for Firearms Licensing Board and Betting Control and Licensing Board, Registration of births & deaths, Immigration Visa and other Consular fees, Passport Fees, Work Permit Fees, Id Card Fees, Certificate of Good Conduct Fees, Hire of Security, Verification Fees and other Immigration Fees. Revenue collected is remitted to the National Treasury.

Key Management

- **Cabinet Secretary**
- Dr. Fred Matiang'i, PhD , EGH
-
- **Chief Administrative Secretary**
- Patrick Ole Ntutu.
-
- **Principal Secretary**
- **State Department for Interior**
- Dr.(Eng.) Karanja Kibicho, CBS
-
- **Inspector General Of Police**
- Hilary N. Mutyambai, nsc (AU)
-
- **Secretary, Internal Security**
- Moffat M. Kangi, EBS
-
- **Secretary, National Administration**
- Chimwaga Mongo, EBS
-
- **Director , Directorate of Criminal Investigation**
- George M. Kinoti , CBS
-
- **Ag: Director , Betting Control and Licensing Board.**
- P.K Mbugi , OGW
-
- **Director , Directorate of Civil Registration.**
- Janet Mucheru.
-
- **Director , National Registration Bureau**
- Reuben Kimotho , OGW
-
- **Chairman, Firearms Licensing Board**
- Charles M. Mukindia.

**STATE DEPARTMENT FOR INTERIOR & CITIZEN SERVICES
REVENUE STATEMENTS
FOR FINANCIAL YEAR ENDED 30 JUNE, 2021**

-
- **Senior Chief Finance Officer**
- Alice W. Gichu
-
- **Deputy Accountant General**
- James K. Karori.

Entity Headquarters

Harambee Building/House/Plaza
Harambee Avenue/Road/Highway
Nairobi, KENYA

Entity Contacts

P.O. Box 30510
Telephone: (254) 020-2227411
E-mail: ps.interior@kenya.go.ke
Website: www.interior-coordination.go.ke

Independent Auditors

Auditor General
Kenya National Audit Office
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
NAIROBI, Kenya

Bankers

Central Bank of Kenya
Haile Selassie Avenue
City Square 00200
Nairobi, Kenya

Kenya Commercial Bank
Head Office
Kencom House
P.O Box 48400
Nairobi, Kenya

National Bank of Kenya
Harambee Avenue
P.O Box 72866
Nairobi Kenya

**STATE DEPARTMENT FOR INTERIOR & CITIZEN SERVICES
REVENUE STATEMENTS
FOR FINANCIAL YEAR ENDED 30 JUNE, 2021**

II. STATEMENT OF RECEIVER OF REVENUE'S RESPONSIBILITIES

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

The Principal Secretary in charge of the *State Department for Interior & Citizen Services* is responsible for the preparation and presentation of the *department's revenue account*, which gives a true and fair view of the state of affairs of the *department* for and as at the end of the financial year (period) ended on June 30, 2021. 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 *department*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Principal Secretary in charge of the *State Department for Interior & Citizen Services* accepts responsibility for the *department's 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 *department's revenue* account gives a true and fair view of the state of *department's revenue* transactions during the financial year ended June 30, 2021, and of the *department's* financial position as at that date. The Principal Secretary in charge of the *State Department for Interior & Citizen Services* further confirms the completeness of the accounting records maintained for the *department's revenue*, which have been relied upon in the preparation of the *department's revenue* account as well as the adequacy of the systems of internal financial control.

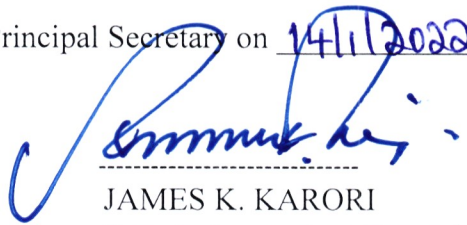
The Principal Secretary in charge of the *State Department for Interior & Citizen Services* confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Principal Secretary confirms that the *department's revenue* accounts have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the Revenue Statements

The *revenue* statements were approved and signed by the Principal Secretary on 14/11/2022



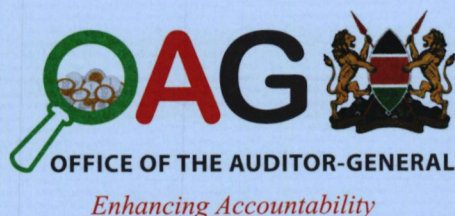
DR (ENG) KARANJA KIBICHO, CBS
Principal Secretary



JAMES K. KARORI
Deputy Accountant General
ICPAK Member No.3972

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021 - STATE DEPARTMENT FOR INTERIOR AND CITIZEN SERVICES

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal control, 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 revenue statements of the State Department for Interior and Citizens Services set out on pages 6 to 19, which comprise of the statement of financial assets and liabilities, and the statement of arrears of revenue as at

Report of the Auditor-General on Revenue Statements for the year ended 30 June, 2021- State Department for Interior and Citizen Services

30 June, 2021, 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 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 and arrears of revenue as at 30 June, 2021 of the State Department for Interior and Citizens Services and the revenue performance 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. Long Outstanding Arrears of Revenue

As disclosed in Note 7 to the revenue statements, the statement of arrears of revenue as at 30 June, 2021 reflects arrears of Kshs.673,804,197 which includes an amount of Kshs.453,872,900 that had been outstanding for over two years as detailed below:

Aging Analysis - Revenue Arrears as at 30 June, 2021				
Description	Between 1-2 Years	Between 2-3 Years	Over 3 Years	Total
SGB-Security of Government Buildings	0	85,775,500	161,052,000	246,827,500
KPS-Kenya Police Service (Nairobi Area)		517,600	0	517,600
Certificate of Good Conduct (DCI)		0	206,527,800	206,527,800
Total		86,293,100	367,579,800	453,872,900

In the circumstances, the recoverability of the arrears of Kshs.453,872,900 owed by various Government Agencies could not be confirmed.

2. Wrong Billing for Integrated Population Registration System (IPRS) Services

As disclosed in Note 2 to the revenue statements, the statement of receipts and disbursements for the year ended 30 June, 2021 reflects actual receipts of Kshs.10,377,771,441 in respect of sale of goods and services out of which an amount of Kshs.119,370,517 is indicated as verification fees.

Government Agencies were billed for the Integrated Population Registration System (IPRS) services during the year under review contrary to the exemption granted vide The National Treasury letter Ref. No. ZZ/MOF. 81/015 of 26 June, 2015. Further, the total amount billed for IPRS services including those from Government Agencies was recorded as verification fees and the amount transferred to the IPRS Float Bank Account which, holds advance payment by private entities awaiting authentication before transfer to Revenue Bank Account and onward transmission to the Central Bank.

The IPRS billing system was not able to separate the amount billed for Government Agencies and those charged to private agencies. As a result, unearned revenue of undisclosed amount was mistakenly transferred from the float account to the revenue account and reported as verification fees in the statement of revenue.

Consequently, the accuracy of amount of Kshs.119, 370,517 reported as verification fees in the statements of revenue for year ended 30 June, 2021 could not be confirmed.

3. Manual Collection of Revenue by Civil Registration Service Department

Examination of records on revenue collection from births and deaths by the Civil Registration Service revealed that the Service continued to use manual system in the collection and accounting for revenue. Further, data for various categories of certificates issued during the financial year 2020/2021 was not provided for audit review.

As a result, it was not possible to confirm the accuracy and completeness of the reported revenue of Kshs.118, 574,105 from registration of births and deaths for the year ended 30 June, 2021.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

As disclosed in Notes 1,2 and 3 to the revenue statements, the State Department for Interior and Citizen Services had budgeted for receipts totalling Kshs.14,239,411,374 in the financial year 2020/2021. However, an amount of Kshs.10,547,501,530 was actually collected, resulting in an under-collection of Kshs.3,691,909,844 or 26% of the budgeted amounts as detailed below:

Description	Final Budget (Kshs.)	Actual Amount Collected (Kshs.)	Variance (Kshs.)	% Variance
Fees on Use of Goods/Services	258,798,968	123,763,687	135,035,281	52%
Sale of Goods and Services	13,977,750,564	10,377,771,441	3,599,979,123	26%

Description	Final Budget (Kshs.)	Actual Amount Collected (Kshs.)	Variance (Kshs.)	% Variance
Other Receipts not Classified	2,861,842	16,655,402	(13,793,560)	482%
Receipt from Sale of Non-financial assets	-	29,311,000	(29,311,000)	
Total	14,239,411,374	10,547,501,530	3,691,909,844	26%

Under collection of revenue adversely affected Exchequer releases, budget execution and the overall performance of the government programmes.

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, financial transactions and information reflected in the financial 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 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 these financial statements in accordance with International Financial Reporting Standards (Cash Basis)

and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the State Department for Interior and Citizen Services' ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the State Department or cease operations.

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the State Department 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 governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

- Perform such other procedures as I consider necessary in the circumstances.

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

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



CPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

21 January, 2022

STATE DEPARTMENT FOR INTERIOR & CITIZEN SERVICES
REVENUE STATEMENTS
FOR FINANCIAL YEAR ENDED 30 JUNE, 2021

IV. STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED 30TH
JUNE 2021

	NOTES	2020-2021 Kshs.	2019-2020 Kshs.
NON-TAX RECEIPTS			
Fees on use of goods / Services	1	123,763,687	2,138,942,404
Sale of goods and Services	2	10,377,771,441	526,000
Other receipts not classified	3	16,655,402	225,622,589
Receipts from Sale of Non-Financial Assets.	4	29,311,000	1,589,520
TOTAL NON-TAX RECEIPTS		10,547,501,530	2,366,680,513
TOTAL RECEIPTS		10,547,501,530	2,366,680,513
DISBURSEMENT TO EXCHEQUER ACCOUNT		10,547,501,530	2,366,608,613
BALANCE DUE FOR DISBURSEMENT		0	0

- **Fees/Sale of goods.**— The deviation on collections from the previous year was occasioned by the fact that revenue items vary under the two items for the two comparative periods.

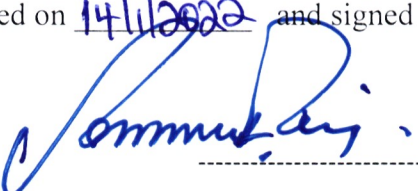
-**Other receipts not classified** – The revenue collected under this item for the previous year included Revenue under Integrated population Registration Services (IPRS), which has now been classified under Verification fees.

- **Comparison 2019-20 and 2020-21 Revenue.** – There was an increase in Revenue collection in the year 2020-21 due to revenue collected by the Immigration department which was previously not under the State Department of Interior.

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 14/1/2022 and signed by:



DR (ENG) KARANJA KIBICHO, CBS
Principal Secretary



JAMES K. KARORI
Deputy Accountant General
ICPAK Member No.3972

STATE DEPARTMENT FOR INTERIOR & CITIZEN SERVICES
 REVENUE STATEMENTS
 FOR FINANCIAL YEAR ENDED 30 JUNE, 2021

V. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2021

	NOTES	2020-2021 Kshs.	2019-2020 Kshs.
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	5	NIL	NIL
TOTAL FINANCIAL ASSETS		N/A	N/A
TOTAL FINANCIAL ASSETS		N/A	N/A
FINANCIAL LIABILITIES			
Payables Due to Exchequer	6	NIL	NIL
TOTAL FINANCIAL LIABILITIES		NIL	NIL

VI. STATEMENT OF ARREARS OF REVENUE AS AT JUNE 30, 2021 (KSHS)

Classification of Receipts	Balance as at July 1, 2020	Arrears received during the year.	Addition for current year to June 30, 2021	Total arrears as at June 30, 2021	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Non Tax Revenues						
Hire of Security – (SGB) Security of Government Buildings	188,802,500	0	77,226,000	266,028,500	Follow up and Commitment letter by KRA to pay the arrears.	
Hire of Security – (KPS) Kenya Police Service – (Nairobi Area)	2,218,800	1,701,200	0	517,600	KPS following up with sub county	
Good Conduct Fees – (DCI) Kenya Postal Corporation	210,563,600	4,035,800	0	206,527,800	The Revenue in arrears is under investigation by DCI	
Hire of Security – (KPS) HQS	0	0	200,730,297	200,730,297	CBK - Revenue already invoiced	
TOTAL ARREARS	401,584,900	5,737,000	277,956,297	673,804,197		

The above revenue statement was approved on 14/11/2022 and signed by:

.....
DR (ENG) KARANJA KIBICHO, CBS
 Principal Secretary



JAMES K. KARORI
 Deputy Accountant General
 ICPAK Member No.3972

**STATE DEPARTMENT FOR INTERIOR & CITIZEN SERVICES
REVENUE STATEMENTS
FOR FINANCIAL YEAR ENDED 30 JUNE, 2021**

VII. 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 *department*. 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 *department*.

2. Recognition of Revenue

The *Department for Interior & Citizen Services* recognises all revenues from the Issue of Licence Fees under Firearms Licensing Board, Betting Control and Licensing Board, Registration of births & deaths, Immigration Visa and other Consular fees, Passport Fees, Work Permit Fees, Id Card Fees, Certificate of Good Conduct Fees, Hire of Security, Verification Fees and other Immigration Fees. Revenue is recognised when the event occurs and the related cash has actually been received by the *department*.

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 in to these revenue 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.

**STATE DEPARTMENT FOR INTERIOR & CITIZEN SERVICES
REVENUE STATEMENTS
FOR FINANCIAL YEAR ENDED 30 JUNE, 2021**

5. Revenue in Arrears

This relates to revenue earned and is yet to be received or collected by the receiver of revenue.

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, 2021.

DIKEMENTERIAN KEPUKUSAHAWAN & KEKAWANAN
 REVENUE STATEMENTS
 FOR FINANCIAL YEAR ENDED 30 JUNE, 2021

1. FEES ON USE OF GOODS AND ON PERMISSION TO USE GOODS OR TO PERFORM SERVICES AND ACTIVITIES

Description	Original Estimates	Revised Estimates	Actual	% Realised
Licenses under Betting Lotteries & Gaming Act.	258,798,968		123,763,687	48 %
Total Fees			123,763,687	
Balance brought forward			0	
Transfers to Exchequer Account			123,763,687	
Balance carried forward			0	

The under-collection was due to limited price competitions due to the effects of Covid-19. Many Betting shops were closed due to due to change in operating hours
 There were few new gaming applications, in which renewals attract less license fee and big companies that carry out massive promotions were not involved last financial year.

These revenue statements were approved on 14/1/2022 and signed by:



 DR (ENG) KARANJA KIBICHO, CBS
 Principal Secretary



 JAMES K. KARORI
 Deputy Accountant General
 ICPAK Member No.3972

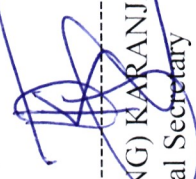
STATE DEPARTMENT FOR INTERIOR & CITIZEN SERVICES
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2 . SALE OF GOODS AND SERVICES

Description	Original Estimates	Revised Estimates	Actual	% Realized
Licence Fees	19,042,899	-	70,755,400	372 %
Registration of Births and Deaths	225,004,548	-	118,574,105	52 %
Identity Card Fees	99,366,570	-	51,079,597	51 %
Certificate of Good Conduct Fees	801,926,746	-	1,029,026,080	135 %
Hire of Security Service Fees	673,720,737	-	739,583,109	110 %
Immigration Visas and Other Consular Fees	3,808,872,287	-	1,301,684,203	35 %
Passport Fees	1,697,228,528	-	1,218,102,880	71 %
Work Permit Fees	3,699,907,970	-	5,728,499,500	152 %
Other Immigration Fees	2,696,966,333	-	826,050	0.031 %
Verification Fees	254,691,311	-	119,370,517	47 %
Sale of Tender Documents	1,022,635	-	270,000	26 %
Total Revenue	13,977,750,564	-	10,377,771,441	74 %
Balance brought forward			0	
Transfers to the Exchequer account			10,377,771,441	
Balance carried forward			0	

The under-collection in various Revenue items was due to the effects of Covid-19 considering most of these departments require Physical appearance of the clients.

These revenue statements were approved on 14/1/2022 and signed by:


DR (EXG) KARANJA KIBICHO, CBS
Principal Secretary



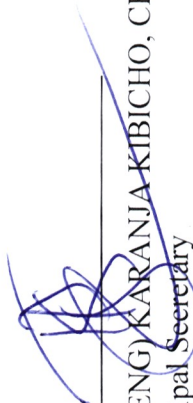
JAMES K. KARORI
Deputy Accountant General
ICPAK Member No.3972

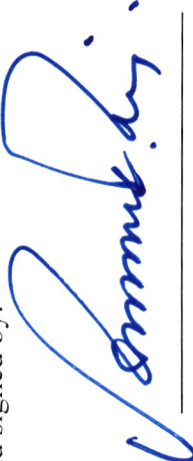
STATE DEPARTMENT FOR INTELLECTUAL & CITIZEN SERVICES
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3. OTHER RECEIPTS NOT CLASSIFIED ELSEWHERE

Description	Original Estimates	Revised Estimates	Actual	% Realized
Miscellaneous Revenue	-	-	0	
Sundry Revenue	2,861,842	-	16,655,402	595 %
Total Revenue			16,655,402	
Balance brought forward			0	
Transfers to the Exchequer account			16,655,402	
Balance carried forward			0	

These revenue statements were approved on 14/1/2022 and signed by:


 DR (ENG) KARANJA KIBICHO, CBS
 Principal Secretary


 JAMES K. KARORI
 Deputy Accountant General
 ICPAK Member No.3972

STATE DEPARTMENT FOR INTERIOR & CITIZEN SERVICES
 REVENUE STATEMENTS
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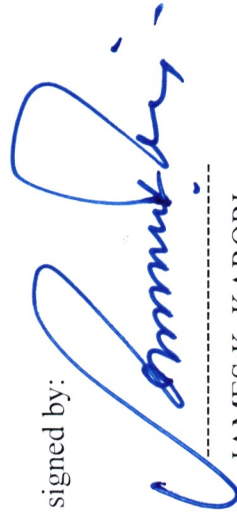
4. RECEIPTS FROM SALE OF NON FINANCIAL ASSETS

Description	Original Estimates	Revised Estimates	Actual	% Realized
Receipts from the Sale of Vehicles and Transport Equipment	0	-	29,311,000	0 %
Total Revenue	0	-	29,311,000	
Balance brought forward			0	
Transfers to the Exchequer account			29,311,000	
Balance carried forward			0	

These revenue statements were approved on 14/1/2022 and signed by:



 DR (ENG) KARANJA KIBICHO, CBS
 Principal Secretary



JAMES K. KARORI
 Deputy Accountant General
 ICPAK Member No.3972

STATE DEPARTMENT FOR INVESTMENT & CITIZEN SERVICES
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5. BANK BALANCES

Name of Bank, Account No. & Currency	Amount in bank Account currency	Exc. Rate (if in foreign currency)	2020 -2021 Kshs.	2019-2020 Kshs.
CENTRAL BANK OF KENYA 1000457422 Kenya Shillings	NIL	N/A	NIL	NIL
CENTRAL BANK OF KENYA 1000387197 Kenya Shillings	NIL	N/A	NIL	NIL
Total			NIL	NIL

Note :

IPRS holds an IPRS Float Deposit Control Account No. 1222933888 at Kenya Commercial Bank (KCB) and as at 30/6/2021 the bank balance was Kshs. 20,687,641.25

5(a) Balance carried forward as at 30th June 2021 and subsequently transferred

Ref.	Amount Kshs.	Date subsequently transferred
	N/A	

6. PAYABLES-DUE TO EXCHEQUER

Payables	2020-2021 Kshs.	2019-2020 Kshs.
Balance b/f at the beginning of the year	0	0
Amounts disbursed to Exchequer during the year	10,547,501,530	2,366,608,613
Balance c/d at the end of the year	0	0
Total	0	0

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7. AGEING ANALYSIS OF REVENUE IN ARREARS.

Description	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
(SGB) Security of Government Buildings	19,201,000	0	85,775,500	161,052,000	266,028,500
(KPS) Nairobi Area	0	0	517,600	0	517,600.00
(KPS) HQS	200,730,297	0	0	0	200,730,297
Certificate Of Good Conduct (DCI)	0	0	0	206,527,800	206,527,800
TOTAL	219,931,297	0	86,293,100	367,579,800	673,804,197

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APPENDIX 2. 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)
1.1	License under-charge at Betting Control and Licensing Board of Kshs. 1,500,000.00	Betting Control and Licensing Board (BCLB) is guided by the Customer Service Charter on Fees to charge for various gaming permits.	Director, BCLB	Resolved	
1.2(a)	Uncollected Revenue for Hire of Security Services rendered to KRA from January 2016 to October 2019 by Security of Government Buildings.(SGB) of Kshs. 143,233,000.00	The amount in question has not been paid to date and the KRA Management has factored the debt for funding request to the National Treasury.	HAU, CIPU	Not resolved	
(b)	Further Nairobi Area Police offered security services to banks in Nairobi Region from July 2018 to June 2019 and no evidence to confirm that the banks paid Kshs. 8,526,033.00	The Nairobi area sub county had an amount of Kshs. 8,008,033.00 and not 8,526,033.00 for Hire of security Services that remained unpaid in the period. The service recipients(Banks) were sent demand letters and are responding well.	HAU, KPS	Not resolved	
(c)	Further Critical Infrastructure Protection Unit (CIPU) offered security services to various Machakos Sub County clients amounting to Kshs. 911,450.00 which has not been paid.	The CIPU Commander and the office of the Director of operations has been following up on the payments and the response is good .	HAU, CIPU	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	Timeframe: (<i>Put a date when you expect the issue to be resolved</i>)
1.3	Collection of Revenue in undesignated Accounts. Examination of records revealed that despite the Principal Secretary's instructions, Kenya Police Service and Security of Government Buildings (SGB) have continued to bank revenue in undesignated Accounts.	All cheques received from clients at Kenya Police Service and Security of Government Buildings are drawn in favour of Inspector General or Commandant respectively, hence the banking in these accounts. The Departments have since been advised to have all cheques drawn in favour of PS. and banking in the designated accounts.	HAU, KPS/CIPU	Resolved	