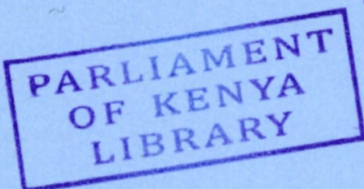


REPUBLIC OF KENYA



**REPORT**




**OF**

**THE AUDITOR-GENERAL**

**ON**

**KENYA REVENUE AUTHORITY STAFF  
MORTGAGE AND CAR LOAN SCHEME**

**FOR THE YEAR ENDED  
30 JUNE, 2025**

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
<b>DATE:</b> 10 MAR 2026	<b>DAY.</b> TUESDAY
<b>TABLED BY:</b>	HON. DWEN BAHIA, MP
<b>CLERK-AT-TABLE:</b>	CHRISTINE NDIRITU



**KENYA REVENUE  
AUTHORITY**

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**KENYA REVENUE AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30TH JUNE 2025**

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

*Tulipe Ushuru, Tujitegemee!*



Kenya Revenue Authority  
Staff Mortgage And Car loan Scheme Financial Statements  
For the Year ended June 30, 2025

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**1. Abbreviations, Acronyms and Glossary of Terms**

**Abbreviations and Acronyms**

FY	Financial Year
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MOU	Memorandum of Understanding
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SRC	Salaries and Remuneration Commission

**Definition of Key Terms**

**Fiduciary Management** - Members of Management directly entrusted with the entity's financial resources.

**Comparative Year**- Means the prior period.

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## **2. Key Entity Information and Management**

### **2.1. Background information**

The Kenya Revenue Authority (KRA) entered into an agreement with Housing Finance Company of Kenya on 9<sup>th</sup> September 1998, Savings and Loan Kenya Limited on 23<sup>rd</sup> April 1999 and with National Bank of Kenya on 2<sup>nd</sup> September 2022 to establish mortgage schemes for KRA staff. The mortgage agreements for Housing Finance and Kenya Commercial Bank were revised on 31<sup>st</sup> August 2022 and on 20<sup>th</sup> July 2020 respectively. Further KRA established a Car Loan scheme for its staff members on 25<sup>th</sup> November 2002 through an agreement with National Bank of Kenya. The agreement was then revised on 12<sup>th</sup> June 2020.

The Kenya Revenue Authority (KRA) Mortgage and Car Loan schemes were established before the Salaries and Remuneration Commission Circular reference No. SRC/ADM/1/13 VOL.III/ (128) of 17<sup>th</sup> December 2014, which set and advised on the establishment of Mortgage and Car Loan Scheme for both state and public officers of the Government of Kenya. The scheme is wholly owned by Kenya Revenue Authority and is domiciled in Kenya. The Authority operationalized the Mortgage and Car Loan Scheme through internal guidelines with the last revision approved on 1<sup>st</sup> July 2023.

### **2.2. Principal activities**

The scheme's principal activity is to offer low-interest loan facilities to staff to construct a house, purchase a property, land purchase, buy and build property improvement and renovation and, take over mortgages acquired at market rate and purchase personal cars.

### **2.3. Key Management**

The Staff Mortgage scheme is currently administered by three banks namely; Kenya Commercial Bank, Housing Finance and National Bank while the Car Loan Fund is currently administered by National Bank. The schemes are administered through memorandums of understanding between the three (3) Banks and the Authority. The Authority, however, has put in place measures and controls to manage the preliminary internal processes and liaises with the Banking Institution to ensure smooth disbursement of the funds to staff who qualify for the loans. The Human Resource Division is responsible for the day-to-day operations.

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## **2.4. Fiduciary Management**

The key management personnel who held office during the financial period ended 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

- Commissioner General	<b>Humphrey Wattanga</b>
- Large and Medium Taxpayer	<b>Rispah Simiyu</b>
- Medium and Small Taxpayers	<b>George Obell</b>
- Customs and Border Control	<b>Lillian Nyawanda</b>
- Shared Services	<b>Nancy Ng'etich</b>
- Investigations and Enforcement	<b>David Yego</b>
- Investigations and Enforcement	<b>Levi Mukhweso</b>
- Business Strategy, Technology and Enterprise Modernization	<b>Alex Mwangi</b>
- Legal and Board Services	<b>Paul Matuku</b>
- Kenya School of Revenue Administration (KESRA)	<b>Fred Mugambi</b>
- Finance and Budgeting Division	<b>Josephat Omondi.</b>
- Human Resource	<b>Emmah Omwenga</b>
- Supply Chain Management Division	<b>Benson Kiruja.</b>

## **2.5. Fiduciary Oversight Arrangements**

### **1. Human Resources Committee**

The Committee:

#### 1.1 Oversees:

- (a) Implementation of Human Resources Instruments as approved by the Board and the relevant Authorities;
- (b) First level interviews for Senior Management and recommend to the Board appropriate Candidates for final interviews;
- (c) Implementation of the Human Resources Annual Work Plan and
- (d) Implementation of the Board of Directors Performance Contract.

#### 1.2 Reviews and recommends to the Board for approval:

- (a) Human Resources policies, Management proposals on changes in the organizational structures as provided for in the KRA Act,
- (b) Mitigation strategies to address potential workforce productivity risks and Board of Directors Performance Contract,
- (c) Quarterly Self-assessments and National Treasury Annual assessments.

#### 1.3 Reviews and recommends to the Board on the status of:

- (a) Human Resources Demographics and Diversity,
- (b) Staff Establishments, Exits and Recruitments,
- (c) Staff Training and Capacity Development,
- (d) Employee Welfare and Discipline Management and Employee Performance Management.

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## **2. Finance, Administration and Procurement Committee**

The Committee:

- 2.1 Reviews and recommends to the Board for approval statutory financial statements prior to submission to statutory bodies.
- 2.2 Receives financial reports for consideration and recommendation to the Board for information or approval.
- 2.3 Provides oversight on:
  - (a) Assets management for optimal utilization;
  - (b) Work environment for improved staff and customer satisfaction;
  - (c) Facilities management for provision and maintenance of good working tools and environment and
  - (d) Security and safety reports to ensure a secure and safe working environment.
- 2.4 Offers oversight on procurement and disposal matters.

## **3. Board Audit Committee**

The Committee:

- 3.1 Provides assurance to the Board regarding the quality and reliability of both financial and operating information.
- 3.2 Receives reports on the audit work plan and activities of both the internal and external auditors.
- 3.3 Reviews the effectiveness of the Internal Audit function, including compliance with Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors.
- 3.4 Reviews the effectiveness of the system monitoring compliance with Laws and Regulations, approved Procedures, Guidelines and Instructions of the Board of Directors and the results of Management's investigation and follow up (including disciplinary action) of any instances of non-compliance.

## **4. Revenue, Strategy and Technology Committee**

The Committee:

- 4.1 Reviews, guides the development and monitor the implementation of corporate Strategic Plan and recommend to the Board for approval.
- 4.2 Monitors implementation of research agenda and innovation outcomes and recommend to the Board for approval.
- 4.3 Reviews and offer guidance on matters related to tax administration and collection of revenue.
- 4.4 Review and provide guidance and oversight on ICT policies and strategies and optimization of ICT in revenue collection and administration.
- 4.5 Advises the Board on the Authority's on the overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment and current risk exposures of the Authority and future risk strategy.

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4.6 Reviews the Authority's overall risk assessment processes that inform the Board's decision making, ensuring both qualitative and quantitative metrics are used and approve the parameters used in these measures and the methodology adopted; the Authority's capability to identify and manage new risk types and reports on any material breaches of risk limits and the adequacy of proposed action.

**2.6. Kenya Revenue Authority Headquarters**

Times Tower Building,  
Haile Selassie Avenue  
P.O. Box 48240-00100, Nairobi, Kenya

**2.7. Contacts**

Telephone: (254) 020-310900, 2810000, 315553  
E-mail: callcentre@kra.go.ke, cic@kra.go.ke  
Website: www.kra.go.ke

**2.8. Fund Bankers**

- i.** Kenya Commercial Bank Limited  
Haile Selassie Branch  
P.O. Box 58992-00200 Nairobi, Kenya
- ii.** Housing Finance Group  
Rehani House,  
P.O. Box 30088-00100 Nairobi, Kenya
- iii.** National Bank of Kenya Limited  
Harambee Avenue Branch  
P.O. Box 41862-00100 Nairobi, Kenya

**2.9. Independent Auditors**

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084,  
GOP 00100,  
Nairobi, Kenya

**2.10. Principal Legal Adviser**

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

### **3. Board of Directors**

#### **1. Anthony Ng'ang'a Mwaura, CBS**



#### **Independent Board Chairman**

Mr. Anthony Ng'ang'a Mwaura is the Chairman of the Board of Directors of Kenya Revenue Authority (KRA). He was appointed as the Chairman of the Board on 17th November, 2022 for a term of three (3) years. His appointment was revoked on 20th December, 2024.

Mr. Mwaura is a dynamic professional with vast experience in Strategy, Vision & Mission Planning; Sales & Marketing Leadership; Profitability & Cost Analysis; Programs, Services & Products Billing; Debt Recovery & Cash Management; Contract Negotiations & Strategic Alliances; Finance, Budgeting & Costs Management; Public Relations & Media Affairs; Policy & Products Development; Government Regulations & Relations; Team Building & Performance Improvement and Human Resources Management. He is an experienced manager, team player and problem-solver with keen attention to customer needs and details.

Mr. Mwaura is an Educationist with vast experience in Managing Learning Institutions. He holds a Bachelor of Education Degree from the Kisii University and a Diploma in Business Management from the Kenya Institute of Management.

**2. Hon. Ndiritu Muriithi**



**Independent Board Chairman**

Hon. Ndiritu Muriithi is the Chairman of the Board of Directors of Kenya Revenue Authority (KRA). He was appointed as the Chairman of the Board on 20th December, 2024 for a term of three (3) years.

Hon. Ndiritu is the Managing Partner of Ecocapp Capital, and Regulatory Affairs Advisor at Metropol Corporation. He has 33 years of professional and leadership experience. He spent 14 years in the private sector, mostly with International Finance Corporation (IFC), working on financial and capital market development, both in Kenya and on the African Continent. Elected Laikipia West MP, 2007-2013, he was appointed Assistant Minister for Industrialization. He served as a Senior Advisor on Audio-Visual & Cinema for Government of Kenya, the Pan African Federation of Filmmakers and the African Union, 2015-2017, before being elected Governor of Laikipia County, 2017-2022.

He was instrumental in the very early development of Lamu Port-South Sudan-Ethiopia Transport (LAPSSET) Corridor program, leading non-deal roadshows to Wall Street, Singapore and South Africa. As Governor, he structured the Laikipia County Infrastructure bond, Nanyuki Bulk Water, Laikipia Beef SPV, as well as County equipment leasing. He leads Ecocapp's public finance practice, currently advising seven counties. Some of his most recent clients include the Malawi Parliament and Sri Lanka Parliament on improving oversight of public debt.

He is the co-convenor of the Africa Credit Rating Conference (<https://creditrating.africa>), that has just concluded in Nairobi at end of October. The second instalment is slated for Cape Town end of May, 2025.

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He has made major contributions to economic thought, policy and leadership development. He has designed, resourced and managed implementation of financial sector improvement programs, economic stimulus initiatives, and provided technical assistance to both private companies and governments. He is a well-known political leader both at sub-national and national level, with demonstrable, proven results creating jobs, increasing incomes and improving peoples' lives.

He has lived, studied and worked in Kenya, Canada, Australia and South Africa. In addition, he has undertaken short-term assignments in Ethiopia, Rwanda, DRC, Tanzania, Uganda, Ghana, Burkina Faso, Mali, Togo, Cote d'Ivoire, Sweden, Switzerland, France, Italy, USA, Singapore, China, India, Malawi and Sri Lanka. A public finance expert, he writes a regular column on economics, for the Saturday Nation and Business Daily.

Hon. Ndiritu is a Public and Private Finance Expert with vast experience in Public Finance Management, resource mobilization, management of public debt, project management, capital market development and leadership. He holds a Masters degree in Project Management from the University of Technology, Sydney – Australia; Executive Management Certification from the Graduate School of Business, University of Cape Town and a Bachelor of Business Administration (Economics and Finance) degree from the St. Francis Xavier University, Canada.

### **3. Ashif Kassam, OGW**



#### **Independent Director**

Mr. Ashif Kassam, OGW is a Member of the Board of Directors of Kenya Revenue Authority (KRA). He was appointed on 12th June, 2023 for a term of three (3) years.

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Mr. Kassam is the Founder and Executive Chairman of RSM Eastern Africa LLP. He is a professional accountant with a wealth of expertise and experience dating back to 1994. He specializes in audit and assurance, transaction advisory, corporate restructuring and family business consulting, helping organizations create and deliver value.

He is the Vice President of the Aga Khan Council for Kenya and Chairman of Jubilee Asset Management Limited. He has been a director of Jubilee Holding Ltd, a member of KEPSA's Governing Council and a Chair of its Finance Sector Board and Tax Taskforce, President of the Entrepreneurs Organization (EO) where he has been a member since 2014, and has served as a Director of Telkom Kenya Limited.

Mr. Kassam has represented Middle East and Africa on the International Audit and Assurance Standards Board (IAASB). He has also been a member on the ICPAK Council and has over twenty-five (25) years of service on various committees including Public Finance, Financial Services and Professional Standards.

He is a fellow member of Institute of Certified Public Accountants of Kenya (ICPAK), a fellow member of Association of Chartered Certified Accountants, UK (ACCA), a practicing member of Institute of Certified Public Accountants of Uganda (ICPAU), a member of the National Board of Accountants and Auditors in Tanzania (NBAA), and a member of Chartered Institute of Arbitrators, UK (MCI Arb).

Mr. Kassam is the Chairperson of the Revenue, Strategy and Technology Committee and a Member of the Kenya Revenue Authority Staff Pension Scheme (KRASPS) Board of Trustees and a Chair of its Investment and Finance Committee.

#### **4. Lydia Rono**



##### **Independent Director**

Ms. Lydia Rono is a Member of the Board of Directors of Kenya Revenue Authority (KRA). She was appointed on 15th December, 2023 for a term ending on 12th January, 2026.

She has a Master of Business Administration (Finance) from the University of Nairobi and a Bachelor of Commerce from Daystar University. She is also a Certified Executive Leadership Coach and has earned multiple certifications in banking, finance, and leadership.

Professional affiliations include memberships in Kenya Institute of Bankers and Kenya institute of Directors.

Ms. Lydia Rono is a seasoned executive with over thirty (30) years of extensive experience in the banking industry, specializing in corporate and institutional banking. She currently holds the position of Group Director, Corporate & Institutional Banking Division, at Co-operative Bank of Kenya, where she leads multiple departments including Corporate Banking, Mortgage Finance, and E-commerce, overseeing a team of over one hundred (100) professionals.

Her career is marked by her strategic leadership in enhancing operational efficiencies, increasing deposits, and spearheading sales strategies that significantly grow the bank's asset base. Her tenure as Group Director of Operations saw her leading two hundred and fifty (250) staff, digitizing operations, and maintaining strict compliance with regulatory standards. Her governance roles are equally notable.

As a Board Member and Chairperson at the Kenya Revenue Authority's Finance, Administration and Procurement Committee, she oversees governance, operational efficiency, and strategic policy implementations. She also holds significant trustee and board member roles in several Real Estate Investment Trusts and CIC Insurance Group, guiding financial and investment strategies to bolster organizational growth.

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With a deep-rooted passion for leadership and development, Lydia is recognized for her ability to inspire teams, implement comprehensive strategies, and drive significant business advancements, making her a pivotal asset to the financial sector.

**5. Hadi Sheikh Abdullahi**



**Independent Director**

Mr. Hadi Sheikh Abdullahi is a Member of the Board of Directors of Kenya Revenue Authority (KRA). He was appointed on 15th December, 2023 for a term ending on 12th January, 2026.

He holds a Bachelor of Arts Degree (Economics and Sociology) from Egerton University-Njoro, a Master of Business Administration Degree from Moi University – Eldoret and a post graduate diploma in Tax from the Kenya School of Revenue Administration (KeSRA). Furthermore, he has extensive knowledge in Tax Laws and is an expert in International/Regional Trade and Customs.

Currently, Mr. Hadi Sheikh Abdullahi is the Lead Consultant, Westminster Consulting Limited. Prior to this position, he worked at the Kenya Revenue Authority from 1996 upto 2020 rising through the ranks to the position of Chief Manager –Customs and International Tax Policy.

At Westminster Consulting Limited, he has advocated for trade issues pertaining to regional integration; provided his expert opinion on trade remedies, trade investment schemes (Export Promotion Zones, Special Economic Zones) including guidance on mode of operationalizing SEZs; trade policy and advisory on scenario planning including analysis of fiscal; non-fiscal measures and impacts on the Harmonised Commodity Coding System (HS codes), rules of origin criteria, business trend analysis, and cross border trade, amongst others.

He is the Chairperson of the Board Audit Committee and a Member of the Human Resources Committee and the Revenue, Strategy and Technology Committee.

**6. Richard Boro Ndung'u**



**Independent Director**

Mr. Richard Boro Ndung'u is a Member of the Board of Directors of the Kenya Revenue Authority (KRA). He was appointed on 15th December, 2023 for a term ending on 12th January, 2026.

He holds a Bachelor of Commerce (Accounting Option) (Honours) from the University of Nairobi.

Mr. Richard Boro Ndung'u currently serves on various private boards and in family-owned enterprises. He is also a Certified Executive Leadership Coach (CELC), and a member of the International Coaching Federation (ICF) Kenya Chapter and has successfully undergone corporate governance and leadership training undertaken by the Centre for Corporate Governance (CCG). He has previously served as the first Kenyan Chief Executive Officer & Senior Partner of KPMG Kenya & East Africa and the Head of Tax at KPMG Kenya & East Africa.

Through his then membership of the Council of the Institute of Certified Public Accountants of Kenya (ICPAK), he served as a Founder Director in the previous Kenya Anti-Corruption Commission (KACC) Advisory Board, which subsequently gave way to the current Ethics and Anti-Corruption Commission (EACC), and he also served on the Board of the then Kenya College of Accountancy, and became one of the Founding Trustees that oversaw its transition and transformation into the current KCA University.

During his long career in Tax which began in 1989, he witnessed and actively participated in some of the momentous changes that have shaped Kenya's fiscal policy, legislation, regulation, and administration, including the celebrated establishment of the KRA itself in 1995.

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Mr. Richard Boro Ndung'u was awarded a Fellowship of ICPAK for his committed and distinguished service to Kenya, ICPAK and to the accountancy profession.

He is the Chairperson of the Human Resources Committee and a member of the Board Audit Committee.

**7. Amolo Ng'weno**



**Independent Director**

Ms. Amolo Ng'weno is a Member of the Board of Directors of Kenya Revenue Authority (KRA). She was appointed on 15th December, 2023 for a term ending on 12th January, 2026. She resigned from her appointment in October, 2024.

She holds a Bachelor of Arts Degree (Psychology and Social Relations) from Harvard University, Cambridge, Massachusetts (USA) and a Master of Public Administration, Economics and Public Policy from the Princeton University, Princeton, New Jersey (USA). Furthermore, she has extensive experience in public, private and philanthropic sectors, specialist in innovation and technology entrepreneurship.

Currently, she is the Chief Executive Officer, BFA Global (Nairobi, Kenya and Boston, Massachusetts) since 2018, which specializes in financial and technical innovation for a more equitable and sustainable world. Prior to becoming the Chief Executive Officer of BFA Global, she was the East Africa Regional Director from 2015 to 2017.

Ms. Amolo Ng'weno has previously held the positions of Managing Director - Digital Divide Data Kenya Limited (Kenya, Tanzania and South Africa 2011-2015), Deputy Director - Financial Services for The Poor, Bill & Melinda Gates Foundation (Seattle, USA 2006-2011), Co-Founder and Board Director - Biashara.Biz Limited (Kenya 2001-2007), Chief Operations Officer - Trust for African Rock Art (Kenya 2004-2006), Co-Founder - Africa Online (Kenya

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and Cote d'Ivoire 1991-2001) and as an Economist for the World Bank (Washington DC, USA 1991-1995).

She serves as the Board Chair of GoSoft Integrated Services and has previously served as a Board member, GSMA Mobile for Development Foundation; Chair, Management Committee, Guide Center (Nairobi) of Georgetown University; Trustee, National Environmental Trust Fund and Board member of the Zimele Asset Management Company Limited.

Ms. Amolo Ng'weno has authored several publications on inclusive finance and the lives of low income people, pioneering mobile money service (M-PESA) and savings groups in Kenya.

She was the Chairperson of the Kenya Revenue Authority Staff Pension Scheme (KRASPS) Board of Trustees and a Member of the Revenue, Strategy and Technology Committee.

### **8. Humphrey Mulongo Wattanga**



#### **Commissioner General**

Mr. Humphrey Wattanga was appointed the Commissioner General of Kenya Revenue Authority (KRA) on 22nd August 2023. Prior to his appointment, he was the Managing Director of Meghraj Capital Group, the investment banking advisory arm of the Meghraj Group and an international firm founded by Meghji Pethraj Shah (MP Shah). In this role, he provided strategic leadership on mergers, acquisitions, partnerships and joint ventures, equity and debt raising and cross-border investments for markets in East Africa, India and Japan. Before joining Meghraj Group, Mr. Wattanga served a six-year term as Commissioner and Vice Chair of the Commission on Revenue Allocation (CRA) until December 2022.

Mr. Wattanga is a corporate finance professional with over 20 years of international experience in mobilizing capital and structuring financial transactions in the public and private sectors. He has also been keen on application of technology to increase efficiency in organisations. Mr. Wattanga began his career in the United States, working for the largest

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telecommunications company (AT&T) before relocating to South Africa for a decade as a Senior Partner of AFCORP Investments limited, a specialist corporate finance and transaction advisory firm undertaking and structuring capital raising transactions across the continent.

Mr. Wattanga played a key role in the conceptualization, design, development and implementation of a groundbreaking mobile gateway platform that linked Kenya's mobile money platforms to the Nairobi Securities Exchange, which was used to launch the M-Akiba bond. At CRA, he led the performance review of numerous county revenue collection systems and guided a multi-agency effort to specify and develop a Single Integrated County Revenue Management System. Mr. Wattanga has served as a member of the investment committee of Kenya Climate Ventures (KCV), a pioneering climate-smart investment platform that supports small and medium-sized enterprises. He is a Platinum member of the Kenya Institute of Bankers.

Mr. Wattanga holds a Master of Business Administration in Information Systems Strategy and Economics from the Wharton School of Business (University of Pennsylvania) and is an alumnus of Harvard University where he graduated cum laude with a Bachelors in Biochemical Sciences.

**9. Hon Dorcas Agik Oduor, SC, OGW, EBS.**

**Attorney General**



Hon. Dorcas A. Oduor, is the Attorney General of the Republic of Kenya.

Before her appointment, she had an extensive career in public serving in the Office of Secretary Public Prosecution.

She attained her Bachelor of Laws (LLB) degree from the University of Nairobi and holds a post graduate Diploma in Law from the Kenya School of Law. She also holds a Masters of Arts Degree in International Conflict Management from the University of Nairobi.

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She is an advocate of the High Court of Kenya with over thirty (30) years' experience in legal practice and a member of the Senior Counsel and Bar Advocate.

She previously served in the office of The Director of Public Prosecution in the capacity of Secretary Public Prosecutions. Before then she served as the Deputy Director Public Prosecution –Head of Economic, International and Emerging Crimes Department.

She has also served in various Presidential assignments including; Commission of Inquiry Taskforces and Tribunal established to investigate the conduct of Judges.

**10. Mr. Waigi Kamau**

**Alternate Director to the Attorney General**



Mr. Waigi Kamau is a Chief State Counsel, currently heading the Commercial, Tax and Arbitration Section in the Office of the Attorney-General.

He holds a Bachelor of Arts in Economics (Honours) degree, a Bachelor of Laws (LLB) Degree and a Post Graduate Diploma in Law from the Kenya School of Law. He is an advocate of the High Court of Kenya in good standing with over twenty-two years post admission experience. He is a member of the Chartered Institute of Arbitrators and is also a Certified Public Secretary (CPS-K).

He has previously served as Regional Head – Office of the Attorney-General (Coast Region). He also served as Deputy Head - Host Country and Consular Affairs, Ministry of Foreign Affairs.

He has vast experience in varied areas of Law including Commercial law, employment law, administrative law, tax law, constitutional law, land law, tortious claims and environmental law acquired in his many years of active practice before both local and international courts and tribunals.

**11. Hon. Shadrack J. Mose, CBS**

**Alternate Director to the Attorney General**



Hon. Shadrack J. Mose CBS, is the current Solicitor General of the Republic of Kenya, having assumed Office on 20th March, 2023.

He is the chief assistant to the Honourable the Attorney-General, in the performance of the Attorney-General's duties as the principal legal advisor to the Government. Further, he is responsible for organising, co-ordinating and managing the administrative and legal functions of the Office; supervising all court cases; and overseeing the formulation and implementation of development strategies for Government Legal Services.

Hon. Mose is an Advocate of the High Court of Kenya with over thirty three years' experience in legal practice. He holds a Bachelor of Laws (LL.B) degree from the University of Nairobi and a Post-Graduate Diploma in Law from the Kenya School of Law.

In the course of his legal career, he has engaged in various areas of practice, including complex commercial transactions and dispute resolution. His devotion to justice and commitment to providing quality representation to every client has also seen him actively engage in public interest litigation in various matters over the years.

Furthermore, he is a dedicated public servant who served as the Member of the National Assembly for Kitutu Masaba Constituency in the 12th Parliament of Kenya, between the years 2017 and 2022. As a Member of the National Assembly, he served as a member of the House Business Committee and the Departmental Committee on Transport, Infrastructure, Public Works, Housing, Urban Development, Shipping and Maritime.

**12. Mr. Lawrence Kibet, Ebs**

**Alternate Director to the Principal Secretary, The National Treasury**



Mr Lawrence Kibet, EBS was appointed to the KRA Board of Directors on 31st July, 2023 as the alternate to the Principal Secretary – The National Treasury.

He is currently the Director General, Public Investments and Portfolio Management. Prior to joining the National Treasury, he was the Chief Executive Officer of Image Registrars Limited. He is a seasoned professional with strong and successful experience in General Management, Commercial and Business Strategy, Accounting and Finance Management, Corporate Governance, Capital Raising, Commercial Law Practice, Project Management and Innovation Management.

His overall exposure cuts across several sectors-including Finance and Banking, Energy and Petroleum, Telecommunications and Technology, Logistics, Consumer Products, Banking, Agriculture, Mining, Manufacturing, and Commercial services-and in numerous markets across Africa.

Mr Kibet holds a Bachelor of Commerce Degree (Finance Option), Masters of Business Administration (MBA), Bachelor of Laws Degree (LLB) all from the University of Nairobi. He is a Master's Degree finalist in Public Policy and Management (MPPM) from Strathmore University with an exposure to the international module from New York University, Wagner School of Public Service.

He is a Member of Institute of Certified Public Accountants of Kenya (ICPAK), Certified Public Secretaries of Kenya (ICPSK), Member of the Law Society of Kenya (LSK) and Member of Investor Relations Society (UK).

His current responsibility at the National Treasury, entails coordinating, managing and providing leadership in Government investments and public enterprises, assets and liabilities in Government, public investment management and Government pensions.

#### **4. Management Team**

**1. Mr. Humphrey Mulongo Wattanga - Commissioner General**



Mr. Humphrey Wattanga was appointed the Commissioner General of Kenya Revenue Authority (KRA) on 22nd August 2023. Prior to his appointment, he was the Managing Director of Meghraj Capital Group, the investment banking advisory arm of the Meghraj Group and an international firm founded by Meghji Pethraj Shah (MP Shah). In this role, he provided strategic leadership on mergers, acquisitions, partnerships and joint ventures, equity and debt raising and cross-border investments for markets in East Africa, India and Japan. Before joining Meghraj Group, Mr. Wattanga served a six-year term as Commissioner and Vice Chair of the Commission on Revenue Allocation (CRA) until December 2022.

Mr. Wattanga is a corporate finance professional with over 20 years of international experience in mobilizing capital and structuring financial transactions in the public and private sectors. He has also been keen on application of technology to increase efficiency in organisations. Mr. Wattanga began his career in the United States, working for the largest telecommunications company (AT&T) before relocating to South Africa for a decade as a Senior Partner of AFCORP Investments limited, a specialist corporate finance and transaction advisory firm undertaking and structuring capital raising transactions across the continent.

Mr. Wattanga played a key role in the conceptualization, design, development and implementation of a groundbreaking mobile gateway platform that linked Kenya's mobile money platforms to the Nairobi Securities Exchange, which was used to launch the M-Akiba bond. At CRA, he led the performance review of numerous county revenue collection systems and guided a multi-agency effort to specify and develop a Single Integrated County Revenue Management System. Mr. Wattanga has served as a member of the investment committee of Kenya Climate Ventures (KCV), a pioneering climate-smart investment platform that

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supports small and medium-sized enterprises. He is a Platinum member of the Kenya Institute of Bankers.

Mr. Wattanga holds a Master of Business Administration in Information Systems Strategy and Economics from the Wharton School of Business (University of Pennsylvania) and is an alumnus of Harvard University where he graduated cum laude with a Bachelors in Biochemical Sciences.

**2. FCCA CS Rispah Simiyu (Mrs) Advocate, EBS - Commissioner, Large and Medium Taxpayers**



Mrs. Rispah Simiyu was appointed Commissioner of Domestic Taxes with effect from 22nd October, 2020. Upon review of the Kenya Revenue Authority Organizational Structure, she is now the Commissioner of Large and Medium Taxpayers.

Prior to her appointment as Commissioner of Domestic Taxes, she served as the Deputy Commissioner in charge of the Tax Dispute Resolution Division.

She holds a Master of Laws degree with a bias in International Trade and Investment from the University of Nairobi, a Bachelor of Laws degree from the University of Dar-es-Salaam and a post-graduate Diploma in Law from Kenya School of Law. She has practiced and consulted on tax matters in Kenya, Tanzania and Uganda. She is a Fellow Chartered and Certified Accountant (FCCA), a member of the Law Society of Kenya, an Advocate of the High Court of Kenya, Notary Public, Commissioner for Oaths, Certified Public Secretary, a Certified Mediator (MTI) and a graduate of Strathmore University's Advanced Management Programme.

Mrs. Rispah Simiyu is a seasoned and grounded tax professional with over 23 years of experience. Before joining KRA in April 2018, she served as the Standard Chartered Bank Regional Tax Manager East Africa, where she also covered Transfer Pricing assignments in

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Africa, Middle East and Pakistan. While at the Bank, she served as a member of the Kenya Bankers Association (KBA) Finance and Audit Committee, and specifically as the Chairperson of the Tax Sub-Committee. She began her career at PricewaterhouseCoopers (PwC) in 2001.

She is a member of the Law Society of Kenya, Institute of Certified Public Accountants and Institute of Certified Secretaries.

**3. Dr. Lillian Anyango Nyawanda - Commissioner, Customs and Border Control**



Dr. Lillian Anyango Nyawanda was appointed Commissioner, Customs & Border Control effective 15th April, 2021.

She re-joined the Kenya Revenue Authority in October, 2023 as Commissioner, Customs and Border Control Department (a position she previously held between April, 2021 and February, 2023), after a seven (7) month secondment to the National Treasury and Economic Planning Ministry, as an adviser to the Principal Secretary.

She holds a Bachelor of Commerce (Finance) degree from the University of Nairobi, Master of Business Administration (Strategic Management) degree from United States International University, a Master of Philosophy (Public Policy) degree from Walden University and a Doctor of Philosophy degree in Public Policy & Administration from Walden University.

Dr. Nyawanda has a broad wealth of experience in Customs and International Trade, within the East African Region and the African continent at large. She also has extensive experience in policy and legislation, having been part of various legislative reviews and changes. She has gained her experience from the public and private sectors as well as the academia.

During her tenure as the Commissioner, she led the Department in registering unprecedented revenue performance and spearheaded the advancement of technology in Customs, through

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roll-out and integration of Customs systems. She further oversaw the tightening of controls around Kenyan borders by strengthening the enforcement function, leading efforts to open additional border points as well as establishment of Inland Border Control Check points, to curb smuggling and illicit trade.

She is a high performer who started off her career in tax at KRA in 2003 as a graduate trainee. In 2009, she moved to Deloitte as a Senior Consultant for Customs and International Trade. Subsequently, she worked at EABL in various roles until 2019 when she moved to the Diageo Centre of Excellence to oversee customs governance, risk management and international trade operations across Africa.

She is a member of the National Society of Leadership and Success and a Member of the International Public Policy Association (IPPA). She was recently awarded a Lifetime Membership by the Golden Key International Honor Society.

#### **4. CS Paul Muema Matuku, EBS - Commissioner, Legal and Board Services**



Mr. Paul Muema Matuku was appointed Commissioner, Legal Services and Board Coordination on 15th May, 2019 and re-appointed on 15th May, 2024. Upon review of the Kenya Revenue Authority Organizational Structure, he is now the Commissioner of Legal and Board Services.

He is a holder of a Bachelors Degree in Law (LLB) from the University of Nairobi and a Post Graduate Diploma in Law from the Kenya School of Law. He is a Fellow of the University of Sydney, Graduate School of Government: Extractive Industries: Effective Governance, Taxation and Financial Management.

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He is a beneficiary of the Strategic Leadership Programme at the Kenya School of Government and alumni of Strathmore Business School – Advanced Management Program (Executive MBA equivalent). He is also a graduate of Kenya Revenue Authority Training Institute (KRATI), now Kenya School of Revenue Administration (KESRA) where in trained on Tax & Customs Administration. He is an Advocate of the High Court of Kenya, Notary Public and Commissioner for Oaths and a Certified Public Secretary.

Mr. Paul Muema Matuku joined the Kenya Revenue Authority in 1996 as a Graduate Trainee and rose through the ranks to be a Commissioner.

He has been instrumental in the development and management of dispute resolution mechanisms in KRA having overseen the take-over of the defense of KRA tax disputes cases from the Attorney General in the year 2000 and the development and roll out of a more robust Alternative Dispute Resolution mechanism in the year 2015. He also contributed to the promulgation of the National Energy Policy, 2018; Petroleum Act, 2019 and the Model Production Sharing Contract.

Mr. Paul Muema Matuku is the Secretary to the Kenya Revenue Authority Board.

He is a member of the Law Society of Kenya, the East African Law Society and the Institute of Certified Secretaries, Kenya.

**5. Mr. David Yego - Commissioner, Investigations and Enforcement**



Mr. David K. S. Yego, was appointed Commissioner, Investigations, Enforcement, Intelligence and Strategic Operations Department on 23rd February, 2023 until the expiry of his Contract of Service on 22nd March, 2025. He has previously served as Commissioner, Investigations & Enforcement Department and Commissioner, Regional Coordination.

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He is a holder of a Master's Degree in Business Administration (MBA) from the University of Nairobi and a Bachelor's Degree in Mathematics and Economics from Kenyatta University. He is also a Certified Public Accountant of Kenya (ICPAK).

Mr. David K. S. Yego joined the Kenya Revenue Authority in 1996 as a Graduate Trainee and rose through the ranks to be a Commissioner.

He has over fifteen (15) years' experience in senior management with roles in various Departments within the Kenya Revenue Authority with stint in the Internal Audit Division, Customs and Border Control Department and Commissioner General's office. He is instrumental in setting up the Intelligence Unit currently in the Office of the Commissioner General as well as the Prosecution Unit within the Investigations and Enforcement Department in alignment with the 10 OECD Global principles to ensure tax offenses are criminalised.

Mr. David K. S. Yego is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

**6. Mr. Levi Mukhweso - Acting Commissioner, Investigations and Enforcement**



Mr. Levi Mukhweso was appointed Acting Commissioner, Investigations & Enforcement Department on the 24th March, 2025. Prior to his appointment, he served as Deputy Commissioner of Investigations.

He holds a Master's degree in Business Administration from the University of Nairobi, a Master's in Economics, and a Bachelor's degree in Economics from Shivaji University, India. He is pursuing a PhD in Global/Strategic Business Management at The Presbyterian University of East Africa (PUEA).

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Mr. Levi Mukhweso joined the Authority in 1994 from the private sector and has grown through the ranks in Kenya Revenue Authority from a tax assessor trainee to the current position of Ag. Commissioner of the Investigations and Enforcement Department.

He is a well-versed tax professional with over thirty (30) years of experience in the Kenya Revenue Authority, having served in various senior management roles. He has had a stint in the Investigations and Enforcement Department as a Chief Manager in both customs and domestic tax Investigations, the Kenya School of Revenue Administration (KESRA) Mombasa and Nairobi Campuses as the Chief Manager/Principal, Domestic Taxes Department as Senior Assistant Commissioner Policy and Strategy (Real Estate), Support Services Department as Senior Assistant Commissioner, Quality Management Programme (QMP) and Senior Assistant Commissioner, Projects Office and the Large Taxpayer Department as Assistant Commissioner, Audit.

Mr. Mukhweso has served as Council Member of the Agricultural Society of Kenya (ASK), Trustee of the Professional Trainers Association of Kenya (PTAK), Trainer, Accredited trainer for the Centre for Parliamentary Studies and Training (CPST), and the Eastern and Southern African Management Institute (ESAMI), Auditor, Lead Auditor, Lecturer, and Chairman to several Sub-Committees in various Boards including Nairobi International Trade Fair where he served as Chairman in various Sub-committees and currently he is the Chief Steward (Deputy Chairman) Nairobi International Trade Fair. He is a long-serving member of the Impala Club Disciplinary Committee.

He steered the Kenya Revenue Authority to achieve the coveted ISO 9001:2000 Certification. He pioneered and significantly contributed to setting up the Large Taxpayers Office (LTO), the Regional Audit Centres (RAC), the Compliance and Verifications Unit in VAT, and the Real Estate Office.

Mr. Mukhweso is an Associate Member of the Association of Certified Fraud Examiners (ACFE), a Member of the International Register of Certification Auditors (IRCA), a Member of APMG – International PM4 (Project Management), a Member of the Professional Trainers Association of Kenya and a life governor of the Agricultural Society of Kenya (ASK).

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**7. Mr. George Obell, MBS - Acting Commissioner, Medium and Small Taxpayers**



Mr. George Obell was appointed Acting Commissioner, Micro and Small Taxpayers on 20th February, 2025. Prior to this, he served as the Deputy Commissioner for the Medium Taxpayers Office (MTO) from November, 2020.

Before his tenure in the MTO, Mr. Obell held key leadership roles within KRA, including Deputy Commissioner for the East and South of Nairobi Tax Service Office (May 2019 - October 2020) and Deputy Commissioner for the Large Taxpayers Office (June 2018 - April 2019). Joining KRA in 1996, he has steadily advanced through the ranks, bringing a wealth of experience and expertise to his current leadership role.

In addition to his role at KRA, Mr. Obell has earned recognition in the international tax arena. He currently serves as the Chair of the Value Added Tax (VAT) Technical Committee for the African Tax Administration Forum (ATAF) and previously chaired the Cross-Border Taxation Committee. His expertise has also been recognized globally, having been appointed by the UN Secretary-General as a member of the United Nations Committee of Experts on International Cooperation in Tax Matters. In this capacity, he contributed to the development of international frameworks for tax cooperation.

Mr. Obell is a seasoned expert with over 28 years' experience in various aspects of taxation, including strategy, policy development, and international tax compliance. His areas of expertise encompass digital taxation, transfer pricing, Base Erosion and Profit Shifting (BEPS), tax audits, and the Exchange of Information (EoI) for tax matters.

He holds a Master of Business Administration (MBA) and a Bachelor of Laws (LL.B.) from the University of Nairobi, as well as a Bachelor of Science in Accounting from the United

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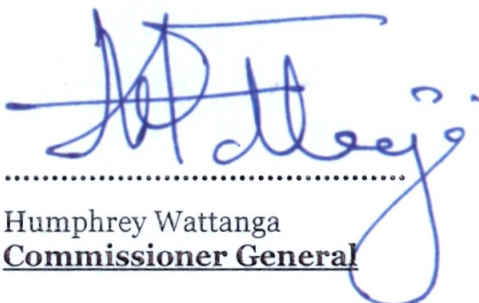
**5. Commissioner Generals Statement**

The Authority appreciates the National Treasury's support in establishing the Staff Mortgage and Car Loan scheme. The staff mortgage scheme has been in operation since 9<sup>th</sup> September 1998 - Housing Finance Company of Kenya, 23<sup>rd</sup> April 1999 - Savings and Loan Kenya Limited(Kenya Commercial Bank) and 2<sup>nd</sup> September 2020 - National Bank of Kenya. The staff car loan scheme has been in operation since 25<sup>th</sup> November 2002 and is administered by the National Bank of Kenya. This initiative aligns with the Government's objective of enhancing housing access and plays a crucial role in attracting and retaining skilled professionals in the Public Service. By offering competitive benefits, the Scheme helps Kenya Revenue Authority to compete effectively with the Private Sector in securing top talent.

Kenya Revenue Authority developed its staff Mortgage Scheme in partnership with Housing Finance Group, Kenya Commercial Bank and National Bank of Kenya, and its staff Car loan Scheme in partnership with National Bank of Kenya through memorandums of understanding. To ensure smooth disbursement of funds to eligible staff. The Authority, through its Human Resources Division, manages the internal processes in liaison with the three (3) banks.

The Scheme is cash-backed, meaning the Authority has deposited funds with the banks to facilitate the management and disbursement of loans to staff. For the year ended June 30, 2025, the Mortgage and Car Loan Scheme had a balance of **Kshs.3,147 million**.

The Authority hereby submits the annual report for the year ending June 30, 2025, which displays the financial condition of the scheme.



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Humphrey Wattanga  
**Commissioner General**

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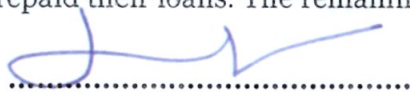
**6. Report of the scheme Administrator**

Prior to the Salaries and Remuneration Commission Circular reference No. SRC/ADM/1/13 VOL.III/ (128) of 17<sup>th</sup> December 2014 which amended the Mortgage and Car loan scheme rate to 3% , the scheme earned interest income on all unutilised funds in the account and on all the outstanding loans as stipulated in the agreements with the three banks. The staff loans were being charged at 7% interest per annum from inception until 30<sup>th</sup> March 2015 out of which the banks earned 5% as cost for administration of the schemes and 2% to the Authority. From 1<sup>st</sup> April 2015 to 28<sup>th</sup> February 2020, the staff loans were being charged at 5% interest per annum out of which the banks earned 3% as cost for administration of the schemes and 2% to the Authority. From, 1<sup>st</sup> March 2020 the staff loans were being charged at 3% interest per annum out of which the banks earned 3% as cost for administration of the schemes and the Authority forfeited its interest income.

The Authority mortgage was established on; 9th September 1998 with Housing Finance Company of Kenya on 23rd April 1999 with Savings and Loan Kenya Limited (Kenya Commercial Bank) on and 2nd September 2020 with National Bank of Kenya. The Car Loan scheme was established on 25th November 2002 with the National Bank of Kenya.

From the FY 2020/2021 a total of **381 employees** have benefited from the two schemes, 289 employees from the Mortgage Scheme and 92 employees from the Car Loan Scheme. The Mortgage and Car loan disbursements from the Financial Year 2020/2021 to 30<sup>th</sup> June, 2025 amounted to **Kshs.1,995 million** and **Kshs.185 million**, respectively. In the year, ended June 30, 2025, **86 employees** have been granted loans under both the Mortgage and Car loan Schemes, totalling to **Kshs.399 million (Table 2)**.

The staff who have benefited from the Mortgage or Car Loan scheme have been diligently repaying their loans through monthly deductions via the payroll. Out of the **381** staff who have benefited from the scheme since the FY 2020/2021, **15** staff have exited the Authority. The **15** staff who have left the Authority have continued to honour their loan repayments without fail. Notably, **2** former staff members out of the **15** former staff members have fully repaid their loans. The remaining **13** former staff members continue to repaying their loans.

  
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**Dr. Emmah Omwenga**  
**Deputy Commissioner - Human Resource**

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States International University-Africa (USIU-Africa). Additionally, he is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

**8. Dr. Fred Mugambi Mwirigi - Commissioner, Kenya School of Revenue Administration**



Dr. Mugambi Mwirigi was appointed as Head of the Kenya School of Revenue Administration (KESRA) with effect from 15th May, 2019 and re-appointed on 15th May, 2024. He has previously served as the Deputy Commissioner in charge of Academic and Students Affairs at KESRA.

He holds a PhD. in Entrepreneurship, a Master of Science degree in Entrepreneurship, a Bachelor of Business Administration (1st class honors) degree and a Diploma in Small Enterprise Management attained from Galilee International Management College, Israel. He is also a graduate of the Advanced Management Program from Strathmore University. Dr. Mugambi has also been trained in various areas in South Africa, China and Bangladesh.

Prior to joining KRA, Dr. Mugambi was the founding Director of the Mombasa Campus of The Jomo Kenyatta University of Agriculture and Technology (JKUAT) where he was the Director for 7 years. Overall, he taught at JKUAT for 11 years and rose to the level of Senior Lecturer. While at JKUAT he was also the Chairman of the Nairobi Industrial Park the initiative that gave rise to a bid by the University to assemble laptops for the government. Prior to joining JKUAT he taught at Kenya Methodist University and also worked at Kenindia Assurance Company.

He sits in various boards and committees. He currently sits on the African Tax Administration Forum (ATAF), Advisory Board of the African tax Research Network (ATRN). He has in the past served as the chairman of the Board Recruitment Committee for the Technical and Vocational Education and Training Authority (TVETA) under the Ministry of Education. Dr.

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Mugambi is also a member of Rotary International where he is involved in various philanthropic activities.

In the past, Dr. Mugambi has conducted Consultancy and training tasks for many national and international organizations including JICA, Ministry of Industrialization, Consumer International, FAULU Kenya, East African Breweries Limited, GIZ, Adam Smith International, Kenya Education Staff Institute, Kenya Coconut Development Authority and Githunguri Dairy Farmers Cooperative Society, among others in 6 countries.

**9. Nancy Ng'etich, MBS - Acting Commissioner, Shared Services**



Ms. Nancy Ng'etich was appointed Acting Commissioner, Corporate Support Services on 23rd February, 2023. Upon review of the Kenya Revenue Authority Organizational Structure, she is now the Commissioner of Shared Services.

She holds a Master's Degree in Business Administration, Strategic Management from Kenyatta University, a Bachelor's degree in Law from Moi University, postgraduate Diploma in Law from the Kenya School of Law, Senior Leadership training from Commonwealth Administration of Tax Administration (CATA) and Strathmore Business School (SBS).

Ms. Nancy Ng'etich joined Kenya Revenue Authority as a Graduate Trainee and has risen through the ranks to the position of Deputy Commissioner in Customs and Border Control. She has also served at Ernest & Young LLP as a Senior Manager Customs and Tax Advisory consulting.

She is a legal tax administrator in International Global Trade and Customs Laws. She has been instrumental in the Customs Reforms & Modernization Agenda, Process Re-engineering, Border Coordination Management, Implementation of One Stop Border Posts and Operationalization of Authorized Economic Operator. While at Customs and Border Control,

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she represented the Department at the National Treasury as a Customs Tax expert in the National Budget making process, Policy formulation and implementation of tax laws and fiscal measures.

Regionally, she was the Kenya Customs representative in the National Working Group involved in the formulation of the African Continental Free Trade Agreement Protocol on Trade in Goods, Intellectual property rights, Competition Policy and Rules and Procedures on the Settlement of Disputes. She has also been the Customs team lead at the East African Community (EAC) level in the formulation and implementation of the EAC Customs laws and Regulations.

Ms. Nancy Ng'etich is an Advocate of the High Court of Kenya and a member of the Law Society of Kenya, the Institute of Certified Public Secretaries and the Kenya Institute of Management.

**10. Mr. Alex Mwangi - Acting Commissioner, Business Strategy, Technology and Enterprise Modernization**



Mr. Alex Mwangi was appointed Acting Commissioner, Strategy, Innovation and Risk Management on 4th September, 2023. Upon review of the Kenya Revenue Authority Organizational Structure, he is now the Commissioner of Business Strategy, Technology and Enterprise Modernization.

He holds a Bachelor's degree in Statistics from University of Nairobi and a Master's degree in Statistics from the same University. He has attended various local and international training programmes including Tax Policy and Administration at the National Tax College in Japan.

Mr. Alex Mwangi joined Kenya Revenue Authority on 14th January 2002 as a Graduate Trainee and has risen through the ranks to the position of Deputy Commissioner, Research, Knowledge Management and Corporate Planning.

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Regionally, he has represented the Authority in international engagements including East African Revenue Authorities Technical Committee; development of African Tax Outlook by African Tax Administration Forum; Revenue Statistics in African by OECD; International Survey on Revenue Administration (ISORA); by International Monetary Fund (IMF) and formulation of Medium Term Revenue Strategy for Kenya.

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**7. Review of Kenya Regulatory & Non-Commercial Enterprises Performance for FY 2024/25**

**a) Statement of Performance against Pre-Determined Objectives**

KRA has four balanced scorecard perspectives and four strategic goals within its strategic plan for the period 2024/25 to 2028/29. These strategic perspectives are: Revenue, People, Customer, and Business process.

KRA develops Annual Work Plans based on the above four perspectives. Assessment of the Board's performance against its annual work plan is done quarterly by perspective. KRA achieved most of its performance targets set for the FY 2024/25 period for its four strategic perspectives as indicated in Table 1.

**Table 1: Strategic Achievements in FY 2024-2025**

Strategic pillar/perspective	Strategic Objective	Performance Indicator	Target FY 2024/25	Achievement 2024/25	Remarks
Revenue	Enhance tax and customs compliance	Total Revenue collected (Kshs. Bn)	2,555.1	2,571.5	<ul style="list-style-type: none"> <li>• Total Revenue performance of 100.6%</li> <li>• Exchequer collection of Kshs. 2,323bn against a target of Kshs. 2,347bn (99% performance)</li> <li>• Agency Revenue collection of Kshs.248.3bn against a target of Kshs.207.8bn (119.5% performance)</li> </ul>

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		On-time filing rate	84	81	<ul style="list-style-type: none"> <li>• 96.4% performance</li> <li>• 81% of taxpayers who were expected to file returns by the due dates</li> </ul>
		On-time payment rate	75	81	<ul style="list-style-type: none"> <li>• 108% performance</li> <li>• 81% of taxpayers who were expected to pay taxes paid by the due dates</li> </ul>
	Tax Base Expansion	Number of active taxpayers (Mn)	10.37	10.56	<ul style="list-style-type: none"> <li>• 101.8% performance</li> <li>• Active taxpayers are the ones who pay and/or file returns</li> </ul>
Customer	Simplify tax and customs processes	Tax Simplification Index	53	59.8	<ul style="list-style-type: none"> <li>• 112.8% performance</li> <li>• Taxpayers perceive the tax system to be less complex compared to FY 2023/24</li> </ul>
	Improve trade facilitation	Time Taken to Release Goods (Hrs)	43.15	40.38	<ul style="list-style-type: none"> <li>• 106.9% performance</li> <li>• It is now taking less time to release goods at the ports</li> </ul>

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Business Process	Scale up infrastructure to meet business demands	% System uptime	99.2	99.01	<ul style="list-style-type: none"> <li>• 99.8% performance</li> <li>• KRA systems were 99.01% available for use</li> </ul>
	Attain a fully integrated and simplified revenue administration	Automation level (%)	97.3	97.3	<ul style="list-style-type: none"> <li>• 100% performance</li> <li>• 97.3% of KRA processes are automated</li> </ul>
People	Enhance integrity	Corruption perception index	30	30.54	<ul style="list-style-type: none"> <li>• 98.2% performance</li> <li>• The ideal situation is to have 0% corruption perception</li> <li>• Corruption perception has not significantly changed compared to FY 2023/24</li> </ul>

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**b) KRA Staff Mortgage and Car loan Scheme**

The schemes are financed from the Authority's main budget and revolving funds from the scheme. Reports on the Scheme's performance are submitted every quarter to the KRA Board of Directors, and performance assessments of the schemes are conducted quarterly and annually. The table below presents the statement of Performance in relation to the predetermined objectives.

Department	Division	Key Output	Key Performance Indicator	Target 2024 - 2025	Achievements 2024 - 2025	Remarks	Approved Budget	Revised Budget
Shared Services	Human Resource	Staff mortgage loan requests processed	No. of staff Mortgage loans processed	184	34	The target was not met due to budgetary constraints. The loan repayment proceeds from the revolving fund supplemented some of the loan requests.	-	-
		Staff car Loan requests processed	No. of staff Car loans processed	78	37	The target was not met due to budgetary constraints. The loan repayment proceeds from the revolving fund supplemented some of the loan requests.	-	-

**Note: Pending applications as at 30<sup>th</sup> June 2025 were 458 applications broken down as follows:**

- Mortgage 403 applications worth Kshs.3,198,625,000
- Car loan 55 applications worth kshs.96,570,000

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## **8. Corporate Governance Statement**

Corporate governance is the structure and processes used to direct and manage an organization in order to enhance corporate performance, accountability, fairness and transparency and accountability. It also entails the balancing of the interests of all stakeholders of the organization.

The Kenya Revenue Authority Board of Directors is the governing body of the Authority. The Board of Directors is responsible for the governance of the Authority and is accountable to the Cabinet Secretary, National Treasury to ensure compliance with the Kenya Revenue Authority Act, The Mwongozo Code of Conduct for State Corporations, international best practice and business ethics. The Directors attach great importance to the need to conduct business and operations of the Authority with integrity, professionalism and in accordance with generally accepted international corporate governance practice. The Authority is committed to the implementation of good corporate governance practices as outlined by promotion of ethical leadership, accountability and ensure the sustainability of the organization.

The Board's responsibilities are broadly set out in Section 6 (6) of the Kenya Revenue Act CAP 469 of the Laws of Kenya.

### **Board Meetings**

The Board meets on a monthly basis to review Management performance, including revenue collection, operational issues and future planning. The Directors are given appropriate and timely information to enable them maintain full and effective control over strategic, financial, operational, revenue and compliance issues. All the Directors are independent of Management and free from any business relationship that could materially interfere with the exercise of their independent judgment. In the period under review, the Board held Twelve (12) meetings.

### **Board Committees**

The Board had four (4) standing Committees during the period under review, which met regularly under the Terms of Reference set out by the Board.

### **Human Resources Committee**

The Committee is responsible for monitoring and appraising the performance of Senior Management, reviewing of human resource policies, approval of remuneration policy for

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employees and making recommendations on Senior Management appointments to the Board.

The Committee met once and its Members were:

- i. Mr. Richard Ndung'u,
- ii. Mr. Hadi Abdullahi,
- iii. The Attorney General and
- iv. Commissioner General.

**Finance, Administration and Procurement Committee**

The Committee is responsible for review of the Authority's annual budget, Procurement and Disposal Plans and related policies. The Committee met once and its Members were:

- i. Ms. Lydia Rono,
- ii. The Principal Secretary – The National Treasury
- iii. The Attorney General and
- iv. Commissioner General.

**Board Audit Committee**

The Committee is responsible for review of audit reports, compliance with relevant laws, procedure and standards, quality of financial reporting and oversight on internal control and risk, among others. The Committee assists the Board in discharging its supervisory and good corporate governance responsibilities. The Committee met once and its Members were:

- i. Mr. Hadi Abdullahi,
- ii. Mr. Richard Ndung'u and
- iii. The Principal Secretary – The National Treasury.

**Revenue, Strategy and Technology Committee**

The Committee is responsible for review of the Authority's strategic implementation of the Corporate Plan and Reform Programme. It also serves as a forum to encourage continuous research and review of tax policy proposals; regulatory framework and revenue collection. The Committee met once and its Members were:

- i. Mr. Ashif Kassam, OGW,
- ii. Mr. Hadi Abdullahi,
- iii. Ms. Amolo Ngw'eno
- iv. The Principal Secretary – National Treasury and
- v. Commissioner General.

**Board of Trustees**

The Authority has a Staff Pension Scheme which is supervised, managed and administered by a Board of Trustees. The Authority as sponsor of the Scheme, is represented by the following Board Members:

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- i. The Attorney General
- ii. Mr. Ashif Kassam, OGW
- iii. Ms. Amolo Ngw'eno

**Board Matters**

Attendance to board meetings by members	In the Financial Year 2024/2025: There were twelve (12) full Board Meetings and seventeen (17) Board Committees Meetings attended by Members.		
	<b>Meetings</b>	<b>No. of Meetings</b>	
		<b>Scheduled</b>	<b>Special</b>
	Full Board	12	0
	Finance, Administration and Procurement Committee	4	0
	Human Resources Committee	4	1
	Revenue, Strategy and Technology Committee	4	0
	Audit Committee	4	0
	<b>TOTAL</b>	<b>28</b>	<b>1</b>
Succession plan	Appointment is by the President (for the Board Chairman) and Cabinet Secretary – The National Treasury (for Board Members) as per the Kenya Revenue Authority Act Section 6(2)(a) and Section 6(2)(e). Expiry of term is usually communicated to The National Treasury at least 3 months before expiry of Term		
Existence of a board charter	There is an existing Board Charter, which was reviewed and approved by the Board on 14 <sup>th</sup> June, 2024.		
Process of appointment and removal of directors	As per the Kenya Revenue Authority Act Sections 7 and 8 and the State Corporations Act Section 7.		
Roles and functions of the Board	As per the Kenya Revenue Authority Act Section 6(6).		
Induction and training	The Directors attended the following Workshop: <ul style="list-style-type: none"> <li>• Capacity Building Program for Board Chairpersons, Board Members and Chief Executive Officers of Regulatory Authorities (12<sup>th</sup> to 14<sup>th</sup> September, 2024) – 2 Directors attended.</li> <li>• Tax and Customs Training Workshop on 28<sup>th</sup> to 29<sup>th</sup> October, 2024- 6 Directors attended.</li> <li>• Audit, Risk Management and Business Continuity Training 3<sup>rd</sup> and 4<sup>th</sup> June, 2025 Training Workshop - 6 Directors attended.</li> </ul>		
Board and member performance	The Board Performance Self-Assessment for Financial Year 2024/2025 was carried out on 31 <sup>st</sup> July, 2025 and facilitated by the State Corporations Advisory Committee.		
	The evaluation scores were as follows:		
	<b>Name</b>	<b>Position</b>	<b>Score (%)</b>
	Hon. Ndiritu Muriithi	Board Chairman	94.60
Hon. Dorcas Oduor, AG	Member	96.00	

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	Lawrence Kibet Chelimo	Member	96.00
	Hadi Sheikh Abdullahi	Member	97.34
	Ashif Kassam	Member	95.67
	Richard Boro Ndungu	Member	95.00
	Lydia Cherono Rono	Member	96.00
	Humphrey M. Wattanga	Member	88.00
Conflict of interest	Conflict of interest is declared in all Board and Board Committees Meeting and recorded as part of the proceedings.		
Board remuneration	As per the letter Ref ZZ MOF 131/04 dated 11 <sup>th</sup> February, 2011.  Below is a summary of payments per Board Member in KShs.		

**Board Remuneration**

Board Member Name	Monthly allowance	Sitting Allowance	Accommodation allowance	Consolidated Pay (Kshs)
Hon Ndiritu Muriithi	1,525,700.95	1,104,152	495,113.00	3,124,966
Mr. Anthony Nganga Mwaura	1,313,868.60	642,335	595,214.00	2,551,418
Mr Richard Boro Ndungu	873,530.40	1,864,419	1,036,879.00	3,774,829
Mr Hadi Sheikh Abdullahi	873,530.40	1,222,846	27,500.00	2,123,877
Ms Lydia Cherono Rono	873,530.40	1,223,989	628,214.00	2,725,734
Mr Ashif Kassam	873,530.40	1,078,194	617,214.00	2,568,939
Hon. Dorcas Agik Oduor	873,530.40	232,623		1,106,154
Mr Shadrack Mose		203,807		203,808
Mr Lawrence Kibet		728,020.75		728,021
Dr Chris Kiptoo		58,394.10		58,394
Mr. Waigi Kamau		525,546.90		525,547
Ms. Amolo Ngweno	218,978.10	175,182.30		394,160
Hon. John Mbadi	873,530.40			873,530
Travel, Airtime & Conference expenses				11,180,434
<b>TOTAL</b>	<b>8,299,730</b>	<b>9,059,513</b>	<b>3,400,134</b>	<b>31,939,811</b>

**Senior Management Remuneration**

Name	Position	Gross Pay
Humphrey Mulongo Wattanga	Commissioner General	18,950,000
Paul Muema Matuku	Commissioner-Legal & Board Services	14,400,000
Fred Mugambi Rukaria Mwirigi	Commissioner - KESRA	14,450,000
Rispah Muthoni Mwangi Simiyu	Commissioner – Large & Medium Taxpayers	14,247,673

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Lilian Anyango Nyawanda	Commissioner - Customs & Border Control	14,155,500
David Kiprof Sirikwa Yego	Commissioner - Investigations	10,507,143
Alex Kimani Mwangi	Acting Commissioner - BSTEM	10,440,900
Nancy Jerono Ng'etich	Acting Commissioner - Shared Services	10,055,000
George Omondi Obell	Acting Commissioner – Micro & Small Taxpayers	3,588,000
Levi Mukhweso	Acting Commissioner - Investigations	3,504,429
		<b>114,298,644</b>

<b>Governance audit</b>	The Governance Audit for the Financial Years 2022/2023 and 2024/2025 was conducted in November and December 2024 with an overall score of 94.1%.		
<b>Governance Parameter</b>	<b>Percentage</b>	<b>Rating</b>	
Ethical Leadership and Strategic Management	94.5	4.70	Good
Transparency and Disclosure	87.8	4.33	Good
Compliance with Laws and Regulations	80	4	Good
Communication with Stakeholders	96	4.8	Good
Board Independence and Governance	98	4.9	Good
Board Policies, systems, Practices and Procedures	97.9	4.89	Good
Consistent Stakeholder and Shareholder Value Enhancement	94.4	4.92	Good
Corporate Social Responsibility and Investment	92	4.6	Good
Sustainability	97.1	4.86	Good
<b>Average</b>	<b>94.1</b>	<b>4.71</b>	<b>Good</b>

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**9. Management Discussion and Analysis**

The Authority mortgage was established on; 9th September 1998 with Housing Finance Company of Kenya on 23rd April 1999 with Savings and Loan Kenya Limited on and 2nd September 2022 with National Bank of Kenya. The Car Loan scheme was established on 25th November 2002 with the National Bank of Kenya.

In order to effectively run the scheme, the Authority developed the Mortgage and Car Loan policies to govern the implementation of the schemes. The policy clearly outlines both the Management and Governance Structures internally, so that all staff are aware of the procedures and requirements for loan application and approvals.

In the last five years since FY2020/2021 to date, the Authority has transferred a total of **Kshs.482 million** to the scheme. Table 1 below shows statistics on amounts transferred by the Authority to the Mortgage and Car Loan scheme since FY2020/2021:

**Table 1: Amounts Transferred into the Mortgage and Car Loan Scheme since FY2020/2021**

Period	Car Loan Scheme Kshs'000	Mortgage Scheme Kshs'000	Total Kshs'000
2020/2021	-	250,000	250,000
2021/2022	-	172,000	172,000
2022/2023	-	-	-
2023/2024	10,000	50,000	60,000
2024/2025	-	-	-
<b>Total</b>	<b>10,000</b>	<b>472,000</b>	<b>482,000</b>

The total disbursements for Mortgage and Car Loan scheme in the last five years from FY 2020/2021 to date amount to **Kshs. 2,179 million** (as shown in table 2), which is higher than the total amounts transferred into the scheme from FY2020/2021, totalling **Kshs.482 million** (as indicated in table 1). This disparity arises due to reinvestments of the principal loan repayments plus interest earned into the scheme for lending.

The table 2 below indicates statistics on Loan amounts disbursements to staff from Mortgage and Car Loan Fund since FY2020/2021:

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**Table 2: Loan Disbursements to staff from Mortgage and Car Loan Scheme from FY 2020 - 2021.**

Period	No of staff - Car Loan	Car Loan Scheme Kshs'000	No of staff Mortgage	Mortgage Scheme Kshs'000	Total No of Staff	Total Loan Disbursements Kshs'000
2020/2021	-	-	66	487,142	66	487,142
2021/2022	-	-	69	483,294	69	483,294
2022/2023	24	50,000	50	334,320	74	384,320
2023/2024	28	56,748	58	369,141	86	425,889
2024/2025	40	78,040	46	321,245	86	399,285
	<b>92</b>	<b>184,788</b>	<b>289</b>	<b>1,995,143</b>	<b>381</b>	<b>2,179,931</b>

Table 3 below indicates statistics on Principal loan repayments revolved back to the Mortgage and Car Loan Scheme since FY 2020 - 2021:

**Table 3: Loan repayments invested back to the Mortgage and Car Loan Scheme since FY 2020 - 2021**

Period	Car Loan Scheme Kshs'000	Mortgage Scheme Kshs'000	Total Kshs'000
2020/2021	45,379	198,794	244,172
2021/2022	59,811	206,502	266,314
2022/2023	60,619	210,393	271,013
2023/2024	62,300	269,762	332,062
2024/2025	63,334	255,772	319,106
	<b>291,443</b>	<b>1,141,223</b>	<b>1,432,666</b>

Prior to the Salaries and Remuneration Commission Circular reference No. SRC/ADM/1/13 VOL.III/ (128) of 17<sup>th</sup> December 2014 which amended the Mortgage and Car loan scheme rate to 3% , the scheme earned interest income on all unutilised funds in the account and on all the outstanding loans as stipulated in the agreements with the three banks. The staff loans were being charged at 7% interest per annum from inception until 30<sup>th</sup> March 2015 out of which the banks earned 5% as cost for administration of the schemes and 2% to the Authority.

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From 1<sup>st</sup> April 2015 to 28<sup>th</sup> February 2020, the staff loans were being charged at 5% interest per annum out of which the banks earned 3% as cost for administration of the schemes and 2% to the Authority. From, 1<sup>st</sup> March 2020 the staff loans were being charged at 3% interest per annum out of which the banks earned 3% as cost for administration of the schemes and the Authority forfeited its interest income. Table 4 below indicates the Net interest income earned by the Authority from the FY2020/2021.

**Table 4: Net Interest income earned by the Scheme from FY 2020 - 2021**

Period	Car Loan Scheme Kshs'000	Mortgage Scheme Kshs'000	Total - Kshs'000
2020/2021	-	22,410	22,410
2021/2022	-	49,123	49,123
2022/2023	423	18,562	18,985
2023/2024	733	16,713	17,446
2024/2025	611	15,639	16,250

The above table summarises net interest income earned from the fund From FY2020/2021 less withholding taxes. The interests earned are ploughed back to the scheme funds for lending.

**Table 5: Amounts outstanding from the Car and Mortgage Scheme.**

Period	Car loan and Mortgage Scheme	
	Totals Amount Kshs'000	Utilised - Totals Unutilised Amount Kshs'000
2020/2021	2,704,505	108,856
2021/2022	2,927,319	107,194
2022/2023	2,959,117	499,140
2023/2024	2,646,630	484,286
2024/2025	2,746,419	400,747

As at the end of 30<sup>th</sup> June 2025, the cash balance was **Kshs.400 Million**. The breakdown in on note 9.

## 10. Environmental and Sustainability Reporting

### Employee Welfare Activities for FY 2024/2025

#### 10.1. Hiring Processes, procedures and Regulations

a) The Authority's hiring process is governed by the principles of equal opportunity, inclusivity and non-discrimination, in line with the Constitution of Kenya and internal Human resource policies. The process is guided by three key policies:

1. Recruitment, Selection, Appointment and Promotions Policy, and
2. Diversity, Equality and Inclusion (DEI) Policy.
3. Disability Mainstreaming Policy

The policies ensure that recruitment activities are transparent, merit-based, and aligned with constitutional provisions on equity and social justice.

b) In compliance with **Articles 54 to 57** of the Constitution:

- The Authority actively promotes gender balance, in line with the two-thirds (2/3) gender rule by ensuring at least 33% male/female representation in shortlists.
- The Authority promotes the progressive realization of representation of the 5% Persons with Disabilities (PWDs) and implements the Disability mainstreaming policy in the hiring process by shortlisting PWD applicants with a valid disability registration certificate, provided they meet the minimum requirements for the job.
- The Authority has specific programmes reserved for youth (18-35 years) which include Industrial Attachment, Internship and graduate trainee program.
- Affirmative action measures are applied to ensure fair representation of the marginalized and minority communities in line with the diversity policy inter alia:
  - Shortlisting of applicants from non-represented ethnic groups if they meet the job requirements.
  - Where multiple applicants across non-represented, under-represented, and over-represented ethnic groups achieve the minimum requirements, giving preference in that order.

Hiring outcomes by gender, age, disability and ethnic representation are tracked against target through periodic reports.

c) The Authority documents stakeholder inputs and considers them during policy reviews incorporating other sources including:

- Legislative or regulatory changes,
- Organizational restructuring or strategic changes
- Identified policy gaps through audits etc. and,
- Stakeholder feedback.

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Policy reviews are typically undertaken **every three years**, but may happen sooner when prompted by urgent needs. Through these structured and inclusive practices, the Authority ensures a fair, diverse, and competent workforce that reflects the national values.

**10.2. Employee Welfare Activities**

The Authority complies with Occupational Safety and Health Act of 2007 (OSHA) as operationalised by Work Environment Standard Policy. This enhances provision of safety and health for internal and external stakeholders (both male and Female) as follows:

- i) Promoting and maintaining high standards of health and safety of employees, customers and general by;
  - a) conducting sensitizations on regular basis
  - b) Reporting accidents and incidences to Directorate of Occupational Safety and Health (DOSH) when they occur.
- ii) Ensuring Annual work environment Audits are conducted in the workplaces as follows:
  - a) The Human Resource Division conducts and reports gaps to relevant HoDs to ensure a safe and healthy work environment
  - b) Employees/departments channel their work environment challenges to the Human Resource Division for facilitation as necessary
  - c) The Human Resource Division conducts regular work environment spot checks and submits recommendations for implementation to ensure compliance by relevant departments
  - d) Security and Safety Division reports accidents and incidences to the Directorate of Occupational Safety and Health (DOSH) when they occur.
- iii) Ensuring utilization of leave entitlement in compliance with the leave management policy as follows:
  - a) Facilitating staff to utilize their annual leave entitlement when it becomes due.
  - b) The Human Resource Division conducts regular staff sensitizations on the importance of leave (*rest to avoid burn out*).

**10.3. Efforts made in improving the rewards systems**

- a. The Authority in an effort to improve the rewards system conducted a market salary survey during the year. This is geared towards ensuring that the Authority's salary structure remains competitive through implementation of an enhanced salary package on review and approval by the Salaries and Remuneration Commission.
- b. The Authority also embarked on review of the grading structure from a 10 tier to a 14 tier to enhance career progression thereby improving employee motivation, career growth and retention. This will also help address staff stagnation.

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**10.4. Efforts made in improving skills and managing careers**

- c. The Authority has continued to optimize human resources capability and capacity through skills enhancement programs for skills that were identified through a skills gap audit conducted during the year. As a result, a Graduate Trainee Conversion program was developed to upskill the officers at various levels.
- d. Career guidelines have been developed which provide a well - defined growth structure that ensures appropriate career planning and succession management.

**10.5. Corporate Social Responsibility (CSR) Statement**

**Statement Purpose:**

The Corporate Social Responsibility (CSR) statement is a progress report by Kenya Revenue Authority (KRA) on its efforts to demonstrate its social values initiatives. KRA's corporate sustainability target audience include employees, their families, local communities and society at large. The CSR initiatives are aimed to improve quality of life, the environment and the economy in the long-term. KRA focuses on four strategic pillars namely; **Environment, Health, Education, and Sports.**

This statement highlights KRA's commitment in creating social value in collaboration with both our internal and external partners.

In the financial year 2024/2025, KRA implemented CSR initiatives as follows;

**CSR initiatives**

**Environment pillar**

• **Tree growing**

In this financial year, KRA planted **409,546** against a target of 285,510 tree seedlings.

KRA in liaison with the Kenya Forest Service, Mombasa Kilindini Community Forest Association (MOKICFA), various Community Forest Associations (CFA) and the National Treasury facilitated the planting and growing of trees as below;

- i. **104,546** trees at Uplands Forest, Lari – Kiambu County
- ii. **125,000** mangroves at different creek sites in Mombasa County - Dongo Kundu, Mchenjama/Mtongwe & Mtwapa
- iii. **50,000** seedlings in Port Victoria Forest – Busia County,
- iv. **130,000** seedlings in Sorget Forest - Kericho County.

Additionally, KRA supported The 8th Edition of the Kaptagat Forest Annual Tree Growing Event with 1,000 seedlings. The event was held at Kaptagat Girls High School in Elgeyo Marakwet County on 13th July 2024.

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**Education pillar**

**St. Christine, Kibera**

KRA staff visited St. Christine school in Kibera on Saturday, 21<sup>st</sup> December 2024 and a total of 112 families and students benefited from food stuff. In order to achieve this KRA collaborated with partnered local institutions such as Future Stars Foundation that assisted in mobilizing resources, event coordination on-ground distribution and community liaison.

**Health pillar**

The Health pillar focused on period dignity through the Code Red campaign.

- **Sanitary dignity – Code Red Campaign**

Code Red is an initiative that aims to address the need for menstrual hygiene for women and children. Its primary objective is to supply essential sanitary pads and diapers, fostering a healthier and supportive environment for women and girls.

This initiative was achieved through staff donations of sanitary towels, diapers and dignity kits to schoolgirls aged between 10-18 years.

**Sports pillar**

KRA sponsored Ladies Captain Golf Tournament on 21<sup>st</sup> September 2024 at Sigona Golf Club. This engagement brought together large taxpayers who handle bulk invoices. Over 200 golfers were sensitized on Electronic Tax Invoicing Management System (eTIMS) campaign to facilitate on boarding of all corporate businesses to the scheme.

Kenya Revenue Authority  
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**11. Report from Management**

The Administrator submits the state of the scheme's affairs report together with the draft Financial Statements for the year ended June 30, 2025.

**11.1. Principal activities**

The principal activities of the scheme are (*continue to be*) to offer low-interest loan facilities to staff to construct a house, purchase a property, land purchase, buy and build property improvement and renovation and, take over mortgages acquired at market rate and purchase personal cars.

**11.2. Performance**

The performance of the scheme for the year ended June 30, 2025, is set out on pages 1-20.

**11.3. Auditors**

The Auditor-General is responsible for the statutory audit of the scheme in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.



**Dr. Emmah Omwenga**  
**Deputy Commissioner - Human Resource**

## **12. Statement of Management's Responsibilities**

The National Treasury circular Ref:AG.4/16/3 Vol.II(66) dated 6th July 2022, paragraph 2.1.2 requires all Government Ministries and Agencies, Constitutional and Independent Offices and State Corporations and Semi-Autonomous Agencies (SAGAS) to prepare Financial Statements for Car Loan and Mortgage Funds as per the Reporting Template issued by the National Treasury and Public Sector Accounting Standards Board (PSASB).

- i. Management is responsible for the preparation and presentation of the Schemes financial statements, which give a true and fair view of the state of affairs of the Scheme for and as at the end of the financial period ended on June 30, 2025. This responsibility includes: 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 scheme;
- 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 fund;
- v. Selecting and applying appropriate accounting policies and
- vi. Making accounting estimates that are reasonable in the circumstances.

Management accepts responsibility for the Schemes financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. Management is of the opinion that the schemes financial statements give a true and fair view of the state of Schemes transactions during the financial period ended June 30, 2025, and of the Schemes financial position as at that date.

Management further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Schemes financial statements as well as the adequacy of the systems of internal financial control. In preparing the financial

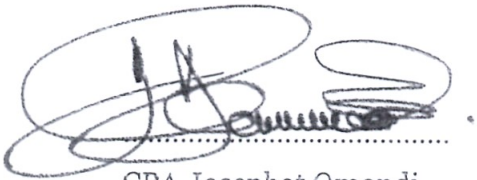
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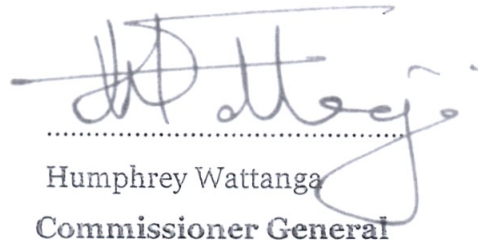
statements, the Scheme Administrator has assessed the Fund's ability to continue as a going concern. Nothing has come to the attention of the management to indicate that the scheme will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Schemes financial statements were approved by the Board on 11<sup>th</sup> DECEMBER 2025 2025 and signed on its behalf by:



CPA Josephat Omondi  
**Head of Finance - ICPAK**  
**Membership No.3473**



Humphrey Wattanga  
**Commissioner General**

# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON KENYA REVENUE AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME FOR THE YEAR ENDED 30 JUNE, 2025**

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### PREAMBLE

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

- A. Report on 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 the 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; and,
- 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, 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 is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

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

### REPORT ON THE FINANCIAL STATEMENTS

#### **Opinion**

I have audited the accompanying financial statements of Kenya Revenue Authority Staff Mortgage and Car Loan Scheme set out on pages 1 to 23, which comprise of the statement of financial position as at 30 June, 2025, and the statement of statement of

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*Report of the Auditor-General on Kenya Revenue Authority Staff Mortgage and Car Loan Scheme for the year ended 30 June, 2025*

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Revenue Authority Staff Mortgage and Car Loan Scheme as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis and comply with the Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Revenue Authority Staff Mortgage and Car Loan Scheme 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 opinion.

### **Key Audit Matters**

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

### **Other Information**

The Management is responsible for the Other Information set out on page iv to li which comprise of Key Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Commissioner General's Statement, Report of the Scheme Administrator, Corporate Governance Statement, Statement of Performance Against Predetermined Objectives, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Kenya Revenue Authority Staff Mortgage and Car Loan Scheme, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact. Based on the audit procedures

performed, I confirm that Other Information is not materially inconsistent with the financial statements.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE 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 3000 and ISSAI 4000. The standards require 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 comply 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 THE 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, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Overall Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **Failure to Align Human Resource Policies with Salaries and Remuneration Commission Provisions**

Kenya Revenue Authority (KRA) entered into an agreement for the administration of the Staff Car Loan Scheme, with the National Bank of Kenya on 29 March, 2022 for undefined period. Clause 4.1 and 7.1 of the agreement provided a maximum car loan of Kshs.10,000,000 per staff member was to be disbursed, payable within a maximum period of 72 months. This is contrary to provisions of the Salaries and Remuneration Commission (SRC) Circular Ref. SRC/ADM/CIR/1/13/VOL.III (128) dated

17 December, 2014, which limits the maximum amount of car loan for public officers to Kshs.5,000,000 payable within a maximum period of 60 months. As a result, four (4) members of staff were issued with car loans of Kshs.5,000,000 million each, an amount reserved for the Chief Executive Officer or equivalent contrary to the provisions of the SRC circular. Further, mortgages were issued to four (4) staff members, in excess of the Kshs.20,000,000 per member, provided in the circular. Management had not aligned the Human Resource policies with the SRC guidelines at the time of the audit.

In the circumstances, the effectiveness of Management control over the Scheme's operations could not be confirmed.

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

In preparing the financial statements, Management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply 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 Scheme'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

governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

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

**Nairobi**

**17 December, 2025**

Kenya Revenue Authority  
Staff Mortgage And Car loan Scheme Financial Statements  
For the Year ended June 30, 2025

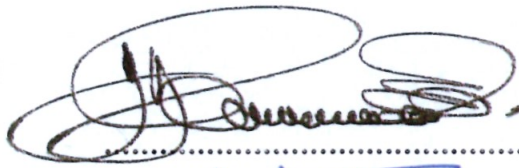
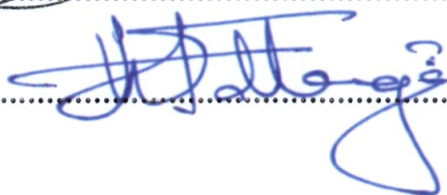
**14. Statement of Financial Performance for the year ended 30<sup>th</sup> June, 2025.**

Description	Notes	2024-2025
		Kshs'000
<b>Revenue</b>		
<b>Revenue from exchange transactions</b>		
Interest income	6	90,848
<b>Total revenue</b>		<b>90,848</b>
<b>Expenses</b>		
Administrative Costs	7	(73,922)
<b>Total Expenses</b>		<b>(73,922)</b>
<b>Surplus before tax</b>		<b>16,926</b>
Taxation	8	(676)
<b>Surplus for the period</b>		<b>16,250</b>

The notes set out on pages 7 to 24 form an integral part of these Financial Statements.

The financial statements were approved on ..... 11<sup>th</sup> DECEMBER 2025 ..... and signed by:

CPA Josephat Omondi  
**Head of Finance**  
ICPAK Membership No.3473  
Humphrey Wattanga  
**Commissioner General**

  
 .....  
  
 .....

Kenya Revenue Authority  
Staff Mortgage And Car loan Scheme Financial Statements  
For the Year ended June 30, 2025


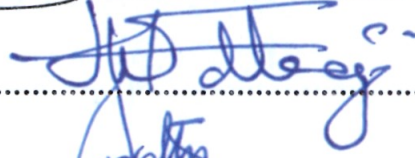
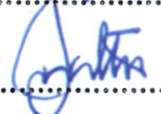
**15. Statement of Financial Position as at 30<sup>th</sup> June, 2025.**

	Notes	2024-2025	As at 1 <sup>st</sup> July 2024
		Kshs'000	Kshs'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9	400,747	484,286
Short Term Receivables	10	24,612	-
<b>NON - CURRENT ASSETS</b>			
Long Term Receivables	10	2,721,807	2,646,630
<b>TOTAL ASSETS</b>		<b>3,147,166</b>	<b>3,130,916</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Net Assets</b>		<b>3,147,166</b>	<b>3,130,916</b>
<b>Represented By:</b>			
Mortgage Revolving Fund		2,935,743	2,935,743
Car loan Revolving Fund		177,726	177,726
Accumulated surplus/Deficit		33,696	17,446
<b>Net Assets</b>		<b>3,147,166</b>	<b>3,130,916</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Schemes' financial statements were approved on <sup>11<sup>TH</sup></sup> ~~DECEMBER~~ <sup>DECEMBER</sup> 2025 and signed by:

CPA Josephat Omondi  
Head of Finance  
ICPAK Membership No.3473

  
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.....

Humphrey Wattanga  
Commissioner General

Hon Ndiritu Muriithi  
Chairman

Kenya Revenue Authority  
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**16. Statement of Changes in Net Assets as at 30<sup>th</sup> June, 2025.**

	Mortgage Fund	Car Loan Fund	Accumulated surplus	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
<b>As at July 1 2024</b>	<b>2,935,743</b>	<b>177,726</b>	<b>17,446</b>	<b>3,130,916</b>
Surplus/(deficit) for the period	-	-	16,250	<b>16,250</b>
Funds received during the year	-	-		-
<b>As at June 30 2025</b>	<b>2,935,743</b>	<b>177,726</b>	<b>33,696</b>	<b>3,147,166</b>

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**17. Statement of Cash Flows for the year ended 30<sup>th</sup> June, 2025.**

Description	Notes	2024-2025 Kshs'000
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Interest income on mortgage and car loan	6	90,848
Funds received during the year		-
<b>Total Receipts</b>		<b>90,848</b>
<b>Payments</b>		
Administrative Costs	7	(73,922)
Income tax paid	8	(676)
<b>Total Payments</b>		<b>74,598</b>
<b>Net Cash flows from operating activities</b>		<b>16,250</b>
<b>Cash flows from investing activities</b>		
Proceeds from loan repayments		499,074
Loan disbursements		(399,285 )
<b>Net cash flows from investing activities</b>		<b>99,789</b>
<b>Cash flows from financing activities</b>		
Transfers from Mortgage and Car loan		-
Receipts into Mortgage and Car loan		-
<b>Net cash in financing activities</b>		<b>-</b>
Net increase/decrease in cash and cash equivalents		<b>(83,539)</b>
<b>Movement in cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the period		<b>484,286</b>
Cash and cash equivalents at 30 <sup>th</sup> June 2025	9	<b>400,747</b>

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**18. Statement of Comparison of Budget and Actual amounts for the year ended 30<sup>th</sup> June, 2025.**

Description	Proposed budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	
	A	b	C=(a+b)	d	e=(c-d)	F=d/c
<b>Revenue</b>						
Interest income	0	0	0	90,848	(90,848)	100%
Cash Reserves	0	0	0	-	-	-
Other income	338,220	0	338,220	281,850	56,370	17%
<b>Total Revenue</b>	<b>338,220</b>	<b>-</b>	<b>338,220</b>	<b>372,699</b>	<b>(34,478)</b>	<b>100%</b>
<b>Expenses</b>						
Administrative Costs	0	0	0	73,922	(73,922)	100%
Employee cost (Loan Repayments)	338,220	0	338,220	281,850	(56,370)	17%
Bank Charges	0	0	0	-	-	-
Tax expense	0	0	0	676	(676)	100%
<b>Expenditure</b>	<b>338,220</b>	<b>-</b>	<b>338,220</b>	<b>356,449</b>	<b>(18,228)</b>	<b>100%</b>
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,250</b>	<b>(16,250)</b>	<b>100%</b>

**Note**

The Authority did not provide for budget enhancement for the scheme.

The budget used in the scheme is from actual loan repayments in the year. The budget is a 20% projection of the actual loan repayments. The interest income and administrative costs are provided for in the agreements with the service providers.

Accrued income for the year stood at Kshs.16 million (FY2023-2024 was Kshs.17 million)

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## **19. Notes to the Financial Statements**

### **1. General Information**

The Kenya Revenue Authority (KRA) entered into an agreement with Housing Finance Company of Kenya on 9th September 1998, Savings and Loan Kenya Limited (Kenya Commercial Bank) on 23rd April 1999 and with National Bank of Kenya on 2nd September 2020 to establish mortgage schemes for KRA staff. The mortgage agreements for Housing Finance and Kenya Commercial Bank were revised on 31st August 2022 and on 20th July 2020 respectively. Further KRA established a Car Loan scheme for its staff members on 25th November 2002 through an agreement with the National Bank of Kenya. The agreement was then revised on 12th June 2020. The scheme's principal activity is to offer low-interest loan facilities to staff to construct a house, purchase a property, land purchase, buy and build property improvement and renovation and, take over mortgages acquired at market rate and purchase personal cars.

The Kenya Revenue Authority (KRA) Mortgage and Car Loan schemes were established before the Salaries and Remuneration Commission Circular reference No. SRC/ADM/1/13 VOL.III/ (128) of 17<sup>th</sup> December 2014, which set and advised on the establishment of Mortgage and Car Loan Scheme for both state and public officers of the Government of Kenya. The scheme is wholly owned by Kenya Revenue Authority and is domiciled in Kenya. The Authority operationalized the Mortgage and Car Loan Scheme through internal guidelines with the last revision approved on 1<sup>st</sup> July 2023.

### **2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared in accordance with the historical cost convention. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) requires the use of estimates and assumptions. It also requires management to exercise judgement in applying the Authority's accounting policies. Actual results may differ from these estimates.

These financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Authority.

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The financial statements have been prepared in compliance with the Public Finance Management (PFM) Act, the State Corporations Act, and the International Public Sector Accounting Standards (IPSAS).

This is the first financial year in which the Authority is presenting standalone Mortgage and Car Loan Scheme Financial Statements. In prior years, the financial information for the Scheme was consolidated within the Agency's primary financial statements. The separation of the Mortgage and Car Loan Scheme reporting aligns with templates approved by the Public Sector Accounting Standards Board (PSASB) and enhances transparency and accountability.

The opening Statement of Financial Position has been prepared in accordance with the requirements of IPSAS 33 First-time Adoption of Accrual Basis IPSASs.

**First-Time Adoption of IPSAS (IPSAS 33)**

The Authority prepared standalone financial statements for the Staff Mortgage and Car Loan Scheme for the first time in the financial year ended 30 June 2025, in compliance with the International Public Sector Accounting Standards (IPSAS). In accordance with IPSAS 33 *First-time Adoption of Accrual Basis IPSASs*,

The following provisions were applied:

**(a) Non-Restatement of Comparative Information**

In accordance with IPSAS 33, the Authority elected not to restate comparative information for the year preceding the transition date. Consequently, the financial information for the year ended 30 June 2024 has not been presented in full IPSAS-compliant form.

**(b) Use of Deemed Cost for Opening Balances**

The Authority applied the deemed cost option for the measurement of assets and liabilities at the transition date (1 July 2024). The carrying amounts previously reported in the agency's financial statements were used as the deemed cost for:

Staff mortgage loan receivables

Staff car loan receivables

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Cash and cash equivalents

Other receivables and payables

This approach was taken due to the absence of separately maintained IPSAS-compliant historical records for the Scheme prior to the transition.

**(c) Opening Statement of Financial Position**

An Opening Statement of Financial Position as at 1 July 2024 has been prepared in accordance with IPSAS 33. Adjustments arising from the adoption of IPSAS have been recognised directly in net assets at the transition date.

**3. Adoption of New and Revised Standards**

- i. New and amended standards and interpretations in issue effective in the period ended June 30, 2025.

There were no new and amended standards issued in the financial year.

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended June 30, 2025.

Standard	Effective date and impact:
IPSAS 43 - Leases	<b><i>Applicable 1st January 2025</i></b> IPSAS 43 replaces IPSAS 13 'Leases' and is aligned with IFRS 16 "Leases. The standard sets out the principles of recognition, measurement, presentation and disclosure of leases. The objective of this IPSAS is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The data gives the users of financial statements a basis for assessing the effect that leases have on the financial position, financial performance, and cash flows of an entity. The new standard requires entities to recognise, measure and present information on right-of-use assets and leases liabilities. The standard applies to public sector entities that apply the IPSAS Accrual basis of accounting and have leasing arrangements as defined in this standard.

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Standard	Effective date and impact:
	<b>The standard has no impact on the Mortgage and Car-loan Financial Statements of the Authority in the year as it will take effect in the next financial year.</b>
IPSAS 44 - Non-Current Assets Held for Sale and Discontinued Operations	<p><b><i>Applicable 1st January 2025</i></b></p> <p>The objective of the standard is to specify the accounting for non-current assets held for sale, and the presentation and disclosure of discontinued operations.</p> <p>The standard requires:</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell, and depreciation on such assets to cease; and</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><b>The standard has no impact on the Mortgage and Car-loan Financial Statements of the Authority in the year as it will take effect in the next financial year.</b></p>
IPSAS 45 - Property, Plant and Equipment	<p><b><i>Applicable 1st January 2025</i></b></p> <p>The standard replaces IPSAS 17, <i>Property, Plant and Equipment</i> and adds public sector guidance on heritage and infrastructure assets, and aligns with the new measurement principles. Heritage assets were previously excluded from the scope of IPSAS 17. In IPSAS 45, heritage assets that satisfy the definition of property, plant, and equipment shall be recognized as assets when they meet the recognition criteria set out in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance, and illustrative examples to clarify the application of existing principles to infrastructure assets related to: (a) The potential use of asset management plans as a source for financial reporting, which may provide an input to help calculate depreciation, determine whether there is an indication of impairment, or determine the significant parts of the asset; (b) Control and valuation of land under or over</p>

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Standard	Effective date and impact:
	<p>infrastructure assets; (c) Under-maintenance of assets; and (d) Identifying significant parts of infrastructure assets.</p> <p><b>The standard has no impact on the Mortgage and Car-loan Financial Statements of the Authority in the year as it will take effect in the next financial year.</b></p>
IPSAS 46 - Measurement	<p><b><i>Applicable 1st January 2025</i></b></p> <p>The standard that provides a single source of measurement guidance for public sector entities, consolidating existing principles and introducing new ones. Key features include the introduction of fair value for public sector transactions and the creation of a new measurement basis called current operational value, which is designed for public sector assets that are used to deliver services. The standard also offers guidance on how to select the appropriate measurement basis, measurement techniques like income and market approaches, and the assumptions to consider for both initial and subsequent measurements</p> <p><b>The standard has no impact on the Mortgage and Car-loan Financial Statements of the Authority in the year as it will take effect in the next financial year.</b></p>
IPSAS 47 - Revenue	<p><b><i>Applicable 1st January 2026</i></b></p> <p>This standard supersedes IPSAS 9 - Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><b>The standard has no impact on the Mortgage and Car-loan Financial Statements of the Authority in the year as it will take effect in the financial year 2026-2027.</b></p>
IPSAS 48 - Transfer Expenses	<p><b><i>Applicable 1st January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial</p>

Kenya Revenue Authority  
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Standard	Effective date and impact:
	<p>statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><b>The standard has no impact on the Mortgage and Car-loan Financial Statements of the Authority in the year as it will take effect in the financial year 2026-2027.</b></p>
IPSAS 49 - Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The standard establishes comprehensive accounting and reporting requirements for the financial statements of retirement benefit plans with participants comprising current and former public sector employees and other eligible members. The new pronouncement will bring increased transparency and accountability to these public sector entities, ensuring they can fulfil their obligations to employees and other eligible participants who are members of the retirement benefit plan.</p> <p><b>The standard has no impact on the Mortgage and Car-loan Financial Statements of the Authority in the year as it will take effect in the financial year 2026-2027.</b></p>
IPSAS 50 - Exploration for and Evaluation of Mineral Resources	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p> <p>The standard provides guidance on accounting for exploration and evaluation expenditures, including the recognition of exploration and evaluation assets.</p> <p>The main objective of the standard is to provide public sector entities with guidance on recognizing, measuring, and disclosing exploration and evaluation expenditures for mineral resources like oil, natural gas, and minerals. It aims to align public sector accounting for mineral resources with private sector standards by establishing how to account for exploration and evaluation assets and requiring impairment testing for those assets.</p> <p><b>The standard has no impact on the Mortgage and Car-loan Financial Statements of the Authority in the year as it will take effect in the financial year 2026-2027.</b></p>

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For the Year ended June 30, 2025

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iii. *Early adoption of standards*

The Authority did not early – adopt any new or amended standards in the financial year 2024/2025.

**4. Summary of Significant Accounting Policies**

**a) Revenue Recognition**

**i) Revenue from non-exchange transactions**

*Transfers from other government entities*

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

**ii) Revenue from exchange transactions**

***Interest income***

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

**b) Budget information**

The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance. The Authority did not have a budget allocation in the year.

**c) Taxes**

***Current income tax***

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws

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used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance.

***Deferred tax***

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax

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rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**d) Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

**e) Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

**f) Impairment**

The fund assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

**g) Financial liabilities**

**Classification**

The fund classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

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**h) Provisions**

Provisions are recognized when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Fund expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**i) Contingent liabilities**

The Fund does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

**j) Contingent assets**

The Fund does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**k) Nature and purpose of reserves**

The Fund creates and maintains reserves in terms of specific requirements. The Fund also states the reserves maintained and appropriate policies adopted. The revenue reserves are as a result of operation through to the operating period and are fully attributable to the Authority.

**l) Changes in accounting policies and estimates**

The Fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical. Changes in accounting estimates are applied prospectively.

**m) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**n) Related parties**

The Fund regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Fund, or vice versa. Members of the Fund administrator and the Fund Administration Committee are regarded as related parties.

**o) 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 Kenya Commercial Bank Limited, Housing Finance Group and National Bank of Kenya Limited at the end of June 30, 2025.

**p) Comparative figures**

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

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**q) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the period ended June 30, 2025

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Fund based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Authority. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

**6. Interest income from staff mortgage and car loan**

Description	2024 - 2025
	Kshs'000
Interest Income from Unutilised Funds Car Loans	611
Interest Income from Unutilised Funds, Mortgage Loans	16,316
Interest Income from Staff - Car Loans	4,190
Interest Income from Staff - Mortgages	69,731
<b>Total Interest Income</b>	<b>90,848</b>

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**7. Administrative Costs**

Description	2024 - 2025
	Kshs'000
Administrative fee - Car loan	4,190
Administrative fee - Mortgage	69,731
<b>Total Administrative Cost</b>	<b>73,922</b>

**8. Taxation**

Description	2024 - 2025
	Kshs'000
Income tax charge	676
<b>Total Tax</b>	<b>676</b>

**9. Cash and Cash Equivalent**

Description	2024 - 2025	As at 1 <sup>st</sup> July 2024
	Kshs'000	Kshs'000
Car Loan Account	22,912	28,719
Mortgage Loan Account	377,835	455,566
<b>Total Cash and Cash Equivalents</b>	<b>400,747</b>	<b>484,286</b>

**Detailed Analysis of the Cash and Cash Equivalents**

Unutilized Funds		2024 - 2025	As at 1 <sup>st</sup> July 2024
Financial Institution	Account number	Kshs'000	Kshs'000
Kenya Commercial Bank-Mortgage account	MM1829848222	277,119	306,012
Housing Finance Bank-Mortgage account	2000080594-0	81,106	88,290
National Bank-Mortgage account	1400235543700	19,609	61,265
National Bank-Car Loan account	1521246284200	22,912	28,719
<b>Total Unutilized Funds</b>		<b>400,747</b>	<b>484,286</b>

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Description	2024 - 2025
	Kshs'000
Approved facilities held pending drawdown (AHPD)	147,373
At appraisal stage:-	171,121
Available amount - Actual cash	82,253
<b>Total</b>	<b>400,747</b>

The cash amount of Ksh.82 million is tied to application under process after the end of the financial.

#### 10. Receivables from Mortgage and Car Loan

Description	2024 - 2025		As at 1 <sup>st</sup> July 2024	
	Kshs'000		Kshs'000	
<b>Short-term receivables (Current receivables)</b>				
Current loan repayment dues	24,612		-	
<b>Total Current Receivables</b>	<b>24,612</b>		<b>-</b>	
<b>Non- Current Receivables</b>				
Long Term Loan Repayments dues	2,721,807		2,646,630	
<b>Total Non- Current Receivables</b>	<b>2,721,807</b>		<b>2,646,630</b>	
<b>Total Receivables</b>	<b>2,746,419</b>		<b>2,646,630</b>	
<b>Ageing analysis (receivable from exchange transactions)</b>	<b>2024-2025</b>	<b>% of total</b>	<b>As at July 1, 2024</b>	<b>% of total</b>
Less than 1 year	2,746,419	100%	2,646,630	100%
Between 1-2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total</b>	<b>2,746,419</b>	<b>100%</b>	<b>2,646,630</b>	<b>100%</b>

Short-term receivables relate to outstanding loan payable within the next one (1) year. Long-term receivables relate to outstanding loan balances payable beyond one (1) year. The Authority's receivables are not doubtful, given that the loan repayments are managed through the salary check-off system. Additionally, the administrators of the schemes (that is, Kenya Commercial Bank Limited, Housing Finance Group and National Bank of Kenya Limited) charge all properties facilitated through the scheme and discharge of the facility is only granted upon full loan repayment.

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**11. Current Liabilities**

Description	2024 - 2025
	Kshs'000
Current Liabilities from Car Loan	-
Current Liabilities from Mortgage	-
<b>Total Current Liabilities</b>	-

**12. Financial Risk Management**

The fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The fund relies on the Authority's risk management policies and systems to reflect changes in markets and emerging best practices which are regularly reviewed.

The Fund provides policies for overall risk management as well as policies covering specific areas such as interest rate risk, credit risk and liquidity risk.

The Fund's financial risk management objectives and policies are detailed below:

**a. Credit risk**

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

The Fund administration committee assesses the credit quality of each staff, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the committee. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Fund's management based on prior experience and their assessment of the current economic environment.

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The carrying amount of financial assets recorded in the financial statements representing the Fund's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs'000	Fully performing Kshs'000	Past due Kshs'000	Impaired Kshs'000
<b>2024- 2025</b>				
Receivables From Exchange Transactions	2,746,419	2,746,419	-	-
Bank Balances	400,747	400,747	-	-
<b>Total</b>	<b>3,147,166</b>	<b>3,147,166</b>	-	-

The beneficiaries under the fully performing category are paying their debts. The credit risk associated with these receivables is minimal. The Fund administration committee sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**b. Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the Fund's short, medium, and long-term funding and liquidity management requirements. The Fund manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
<b>2024 - 2025</b>				
Tax Payable	-	-	-	-
<b>Total</b>	-	-	-	-

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**c. Market risk**

Market risk is the risk that the value of the investment will decrease due to changes in market factors such as interest rate, equity prices and foreign exchange rates. Although the risk is unlikely to occur in the short term, it is mitigated as follows:

1. Cash and short- term deposits are placed with a well- established financial institution of high quality and credit standing and also approved by the National Treasury and Economic Planning.
2. Funds are invested in short term facilities
3. The Fund's cash balances are in local currency
4. The Fund does not raise trade receivables in its ordinary cause of business.

**d. Interest rate risk**

Interest rate risk is the risk that the Fund's financial condition may be adversely affected as a result of changes in interest rate levels. The Fund's interest rate risk arises from bank deposits.

This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

**e. Capital Risk Management**

The objective of the Fund's capital risk management is to safeguard the Fund's ability to continue as a going concern. The Fund's capital structure comprises of the following funds:

Description	2024 - 2025	As at 1 <sup>st</sup> July 2024
	Kshs'000	Kshs'000
Revolving fund - Mortgage	2,935,743	2,935,743
Revolving fund – Car Loan	177,726	177,726
Accumulated surplus ( <i>Reserves</i> )	33,696	17,446
<b>Total funds</b>	<b>3,147,166</b>	<b>3,130,916</b>
Less: cash and bank balances	<b>400,747</b>	<b>484,286</b>
<b>Net debt/ (excess cash and cash equivalents) at 30th June 2025</b>	<b>2,746,419</b>	<b>2,646,630</b>

The scheme has managed to grow its capital from Kshs.3.130 billion to Kshs3.147 billion in the year ended June2025.

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**13. Related Party Balances**

**a) Nature of related party relationships**

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund is related to the following entities:

- i. National government Fund
- ii. Key management;
- iii. Board of Directors/Committee; etc.

**b) Related party transaction**

- i. Transfers from third parties

Description	2024 - 2025
	Kshs'000
Transfers from third parties	-
<b>Total Transfers from third parties</b>	<b>-</b>

- ii. Fund Management remuneration

Description	2024 - 2025
	Kshs'000
Fund Management remuneration	-
<b>Total Fund Management remuneration</b>	<b>-</b>

**14. Events after the Reporting Period**

There were no material adjusting and non- adjusting events after the reporting period.

**15. Currency**

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest shilling.

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**20. Annexes**

**Annex I: Progress on Follow-Up of Prior Year (2023 - 2024) Auditor's  
Recommendations**

This is the first time the scheme is preparing the financial statements. Therefore there was no issue that required follow up.