

Performance Assessment Report

**Kisii County Government,
Kenya**

**Alfred Akibo-Betts, Penninah Munga,
Japhet Korir, and Eliud Nyandigisi**

June 2023

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TADAT is a collaborative undertaking of the following partners:



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PREFACE

An assessment of the system of the tax administration of Kisii County Government (KCG) in Kenya was undertaken during the period March 6 – 24, 2023, using the Tax Administration Diagnostic Assessment Tool (TADAT). TADAT provides an assessment baseline of tax administration performance that can be used to determine reform priorities and, with subsequent repeat assessments, highlight reform achievements.

The assessment team comprised the following: Alfred Akibo-Betts (Team Leader, TADAT Expert), Penninah Munga (TADAT Expert), Japhet Korir (Kenya Revenue Authority) and Eliud Nyandigisi (Independent Consultant).

The assessment team met physically and virtually with Kennedy Okemwa Abincha, County Executive Committee (CEC) Member, Finance and Economic Planning and several other County Officials, Directors, Managers and staff.

The assessment team expresses its gratitude and appreciation to the senior management team of Kisii County Government (KCG) and its staff for their cooperation, openness, and active participation during the TADAT Assessment. In particular, the team is thankful for Benard Omosa's (Chief Officer, Revenue Management) effective assistance in facilitating the meetings and all the necessary input required during the assessment. The TADAT Team is also grateful to Leakey Rosasi and Alexander Botha, the Trainee Assessors, and Askah Barongo for their tremendous support during the assessment.

During the assessment, the team undertook a physical and virtual visit to KCG's Keumbu office in the Nyaribari Chache sub-county and the Huduma Center in Kisii Municipality.

A draft performance assessment report was presented to the Kisii County Government on March 24, 2023, at the close of the in-subnational jurisdiction assessment. Written comments received from the Kisii County Government on the draft report have been considered by the assessment team and, as appropriate, reflected in this final version of the report. The PAR has been reviewed and cleared by the TADAT Secretariat.

ABBREVIATIONS AND ACRONYMS

BCM	Business Continuity Management
BCP	Business Continuity Plan
BIA	Business Impact Analysis
CADP	County Annual Development Plan
CEC	County Executive Committee
CFSP	County Fiscal Strategy Paper
CIARMD	County Internal Audit and Risk Management Department
CIDP	County Integrated Development Plan
CIP	Compliance Improvement Plan
CRA	Commission on Revenue Allocation
DCU	Debt Compliance Unit
DHRAC	Departmental Human Resources Advisory Committee
EACC	Ethics and Anti-Corruption Commission
FAQs	Frequently Asked Questions
GCP	Gross County Product
HR	Human Resources
ICT	Information, Communications and Technology
KRA	Kenya Revenue Authority
LAIFOMS	Local Authority Integrated Financial Operations Management System
NTSA	National Transport and Safety Authority
OAG	Office of Auditor-General
OSR	Own Source Revenue
PF	Parking Fees
POA	Performance Outcome Area
PR	Property Rates
SACCOS	Savings and Credit Co-operative Society
SBP	Single Business Permit
TADAT	Tax Administration Diagnostic Assessment Tool
ZCRCS	Zizi County Revenue Collection System

EXECUTIVE SUMMARY

The results of the TADAT assessment for Kisii County Government (KCG) follow, including the identification of the main strengths and weaknesses.

Strengths

- The Zizi County Revenue Collection System (ZCRCS) includes key features that facilitate the administration of the core taxes.
- The public is engaged through multiple channels, such as physical engagements for public participation, when a Finance Bill is enacted.
- KCG uses a mobile payment platform with 24-hour access for Parking Fees payments, and Parking fees taxpayers have 24-hour access to information regarding their payments.
- KCG's County Integrated Development Plan (CIDP) for 2023-2027 and Annual Development Plan (ADP) for 2023/24 were published on their website before the periods they cover.
- KCG's ZCRCS and LAIFOMS systems automatically generate penalties for Parking Fees and Land Rates.

Weaknesses

- There is an absence of standard operating procedures and consistency in applying processes across the administration of the core taxes.
- KCG does not have a centralized taxpayer registration database that includes adequate details of taxpayers. The two systems - ZCRCS and LAIFOMS, that manage the core taxes do not issue a unique identifier for taxpayers, as they have separate databases and multiple registration numbers.
- Taxpayer information in the registration database is inaccurate and unreliable, as there are no registration procedures to ensure robust documentary checks are undertaken, and the tax register is not regularly cleaned.
- KCG has not adopted any risk management standard to help assess and mitigate compliance risks in its revenue administration.
- KCG has a limited range of information and assistance to taxpayers to explain their obligations and entitlements.
- KCG does not have automated processes that separate compliant from non-compliant taxpayers.
- KCG does not have an audit program to detect and deter inaccurate reporting.
- KCG has not utilized research findings, environmental scans and data matching to identify and address compliance gaps in key taxpayer segments, core taxes and compliance pillars.

Strengths

Weaknesses

- KCG's objections and appeals system do not meet the required standards to provide redress for taxpayers adequately.
- Neither KCG's ZCRCS nor LAIFOMS is interfaced with the IFMIS system, which is used by the Finance department and the Ministry of Finance and Economic Planning.
- Investigating suspected wrongdoing and maladministration at KCG is limited as the Commission on Administrative Justice (COAJ) – Ombudsman and the Ethics and Anti-Corruption Commission (EACC) do not routinely investigate complaints from taxpayers and investigate serious alleged corruption issues, respectively.

However, KCG is challenged by several factors that hamper the collection of Own Source Revenue. The key challenges are: (i) the absence of standard operating procedures across tax administration functions limits the consistency of applying consistent processes in the administration of the core taxes; (ii) a legacy system, LAIFOMS, for the administration of Property Tax, that does not include key features that enhances the collection of this core tax; and (iii) lack of cooperation with external bodies in data sharing. Although numerous issues hamper the effectiveness of KCG's tax administration, the issues highlighted are fundamental to the administration of the core taxes.

Table 1 provides a summary of performance scores, and Figure 1 is a graphical snapshot of the distribution of scores. The scoring is structured around the TADAT framework's nine performance outcome areas (POAs) and 32 high-level indicators critical to tax administration performance. An 'ABCD' scale is used to score each indicator, with 'A' representing the highest level of performance and 'D' the lowest.

Figure 1. Kisii County Government: Distribution of Performance Scores

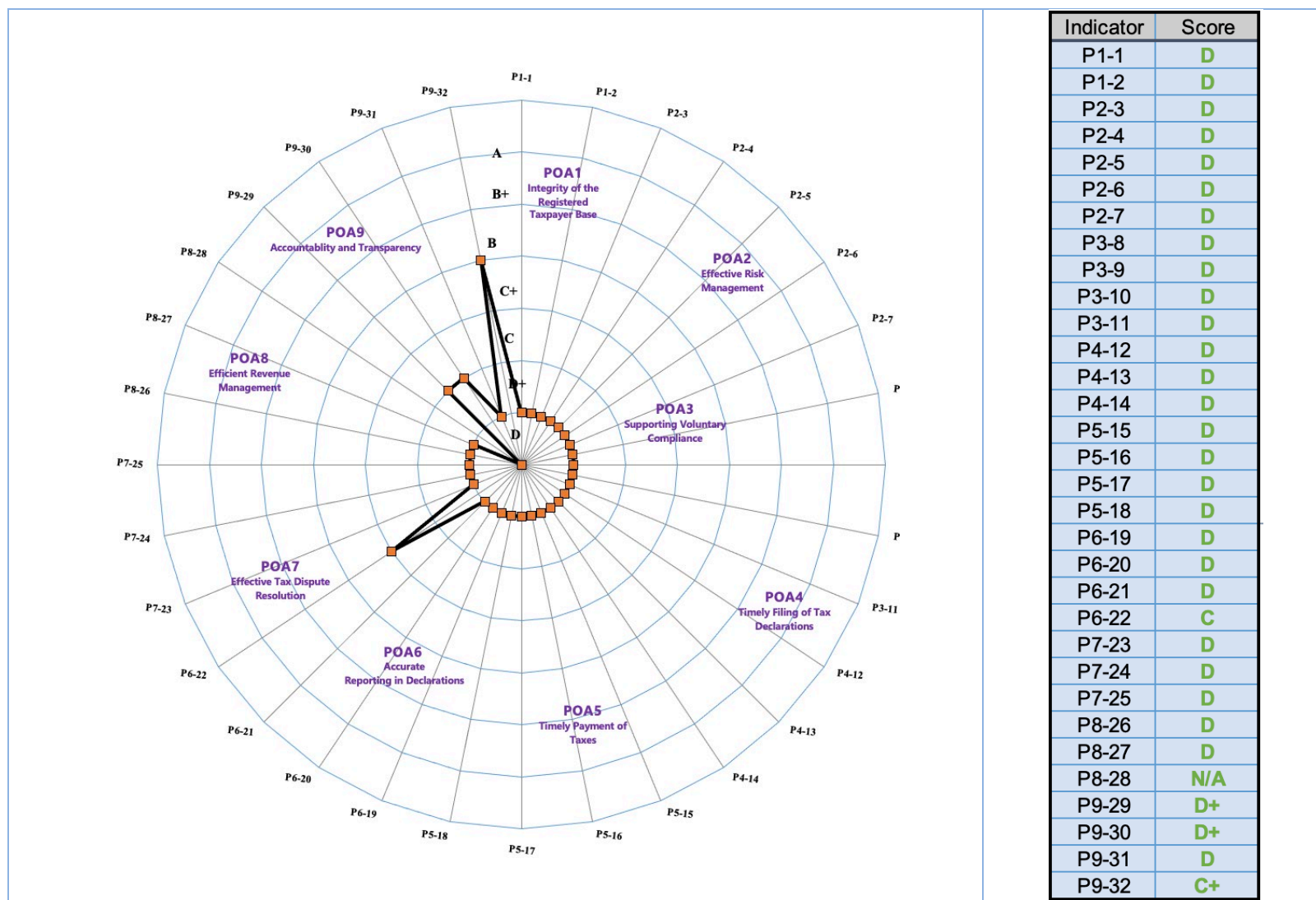


Table 1. Kisii County Government: Summary of TADAT Performance Assessment

Indicator	Scores 2023	Summary Explanation of Assessment
POA 1: Integrity of the Registered Taxpayer Base		
P1-1. Accurate and reliable taxpayer information.	D	Kisii County Government's (KCG's) Zizi County Revenue Collection System (ZCRCS) and Local Authority Integrated Financial Operations Management System (LAIFOMS) Systems lack crucial taxpayer information vital to compliance management, and the registration database is not centralized. KCG does not have a unique identifier for taxpayers, as there are multiple registration numbers for the core taxes. The accuracy and reliability of the information in the registration database cannot be relied upon, as there are no documented registration procedures, and no audit has verified the accuracy of the registration database.
P1-2. Knowledge of the potential taxpayer base.	D	KCG undertakes limited programs and initiatives to detect individuals and businesses required to register for the core taxes, and there are no operational plans nor reports on expanding the tax register.
POA 2: Effective Risk Management		
P2-3. Identification, assessment, ranking, and quantification of compliance risks.	D	KCG has undertaken several studies to identify compliance gaps but is yet to utilize data from external sources to understand taxpayer compliance behavior. There is no compliance risk management process in place for compliance risks at KCG.
P2-4. Mitigation of risks through a compliance improvement plan.	D	KCG has highlighted revenue mitigation measures in various strategy papers but not through a Compliance Improvement Plan.
P2-5. Monitoring and evaluation of compliance risk mitigation activities.	D	KCG does not have a framework to monitor and evaluate risk mitigation strategies.
P2-6. Management of operational risks.	D	A risk assessment process to identify and assess operational risks is carried out by the Internal Audit Department on an ad hoc basis. Additionally, KCG has not carried out Business Impact Analysis (BIA) nor put in place any Business Continuity Plan (BCP) to help business recovery.
P2-7. Management of human capital risks.	D	There are no documented procedures within the human resource function dedicated to managing human capital risks. The evaluation of human resources in KCG is not systematic and structured in identifying, assessing and mitigating human capital risks.

Indicator	Scores 2023	Summary Explanation of Assessment
POA 3: Supporting Voluntary Compliance		
P3-8. Scope, currency, and accessibility of information.	D	KCG has a limited range of information and assistance to taxpayers to explain their obligations and entitlements, which is not tailored to the needs of any taxpayer segment or group. Although there are no procedures in place or dedicated staff to update information, taxpayers are made aware of changes in the law before they take effect through general communication. Although MPESA (mobile phone payment service) is available for Parking Fees and information is available at no fee, information and guidance to taxpayers are insufficient.
P3-9. Time taken to respond to information requests.	D	The time taken to respond to taxpayers' and tax intermediaries' requests for information is not monitored at KCG.
P3-10. Scope of initiatives to reduce taxpayer compliance costs.	D	Initiatives to reduce taxpayer compliance costs are quite minimal at KCG. Frequently asked questions and common misunderstandings of the law are neither recorded nor analyzed to improve information and services; however, Parking Fees taxpayers have 24-hour access to information regarding their payments.
P3-11. Obtaining taxpayer feedback on products and services.	D	The use and frequency of methods to obtain feedback from taxpayers on the standards of services at KCG are inadequate since KCG obtains feedback from taxpayers on an ad-hoc basis when there are complaints from the taxpayer groups. Taxpayers' inputs in the design of administrative processes and products are limited at KCG.
POA 4: Timely Filing of Tax Declarations		
P4-12. On-time filing rate.	D	KCG does not have an accurate and reliable taxpayer register, which limits the ability to effectively monitor on-time declarations.
P4-13. Management of non-filers	D	KCG's ZCRCS and LAIFOMS systems automatically generate penalties for Parking Fees and Property Rates but do not separate filers from non-filers.
P4-14. Use of electronic filing facilities.	D	KCG does not have an electronic platform for filing tax declarations.

Indicator	Scores 2023	Summary Explanation of Assessment
POA 5: Timely Payment of Taxes		
P5-15. Use of electronic payment methods.	D	Except for payments for Parking Fees that use Unstructured Supplementary Service Data (USSD), payments for Single Business Permits (SBP) and Property Rates (PR) are largely manual.
P5-16. Use of efficient collection systems.	D	KCG does not have withholding arrangements and advance payment systems in place.
P5-17. Timeliness of payments.	D	The amount in 'total payments due' for SBP payments and Parking Fees cannot be determined from ZCRCS revenue reports.
P5-18. Stock and flow of tax arrears.	D	Except for Property Rates, KCG does not maintain and track the stock of arrears.
POA 6: Accurate Reporting in Declarations		
P6-19. Scope of verification actions taken to detect and deter inaccurate reporting.	D	The scope of verification actions to detect and deter inaccurate reporting at KCG is inadequate. Also, the enforcement and compliance program at KCG is not systemised around uniform practices, and the quality and effectiveness of the program are not monitored.
P6-20. Use of large-scale data-matching systems to detect inaccurate reporting.	D	Information reported in tax declarations is not automatically cross-checked at KCG.
P6-21. Initiatives undertaken to encourage accurate reporting.	D	KCG has no proactive initiatives to encourage accurate reporting through rulings and cooperative compliance approaches.
P6-22. Monitoring the tax gap to assess the inaccuracy of reporting levels.	C	KCG has conducted two tax gap analyses in five (5) years; however, the results of these studies have not been used in designing tax administration interventions to improve the accuracy of reporting.
POA 7: Effective Tax Dispute Resolution		
P7-23. Existence of an independent, workable, and graduated dispute resolution process.	D	A tiered and independent review mechanism is not in place, as evidenced by the absence of a department/unit that receives, processes and resolves disputes within KCG. Therefore, outcomes of the dispute resolution process are not published, nor are taxpayers made aware of it.
P7-24. Time taken to resolve disputes.	D	KCG does not measure and document the time taken to resolve disputes.
P7-25. Degree to which dispute outcomes are acted upon.	D	Although the Budget and Appropriation Committee of the County Assembly are empowered in Kisii County Finance Act 2021 to review and act on disputes, their outcomes are not regularly analysed.

Indicator	Scores 2023	Summary Explanation of Assessment
POA 8: Efficient Revenue Management		
P8-26. Contribution to government tax revenue forecasting process.	D	KCG's budgeting process is not done against any budgeted revenue forecasts, nor does it forecast tax refunds, but it only addresses issues of reversals on a case-by-case basis.
P8-27. Adequacy of the tax revenue accounting system.	D	KCG's automated accounting systems, ZCRCS and LAIFOMS, are approved by the CRA. However, the systems are not interfaced with the CRA, COB or IFMIS systems. In addition, only internal audits are conducted to ensure the accounting system aligns with the tax laws.
P8-28. Adequacy of tax refund processing.	N/A	Refunds are not applicable to any of the revenue streams; therefore, this indicator cannot be assessed.
POA 9: Accountability and Transparency		
P9-29. Internal assurance mechanisms.	D+	KCG has an internal audit function that is organizationally independent of the operations of the Revenue Department and reports to the audit committee; however, key aspects of the internal audit function are not undertaken. The Code of Ethics is not explicitly communicated to staff, and there is no dedicated Internal Affairs Unit for staff assurance.
P9-30. External oversight of the tax administration.	D+	The Office of the Auditor-General (OAG) undertakes the statutory annual audit of KCG's operations; however, the audits cover limited operational aspects of tax administration. The Commission on Administrative Justice (COAJ) – Ombudsman and the Ethics and Anti-Corruption Commission (EACC) do not routinely investigate complaints from taxpayers and investigate serious alleged corruption issues, respectively.
P9-31. Public perception of integrity.	D	Surveys were not conducted to assess public confidence regarding KCG's Revenue Operations
P9-32. Publication of activities, results and plans.	C+	KCG prepares an annual report; however, the report does not include the organization's full financial and operational performance. KCG prepares and publishes strategic and operational plans before the period these plans cover.

I. INTRODUCTION

This report documents the results of the TADAT assessment conducted in Kisii County Government during the period March 6 – 24, 2023 and subsequently reviewed by the TADAT Secretariat. The report is structured around the TADAT framework of nine POAs and 32 high-level indicators critical to tax administration performance that is linked to the POAs. Fifty-three measurement dimensions are taken into account in arriving at each indicator score. A four-point 'ABCD' scale is used to score each dimension and indicator:

- 'A' denotes performance that meets or exceeds international good practice. In this regard, for TADAT purposes, a good practice is taken to be a tested and proven approach applied by a majority of leading tax administrations. It should be noted, however, that for a process to be considered 'good practice', it does not need to be at the forefront or vanguard of technological and other developments. Given the dynamic nature of tax administration, the good practices described throughout the field guide can be expected to evolve over time as technology advances and innovative approaches are tested and gain wide acceptance.
- 'B' represents sound performance (i.e. a healthy level of performance but a rung below international good practice).
- 'C' means weak performance relative to international good practice.
- 'D' denotes inadequate performance and is applied when the requirements for a 'C' rating or higher are not met. Furthermore, a 'D' score is given in certain situations where there is insufficient information available to assessors to determine and score the level of performance. For example, where a tax administration is unable to produce basic numerical data for purposes of assessing operational performance (e.g., in areas of filing, payment, and refund processing) a 'D' score is given. The underlying rationale is that the inability of the tax administration to provide the required data is indicative of deficiencies in its management information systems and performance monitoring practices.

For further details on the TADAT framework, see Attachment I.

Some points to note about the TADAT diagnostic approach are:

- TADAT assesses the performance outcomes achieved in the administration of the major direct and indirect taxes critical to subnational government revenues. By assessing outcomes in relation to administration of identified core taxes, a picture can be developed of the relative strengths and weaknesses of the tax administration.
- TADAT assessments are evidence-based (see Attachment V for the sources of evidence applicable to the assessment of [Insert subnational jurisdiction name]).

- TADAT is not designed to assess special tax regimes, such as those applying in the natural resource sector. Nor does it assess customs administration.
- TADAT provides an assessment within the existing revenue policy framework, with assessments highlighting performance issues that may be best dealt with by a mix of administrative and policy responses.

The aim of TADAT is to provide an objective assessment of the health of key components of the system of tax administration, the extent of reform required, and the relative priorities for attention. TADAT assessments are particularly helpful in:

- Identifying the relative strengths and weaknesses in tax administration.
- Facilitating a shared view among all stakeholders (subnational jurisdiction authorities, international organizations, donor countries, and technical assistance providers).
- Setting the reform agenda (objectives, priorities, reform initiatives, and implementation sequencing).
- Facilitating management and coordination of external support for reforms and achieving faster and more efficient implementation.
- Monitoring and evaluating reform progress by way of subsequent repeat assessments.

KISII COUNTY GOVERNMENT BACKGROUND INFORMATION

Kisii County Government Profile

General background information on KCG and the environment in which its tax system operates are provided in the subnational jurisdiction snapshot in Attachment II.

Data Tables

Numerical data gathered from the authorities and used in this TADAT performance assessment is contained in the tables comprising Attachment III.

Economic Situation

Kisii County Government's (KCG's) nominal Gross County Product (GCP) was Kshs. 225,958 million in 2021. KCG has been contributing an average of 2 per cent of the National Gross Domestic Product (GDP) from 2013-2020. The real per capita GCP is Kshs.178,361. The County's dependency ratio is 84.7 per cent, while the national dependency ratio is 81.6 per cent. The food poverty level stood at 44.5 per cent as of 2019, which was much higher than the national poverty level, which was 31.6 per cent.

KCG's main economic activity is agriculture, which contributes 44.8 per cent of the County's GCP, followed by transport, warehouse and storage, contributing 16 per cent of the GCP. The main cash crops in the county include - tea, coffee, and sugar cane. In addition to the cash crops, other food crops grown include maize, beans, bananas, avocados, vegetables, pineapples, groundnuts, and sweet potatoes. However, agriculture continues to decline due to erratic weather conditions and post-COVID-19 effects.

KCG realized a total of Kshs.404.5 million as Own Source Revenue (OSR) against a target of Kshs.700.0 million in the FY 2021/2022, which translated to 57.8 per cent. This was an increase of 0.4 per cent compared to Kshs.403 million realized in the FY 2020/21. KCG generated a total of Kshs.90.1 million from its OSR in the first half of FY 2022/23, translating to 13.9 per cent of their annual OSR target of Kshs.650.0 million. There was a notable decrease of 31.8 per cent compared to Kshs.131.9 million collected in the first half period in FY 2021/22.

Main Taxes

KCG's core taxes are Single Business Permits (SBP), Property Rates (PR) and Parking Fees (PF) which amount to 0.04, 0.01 and 0.03 per cent of the GCP, respectively. These core taxes were selected within the TADAT framework as a result of discussions with KCG authorities and professional judgment since they are structured and revolve around the four main taxpayers' obligations of registration in the tax system, filing of tax declarations, timely payments of taxes and complete and accurate declarations. Other major revenue collections at KCG include - advertisements, market entrance fees and building plan approvals.

Further details on tax revenue collections are provided in Table 1 of Attachment III.

Institutional Framework

KCG's Directorate of Revenue falls under the Finance, Economic Planning, and ICT Department, headed by a County Executive Committee (CEC) Member. The Directorate is responsible for collecting, recording, accounting and reporting on all revenue generated by the county. The Directorate is headed by the Chief Officer - Finance, who is deputized by two directors in charge of the two main divisions - The Municipality and Sub-County. Each division also has a Deputy Director and an Assistant Director who assists the two directors in the day-to-day running of the divisions. The various subunits under each division, consisting of the Sub-Counties and the Municipality, are headed by Revenue Officers who report to the Assistant Directors of Revenue.

KCG Directorate of Revenue has 382 staff members with an annual wage bill of Kshs. 244,234,97 represents approximately 87.5 per cent of the directorate's annual budget.

An organizational chart of the tax administration is provided in Attachment IV.

Current Status of Tax Administration Reform

KCG has initiated several reform initiatives to revamp and enhance the administration and collection of OSR. Mobile payment service through MPESA via a USSD code was introduced in 2020 to enhance compliance through the accessibility of payments by taxpayers at a time and a place convenient to them and the reduction of revenue pilferages. The mobile payment service is integrated with the ZCRCS and the banks for the on-time update of taxpayers' payments and the elimination of human intervention. Parking Fees, Cess¹ and Market fees are now payable through mobile payment. In addition, KCG reorganized its administration framework in 2019 by introducing a Chief Officer - Revenue position to oversee the County's revenue administration and collection.

Further, the directorate was divided into two divisions for efficiency and effectiveness in revenue collection; the Municipality and Sub-County divisions, headed by Revenue Directors. The Revenue Directors are deputized by Deputy Revenue Directors, who are assisted by assistant revenue directors to oversee divisions. Under each division, there are various units; the municipality subunits and the eight sub-counties, headed by Revenue Officers. The reorganization was geared towards increasing efficiency and effectiveness in revenue collection.

Exchange of Information

KCG does not have any framework for the exchange of information with any other Subnational Government or the Kenya Revenue Authority.

¹ According to Kisii County Government Finance Act 2022, "Cess" means tax or fees chargeable on certain goods specified under various schedules in this Act and shall include a special levy on value added products to promote the growth of the industry, factories and shall include but is not limited to factory cess, mining cess and soapstone cess.

II. ASSESSMENT OF PERFORMANCE OUTCOME AREAS

POA 1: Integrity of the Registered Taxpayer Base

A fundamental initial step in administering taxes is taxpayer registration and numbering. Tax administrations must compile and maintain a complete database of businesses and individuals that are required by law to register; these will include taxpayers in their own right, as well as others, such as employers with PAYE withholding responsibilities. Registration and numbering of each taxpayer underpin key administrative processes associated with filing, payment, assessment, and collection.

Two performance indicators are used to assess POA 1:

- P1-1—Accurate and reliable taxpayer information.
- P1-2—Knowledge of the potential taxpayer base.

P1-1: Accurate and reliable taxpayer information

For this indicator, two measurement dimensions assess: (1) the adequacy of information held in the tax administration's registration database and the extent to which it supports effective interactions with taxpayers and tax intermediaries (i.e. tax advisors and accountants); and (2) the accuracy of information held in the database. Assessed scores are shown in Table 2, followed by an explanation of the reasons underlying the assessment.

Table 2. P1-1 Assessment

Measurement dimensions	Scoring Method	Score 2023	
P1-1-1. The adequacy of information held in respect of registered taxpayers and the extent to which the registration database supports effective interactions with taxpayers and tax intermediaries.	M1	D	D
P1-1-2. The accuracy of information held in the registration database.		D	

The ZCRCS and LAIFOMS systems lack crucial information on taxpayers vital to compliance management. ZCRCS is used for the administration of Single Business Permits (SBPs) and Parking Fees (PF), and LAIFOMS manages Property Rates (PR). ZCRCS does not record the date of incorporation for businesses and the date of birth for individuals; the classification of businesses is limited to a list detailed in Schedule 1 (Trade and Industrialization) of the Kisii County Finance Act 2021 and not the International Standard Industrial Classification (ISIC). ZCRCS also does not have linkages to associated entities and related parties of the taxpayer, and segmentation of taxpayers is limited to business activity. Although LAIFOMS records extensive information on the property, these details are not shown in the registration database. For Parking Fees (PF), information recorded in the registration database is limited to the vehicle owner's name, vehicle registration number, vehicle capacity, and name and contact person of the Savings and Credit Co-operative Society

(SACCOS), where the vehicle has a membership.

KCG does not have a central computerized registration database; however, the registration IT subsystem in ZCRCS includes key features vital to managing the core taxes. Each core tax has a separate tax register, and these registers are limited as they do not include relevant details of the taxpayer, such as phone numbers, email addresses etc. LAIFOMS' registration database is not linked to any subsystem; however, ZCRCS' registration database is linked to the payment subsystem. Front-line staff can access both systems, only allow deactivation and not deregistration of taxpayers, generate limited registration-related management information and do not provide secure online access to businesses and individuals. However, both ZCRCS and LAIFOMS have adequate audit trail capabilities that promote transparency systems' use.

KCG does not have a unique identifier for taxpayers, as there are multiple registration numbers for the core taxes. For Single Business Permit (SBP), ZCRCS generates a unique Business Number (BN) for each business or location even if one individual owns multiple businesses; and for Property Rates (PR), a Unique Personal Number (UPN) is generated for each property through LAIFOMS. Therefore, for SBP, if an individual owns multiple businesses, the individual is not assigned a unique identification number, although ZCRCS links these businesses to the individual. For PR, if a property owner owns multiple properties, the individual is not assigned a unique identification number that links their properties, as LAIFOMS will issue different numbers for the properties. For Parking Fees (PF), ZCRCS does not issue a system-generated high-integrity identification number, as the vehicle registration number is the identification number recorded in the database. Also, vehicle owners are not issued a unique identifier, resulting in multiple registration numbers if an individual owns more than one vehicle. Therefore, one unique identification number is not used across the core taxes.

The accuracy and reliability of the information in the registration database cannot be relied upon, as there are no documented registration procedures, and no audits have verified the accuracy of the registration database. KCG does not have documented registration procedures applied when taxpayers register for the core taxes. Documentation presented by taxpayers when registering is not checked to verify their authenticity, and third-party verification of information held in the registration database is not undertaken. Also, KCG's internal audit function and the Office of the Auditor-General have never provided assurance indicating a high level of confidence in the accuracy of the registration database.

P1-2: Knowledge of the potential taxpayer base

This indicator measures the extent of tax administration efforts to detect unregistered businesses and individuals. The assessed score is shown in Table 3, followed by an explanation of the reasons underlying the assessment.

Table 3. P1-2 Assessment

Measurement dimension	Scoring Method	Score 2023
P1-2. The extent of initiatives to detect businesses and individuals who are required to register but fail to do so.	M1	D

KCG undertakes limited programs and initiatives to detect individuals and businesses required to register for the core taxes. The County Integrated Development Plan (CIDP) 2023-2027 and the County Budget Review and Outlook Paper (CBROP) for FY 2021/22 indicate some initiatives to expand the tax register for SBP and PR; however, these initiatives have not been implemented. Although visits are made to business areas to issue invoices and check compliance for SBP, there are no reports to detail the impact of these visits. For Parking Fees, KCG install checkpoints to check for compliance, and no actions are taken to verify the accuracy of the Valuation Roll for Property Rates, which was last updated in 1988. Additionally, there are no operational plans to detect unregistered taxpayers and no use of third-party data to improve the register.

POA 2: Effective Risk Management

Tax administrations face numerous risks that have the potential to adversely affect revenue and/or tax administration operations. For convenience, these risks can be classified as:

- Compliance risks—where revenue may be lost if businesses and individuals fail to meet the four main taxpayer obligations (i.e. registration in the tax system; filing of tax declarations; payment of taxes on time; and complete and accurate reporting of information in declarations); and
- Institutional risks—where tax administration functions may be interrupted if certain external or internal events occur, such as natural disasters, sabotage, loss or destruction of physical assets, failure of IT system hardware or software, strike action by employees, and administrative breaches (e.g., leakage of confidential taxpayer information which results in loss of community confidence and trust in the tax administration). For TADAT purposes, institutional risk is divided into two components. These are:
 - *Operational risk*—refers to disruptive actions that destroy or affect part or all of the administration's assets and resources, such as buildings, IT, and other equipment, data and records; and
 - *Human capital risk*—refers to interruptions that affect the tax administration arising out of capability, capacity, compliance, cost and connection (engagement) gaps of and by its employees.

Risk management is essential to effective tax administration and involves a structured approach to identifying, assessing, prioritizing, and mitigating risks. It is an integral part of multi-year strategic and annual operational planning.

Five performance indicators are used to assess POA 2:

- P2-3—Identification, assessment, ranking, and quantification of compliance risks.

- P2-4—Mitigation of risks through a compliance improvement plan.
- P2-5—Monitoring and evaluation of compliance risk mitigation activities.
- P2-6—Management of operational (i.e. systems and processes) risks.
- P2-7—Management of human capital risks.

P2-3: Identification, assessment, ranking, and quantification of compliance risks

For this indicator two measurement dimensions assess: (1) the scope of intelligence gathering and research to identify risks to the tax system; and (2) the process used to assess, rank, and quantify compliance risks. Assessed scores are shown in Table 4 followed by an explanation of reasons underlying the assessment.

Table 4. P2-3 Assessment

Measurement dimensions	Scoring Method	Score 2023	
P2-3-1. The extent of intelligence gathering and research to identify compliance risks in respect of the main tax obligations.	M1	D	D
P2-3-2. The process used to assess, rank, and quantify taxpayer compliance risks.		D	

KCG has undertaken several studies to identify compliance gaps but is yet to utilize data from external sources to understand taxpayer compliance behavior. KCG's Finance and Economic Planning in its County Fiscal Strategy Paper 2021/22² and County Budget Review and Outlook Paper (CBROP) for FY 2021/22³ has published a raft of measures and strategies to realize the targeted revenue. The County Fiscal Strategy Paper for FY 2021/22 has also outlined measures to mobilize revenues by putting in place revenue enhancement measures to boost performance and cushion against further revenue shortfalls by strengthening revenue collection administration and compliance. However, there is no evidence that KCG has taken the initiative to utilize this information to identify compliance risks. There is also no evidence of a framework to obtain and use data from other agencies to understand taxpayer compliance behavior.

There is no compliance risk management process in place for compliance risks at KCG. At the corporate and operational levels, KCG has not adopted nor implemented any risk management framework to assess, rank and quantify taxpayer compliance risks.

P2-4: Mitigation of risks through a compliance improvement plan

This indicator examines the extent to which the tax administration has formulated a compliance improvement plan to address identified risks. The assessed score is shown in Table 5 followed by an explanation of reasons underlying the assessment.

Table 5. P2-4 Assessment

² "Strategy for resilient and sustainable economic recovery" - pages 12 & 13

³ Own Source Revenue - pages 30 & 32

Measurement dimension	Scoring Method	Score 2023
P2-4. The degree to which the tax administration mitigates assessed risks to the tax system through a compliance improvement plan.	M1	D

KCG has highlighted revenue mitigation measures in various strategy papers but not through a Compliance Improvement Plan. There is no process in place that captures in a single document the identification, assessment, and mitigation of risks in core taxes, compliance pillars or key taxpayer sectors. Though the County Fiscal Strategy Paper for FY 2021/22 identifies revenue enhancement initiatives, including reversal of waivers, use of third-party data, strengthening audit function and broadening the revenue base, all these are not documented in a Compliance Improvement Plan (CIP).

P2-5: Monitoring and evaluation of compliance risk mitigation activities

This indicator looks at the process used to monitor and evaluate compliance mitigation activities. The assessed score is shown in Table 6 followed by an explanation of reasons underlying the assessment.

Table 6. P2-5 Assessment

Measurement dimension	Scoring Method	Score 2023
P2-5. The process used to monitor and evaluate the impact of compliance risk mitigation activities.	M1	D

KCG does not have a framework to monitor and evaluate risk mitigation strategies. In the absence of this, KCG could not produce any evidence that could be used to evaluate the impact of risk mitigation activities on revenue collections or the compliance behavior of taxpayers. The County Integrated Development Plan (CIPD) for Kisii County 2023-2027⁴ notes that it was difficult to tell the status of projects and programs due to the absence of monitoring and evaluation reports. The monitoring strategies focus only on the immediate revenue shortfall and not on the overall level of compliance risks.

P2-6: Management of operational risks

This indicator examines how the tax administration manages operational risks other than those related to human resources. The assessed score is shown in Table 7 followed by an explanation of reasons underlying the assessment.

Table 7. P2-6 Assessment

Measurement dimensions	Scoring Method	Score 2023
P2-6-1. The process used to identify, assess and mitigate operational risks.	M1	D D

⁴ Cited as challenge in implementation of CIPD is the lack of monitoring and Evaluation Framework - page 30.

P2-6-2. The extent to which the effectiveness of the business continuity program is tested, monitored, and evaluated.		D	
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A risk assessment process to identify and assess operational risks is carried out by the Internal Audit Department on an ad hoc basis. However, there is no evidence that the output from this process forms part of KCG's planning process for managing operational risks. The operational risk register was developed in 2021, but there is no evidence that the risks identified were being mitigated in a structured manner.

KCG has not carried out Business Impact Analysis (BIA) nor put in place any Business Continuity Plan (BCP) or contingency plans to help business recovery. KCG has not done any testing programme for critical functions, systems, and processes since there are no procedures to guide testing and update improvement recommendations to manage operational risks.

P2-7: Management of human capital risks

This indicator examines how the tax administration manages human capital risks. The assessed score is shown in Table 8 followed by an explanation of reasons underlying the assessment.

Table 8. P2-7 Assessment

Measurement dimensions	Scoring Method	Score 2023	
P2-7-1. The extent to which the tax administration has in place the capacity and structures to manage human capital risks.	M1	D	D
P2-7-2. The degree to which the tax administration evaluates the status of human capital risks and related mitigation interventions.		D	

There are no documented processes within the human resource function dedicated to managing human resource capital risks. The County Integrated Development Plan (CIDP) 2023-2027 highlights the need to develop staff to deliver services effectively by equipping them with skills and competencies necessary for the specific task, but there is no evidence of a structured assessment of human capital risks. There is no specified methodology in Human Resources (HR) to address human capital in assessing capability, capacity, compliance, cost, and connection.

The evaluation of human resources in KCG is not systematic and structured in identifying, assessing, and mitigating human capital risks. There is no evidence that, over the years, the annual report for KCG has evaluated the status of human capital risks and mitigation interventions.

POA 3: Supporting Voluntary Compliance

To promote voluntary compliance and public confidence in the tax system, tax administrations must adopt a service-oriented attitude toward taxpayers, ensuring that taxpayers have the information and support they need to meet their obligations and claim their entitlements under the law. Because few taxpayers use the law itself as a primary source of information, assistance from the tax administration plays a crucial role in bridging

the knowledge gap. Taxpayers expect that the tax administration will provide summarized, understandable information on which they can rely.

Efforts to reduce taxpayer costs of compliance are also important. Small businesses, for example, gain from simplified record keeping and reporting requirements. Likewise, individuals with relatively simple tax obligations (e.g., employees, retirees, and passive investors) benefit from simplified filing arrangements and systems that eliminate the need to file.

Four performance indicators are used to assess POA 3:

- P3-8—Scope, currency, and accessibility of information.
- P3-9—Time taken to respond to information requests.
- P3-10—Scope of initiatives to reduce taxpayer compliance costs.
- P3-11—Obtaining taxpayer feedback on products and services.

P3-8: Scope, currency, and accessibility of information

For this indicator, three measurement dimensions assess: (1) whether taxpayers have the information they need to meet their obligations; (2) whether the information available to taxpayers reflects the current law and administrative policy; (3) how easy it is for taxpayers to obtain information. Assessed scores are shown in Table 9 followed by an explanation of reasons underlying the assessment.

Table 9. P3-8 Assessment

Measurement dimensions	Scoring Method	Score 2023
P3-8-1. The range of information available to taxpayers to explain, in clear terms, what their obligations and entitlements are in respect of each core tax.	M1	D
P3-8-2. The degree to which information is current in terms of the law and administrative policy.		D
P3-8-3. The ease by which taxpayers obtain information from the tax administration.		D

KCG has a limited range of information and assistance to taxpayers to explain their obligations and entitlements. Taxpayers must physically visit the Huduma Centre⁵, KCG headquarters and Sub-County offices to obtain information and explanations, and there are also physical and hard copies of the Kisii County Finance Acts. Minimal information is also disseminated through the County's and the County Assembly's websites - www.kisii.go.ke and www.kisiiassembly.go.ke. Some of the information on County's strategy papers and Finance Bills is provided to taxpayers during public participation. KCG also holds meetings with various stakeholders as and when issues arise.

⁵ According to www.hudumakenya.go.ke "Huduma Centres "are one stop-shop citizen service centres that provide National and County Government Services from a single location.

KCG has not tailored the available information to the needs of key taxpayer segments, key industry groups, intermediaries, and disadvantaged groups; however, for inclusivity, public participation is conducted in most of the local languages.

KCG does not have documented procedures or dedicated staff to update information in terms of law and administrative policy. Taxpayers are made aware of changes in the Finance Bill before the law and policies take effect through public participation⁶.

Information and guidance to taxpayers at KCG are inadequate. There are no proactive taxpayer education programs in place; however, stakeholder engagements are held on an ad hoc basis. Finance Acts are available at KCG offices and Huduma centers to guide the taxpayers. Information is available at no cost to both taxpayers and intermediaries. MPESA⁷ mobile payment service, to which taxpayers have 24-hour access, is only available for Parking Fees.

P3-9: The time taken to respond to requests for information.

This indicator examines how quickly the tax administration responds to requests by taxpayers and tax intermediaries for information (for this dimension, waiting time for telephone enquiry calls is used as a proxy for measuring a tax administration's performance in information requests generally). Assessed scores are shown in Table 10, followed by an explanation of reasons underlying the assessment.

Table 10. P3-9 Assessment

Measurement dimension	Scoring Method	Score 2023
P3-9: The time taken to respond to taxpayers and tax intermediaries' requests for information.	M1	D

The time taken to respond to taxpayers' and tax intermediaries' requests for information is not monitored at KCG. Although KCG has outlined its service delivery standards in form of a service charter, there was no evidence that this is monitored. Time taken to respond to information requests from walk-ins by taxpayers at their offices and the Huduma Center is also not monitored. Also, KCG does not have a call center.

P3-10: Scope of initiatives to reduce taxpayer compliance costs

This indicator examines the tax administration's efforts to reduce taxpayer compliance costs. Assessed scores are shown in Table 11, followed by an explanation of reasons underlying the assessment.

⁶ Kisii County Public Participation Act, 2014 defines "Public Participation" to mean any process that directly engages the public in decision making and gives full consideration to public input in making that decision.

⁷ **M-PESA** is a mobile phone-based payments and micro financing service, launched in 2007 by Vodafone and Safaricom, the largest mobile network operator in Kenya.

Table 11. P3-10 Assessment

Measurement dimension	Scoring Method	Score 2023
P3-10. The extent of initiatives to reduce taxpayer compliance costs.	M1	D

Initiatives to reduce taxpayer compliance costs are minimal at KCG. KCG does not have a system of simplified reporting arrangements for small taxpayers. Although frequently asked questions and common misunderstandings of the law are neither recorded nor analyzed to improve information and services, KCG indicated that they reviewed their invoicing system from multiple invoicing billing systems for services to a single invoice billing system for all services after complaints from taxpayers and although the old and the revised new invoice samples were provided, there were no minutes or records for the review. For Parking Fees, taxpayers have 24-hour access to information regarding their payments through the use of an Unstructured Supplementary Service Data (USSD) code using their mobile phones. There was no evidence that Tax declarations and other forms are not reviewed regularly.

P3-11: Obtaining taxpayer feedback on products and services

For this indicator, two measurement dimensions assess: (1) the extent to which the tax administration seeks taxpayer and other stakeholder views of service delivery; and (2) the degree to which taxpayer feedback is taken into account in the design of administrative processes and products. Assessed scores are shown in Table 12, followed by an explanation of reasons underlying the assessment.

Table 12. P3-11 Assessment

Measurement dimensions	Scoring Method	Score 2023	
P3-11-1. The use and frequency of methods to obtain performance feedback from taxpayers on the standard of services provided.	M1	D	D
P3-11-2. The extent to which taxpayer input is taken into account in the design of administrative processes and products.		D	

The use and frequency of methods to obtain feedback from taxpayers on the standards of services at KCG are inadequate. KCG obtains taxpayer feedback on an ad-hoc basis when there are complaints from taxpayer groups. No survey has been conducted at KCG to monitor trends in taxpayers' perceptions of KCG. **Taxpayers' inputs in the design of administrative processes and products are limited at KCG.** Key taxpayer groups and tax intermediaries are not involved in designing and testing new products and services. Taxpayers are only involved during public participation⁸ before strategy papers such as CIDP, CFSP, ADP, and Finance Bills⁹.

⁸ Kisii County Public Participation Act, 2015 defines "Public Participation" to mean any process that directly engages the public in decision making and gives full consideration to public input in making that decision.

⁹ Kisii County Finance Act, 2022 defines the Finance Act as an Act of the County Assembly of Kisii, to provide for the various levies, fees and charges for services, and for other revenue raising measures by the County Government and for matters incidental thereto.

POA 4: Timely Filing of Tax Declarations

Filing of tax declarations (also known as tax returns) remains a principal means by which a taxpayer's tax liability is established and becomes due and payable. As noted in POA 3, however, there is a trend towards streamlining preparation and filing of declarations of taxpayers with relatively uncomplicated tax affairs (e.g., through pre-filing tax declarations). Moreover, several countries treat income tax withheld at source as a final tax, thereby eliminating the need for large numbers of PIT taxpayers to file annual income tax declarations. There is also a strong trend towards electronic filing of declarations for all core taxes. Declarations may be filed by taxpayers themselves or via tax intermediaries.

It is important that all taxpayers who are required to file do so, including those who are unable to pay the tax owing at the time a declaration is due (for these taxpayers, the first priority of the tax administration is to obtain a declaration from the taxpayer to confirm the amount owed, and then secure payment through the enforcement and other measures covered in POA 5).

Three performance indicators are used to assess POA 4:

- P4-12—On-time filing rate.
- P4-13—Management of non-filers
- P4-14—Use of electronic filing facilities.

P4-12: On-time filing rate

A single performance indicator, with three measurement dimensions, is used to assess the on-time filing rate for declarations for the three most important direct and/or indirect taxes administered by the subnational entity. A high on-time filing rate is indicative of effective compliance management including, for example, provision of convenient means to file declarations (especially electronic filing facilities), simplified declarations forms, and enforcement action against those who fail to file on time. Assessed scores are shown in Table 13 followed by an explanation of reasons underlying the assessment.

Table 13. P4-12 Assessment

Measurement dimensions	Scoring Method	Score 2023	
P4-12-1. The number of declarations for the most important tax (T1) filed by the statutory due date as a percentage of the number of declarations expected from registered T1 taxpayers.	M2	D	D

P4-12-2. The number of declarations for the second most important tax (T2) filed by the statutory due date as a percentage of the number of declarations expected from registered T2 taxpayers.		D	
P4-12-3. The number of declarations for the third most important tax (T3) filed by the statutory due date as a percentage of the number of declarations expected from registered T3 taxpayers.		D	

KCG does not have an accurate and reliable taxpayer register, which limits the ability to effectively monitor on-time declarations. This challenge is due to the inability of the ZCRCS to determine and differentiate those who have declared on time from those who have not, which makes it difficult to monitor on-time declarations by taxpayers effectively. There is no credible evidence on mechanisms for monitoring filing declarations by taxpayers, thus the inability to obtain numerical data in Tables 4 to 10 in Attachment III.

P4-13: Management of non-filers

This indicator measures the extent to which taxpayers who have failed to file declarations when due are managed. The assessed score is shown in Table 14 followed by an explanation of reasons underlying the assessment.

Table 14. P4-13 Assessment

Measurement dimension	Scoring Method	Score 2023
P4-13. Action taken to follow up non-filers.	M1	D

KCG's ZCRCS and LAIFOMS systems automatically generate penalties for Parking Fees and Property Rates but do not separate filers from non-filers. Also, KCG does not have dedicated staff to follow up with non-filers, and the taxpayer register is not routinely updated based on the results of the non-filer enforcement. Furthermore, KCG is unable to automatically generate penalties for SBP since the process is done manually. However, KCG, on an ad hoc basis, does the follow-up of some non-filers under the Inspection program.

P4-14: Use of electronic filing facilities

This indicator measures the extent to which declarations for all core taxes, are filed electronically. Assessed scores are shown in Table 15 followed by an explanation of reasons underlying the assessment.

Table 15. P4-14 Assessment

Measurement dimension	Scoring Method	Score 2023
P4-14. The extent to which tax declarations are filed electronically.	M1	D

KCG does not have an electronic platform for filing tax declarations. Taxpayers cannot file electronically through the ZCRCS and LAIFOMS systems.

POA 5: Timely Payment of Taxes

Taxpayers are expected to pay taxes on time. Tax laws and administrative procedures specify payment requirements, including deadlines (due dates) for payment, who is required to pay, and payment methods. Depending on the system in place, payments due will be either self-assessed or administratively assessed. Failure by a taxpayer to pay on time results in imposition of interest and penalties and, for some taxpayers, legal debt recovery action. The aim of the tax administration should be to achieve high rates of voluntary on-time payment and low incidence of tax arrears.

Four performance indicators are used to assess POA 5:

- P5-15—Use of electronic payment methods.
- P5-16—Use of efficient collection systems.
- P5-17—Timeliness of payments
- P5-18—Stock and flow of tax arrears.

P5-15: Use of electronic payment methods

This indicator examines the degree to which core taxes are paid by electronic means without the direct intervention of bank staff or tax administration, including through electronic funds transfer (where money is electronically transferred via the Internet from a taxpayer’s bank account to the Government’s account), credit cards, and debit cards. Assessed scores are shown in Table 16 followed by an explanation of reasons underlying the assessment.

Table 16. P5-15 Assessment

Measurement dimension	Scoring Method	Score 2023
P5-15. The extent to which core taxes are paid electronically.	M1	D

Except for payments for Parking Fees that use USSD, payments for SBP and Property Rates are largely manual. KCG still maintains a back-office receipting system that requires taxpayers to present payment advice to update their taxpayer accounts. The absence of direct debit authority payment on a liability-by-liability basis means that KCG does not have real-time payment status of SBP and Property Rates.

P5-16: Use of efficient collection systems

This indicator assesses the extent to which acknowledged efficient collection systems—especially withholding at source and advance payment systems—are used. Assessed scores are shown in Table 17 followed by an

explanation of reasons underlying the assessment.

Table 17. P5-16 Assessment

Measurement dimension	Scoring Method	Score 2023
P5-16. The extent to which withholding at source and advance payment systems are used.	M1	D

KCG does not have withholding arrangements and advance payment systems in place. There is also no provision in the law that enables KCG to implement withholding at source and advance payment.

P5-17: Timeliness of payments

This indicator assesses the extent to which payments are made on time (by number and by value). For TADAT measurement purposes, the most important tax (T1) payment performance is used as a proxy for the on-time payment performance of core taxes generally. A high on-time payment percentage is indicative of sound compliance management, including, for example, provision of convenient payment methods and effective follow-up of overdue amounts. Assessed scores are shown in Table 18 followed by an explanation of reasons underlying the assessment.

Table 18. P5-17 Assessment

Measurement dimensions	Scoring Method	Score 2023
P5-17-1. The number of payments for the most important tax (T1) made by the statutory due date in per cent of the total number of payments due.	M1	D
P5-17-2. The value of payments for the most important tax (T1) made by the statutory due date in per cent of the total value of T1 payments due.		D

The amount in 'total payments due' for SBP payments and parking fees cannot be determined from ZCRCS revenue reports. While the information in relation to the number value of payments has been given, the method used to determine the timeliness of payments is not certain.

P5-18: Stock and flow of tax arrears

This indicator examines the extent of accumulated tax arrears. Two measurement dimensions are used to gauge the size of the administration's tax arrears inventory: (1) the ratio of end-year tax arrears to the denominator of annual tax collections; and (2) the more refined ratio of end-year 'collectible tax arrears' to annual collections.¹⁰ A third measurement dimension looks at the extent of unpaid tax liabilities that are more

¹⁰ For purposes of this ratio, 'collectible' tax arrears is defined as total domestic tax arrears excluding: (a) amounts formally disputed by the taxpayer and for which collection action has been suspended pending the outcome, (b) amounts that are not legally recoverable (e.g., debt foregone through bankruptcy), and (c) arrears otherwise uncollectible (e.g., the debtor has no funds or other assets).

than a year overdue (a high percentage may indicate poor debt collection practices and performance given that the rate of recovery of tax arrears tends to decline as arrears get older). Assessed scores are shown in Table 19 followed by an explanation of reasons underlying the assessment.

Table 19. P5-18 Assessment

Measurement dimensions	Scoring Method	Score 2023	
P5-18-1. The value of total core tax arrears at fiscal year-end as a percentage of total core tax revenue collections for the fiscal year.	M2	D	D
P5-18-2. The value of collectible core tax arrears at fiscal year-end as a percentage of total core tax revenue collections for the fiscal year.		D	
P5-18-3. The value of core tax arrears more than 12 months old as a percentage of the value of all core tax arrears.		D	

Except for Property Rates, KCG does not maintain and track the stock of arrears. There are no reports of tax arrears generated at the year's close and no established procedure to determine the collectability or ageing of tax arrears in KCG.

POA 6: Accurate Reporting in Declarations

Tax systems rely heavily on complete and accurate reporting of information by taxpayers in tax declarations. Tax administrations, therefore, need to regularly monitor tax revenue losses from inaccurate reporting, especially by business taxpayers, and take a range of actions to ensure compliance. These actions fall into two broad groups: verification activities (e.g., tax audits, investigations, and income matching against third-party information sources) and proactive initiatives (e.g., taxpayer assistance and education as covered in POA 3 and cooperative compliance approaches).

If well-designed and managed, tax audit programs can have far wider impact than simply raising additional revenue from discrepancies detected by tax audits. Detecting and penalizing serious offenders serve to remind all taxpayers of the consequences of inaccurate reporting.

Also prominent in modern tax administration is high-volume automated cross-checking of amounts reported in tax declarations with third-party information. Because of the high cost and relative low coverage rates associated with traditional audit methods, tax administrations are increasingly using technology to screen large numbers of taxpayer records to detect discrepancies and encourage correct reporting.

Proactive initiatives also play an important role in addressing risks of inaccurate reporting. These include adoption of cooperative compliance approaches to build collaborative and trust-based relationships with taxpayers (especially large taxpayers) and intermediaries to resolve tax issues and bring certainty to

companies' tax positions in advance of a tax declaration being filed, or before a transaction is actually entered into. A system of binding tax rulings can play an important role here.

Finally, on the issue of monitoring the extent of inaccurate reporting across the taxpayer population generally, a variety of approaches are being used, including: use of tax compliance gap estimating models, both for direct and indirect taxes; advanced analytics using large data sets (e.g., predictive models, clustering techniques, and scoring models) to determine the likelihood of taxpayers making full and accurate disclosures of income; and surveys to monitor taxpayer attitudes towards accurate reporting of income. Against this background, four performance indicators are used to assess POA 6:

- P6-19—Scope of verification actions taken to detect and deter inaccurate reporting.
- P6-20—Use of large-scale data-matching systems to detect inaccurate reporting.
- P6-21—Initiatives undertaken to encourage accurate reporting.
- P6-22—Monitoring the tax gap to assess inaccuracy of reporting levels.

P6-19: Scope of verification actions taken to detect and deter inaccurate reporting

For this indicator, four measurement dimensions provide an indication of the nature and scope of the tax administration's verification program. Assessed scores are shown in Table 20 followed by an explanation of reasons underlying the assessment.

Table 20. P6-19 Assessment

Measurement dimensions	Scoring Method	Score 2023
P6-19-1. The nature and scope of the tax audit program in place to detect and deter inaccurate reporting.	M1	D
P6-19-2. The extent to which the audit program is systematized around uniform practices.		D
P6-19-3. The degree to which the quality of taxpayer audits is monitored.		D
P6-19-4. The degree to which the tax administration monitors the effectiveness of the taxpayer audit function.		D

The scope of verification actions to detect and deter inaccurate reporting at KCG is inadequate.

Although KCG does not have an audit program, they have an enforcement and compliance program. The program only covers SBP and Parking Fees where officers drawn from the Revenue, and Enforcement and Compliance directorates inspect businesses for compliance with SBP and Matatus¹¹ for compliance with Parking Fees. The program is not weighted towards high-risk sectors, any segment, economic sector, or

¹¹ Matatus are public transport vehicles which operate within some designated routes. They mostly organize themselves in SACCOS (common name for their cooperative groupings) in line with the directive from the National Safety and Transport Authority.

industry and uses an indirect methodology only, which is inspection. KCG does not also evaluate the impact of the enforcement and compliance actions on taxpayer compliance.

The enforcement and compliance inspection program at KCG is not systemised around uniform practices. There are no procedure manuals or checklists to guide their fieldwork. The revenue, enforcement and compliance officers do not undergo any form of training. They are briefed verbally and through memos on the key aspects of law and procedures to confirm before they embark on an inspection assignment; however, no evidence was availed.

The quality of inspections is not monitored at KCG. There is no designated Committee or Unit to monitor the quality of inspections. KCG indicated that the supervisors ensure quality inspections since they are the team leads during the field inspections; however, no evidence was availed.

KCG does not monitor the effectiveness of the enforcement and compliance program. Although KCG indicated that they monitor the program's effectiveness, there were no documented procedures, checklists, or key performance measures for monitoring. There was also no evidence of any performance reports issued. Taxpayers subjected to inspections are also not surveyed to review the professionalism and competence of the officers in the performance of inspections.

P6-20: Use of large-scale data-matching systems to detect inaccurate reporting.

For this indicator, one measurement dimension indicates the extent to which the tax administration leverages technology to screen large numbers of taxpayer records against third-party information to detect discrepancies and encourage correct reporting. Assessed scores are shown in Table 21 followed by an explanation of reasons underlying the assessment.

Table 21. P6-20 Assessment

Measurement dimension	Scoring Method	Score 2023
P6-20. The extent of large-scale automated cross-checking to verify information reported in tax declarations.	M1	D

Information reported in tax declarations is not automatically cross-checked at KCG. KCG has no procedures or systems for cross-checking information with third-party data; however, they indicated that for Parking Fees registration, the motor vehicle details are manually cross-checked with the National Transport and Safety Authority (NTSA) portal. KCG did not provide evidence; therefore, this could not be ascertained.

P6-21: Initiatives undertaken to encourage accurate reporting

This indicator assesses the nature and scope of cooperative compliance and other proactive initiatives undertaken to encourage accurate reporting. Assessed scores are shown in Table 22 followed by an explanation of reasons underlying the assessment.

Table 22. P6-21 Assessment

Measurement dimension	Scoring Method	Score 2023
P6-21. The nature and scope of proactive initiatives undertaken to encourage accurate reporting.	M1	D

KCG has no proactive initiatives to encourage accurate reporting through rulings and cooperative compliance approaches. There is no public or private ruling system in place, nor a system of advance ruling or cooperative compliance approaches.

P6-22: Monitoring the tax gap to assess inaccuracy of reporting levels

This indicator examines the soundness of methods used by the tax administration to monitor the extent of inaccurate reporting in declarations. The assessed score is shown in Table 23 followed by an explanation of reasons underlying the assessment.

Table 23. P6-22 Assessment

Measurement dimensions	Scoring Method	Score 2023
P6-22. The soundness of tax gap analysis method/s used by the tax administration to monitor the extent of inaccurate reporting.	M1	C

KCG has conducted two tax gap analyses in five (5) years; however, the results of these studies have not been used in designing tax administration interventions to improve the accuracy of reporting. The two tax gap studies conducted have been reviewed and published. The first study was conducted in 2018 by Adam Smith International, commissioned by the World Bank and National Treasury on OSR Tax Potential and Gap Analysis for Kenyan Counties. This study was reviewed by CRA in 2019 and published on the World Banks website. To build on the initial study, CRA conducted a similar OSR Tax Potential and Gap Analysis Study in 2022, which was published on CRA's website. There is no evidence that the tax gap studies were reviewed and the information was used to formulate strategies to improve OSR. However, KCG's CIDP for 2023-2027 has referred to the County's potential revenue indicated in the OSR Tax potential and tax gap study by CRA.

POA 7: Effective Tax Dispute Resolutions

This POA deals with the process by which a taxpayer seeks an independent review, on grounds of facts or interpretation of the law, of a tax assessment resulting from an audit. Above all, a tax dispute process must safeguard a taxpayer's right to challenge a tax assessment and get a fair hearing. The process should be based

on a legal framework, be known and understood by taxpayers, be easily accessible, guarantee transparent independent decision-making, and resolve disputed matters in a timely manner.

Three performance indicators are used to assess POA 7:

- P7-23—Existence of an independent, workable, and graduated dispute resolution process.
- P7-24—Time taken to resolve disputes.
- P7-25—Degree to which dispute outcomes are acted upon.

P7-23: Existence of an independent, workable, and graduated resolution process

For this indicator, three measurement dimensions assess: (1) the extent to which a dispute may be escalated to an independent external tribunal or court where a taxpayer is dissatisfied with the result of the tax administration's review process; (2) the extent to which the tax administration's review process is truly independent; and (3) the extent to which taxpayers are informed of their rights and avenues of review. Assessed scores are shown in Table 24 followed by an explanation of reasons underlying the assessment.

Table 24. P7-23 Assessment

Measurement dimensions	Scoring Method	Score 2023
P7-23-1. The extent to which an appropriately graduated mechanism of administrative and judicial review is available to, and used by, taxpayers.	M2	D
P7-23-2. Whether the administrative review mechanism is independent of the audit process.		D
P7-23-3. Whether information on the dispute process is published, and whether taxpayers are explicitly made aware of it.		D

A tiered review mechanism is not in place, as evidenced by the absence of a department/unit that receives, processes, and resolves disputes within the tax administration. The only recourse available to taxpayers in case of tax dispute is contained in Regulations of the Kisii County Finance Act 2021¹² that allows direct appeal to the Budget and Appropriation Committee of the County Assembly for hearing or redress before being referred to the Court of Law for determination.

The absence of an internal administrative review mechanism means that this dimension could not be measured vis-a-vis independence from the audit process. KCG has no unit to review objections internally before the case can be subjected to the judicial process.

Outcomes of the dispute resolution process are not published, nor are taxpayers made aware of it.

Apart from the Service Charter that details Service Level Agreement (SLA), no information guides the taxpayer

¹² Section 10.1. (j) Any dispute or complaint arising out of this Act shall be referred to the Budget and Appropriation Committee of the County Assembly for hearing or redress before being referred to the Court of Law for determination.

on avenues available for resolving tax disputes or their outcomes.

P7-24: Time taken to resolve disputes

This indicator assesses how responsive the tax administration is in completing administrative reviews. Assessed scores are shown in Table 25 followed by an explanation of reasons underlying the assessment.

Table 25. P7-24 Assessment

Measurement dimensions	Scoring Method	Score 2023
P7-24. The time taken to complete administrative reviews.	M1	D

KCG does not measure and document the time taken to resolve disputes. No laws, regulations, procedures, or delivery standards exist for resolving and monitoring administrative reviews.

P7-25: Degree to which dispute outcomes are acted upon

This indicator looks at the extent to which dispute outcomes are taken into account in determining policy, legislation, and administrative procedure. The assessed score is shown in Table 25 followed by an explanation of reasons underlying the assessment.

Table 26. P7-25 Assessment

Measurement dimension	Scoring Method	Score 2023
P7-25. The extent to which the tax administration responds to dispute outcomes.	M1	D

Although the Budget and Appropriation Committee of the County Assembly are empowered in the Kisii County Finance Act 2021 to review and act on disputes, their outcomes are not regularly analyzed. Section 10 (1)(j) of the Kisii County Finance Act 2021 provides for the Budget and Appropriation Committee to review disputes. However, there is no evidence that decision impact statements are considered for policy and legislation changes that help taxpayers improve compliance.

POA 8: Efficient Revenue Management

This POA focuses on three key activities performed by tax administrations in relation to revenue management:

- Providing input to government budgeting processes of tax revenue forecasting and tax revenue estimating. (As a general rule, primary responsibility for advising government on tax revenue forecasts and estimates rests with the Ministry of Finance. The tax administration provides data and analytical input to

the forecasting and estimating processes. Ministries of Finance often set operational revenue collection targets for the tax administration based on forecasts of revenue for different taxes.)¹³

- Maintaining a system of revenue accounts.
- Paying tax refunds.

Three performance indicators are used to assess POA 8:

- P8-26—Contribution to government tax revenue forecasting process.
- P8-27—Adequacy of the tax revenue accounting system.
- P8-28—Adequacy of tax refund processing.

P8-26: Contribution to government tax revenue forecasting process

This indicator assesses the extent of tax administration input to government tax revenue forecasting and estimating. The assessed score is shown in Table 26 followed by an explanation of reasons underlying the assessment.

Table 27. P8-26 Assessment

Measurement dimensions	Scoring Method	Score 2023
P8-26. The extent of tax administration input to government tax revenue forecasting and estimating.	M1	D

KCG’s budgeting process is not done against any budgeted revenue forecasts, nor does it forecast tax refunds, but it only addresses issues of reversals on a case-by-case basis. However, KCG’s Revenue Department deals with the budgeting process by looking at previous years and graduating it by 15 to 20 per cent, which is then forwarded to the Controller of Budget (COB) upon request. It also monitors monthly tax revenue collections and prepares revenue reports. Coupled with this are the Own Source Revenue and Financial reports, prepared and submitted to the Commission on Revenue Allocation (CRA) quarterly and annually.

P8-27: Adequacy of the tax revenue accounting system

This indicator examines the adequacy of the tax revenue accounting system. Assessed scores are shown in Table 28 followed by an explanation of reasons underlying the assessment.

¹³ It is common for Ministries of Finance to review budget revenue forecasts and related tax collection targets during the fiscal year (particularly mid-year) to take account of changes in forecasting assumptions, especially changes in the macroeconomic environment.

Table 28. P8-27 Assessment

Measurement dimension	Scoring Method	Score 2023
P8-27. Adequacy of the tax administration's revenue accounting system.	M1	D

KCG's automated accounting systems, ZCRCS and LAIFOMS, are approved by the CRA. These systems meet the Accounting Government Standards as CRA approved them. All tax liabilities and related payments are posted to taxpayers' accounts but are not done instantly for SBPs. However, the system is not interfaced with the CRA or COB systems. Further, only internal audits are conducted to ensure the accounting system aligns with the tax laws.

P8-28: Adequacy of tax refund processing

For this indicator, two measurement dimensions assess the tax administration's system of processing tax refund claims. Assessed scores are shown in Table 29 followed by an explanation of reasons underlying the assessment.

Table 29. P8-28 Assessment

Measurement dimensions	Scoring Method	Score 2023	
P8-28-1. Adequacy of the tax refund system.	M2	N/A	N/A
P8-28-2. The time taken to pay (or offset) tax refunds.		N/A	

Refunds are not applicable to any of the revenue streams. Therefore, this indicator could not be assessed.

POA 9: Accountability and Transparency

Accountability and transparency are central pillars of good governance. Their institutionalization reflects the principle that tax administrations should be answerable for the way they use public resources and exercise authority. To enhance community confidence and trust, tax administrations should be openly accountable for their actions within a framework of responsibility to the minister, government, legislature, and the general public.

Four performance indicators are used to assess POA 9:

- P9-29—Internal assurance mechanisms.
- P9-30—External oversight of the tax administration.
- P9-31—Public perception of integrity.
- P9-32—Publication of activities, results, and plans.

P9-29: Internal assurance mechanisms

For this indicator, two measurement dimensions assess the internal assurance mechanisms in place to protect the tax administration from loss, error, and fraud. Assessed scores are shown in Table 30 followed by an explanation of reasons underlying the assessment.

Table 30. P9-29 Assessment

Measurement dimensions	Scoring Method	Score 2023	
P9-29-1. Assurance provided by internal audit.	M2	C	D+
P9-29-2. Staff integrity assurance mechanisms.		D	

KCG has an internal audit function that is organizationally independent of the operations of the Revenue Directorate and reports to the audit committee; however, key aspects of the internal audit function are not undertaken. As per Section 155 (1) of Public Financial Management (County Governments) 2015, KCG's internal audit department reports administratively to the Chief Officer and functionally to the Audit Committee. As per the two recent Office of the Auditor-General (OAG) audit reports for FY 2019/20 and 2020/21, the audit committee was non-functional. However, the audit committee is now functional. There is an Internal Audit Charter and Internal Audit Manual to guide its operations; however, there is no central repository of internal control policies, processes, and procedures. Although the internal audit annual and quarterly plans comprise internal control checks and financial audits, the lack of operational procedures in the organization hampers full scrutiny of business operations. Limited IT system controls are in place to detect incidents that threaten the confidentiality and integrity of tax administration data; however, audit trails of user access and changes made to taxpayer data exist in ZCRCS and LAIFOMS. The internal audit department is staffed with sixteen (16) professional accountants, degree holders and technicians. Internal audit staff are trained in leadership and professional courses in internal audit.

The Office of the Auditor-General (OAG) regularly liaises with the internal audit department during their annual audit of KCG. In the most recent reports for the FYs 2019/20 and 2020/21, the OAG has provided an opinion on the effectiveness of the internal audit function and oversight by the Audit Committee.

The Public Officer Ethics legislation guides KCG's Code of Ethics; however, the Code of Ethics is not explicitly communicated to staff. KCG adopts the Public Officer Ethics Act 2003 as guidance for their Code of Conduct and Ethics for Public Officers ("Code of Ethics"), although there is no evidence that the Code of Ethics was distributed to staff, and staff acknowledged receipt. Also, staff are required to sign an Oath of Secrecy when employed and leaving the organization.

There is no dedicated Internal Affairs Unit for staff assurance; however, the Departmental Human Resource Advisory Committee (DHRAC) undertakes the Internal Affairs function. The DHRAC oversees staff welfare, discipline, and career development, among other functions, and reports to the County Public Service Board. The DHRAC has extensive investigative powers relating to integrity and fraud and uses investigators from various departments, such as legal, engineering, and internal audit, to undertake their

investigative work. Once a fraud investigation is undertaken, the outcomes are forwarded to the County Public Service Board for action and possible liaison with relevant enforcement agencies such as the police or the Ethics and Anti-Corruption Commission (EACC), as the DHRAC does not interact with these external agencies. The DHRAC does not publicly report on integrity statistics.

P9-30: External oversight of the tax administration

Two measurement dimensions of this indicator assess: (1) the extent of independent external oversight of the tax administration's operations and financial performance; and (2) the investigation process for suspected wrongdoing and maladministration. Assessed scores are shown in Table 31 followed by an explanation of reasons underlying the assessment.

Table 31. P9-30 Assessment

Measurement dimensions	Scoring Method	Score 2023	
P9-30-1. The extent of independent external oversight of the tax administration's operations and financial performance.	M2	C	D+
P9-30-2. The investigation process for suspected wrongdoing and maladministration.		D	

The Government of Kenya's Office of the Auditor-General (OAG) undertakes the statutory annual audit of KCG's operations; however, the audits cover limited operational aspects of tax administration. As per Article 229(4)(a) of the Constitution of Kenya, the OAG is mandated to undertake statutory audits of national and county governments, including KCG. OAG annual audits do not focus on KCG's revenue collection operations, as aspects covered include IT controls, risk management and internal audit. However, core tax administration functions such as registration, filing, payment processing, and taxpayer audits are not audited. KCG responds to the OAG's audit findings after audits by providing detailed responses to issues raised by the Auditor-General. As per Section 220 of the Senate Standing Order of the 12th Kenyan Parliament, OAG audit findings and KCG responses are made public through Senate hearings of the County Public Investments and Accounts Committee. OAG audit reports are also published on OAG's website - www.oagkenya.go.ke.

Kenya's Commission on Administrative Justice (COAJ) – Ombudsman and the Ethics and Anti-Corruption Commission (EACC) do not routinely investigate complaints from taxpayers and investigate serious alleged corruption issues, respectively. The only complaints mechanism available is a complaints box that is routinely checked for issues of complaints or fraud. In some cases, these written complaints are handled by the DHRAC. There is no evidence that the EACC oversees KCG's anti-corruption policies and investigates the most serious cases of alleged corrupt conduct of officials. KCG does not regularly and systematically monitor and report to senior management actions taken in response to recommendations of the Ombudsman and the EACC.

P9-31: Public perception of integrity

This indicator examines measures taken to gauge public confidence in the tax administration. The assessed score is shown in Table 32 followed by an explanation of reasons underlying the assessment.

Table 32. P9-31 Assessment

Measurement dimension	Scoring Method	Score 2023
P9-31. The mechanism for monitoring public confidence in the tax administration.	M1	D

Surveys were not conducted to assess public confidence regarding KCG's Revenue Operations. There is no evidence that any survey was undertaken regarding public confidence in the administration of the core taxes.

P9-32: Publication of activities, results, and plans

Two measurement dimensions of this indicator assess the extent of: (1) public reporting of financial and operational performance; and (2) publication of future directions and plans. Assessed scores are shown in Table 33 followed by an explanation of reasons underlying the assessment.

Table 33. P9-32 Assessment

Measurement dimensions	Scoring Method	Score 2023	
P9-32-1. The extent to which the financial and operational performance of the tax administration is made public, and the timeliness of publication.	M2	D	C+
P9-32-2. The extent to which the tax administration's future directions and plans are made public, and the timeliness of publication.		A	

KCG prepares an annual report; however, the report does not include the organization's full financial and operational performance. KCG's County Budget Review and Outlook Paper FY 2021/22 was prepared within three months of the year-end, in line with the Constitution of Kenya 2010 and Section 118 of the Public Financial Management Act 2012. However, this paper does not include the full financial and operational performance of the organization, such as the financial statements. Although KCG's financial statements have been submitted to CRA, OAG has not completed the audit of KCG's affairs for 2021/22; therefore, KCG's financial statements have not yet been published.

KCG prepares and publishes strategic and operational plans before the period these plans cover. The County Integrated Development Plan (CIDP) for 2023-2027 and Annual Development Plan (ADP) for 2023/24 were published on their website before the periods they cover.



Attachment I. TADAT Framework

Performance outcome areas

TADAT assesses the performance of a country's tax administration system by reference to nine outcome areas:

1. **Integrity of the registered taxpayer base:**

Registration of taxpayers and maintenance of a complete and accurate taxpayer database is fundamental to effective tax administration.

2. **Effective risk management:** Performance improves when risks to revenue and tax administration operations are identified and systematically managed.

3. **Supporting voluntary compliance:**

Usually, most taxpayers will meet their tax obligations if they are given the necessary information and support to enable them to comply voluntarily.

4. **On-time filing of declarations:** Timely

filing is essential because the filing of a tax declaration is a principal means by which a taxpayer's tax liability is established and becomes due and payable.

5. **On-time payment of taxes:** Non-payment and late payment of taxes can have a detrimental effect on government budgets and cash management. Collection of tax arrears is costly and time consuming.

6. **Accurate reporting in declarations:** Tax systems rely heavily on complete and accurate reporting of information in tax declarations. Audit and other verification activities, and proactive initiatives of taxpayer assistance, promote accurate reporting and mitigate tax fraud.

7. **Effective Tax Dispute Resolution:** Independent, accessible, and efficient review mechanisms safeguard a taxpayer's right to challenge a tax assessment and get a fair hearing in a timely manner.

8. **Efficient revenue management:** Tax revenue collections must be fully accounted for, monitored against budget expectations, and analyzed to inform government revenue forecasting. Legitimate tax refunds to individuals and businesses must be paid promptly.



9. **Accountability and transparency:** As public institutions, tax administrations are answerable for the way they use public resources and exercise authority. Community confidence and trust are enhanced when there is open accountability for administrative actions within a framework of responsibility to the minister, legislature, and general community.

Indicators and associated measurement dimensions

A set of 32 high-level indicators critical to tax administration performance are linked to the performance outcome areas. It is these indicators that are scored and reported on. A total of 53 measurement dimensions are considered in arriving at the indicator scores. Each indicator has between one and five measurement dimensions.

Repeated assessments will provide information on the extent to which a country's tax administration is improving.

Scoring methodology

The assessment of indicators follows the same approach followed in the Public Expenditure and Financial Accountability (PEFA) diagnostic tool so as to aid comparability where both tools are used.

Each of TADAT's 53 measurement dimensions is assessed separately. The overall score for an indicator is based on the assessment of the individual dimensions of the indicator. Combining the scores for dimensions into an overall score for an indicator is done using one of two methods: Method 1 (M1) or Method 2 (M2). For both M1 and M2, the four-point 'ABCD' scale is used to score each dimension and indicator.

Method M1 is used for all single dimensional indicators and for multi-dimensional indicators where poor performance on one dimension of the indicator is likely to undermine the impact of good performance on other dimensions of the same indicator (in other words, by the weakest link in the connected dimensions of the indicator).

Method M2 is based on averaging the scores for individual dimensions of an indicator. It is used for selected multi-dimensional indicators where a low score on one dimension of the indicator does not necessarily undermine the impact of higher scores on other dimensions for the same indicator.

Attachment II. Kisii County Government: subnational entity Snapshot

Geography	<p>Kisii County is one of the 47 counties in Kenya. It is located in the western region of the country. The County lies between latitude 0° 40' 38.4" South and longitude 34° 34' 46° 61" East and covers an area of 1,323 km². Its capital center is Kisii town, which is approximately 309 Kilometers from Nairobi, the Capital City of Kenya. It borders Nyamira County to the North-east, Narok County to the South, and Homabay and Migori Counties to the West. The County is divided into three ecological zones comprising the Upper Midland (UM) 75 per cent, Lower Highland (LH) 20 per cent, and Lower Midland (LM) 5 per cent. Approximately 78 per cent of the County is arable.</p> <p><i>(Source: Kisii County Integrated Development Plan, 2023-2027)</i></p>
Population	<p>The County's population is 1,266,860 with 605,784 males, 661,038 females and 38 intersex.</p> <p><i>(Source: 2019 Kenya Population and Housing Census, Volume I, Kenya National Bureau of Statistics)</i></p>
Adult literacy rate	<p>88.5 per cent of persons aged 15 and over can read and write as compared to the national literacy level of 82.6 per cent.</p> <p><i>(Source: Kisii County Integrated Development Plan, 2023-2027, World Bank)</i></p>
Gross County Product	<p>2021 nominal GCP: Kshs. 225,958 million.</p> <p><i>(Source: Kenya National Bureau of statistics)</i></p>
Per capita GCP	<p>Kshs. 178,361.</p> <p><i>(Source: Kenya National Bureau of statistics)</i></p>
Main industries	<p>Kisii County Government's main economic sector is agriculture, contributing 45.0 per cent of the total Gross County Product. They mainly produce tea, coffee and sugar cane, this is followed by trade both wholesale and retail, which contributes around 42.0 per cent.</p> <p><i>(Source: Kisii County Integrated Development Plan, 2023-2027)</i></p>
Communications	<p>43.8 per cent own mobile phones, 16.0 per cent have access to the internet while 7.8 per cent have access to desktop/laptop /tablet</p> <p><i>(Source: 2019 Kenya Population and Housing Census, Volume IV, Kenya National Bureau of Statistics)</i></p>

Main taxes	Property Rates, Single Business Permits and Seasonal Parking (Source: Kisii County Government)
Tax-to-GDP	Kisii County Government generated Kshs. 404,554,620 in Own Source Revenue and had a GCP of Kshs. 225,958 million in 2021. Tax to GCP is 0.2 per cent.
Number of taxpayers	Single Business Permit – 45,049 Property Rates - 35,235 Parking Fees - 3,014
Main collection agency	Kisii Revenue Directorate is the designated Kisii County Government Receiver of Revenue. (Source: Kisii County Government Finance Act, 2022)
Number of staff in the main collection agency	382
Financial Year	1 st July to 30 th June

Attachment III. Data Tables

A. Table 1. Tax Revenue Collections

Table 1. Tax Revenue Collections 2019-2022¹

	2019-20	2020-21	2021-22
In local currency			
Budgeted tax revenue forecast of subnational entity²	870,000,000	650,000,000	700,000,000
Total tax revenue collections	333,151,175	403,001,860	404,554,620
Single Business Permit	65,516,667	117,313,987	98,927,699
Property Rates	10,177,356	14,986,188	12,845,291
Parking Fees	73,242,640	45,623,495	72,903,513
Other sub-national taxes	184,214,512	225,078,190	219,878,117
Tax refunds	-	-	-
In per cent of total tax revenue collections			
Budgeted tax revenue forecast of subnational entity²	261.1	161.3	173.0
Total tax revenue collections	100.0	100.0	100.0
Single Business Permit	19.7	29.1	24.5
Property Rates	3.1	3.7	3.2
Parking Fees	22.0	11.3	18.0
Other sub-national taxes	55.3	55.9	54.4
Tax refunds	-	-	-
In per cent of GDP			
Budgeted tax revenue forecast of subnational entity²	0.4	0.3	0.3
Total tax revenue collections	0.2	0.2	0.2
Single Business Permit	0.0	0.1	0.0
Property Rates	0.0	0.0	0.0
Parking Fees	0.0	0.0	0.0
Other sub-national taxes	0.1	0.1	0.1
Tax refunds	-	-	-
Nominal GDP in local currency	199,333,000,000	225,957,510,951	225,957,510,951 ¹⁴

Explanatory notes:

¹ This table gathers data for three fiscal years (e.g. 2016-18) in respect of all subnational tax revenues collected by the tax administration.

² This forecast is normally set by the Ministry of Finance (or equivalent) with input from the tax administration and, for purposes of this table, should only cover the taxes listed in the table. The final budgeted forecast, as adjusted through any mid-year review process, should be used.

³ 'Other subnational taxes collected by the tax administration may include a variety of local taxes, levies, duties, or charges but individually do not represent a main source of revenue.

¹⁴ The GCP figures for 2022 are not yet released by Kenya National Bureau of Statistics; therefore, 2021 GCP figures have been used.

B. Movements in the Taxpayer Register

Table 2. Movements in the Taxpayer Register, 2019-2022

(Ref: POA1)

	Registered taxpayers ¹ [A]	Taxpayers otherwise not required to file ² [B]	Taxpayers Expected to File [C] = [(A) – (B)] ³	Memorandum items ⁴ [D]	
				New Registrations [D1]	Taxpayers deregistered during year [D2]
2019/20					
Main source of tax revenue (Single Business Permit)	28,997	-	28,997	4,662	-
2 nd main source of tax revenue (Property Rates)	3,014	-	3,014	-	-
3 rd main source of tax revenue (Parking Fees)	31,285	-	31,285	1,506	-
Other taxpayers	-	-	-	-	-
2020/21					
Main source of tax revenue (Single Business Permit)	38,401	-	38,401	9,404	-
2 nd main source of tax revenue (Property Rates)	3,014	-	3,014	-	-
3 rd main source of tax revenue (Parking Fees)	34,207	-	34,207	2,214	-
Other taxpayers	-	-	-	-	-
2021/22					
Main source of tax revenue (Single Business Permit)	45,049	-	45,049	6,648	-
2 nd main source of tax revenue (Property Rates)	3,014	-	3,014	-	-
3 rd main source of tax revenue (Parking Fees)	35,235	-	35,235	1,028	-
Other taxpayers	-	-	-	-	-

Explanatory Notes:

¹ A registered taxpayer who is in the tax administration's taxpayer database. For any core tax that does not require formal registration this figure will represent the number of taxpayers who were subject to the tax. Such taxes may also not have an associated filing obligation so figures for columns B, C and D may not be relevant.

² Taxpayers not required to file declarations' means taxpayers who are registered but are currently not required to file by law or regulation and are explicitly flagged in the automated tax administration system.

³ Expected filing calculations to be used in Indicator P4-12.

⁴ Taxpayer register activity information.

C. Telephone Enquiries

(Ref: POA 3)

Table 3. Telephone Enquiry Call Waiting Time NO INFORMATION AVAILABLE			
Month	Total number of telephone enquiry calls received	Telephone enquiry calls answered within 6 minutes' waiting time	
		Number	In per cent of total calls
July 2021	-	-	-
August 2021	-	-	-
September 2021	-	-	-
October 2021	-	-	-
November 2021	-	-	-
December 2021	-	-	-
January 2022	-	-	-
February 2022	-	-	-
March 2022	-	-	-
April 2022	-	-	-
May 2022	-	-	-
June 2022	-	-	-
12-month total	-	-	-

D. Filing of Tax Declarations

(Ref: POA 4)

Table 4. On-time Filing of SBP Declarations for 2021/22			
	Number of declarations filed on-time ¹	Number of declarations expected to be filed ²	On-time filing rate ³ (In per cent)
All taxpayers	12,412	45,049	27.5
Large taxpayers only	1,106	1,679	65.9

Explanatory notes:

¹ 'On-time' filing means declarations (also known as 'returns') filed by the statutory due date for filing (plus any 'days of grace' applied by the tax administration as a matter of administrative policy).

² 'Expected declarations' means the number of Single Business Permit declarations that the tax administration expected to receive from registered Single Business Permit taxpayers that were required by law to file declarations.

³ The 'on-time filing rate' is the number of declarations filed by the statutory due date as a percentage of the total number of declarations expected from registered taxpayers, i.e. expressed as a ratio:

$$\frac{\text{Number of T1 declarations filed by the due date}}{\text{Number of declarations expected from active T1 taxpayers}} \times 100$$

Table 5. On-time Filing of Property Rates Declarations for 2021/22

Number of declarations filed on-time ¹	Number of declarations expected to be filed ²	On-time filing rate ³ (In per cent)
771	3,014	25.6

Explanatory notes:

¹ 'On-time' filing means declarations (also known as 'returns') filed by the statutory due date for filing (plus any 'days of grace' applied by the tax administration as a matter of administrative policy).

² 'Expected declarations' means the number of Property Rates declarations that the tax administration expected to receive from registered Property Rates taxpayers that were required by law to file declarations.

³ The 'on-time filing rate' is the number of declarations filed by the statutory due date as a percentage of 5 the total number of declarations expected from registered taxpayers, i.e. expressed as a ratio:

$$\frac{\text{Number of T2 declarations filed by the due date}}{\text{Number of T2 declarations expected from active T2 taxpayers}} \times 100$$

Table 6. On-time Filing of Parking Fees Declarations—All taxpayers for 2021/22

Month	Number of declarations filed on-time ¹	Number of declarations expected to be filed ²	On-time filing rate ³ (In per cent)
July 2021	11,649	34,207	34.1
August 2021	11,109	34,329	32.4
September 2021	10,534	34,361	30.7
October 2021	9,921	34,420	28.8
November 2021	9,400	34,514	27.2
December 2021	8,820	34,627	25.5
January 2022	8,290	34,728	23.9
February 2022	7,643	34,826	21.9
March 2022	6,946	34,958	19.9
April 2022	6,218	35,053	17.7
May 2022	5,610	35,150	16.0
June 2022	4,533	35,235	12.9
12-month total	100,673	416,408	24.2

Explanatory notes:

¹ 'On-time' filing means declarations filed by the statutory due date for filing (plus any 'days of grace' applied by the tax administration as a matter of administrative policy).

² 'Expected declarations' means the number of Parking Fees declarations that the tax administration expected to receive from registered Parking Fees taxpayers that were required by law to file declarations.

³ The 'on-time filing rate' is the number of Parking Fees declarations filed by the statutory due date as a percentage of the total number of declarations expected from registered Parking Fees taxpayers, i.e. expressed as a ratio:

$$\frac{\text{Number of T3 tax declarations filed by the due date}}{\text{Number of T3 declarations expected from active T3 taxpayers}} \times 100$$

Table 7. On-time Filing of Core Tax with Monthly or Quarterly Filing Requirement —Large taxpayers only for 2021/22

Month	Number of declarations filed on-time ¹	Number of declarations expected to be filed ²	On-time filing rate ³ (In per cent)
July 2021	4,178	6,312	66.2
August 2021	4,118	6,313	65.2
September 2021	4,058	6,313	64.3
October 2021	3,972	6,314	62.9
November 2021	3,885	6,314	61.5
December 2021	3,815	6,314	60.4
January 2022	3,767	6,315	59.7
February 2022	3,662	6,315	58.0
March 2022	3,585	6,315	56.8
April 2022	3,486	6,315	55.2
May 2022	3,402	6,327	53.8
June 2022	3,123	6,327	49.4
12-month total	45,051	75,794	59.4

Explanatory notes:

¹ 'On-time' filing means declarations filed by the statutory due date for filing (plus any 'days of grace' applied by the tax administration as a matter of administrative policy).

² 'Expected declarations' means the number of core tax declarations that the tax administration expected to receive from large taxpayers that were required by law to file core tax declarations.

³ The 'on-time filing rate' is the number of core tax declarations filed by large taxpayers by the statutory due date as a percentage of the total number of core tax declarations expected from large taxpayers, i.e. expressed as a ratio:

$$\frac{\text{Number of tax declarations filed by the due date by large taxpayers}}{\text{Number of tax declarations expected from active large taxpayers}} \times 100$$

E. Electronic Services

(Ref: POAs 4 and 5)

Table 8. Use of Electronic Services, 2019-2022¹

NO DATA AVAILABLE

	[2019-2020]	[2020-2021]	[2021-2022]
	Electronic filing² (In per cent of all declarations filed for each tax type)		
1 st main source of tax revenue T1 (Single Business Permit)	-	-	-
2 nd main source of tax revenue T2 (Property Rates)	-	-	-
3 rd main source of tax revenue T3 (Parking Fees)	-	-	-
	Electronic payments³ (In per cent of total number of payments received for each tax type)		
1 st main source of tax revenue T1 (Single Business Permit)	-	-	-
2 nd main source of tax revenue T2 (Property Rates)	-	-	-
3 rd main source of tax revenue T3 (Parking Fees)	-	-	-
	Electronic payments (In per cent of total value of payments received for each tax type)		
1 st main source of tax revenue T1 (Single Business Permit)	-	-	-
2 nd main source of tax revenue T2 (Property Rates)	-	-	-
3 rd main source of tax revenue T3 (Parking Fees)	-	-	-

Explanatory notes:

¹ Data in this table will provide an indicator of the extent to which the tax administration is using modern technology to transform operations, namely in areas of filing and payment.

² For purposes of this table, electronic filing involves facilities that enable taxpayers to complete tax declarations online and file those declarations via the Internet.

³ An electronic payment is a payment made from one bank account to another via electronic means without the direct intervention of bank staff instead of using cash or check, in person or by mail. Methods of electronic payment include credit cards, debit cards, and electronic funds transfer (where money is electronically transferred via the Internet from a taxpayer's bank account to the Treasury account). Electronic payments may be made, for example, by mobile telephone where technology is used to turn mobile phones into an Internet terminal from which payments can be made.

F. Payments

(Ref: POA 5)

Table 9. Total Single Business Permit Payments Made During 2021/22

	Main core tax payments made on-time ¹		Main core tax payments due ²		On-time payment rate ³ (In per cent)	
	All taxpayers	Large taxpayers	All taxpayers	Large taxpayers	All taxpayers	Large taxpayers
Number of payments	12,412	1,106	45,049	1,679	27.5	65.9
Value of payments	43,641,050	36,034,900	-	-	-	-

Explanatory notes:

¹ 'On-time' payment means paid on or before the statutory due date for payment (plus any 'days of grace' applied by the tax administration as a matter of administrative policy).

² 'Payments due' include all payments due, whether self-assessed or administratively assessed (including as a result of an audit).

³ The 'on-time payment rate' is the number (or value) of Single Business Permit payments made by the statutory due date in per cent of the total number (or value) of Single Business Permit payments due, i.e. expressed as ratios:

- The on-time payment rate by number is: $\frac{\text{Number of T1 payments made by the due date}}{\text{Total number of T1 payments due}} \times 100$
- The on-time payment rate by value is: $\frac{\text{Value of T1 payments made by the due date}}{\text{Total value of T1 payments due}} \times 100$

G. Domestic Tax Arrears¹⁵

(Ref: POA 5)

Table 10. Value of Tax Arrears (2019-2022) ¹			
	[2019/20]	[2020/21]	[2021/22]
	In local currency		
Total core tax revenue collections (from Table 1) (A)	129,070,003	182,991,502	166,697,623
Total core tax arrears at end of fiscal year ² (B)	-	-	-
Of which: Collectible ³ (C)	-	-	-
Of which: More than 12 months' old (D)	-	-	-
	In per cent		
Ratio of (B) to (A) ⁴	-	-	-
Ratio of (C) to (A) ⁵	-	-	-
Ratio of (D) to (B) ⁶	-	-	-
<p>Explanatory notes:</p> <p>¹ Data in this table will be used in assessing the value of core tax arrears relative to annual collections and examining the extent to which unpaid tax liabilities are significantly overdue (i.e. older than 12 months).</p> <p>² For purposes of this Table, total core tax revenue collections include only Single Business Permit, Property Rates and Parking Fees.</p> <p>³ 'Collectible' core tax arrears is defined as the total amount of tax, including interest and penalties, that is overdue for payment and which is not subject to collection impediments. Collectible core tax arrears therefore generally exclude: (a) amounts formally disputed by the taxpayer and for which collection action has been suspended pending the outcome, (b) amounts that are not legally recoverable (e.g., debt foregone through bankruptcy), and (c) arrears otherwise uncollectible (e.g., the debtor has no funds or other assets).</p> <p>⁴ i.e. $\frac{\text{Value of total core tax arrears at end of fiscal year (B)}}{\text{Total core tax collected for fiscal year (A)}} \times 100$</p> <p>⁵ i.e. $\frac{\text{Value of collectible core tax arrears at end of fiscal year (C)}}{\text{Total core tax collected for fiscal year (A)}} \times 100$</p> <p>⁶ i.e. $\frac{\text{Value of core tax arrears >12 months' old at end of year (D)}}{\text{Value of total core tax arrears at end of fiscal year (B)}} \times 100$</p>			

¹⁵ The system configuration does not generate arrears data or aging arrears data

H. Tax Dispute Resolution

(Ref: POA 7)

Table 11. Finalization of Administrative Reviews
(2021/22)

Month	Number of administrative review cases				Finalized within 30 days		Finalized within 60 days		Finalized within 90 days	
	Stock at beginning of month [A]	Received during the month [B]	Finalized during the month [C]	Stock at end of month [D] = [A + B - C]	Number [E]	In percent of total [F] = [E/D]	Number [G]	In per cent of total [H] = [G/F]	Number [I]	In percent of total [J] = [I/D]
July 2021	-	-	-	-	-	-	-	-	-	-
August 2021	-	-	-	-	-	-	-	-	-	-
September 2021	-	-	-	-	-	-	-	-	-	-
October 2021	-	-	-	-	-	-	-	-	-	-
November 2021	-	-	-	-	-	-	-	-	-	-
December 2021	-	-	-	-	-	-	-	-	-	-
January 2022	-	-	-	-	-	-	-	-	-	-
February 2022	-	-	-	-	-	-	-	-	-	-
March 2022	-	-	-	-	-	-	-	-	-	-
April 2022	-	-	-	-	-	-	-	-	-	-
May 2022	-	-	-	-	-	-	-	-	-	-
June 2022	-	-	-	-	-	-	-	-	-	-
12-month total					-	-	-	-	-	-

I. Payment of Tax Refunds

(Ref: POA 8)

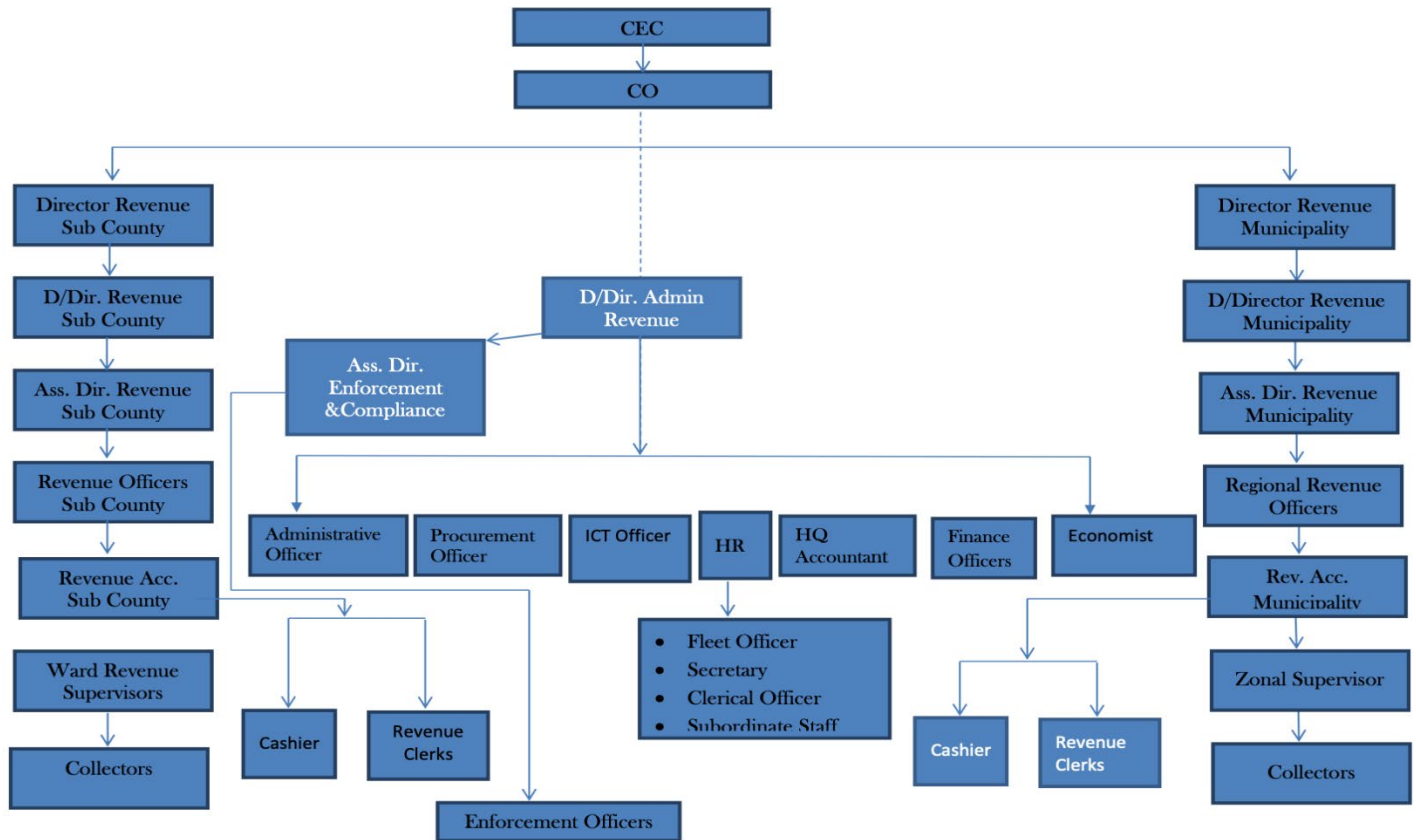
Table 12. Tax Refunds ¹⁶ (2021/22)		
	Number of cases	Value in local currency
Total core tax refund claims received (A)	-	-
Total core tax refunds paid ¹	-	-
Of which: paid within 30 days (B) ²	-	-
Of which: paid outside 30 days	-	-
Total core tax refund claims declined ³	-	-
Of which: declined within 30 days (C)	-	-
Of which: declined outside 30 days	-	-
Total core tax refund claims not processed ⁴	-	-
Of which: no decision taken to decline refund	-	-
Of which: approved but not yet paid or offset	-	-
In percent		
Ratio of (B+C) to (A) ⁵	-	-
Explanatory note: ¹ Include all refunds paid, as well as refunds offset against other tax liabilities. ² TADAT measures performance against a 30-day standard. ³ Include cases where a formal decision has been taken to decline (refuse) the taxpayer's claim for refund (e.g., where the legal requirements for refund have not been met). ⁴ Include all cases where refund processing is incomplete—i.e. where (a) the formal decision has not been taken to decline the refund claim; or (b) the refund has been approved but not paid or offset. ⁵ i.e. $\frac{\text{Tax refunds paid within 30 days (B)} + \text{tax refunds declined within 30 days (C)}}{\text{Total tax refund claims received (A)}} \times 100$		

¹⁶ KCG does not have any legislation on refunds and there are no refunds.

Attachment IV. Organizational Chart

Kisii County Government, Republic of Kenya

DEPARTMENT OF REVENUE ORGANOGRAM.



Attachment V. Sources of Evidence

Indicators	Sources of Evidence
P1-1. Accurate and reliable taxpayer information.	<ul style="list-style-type: none"> • Kisii County Finance Act 2021 • Kisii County Finance Act 2022 • Single Business Permit Registration Form • Property Rates Registration Form • Screenshot of LAIFOMS system registration module • Kisii County Government Revenue Directorate Organogram • Business Classification under Kisii County Finance Act 2022 • LAIFOMS High-Level System Map • ZCRCS SBP Registration Module Screenshots • LAIFOMS Audit Trail Sample • ZCRCS Audit Trail Sample
P1-2. Knowledge of the potential taxpayer base.	<ul style="list-style-type: none"> • No evidence
P2-3. Identification, assessment, ranking, and quantification of compliance risks.	<ul style="list-style-type: none"> • County Fiscal Strategy Paper 2021/22 • KCG County Budget Review and Outlook Paper FY 2021/22 • KCG County Integrated Development Plan 2023-2027 • Own Source Revenue Potential and Tax Gap Study • Kisii County Risk Management Policy • Approval for Risk Management Policy
P2-4. Mitigation of risks through a compliance improvement plan.	<ul style="list-style-type: none"> • KCG County Budget Review and Outlook Paper FY 2021/22
P2-5. Monitoring and evaluation of compliance risk mitigation activities.	<ul style="list-style-type: none"> • KCG County Integrated Development Plan 2023-2027 • Enforcement Reports
P2-6. Management of operational (i.e. systems and processes) risks.	<ul style="list-style-type: none"> • Kisii County Risk Management Policy • Risk Registers • Approval of Risk Management Policy • List of Risk Champions
P2-7. Management of human capital risks.	<ul style="list-style-type: none"> • KCG Internal Audit Training Plan 2021-22

Indicators	Sources of Evidence
P3-8. Scope, currency, and accessibility of information.	<ul style="list-style-type: none"> • Kisii County Revenue Directorate Organogram • Kisii County Public Participation and Civic Education, stakeholders' engagements Directorates Organograms • Kisii County Public Participation Directorate snapshot • Kisii Huduma Centre snapshot • Kisii County Finance Act 2021 • Kisii County Finance Act 2022 • https://www.kisii.go.ke/index.php/media-center/cdownloads • https://kisiiassembly.go.ke/category/public-participation/ • The Kisii County Public Participation Act 2014 • Public Participation on County's Fiscal Strategy Paper 2022-2023 at Bonchari Sub County • Public Participation on County's Fiscal Strategy Paper 2022-2023 proposed venues • Advertisement on Public Participation on County's Fiscal Strategy Paper 2022-2023 • Stakeholder Engagement with Business Communities registers and minutes • Minutes of meeting with Bodaboda Leadership • USSD & MPESA Brochure on how to make payments • USSD Poster in Swahili • USSD Poster in English
P3-9. Time taken to respond to information requests.	<ul style="list-style-type: none"> • Kisii County Government Service Charter
P3-10. Scope of initiatives to reduce taxpayer compliance costs.	<ul style="list-style-type: none"> • Snapshots of Huduma Centre • MPESA USSD brochure • Kisii County Old Manual Invoice • Kisii County New Manual Invoice
P3-11. Obtaining taxpayer feedback on products and services.	<ul style="list-style-type: none"> • Stakeholder Engagement with Business Communities registers and minutes

Indicators	Sources of Evidence
	<ul style="list-style-type: none"> Minutes of meeting with Bodaboda Leadership The Kisii County Public Participation Act, 2014 https://www.kisii.go.ke/index.php/media-center/cdownloads https://kisiiassembly.go.ke/category/public-participation/ Public Participation on County's Fiscal Strategy Paper 2022-2023 at Bonchari Sub County Public Participation on County's Fiscal Strategy Paper 2022-2023 proposed venues Advertisement on Public Participation in County's Fiscal Strategy Paper 2022-2023
P4-12. On-time filing rate.	<ul style="list-style-type: none"> No evidence
P4-13 Management of non-filers.	<ul style="list-style-type: none"> No evidence
P4-14. Use of electronic filing facilities.	<ul style="list-style-type: none"> No evidence
P5-15. Use of electronic payment methods.	<ul style="list-style-type: none"> New SBP Invoice Sample ZCRCS Revenue Management Reports OSR Management Reports
P5-16. Use of efficient collection systems.	<ul style="list-style-type: none"> Process Map for Payment - SBP & Parking fees Process Map for Payment - Property Taxes
P5-17. Timeliness of payments.	<ul style="list-style-type: none"> No evidence
P5-18. Stock and flow of tax arrears.	<ul style="list-style-type: none"> No evidence
P6-19. Scope of verification actions taken to detect and deter inaccurate reporting.	<ul style="list-style-type: none"> Kisii County Revenue Directorate Organogram Kisii County Enforcement and Compliance Directorate Organogram Kisii County Enforcement and Compliance Directorate Work plan 2021/2022 Inspection Directive, Officers and reports Inspection reports-Nyaribari Chache Sub County
P6-20. Use of large-scale data-matching systems to detect inaccurate reporting.	<ul style="list-style-type: none"> No evidence

Indicators	Sources of Evidence
P6-21. Initiatives undertaken to encourage accurate reporting.	<ul style="list-style-type: none"> • No evidence
P6-22. Monitoring the tax gap to assess the inaccuracy of reporting levels.	<ul style="list-style-type: none"> • Own Source Revenue Potential and Tax Gap Study of Kenya's County Governments Final Report, Adam Smith International, 2018. • Counties Efforts Towards Revenue Mobilisation – A Stock of the First Six Years, Commission on Revenue Allocation, 2019. • Own-Source Revenue Potential and Tax Gap Study of Kenya's County Governments, Adam Smith International • Comprehensive Own Source Revenue Potential and Tax Gap Study of County Governments, Commission on Revenue Allocation, 2022. • www.cra.go.ke • KCG County Integrated Development Plan 2023-2027
P7-23. Existence of an independent, workable, and graduated dispute resolution process.	<ul style="list-style-type: none"> • Kisii County Finance Act 2021
P7-24. Time taken to resolve disputes.	<ul style="list-style-type: none"> • No evidence
P7-25. Degree to which dispute outcomes are acted upon.	<ul style="list-style-type: none"> • No evidence
P8-26. Contribution to government tax revenue forecasting process.	<ul style="list-style-type: none"> • No evidence
P8-27. Adequacy of the tax revenue accounting system.	<ul style="list-style-type: none"> • No evidence
P8-28. Adequacy of tax refund processing.	<ul style="list-style-type: none"> • No evidence
P9-29. Internal assurance mechanisms.	<ul style="list-style-type: none"> • County Governments Act No. 17 of 2012 • Public Financial Management (County Governments) 2015 • KCG Functions of Audit Committee • Government of Kenya Audit Committee Guidelines • KCG Audit Committee Meeting Minutes • KCG Internal Audit Plan • KCG Internal Audit Charter • KCG List of Internal Auditors and profiles • County Government Internal Audit Manual

Indicators	Sources of Evidence
	<ul style="list-style-type: none"> • KCG Internal Audit Training Plan 2021-22 • Sample of Internal Audit Quarterly report • KCG Code of Ethics.pdf • Public Officer Ethics Act No.4 of 2003 • Staff Signing Oath of Secrecy • KCG Functions of Departmental HR Advisory Committee • Constitution of Kenya 2010 • Public Audit Act No 34 of 2015
P9-30. External oversight of the tax administration.	<ul style="list-style-type: none"> • Office of Auditor General Reports for KCG 2017 to 2021 • KCG Management Responses OAG draft report 2021-22 • Section 220 of the Senate Standing Order of the 12th Kenyan Parliament • KCG Complaints Handling Procedure
P9-31. Public perception of integrity.	<ul style="list-style-type: none"> • No evidence
P9-32. Publication of activities, results and plans.	<ul style="list-style-type: none"> • KCG's County Budget Review and Outlook Paper FY 2021-22 • KCG Annual Development Plan 2023-24 • KCG County Integrated Development Plan 2023-2027

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<http://www.TADAT.org> • secretariat@tadat.org • +1.202.623.0429