

ECONOMY & POLITICS

INVESTIGATION



NATIONAL Land Commission chairman Muhammad Swazuri. —FILE

Swazuri sets up probe unit as land fraud cases increase

Edwin Mutai
emutai@ke.nationmedia.com

The National Land Commission (NLC) has established an investigation and forensic unit amid rising cases of fraud and illegal acquisition of public land across the country.

The commission, in its annual report to Parliament, said theft of public land had prompted the need for investigations into fraud and illegal acquisition of land.

The NLC said it investigated 104 cases, conducted 46 forensic analyses on documents, served three notices on riparian land and 38 summonses in the year to June 2016.

"The main concern for the commission is the remarkable high number of land cases coming up for investigations and those pending assignment for investigation," NLC chairman Muhammad Swazuri said in the report titled "Devolved Land Governance".

He said there is overwhelming demand from institutions and the public to investigate cases on public land grabbing, fraudulent transactions, and encroachments.

A summary of the 101 cases per county shows that Nairobi had the highest number at 47 followed by Machakos (13) and Kisumu (7).

Kajiado recorded six cases, Kiambu (5), Bungoma (3), Busia, Laikipia and Kisii (two each) while Uasin-Gishu, Isiolo, Makuani, Narok, Homa Bay, Siaya, Nyamira, Baringo and Kitui recorded one case each.

Ouko says maritime agency board members' perks irregular

AUDIT Officials were paid allowances to attend ASK shows and Kecoso games

Edwin Mutai
emutai@ke.nationmedia.com

The Auditor-General has put the Kenya Maritime Authority (KMA) on the spot, saying it irregularly spent millions of shillings on directors' costs, media advertising and travel allowances.

Edward Ouko says the KMA paid sitting allowances totalling Sh4.4 million to several board members to attend Agricultural Society of Kenya (ASK) shows, Kecoso games and boat launches in Kisumu and Lamu,

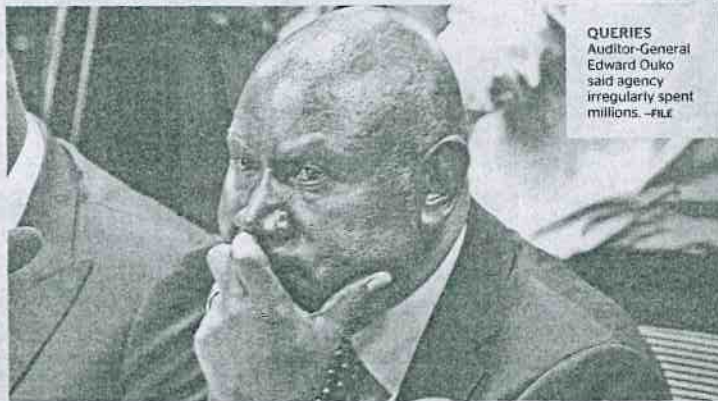
He said the financial statements reflected a balance of Sh48.2 million in respect of the directors' costs

which are administrative functions for execution by management. "Consequently, the propriety and regularity of board of directors costs totalling Sh4.4 million for the year ended June 30, 2016 could not be confirmed," Mr Ouko says in his latest report tabled in the National Assembly on Tuesday.

He said the financial statements reflected a balance of Sh48.2 million in respect of the board of directors' costs for the year under review.

"Analysis of the expenditure revealed that the board held 30 sittings during the financial year and as a result, meeting costs rose by Sh31.2 million or 184 per cent of the expenditure balance of Sh17 million reported in the year 2014/15.

"In addition, examination of expenditure records revealed



QUERIES Auditor-General Edward Ouko said agency irregularly spent millions. —FILE

IN NUMBERS Under the spotlight

AUDITOR questioned expenditure of Sh66.2 million paid as duty travel allowance

FOREIGN travel allowances totalling Sh13.5 million were paid to various staff without evidence of travel

AGENCY spent Sh64.9 million on publicity and awareness campaigns

that sitting allowances totalling Sh4.4 million were paid to several board members but minutes of the meetings were not presented for audit," Mr Ouko said.

Mr Ouko questioned the expenditure of Sh66.2 million paid as duty travel allowance in the year under review.

"Expenditure under the account increased by Sh34.4 million or 108 per cent of the balance of Sh31.8 million re-

ported in the previous year (2014/15) financial year," Mr Ouko said.

He said records presented for audit revealed that foreign travel allowances totalling Sh13.5 million were paid to various staff without evidence of travel authority from the principal secretary of the parent ministry.

"This was contrary to the Revised Code of Regulations, 2006 and circular OP/CAB.9/9 by the Head of Public Service which require officers travelling abroad to seek clearance from the Principal Secretary of the parent Ministry," Mr Ouko said.

On publicity and awareness campaigns, Mr Ouko said KMA spent Sh64.9 million without following government regulations on placement of media advertisements.

"...Audit verification revealed that the payments were made to various media

firms for print, out-door and television advertisements contrary to circular ref. MIC/G/2/4 dated March 3, 2016 by the Ministry of Information, Communication and Technology which required all government entities to place their advertisements through the Government Advertising Agency," the auditor said.

Mr Ouko said there were no documentary evidence showing that the media firms were identified and selected in accordance with the requirements of the Public Procurement and Asset Disposal Act, 2015.

"The authority breached government regulations on placement of media advertisements and as a result, the propriety and regularity of publicity and awareness expenditure balance of Sh64,890,008 for the year ended June 30, 2016 cannot be ascertained," Mr Ouko said.

AVIATION



NAIROBI A Kenya Airways flight —FILE

Kenya set to issue four-day transit visa

Doreen Wainaina
dwainaina@ke.nationmedia.com

Kenya will from January start issuing four-day transit visas allowing foreign passengers on Kenya Airways awaiting connection flights at the Jomo Kenyatta International Airport to exit for shopping and sightseeing.

Passengers on layovers – a break between two flights taking passengers to their final destination – will receive a 96-hour transit visa, up from the current 72.

The move is expected to boost Kenya Airways and local travel industry as well as increase the attractiveness of JKIA as a transit port.

"Kenya to issue 96hr transit visas for passengers on Kenya Airways to visit our country," announced Jacinta Nzioka, marketing director, Magical Kenya, through her twitter account.

The bulk of Kenya Airways' passengers from its African routes use JKIA as a transit port to cities in Asia and Europe.

Court holds that expatriates must pay tax to KRA

Brian Wasuna
bwasuna@ke.nationmedia.com

Expatriates working for local charity organisations but drawing salaries from head offices outside the country will have to continue paying taxes to the Kenya Revenue Authority following a court ruling.

Justice Isaac Lenaola dismissed a suit filed by UK-based HelpAge International, which

was seeking to exempt the charity's expatriate staff from PAYE, a move that would have opened the floodgates for other non-profit organisations to demand similar relief.

The judge held that HelpAge had acknowledged that its expatriates are liable to PAYE, as it had already made part payment to clear the Sh17.1 million demand by the KRA.

The judge added that Hel-

page admitted liability of the taxes by requesting for a waiver from the Finance minister and the KRA.

HelpAge had argued that its three expatriates draw their salaries from its London office, and that they also pay taxes to the United Kingdom hence should be exempted.

The firm added that the Finance minister's eight year delay in responding to the waiver

application led it to believe that the request had been granted. "I say so because the petitioner by letter and conduct accepted liability for those taxes and the fact that its prayer for a waiver or abandonment was rejected, is no ground to argue that the taxes were not due.

"To the contrary, that is a ground for admission of liability. It even paid the same partly and its inability to pay now is no

excuse to approach this court in the manner that it has done," Justice Lenaola ruled.

The taxman argued that HelpAge had not relied on any law in demanding that its expatriates be exempted from paying taxes.

KRA added that it had no authority to exempt anyone from taxes hence the request it received from HelpAge could not be granted.