



KENYA REVENUE
AUTHORITY

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BOARD CHARTER

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ACRONYMS, ABBREVIATIONS AND DEFINITIONS

ACRONYM	DEFINITION
CG	Commissioner General
EACC	Ethics and Anti-Corruption Commission
HIV AND AIDS	Human Immunodeficiency Virus and Acquired Immunodeficiency Syndrome
ISO	International Organization for Standardization
ICT	Information and Communication Technology
KESRA	Kenya School of Revenue Administration
KRA	Kenya Revenue Authority
KRAA	Kenya Revenue Authority Act
SARA	Semi- Autonomous Revenue Authorities
SCAC	State Corporations Advisory Committee
TEAM ONE (1)	Heads of Departments

INTRODUCTION – PURPOSE

This Board Charter ('the Charter') is a reference guide for the Board of Directors of the Kenya Revenue Authority (KRA) when discharging their statutory duties. It expounds and sets out the Directors' collective and individual powers, rights, duties, obligations, responsibilities and liabilities.

The Charter enshrines the requirements of good corporate governance. It serves to facilitate and promote effective governance at KRA that is responsible and responsive to the Government's policies and guidelines on State Corporations.

It also provides a framework through which the Board of Directors carry out their statutory mandate in compliance with the international principles of corporate governance, laws, regulations and policies of state corporations. It is an important evaluation tool of the Board of Directors' duties for the purpose of attaining KRA's corporate strategic plans, objectives, prosperity and sustainability.

The Charter shall:

1. Serve as a reminder of the legal framework within which the Board of Directors operates.
2. Define the Board of Directors and its structure.
3. Document KRA Policies that the Board of Directors have formulated.
4. Set out the Board of Directors responsibilities (both individual and collective).
5. Set out the powers delegated to various Board Committees and their Terms of Reference.
6. Identify the mandates of the Board of Directors.
7. Set out the responsibilities of KRA's Management in facilitating the Board of Directors to carry out their role.

8. Set out the communication framework of the Board of Directors directives and expectations of Management.

9. Serve as a reference guide for the Board of Directors in governance issues of KRA.

10. Ensure that the business of the Board of Directors is conducted with integrity, dedication and professionalism.

The tenets of corporate governance adopted and impeccably applied in KRA and which constitute its core values include:

a. Accountability:

The Board of Directors are accountable to both individual and corporate taxpayers internally and externally for its decisions. The Board of Directors applies the rule of law in the making and execution of all its decisions in accordance with Article 10, Article 232 and Chapter 6 of the Constitution of Kenya, 2010 on Leadership and Integrity, the Leadership and Integrity Act No.19 of 2012, the Public Officers Ethics Act, Cap 183 and Public Service (Values and Principles) Act No. 1A of 2015.

b. Efficiency and Effectiveness:

This is the ability of the corporation to provide its core services within the shortest time and of the best quality. The Board of Directors exerts leadership that is focused and result driven.

c. Integrity and Fairness:

The Board of Directors upholds the highest standards of integrity incorporating honesty, faithfulness and diligence. As persons of integrity, the Board of Directors fully integrate admirable traits and abilities honed through practice; requiring good judgment, both in choice of activity as well as in the execution of activity; and exercised tactfully and in spite of difficult context(s).

The Board of Directors is committed to treating its stakeholders fairly and applying the law fairly, honestly and openly.

d. Responsibility:

The Board of Directors are responsible for the execution of KRA's corporate governance duties. While the Board of Directors is accountable to KRA, it must act responsively and responsibly towards all stakeholders of KRA.

e. Transparency and open leadership:

The Board of Directors regularly discloses information on KRA's mandate, its achievements and the persons responsible for performing its functions. It disseminates policy-relevant and reliable data in a timely manner. The public is informed on KRA's activities and how they are achieved, how they are done, when they are done, why they are done and KRA's plans for the future. There is a seamless flow of information to those who seek and need the information on KRA.

The consistent use and application of the Charter in the KRA's governance issues is expected to:

1. Enhance transparency, accountability and probity.
2. Increase efficiency and effectiveness.
3. Enhance responsibility and responsiveness.



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Introduction To The Board Charter

INTRODUCTION – PURPOSE

1.1 BACKGROUND

KRA is a State Corporation established under the Kenya Revenue Authority Act (KRAA), Cap 469 Laws of Kenya. The establishment arose out of the merger of the Customs, Income Tax, Value Added Tax and Road Transport Departments of the post-independence Kenya National Treasury that had previously executed the functions separately. KRA is a corporate entity with perpetual succession and a common seal.

KRA is the central body for the assessment and collection of revenue, administration and enforcement of the laws relating to revenue and other connected purposes. To fulfill its statutory mandate, the operational and administrative offices of KRA are located throughout Kenya in its more than Sixty (60) stations.

The Board and Management of KRA have since its inception spent time and resources setting up systems, procedures and adopting new strategies aimed at enhancing the operational efficiency of KRA's processes.

1.2 VISION

A Globally Trusted Revenue Agency Facilitating Tax and Customs Compliance.

1.3 MISSION

To enhance mobilisation of government revenue and to facilitate growth in economic activities and trade by ensuring compliance with tax and customs laws.

1.4 CORE VALUES

The principles that guide KRA's internal conduct as well as its relationship with the external stakeholders are:

1.4.1 Trustworthy

1.4.2 Ethical

1.4.3 Competent

1.4.4 Helpful

1.4.5 Simple

1.5 QUALITY POLICY STATEMENT

KRA is committed to building trust through facilitation so as to foster Compliance with Tax and Customs Legislation. KRA shall endeavour to continually improve service delivery and revenue collection by meeting the requirements of ISO 9001:2015 International Standard on Quality Management Systems and complying with relevant Statutory and Regulatory requirements.

1.6 QUALITY OBJECTIVES

1.6.1 Enhancing revenue mobilization by broadening the tax base, combating tax evasion and using smart intelligence and risk-based compliance strategies.

1.6.2 Strengthening administrative capacity and enhancing transparency and fairness through organizational change and business process optimization.

1.6.3 Creating a staff establishment that is trustworthy, ethical, competent and helpful.

1.6.4 Enabling business by leveraging on technology to achieve full electronic service leading to enhanced operational efficiency and high customer satisfaction.



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Board Charter

BOARD CHARTER

INTRODUCTION

This Board of Directors Charter (the Charter) defines the Board of Directors roles and responsibilities as well as functions and structures in a way that supports the Board of Directors in carrying out its strategic oversight function. It provides the Board of Directors with an opportunity to think creatively and critically about how their strategic and operational plans align with KRA's strategic direction and expectations, with respect to governance.

The Charter will help the Board of Directors in directing KRA to maximise the long term value of services provided for all stakeholders. It is therefore imperative for the Board of Directors to understand their individual and collective roles with the purpose of helping KRA fulfil its mandate.

The Charter has been adopted by KRA, acting in accordance with the Code of Governance for State Corporations (Mwongozo), and is complementary to the requirements regarding the establishment and composition of the Board of Directors as provided in applicable Kenyan laws and regulations. In particular, the principles and policies contained in this Charter are in addition to and are not intended to change or interpret any statute, laws, regulations, circulars or good governance best practices.

The Board of Directors will review this Charter once every three (3) years or as and when required. This Charter is available to all Directors for application and is published on KRA's website for the information of stakeholders.

Mwongozo will supplement provisions enacted under KRAA which is the primary law on governance issues for KRA. In case of inconsistency between the provisions under Mwongozo and those in the KRAA, the latter shall take precedence.

Recourse shall be made to the KRAA in instances where Mwongozo will not have exhaustively addressed particular issues.

2.2 STATEMENT ON GOOD GOVERNANCE

KRA has adopted high standards and applies strict rules of conduct based on the best corporate practices. As part of this commitment, the Board of Directors adheres to good corporate governance by embracing the following principles:

2.2.1 To observe high standards of ethical and moral behaviour;

2.2.2 To act in the best interests of KRA;

2.2.3 To remunerate and promote fairly and responsibly;

2.2.4 To recognise the legitimate interests of all stakeholders; and

2.2.5 To ensure that KRA acts as a good corporate citizen.

In general, the Board of Directors shall act in the best interest of KRA and uphold their fiduciary responsibilities and duty of care. This involves not disclosing confidential information, avoiding real and perceived conflicts of interest, and favouring the interests of KRA over other interests. They will also act honestly and in good faith so as to create a culture built on the principles of integrity, accountability and transparency.

2.3 GUIDING PRINCIPLES

In line with Section 3 of the Leadership and Integrity Act No. 19 of 2012 of the Laws of Kenya, the Board of Directors shall respect the values, principles and the requirements of the Constitution, including:

2.3.1 The national values and principles provided for under Article 10 of the Constitution;

2.3.2 The rights and fundamental freedoms provided for under Chapter Four of the Constitution;

2.3.3 The responsibilities of leadership provided for under Article 73 of the Constitution;

2.3.4 The principles governing the conduct of State officers provided for under Article 75 of the Constitution;

2.3.5 The educational, ethical and moral requirements in accordance with Article 99 (1) (b) and 193 (1) (b) of the Constitution;

2.3.6 In the case of County Governments, the objectives of devolution provided for under Article 174 of the Constitution; and

2.3.7 The values and principles of Public Service as provided for under Article 232 of the Constitution.

2.4 THE BOARD OF DIRECTORS

The Board of Directors is the governing body of appointed Members who jointly oversee the activities of KRA. The Board of Directors is expected to provide strategic direction, exercise control and remain accountable through effective leadership, enterprise, integrity and good judgment. It should be diverse in its composition, independent but flexible, pragmatic, objective and focused on balanced and sustainable performance of KRA.

2.4.1 Size of the Board

The KRA Board shall have ten (10) Members as provided for under section 6 of the KRAA.

2.4.2 Board Composition

As provided for under Section 6 of KRAA.

2.4.3 Appointment and Termination of Board Members

As provided for under the KRAA and the State Corporations Act.

2.4.4 Duty of Care

All Members of the Board of Directors recognise that they owe their duty to the KRA.

2.4.5 Term Limits

As provided for under Section 7 of KRAA. The Appointing Authority shall ensure staggering of Board

of Directors' appointments so that the respective expiry dates of the members terms fall at different times to ensure continuity. The Board of Directors other than the representatives of the Attorney General and the Principal Secretary - The National Treasury shall hold office for a term not exceeding three (3) years and shall be eligible for re-appointment for a further term of three (3) years.

2.4.6 Resignation from The Board of Directors

As provided for under Section 7 (2) of KRAA.

2.4.7 Chairperson of the Board

The Chairperson of the Board of Directors is primarily responsible for the activities of the Board and its Committees. The role of the Chairperson includes approving the agenda for board meetings, chairing the Board Meetings and ensuring that a record of proceedings of all Board activities is kept.

The Chairperson is to ensure adherence to the Second Schedule to the KRAA with respect to meetings, Quorum and Decisions of the Board of Directors. The Chairperson should act as the spokesperson for the Board of Directors and is the principal contact for the Chief Executive Officer.

The Chairperson will ensure that:

- a. The Board of Directors satisfies its duties and responsibilities;
- b. The Board of Directors, when appointed, participates in an induction programme and thereafter undergoes continual training developed based on identified development needs;
- c. The Board of Directors receives all information required for them to perform their duties;
- d. The Board of Directors develops and adheres to an annual work plan;
- e. The Board of Directors has sufficient time for consultation and decision-making;

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- f. The Board of Directors constitutes Committees and that the Committees function properly;
- g. The performance of the Board of Directors, Board Committees, the Chief Executive Officer (CEO) and the Board Secretary is evaluated annually;
- h. Problems relating to the performance of individual members of the Board of Directors are addressed;
- i. Internal disputes and conflicts of interest concerning individual Members of the Board of Directors are addressed; and
- j. The Board of Directors has appropriate contact with the Management of KRA.

2.4.8 Commissioner General

The Commissioner General (CG) is the CEO of KRA. The CG is a Member of the Board of Directors. The CG and the Board of Directors play separate and distinct roles but work together to achieve KRA's goals.

The appointment of the CG and termination thereof shall be handled as provided for under sections 11(1) and 11(3) of KRAA, respectively.

The CG will be responsible for functions set out under section 11(2) of KRAA and may delegate as provided for under section 11(4).

The Board of Directors should provide the CG with:

- a. Defined performance targets and authority levels;
- b. An attractive remuneration package;
- c. Regular formal performance review feedback;
- d. Constructive informal feedback on job performance;
- e. Reward for exceptional performance; and
- f. Prompt response to request for guidance or assistance.

The CG should:

- i. Demonstrate commitment to KRA's vision, mission, core values and mandate;
- ii. Achieve set performance objectives and targets;
- iii. Put in place effective administrative structures, processes and systems;
- iv. Provide regular, thorough and prompt communication to the Board of Directors on key technical, financial and administrative matters;
- v. Effectively represent KRA to stakeholders and enhance its public image; and
- vi. Promptly respond to Board of Director's requests for information.
- vii. Notify the Chairperson of the Board of Directors when seeking travel clearance.

2.4.9 The Board Secretary

The Board of Directors shall be assisted by a suitably qualified, competent and experienced Board Secretary. The Board Secretary shall satisfy the requirements of Chapter Six of the Constitution of Kenya on Leadership and Integrity and be a Certified Secretary of good professional standing. The Board of Directors shall empower the Board Secretary to efficiently and effectively execute his or her duties and responsibilities. The Board of Directors shall be responsible for the appointment of the Board Secretary as provided for under section 12(1) of KRAA.

The principle duties of the Board Secretary in addition to those provided under section 12(2) of KRAA are:

- a. Providing guidance to the Board of Directors on their duties, responsibilities and how these should be exercised in the best interests of KRA.
- b. Ensuring that the Board of Directors procedures are followed and reviewed regularly, and that the

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- Board complies with the Law, rules and regulations;
- c. Assisting the Chairperson in organising Board activities, including providing information, preparing agenda, issuing notices and preparing for meetings, board evaluations and board development programs;
 - d. Providing secretarial services to the Board of Directors including ensuring that Board work plan is prepared and adhered to, circulating board papers in advance of the Meeting, keeping a record of attendance at meetings, keeping safe custody of the seal and a record of its usage.
 - e. Ensuring that the Minutes of the Board and Board Committees are promptly prepared and circulated;
 - f. Keeping the Board abreast of and informed on, current governance thinking and practice; and
 - g. Coordinating the governance audit process.

2.4.10 Relationship between The Board of Directors and Management

The Board of Directors and Management of KRA shall execute their mandate in an environment of mutual trust and respect having regard to the principles of good governance. In this regard, the Board of Directors shall provide clear and distinct lines of responsibility and accountability, and maintain effective channels of communication.

2.4.11 Separation of Roles between Board and Management

- a. The role of the Board of Directors should clearly be separated from that of the Management.
- b. The office of the Chairperson and that of the CG should be held by different persons.
- c. The office of the CG and that of the Board Secretary should be held by different persons.

2.5 PRACTICES OF THE BOARD OF DIRECTORS

2.5.1 Board of Directors Responsibilities

The basic responsibility of the Board of Directors is to

exercise their best judgment and to act in a manner that they reasonably believe to be in the best interest of KRA and its stakeholders.

In discharging that obligation, the Board of Directors shall be entitled to rely on the honesty and integrity of KRA's Management, staff and its external professional advisors and auditors.

In furtherance of its responsibilities, the Board of Directors will:

- a. Determine KRA's mission, vision, purpose and core values;
- b. Review, evaluate and approve, on a regular basis, strategic plans for KRA;
- c. Review, evaluate and approve KRA's budget and financial forecasts;
- d. Review, evaluate and approve major resource allocations and capital investments;
- e. Ensure that the procurement process is cost-effective and delivers value for money;
- f. Review and approve the operating and financial results of KRA;
- g. Ensure effective, accurate, timely and transparent disclosure of pertinent information on KRA's operations and performance;
- h. Ensure that effective processes and systems of risk management and internal controls are in place;
- i. Review, evaluate and approve the overall KRA structure, the assignment of senior management responsibilities and plans for senior management development and succession;
- j. Review, evaluate and approve the remuneration structure of KRA;
- k. Adopt, implement and monitor compliance with KRA's Code of Conduct and Ethics;
- l. Review on a quarterly basis the attainment of targets and objectives set out in the agreed performance measurement framework with the Government of Kenya;

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- m. Review periodically KRA's strategic objectives and policies relating to sustainability and social responsibility/investment;
- n. Enhance KRA's public image and ensure engagement with stakeholders through effective communication;
- o. Monitor compliance with the Constitution, all applicable laws, regulations and standards; and
- p. Review, monitor and ensure that KRA is effectively and consistently delivering on its mandate.

2.5.2 Responsibilities of Individual Members of the Board of Directors

Each Board of Director shall:

- a. Exercise the highest degree of care, skill and diligence in discharging his/her duties;
- b. Act in the best interest of KRA and not for any other purpose;
- c. Act honestly at all times and must not place himself/herself in a situation where his/her personal interests conflict with those of KRA;
- d. Exercise independent judgment;
- e. Devote sufficient time to carry out his/ her responsibilities, regularly update his/her knowledge and enhance his/her skills;
- f. Promote and protect the image of KRA;
- g. Owe his/her duty to KRA and not to the nominating or appointing authority; and
- h. Owe KRA the duty to hold in confidence all information available to him/her by virtue of his/her position as a Board of Director.

2.5.3 Acting Commissioner General

Where a vacancy exists arising from criminal prosecution, retirement, resignation, end of term and or any other circumstance:

- a. An Acting CG is to be appointed by the Board of Directors in consultation with the National Treasury within Seven (7) days thereof.
- b. Where the Board of Directors is unable to source an acting replacement from KRA, the Chairperson shall consult with the Cabinet Secretary, National Treasury and Economic Planning to select a suitable officer within the Ministry, who shall be seconded to KRA, and appointed by the Board or as specified in the KRAA.
- c. In the case of vacancy arising from criminal prosecution, the Board of Directors shall immediately initiate disciplinary proceedings to determine whether the conduct of the CG constitutes misconduct that merits dismissal as applicable under the Act, and may terminate the contract of employment of the CG in furtherance thereof.
- d. In case of vacancy arising out of any other natural attrition factors, the Board of Directors shall initiate the recruitment for the new CG.
- e. Unless otherwise provided in the enabling instruments, the Board of Directors shall appoint a new CG in line with existing laws, regulations and guidelines.
- f. The Chairperson of the Board of Directors shall ensure there is compliance with the directive on filling of acting positions within six (6) months of occurrence.
- g. Contracts of employment shall be entered into, in the format and incorporating the terms and conditions as approved and communicated through government guidelines.

2.5.4 Principles of Public Service

The Board of Directors, in performing its functions, shall be guided by the principles of Public Service as provided for in Chapter 13 of the Constitution of Kenya and the aforementioned Acts of Parliament, which include:

- h. High standards of professional ethics;
- a. Efficient, effective and Economic use of resources;
- b. Responsive, prompt, effective, impartial and equitable provision of services;
- c. Involvement of stakeholders in policy making;
- d. Accountability for administrative acts;
- e. Transparent and timely provision of accurate information to the public;
- f. Fair competition and merit as the basis of appointments and promotions;
- g. Representation of Kenya's diverse communities; and
- h. Affording adequate and equal opportunities for appointment, training and advancement, at all levels of public service, of men and women, members of all ethnic groups and persons with disabilities.

2.5.5 Board of Directors and its Committee Meetings

Meetings of the Board of Directors shall be conducted as provided for under Section 10 and the Second Schedule of KRAA. Approval for any extra Board Meetings (including Special Board Meetings) shall require a justification by the Board of Directors as to the source of funds, implications thereof and reasons why the same cannot be adjudicated in regular meetings, which request shall be submitted for approval by the Cabinet Secretary, National Treasury and Economic Planning in consultation with SCAC.

2.5.6. Schedule of Meetings

A schedule of dates of the Meetings will be agreed upon by the Board of Directors Members and set out in the Board of Directors' work plan. The work plan may be adjusted if deemed necessary by the Board of Directors.

- a. Quorum for Board of Directors Meetings shall be as provided for under the Second Schedule of KRAA.
- b. The quorum for Board of Directors' Committee Meetings will not be less than two (2) Members. Board Members are expected to attend the Board of Directors Meetings and Meetings of the Committees on which they serve.
- c. The Chairperson, CG or Committee Chairpersons may from time to time invite senior managers, other employees and advisors to attend Board of Directors or Committee Meetings whenever deemed appropriate.
- d. The Board of Directors should set aside adequate time, annually, to discuss strategy and policy matters.
- e. The Board of Directors Retreats are to be approved by the Cabinet Secretary, National Treasury.

2.5.7 Notice and Agenda for Meetings

- a. Notices shall be issued as provided for under Section 10 and the Second Schedule of the KRAA.
- b. Notice and Agenda of Board of Directors and Committee Meetings shall be issued by the Board Secretary as directed by the Chairperson of The Board of Directors or relevant Committee.
- c. Each member of the Board of Directors shall be free to suggest the inclusion of items on the agenda by providing notice to the Chairperson at least fourteen (14) days prior to the meeting, to enable preparation.

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- d. Additional Agenda items may be included in the Agenda during the Meeting subject to approval by the Board of Directors or the Committee.
- e. Save for the additional Agenda items, the Agenda for the Meetings will be aligned to the Board of Directors' work plan which will establish a schedule of agenda subjects to be discussed during the year to the degree this can be foreseen.
- f. Except for urgent cases as determined by the Chairperson, the Agenda accompanied by relevant supporting documents and recommendations will be provided to the Board of Directors Members at least five (5) days prior to a Meeting.
- g. The Members of the Board of Directors should review these materials in advance of the Meeting to enhance effectiveness.
- h. Where a Meeting is being conducted via video and/or teleconferencing, the Notice shall cite that the Meeting is to be held at the registered or principal office and by both physical and tele/video conferencing means.
- i. The Agenda for deliberation must be amenable for deliberation via tele/video conferencing means by all participants.

2.5.8 Venue of Meetings

- a. All Board business, including committee meetings shall be transacted at the principal or registered office of the corporation.
- b. In addition, Meetings of the Board of Directors or Committees may be held by video or conference call or by any other means of communication approved by the Board of Directors, provided that all Members have been given prior notification and they can communicate with each other simultaneously.

- c. The Board may conduct Meetings through audio-visual means and/or leveraging on existing Information and Communication Technology infrastructure; with the exception of the Chairperson, CG and/or the Board Secretary who are required to be physically present at the principal or registered office to host the meeting, whilst at all times observing social distance prescriptions and all other guidelines as issued by the relevant government authorities.
- d. For the transaction of the Board of Directors business, the Meeting must be quorate in line with the Board Charter and applicable statutory guidelines.
- e. The audio and visual tool must be secure and one which assures the participation of only The Board of Directors and persons expected to be in attendance; through appropriate security, identification, access and documents sharing protocols.
- f. The Meeting must record Board Members participating by tele/video conferencing and record of the proceedings shall be maintained by the Board Secretary.
- g. The Board of Directors participating via tele/videoconferencing will be entitled to a sitting allowance only.

2.5.9 Attendance of Meetings

- a. The CG shall attend all Board Meetings and unless otherwise determined by the Board of Directors, Commissioners or other Members of Senior Management shall also attend a Board of Directors Meeting but shall have no right to vote.

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- b. A Member of the Board of Directors who is unable to attend a Meeting will explain his/her absence to the Chairperson and notify the Board Secretary for purpose of recording the apology.

2.5.10 Procedures of Meeting

- a. Chairing of Meetings:** Board of Directors Meetings shall be chaired by the Chairperson of the Board of Directors or in case of a Committee the Chairperson of that Committee. In the absence of the Chairperson, one of the Members of the Board of Directors designated by the Members present at the Meeting will chair.
- b. Constitution of the Meetings:** The Board of Directors Meeting will be constituted in accordance with KRAA and shall include a confirmation that there is quorum for the Meeting to proceed and recording of attendance.
- c. Protocol of Meetings:** The Chairperson, having ensured that the Meeting is properly constituted, will also ensure that at an appropriate time during the Meeting, the minutes of the previous Meetings are confirmed and matters arising there from handled.
- d. A special Meeting of the Board of Directors Committee will not discuss any matter other than that specified in the Agenda.
- e. The conduct of Board of Directors Meetings may also be undertaken through video or tele conferencing, in the case where some of the participants will not be physically present. The following guiding principles shall apply:
- i. The Chairperson should ensure that the agenda is suitable for video/tele conferencing;
 - ii. The Board Secretary shall ensure that the constitutive documents of KRA allow for video conferencing;
 - iii. The Board Secretary shall ensure that the necessary arrangements are in place to facilitate effective and secure communication during the Meeting;
- iv. On sending out the notice of the Meeting, the Board Secretary shall also confirm whether each Member of the Board of Directors or participant will attend physically or through video/tele conferencing;
- v. At the start of the scheduled Meeting and for the purpose of confirming quorum, a record of attendance shall be taken during which each Member of the Board of Directors or participant will clearly state, for the record, their full name, location, type of device being used and give confirmation that they can clearly hear the others;
- vi. All Members of the Board of Directors or participants shall identify themselves for the record before speaking and must confirm that they can clearly hear and/or see each other in the course of the meeting;
- vii. If a statement of Board of Directors or participant in the Meeting via video/tele conferencing is interrupted or garbled, the Chairperson shall request for a repeat or reiteration and
- viii. The Chairperson should ensure that resolutions are clarified for record purposes.

d. Decision Making

- i. The Board of Directors, with the guidance of the Chairperson, shall work towards unanimous adoption of resolutions. However, Board of Directors are entitled to voice dissenting opinions and have these recorded in the Minutes when unanimity cannot be reached. In case of voting, Section 3 of the Second Schedule of the KRAA shall be adhered to.
- ii. Resolutions of the Board of Directors will be made at Board Meetings or approved in writing by circulation, provided that in respect to the latter the proposed resolution is submitted to all Board of Directors and none of them objects to its adoption.

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Approval of resolutions by circulation shall be effected in writing by all Board of Directors. Objection to this method of adoption or to the proposed resolution should also be in writing.

e. Resolution of Minutes

Minutes must be drawn up for every Board of Directors and Committee Meeting with resolutions highlighted therein. The Minutes should be circulated to the Board of Directors Members within fourteen (14) days after the Meeting. Upon confirmation, the Minutes shall be signed by the Chairperson and added to the records of KRA. Substantial corrections to previous Minutes will be recorded in the Minutes of the Meeting where the corrections are made and adopted by the Board of Directors Members. Urgent resolutions may be drawn up and signed immediately in the relevant Meeting.

f. Implementation of Resolutions

Generally, the Board of Directors delegates to the CG responsibility to implement the resolutions of the Board of Directors. The CG may delegate some of these responsibilities to Senior Management. The Board of Directors are responsible for monitoring the implementation of the resolutions.

2.5.11 Liability of Board Of Directors

A Member of the Board of Directors shall not be liable for any act done in good faith in carrying out duties and responsibilities for KRA. However, there is no limitation of liability for negligence or breach of the Member's duty of care to KRA or its stakeholders, or for acts or omissions not in good faith, or which involve intentional misconduct or violation of the law.

2.5.12 Conflict of Interest

a. A conflict of interest may arise where a Member of the Board of Directors or close family member such as a spouse, child, parent or sibling has

private interests that could improperly influence the performance of the Board of Directors official duties and responsibilities. Conflict may also arise where a Member of the Board of Directors uses his/her office for personal gain.

- b. Members of the Board of Directors are required to avoid conflict of interest and deal at arms-length in any matter that relates to KRA. However, a Member of the Board of Directors who identifies an area of conflict shall be required to disclose any actual, potential or apparent conflict of interest to the Board of Directors. In so reporting, the Member of the Board of Directors is required to provide all relevant information, including information which relates to their immediate family members related by blood or marriage which is related to the area of conflict. When declared, the Member of the Board of Directors shall abstain from making decisions where the conflict exists.
- c. The Board Secretary should keep a record of conflicts of interest declared, for accountability purposes, and as a rule of good practice on appointment and on regular intervals or at any time when circumstances change, all Members of the Board of Directors shall in good faith disclose to the Board of Directors for recording, any other business or interest likely to create a potential conflict.

2.5.13 Notice of other Directorships

- a. Members of the Board of Directors should carefully consider the number of other boards on which they can serve, consistent with the time and energy necessary to satisfy the requirements of KRA provided that a Member of the Board of Directors shall not serve in more than three boards of State Corporations concurrently.

- b. In furtherance of these considerations, Members of the Board of Directors shall notify the appointing authority in a timely fashion before accepting an invitation to serve on the Board of another public or private body.
- c. This prior notice is to allow discussion with the Chairperson of the Board of Directors and to obtain legal advice on whether such other service will interfere with the Member's of the Board of Directors service on KRA's Board of Directors, impact the Member of the Board of Directors' independence, or create an actual or apparent conflict of interest for the Member of the Board of Directors.

2.5.14 Board Members Access to Employees

Members of the Board of Directors shall have full and free access to employees of KRA but such access should be arranged through the CG or the Board Secretary. The Members of the Board of Directors will use their judgment to ensure that any such access does not disrupt the operations of KRA.

2.5.15 Independent Advisors

The Board of Directors may individually and collectively seek independent advice in connection with their duties as and when required. Independent professional advice for the purposes of this Charter shall include legal advice, advice on matters of governance, the advice of accountants and other professional financial advisors on matters of law, accounting and other regulatory matters but shall exclude advice concerning the personal interests of the director concerned, such as matters relating to their appointment or disputes with KRA. The recruitment of the professional advisors will be subjected to the Public Procurement & Disposal Act and expenses catered for under the Board expenses Budget.

2.5.16 Interaction with Stakeholders

Only designated representatives of KRA shall communicate on behalf of KRA with the Government, media, stakeholders and the general public.

2.5.17 Board Induction and Continuous Skills Development

New Members of the Board of Directors will be provided with an effective induction programme in order to familiarise them with their responsibilities as directors, general principles of corporate governance and board practices. The induction programme will also provide the Members of the Board of Directors with an orientation of KRA, strategic plans, financial status and policies, risk management, compliance programmes and the Code of Conduct. A training needs assessment is carried out periodically and an Annual Training Plan prepared to address identified gaps. In this regard, Members of the Board of Directors will be provided with access to, or notice of, continuing development programs that are designed to keep Members abreast of the latest developments in sector best practice, corporate governance and critical issues relating to the operation of public sector boards. The Board of Directors will satisfy itself that its Members are up-to-date with continuous professional development in their respective professional bodies.

2.5.18 Board Remuneration

The Members of the Board of Directors shall be remunerated for their services in accordance with the prevailing relevant legislative provisions and/or guidance from the relevant authority. In line with best practice, the remuneration shall include base pay, attendance allowances and bonuses.

2.5.19 Board of Directors Performance

- a. The Board of Directors will conduct an annual evaluation of its performance. The report shall be

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filed with the National Treasury and SCAC.

- b. The Board of Directors evaluation provides an opportunity for Members of the Board of Directors to identify strengths, collective skill gaps and individual areas of improvement.
- c. The Board of Directors will also review the performance of each Board of Directors Committee against the agreed Terms of Reference.
- d. The Board of Directors will also evaluate the performance of the CG and the Board Secretary on an annual basis.
- e. The Board of Directors shall schedule an annual Board evaluation activity as part of the Board ALMANAC and notify SCAC of the same by 31st July of each year.

The evaluation covers the period 1st July to 30th June of the previous year.

- f. The evaluation shall be conducted within the first four (4) months of every financial year or as directed by SCAC.

2.5.20 Board Management and Succession

The Board of Directors will put in place a succession plan for Management and review the same regularly.

2.5.21 Governance Audit

The Board of Directors shall ensure that a governance audit of KRA is undertaken on an annual basis subject to guidelines from SCAC. The purpose of the governance audit is to ensure that KRA conforms to the highest standards of good governance. The governance audit shall cover the following parameters, among others:

- a. Leadership and strategic management;
- b. Transparency and disclosure;
- c. Compliance with Laws and Regulations;
- d. Communication with stakeholders;
- e. Board independence and governance;

- f. Board systems and procedures;
- g. Consistent shareholder and stakeholders' value enhancement and
- h. Corporate social responsibility and investment.

2.5.22 Annual ALMANAC

The Board of Directors shall submit its annual ALMANAC to SCAC through the National Treasury by 31st July every year. This should be based on the organisational work plan, statutory obligations of the Board and the available budget.

2.5.23 The Board of Directors Budget and Expenses

- a. The Board of Directors expenses for a financial year shall be capped within the limits set annually by the State Corporations Advisory Committee (SCAC). Any exceeding budgets shall require approval of the Cabinet Secretary, National Treasury and Economic Planning.
- b. Field inspection visits as well as international engagements are an executive function that fall in the domain of the executive team led by the CG. The Board of Directors involvement should therefore be minimised since the executive team or the Board's Internal Audit team bring up required reports to the Board. The Board oversight of the field works and projects can be further secured through other government agencies under the framework of '*One-Government Approach*'.

2.5.24 The Board of Directors Training Programmes

Board Members shall refrain from undertaking international training programmes that are locally available. Such workshops shall be organised by SCAC, or other corporate governance and management training organised by government training institutions.

Any specialized international programme identified by KRA for the Board of Directors Members are to be brought to the attention of the government training institutions for hosting and organisation of the same where feasible.

2.5.25 Transport and Mileage allowance

- a. The Board of Directors members shall use the most economical and cost effective means of transport while on official business whenever official transport is not provided.
- b. The Board of Directors members in particular may be reimbursed:
 - i. Actual travel costs to and from official business or
 - ii. Actual mileage at prevailing AA rates when they use a personal car. Such mileage claims shall only be reimbursed against authenticated and registered car logbook(s) whose ownership is either the member, member's spouse or a company in which the member's shareholding is not less than 50% plus 1 shares.
- c. Reimbursement of mileage claim is capped at 1800cc engine capacity of a vehicle.
- d. For this purpose, all the Board of Directors shall be required to declare residence from which they commute while attending to Board business at the time of appointment and upon any change thereafter. The residence is where the Board of Directors normally resides.
- e. The CG shall be required to provide information to the Cabinet Secretary, National Treasury and Economic Planning and SCAC any instances where a Board member's declared residence has a return transport cost implication that exceeds Kshs. 35,000/- per Board/Committee meeting.
- f. The Cabinet Secretary, National Treasury may terminate the continued service of any Board Member whose return cost of transport exceeds Kshs. 35,000 per Board/Committee meeting while

nevertheless securing the requisite regional, gender and disability considerations in overall board composition. Exceptions to this prescription will require the express written approval of the Cabinet Secretary, National Treasury and Economic Planning.

- g. In instances where air transport is the most economical means to transport a Board Member, but such a Board Member opts to use their own vehicle, then the maximum reimbursable mileage claim shall be equivalent of the cost of the return air-ticket. All other prevailing government prescriptions on air travel remain specified.

2.5.26 Review of Charter

The Board of Directors will review this Charter and the Terms of Reference of the Board of Directors Committees once every three (3) years or as and when required to ensure they remain consistent with the Board of Directors' objectives and responsibilities, and relevant standards of corporate governance.

The provisions of this Charter shall be subject to any amendments to the relevant Acts of parliaments, Regulation, Government Circulars and Directives as may be issued from time to time.

This Board Charter is effective

from 14th day of June 2024



Mr. Anthony Ng'ang'a Mwaura.

Chairman, Board of Directors,

Kenya Revenue Authority



KENYA REVENUE
AUTHORITY

Code Of Conduct And Ethics

CODE OF CONDUCT AND ETHICS

3.1 BACKGROUND

3.1.1 Introduction

The Code of Conduct and Ethics (‘the Code’) for KRA focuses on ethical conduct and integrity at the workplace. It defines KRA’s commitment to the highest standards of behaviour so as to contribute to the achievement of the national development goals.

The Code sets out expectations for individual behaviour necessary to meet these standards and includes requirements and guidance to help the Board of Directors and employees to carry out their role with integrity and in compliance with the law.

The Code cannot cover everything. It is therefore essential that staff and the Board of Directors understand applicable laws and detailed policies that are relevant to their role. It is also important that the Code is not used as a substitute for the good judgment expected of the Board of Directors and employees working for KRA.

3.1.2 Objective

By exemplifying the ethical behaviours and corporate values described in the Code, KRA will continue to uphold Article 10 of the Constitution of Kenya on National Values and Principles of Governance and Chapter 6 on Leadership and Integrity.

3.1.3 Application

This Code applies to the the Board of Directors and employees. Adherence to the values in this Code is a condition of Board of Directors appointment or employment of staff. A breach of this Code will result in disciplinary measures being taken, including separation from KRA.

3.2 VALUES

3.2.1 Respect for People

The Board of Directors and employees are entitled to work in an environment in which people are treated

with respect.

Members of the Board of Directors and employees must therefore avoid actions or behaviours that are or could be viewed as disrespectful and are required to treat all people with respect, dignity and fairness.

3.2.2 Integrity

The Board of Directors and employees are expected to act with integrity by consistently upholding the highest standards of honesty and truthfulness. They should not use their positions to inappropriately obtain an advantage for themselves or to advantage or disadvantage others, and should take all possible steps to prevent and resolve any real, apparent or potential conflicts of interest between their official responsibilities and their private affairs.

3.2.3 Transparency and Accountability

Transparency of operations, planning and reporting and a clear accountability framework are fundamental principles that underline good governance. It is expected that the Board of Directors and employees will work together in a spirit of openness, honesty and transparency. This will encourage engagement, collaboration and respectful communication.

3.2.4 Stewardship

The Board of Directors and employee are responsible for using appropriately the assets entrusted to them. They are responsible for safeguarding the assets against waste, loss, damage, misuse, theft, misappropriation or infringement, in order to protect their value. All transactions of the organisation must be reflected accurately and fairly in the books of accounts. Falsification of asset records or misrepresentation of facts will constitute fraud.

3.2.5 Excellence

The Board of Directors and employees shall demonstrate excellence by providing fair, timely, efficient and effective services to the public. They should exercise high levels of discipline and commitment in the performance of their duties. They are also required to continually improve the quality of policies, programs and services by fostering a work environment that promotes teamwork, learning and innovation.

3.3 CONFLICT OF INTEREST

The Board of Directors and employees must avoid conflicts of interest between their private activities and their part in the conduct of KRA business.

A conflict of interest may arise where a Member of the Board of Directors, employee or close family member such as a spouse, child, parent or sibling has private interests that could improperly influence the performance of the Members of the Board of Directors or employee's official duties and responsibilities.

Conflict may also arise where a Member of the Board of Directors or employee uses his/her office for personal gain. A real conflict of interest exists at the present time.

An apparent conflict of interest could be perceived by a reasonable observer to exist, whether or not it is the case, and a potential conflict of interest could reasonably be foreseen to exist in the future. A conflict of duty arises, not because of a Board Member's or employee's private interests, but as a result of one or more concurrent or competing official roles.

For example, these roles could include the Board Member's employee's primary employment and his or her responsibilities in an outside role that forms part of his/her official duties, such as an appointment to a Board of Directors, or other outside functions.

3.3.1 Prevention of Conflict of Interest

The Board of Directors and employees maintain public confidence in the objectivity of their service by preventing and avoiding situations that could give the appearance of a conflict of interest or result in a potential or actual conflict of interest. In addition, The Board of Directors and employees are required to observe any specific conduct requirements contained in the statutes governing ethical behaviour and their profession, where applicable.

It is not possible to foresee every situation that could give rise to real, apparent or potential conflict of interest. However, where conflict arises, the Member of the Board of Directors or employee should:

- a. Excuse himself/herself or anyone who works for him/her, from any decision-making that may create a conflict of interest with their private interest;
- b. Disclose in writing, to the relevant authority the facts and explain the circumstances that create or could create the conflict of interest;
- c. Seek guidance from the immediate KRA supervisor;
- d. Seek additional legal or financial guidance; Conduct relationship(s) with contractors and suppliers in a professional, impartial and competitive manner;
- e. Refrain from the direct or indirect use of, or allowing the direct or indirect use of KRA property, for anything other than officially approved activities;
- f. Maintain the impartiality of the public service and not engage in any outside or political activities that impair or could be seen to impair the ability to perform duties in an objective or impartial manner;
- g. Be aware that the acceptance of any offer of future employment including consultancy or directorship with a contractor, supplier, customer or business partner constitutes a potential conflict of interest;

CODE OF CONDUCT AND ETHICS

h. Ensure that concurrent outside appointments, such as to a Board of Directors, are managed appropriately and that any resulting conflicts of duties are resolved in the public interest; and

i. Declare to the relevant authority, a benefit or income received either directly or indirectly from a contract with external parties on contractual or other arrangements. The relevant authority will determine whether the arrangement presents a real, apparent or potential conflict of interest, and may require that the contract be modified or terminated.

Similarly, a Board Member or employee should not:

- Get involved in the hire, supervision, management or career planning of any relative;
- Make improper use of one's position or of confidential information gained in that position to achieve personal interests or direct gain;
- Allow relationships with contractors and suppliers to influence business decisions made on behalf of KRA; and
- Accept gifts or inducements, including hospitality that may place one under an obligation.

3.3.2 Use of Information and Communication Technology

KRA recognizes the importance of the use of Information and Communication Technology (ICT) tools to conduct business and interact with stakeholders. Use of social networks in an official capacity must comply with the legislative requirements and KRA policy on the use of the internet and electronic networks.

The Board of Directors and employees using ICT for personal or professional use are expected to exercise the same kind of judgment and criteria as would be applied to any other work place decision.

3.3.3 Gifts, Hospitality and Other Benefits

The Board of Directors and employees should not accept any gifts, hospitality or other benefits that may have a real, apparent or potential influence on their objectivity in carrying out their official duties and responsibilities or that may place them under obligation to the donor. As a general rule, the Board of Directors and employees should not accept gifts or other advantages except as set out in the Public Officer Ethics Act, 2003 and any other relevant statutes and policies.

3.3.4 Solicitation

With the exception of fundraising for officially supported activities such as those relating to corporate social responsibility, the Board of Directors Members or employees may not solicit gifts, hospitality, other benefits or transfers of economic value from a person, group or company who has dealings with KRA. When fundraising for supported official activities, the Board of Directors or employees should ensure that they have prior written authorization from the relevant authority in order to solicit for donations, prizes or contributions in kind from external organizations or individuals.

3.3.5 Register of Conflict of Interests

KRA shall maintain a register to record attention of the conflict of interests.

3.4 WHISTLE-BLOWING

Any person who has reason to believe that a Member of the Board of Directors or employee has not acted in accordance with this Code should bring the matter to the relevant authority or the appropriate government agency. KRA should not retaliate nor tolerate retaliation against any person who brings an issue to its attention in good faith.

3.5 RESOLUTION

The Board of Directors and employees are expected to adhere to this Code. The Board of Directors and employees are expected to resolve issues in a fair and respectful manner and consider informal processes such as dialogue or mediation. In the event of an ethical dilemma or dispute, the Board of Directors and Management may seek advice and support from other appropriate sources such as the Ethics and Anti Corruption Commission and any other oversight body.

ACCEPTANCE

I agree to the terms of KRA' s Code of Conduct and Ethics, which forms part of my Board of Directors appointment, employment or contract of employment. I have read and understood the Code and agree to abide by its provisions.

I understand that any breach of its provisions will render me liable to appropriate disciplinary action.

Full Names:

Position:

Signature:

Date:



Board Of Directors And Board Committees

BOARD OF DIRECTORS COMMITTEES

4.1 THE BOARD OF DIRECTORS

The KRA Board of Directors is the governing body of appointed members who jointly oversee the activities of KRA. The Board of Directors is expected to provide strategic direction, exercise control and remain accountable through effective leadership, enterprise, integrity and good judgment. It should be diverse in its composition, independent but flexible, pragmatic, objective and focused on balanced and sustainable performance of the organization.

4.2 COMMITTEES OF THE BOARD OF DIRECTORS

4.2.1 To effectively discharge its mandate, the Board of Directors shall establish Committees with specific terms of reference.

4.2.2 Notice of establishment of such Committees shall be served on SCAC.

4.2.3 The Board of Directors shall appoint into Committees, Members with requisite skills and competence to discharge allocated responsibilities. In the event that a Committee lacks specific skills within its membership, the Board may, with the approval of the oversight body [State Corporations Advisory Committee (SCAC)], co-opt skilled non Board Members to serve in the Committee, provided that the Chairperson of a Committee shall not be a co-opted Member or the Chairperson of the Board. The Board may, from time to time, rotate Members of the Board of Directors between the Committees.

4.2.4 The Board of Directors shall remain collectively responsible for the decisions and actions taken by any Committee. A Committee may only perform the tasks delegated to it by the Board of Directors and may not exceed the authority or powers of the Board of Directors.

4.2.5 The Chairperson of each Committee, in consultation with Management, will develop the Committee's Meeting agenda. The Board of Directors will however determine the procedure and process within which Committees may take independent professional advice at KRA's expense.

4.2.6 The Committees shall promptly report to the Board of Directors any actions taken for ratification and any major developments that they become aware of.

4.2.7 The Board of Directors shall, as set out in the terms of reference of the respective Committees, receive a report of the Committee's findings and actions.

4.2.8 The Board of Directors may delegate other tasks or duties of any Committee and require that the committee carries out such tasks with or without reporting back to the Board of Directors.

4.2.9 The Board of Directors shall establish not more than four (4) Committees including the Audit Committee as guided by Mwongozo, the Code of Governance for State Corporations. The KRA Board of Directors has established the following standing Committees:

- Human Resources Committee.
- Finance, Administration and Procurement Committee.
- Board Audit and Risk Committee.
- Revenue, Strategy and Technology Committee.

The Board of Directors is also represented in the Board of Trustees to the KRA Staff Pension Scheme. The Terms of Reference of any Committee of the Board are to be approved by the Board of Directors.

The Committees meet on a quarterly basis. However, Special Committee Meetings are organised on need basis subject to approval from the National Treasury.

4.2.10 The Board of Directors may constitute Ad hoc Committees to deal with emerging issues that require focused attention which do not fall within the domain of regular Committees. Ad hoc Committees shall have clear Terms of Reference.

4.2.11 General

- a. The Committees may invite Members of the Top Management, technical experts/professionals to give advice/opinion, KRA's officers, external auditors or any other persons who might have information the Committee requires.
- b. Where the Board of Directors do not have the appropriate skill within its membership for purposes of effectively discharging its mandate, it may, with the approval of SCAC, co-opt members on a need basis for a specified duration.
- c. The Board of Directors has absolute power to appoint and revoke the appointment of a Member to a Committee and fill vacancies which may arise in the Committees.
- d. The Board of Directors may include Members of Management as Members of the Committees.
- e. The Board of Directors or a Board committee may require attendance of any Board Member who is not a Member of the committee or any other person. The said Member or person has no voting right.
- f. The Board of Directors authorizes the Committee, within the scope of its responsibilities, to have unrestricted access to any information it deems necessary for the performance of its duties.
- g. A Member serving in the Board of Directors Audit Committee shall not be appointed as a member of the Finance Committee and vice versa save for the Principal Secretary - The National Treasury.

4.2.12 Appointment

- a. The Board may from time to time review the number of Members in any Committee.

- b. The Committee Members shall serve for a continuous period of up to Twelve (12) months and thereafter be subject to rotation except for The Principal Secretary, National Treasury or his/her representatives.

- c. The term of office, to any Committee, shall run concurrently with a Member's appointment to the Board of Directors of KRA.

4.2.13 Quorum

- a. The number of Members of any Committees should be no more than one third (1/3) of the full Board of Directors to obviate risk of a Committee conducting its business within the framework of a full Board structure.
- b. The Board of Directors shall appoint the Chairpersons of each Committee, with priority given to independent directors.
- c. The Board of Directors Chairperson shall not sit in Committees as a Member or in attendance.
- d. Two (2) Members of the Board of Directors (including the Chairperson) shall constitute a quorum for the conduct of business at any meeting of a committee.
- e. Decisions shall be taken by a majority of votes of members present. In case of a tie, the Chairperson shall have a second or casting vote.
- f. The Chairperson shall at his sole discretion and as he/she deems appropriate use the casting vote, or refer the matter to the full Board of Directors for decision.
- g. Members can only sit in a maximum of two (2) Committees. Any exceptions must secure written approval of the Cabinet Secretary, the National Treasury and Economic Planning.

BOARD OF DIRECTORS COMMITTEES

4.2.14 Committee Papers

- a. The Agenda and the discussion papers for each Committee Meeting shall be circulated to Members and those invited to a Meeting at least five (5) days prior to the Meeting.
- b. Attendees are only to be given papers which are relevant to the business which they are invited to transact.
- c. Board Committee notices shall be sent at least five (5) days before a meeting.
- d. The Board Secretary sends the draft Minutes to the Chairperson of a Committee within fourteen (14) days from the date of the last meeting for approval while the approvals or resolutions or matters arising thereof shall be sent to the concerned persons for action.
- e. The Committee may review its terms of reference and recommend amendments/review to the Board of Directors for approval.

4.2.15 Invitation, Decisions and Casting Vote

- a. The Committee may invite members of Senior Management, technical experts/professionals to give professional advice/opinion, the KRA's officers, external auditors or any other persons who might have information a Committee(s) requires.
- b. Decisions are taken by a majority of votes of members present. In case of a tie, the Chairperson shall have a second or casting vote.
- c. The Chairperson shall at his/her sole discretion and as he deems appropriate use the casting vote, or refer the matter to the full Board of Directors for decision.
- d. In the absence of the Chairperson, one of the Committee members shall be nominated to serve as the Chairperson.

4.3 HUMAN RESOURCES COMMITTEE

4.3.1 The Committee shall oversee:

- a. Implementation of Human Resources Instruments as approved by the Board and the relevant Authorities.
- b. Conduct first level interviews for the recruitment of the Commissioner General, Commissioners and Deputy Commissioners and recommend to the Board appropriate Candidates for final interviews.
- c. Implementation of the Human Resources Annual Work Plan.

4.3.2 The Committee shall review and recommend to the Board for approval:

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

4.3.3 The Committee shall review and recommend to the Board the following reports among others:

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

4.3.4 Committee membership

- a. Chairperson - A member of the Board of Directors who is not a public officer, appointed by the Board;
- b. One member of the Board of Directors who is not a public officer, appointed by the Board
- c. The Honourable Attorney General or his representative;
- d. Commissioner General
- e. Other Attendants include:
 - The Commissioner - Corporate Support Services
 - The Deputy Commissioner - Human Resources
 - The Deputy Commissioner- Performance Management Division
 - The Board Secretary, who is the Committee Secretary.

4.4 FINANCE, ADMINISTRATION AND PROCUREMENT COMMITTEE

The Finance, Administration and Procurement Committee deals with matters in respect to corporate support services.

4.4.1 Terms of Reference

The roles and responsibilities of the Committee is to:

(A) FINANCE COMPONENT

- 1.1 Review and recommend to the Board for approval:
 - 1.1.1 Financial policies and procedures formulated by Management.
 - 1.1.2 Supplementary budget estimates and budget re-allocations as per established thresholds.
 - 1.1.3 Quarterly, annual and other statutory financial statements prior to submission to statutory bodies, as required by relevant regulations (Public Finance Management Regulations (PFMR), KRA Act, etc.) and the National Treasury.
 - 1.1.4 Financial investments proposals.

1.1.5 Special funding proposals, including borrowings and grants.

1.1.6 Non- Procurement expenditure proposals above Ksh.5 Million.

1.1.7 Proposals for write offs or write back of debts, losses and or accounting differences.

1.1.8 Proposals for opening and closure of bank accounts.

1.1.9 Annual budget estimates for income and expenditure for each Financial Year, including rollover of uncommitted or unutilised budget funds.

1.2 Receive the following financial reports for information:

1.2.1 Corporate bank balances.

1.2.2 Revenue bank balances.

1.2.3 Creditors' and Debtors' reports.

(B) ADMINISTRATION COMPONENT

1.1 The Committee shall provide oversight on:

1.1.1 Assets management for optimal utilisation.

1.1.2 Work environment for improved staff and customer satisfaction.

1.1.3 Facilities management for provision and maintenance of good working tools and environment.

1.1.4 Responses to Key Corporate Support Services Internal Audit Queries (for information and direction).

(C) PROCUREMENT COMPONENT

1.1 The Committee shall review, approve and offer oversight on:

1.1.1 Procurement and Disposal policies.

1.1.2 Annual Procurement and Disposal plans.

1.1.3 Implementation status of the Annual Procurement Plan.

BOARD OF DIRECTORS COMMITTEES

1.1.4 Contracts valued between KShs.500,000 and KShs.10Million.

1.1.5 Contracts awarded to reserved groups.

(D) SECURITY AND SAFETY COMPONENT

1.1 The Committee shall provide oversight on security and safety for a secure and safe working environment

4.4.2 Committee Memberships

- a. Chairperson - A Member of the Board of Directors who is not a public officer, appointed by the Board;
- b. Two Members of the Board of Directors who are not public officers, appointed by the Board;
- c. The Honourable Attorney General or his representative;
- d. Commissioner General.

Other Attendants include:

- The Commissioner – Corporate Support Services;
- The Deputy Commissioner – Finance
- The Deputy Commissioner–Supply Chain Management
- The Deputy Commissioner–Facilities and Logistics.
- The Deputy Commissioner–Security and Safety
- The Board Secretary, who is the Committee Secretary.

4.5 BOARD AUDIT AND RISK COMMITTEE

The Committee is responsible for reviewing audit reports, compliance with relevant laws, procedures and standards; quality of financial reporting and oversight on internal controls among others, the committee meets quarterly.

4.5.1 Terms of Reference

The Committee's terms of reference are provided under Gazette Vol CXVIII No.40 of 15th April, 2016.

(A) AUDIT COMPONENT

1.1 Provide:

1.1.1 Assurance to the Board regarding the quality and reliability of both financial and operating information.

1.1.2 A channel of communication between Management and the internal and external auditors and positive support of the Internal Audit function.

1.1.3 Influence on the status of the Internal Audit Department within the Authority and foster an independent climate for its operations.

1.2 Receive reports on the audit work plan and activities of both the internal and external auditors.

1.3 Review:

1.3.1 The scope and effectiveness of the Internal Audit Department and provide direction on enhancing the utility of the Department through clearly laid down processes, procedures and time frames.

1.3.2 The adequacy and security of the Authority's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrong doing in financial reporting or other matters.

The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

1.3.3 The content of the annual and quarterly reports and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Authority's performance, business model and strategy before release to the National Treasury, the Office of the Auditor General and other required Agencies.

1.3.4 The effectiveness of the Internal Audit function, including compliance with Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors.

1.3.5 Review the effectiveness of the system monitoring compliance with Laws and Regulations, approved Procedures, Guidelines and Instructions of the Board of Directors and the results of Management's investigation and follow up (including disciplinary action) of any instances of non-compliance.

1.4 Approve:

1.4.1 The Internal Audit Department Strategic Plan, the Internal Audit Charter, Annual Audit Work Plan, related budget, activities, staffing, organization structure and policies of the Internal Audit function.

1.4.2 The Statements to be included in the annual report concerning internal controls and risk management.

1.4.3 The remit of the Internal Audit function and ensure it has adequate resources and appropriate access to information to enable it perform its function effectively and in accordance with the relevant professional standards.

The Committee shall ensure the function has adequate independence and is free from Management and other restrictions.

(B) RISK COMPONENT

1.1 Advise the Board on the Authority's:

1.1.1 Overall risk appetite, tolerance and strategy,

taking account of the current and prospective macroeconomic and financial environment.

1.1.2 Current risk exposures of the Authority and future risk strategy.

1.2 Ensure that Management has implemented and maintained an appropriate risk management policy and framework for the Authority.

1.3 Set a standard for the accurate and timely monitoring of large risk exposures and certain risk types of critical importance.

1.4 Review:

1.4.1 KRA's overall risk assessment processes that inform the Board's decision making, ensuring both qualitative and quantitative metrics are used and approve the parameters used in these measures and the methodology adopted;

1.4.2 KRA's capability to identify and manage new risk types.

1.4.3 Reports on any material breaches of risk limits and the adequacy of proposed action.

4.5.2 Committee membership

a. Chairperson - A Member of the Board of Directors who is not a of public officer, appointed by the Board;

b. Two Members of the Board of Directors who are not public officers, appointed by the Board;

c. The Principal Secretary – The National Treasury or his representative.

d. Other attendants include the Deputy Commissioner –Internal Audit (secretary to the Committee), Deputy Commissioner- Corporate Risk Management and invited Team One Members, where applicable.

e. The Board Secretary

BOARD OF DIRECTORS COMMITTEES

4.6 REVENUE, STRATEGY AND TECHNOLOGY COMMITTEE

The Committee is responsible for reviewing KRA's strategic implementation of the corporate Plan and Reform program.

It also serves as a forum to encourage continuous research and review of tax policy proposals and regulatory framework for revenue collection.

4.6.1 Terms of Reference

(A) CORPORATE STRATEGY COMPONENT

The Committee shall:

1.1 Review, guide the development and monitor the implementation of corporate Strategic Plan and recommend to the Board for approval.

1.2 Monitor the implementation of tax compliance strategies and recommend to the Board for approval.

1.3 Review and monitor the implementation of the Marketing and Communication strategy and recommend to the Board for approval.

1.4 Review and recommend to the Board for approval the Research Agenda.

1.5 Monitor Implementation of research agenda and innovation outcomes and recommend to the Board for approval.

1.6 Advise on feedback and dialogue with The National Treasury.

(B) REVENUE COMPONENT

The Committee shall:

1.1 Review and offer guidance on matters related to tax administration and collection of revenue.

1.2 Monitor the assessment, collection and accounting for revenue (revenue compliance) and make recommendations for the Board for approval.

1.3 Monitor revenue performance and make

recommendations to the Board for approval.

1.4 Review and monitor implementation of revenue enhancement initiatives and make recommendations to the Board for approval.

(C) TECHNOLOGY COMPONENT

1.1 Review and provide guidance and oversight on ICT policies and strategies and optimisation of ICT in revenue collection and administration.

4.6.2 Committe membership

a. Chairperson - A member of the Board of Directors who is not a public officer, appointed by the Board of Directors.

b. Two members of the Board of Directors who are not public officers appointed by the board.

c. The Principal Secretary, National Treasury & Economic Planning or his representative.

d. Commissioner General.

e. The Board Secretary, who is the Committee Secretary.



Kenya Revenue Authority Policies

KENYA REVENUE AUTHORITY POLICIES

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While policies are approved by the Board of Directors, Management of KRA is responsible for ensuring appropriate and timely implementation of policies. In conducting their oversight role, it is important that the Board Of Directors have an up to date set of all policies, to ensure that they help in steering KRA to attain its corporate goals.

The purpose of the Policy Documents is to:

- a. Ensure that a point of view held by the Board of Directors of KRA is translated into steps that result in an outcome compatible with that view.
- b. Influence and determine all major KRA decisions and actions.
- c. Ensure that those decisions and actions are within the boundaries set by the policies.
- d. Create an organizational climate that allows staff to use their talents and skills fully in the performance of their job responsibilities.
- e. Provide uniform, consistent policy statements.
- f. Maximize productivity in KRA's governing body, Management and staff.
- g. Sustain the line of communication to staff and to the members of the public.
- h. Serve as an induction and orientation tool for new Members of the Board of Directors.
- i. Clarify Board of Directors, Management, and staff relationships.
- j. Provide an image that serves to attract and retain well-qualified staff.
- k. Provide a structure that allows all employees the opportunity to participate appropriately in the improvement of instruction.

The Board of Directors, through its Committees, is responsible for the review of policies.

KRA's current approved policies are available on the KRA Intranet (krahub.kra.go.ke).



Contact Us

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 www.kra.go.ke  [@KRACare](https://twitter.com/KRACare)  [Kenya Revenue Authority](https://www.youtube.com/Kenya Revenue Authority)  [Kenya Revenue Authority](https://www.facebook.com/Kenya Revenue Authority)