

**ADDRESS BY MR. M. G. WAWERU, COMMISSIONER GENERAL OF KENYA
REVENUE AUTHORITY DURING THE ANNUAL STAFF PARTY AT THE
KENYATTA INTERNATIONAL CONFERENCE CENTRE PLENARY HALL**

FRIDAY, 16TH DECEMBER 2005 @ 4.15 PM

**Chairman KRA Board of Directors MR. LEONARD J. MWANGOLA,
Members of the Board and Management,
Senior Deputy Commissioner Human Resources MR. MICHAEL ONYURA
Distinguished Staff,
Invited Guests,
LADIES AND GENTLEMEN:**

I would like to begin by expressing appreciation to you all for turning up for this occasion, as we mark this season of goodwill and the soon ending of another interesting year. More specifically, I would like to thank the Chairman of the Board and the Board Members who have managed to be here this afternoon.

This is a time to celebrate our achievements as an organisation, as well as to reflect on the challenges that expect to face in the coming year. It is therefore important that we come together as a family at a time like this, because the more we work as a team, the higher the achievement and the more we find personal fulfilment in our work.

Kenya Revenue Authority now holds a respectable position among comparable organisations in the country, the region and beyond. This is due to the efforts of our hardworking staff in revenue collection, delivery of value-added services to our stakeholders, continuous review of our business processes and implementing various measures to develop the skills, knowledge and attitudes of our staff to deal effectively with the existing challenges. Looking back over the last 12 months, I can say for sure that we are living true to our vision *to be the leading revenue authority in the world respected for professionalism, integrity and fairness.*

As you are aware, KRA uses the Balanced Score Card to measure our performance along the *Financial, Customer, Internal processes* and *People* perspectives. Since this event is meant for us as members of the Board, Management and Staff of KRA, I will spend a few minutes speaking on the achievements that we have made in the *People* perspective in the course of this year. The *People* perspective covers all those activities aimed at developing a motivated and professional workforce.

LADIES AND GENTLEMEN:

We have now trained over **90%** of our staff on the Balanced Score Card and *Performance Management* in general at considerable expense to the organisation in terms of time and money. This is because we know that it is not enough to develop strategies to take the organisation forward – the strategies must be understood and supported at all levels of the organisation for them to achieve the required impact. For us to attain our corporate objectives, staff must carry out their responsibilities efficiently and effectively. Furthermore, knowledgeable employees are in a position to make the right decisions on their career paths and can see the reasoning behind specific management decisions.

Some of the training is on the core skills required for optimum performance in revenue collection and the other support functions. I need to reiterate here that KRA is committed to provide the right environment for continuous learning, with adequate learning and development opportunities for employees. In this regard, we have since the beginning of this fiscal year implemented about 40% of the Annual Training Programme, which covers all staff cadres. The courses so far mounted include telephone operations, defensive driving, customer care skills, conversion courses for Assistant Revenue Officers, integrity, supervisory skills and Advanced Management Programme. We are continuously acquiring more staff to meet our changing requirements and developing them to have the right skills, knowledge and attitudes for the achievement of our vision.

The KRA Training Institute is reviewing the current curricula and human resource requirements, entering into partnerships with international learning institutions and revamping the infrastructure at the Mombasa, Nairobi and Loitokitok facilities. In the next few years, certainly within the Corporate Plan for the years 2006/2007 – 2008/2009, KRATI will offer more professional courses with more value-added certificates, using Kenyan and international expertise.

In line with this vision, we have allocated Kshs. 17 million in this financial year for renovation of KRATI and about Kshs. 4 million has been set aside to commence works at the Loitokitok facility. Secondly, one permanent trainer has already been posted to work at KRATI. Finally, the institute is working together with the Centre for Customs and Excise Studies, University of Canberra, to deliver a customised Senior Management Development Programme for 20 middle level managers in early February next year. The programme will be jointly sponsored by KRA and the Australian Agency for International Development, and similar future programmes are expected to incorporate participants from other revenue authorities in the region.

LADIES AND GENTLEMEN:

The work environment is becoming more and more challenging, and we are not capable of developing the required staff according to the needs of the organisation using our internal resources. We have therefore resorted to recruiting staff from the market to fill specialist positions to enhance our capacity to deliver on our mandate. Only this week, the Board approved recruitment of 50 auditors from the market, principally for the Domestic Taxes Department and the Large Taxpayer Office. These auditors will be taken through a crash programme to appreciate the legal framework and procedures used in these areas, and they will be expected to undertake further learning experiences on-the-job.

The Board has also approved the recruitment of 120 graduates to be trained for the Customs Preventive Service. This action reflects a significant strategic shift, where the customs function is undertaking more community protection and security responsibilities in collaboration with other border management agencies in addition to the traditional role of revenue collection. Over time, we expect the Customs Preventive Service to develop a professional cadre of officers capable of addressing the new challenges of customs, without losing sight of the mandate of customs to secure revenue and facilitate international trade.

The changing work environment has also necessitated restructuring of departments for them to deliver more effective and efficient operations. In July, we created the Domestic Taxes Department by merging the operations of the former Income Tax and VAT Departments and the domestic excise function from the Customs Services Department. The customs functions are now under a new Customs Services Department. Early this month, the Board approved the creation of the positions of Joint Commissioner – Domestic Taxes and Joint Commissioner – Large Taxpayer Office to further streamline domestic taxes operations.

On its part, the Customs Services Department is going through the most extensive restructuring in years. The new structure is expected to consolidate the position of the department in safeguarding revenue, facilitating international trade, compiling international trade statistics, and preventing the illegal entry of various restricted and prohibited goods into the country. We are continuously learning from our regional partners and from global best practices in our efforts to achieve our vision *to be the leading revenue authority in the world respected for professionalism, integrity and fairness.*

LADIES AND GENTLEMEN:

KRA does not only aspire to be a learning organisation – we want to be known as a caring organisation. You will all agree with me that the new medical scheme, which

caters for both outpatient and inpatient cases and covers all illnesses, is better than the previous one which only covered inpatients. Very soon, staff and their families will be able to walk into selected hospitals, all over Kenya, and get treatment without paying any money. Isn't this evidence that we are a caring organisation?

In September, we launched the *Quality Management Programme*, the first in a series of activities towards achieving ISO 9001:2000 certification for KRA by 1st July 2005. The quality management philosophy requires attention to quality in all areas of operation, because inefficiencies in one part of the organisation inevitably affect the efficiency of other parts. For this reason, we expect all employees, regardless of position, to do their work in a professional manner, with diligence and integrity.

Indeed, integrity is one of our key values. We now have an Integrity Action Plan, developed by and owned by both staff and management. I am happy to note that the vast majority of our staff are committed to the high standards of integrity expected of KRA officers. According to the Kenya Bribery Index released this month by Transparency International, there is a sharp increase in the number of Kenyans declining to bribe, and there is increasing willingness to report bribery encounters. The report says that KRA is one of the organisations that registered the most significant improvement over the performance last year. However, there are some who choose to do what they know to be wrong, and they have kept our Disciplinary Committee busy the whole year. Our integrity strategy is now moving towards addressing the role of the private sector in corruption, without diminishing the responsibility of our staff to maintain integrity at all times.

As we enter into the holiday period and look forward to a new year, I would like to urge you to continue working hard, so that at the end of the month, we can have good results. I know all of you are looking forward to a 13th month salary in July next year. We can make it happen, if we start surpassing our targets from now. Enjoy yourselves over the holiday period, but make sure you come back in one piece. We don't want to hear that one of our employees was arrested for drink driving or in some other embarrassing situation.

I now invite Mr. Leonard J. Mwangola, our Board Chairman, to make a few remarks.

Thank you.