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REPUBLIC OF KENYA

KONOIN CONSTITUENCY

**A REPORT ON THE EFFECTIVENESS OF THE ONLINE TRANSFORMATION
TEAM ON KRA FILING OF RETURNS**

MAY 2018

-LAPAA TAA-

FOREWORD.

ACKNOWLEDGEMENT

It is with great appreciation that we acknowledge the valuable effort, assistance, and contribution of various individuals; this work would not have been successful without their immense contribution.

We express our sincere gratitude to our able member of parliament **Hon. Brighton Yegon Leonard** for initiating this fundamental work and consequently the unending support and valuable advice all throughout the process.

Sincere thanks to the team (comrades) for the teamwork and utmost dedication that they put into work from the start to its ultimate completion.

This work would also not have been complete without the able leadership of all who have been bestowed upon to man our constituency office. Our able and charismatic chairman; Wilson Tonui (DK Junior), constituency manager Mr. Benard Koech, the fund manager Mr. Edwin Karani, Assistant constituency manager Mr. Ronald Koros and all other constituency office staff whom we are personally unable to list them all.

The team also expresses utmost gratitude to the tea estate management; James Finlay (K) Williamson tea (K) and Unilever tea (K) for always providing an enabling environment to ensure that we achieved our objectives.

Above all thanks to God for enabling us reach this far.

DEDICATION

To all tea estate employees who work tirelessly hard;

May your struggle and effort to find decent income and better living yield fruits.

May you be a source of motivation to all Patriots.

To all Konoin constituents

“Lapaa taa”

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1.0 INTRODUCTION

1.1 BACKGROUND

The Kenyan law obliges all its citizens with a Kenya revenue authority personal identification number (KRA PIN) to file returns annually on a stated window period. Non-filers of returns for cases of taxpayers with gainful economic activities are thus in contravention with the law.

According to KNBS, (2017) tea remains to be the largest export commodity of Kenya with its earnings equally rising annually. Agriculture being the backbone of Kenya's economy is the largest source of wage employment both in the public and private sector.

Employees of tea farming are therefore obliged to file their taxes annually. This is a legal requirement and at the same time on some instances some employers would not renew contracts of employees who didn't file returns the previous year.

Tax filing has continuously proven difficult for the tea estates employees most of whom are illiterate and consequently unable to file the taxes themselves. Filing of returns comes with associated costs as these employees travel to file these returns as well as waste time on these trips.

Konoin constituency is one of the regions with large tea plantations and therefore a large number of employees facing the debacle of having to annually incur costs of filing returns. On this note therefore as an initiative to curb this problem, the area Member of Parliament Hon. Lenny Brighton came up with a solution to this problem which involved assembling up a team (dubbed the online transformation team) that would go to the tea estates villages and filing returns for the employees without any charge.

2.0 OBJECTIVES OF THE REPORT

This report documents how the work was done by the team, the equipment used, transport utilized, the tea estates covered, problems encountered, observations made, and what transpired of the team.

The specific objectives were:

1. To comprehensively document how the returns filing process was carried out.
2. To give feedback on the impact of the process to the tea estate employees.
3. To find out the full sequential process of returns filing.
4. To come up with a report that will act as a reference material for any other team or persons that wish to carry out this work.
5. To give feedback on any other issues and challenges facing the tea estates employees.

3.0 SCOPE OF THE ACTIVITY

3.1 GEOGRAPHICAL SCOPE

The activity took place in the tea plantations of Konoin constituency. Konoin constituency is an electoral constituency found in Bomet County, Kenya. And has 5 wards. Konoin constituency is one of Kenya's tea growing regions. The activity of filing returns was carried out in the estates owned and run by the following companies:

Unilever tea Kenya limited

James Finlay Kenya limited

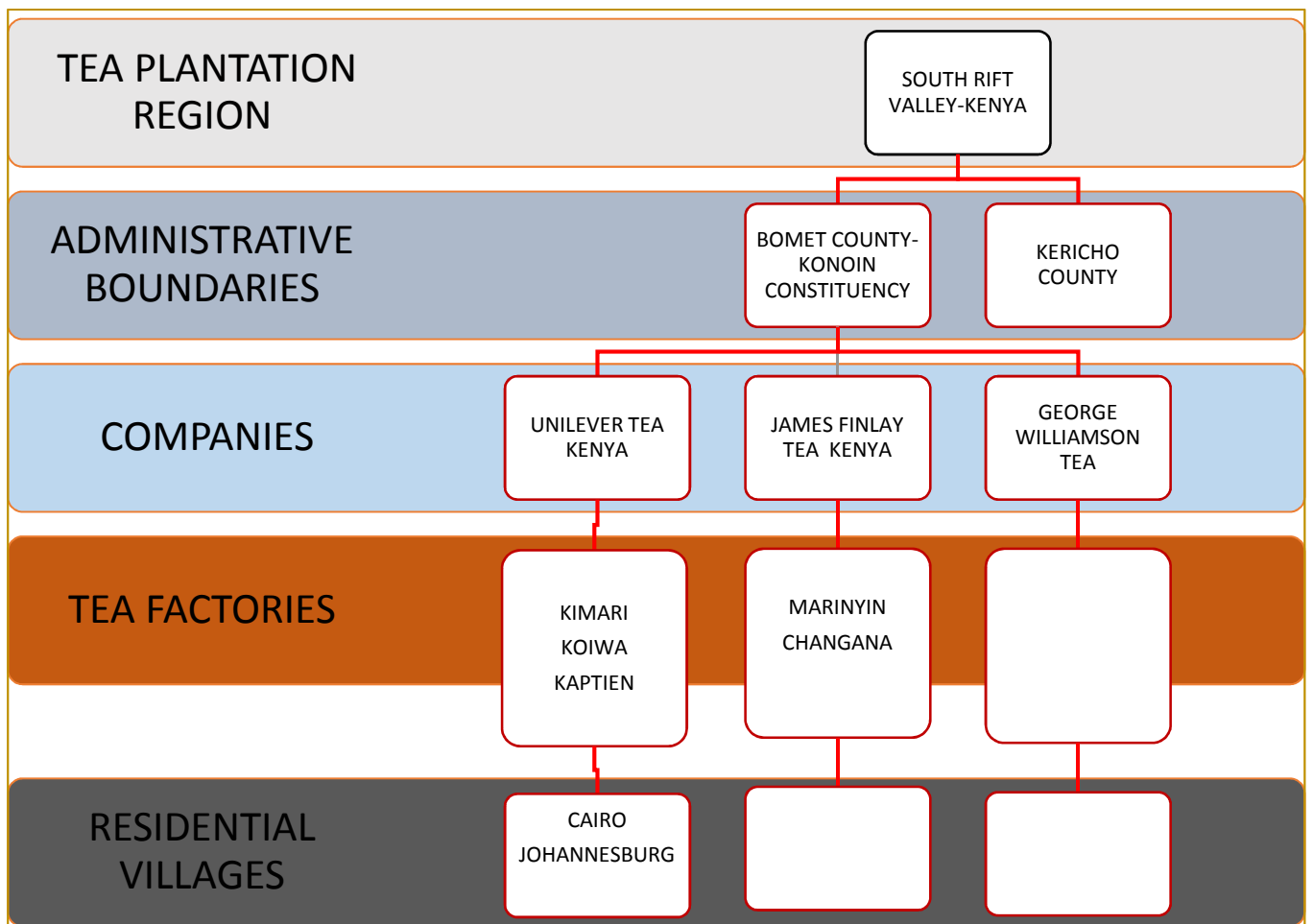
George Williamson tea Kenya limited

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2018 Konoin Constituency Online Transformation Team Support to the residents in filling of 2017 KRA Returns



Figure 3.2: Hierarchal division of tea growing regions



4.0 FINDINGS AND ANALYSIS

4.1 FILING RETURNS PROCESS

Online filing of returns is a procedural step that involves little skill. As long as one is able to read and follow the steps given to suit his particular section of tax payment. For individuals who pay as they earn (PAYE) the first step of this process is for them to obtain their P9 forms from their employers. This is the case with all tea estate employee

4.1.1 Step 1

After obtaining a p9 form next is to visit the KRA site <https://itax.kra.go.ke/KRA-Portal> after which one enters the pin/user ID (KRA PIN), click continue and type in your password and answer the security question to access your itax profile. On most instances however most of the tea estate employees had forgotten their passwords or had not been notified by the persons who previously accessed their accounts. This thus necessitated another process of retrieving their passwords or clicking the “forgot password” option and finding the password on the employees e-mail.

Once you log into your account on the itax system you will find a home page. Since on this instance we are submitting an annual returns click on the returns menu

Picture 4.1: KRA homepage



4.1.2 Step 2

After you click on the returns menu a drop down will appear. Choose the first option which is file return. In the event that you don't have any gainful source of income choose the 'file nil return' option. In case you have already filed your return but discover that you input erroneous information, you have the option of redoing the return and filing it again. In this case you will choose the second option which is "file amended return". You can also view the return that you have filed.

Picture 4.2: Amending of KRA Details



4.1.3 Step 3

Once you click on the file returns you will move to the next page, select the first option from the drop down menu, which is income tax-resident individual. After selecting the relevant option click next

4.1.4 Step 4

On this step one has to download an excel sheet on which you input relevant data.

Picture 4.3 Tax-resident individual form

KENYA REVENUE AUTHORITY

iTax
Simple, Swift, Secure

Home Registration Returns Debt and Enforcement Payments Assessment Disputes Refund Certificates Useful Links
e-Communication My Ledger Logout

Welcome [User Name] Last Login : JUN 07, 2016 11:58:57

HOME >> e>Returns >> Income Tax - Resident Individual Form

Income Tax - Resident Individual Form

Steps to follow

1. Click on one of the links below to download the Return form
2. Fill the Excel/ODS Return form
3. Provide the details requested below
4. Upload the Excel/ODS Return form using Browse button
5. Click on submit to file returns (Version 10.0.0)

[Click here](#) to download Income Tax - Resident Individual Form(Excel)
[Click here](#) to download Income Tax - Resident Individual Form(ODS)

All fields marked with * are mandatory

Income Tax - Resident Individual Form

Type of Return*

Return Period From*

Return Period To*

Upload Form* No file chosen

The downloaded excel sheet looks like this.

Picture 4.4 :IT4 form

KENYA REVENUE AUTHORITY

Resident Individual Income Tax Return
Version 10.0.0

Section A Part 1 : Return Information

Personal Identification Number* [REDACTED]

Type of Return* Original

Return Period From* 01/01/2017

Return Period To* 31/12/2017

Do you have any income other than employment income? * No

Do you have partnership income? * No

Do you have estate trust income? * No

Has your employer provided you with a car? * No

Do you have a mortgage? * No

Do you have a Home Ownership Savings Plan? * No

Do you have a life insurance policy? * Yes

Do you have a commercial vehicle? * No

Do you earn any income from a foreign country? * No

Have you been issued the Exemption Certificate for disability? * No

Do you want to declare Wife's Income? * No

Wife's PIN* [REDACTED]

Does your wife have any income other than employment income? * [REDACTED]

Does your wife have been issued the Exemption Certificate for disability? * [REDACTED]

Read Me Errors A Basic Info F_Employment_Income L_Computation_of_Insu_Relief M_Details_of_PAYE_Deducted

The option that you select from the basic info sheet will determine the type of information required from you. For example if you indicate that you have income other than employment income a profit and loss statement sheet is generated and you are required to insert details of your business.

Once you have filled all the information required in the I-tax sheet you will get to the last sheet which is tax computation. It basically computes all the data that you have inserted in other sheets and shows you how much you owe the tax man if at all.

If you are satisfied with what you have inserted so far, click on validate. In the event that you have filled out all necessary information, you will be given an option of zipping the file in readiness for uploading onto the itax system. However, if there are areas with issues you will be redirected to the errors sheet which indicate areas that require attention. You will rectify these errors before you are allowed to upload.

Picture 4.5: A filled IT4 form

	A	B	C	D
13		Tax Credits (13.1+13.2+13.3+13.4+13.5+13.6+13.7)		0.00
13.1		PAYE Deducted from Salary (Total of "Amount of Tax Deducted (PAYE)" from M_Details_of_PAYE_Deducted)		0.00
13.2		Allowable Tax in case of Estate(s)/ Trust(s)/ Settlement ((Total of "Amount of Share of Income from H_Estate_Trust_Income" * 30%))	0.00	0.00
13.3		Total Installment Tax Paid (Total of "Amount of Installment Tax Paid" from N_Installment_Tax_Credits)	0.00	0.00
13.4		Withholding Tax (Total of "Withholding Tax Amount" from O_WHT_Credits)	0.00	0.00
13.5		Credits u/s 12A - Advance Tax on Commercial Vehicle (Total of "Amount of Advance Tax Paid" from P_Advance_Tax_Credits)	0.00	0.00
13.6		Income Tax Paid in Advance (Total of "Amount of Income Tax Paid" from Q_IT_Payment_Credits)	0.00	0.00
13.7		Credits u/s 41 (Total of "Amount of Tax Relief" from R_DTAA_Credits)	0.00	0.00
14		Tax Due / (Refund Due) ((12 (Self) + 12 (Wife) - 13(Self) - 13 (Wife)))	11.00	

4.1.5 Step 5

Once you have completed filing out the form and there are no errors, it is then compressed into a zip folder that you can easily upload on itax. Ensure to indicate whether it is the original return or

an amended version. Also indicate that the return period which in this case was January 2017 to December 2017, agree to the terms and conditions, and finally submit.

Picture 4.6: A zipped IT4 ready for submission

1. Click on one of the links below to c
2. Fill the Excel/ODS Return form
3. Provide the details requested below
4. Upload the Excel/ODS Return form using Browse button
5. Click on submit to file returns (Version 10.0.0)
Click here to download Income Tax - Resident Individual Form(Excel)
Click here to download Income Tax - Resident Individual Form(ODS)

All fields marked with * are mandatory

Income Tax - Resident Individual Form

Type of Return*

Return Period From*

Return Period To*

Upload Form* 07-06-2016_7E_ITR.zip

Allowed File Type: zip

☒ I Agree to the Terms and Conditions

Terms and Conditions*
amendments which may be made.
MAY, 2016.
I, the undersigned, have read and understood all of the terms governing the use of the web Portal and the services offered.

After you have submitted the return you will receive an acknowledgement number and email confirming that you have successfully submitted your return.

Picture 4.7 system generating returns receipt

KENYA REVENUE AUTHORITY

iTax
Simple, Swift, Secure

Home Registration Returns Debt and Enforcement Payments Assessment Disputes Refund Certificates Useful Links
Communication My Ledger Logout

Welcome! 923 - Last Login: Jul 05, 2016 07:10:48

Returns
Home > Returns > Income Tax - Resident Individual Form > Return Receipt Generated

Returns Receipt Generated

Return Submitted successfully with Acknowledgment Number: KRA/2016/...
Download Returns Receipt

Tax Survey
Would you like to participate in Survey?

4.2 TEA ESTATES COVERED

The exercise covered all the tea estate around Konoin constituency. These are all estates of the tea companies owning and operating tea estates in Konoin constituency. These are James Finlay tea (K) LTD, Unilever Tea Kenya (UTK) and George Williamson Tea Kenya. Their various estates are presented in tabular form below:

Table 4.1: Tea estates covered.

ESTATES COVERED	
COMPANIES	ESTATES
JAMES FINLAY (K)LTD	MARINYIN CHANGANA CHANGOI TENDWET CHEPTABES KITUMBE SOET CHEMASINGI
UNILEVER TEA KENYA	KIMARI ESTATE KOIWA ESTATE KIMOI ESTATE CHEMOGO ESTATE KORUMA ESTATE KAPTIEN ESTATE
GEORGE WILLIAMSON TEA	CHANGOI LELSA

4.2.1 NUMBER OF KRA RETURNS FILED PER ESTATE

The technical team visited various estates in a duration of six weeks. Although there existed some technical itch in a few estates like Tenduet, Kymlot and Chemasingi, the team managed to reach out to a good number of residents still. The whole exercise reached out to over six thousand tea estate residents who had their returns filled for free. Below is a breakdown of the numbers as per the records of the exercise:

Table 4.2: Numbers of Residents against their Estate

ESTATE	NUMBER OF BENEFICIARIES
KITUMBE	867
MARINYIN	616
CHANGANA	350
CHEMASINGI	537
KAPGWEN	648
KYMLOT	209
KURUMA	380
CHEMOGO	367
CHANGOI	376
CHEPTABES	620
KIMARI	399
KAPTIEN	357
KOIWA	348

These figures totalled to 6,075 people

4.3 TRANSPORT

Transport for this activity meant the bridging of the distance between different places where the members of the team resided to the constituency development fund office and also tea estates where on most instances the exercise took place.

At first the team had hired a vehicle for the exercise but towards the end of the exercise the constituency vehicle came in handy.

Picture 4.8 : constituency vehicle



4.4 THE TEAM

The team consisted of members selected based on their technical ability to perform the onus task. The team members are all residents of Konoin constituency and were selected based on merit from all wards of the constituency.

The team is built on the key aspects of professional ethics which include:

- Honesty.
- Integrity.
- Transparency.
- Accountability.
- Confidentiality.
- Objectivity.

- Respect.
- Obedience to the law.

Picture 4.9 some members of the team pose for a picture at Tendwet estate



The team comprised of ten members. Their names and designations are listed below:

1. Collins Kipchirchir
2. Emanuel Mutai
3. Ferrary Kirui
4. Geoffrey kontrakta
5. Ken Lion Ngeno
6. Marka Alghurai
7. Lawin langat
8. Evah Rutto

The aforementioned members of the team were actively involved in the technical work. The team also consisted other constituency office members who provided immense support to the team:

9. Benard Koech

10. Ronald Koros

4.5 OTHER ISSUES RAISED

Apart from the filing of returns which was the main activity, several other issues were raised by the tea estates residents. The team therefore gathered peoples 'opinions, attitudes, motivations, intentions, and expectations. The following are the major issues raised:

4.5.1 MEMBER OF PARLIAMENT PRESCENCE

On most estates that the team visited, the residents requested that the constituency Member of Parliament make a visit to their various villages so that they have a chance to raise issues to him directly. It was also noted that on various instances before the exercise came to an end, our area Member of Parliament managed to visit all estates and thus the members were appreciative of the same.

4.5.2 Education on the filing and remittance of taxes by the Kenya revenue authority

Most residents would like to get more education on how KRA taxes them and on what occasion and eventually on the amount they are required to remit. Majority raised complains of being taxed even their overtime dues - something that indicated that the general public needed further education on the tax man's axe. Furthermore, there existed a good number of people who had not filed returns for either one or two years and whenever they were advised to seek a waiver on the penalties imposed on them they claimed that they had been taxed already. The positive response from our member of parliament is that a plan is underway to conduct a seminar to educate the residents on how they are taxed.

4.5.3 CDF EDUCATION BURSARY.

The team got involved largely during the disbursement of the NG-CDF bursary. The team additionally came in handy during the launch of the bursary.

Picture 4.10 members of the team prepares for CDF bursary launch.



4.5.4 GAMES AND SPORTS

Another issue that constantly came up was that of games and sports. In most tea estates the residents have formed sports teams and were appealing for support in terms of sporting facilities. The team encouraged them to register their clubs and then make a visit to the CDF offices where they will be given sporting facilities and kits.

4.5.5 BODABODA OPERATORS.

The team also helped during the launch of the bodaboda operators driving school opening and also during their registration. This was a move aimed at ensuring that as the year ends most bodaboda operators in the constituency will have driving license for riding motorcycles and driving heavy commercial vehicles.

Picture 4.11:HON Brighton launches bursary for needy students.



Figure 4.1: launch of the riders driving school



4.6 IMPEDIMENTS OF THE EXERCISE.

The exercise was not without any impediments. The team identified major impediments of the exercise. These would delay or at times temporarily stop the exercise:

4.6.1 Transport.

There was a twofold transport problem. The first was the problem of roads; roads heading onto some of the estates were sometimes very bumpy and thus would on some instances slow the means of transport. On one instance, a computer monitor crashed on the way to one of the estates. To minimise damages due to this the team decided to always package the equipment safely before transport.

The second problem of transport arose due to intermittent lack of a transport means. This to a large extent slowed down the exercise. Delays in obtaining a means of transport thus became a huge debacle.

4.6.2 Late delivery of equipment.

At the start of the activity, the team utilized personal equipment for the activity. This increasingly became difficult and as such slowed down the exercise. The team made a request for the purchase of more equipment which was accepted but was greatly slowed by procurement procedures.

4.6.3 Welfare issues.

The team was entitled to a daily welfare amount. This was meant to oversee promote and aid the daily wellbeing of all members; tea break and lunch. Delay of the provision of the welfare amount became a debacle to the exercise.

4.6.4 Internet data and airtime issues.

Internet data is of great magnitude in the whole of the exercise since the activity is done online, lack of it therefore halts the process. As aforementioned earlier, when the password of an employee is rendered invalid by the system successive steps will on most instances involve calling the account owner to re-send a validation code. A process which was largely impeded by the lack or scarcity of airtime.

4.7 EQUIPMENT USED

The equipment used by the team was made up of both personal and office equipment. The personal equipment was majorly the portable laptops and their accessories. Table 4.2 below gives a summary of all the equipment used

Table 4.2: equipment used

NO	Equipment	Brand	Quantity	Condition/Remarks	
				Before activity	after activity
1	Printer	HEWLETT PACKARD	1	Good	ink finished
2	desktop PCS	HEWLETT PACKARD	3	Good	One broken monitor
		MECER	1	Good	Good
3	Laptops	HEWLETT PACKARD	4	Good	1 SPOILT BATTERY 1 LOST MOUSE 2 LOST CHARGERS
		LENOVO	1	Good	Good
4	Routers		1	Good	Good
			1	Good	Good
5	LAN cables	N/A	3	Good	Good
6	flash disks	SUNDISK	1	Good	Good
7					

4.8 RECCOMENDATIONS

Based on the experiences and findings of this activity, the team suggested the following recommendations to address and mitigate the problems that were faced and to further improve the process in future:

4.8.1 Transport

There is urgent need to organize transport early enough in order to minimize any inconveniences that may be caused by it. A dedicated transport vehicle large enough to accommodate the team is required. Additionally, due to the largely poor state of the roads in some of the routes to the estates it recommended that the vehicle should be an all-terrain vehicle.

4.8.2 Equipment

This equipment was necessary and very basic to the activity. Therefore, appropriate equipment should be provided early enough and configured to suit the exercise.

4.8.3 Early sorting of Welfare issues

As aforementioned, welfare is directly proportional to the performance of the team. Thus, when this is sorted early in advance, this eases the activity and minimises a lot of time wastages especially while trying to sort this important issue whilst working.

4.8.4 Notices

It was noted that the estate employees showed up in large numbers when they were given a prior notice. This grants them adequate time to obtain their p9 forms and present it to the team for filing. A minimum one-week time notice is needed for every station.

4.8.5 Weak or unavailable network

The activity largely depends on the availability of service provider networks thus its unavailability halts the process. A solution for this problem would be to collect p9 forms at the station with the weak internet signal then transport them to the CDF offices where they would be worked on by the team.

4.9 CONCLUSION.

The filing returns exercise and other exercises carried by the team was by large extent a success. A similar undertaking would be very useful if it is carried on annually. This was well depicted by the contentment that the tea estate residents had after the exercise. Filing returns should always be free of charge; not even transport cost should be incurred by low income earning Kenyan Citizens.

-NIHIL PRAETER OPTIMUM-

APPENDIX I: PICTORIALS.











