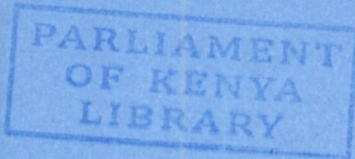


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

PAPERS LAID	
DATE	5/31/2024 ON
TABLED BY	Maj. L
COMMITTEE	←
CLERK AT THE TABLE	Kawito

COUNTY REVENUE FUND

**FOR THE YEAR ENDED
30 JUNE, 2023**

COUNTY GOVERNMENT OF BUSIA



COUNTY GOVERNMENT OF BUSIA
OFFICE OF THE GOVERNOR

P.O. BOX PRIVATE BAG

50400 BUSIA,

KENYA



COUNTY REVENUE FUND

COUNTY GOVERNMENT OF BUSIA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2023

Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

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County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

1. Acronyms and glossary of terms

a) Acronyms

CA	County Assembly
COB	Controller of Budget
CRF	County Revenue Fund
FY	Financial Year
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OSR	Own Source Revenue
PFMA	Public Finance Management Act
PSASB	Public Sector Accounting Standards Board
ROR	Receiver of Revenue
Kshs	Kenya Shillings
FIF	Facility Improvement Fund
FFLOCA	Financing Local Lead Climate Program
NAVCDP	National Agricultural Value Chain Development Project
ASDSP	Agricultural Sector Development Support Programme
KCSAP	Kenya Climate Smart Agriculture Programme
SIDA	Swedish International Development Cooperation Agency
DANIDA	Danish International Development Agency
CBK	Central Bank of Kenya
CRF	County Revenue Fund
CCIS	County Climate Institutional support

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

2. Key Entity Information and Management

a) Background information

Article 207 of the Constitution of Kenya provides for the establishment of the County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government.

b) Key Management Team

The County Revenue Funds day-to-day management is under the following key organs:

No.	Designation	Name
1.	CECM Finance and Economic planning	Hon. Topister Naiti Wanyama
2.	C.O Finance	CPA. Gypson Wafula Ojiambo
3.	Director Accounting Services/Finance	CPA.CS. Roselin Lumbasi

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CECM Finance and Economic Planning	Hon. Topister Naiti Wanyama
2.	Accounting Officer in charge of Finance	CPA. Gypson Wafula Ojiambo
3.	Director Accounting Services/Finance	CPA.CS. Roselin Lumbasi

d) Fiduciary Oversight Arrangements

The key fiduciary organs that played oversight roles at the County for the year ended 30th June, 2023 were:

1. County Assembly of Busia - Legislation and Oversight
2. The National Treasury - Designing, prescribing an efficient financial management system for national and county government to ensure transparent financial management and standard reporting.
3. The Senate - Legislation and Oversight
4. Office of the Controller of Budget - Monitoring budget execution
5. Public Sector Accounting Standards Board - Setting of generally accepted accounting and financial system standards.

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

6. Commission on Revenue Allocation - Division of Revenue
7. The Office of the Auditor General - Auditing of county government Accounts
8. Salaries and Remuneration Commission - Advisory on salaries and remuneration of public officers
9. World Bank - Provides technical and financial assistance to county governments.
10. Audit Committee - Provides oversight on financial reporting system, audit process, system of internal controls and compliance with laws and regulations.

e) County Headquarters

P.O. Box Private Bag 50400

Busia (K)

Town Hall Building Busia-

Kisumu Highway **Busia**

f) County Contacts

E-mail: info@busiacounty.go.ke

Website: www.busiacyounty.go.ke

g) County Bankers

1. Central Bank of Kenya

Haile Selassie Avenue P.O. Box 60000

City Square 00200

Nairobi, Kenya.

Busia Branch.

h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084, GPO 00100

NAIROBI, KENYA

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

i) Principal Legal Adviser

The Attorney General State
Law Office Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

j) Office of the County Attorney

County Government of Busia
Inyanja Plaza 1st floor
P.O Box Private Bag 50400
Busia, Kenya

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

3. Statement by the CECM Finance

It is my pleasure to present the County Government of Busia County Revenue Fund financial statements for the year ended 30th June, 2023. The financial statements present the financial performance of the County Revenue Fund for the financial year 2022/2023.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments.

Financing of the County Governments

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution of Kenya 2010.

The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue sources for Busia County included single business permits, land rates, business plan approvals, advertising fees, Cess and various other administrative charges.

The County continues to explore new and innovative ways of increasing its local revenue collections. Some of the steps that the County has taken towards improving its revenue collections include:

- 1) Automation of revenue collection system – the County is currently using County Pro Revenue system as the revenue collection system;
- 2) Continuous revenue mapping and putting in place proper revenue collection enforcement measures.
- 3) Allocation of service delivery vehicles to enhance local revenue collection.
- 4) Rotation of county revenue clerks to mitigate familiarity with tax payers.

The Financial Statements present the recent actual fiscal performance for the year 2022-2023 and make comparisons to the budget appropriations for the same period. They further provide a comprehensive financial review with sufficient information to show changes from the projections outlined in the latest County Fiscal Strategy Paper 2022/2023.

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

This statement gives highlights on own source of revenue as well as the transfers made to County executive recurrent budget and development budget as well as the County assembly.

This is as mentioned below;

No	Description	Amount
1	Transfer to County Executive Recurrent	5,340,718,973
2	Transfer to County Executive Development	906,540,437
3	Transfer to Special purpose accounts	268,240,743
4	Transfer to County Assembly	873,322,539

The County anticipated to collect Ksh 469,156,699 in form of own source of Revenue but only attained Ksh 422,920,000 giving a short fall of Ksh 46,236,699 translating into 90% within the expectation. In addition the National treasury disbursed all shareable revenue though late and this affected execution of most of the activities including payments to merchants. The Busia County achieved 100% revenue target.

The table below shows how the County achieved in terms of revenue source.

Revenue Source	Budgeted (KSHS)	Amount Received (KSHS)
Exchequer Releases	7,172,162,009	7,745,934,967
Own Source Revenue	469,156,699	422,920,000
Transfers from other Government Entities	703,979,156	251,527,699
Returns to CRF	1,580,506	1,580,506
TOTAL	8,346,878,370	8,421,963,172

Sign. 

Hon. Topista Naiti Wanyama

CECM Finance and Economic Planning

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

4. Management Discussion and Analysis

It is my pleasure to present the County Government of Busia financial statements for the year ended 30th June, 2023. The financial statements present the financial performance of the County Revenue Fund for the financial year 2022/2023.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments. Financing of the County Governments;

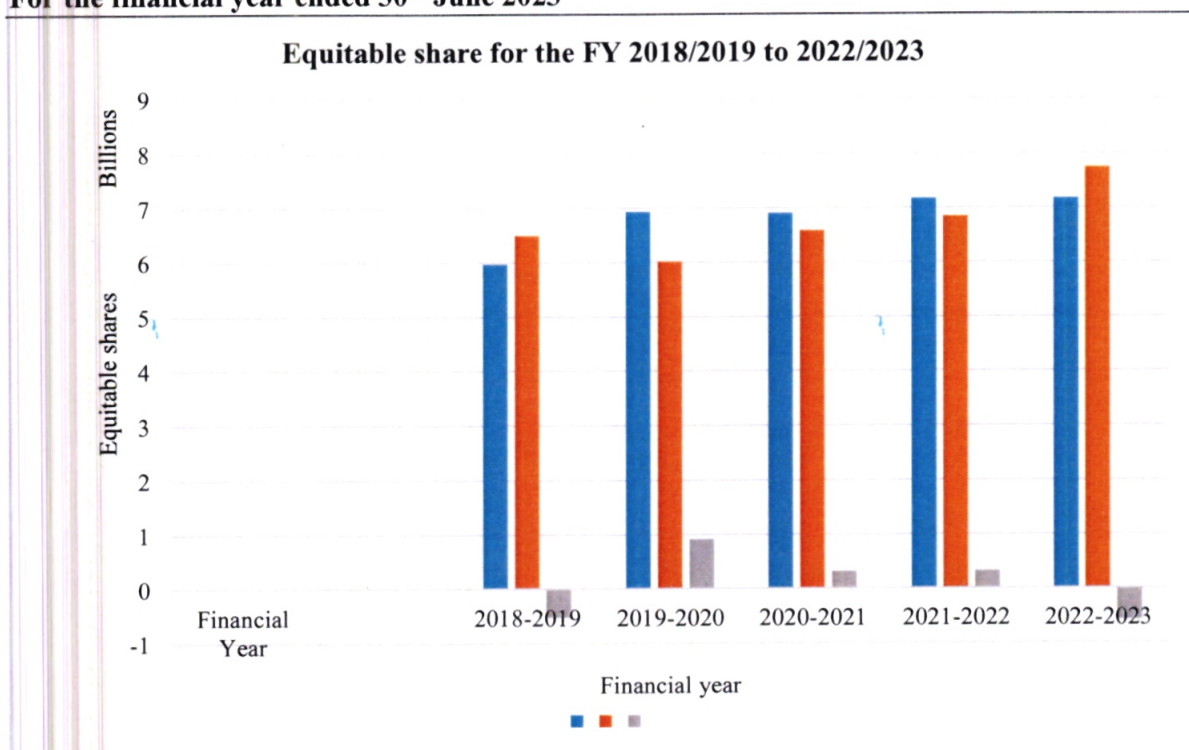
a. Equitable shares

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution of Kenya 2010.

The county receives direct transfers to the County Revenue Fund (CRF) account from the National Government in each financial year. During the financial year 2018/2019, 2019/2020, 2020/2021 2021/2022 and 2022/2023 the total Revised Equitable Share budget for Busia County Government amounted to Kshs 34,148,785,731 out of which Kshs 33,680,559,396 is the actual amount realized for the financial year 2022/2023 as equitable shares.

Equitable share for the FY 2018/2019 to 2022/2023				
Financial Year	Revised budget Equitable	Actual Equitable	Deviation	Budget utilization
	Kshs	Kshs	Kshs	%
2018-2019	5,966,000,000	6,494,563,000	(528,563,000)	109%
2019-2020	6,932,492,386	6,013,500,000	918,992,386	87%
2020-2021	6,905,969,327	6,583,276,192	322,693,135	95%
2021-2022	7,172,162,009	6,843,285,237	328,876,772	95%
2022-2023	7,172,162,009	7,745,934,967	(573,772,958)	108%
Totals	34,148,785,731	33,680,559,396	468,226,335	99%

**County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023**



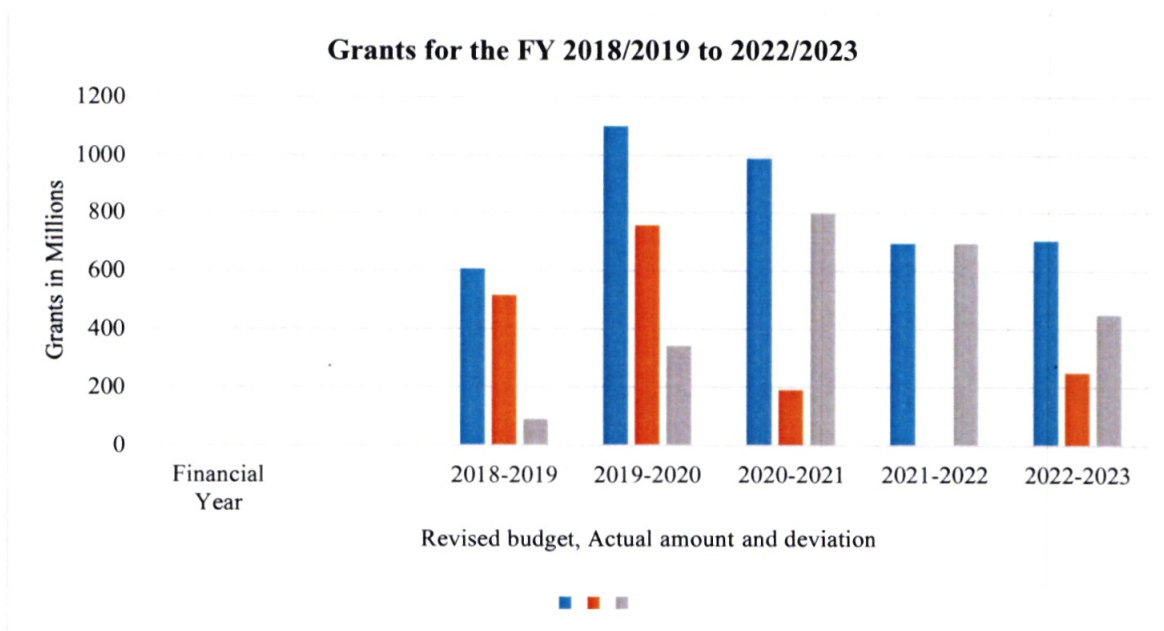
b. Grants

Funds received in the form of grants or donations from development partners/donors were spent in accordance with Articles 221 and 223 of the Constitution of Kenya, 2010 and the PFM Act regulations approved by Parliament.

During the financial year 2018/2019, 2019/2020, 2020/2021, 2021/2022 and 2022/2023 the County government revised budget amounted to Kshs 4,095,848,290 as grants but received Kshs 1,716,897,260. This is shown in the table below:

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

Grants for the FY 2018/2019 to 2022/2023				
Financial Year	Revised Budget Grants	Actual Grants	Deviation	Budget utilization
	Kshs	Kshs	Kshs	%
2018-2019	607,602,139	516,874,864	90,727,275	85%
2019-2020	1,099,377,573	756,432,670	342,944,903	69%
2020-2021	989,581,354	192,062,027	797,519,327	19%
2021-2022	695,308,068	-	695,308,068	0%
2022-2023	703,979,156	251,527,699	452,451,457	36%
Totals	4,095,848,290	1,716,897,260	2,378,951,029	42%



c. Own generated receipts

The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue sources for Busia County included business permits, land rates, business plan approvals, advertising fees, Cess and various other administrative charges.

The County continues to explore new and innovative ways of increasing its local revenue collections. Some of the steps that the County has taken towards improving its revenue collections include:

- 1) Automation of revenue collection system – the County is currently using County Pro Revenue system as the revenue collection system;

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

- 2) Continuous revenue mapping and putting in place proper revenue collection enforcement measures.
- 3) Allocation of service delivery vehicles to enhance local revenue collection.
- 4) Employment of county revenue clerks and enforcement officers to enhance revenue collection.

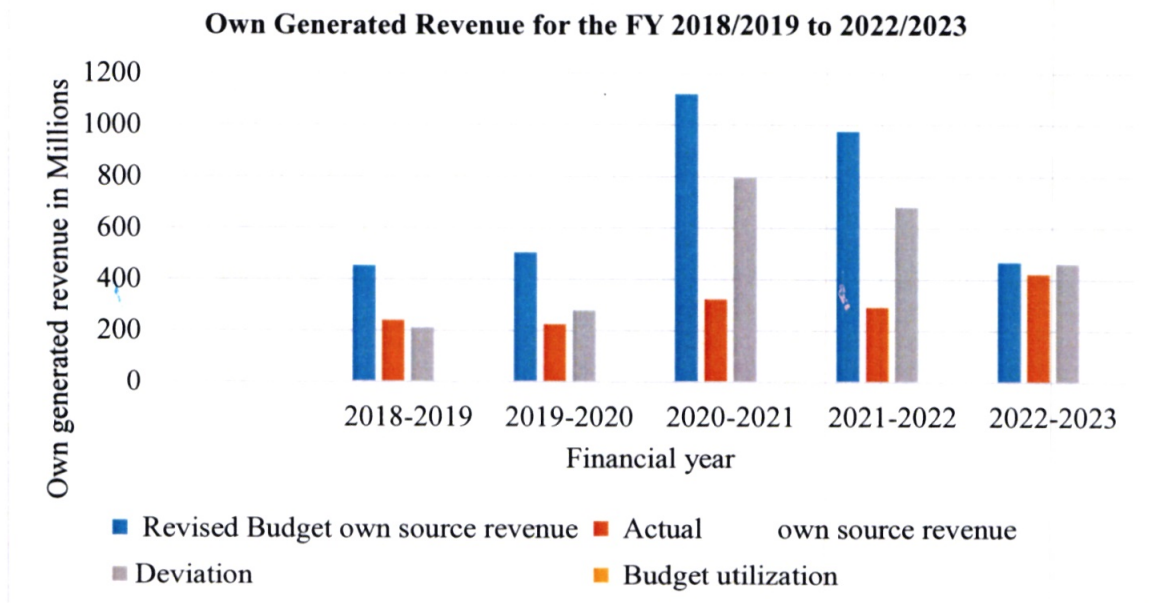
The county heavily relied on levy rates on hospital user foregone fees, trailer parking fees and single permits for its services.


During the financial year 2018/2019, 2019/2020, 2020/2021, 2021/2022 and 2022/2023 the County Government adopted electronic payment and improved its monitoring systems for charges, permits and fees.

The County Government projected to collect a total of Kshs 3,521,847,466 from the local sources which were planned to support priority programmes and projects identified for implementation over the plan period. This is shown in the table below:

Own generated revenues for the FY 2018/2019 to 2022/2023				
Financial Year	Revised Budget own source revenue	Actual own source revenue	Deviation	Budget utilization
	Kshs	Kshs	Kshs	%
2018-2019	452,519,667	241,617,756	210,901,911	53%
2019-2020	504,500,651	225,912,230	278,588,421	45%
2020-2021	1,119,555,802	322,558,227	796,997,575	29%
2021-2022	976,108,322	292,736,456	683,371,866	30%
2022-2023	469,163,024	422,920,000	46,243,024	90%
Totals	3,521,847,466	1,505,744,668	2,016,102,799	43%

**County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023**



fw
 Sign. 
Hon. Topista Naiti Wanyama
CECM Finance and Economic Planning

5. Overview of the County Revenue Fund Operations

Background

Article 207 of the Constitution of Kenya provides for the establishment of a County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government. As outlined under Section 109 of the Public Finance Management (PFM) Act, 2012 the County Treasury is responsible for administration of the County Revenue Fund. The County Revenue Fund is maintained as the County Exchequer Account at the Central Bank of Kenya.

Receipts into the County Revenue Fund

County Government revenue is received through appointed County Receiver of Revenue by the County Executive Committee Member for finance to the County Treasury pursuant to Section 157 (1) of the PFM Act 2012. Receipts include Exchequer releases, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Revenue Fund Account.

Transfers from the County Revenue Fund

The withdrawal of funds from the County Revenue Fund is authorized by the County appropriation Act. The County Treasury is required to seek the Controller of Budget's approval for withdrawal of funds from the County Revenue Fund to the County Executive and County Assembly bank accounts. These entities are responsible for the administration of their respective approved budgets.

Financial Reporting requirements

The Accounting Officer for the County Revenue Fund is required to prepare and submit the financial statements to the Auditor-General and a copy to the Controller of Budget, and the Commission on Revenue Allocation.

This statement therefore covers the operations of the County Exchequer Account for the financial year ended 30th June 2023.

Sign. 

Hon. Topista Naiti Wanyama

CECM Finance and Economic Planning

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

6. Statement of Management Responsibility

Article 207 of the Constitution, Sections 109 and 167 of the Public Finance Management Act, 2012 requires a County Revenue Fund established by the Constitution, an Act of Parliament or county legislation to prepare financial statements for the Fund for each financial year in a form prescribed by the Public Sector Accounting Standards Board and submit to the Auditor General and a copy to the Commission on Revenue Allocation and the Controller of Budget.

The Accounting Officer at the County Treasury is responsible for the preparation and presentation of the County Revenue Fund financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Revenue Fund; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the County Revenue Fund; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, which have been prepared on the Cash Basis Method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the County Revenue Fund's financial statements give a true and fair view of the state of the County Revenue Fund's transactions during the financial year ended June 30, 2023, and of its financial position as at that date.

The Accounting Officer further confirms the completeness of the accounting records maintained for the County Revenue Fund which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control. The Accounting Officer confirms that the County Revenue Fund has complied fully with applicable Government Regulations and the terms of external financing covenants. Further, Accounting Officer confirms that the County Revenue Fund's Financial Statements have been prepared in a form that complies with relevant Accounting Standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the Financial Statements

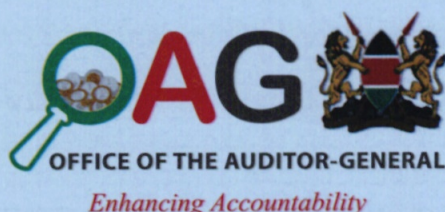
The County Revenue Fund's financial statements were approved and signed on 30th September, 2023

Signature  _____

Name: CPA Wafula Gypson Ojiambo
Chief Officer Finance /Accounting Officer
County Government of Busia

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY REVENUE FUND FOR THE YEAR ENDED 30 JUNE, 2023 – COUNTY GOVERNMENT OF BUSIA

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE REVENUE STATEMENTS

Qualified Opinion

I have audited the accompanying revenue statements of the County Revenue Fund - County Government of Busia set out on pages 1 to 22, which comprise of the statement of receipts and payments and statement of comparison of budget and actual amounts for the year ended 30 June, 2023, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the

Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the revenue statements present fairly, in all material respects, the financial position of the County Revenue Fund - County Government of Busia as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and County Governments Act, 2012.

Basis for Qualified Opinion

1. Variance in Transfers to County Executive

The statement of receipts and payments reflects an amount of Kshs.6,503,000,153 in respect of transfers to the County Executive as disclosed in Note 8 to the financial statements. However, supporting schedules and the County Revenue Fund bank statements reflect Kshs.5,895,542,910. The variance of Kshs.607,457,243 has not been explained or reconciled.

In the circumstances, the accuracy and completeness of transfers to the County Executive amount of Kshs.6,503,000,153 for the year ended 30 June, 2023 could not be confirmed.

2. Unsupported Prior Year Adjustment

The statement of receipts and payments reflects a prior year adjustments balance of Kshs.373,353,129 which, as disclosed in Note 12 to the financial statements, includes balances of Kshs.648,061, Kshs.1,971,800 and Kshs.3,606,858 relating to cash in hand, outstanding imprest and deposits/retention respectively. However, the balances were not supported by any documentation, including schedules.

In the circumstances, the accuracy and completeness of the prior year adjustments balance of Kshs.373,353,129 could not be confirmed

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Revenue Fund - County Government of Busia Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements. However, the Management has not resolved the issues or given any explanation for the failure to implement the recommendations as required by the Public Sector Accounting Standards Board reporting template.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAI) 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease its operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.


As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL.

Nairobi

02 February, 2024

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

8. Statement of Receipts and Payments for the Year Ended 30th June 2023.

		2022-2023	2021-2022
	Notes	KShs	KShs
RECEIPTS			
Exchequer releases	1	7,745,934,967	6,598,389,051
Transfers from other government agencies	2	107,136,722	-
Other grants	3	144,390,977	244,896,186
Proceeds from Domestic Borrowing	4	-	-
Proceeds from Foreign Borrowing	5	-	-
County Own Generated Receipts	6	422,920,000	292,736,456
Returned CRF issues	7	1,580,506	527,287
TOTAL RECEIPTS		8,421,963,171	7,136,548,979
PAYMENTS			
Transfers to County Executive	8	6,503,000,153	6,482,491,132
Transfers to County Assembly	9	873,322,539	901,409,679
Other Transfers	10	12,500,000	-
TOTAL PAYMENTS		7,388,822,692	7,383,900,811
Net increase (decrease) in cash for the year		1,033,140,479	(53,426,496)
Add Opening fund balance b/f		557,618,997	751,544,333
Prior year adjustments	12	(373,353,129)	
Closing Fund balance for the period		1,217,406,348	557,618,997

.....
Name: CPA. Wafula Gypson Ojiambo
Chief Officer - Finance
ICPAK Member Number: 20335
Date: 25/09/2023

.....
Name: CPA.CS. Roselin Lumbasi
Ag. Director Accounting Services
ICPAK Member No: 12273
Date: 25/09/2023

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

9. Statement of Comparison of Budget Actual Amounts for the Year Ended 30th June, 2023.

Receipt/Expense Item	Approved Budget FY 2022/2023	Supplimentary Budget	Revised budget FY 2022/2023	Actual cumulative to date	Budget utilization difference	Budget utilization
	Kshs			Kshs	Kshs	%
RECEIPTS						
Balance brought forward	-	184,265,868	184,265,868	184,265,868	-	100%
Exchequer releases	7,172,162,009	-	7,172,162,009	7,745,934,967	(573,772,958)	108%
Transfers from other government agencies	332,742,135	-	332,742,135	107,136,722	225,605,413	32%
Other conditional grants	144,390,977	-	144,390,977	144,390,977	-	0%
Proceeds from Domestic Borrowing	-	-	-	-	-	0%
Proceeds from Foreign Borrowing	-	-	-	-	-	0%
County Own Generated Receipts	469,163,024	-	469,163,024	422,920,000	46,243,024	90%
Returned CRF issues	-	-	-	1,580,506	(1,580,506)	0%
TOTAL RECEIPTS	8,118,458,145	184,265,868	8,302,724,013	8,606,229,039	(303,505,026)	104%
PAYMENTS						
Transfers to County Executive	7,194,762,312	184,265,868	7,379,028,180	6,503,000,153	691,762,159	88%
Transfers to County Assembly	911,195,833	-	911,195,833	873,322,539	37,873,294	96%
Others	12,500,000	-	12,500,000	12,500,000	-	100%
TOTAL PAYMENTS	8,118,458,145	184,265,868	8,302,724,013	7,388,822,692	729,635,453	89%
SURPLUS/DEFICIT	-	-	-	1,217,406,347		

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

Return to CRF

The returns to CRF are balances remaining on County bank accounts at the closure of the financial year. The amounts are swiped back to County Revenue Fund and as such the only amounts that remained on the bank accounts. This was attributable to high absorption rate.

Transfers to County Executive.

These are amounts that the County Revenue Fund transferred to County Executive Recurrent Account, Development Account and Special purpose Accounts. At the end of financial year the CRF transferred an amount translating to 89%, this was attributed by late exchequer releases.

The amount of Kshs. 573,772,958 was occasioned by the late disbursement of equitable shares for the FY 2021/2022 that was later received in the FY 2022/2023.

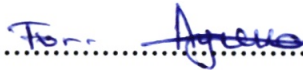


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Name: CPA. Wafula Gypson Ojiambo

Chief Officer - Finance

ICPAK Member Number: 20335

Date: 25/09/2023



.....
Name: CPA.CS. Roselin Lumbasi

Ag. Director Accounting Services

ICPAK Member No: 12273

Date: 25/09/2023

10. Significant Accounting Policies

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the Cash-Basis of accounting, as prescribed by the PSASB and Section 167 of the PFM Act 2012.

The Financial Statements are presented in Kenya Shillings, which is the functional and reporting currency of the Fund, all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

b) Reporting entity

This report relates to financial operations of the County Revenue Fund domiciled at the County Treasury and bank account maintained at Central Bank of Kenya.

c) Receipts

Receipts include funds deposited in the County Revenue Fund pursuant to Article 207 of the Constitution of Kenya and Section 109 of the PFM Act 2012.

The receipts collected include Exchequer releases, own source revenue, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Exchequer Account.

Transfers from the exchequer and own source revenue are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

d) Payments

Payments are based on the County Government Appropriation Act. The exchequer requests are received by County Treasury, which rationalizes the requests based on the available balance, consolidates the requests and forwards them to Controller of Budget (COB) for approval. Once the approval of COB is obtained, the funds are released to the County Assembly and County Executive operational accounts appropriately.

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

Significant Accounting Policies (Continued)

e) Fund Balances

Fund balances comprise bank balances in County Exchequer Account held at Central Bank of Kenya.

f) Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation or there were no restrictions on cash during the year.

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

11. Notes to the Financial Statements

1. Exchequer releases

The following is an analysis by revenue type of the receipts collected in the County Revenue Fund:

	FY 2022/2023	2021-2022
	KShs	KShs
Equitable shares	7,745,934,967	6,598,389,051
Total	7,745,934,967	6,598,389,051

2. Transfers from other government agencies

	FY 2022/2023	2021-2022
	KShs	Kshs.
IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)- Min. Water, Sanitation and Irrigation	-	-
Word Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development	-	-
Kenya Urban Support Programme	2,339,915	-
National Agricultural Value Chain Development Project (NAVCDP)	67,192,729	-
SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development	15,604,078	-
Financing Localy Lead Climate Program (FFLOCA)	22,000,000	-
TOTALS	107,136,722	-

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

3. Other grants

	FY 2022/2023	2021-2022
	KShs	Kshs.
World Bank Kenya Climate Smart Agriculture (KCSAP) - State Department of Crop Development	125,328,154	235,734,311
Kenya Agriculture Sector Development Support Project	-	2,500,000
DANIDA Grant -Primary Health care in devolved context -Ministry of Health	19,062,823	6,661,875
Totals	144,390,977	244,896,186

4. Proceeds from Domestic borrowing.

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Borrowing within General Government	-	-
Borrowing from Monetary Authorities (Central Bank)	-	-
Other Domestic Depository Corporations (Commercial Banks)	-	-
Borrowing from Other Domestic Financial Institutions	-	-
Borrowing from Other Domestic Creditors	-	-
Domestic Currency and Domestic Deposits	-	-
Others	-	-
Total	-	-

5. Proceeds from Foreign Borrowing

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Foreign Borrowing – Drawdowns Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
Total	-	-

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

6. Own Source Revenue

	FY 2022/2023	2021-2022
	KShs	KShs
Advertisement	13,686,498	7,343,350
Agri. Training College	1,093,970	1,086,915
Alema Water Supply	7,070	78,576
Application Of Plans	-	28,020
Building Plans Approval	6,443,116	6,672,600
Bus Parking Fees	33,491,851	34,171,460
Busia Hills Water Supply	631,128	696,339
Busijo Water Supply	268,385	267,605
Butula Water Supply	361,372	407,111
Cage Licence	147,150	179,050
Co-Op. Audit Fees	57,920	-
Fire Safety Fees	2,991,800	1,427,000
Fish Cess	1,118,440	736,320
Fish Import Permit	68,320	107,140
Fish Movement Permit	191,050	243,990
Fish Traders Licence	168,400	278,700
Fisherman'S License	93,500	79,650
Funds From (Nhif)	84,961,600	25,030,000
Group Registration	2,904,650	204,250
Hire Of Hall / Office	80,500	73,500
Hospital User Fees	67,802,808	63,283,134
Impounding/Clamp. Fees	671,950	358,200
Land Rates	5,121,278	7,015,612
Liqour License	1,353,000	1,400,000
Machine Hire Services	242,000	44,000
Market Stall / Kiosk	15,599,902	14,851,492
Markets Fees	12,782,490	688,764
Mortuary Fees	6,662,685	6,857,970
Munana Water Supply	204,157	266,245
Noise	448,400	312,700
Plot Rent	1,019,604	1,806,511
Port Vict. Water Supply	98,387	193,070
Public Health	5,557,050	3,254,720
Reg. Of Boats License	40,700	29,350
Rent/Govt. Houses	5,136,570	10,780,812
Sand Cess	1,493,330	2,108,190
Single Business Permit	81,217,826	54,087,055
Slaughter Fees	544,000	401,850
Solid Waste	3,429,780	3,349,480

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

Stock Sale	4,510,540	1,600,600
Sugar Cane Cess	19,855,539	8,776,759
Tobacco Cess	908,347	1,254,243
Tractor Hire Services	44,000	124,100
Trailer Parking Fees	3,288,720	4,532,310
Transist Produce Cess	29,646,330	24,177,240
Veterinary Services	2,087,260	1,477,790
Water Booser	240,240	507,000
Weghts & Measures	77,420	85,680
Reserved /R/Parking	3,136,360	-
Other Miscellaneous	932,605	-
Total	422,920,000	292,736,456

7. Return to CRF Issues

	FY 2022/2023	2021-2022
	KShs	KShs
County Executive- CBK recurrent	61,758	2,060
County Executive- CBK development	361,091	424,827
County Assembly- Imprest Account	36,856	-
County Assembly- CBK recurrent	79,652	400
County Assembly- CBK development	42,350	100,000
County Executive- Imprest Account	998,800	-
Total	1,580,506	527,287

The amount mentioned above is the total recurrent and development balance for the County Executive and the County Assembly that was returned to the County Revenue Fund account at the end of the financial year as required by law

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023
Notes to the Financial Statements (Continued)

8. Transfers to County Executive

	FY 2022/2023	2021-2022
	KShs	Kshs.
Recurrent Account	5,340,718,973	4,886,335,318
Development Account	906,540,437	1,100,129,290
Special purpose Accounts	18,169,500	6,661,875
Busia county health facility imprest account (FIF/HIF)	-	25,000,000
Agricultural sector development support programme account	7,710,445	2,500,000
Kenya Devolution Support programme	-	226,130,338
Kenya Climate smart	125,328,154	235,734,311
Busia County Health NI account	14,000,000	-
Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER)	21,000,000	-
National Agricultural Value Chain Development Project (NAVCDP)	67,192,729	-
Urban development grant	1,194,559	-
Urban Institutional Grant	1,145,356	-
Total	6,503,000,153	6,482,491,132

Section 109(7) of the PFM act states; the approval of the controller of budget to withdraw money for the county revenue fund, together with written instructions from the county treasury requesting for the withdrawal, is sufficient for the approved bank where the county exchequer amount is held to pay amounts from this account in accordance with the approval and the instructions.

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

9. Transfers to County Assembly

Description	FY 2022/2023	2021-2022
	KShs	KShs
Recurrent Account	851,195,833	801,409,679
Development Account	22,126,706	100,000,000
TOTAL	873,322,539	901,409,679

Section 109(7) of the PFM act states; the approval of the controller of budget to withdraw money for the county revenue fund, together with written instructions from the county treasury requesting for the withdrawal, is sufficient for the approved bank where the county exchequer amount is held to pay amounts from this account in accordance with the approval and the instructions.

DATE	NATURE / PURPOSE	AMOUNT
08-Sep-22	Recurrent Expenditure	138,673
08-Sep-22	Recurrent Expenditure	15,686,795
08-Sep-22	Recurrent Expenditure	40,174,532
04-Oct-22	Recurrent Expenditure	535,936
04-Oct-22	Recurrent Expenditure	29,404,915
06-Oct-22	Recurrent Expenditure	70,059,149
11-Nov-22	Recurrent Expenditure	9,995,974
11-Nov-22	Recurrent Expenditure	12,723,070
11-Nov-22	Recurrent Expenditure	40,280,956
29-Nov-22	Recurrent Expenditure	15,000,000
08-Dec-22	Recurrent Expenditure	13,786,802
16-Dec-22	Recurrent Expenditure	15,920,711
19-Dec-22	Recurrent Expenditure	40,292,487
12-Jan-23	Recurrent Expenditure	8,188,528
12-Jan-23	Recurrent Expenditure	23,620,649
12-Jan-23	Recurrent Expenditure	100,600,000

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

13-Jan-23	Recurrent Expenditure	38,190,823
06-Feb-23	Recurrent Expenditure	8,936,953
06-Feb-23	Recurrent Expenditure	25,502,009
06-Feb-23	Recurrent Expenditure	27,571,038
29-Mar-23	Recurrent Expenditure	5,927,320
29-Mar-23	Recurrent Expenditure	25,559,547
30-Mar-23	Recurrent Expenditure	30,513,127
27-Apr-23	Recurrent Expenditure	3,670,507
27-Apr-23	Recurrent Expenditure	7,762,645
27-Apr-23	Recurrent Expenditure	29,066,078
27-Apr-23	Recurrent Expenditure	29,263,415
12-May-23	Recurrent Expenditure	2,702,556
12-May-23	Recurrent Expenditure	29,583,633
15-May-23	Recurrent Expenditure	29,713,811
31-May-23	Recurrent Expenditure	2,544,376
31-May-23	Recurrent Expenditure	29,477,691
02-Jun-23	Recurrent Expenditure	37,977,933
20-Jun-23	Recurrent Expenditure	2,528,068
20-Jun-23	Recurrent Expenditure	26,737,595
20-Jun-23	Development Expenditure	29,320,176
23-Jun-23	Development Expenditure	11,367,081
06-Jul-23	Development Expenditure	2,996,980
<u>GRAND TOTAL</u>		873,322,539

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

10. Other Transfers

Description	2022/23	2021/22
	Kshs.	Kshs.
Agency Notices	-	-
Busia county health facility imprest account (FIF/HIF)	12,500,000	-
Total	12,500,000	-

Other transfers includes monies transferred to Busia County entities excluding the county Executive and the County Assembly

11. Fund balance

Name of Bank, Account No. & currency	Account number	FY 2022/2023	2021-2022
		KShs	Kshs.
CBK Recurrent	1000171189	-	61,758
Busia County Village Polytechnics	1000370092	-	839,336
Busia County Special Purpose Account	1000349239	-	9,360,874
CBK Road Maintenance Fuel Levy Fund	1000268336	-	537,207
CBK Development	1000171138	-	361,091
CBK Revenue Fund	1000171618	1,217,406,348	184,265,868
Busia Climate Smart Agriculture Project	1000362189	-	173,525,606
Busia County Deposit Account	1000239204	-	3,606,858
Busia County Kenya Devolution Support Programme	1000412844	-	46,409,820
Covid 19 Special Account	1000459662	-	23,139,540
Busia County Health NI (Nutrition International) Account Busia County	1000445308	-	22,111
Busia County Health Facility Improvement Fund	1000535822	-	3,073,654
Agricultural Sector Development Support Program	1000369531	-	2,606,538
Busia County Institutional Grant	1259557774	-	-

**County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023**

Busia County Urban Support Grant	1071216190600	-	-
Busia County health service account KCB	79000026361	-	-
Khunyangu Health Centre National Bank Of Kenya -Health (NHIF)	1001036736900	-	3,290,523
Busia County Referral Hospital National Bank Of Kenya - Health (NHIF)	136712400	-	11,463,154
Sio Port Victoria Health Centre KCB - Health (NHIF)	1183867425	-	2,599,621
Port Victoria Health Centre National Bank Of Kenya -Health (NHIF)	1001036646000	-	3,988,282
Nambale Sub County Hospital KCB -Health (NHIF)	11412238176000	-	99,709
Kocholia Sub County Hospital KCB -Health (NHIF)	1102098337	-	3,612,100
Alupe Sub County Hospital KCB -Health (NHIF)	1264497768	-	1,172,016
Busia County Car and Mortgage Account	11412238176000	-	-
National Bank Busia County ASDSP Account National Bank	1020205083700	-	16
Co-Op Bank Standing Imprest A/C	1141236344200	-	999,400
Busia County KCSAP Account Coop Bank	1141238240600	-	6,520
County Health Management Team	79000026361	-	2,892,736
KCB Revenue Collection	1140758017	-	79,388,491
Co-Op Bank Education Imprest	1141236344204	-	1,283,167
Total		1,217,406,348	558,605,994

Section 109(8) of the PFM act states; Any unutilized balances in the County Revenue Fund shall not lapse at the end of the financial year but shall be retained for the purposes for which it was established.

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

Notes to the Financial Statements (Continued)

12. Prior year adjustments

Name of Bank, Account No. & currency	Account number	2021-2022
		Kshs.
CBK Recurrent	1000171189	61,758
Busia County Village Polytechnics	1000370092	839,336
Busia County Special Purpose Account	1000349239	9,360,874
CBK Road Maintenance Fuel Levy Fund	1000268336	537,207
CBK Development	1000171138	361,091
Busia Climate Smart Agriculture Project	1000362189	173,525,606
Busia County Deposit Account	1000239204	3,606,858
Busia County Kenya Devolution Support Programme	1000412844	46,409,820
Covid 19 Special Account	1000459662	23,139,540
Busia County Health NI (Nutrition International) Account Busia County	1000445308	22,111
Busia County Health Facility Improvement Fund	1000535822	3,073,654
Agricultural Sector Development Support Program	1000369531	2,606,538
Busia County Institutional Grant	1259557774	-
Busia County Urban Support Grant	1071216190600	-
Busia County health service account KCB	79000026361	-
Khunyangu Health Centre National Bank Of Kenya -Health (NHIF)	1001036736900	3,290,523
Busia County Referral Hospital National Bank Of Kenya - Health (NHIF)	136712400	11,463,154
Sio Port Victoria Health Centre KCB - Health (NHIF)	1183867425	2,599,621
Port Victoria Health Centre National Bank Of Kenya -Health (NHIF)	1001036646000	3,988,282

**County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023**

Nambale Sub County Hospital KCB -Health (NHIF)	11412238176000	99,709
Kocholia Sub County Hospital KCB -Health (NHIF)	1102098337	3,612,100
Alupe Sub County Hospital KCB -Health (NHIF)	1264497768	1,172,016
Busia County Car and Mortgage Account	11412238176000	-
National Bank Busia County ASDSP Account National Bank	1020205083700	16
Co-Op Bank Standing Imprest A/C	1141236344200	999,400
Busia County KCSAP Account Coop Bank	1141238240600	6,520
County Health Management Team	79000026361	2,892,736
KCB Revenue Collection	1140758017	79,388,491
Co-Op Bank Education Imprest	1141236344204	1,283,167
Cash in hand	-	648,061
Outstanding imprest	-	1,971,800
Deposit/Reteantion	-	(3,606,858)
Total		373,353,129

13. Disclosure of Balances in Revenue Collection Accounts

County Government Own source revenue is recognized in the financial statements when it has been swiped to CRF. Revenue collection account balances are disclosed as at the end of the reporting period as below.

Name Of Bank, Account No. & Currency	Amount in bank account currency*	Ex. rate (if in foreign currency)	FY 2022/2023	Comparative amount 2022
			Kshs	Kshs
KCB Revenue Collection	26,923,153	-	26,923,153	79,388,491
Sio Port Victoria Health Centre KCB - Health (NHIF)	202	-	202	2,599,621
Teso North Sub County hospital (NHIF)	8,370	-	8,370	3,612,100
Alupe Sub District hospital (NHIF)	42	-	42	1,172,016

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

Khuyangu health centre (NHIF)	785,023	-	785,023	3,290,523
Nambale Sub County Hospital (NHIF)	144	-	144	99,709
Teso District health care fund account (NHIF)	795	-	795	-
Busia County Referral Hospital National Bank Of Kenya - Health (NHIF)	3,638,179	-	3,638,179	11,463,154
Port Victoria hospital (NHIF)	1,830,092	-	1,830,092	3,988,282
Busia Transport and Public Works - NBK	834	-	834	-
Busia Lands Housing and Urban Development	75,347	-	75,347	-
Busia Agriculture crop and animal resources	105,669	-	105,669	-
Busia Health and Sanitation revenue Account	5,225,499	-	5,225,499	-
Total	38,593,347	-	38,593,347	105,613,895

County Government of Busia
Busia County Revenue Fund
For the financial year ended 30th June 2023

12. Annexes

Annex 1: Progress on follow up of Auditor's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor;

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/WRO/BUSIA CRF/2021/2022/(22)	<p><i>The statement of receipts and payments reflects an amount of Kshs.7,136,548,979 as total receipts which is at a variance with the total actual receipts of Kshs.8,523,348,215 shown in the statement of comparison of budget actual amounts. The variance of Kshs.1,386,799,236 has not been reconciled or explained.</i></p> <p><i>In the circumstances, the accuracy and completeness of the total receipts amount of Kshs.7,136,548,979 could not be confirmed.</i></p>	<p>The management hereby states that amendment was done and the balance brought forward captured in the statement of receipts and payment in the amended financial statement and availed for audit verification</p>	Not resolved	

County Government of Busia
 Busia County Revenue Fund
 For the financial year ended 30th June 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/WRO/BUSIA CRF/2021/2022/(22)	<p><i>The statement of receipts and payments reflects comparative total receipts of Kshs.7,098,305,068 whose source and accuracy could not be confirmed since these are the first financial statements and first year of audit.</i></p> <p><i>In the circumstances, the accuracy and completeness of the comparative total receipts of Kshs.7,098,305,068 could not be confirmed.</i></p>	<p>Management hereby states that the omission of comparative figures were done in the amended financial statements and availed for audit verification</p>	Not resolved	
OAG/WRO/BUSIA CRF/2021/2022/(22)	<p><i>The statement of receipts and payments reflects an amount of Kshs.6,598,389,051 as the equitable shares. The amount, however, is at variance with the amount of Kshs.7,479,805,152 extracted from exchequer receipts. The variance of</i></p>	<p>The management hereby states that the total equitable shares received for the FY 2021/2022 amounted to Kshs.6,598,389,051. The total exchequer releases amounted to</p>	Not resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><i>Kshs.881,416,101 was not explained or reconciled.</i></p> <p><i>In the circumstances, accuracy and completeness of the equitable shares balance of Kshs.6,598,389,051 could not be confirmed.</i></p>	<p>Kshs. 6,843,285,237 including Equitable shares of Kshs.6,598,389,051, DANIDA of Ksh. 6,661,875, Agriculture Sector Development Support Programme (ASDSP) of Kshs. 2,500,000 and Kenya Climate Smart Agriculture Project (KCSAP) of Kshs. 235,734,311.</p>		
OAG/WRO/BUSIA CRF/2021/2022/(22)	<p><i>The statement of receipts and payments reflects a balance of negative Kshs.53,426,496 as the net decrease in cash for the year. However, a re-computation of the difference between the opening and closing balances reflects a balance of negative Kshs.193,925,336.</i></p>	<p>The management hereby provides the amended financial statements reflecting the correct decrease in cash for the FY 2021/2022 for audit verification.</p>	Not resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><i>The variance of Kshs.247,351,832 was not explained or reconciled.</i></p> <p><i>In the circumstances, the accuracy and completeness of the net decrease in cash of negative Kshs.53,426,496 could not be confirmed.</i></p>			
OAG/WRO/BUSIA CRF/2021/2022/(22)	<p><i>The statement of receipts and payments reflects an amount of Kshs.557,618,997 as the closing fund balance for the period which, as disclosed in Note 11, comprises of balances held in twenty-six (26) bank accounts totaling Kshs.558,605,994 resulting in an unexplained and unreconciled variance of Kshs.986,997.</i></p> <p><i>In the circumstances, the accuracy and completeness of the reported closing fund</i></p>	<p>The management hereby provides the amended financial statements FY 2021/2022 reflecting the correct closing balance for audit verification</p>	Not resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<i>balance of Kshs.557,618,997 could not be confirmed.</i>			

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Name: Mr. Wafula Gypson Ojiambo
Chief Officer - Finance
ICPAK Member Number: 20335
Date: 25th Septemeber, 2023

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Annex 2 . Analysis Of Receipts from The National Treasury Exchequer Releases

Period (2022/2023)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)
Equitable Share	1,183,406,729	1,757,179,691	1,183,406,731	3,621,941,816	7,745,934,967
Level 5 Hospitals	-	-	-	-	-
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	19,062,823	19,062,823
World Bank – THUSCP	-	-	-	-	-
National Agricultural Value Chain Development Project (NAVCDP)	-	-	-	67,192,729	67,192,729
Kenya Urban Support Program-(KUSP)-Urban Development Grant	-	-	-	2,339,915	2,339,915
Financing Locally-Led Climate Action Program(fLLoCA)-County Climate Institutional support (CCIS)	-	-	11,000,000	11,000,000	22,000,000
Kenya Urban Support Programme	-	-	-	-	-
Agriculture Sector Development Support Project (ASDSP)	-	-	13,004,078	2,600,000	15,604,078
Kenya Climate Smart Agriculture Project (KCSAP)	-	-	125,328,154	-	125,328,154
Total	1,183,406,729	1,757,179,691	1,332,738,963	3,724,137,283	7,997,462,666

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Annex 3. Analysis Of Receipts from Own Source Revenue per Quarter

REVENUE SOURCE	QTR 1 (Kshs.)	QTR 2 (Kshs.)	QTR 3 (Kshs.)	QTR 4 (Kshs.)	Total (Kshs.)
Fire Safety	585,000	-	-	2,582,600	3,167,600
Impounding /Clamping	92,300	-	-	614,550	706,850
Sugar Cane Cess	4,066,193	1,979,767	-	13,654,360	19,700,320
Produce Cess	7,062,350	2,385,150	-	19,325,470	28,772,970
Stock Sale	2,300,220	602,870	-	2,524,220	5,427,310
Nhif	13,800,000	-	-	73,905,000	87,705,000
Hospital User Fees	29,633,433	12,230,026	-	34,435,450	76,298,909
Mortuary Fees	5,669,272	895,835	-	2,576,420	9,141,527
Advertisement	2,009,099	-	-	11,768,947	13,778,046
Public Health	419,560	-	-	4,037,800	4,457,360
Buspark	13,173,311	4,806,130	-	15,516,410	33,495,851
Private Parking			-	2,145,580	2,145,580
Market Fee	6,156,545	1,038,050	-	8,046,493	15,241,088
Sbp	20,980,865	1,964,700	-	60,200,402	83,145,967
Fish Cess	281,670	-	-	666,850	948,520
Land Rates	4,393,767	104,637	-	2,688,997	7,187,401
Atc	387,090	617,740	-	228,275	1,233,105
Water Sale	533,237	-	-	1,037,562	1,570,799
Water Bowser	242,500	-	-		242,500
Market Stalls	692,670	-	-	712,444	1,405,114
Sand Cess	395,360	-	-	640,500	1,035,860
Solid Waste	1,591,650	-	-	2,622,970	4,214,620
Cage Licence			-	102,300	102,300
Machine Hire	130,000	-	-		130,000
Trailer Parking	1,269,940		-	2,283,080	3,553,020
Veterinary Services	1,090,595	375,095	-	1,006,014	2,471,704

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Fish Traders Licence	233,900	-	-	80,800	314,700
Tobacco Cess	908,347	-	-		908,347
Slaughter Fees	163,650	-	-	283,100	446,750
Plot Rent	761,625	-	-	881,425	1,643,050
Govt House Rent	1,002,901	-	-	4,078,680	5,081,581
Plan Approval	2,772,950	-	-	3,091,166	5,864,116
Coop Audit Fees			-	29,135	29,135
Liquorlicence	200,000		-	1,153,000	1,353,000
Total	123,000,000	27,000,000	-	272,920,000	422,920,000

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Annex 4: Analysis of Transfers from the County Revenue Fund

Period (2022/2023)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)
County Executive -Rec	1,179,457,520	931,246,065	1,120,206,175	2,109,809,213	5,340,718,973
County Executive -Dev	-	293,416,881	80,122,420	533,001,136	906,540,437
County Assembly -Rec	56,000,000	248,000,000	294,609,994	851,195,833	1,449,805,827
County Assembly -Dev	-	-	-	22,126,706	22,126,706
Special Purpose A/c (Specify)	-	-	-	-	-
Agriculture Sector Development Support Project (ASDSP)	-	-	-	7,710,445	7,710,445
Financing Locally-Led Climate Action Program(fLLoCA)-County Climate Institutional support (CCIS)	-	-	-	21,000,000	21,000,000
Kenya Climate Smart Agriculture Project (KCSAP)	-	-	125,328,154	-	125,328,154
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	18,169,500	18,169,500
Kenya Urban Support Program-(KUSP)-Urban Development Grant	-	-	-	1,194,559	1,194,559
Kenya Urban Support Program-(KUSP)-Urban Institutional Grant	-	-	-	1,145,356	1,145,356

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National Agricultural Value Chain Development Project (NAVCDP)	-	-	-	67,192,729	67,192,729
Busia County Health NI account	-	-	-	7,000,000	14,000,000
Busia county health facility imprest account	-	-	-	12,500,000	12,500,000
Total	1,235,457,520	1,472,662,946	1,620,266,743	3,652,045,477	7,987,432,686