

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

| | |
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| | PAPERS LAID |
| DATE | 5/2/2024 |
| TABLED BY | Maj. L |
| OF COMMITTEE | — |
| CLERK AT THE TABLE | Kawira |

THE AUDITOR-GENERAL

PARLIAMENT
OF KENYA
LIBRARY

ON

**RECEIVER OF REVENUE - REVENUE
STATEMENTS**

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

COUNTY GOVERNMENT OF KAKAMEGA



RECEIVER OF REVENUE
(County Government of Kakamega)

REVENUE STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

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

*Receiver of Revenue
County Government of Kakamega
Revenue Statements for the Period Ended 30th June 2023*

| Table of Contents | Page |
|--|-------------|
| 1. Acronyms and glossary of terms..... | iv |
| 2. Key Entity Information and Management..... | v |
| 3. Foreword by the CECM Finance and Economic Planning..... | vii |
| 4. Management Discussion and Analysis..... | ix |
| 5. Statement of Receiver of Revenue's responsibilities..... | xii |
| 6. Report of the Auditor General on the Revenue Statements of Receiver of Revenue for the year ended 30 th June 2023..... | xiii |
| 7. Statement of Receipts and Disbursements for the year ended 30th June 2023..... | 1 |
| 8. Statement of Financial Assets and Liabilities As at 30 th June 2023..... | 2 |
| 9. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30 th June 2023.... | 3 |
| 11. Significant Accounting Policies..... | 7 |
| 12. Notes to the Financial Statements..... | 9 |

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 |

b) Glossary of terms

| | |
|----------------------|---|
| Comparative FY | Comparative Prior Financial Year |
| Fiduciary Management | The key management personnel who had financial responsibility |

2. Key Entity Information and Management

(a) Background information

The receiver of revenue is under the Department of Finance and Economic Planning. At the County Executive Committee level, the receiver of revenue is represented by the County Executive committee member for Finance and Economic Planning, who is responsible for the general policy and strategic direction of the receiver of revenue. The receiver of revenue is designated as a receiver on 17th October 2017 by the County Executive Committee member for Finance, in accordance with section 157 of the PFM Act.

(b) Principal activities

The receiver of revenue collects revenue and remits to the County Revenue Fund (CRF).

(c) Key Management Team

The County Government of Kakamega day-to-day management of revenue is under the following:

- County Executive Committee Member for Finance and Planning
- Chief Officer, Finance and Budget
- Chief Officers, Agriculture, Livestock Fisheries and Cooperatives
- Chief Officer, Public Service & Administration
- Chief Officer, Agriculture, Livestock and Fisheries
- Chief Officer, Health Services
- Chief Officer, Education, Science and Technology
- Chief Officer, Lands, Housing, Urban Areas and Physical Planning
- Chief Officer, Roads, Public Works and Energy
- Chief Officer, Trade, Industrialization and Tourism
- Chief Officer, Water, Environment, Natural Resources, & Climate Change
- Chief Officer, Social Services, Youth, Sports and Culture
- Chief Revenue Administrator
- Head of Revenue Reporting

(d) County Headquarters

P.O. Box 36-50100
Sahajanand Building
Kenyatta Avenue
Kakamega, Kenya

(e) Entity Contacts

E-mail: revenue@kakamega.go.ke
Website: www.kakamega-county.go.ke

(f) Independent Auditor

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P. O. Box 30084
GPO 00100
Nairobi, Kenya

(g) Principal Legal Adviser

County Attorney
County Government of Kakamega
P.O Box 36-50100
Kakamega

(h) Bankers

1. Central Bank of Kenya
P.O Box 60000-00200
Nairobi.

2. KCB –Group
P.O Box 152-50100
Kakamega

3. Cooperative Bank
P.O BOX 595-50100
Kakamega

4. National Bank of Kenya
P.O Box 00100
Kakamega

3. Foreword by the CECM Finance and Economic Planning

It is with great pleasure that I present this report on the Own Source Revenue (OSR) Performance for Kakamega County for the Financial Year 2022/2023. As the County Executive Member of Finance and Economic Planning, it is my privilege to provide a comprehensive overview of the financial landscape, focusing on the crucial role played by the Receiver of Revenue in shaping our economic trajectory.

In this report, we delve into the multifaceted aspects of revenue collection within our county. We aim to shed light on the successes, challenges, and opportunities that have defined our financial journey over the past year. It is my hope that this report not only serves as a testament to our commitment to fiscal responsibility but also as a transparent and informative resource for our stakeholders and the public at large.

As we delve into the specifics, we will begin by presenting an overview of the general economic outlook for the year. This will set the stage for a deeper understanding of the factors that have influenced our revenue collection efforts. We will discuss the impediments and accelerators that have played pivotal roles in shaping the OSR landscape. Understanding these factors is essential as we chart our path towards a more sustainable and robust financial future.

The local business environment, a key driver of OSR, will also come under our scrutiny. It is imperative that we assess the local economic conditions to make informed decisions that will support our revenue generation efforts and foster economic growth within Kakamega County.

Within this report, we will provide a detailed breakdown of the revenue collected during the year, including the sources from which these funds were derived. This information will offer insights into the diversification of our revenue streams and help us identify areas where we can further enhance our income generation.

Furthermore, we will examine the disbursements made to the County Revenue Fund (CRF), highlighting the responsible allocation of resources to various development projects and essential services. Transparency and accountability in these disbursements remain paramount to our commitment to good governance.

One of the key aspects of this report is the comparison between the revenue collected and the budgeted revenues. We will elucidate the reasons behind any under or overperformance, and propose mitigating measures to address any discrepancies. This analysis is crucial in ensuring that our fiscal plans remain aligned with our revenue generation capabilities.

Receiver of Revenue
County Government of Kakamega
Revenue Statements for the Period Ended 30th June 2023

In conclusion, this report represents our unwavering commitment to responsible financial stewardship. It is a testament to our dedication to the people of Kakamega County, to whom we owe the highest level of transparency and accountability. I would like to express my gratitude to the entire finance team, the Receiver of Revenue, and all stakeholders who have played a part in our financial success. Through this report, we aim to inspire confidence in our fiscal management, foster greater economic prosperity, and pave the way for a brighter and more financially secure future for Kakamega County.



CPA Livingstone Imbayi
County Executive Member of Finance and Economic Planning
County Government of Kakamega

4. Management Discussion and Analysis

The County's 2018-2022 County Integrated Development Plan (CIDP) identified six key strategic development objectives. These objectives were identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's "Big Four Agenda, Sustainable Development Goals (SDGs) and the Medium-Term Plan (MTP) III.

The key development objectives of the Kakamega County's 2018-2022 CIDP were:

- a) **To improve food security from 67 per cent to 80 per cent by 2022**
- b) **To expand road network**
- c) **To improve access to universal health care**
- d) **To improve quality of**
- e) **To improve access to clean and safe water**
- f) **To revamp manufacturing sector in the county**

Major milestones realized by the County during the Financial Year 2022/2023 include;

- ❖ Launch of the Kakamega Health Services Fund whose main objective is to provide for financial autonomy to health facilities; allowing them a legal framework to manage their funds and ensure an effective, efficient and sustainable healthcare system at all levels of care.
- ❖ Increasing road network by constructing and maintaining bitumen roads, gravel roads and bridges/box culverts.
- ❖ Provision of farm subsidies increased maize, fish and dairy production thus improving food security from 57% to 67%.
- ❖ Improvement of market infrastructure through construction and renovation of markets and installation of high mast lights in various markets improved trading environment, increased business hours and incomes.
- ❖ Improved internet connectivity by increasing bandwidth at the County HQs from 40Mbps to 50Mbps and Sahajanand and KOTECHA Office Buildings from 30Mbps to 40Mbps
- ❖ Implementation of water projects and Programmes increased access to clean and safe water across the County through increased connections, storage capacity and extension of distribution lines.
- ❖ Youth and women empowerment was achieved through implementation of County Youth and Women Empowerment Programme which created jobs and improved the livelihoods.

In terms of **Own Source Revenue**, the County acquired an integrated revenue management system which saw the County register a slight improvement in revenue collection by **Kshs 88,012,448** translating to 7 percent increment in the Financial Year 2022/2023. The actual collection realized

*Receiver of Revenue
County Government of Kakamega
Revenue Statements for the Period Ended 30th June 2023*

in the Financial Year 2022/2023 was **Kshs 1,309,679,898** against an annual target of **Kshs 1,800,000,000** translating to 73 percent collection efficiency.

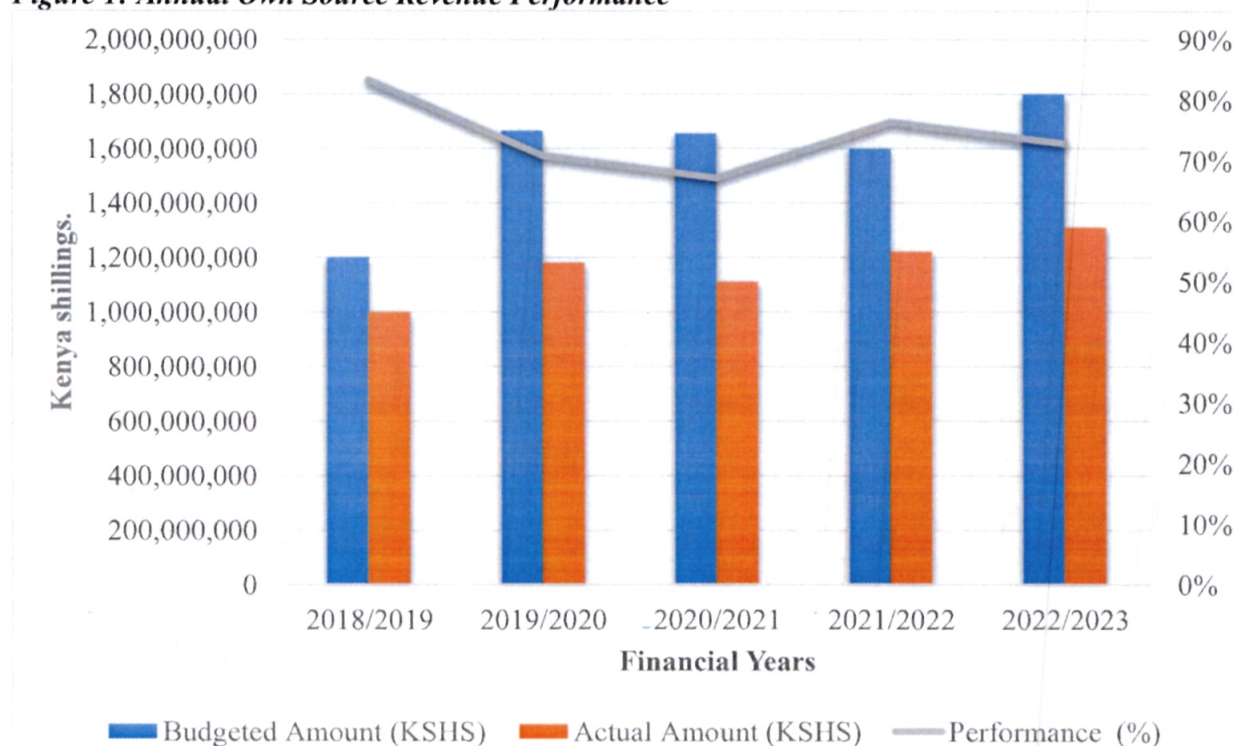
The shortfall was attributed to a number of factors including but not limited the following;

- i. Political interference during electioneering period;
- ii. Use of an outdated valuation roll;
- iii. High inflation rate which led to closure of some businesses.

Table 1: Kakamega Five Year Own Source Revenue Performance

| Financial Year | Budgeted Amount (KSHS) | Actual Amount (KSHS) | Performance |
|----------------|------------------------|----------------------|-------------|
| | | | |
| 2018/2019 | 1,200,000,000 | 999,827,089 | 83% |
| 2019/2020 | 1,666,143,695 | 1,180,228,345 | 71% |
| 2020/2021 | 1,656,000,000 | 1,111,110,150 | 67% |
| 2021/2022 | 1,600,000,000 | 1,221,667,450 | 76% |
| 2022/2023 | 1,800,000,000 | 1,309,679,898 | 73% |

Figure 1: Annual Own Source Revenue Performance



The County recorded an upward trajectory in revenue in the last five years as shown above. This was attributed to a number of factors listed below:

- i. Establishment of the Kakamega County Revenue Agency and Revenue Board;
- ii. Strengthening of internal control systems;
- iii. Introduction of performance contracting;
- iv. Revenue compliance and enforcement;
- v. Enhanced revenue administration collection and practices;
- vi. Enhanced awareness by tax payers of the revenue legal framework.

However, the shortfalls were occasioned by the Covid-19 Pandemic which brought the world to an economic standstill affecting the revenue flow.

The County has put in place the following measures to enhance its Own Source Revenue collection;

- i. Acquired an integrated revenue management system for proper management of our Own Source Revenue.
- ii. Prioritized expansion of revenue base by mapping and tapping into unexploited revenue streams;
- iii. Invest in full automation of revenue collection and management;
- iv. Timely updates revenue databases of businesses that can be taxed within the County;
- v. Increased public sensitization and stakeholders' engagement;(voluntary compliance);
- vi. Focuses on 80/20 Pareto analysis.

5. Statement of Receiver of Revenue’s responsibilities

Section 165 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, a receiver of revenue for a county government shall prepare an account in respect of the revenue collected, received and recovered by the receiver during that financial year.

The Receiver of Revenue is responsible for the preparation and presentation of the *receiver of revenue account*, which gives a true and fair view of the state of affairs of the *receiver of revenue* for and as at the end of the financial year (period) 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 statement of assets and liabilities of the entity, (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 entity, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Receiver of Revenue in charge accepts responsibility for the *entity’s receiver of revenue* accounts, 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) and relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the *entity’s receiver of revenue* account gives a true and fair view of the state of *entity’s receiver of revenue* transactions during the financial year ended June 30, 2023, and of the *entity’s* statement of assets and liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the *receiver of revenue account* as well as the adequacy of the systems of internal financial control.

The Receiver of Revenue confirms that the *entity* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable). The Receiver of Revenue confirms that the revenue statements have been prepared in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the Revenue Statements

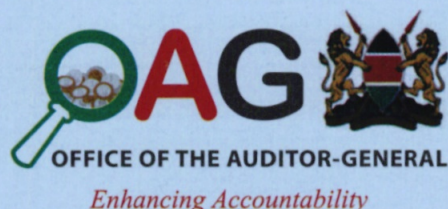
The *revenue* statements were approved and signed by the Receiver of Revenue on 28/09/2023



.....
Name.CPA Aggrey Musindalo
County Receiver of Revenue

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 RECEIVER OF REVENUE - REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2023 – COUNTY GOVERNMENT OF KAKAMEGA

PREAMBLE

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

- A. Report on the Revenue statements that considers whether the revenue 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 revenue 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 government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on 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, the risk management environment and the 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 Receiver of Revenue set out on pages 1 to 22 which comprise of the statement of financial assets and liabilities as at

30 June, 2023 and the statement of receipts and disbursements, statement of arrears of revenue and statement of comparison of budget and actual amounts for the year then ended, 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 revenue position of the Receiver of Revenue as at 30 June, 2023, and of its revenue performance 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 the Public Finance Management (County Governments) Regulations, 2015.

Basis for Qualified Opinion

1. Inaccurate Comparative Amount of Donations/Grants not Received Through CRF

The statements of receipts and disbursements reflects a comparative amount of Kshs.43,553,015 in respect of donations/grants not received through CRF while the corresponding Note 19 to the revenue statements reflects a comparative amount of Kshs.32,017,452 resulting to unexplained variance of Kshs.11,535,563.

In the circumstances, the accuracy and completeness of the comparative amount of donations/grants not received through CRF of Kshs.43,553,015 could not be confirmed.

2. Inaccurate Balance Due for Disbursement

The statement of receipts and disbursements reflects a balance of Kshs.83,651,495 in respect of balance due for disbursement. However, the statement of financial assets and liabilities and Note 24 to the revenue statements reflects a corresponding balance in respect of payables due to CRF of Kshs.57,789,736 resulting to unexplained variance of Kshs.25,861,759.

In the circumstances, the accuracy and completeness of the balance due for disbursement of Kshs.83,651,495 could not be confirmed.

3. Inaccurate Disbursements to County Revenue Fund

The statement of receipts and disbursements reflects disbursements to CRF totalling to Kshs.1,295,770,449. However, the statement of receipts and payments for the County Revenue Fund reflect a corresponding receipts totalling to Kshs.1,309,633,895 in respect of own source revenue resulting to unexplained variance of Kshs.13,863,446.

In the circumstances, the accuracy and completeness of the disbursements to County Revenue Fund totalling to Kshs.1,295,770,449 could not be confirmed.

4. Unsupported Land/Poll Rate Arrears

The statement of arrears of revenue reflects land/poll rate arrears of Kshs.2,435,499,723 as at 30 June, 2023. However, an ageing analysis indicating the list of defaulters and the dates the arrears arose was not provided.

In the circumstances, the accuracy and completeness of the land/poll rate arrears of Kshs.2,435,499,723 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Receiver of Revenue - Revenue Statements 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 revenue statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects revenue targets and actual on comparable basis amounts of Kshs.1,800,000,000 and Kshs.1,303,007,265 resulting in under-collection of Kshs.496,992,735 or 28% of the target.

The under-collection of revenue affected the planned activities and may have negatively impacted on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

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 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 revenue statements are in compliance, 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 revenue 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 revenue 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 revenue statements, Management is responsible for assessing the Receiver of Revenue's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using applicable basis of accounting unless Management is aware of the intention to terminate the Receiver of Revenue or to cease operations.

Management is also responsible for the submission of the revenue 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 revenue statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the revenue 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 the Receiver of Revenue's financial reporting process, reviewing the effectiveness of how the 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 revenue 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 revenue statements.

In addition to the audit of the revenue 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 revenue 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 revenue statements and audit of compliance, I consider internal control 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 revenue 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 Receiver of Revenue 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 revenue 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 appropriate 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 Receiver of Revenue's ability to continue 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 revenue 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 Receiver of Revenue to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the revenue statements, including the disclosures and whether the revenue 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 Receiver of Revenue - to express an opinion on the revenue 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 to 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

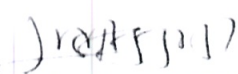
Report of the Auditor-General on Receiver of Revenue – Revenue Statements for the year ended 30 June, 2023 – County Government of Kakamega


Receiver of Revenue
County Government of Kakamega
Revenue Statements for the Period Ended 30th June 2023

7. Statement of Receipts and Disbursements for the year ended 30th June 2023

| | Note | FY 2022-2023 | FY 2021-2022 |
|---|------|------------------------|------------------------|
| | | Kshs | Kshs |
| County Own Source Revenue | | | |
| Cess | 1 | 85,395,923 | 60,536,001 |
| Land Rate | 2 | 24,490,768 | 29,217,202 |
| Single/Business Permits | 3 | 170,248,245 | 130,976,710 |
| Property Rent | 4 | 11,142,534 | 13,662,118 |
| Parking Fees | 5 | 57,154,889 | 46,445,610 |
| Market Fees | 6 | 13,176,103 | 15,671,606 |
| Advertising | 7 | 48,408,453 | 50,251,669 |
| Hospital Fees | 8 | 437,034,978 | 407,360,502 |
| Public Health Service Fees | 9 | 21,784,450 | 20,524,270 |
| Physical Planning and Development | 10 | 23,516,806 | 26,432,611 |
| Hire Of County Assets | 11 | 5,453,568 | 6,896,196 |
| Conservancy Administration | 12 | 602,630 | 836,485 |
| Administration Control Fees and Charges | 13 | 21,404,525 | 21,542,671 |
| Other Fines, Penalties, And Forfeiture Fees | 14 | 1,449,455 | 1,657,468 |
| Miscellaneous receipts | 15 | 22,227,857 | 13,719,754 |
| Proceeds from sale of assets | 16 | - | 30,589,738 |
| Proceeds from Agricultural subsidised products | 17 | 344,657,094 | 325,176,669 |
| Slaughter, stock sales and Veterinary services fees | 18 | 14,858,987 | 20,170,170 |
| Total County Own Source Revenue | | 1,303,007,265 | 1,221,667,450 |
| Other Receipts | | | |
| Donations/Grants Not Received Through CRF | 19 | 25,861,709 | 43,553,015 |
| Total Other Receipts | | 25,861,709 | 43,553,015 |
| Total Receipts | | 1,328,868,974 | 1,265,220,465 |
| Balance b/f at the beginning of the year | | 50,552,970 | 206,391,038 |
| Disbursements To CRF | | (1,295,770,449) | (1,195,718,136) |
| Bank charges | 20 | - | - |
| Balance Due for Disbursement | | 83,651,495 | 50,552,970 |

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 28/09/2023 and signed by:


.....
Name CPA Aggrey Musindalo
County Receiver of Revenue


.....
Name CPA Geoffrey Babu
Head of Revenue Reporting
ICPAK M/No 17817

*Receiver of Revenue
County Government of Kakamega
Revenue Statements for the Period Ended 30th June 2023*

8. Statement of Financial Assets and Liabilities As at 30th June 2023

| | Note | FY 2022-2023 | FY 2021-2022 |
|------------------------------------|------|-------------------|-------------------|
| | | Kshs | Kshs |
| Financial Assets | | | |
| Cash And Cash Equivalent | | | |
| Bank Balances | 21 | 57,484,899 | 50,552,970 |
| Cash In Hand | 23 | 304,837 | - |
| Total Financial Assets | | 57,789,736 | 50,552,970 |
| Total Financial Assets | | 57,789,736 | 50,552,970 |
| Financial Liabilities | | | |
| Payables-Due to CRF | 24 | 57,789,736 | 50,552,970 |
| Total Financial Liabilities | | 57,789,736 | 50,552,970 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 28/09/ 2023 and signed by:



.....
Name CPA Aggrey Musindalo
County Receiver of Revenue



.....
Name Geoffrey Babu
Head of Revenue Reporting
ICPAK M/No. 17817

*Receiver Of Revenue
County Government Of Kakamega
Revenue Statements for the Period Ended 30th June 2023*

9. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30th June 2023

| Receipt | Original Targets | Adjustments | Final Targets | Actual On Comparable Basis | Budget Realization Difference | % Of Realization | Reason for under or over-realisation |
|----------------------------------|-------------------------|--------------------|----------------------|-----------------------------------|--------------------------------------|-------------------------|---|
| | A | B | C=A+B | D | E=C-D | F=D/C % | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | |
| County Own Source Revenue | | | | | | | |
| Cess | 115,000,000 | (11,500,000) | 103,500,000 | 85,395,923 | 18,104,077 | 83% | Increased mining activities in Ikolomani Subcounty |
| Land Rate | 110,000,000 | (11,000,000) | 99,000,000 | 24,490,768 | 74,509,232 | 25% | Use of an outdated valuation roll Delayed update of Rates data in the newly acquired integrated revenue management system |
| Single/Business Permits | 187,000,000 | (18,700,000) | 168,300,000 | 170,248,245 | (1,948,245) | 101% | Enhanced compliance checks |
| Property Rent | 20,162,096 | (2,016,210) | 18,145,886 | 11,142,534 | 7,003,352 | 61% | Uncoordinated waivers |
| Parking Fees | 101,300,000 | (10,130,000) | 91,170,000 | 57,154,889 | 34,015,111 | 63% | Payment system technicalities; Sense pay system does not prompt clients |
| Market Fees | 35,000,000 | (3,500,000) | 31,500,000 | 13,176,103 | 18,323,897 | 42% | Low adoption of the newly acquired revenue system Lack Point of Sale devices |
| Advertising | 149,537,904 | (14,953,790) | 134,584,114 | 48,408,453 | 86,175,661 | 36% | High tax rates |
| Hospital Fees | 771,000,000 | (77,100,000) | 693,900,000 | 437,034,978 | 256,865,022 | 63% | Lack of essential equipment in health facilities |

Receiver Of Revenue
County Government Of Kakamega
Revenue Statements for the Period Ended 30th June 2023

| Receipt | Original Targets | Adjustments | Final Targets | Actual On Comparable Basis | Budget Realization Difference | % Of Realization | Reason for under or over-realisation |
|---|----------------------|----------------------|----------------------|----------------------------|-------------------------------|------------------|--|
| | A | B | C=A+B | D | E=C-D | F=D/C % | |
| Public Health Service Fees | 70,000,000 | (7,000,000) | 63,000,000 | 21,784,450 | 41,215,550 | 35% | Low enforcement |
| Physical Planning and Development | 62,000,000 | (6,200,000) | 55,800,000 | 23,516,806 | 32,283,194 | 42% | Increased tax evasion incidences |
| Hire Of County Assets | 14,000,000 | (1,400,000) | 12,600,000 | 5,453,568 | 7,146,432 | 43% | Reduced compliance checks |
| Conservancy Administration | 1,000,000 | (100,000) | 900,000 | 602,630 | 297,370 | 67% | Low enforcement |
| Administration Control Fees and Charges | 31,000,000 | (3,100,000) | 27,900,000 | 21,404,525 | 6,495,475 | 77% | Low enforcement |
| Other Fines, Penalties, And Forfeiture Fees | 4,000,000 | (400,000) | 3,600,000 | 1,449,455 | 2,150,545 | 40% | Reduced compliance checks |
| Miscellaneous Receipts | 20,000,000 | (2,000,000) | 18,000,000 | 22,227,857 | (4,227,857) | 123% | Unclaimed receipts |
| Proceeds from sale of Assets | - | - | - | | | | No sale of Asset was made in the year |
| Proceeds from Agricultural subsidised products | 270,000,000 | (27,000,000) | 243,000,000 | 344,657,094 | (101,657,094) | 142% | Budget allocation increased during supplementary |
| Slaughter, stock sales and Veterinary services fees | 39,000,000 | (3,900,000) | 35,100,000 | 14,858,987 | 20,241,013 | 42% | Low enforcement |
| Total County Own Source Revenue | 2,000,000,000 | (200,000,000) | 1,800,000,000 | 1,303,007,265 | 496,992,735 | | |

*Receiver Of Revenue
County Government Of Kakamega
Revenue Statements for the Period Ended 30th June 2023*

| Receipt | Original Targets | Adjustments | Final Targets | Actual On Comparable Basis | Budget Realization Difference | % Of Realization | Reason for under or over-realisation |
|--|----------------------|----------------------|----------------------|----------------------------|-------------------------------|------------------|--------------------------------------|
| | A | B | C=A+B | D | E=C-D | F=D/C % | |
| Other Receipts | | | | | | | |
| Donations /Grants Not Received Through CRF | - | - | - | 25,861,709 | - | 100% | |
| Total Other Receipts | | | | | | | |
| Total Receipts | 2,000,000,000 | (200,000,000) | 1,800,000,000 | 1,328,868,974 | 496,992,735 | 74% | |

The County Receiver of revenue's financial statements were approved on 28/09/ 2023 and signed by:



.....
Name CPA Aggrey Musindalo
County Receiver of Revenue



.....
Name Geoffrey Babu
Head of Revenue Reporting
ICPAK M/No. 17817

10. Statement of Arrears of Revenue As at 30th June 2023

| Classification Of Receipts (Indicate As Applicable) | Balance as at The beginning of the current year (1 st July 2022) A | Arrears received during the year. B | Additions in arrears for the current year to June 30, 2023 C | Total arrears as at 30 June 20xx D=A+(B)+C | Measures taken to recover the arrears | Assessment to the recoverability of arrears |
|--|---|---|---|---|---|--|
| Land /Poll rate | 2,435,499,723 | - | - | 2,435,499,723 | <ul style="list-style-type: none"> ▪ The valuation roll is at 80% ▪ Prosecution of rate defaulters to recover the plots | |
| Total Arrears | <u>2,435,499,723</u> | = | = | <u>2,435,499,723</u> | | |

An ageing analysis of revenue in arrears has been shown on note 23 of these financial statements.



.....
 Name CPA Aggrey Musindalo
 County Receiver of Revenue



.....
 Name CPA Geoffrey Babu
 Head of Revenue Reporting
 ICPAK M/No. 17817

11. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these revenue statements are set out below:

1. Statement of Compliance and Basis of Preparation

The revenue statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and relevant legal framework of the County Government of Kakamega. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the County Government of Kakamega. The accounting policies adopted have been consistently applied to all the years presented.

The revenue statements have been prepared on the cash basis following the standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the County Government of Kakamega.

2. Recognition of Receipts

County Government of Kakamega recognises all receipts from the various sources when the related cash has been received by the County Government of Kakamega.

3. Budget

The County Revenue budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by law. The original budget was approved by the County Assembly on 22nd June, 2022 for the period 1st July 2022 to 30 June 2023 as required by law. There was *three* number of supplementary budgets passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include revenue collection accounts held at Commercial banks.

5. Revenue in Arrears

This relates to revenue earned and is yet to be received or collected by the receiver of revenue. These arrears are disclosed under the statement of arrears as required under the PFM Act, 2012 Section 165 (2) (b) which is a memorandum statement.

6. Disbursements to CRF

The Receiver of Revenue has an arrangement for transfer of funds from its bank account to the CRF account. Total disbursements to the CRF are as a result of the transfer arrangement during the year. *(Include the receiver's actual policy on disbursements)*

7. Comparative Figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

8. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended June 30, 2023

12. Notes to the Financial Statements

1. Cess

| Description | FY 2022-2023 | FY 2021-2022 |
|------------------|-------------------|-------------------|
| | Kshs | Kshs |
| Cess from Maize | 23,934,563 | 4,606,175 |
| Cess from Murram | 2,487,124 | 2,270,080 |
| Cess from Sugar | 58,974,236 | 53,659,746 |
| Total | 85,395,923 | 60,536,001 |

2. Land rates

| Description | FY 2022-2023 | FY 2021-2022 |
|--------------|-------------------|-------------------|
| | Kshs | Kshs |
| Land rates | 24,490,768 | 29,217,202 |
| Total | 24,490,768 | 29,217,202 |

3. Single /Business Permits

| Description | FY 2022-2023 | FY 2021-2022 |
|-----------------------------|--------------------|--------------------|
| | Kshs | Kshs |
| Annual Business permit fees | 170,248,245 | 130,976,710 |
| Total | 170,248,245 | 130,976,710 |

4. Property Rent

| Description | FY 2022-2023 | FY 2021-2022 |
|----------------------|-------------------|-------------------|
| | Kshs | Kshs |
| County Housing Rent | 2,749,999 | 2,468,298 |
| Ground Rent | 608,976 | 764,762 |
| Transfer of Property | 185,670 | - |
| Stalls/kiosks rent | 6,458,159 | 7,688,458 |
| Public toilet rent | 1,139,730 | 2,740,600 |
| Total | 11,142,534 | 13,662,118 |

Notes to the Financial Statements (continued)

5. Parking Fees

| Description | FY 2022-2023 | FY 2021-2022 |
|---------------------------|---------------------|---------------------|
| | Kshs | Kshs |
| Street parking fees | 12,916,252 | 14,572,310 |
| Monthly toll/sticker fees | 40,918,352 | 30,504,150 |
| Motorbike fees | 3,212,000 | 1,100,500 |
| Registration of Groups | 108,285 | 268,650 |
| Total | 57,154,889 | 46,445,610 |

6. Market Fees

| Description | FY 2022-2023 | FY 2021-2022 |
|--------------------|---------------------|---------------------|
| | Kshs | Kshs |
| Hawking fees | 13,176,103 | 15,671,606 |
| Total | 13,176,103 | 15,671,606 |

7. Advertising

| Descriptions | FY 2022-2023 | FY 2021-2022 |
|--|---------------------|---------------------|
| | Kshs | Kshs |
| Billboard Advertising, Branding, signage, Road Shows, Banners, Posters, Tent Advertising, Streetpole/clock advertising | 48,408,453 | 50,251,669 |
| Total | 48,408,453 | 50,251,669 |

8. Hospital Fees

| Description | FY 2022-2023 | FY 2021-2022 |
|---|---------------------|---------------------|
| | Kshs | Kshs |
| Level 5 hospital(KCGH) | 268,597,407 | 245,935,037 |
| Level 4 hospitals(Other sub county hospitals) | 168,059,971 | 161,022,965 |
| Red Cross | 377,600 | 402,500 |
| Total | 437,034,978 | 407,360,502 |

Notes to the Financial Statements (Continued)

9. Public Health Service Fees

| Description | FY 2022-2023 | FY 2021-2022 |
|--|---------------------|---------------------|
| | Kshs | Kshs |
| Inspection of buildings/premises/Institutions, Inspection for issuance of hygiene license, Vaccination: Yellow fever, Typhoid, Applications for medical examination, Sanitation inspection for schools, Public health permit | 21,784,450 | 20,524,270 |
| Total | 21,784,450 | 20,524,270 |

10. Physical Planning and Development

| Description | FY 2022-2023 | FY 2021-2022 |
|-------------------------|---------------------|---------------------|
| | Kshs | Kshs |
| Building plans approval | 23,045,518 | 26,147,961 |
| Survey fees | 471,288 | 284,650 |
| Total | 23,516,806 | 26,432,611 |

11. Hire Of County Assets

| Description | FY 2022-2023 | FY 2021-2022 |
|--|---------------------|---------------------|
| | Kshs | Kshs |
| Agricultural Mechanisation Services (AMS) | 18,000 | - |
| Hire of Bukhungu County Stadia | 1,338,000 | 2,843,770 |
| Hire of County Halls | 549,200 | 413,250 |
| Bukura Agricultural Training Centre(ATC) and Conference facilities hire fee | 3,548,368 | 3,639,176 |
| Total | 5,453,568 | 6,896,196 |

Notes to the Financial Statement (Continued)

12. Conservancy Administration

| Description | FY 2022-2023 | FY 2021-2022 |
|-----------------------|----------------|----------------|
| | Kshs | Kshs |
| Disposal of carcasses | 30,250 | - |
| Nursery Fees | 2,800 | - |
| Noise control | 569,580 | 836,485 |
| Total | 602,630 | 836,485 |

13. Administration Control Fees and Charges

| Description | FY 2022-2023 | FY 2021-2022 |
|--------------------------|-------------------|-------------------|
| | Kshs | Kshs |
| Weights and measures | 590,050 | 427,380 |
| Fire Services compliance | 2,147,175 | 2,147,880 |
| Liquor licenses | 18,667,300 | 18,967,411 |
| Total | 21,404,525 | 21,542,671 |

14. Other Fines, Penalties and Forfeitures

| Description | FY 2022-2023 | FY 2021-2022 |
|-----------------|------------------|------------------|
| | Kshs | Kshs |
| Impounding Fees | 1,449,455 | 1,657,468 |
| Total | 1,449,455 | 1,657,468 |

15. Miscellaneous Receipts

| Description | FY 2022-2023 | FY 2021-2022 |
|------------------------|-------------------|-------------------|
| | Kshs | Kshs |
| Recoveries | 2,145,530 | - |
| Commissions | 5,495,909 | 12,956,749 |
| Direct credits(Others) | 14,586,418 | 763,005 |
| Total | 22,227,857 | 13,719,754 |

16. Proceeds from sale of assets.

| Description | FY 2022-2023 | FY 2021-2022 |
|----------------------|--------------|-------------------|
| | Kshs | Kshs |
| Disposal of vehicles | - | 30,589,738 |
| Total | - | 30,589,738 |

Notes to the Financial Statement (Continued)

17. Proceeds from agricultural subsidised products

| Description | FY 2022-2023 | FY 2021-2022 |
|--------------------------|---------------------|---------------------|
| | Kshs | Kshs |
| Farm inputs | 342,285,124 | 325,176,669 |
| Fish and Poultry Subsidy | 2,371,970 | - |
| Total | 344,657,094 | 325,176,669 |

18. Slaughter, stock sales and Veterinary services fees

| Description | FY 2022-2023 | FY 2021-2022 |
|---------------------|---------------------|---------------------|
| | Kshs | Kshs |
| Slaughter fees | 6,601,907 | 3,376,950 |
| Stock sales | 5,536,585 | 7,428,095 |
| Veterinary Services | 2,720,495 | 9,365,125 |
| Total | 14,858,987 | 20,170,170 |

19. Donations And Grants Not Received Through CRF

| Description | FY 2022-2023 | FY 2021-2022 |
|-----------------------------|---------------------|---------------------|
| | Kshs | Kshs |
| Receipts from IFAD | 14,731,859 | 11,544,152 |
| Receipts from KEPI-(UNICEF) | 11,129,850 | 20,473,300 |
| Total | 25,861,709 | 32,017,452 |

20. Bank Charges

| Description | FY 2022-2023 | FY 2021-2022 |
|----------------------------|---------------------|---------------------|
| | Kshs | Kshs |
| Bank Charges & commissions | - | - |
| Total | - | - |

*Receiver Of Revenue
County Government Of Kakamega
Revenue Statements for the Period Ended 30th June 2023*

Notes to the Financial Statement (Continued)

21. Bank Balances

| Name of Bank, Account No. & currency | Amount | Exc. rate (if in foreign currency) | FY 2022-2023 | FY 2021-2022 |
|--|---------------------|---|--------------|--------------|
| | | | Kshs | Kshs |
| Kakamega County Revenue collection Account | KCB,1141473194,Ksh | - | 8,398,139 | 2,539,726 |
| Kakamega General Hospital | KCB,1152009575,Ksh | - | 2,480,145 | - |
| Matunda Sub County Hospital | KCB,1152201298,Ksh | - | 44,186 | - |
| Matungu Sub County Hospital | KCB,1151917613,Ksh | - | 218,380 | - |
| Ighu Sub County Hospital | KCB,1151916242,Ksh | - | 146,624 | - |
| Malava Sub County Hospital | KCB,1152067672,Ksh | - | 409,880 | - |
| Kakamega county cashless account | KCB,1256775940,Ksh | - | 1,805,590 | 21,220 |
| Likuyani Sub County Hospital | KCB,1152196057,Ksh | - | 175,005 | - |
| Lumakanda Sub County Hospital | KCB,1151959294,Ksh | - | 139,021 | - |
| Matete Sub County Hospital | KCB,1297961277,Ksh | - | 103,950 | - |
| Navakholo Sub County Hospital | KCB,1151915580,Ksh | - | 139,761 | - |
| Kwisero Sub County Hospital | KCB,1297961617,Ksh | - | 85,930 | - |
| Kwisero Sub County Hospital NHIF | KCB,1297961080, Ksh | - | 795,868 | - |
| Mautuma Sub County Hospital | KCB,1151960772,Ksh | - | 10,621 | - |
| Makunga hospital revenue | KCB,1297961536,Ksh | - | 38,943 | - |
| Mumias level 4 Sub County Hospital | KCB,1297961366,Ksh | - | 51,435 | - |
| Butere Sub County Hospital | KCB,1152025627,Ksh | - | 437,672 | - |
| Manyala Sub County Hospital | KCB,1151913197,Ksh | - | 75,995 | - |

*Receiver Of Revenue
County Government Of Kakamega
Revenue Statements for the Period Ended 30th June 2023*

| | | | | |
|--------------------------------------|--------------------|---|--------|---|
| Public health shinyalu | KCB,1154393879,Ksh | - | 32,004 | - |
| Public health malava | KCB,1154393399,Ksh | - | 22,630 | - |
| Likuyani public health | KCB,1154215652,Ksh | - | 54,305 | - |
| Public health mumias- east | KCB,1153146207,Ksh | - | 47,978 | - |
| Khwisero public health | KCB,1155031067,Ksh | - | 21,653 | - |
| Public health-butere | KCB,1157945880,Ksh | - | 18,752 | - |
| Matungu public health | KCB,1154130371,Ksh | - | 42,379 | - |
| Mumias west public health | KCB,1154896889,Ksh | - | 88,101 | - |
| Navakholo public health | KCB,1154123057,Ksh | - | 9,252 | - |
| Ikolomani public health | KCB,1155208617,Ksh | - | 15,853 | - |
| Public health Lugari | KCB,1154305910,Ksh | - | 4,601 | - |
| Manyala Sub County Hospital NHIF | KCB,1151913421,Ksh | - | 2,760 | - |
| Likuyani Sub County Hospital NHIF | KCB,1152196227,Ksh | - | 5,651 | - |
| Butere Sub County HospitalNHIF | KCB,1152025295,Ksh | - | 3,035 | - |
| Kakamega County GeneralHospital NHIF | KCB,1152009362,Ksh | - | 14 | - |
| Navakholo Sub CountyHospital NHIF | KCB,1151915378,Ksh | - | 5,466 | - |
| Shibwe Sub County Hospital Revenue | KCB,1151916242,Ksh | - | 98,465 | - |
| Shibwe Sub County Hospital NHIF | KCB,1151915882,Ksh | - | 5,306 | - |
| Lumakanda Sub CountyHospital NHIF | KCB,1151958913,Ksh | - | 4,232 | - |
| Matungu Sub County Hospital NHIF | KCB,1151917370,Ksh | - | 2,781 | - |

*Receiver Of Revenue
County Government Of Kakamega
Revenue Statements for the Period Ended 30th June 2023*

| | | | | |
|--|-------------------------|---|-------------------|-------------------|
| Mautuma Sub County Hospital NHIF | KCB,1151960357,Ksh | - | 3,638 | - |
| Iguhu Sub County Hospital NHIF | KCB,1151916641,Ksh | - | 5,081 | - |
| Nabongo Dispensary | KCB,1152985973,Ksh | | -1 | - |
| Farm Inputs Collection Account KCB | KCB,1180391721,Ksh | - | 923 | 15,803,039 |
| Kakamega County Poultry and Fisheries Subsidy Account | KCB,1273609670,Ksh | - | 728 | - |
| Farm Input Fund Account | KCB,1240480695,Ksh | - | 4,756,826 | 189,956 |
| Makunga Hospital NHIF | COOP,01141498801900,Ksh | - | 1,209,868 | - |
| Malava Hospital Coop Account | COOP,1141631296000,Ksh | - | 16,808,124 | - |
| Farm Inputs Collection Account Cooperative | COOP,1141631600700,Ksh | - | 815,324 | 31,999,029 |
| Alcoholic Drinks Control Fund National Bank of Kenya NBK | NBK,1020110619200,Ksh | - | 17,842,025 | - |
| Total | | | 57,484,899 | 50,552,970 |

22. (a) Balance carried forward as at 30th June 2022 and subsequently transferred

| Ref | Amount (Kshs) | Date subsequently transferred |
|----------------|----------------------|--------------------------------------|
| Disbursement 1 | 50,552,970 | 15 July 2023 |
| Total | 50,552,970 | |

(This is a disclosure note indicating how the cash balance as at the end of the year has been subsequently disbursed to the CRF)

*Receiver Of Revenue
County Government Of Kakamega
Revenue Statements for the Period Ended 30th June 2023*

Notes to the Financial Statement (Continued)

23. Cash in hand

| Description | FY 2022-2023 | FY 2021-2022 |
|------------------------------|---------------------|---------------------|
| | Kshs | Kshs |
| Mobile Money(Mpesa Pay bill) | 304,837 | - |
| Total | 304,837 | - |

24. Payables- Due To CRF

| Payables | FY 2022-2023 | FY 2021-2022 |
|---|---------------------|---------------------|
| | Kshs | Kshs |
| Balance b/f at the beginning of the year | 50,552,970 | 24,603,655 |
| Amount collected during the year | 1,303,007,265 | 1,221,667,450 |
| Amounts disbursed to CRF during the year | (1,295,770,499) | (1,195,718,136) |
| Balance c/d at the end of the year | 57,789,736 | 50,552,970 |

This relates to amounts yet to be disbursed to the exchequer at the end of the financial year. The amount has been supported by the bank balances as per note 19 above.

Notes to the Financial Statement (Continued)

25. Ageing Analysis of Revenue in Arrears

| Description (indicate as applicable) | Less than 1 year | Between 1-2 years | Between 2-3 years | Over 3 years | Total |
|--|------------------|-------------------|-------------------|--------------|----------------------|
| Land rate | | | | | 2,435,499,723 |
| Total (agree to statement of arrears) | | | | | 2,435,499,723 |

26. Appendices

Appendix 1: A Report of Waivers and Variations of Fees or charges granted by the Receiver of Revenue during the year.

| S/No | Name of person / organisation benefitting from waiver/ variation | Year in which waiver/ variation relates | Amount of variation/ waiver (fee or charge) | Reasons for waiver/ variation | The law in terms of which the variation/waiver was granted |
|------|--|---|---|-------------------------------|--|
| 1 | - | - | - | - | - |
| 2 | - | - | - | - | - |
| 3 | - | - | - | - | - |
| 4 | - | - | - | - | - |
| 5 | - | - | - | - | - |
| 6 | - | - | - | - | - |
| 7 | - | - | - | - | - |
| 8 | - | - | - | - | - |
| 9 | - | - | - | - | - |
| 10 | - | - | - | - | - |

(PFMACT section 165 subsection 4, 5)



Sign and date 28/09/2023
 Accounting Officer

Appendix 2: Progress on follow up of prior Year Auditor 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) |
|--|--|---|-----------------------------------|--|
| 1. | <p>Unsupported Outstanding Land/Poll Rate Arrears The statement of arrears of revenue reflects land or poll rate arrears of Kshs.2,435,499,723 as at 30 June, 2022. However, the list of the defaulters and the ageing analysis were not provided for audit review to support the amount. In the circumstance, the accuracy of the statement of arrears of revenue could not be confirmed.</p> | <p>The Land /Poll rate arrears is available for review by the auditor to ascertain its accuracy</p> | Not Resolved | June 2024 |
| 2. | <p>Unconfirmed Donations and Grants not Received Through the County Revenue Fund The statement of receipts and disbursements reflects donations or grants not received through the County Revenue Fund (CRF) amount of Kshs.43,553,015. However, the amount is at variance with Kshs.32,017,452 shown in the supporting schedules resulting to unexplained and unreconciled variance of Kshs.11,535,563. In addition, the donations or grants not received through the CRF amount of Kshs.43,553,015 includes an amount of Kshs.32,008,863 which was not supported by</p> | <p>The revised schedule and grants agreements are available for review by the auditor to ascertain its accuracy</p> | Not resolved | June 2024 |

Receiver Of Revenue
 County Government Of Kakamega
 Revenue Statements for the Period 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) |
|--|---|--|-----------------------------------|--|
| | grant agreements and /or other documents. In the circumstances, the accuracy , completeness and authenticity of the donations or grants not received through CRF amount of Kshs.43,553,015 could not be confirmed. | | | |
| 3. | Unconfirmed Comparative Balances The Financial Statements reflects comparative years relating to the year ended 30 June, 2021. However, the amounts reflected for the comparative years in the financial statements of disbursements and statement of financial assets and liabilities were not audited accordingly. Under the circumstances, the accuracy and completeness of the opening balances could not be confirmed | The Financial statements for the comparative year are available for audit. | Not resolved | June 2024 |
| 4. | Unconfirmed Cash and Cash Equivalents The statements of financial assets and liabilities reflects cash and cash equivalents balance of Kshs.50,552,970 which , as disclosed in Note 1 to the revenue statements, comprises of balances in FIVE(5) bank accounts held in two (2) local banks. However, bank reconciliation statements in support of the two accounts with balances of Kshs.31,999,029 and Kshs.15,803.039 respectively. | The bank reconciliations are available for audit by the auditor | Not resolved | June 2024 |

*Receiver Of Revenue
County Government Of Kakamega
Revenue Statements for the Period 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) |
|--|--|---|-----------------------------------|--|
| | were not provided for audit review. In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs. 50,552,970 could not be confirmed. | | | |
| 5. | Other Matter Under-Collection of Revenue The statement of comparison of budget and actual amounts indicates that during the year under review, the receiver of revenue had a revenue collection budget of Kshs.1,600,000.00 but realised actual of Kshs.1,221,667,450 resulting to under-collection of Kshs.378,332,550 or 24% of the budget amount. The under-collection of revenue may have affected the planned activities and may have impacted negatively on service delivery to the public. | The under-collection was occasioned by a number of factors as reflected in the audited financial statements for the same period | Not resolved | June 2024 |

J. Aggrey Musindalo
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Name.CPA Aggrey Musindalo
County Receiver of Revenue

Date *28/09/2023*

Geoffrey Babu
.....

Name CPA Geoffrey Babu
Head of Revenue Reporting
ICPAK M/No.17187

Date *28/09/2023*

