

REPUBLIC OF KENYA



Enhancing Accountability

DATE	27-02-2024
TABLED BY	MAJORITY LEADER
COMMITTEE	FINANCE & BUDGET
CLERK AT THE TABLE	C. CHEROP

REPORT OF

THE AUDITOR-GENERAL

PARLIAMENT
OF KENYA
LIBRARY

ON

**RECEIVER OF REVENUE –
REVENUE STATEMENTS**

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

**COUNTY GOVERNMENT OF
KILIFI**

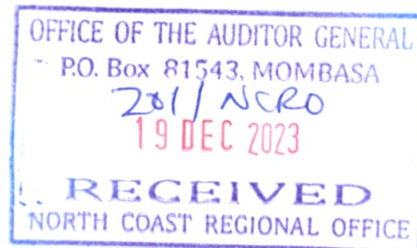


RECEIVER OF REVENUE
County Government of Kilifi

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 Kilifi
Revenue Statements for the Period Ended 30 June, 2023*

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1. Acronyms and Glossary of Terms

a) Acronyms

AMS	Agricultural Mechanization Services
CA	County Assembly
CECM	County Executive Committee Member
CILOR	Contribution in Lieu of Rates
CoB	Controller of Budget
CRF	County Revenue Fund
FIF	Facility Improvement 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 County Government 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 was designated as a receiver on July 2022 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 Kilifi day-to-day management of revenue is under the following:

No.	Name	Designation	Department/Division
1.	Hon. Yaye Shosi Ahmed	County Executive Committee Member	Finance and Economic Planning
2	Hon. John Raymond Ngala	County Executive Committee Member	Finance and Economic Planning
2.	Winnie Wakati Luwali	Chief Officer – Finance	Finance and Economic Planning
3.	Lawrence Mwazonga Bokoro	Chief Officer – Resource Mobilization	Finance and Economic Planning
4	Jacinta Ismael	Chief Officer – Economic Planning	Finance and Economic Planning

Key County Government Information and Management (continued)

(d) County Headquarters

County Government of Kilifi
Governor's office Building
Bofa Road
Kilifi, Kenya

(e) County Government of Kilifi Contact Details

P.O. Box 519-80108, Kilifi
Telephone: (254)
E-mail: info@kilifi.go.ke
Website: www.kilifi.go.ke

(f) Independent Auditor

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

(g) Principal Legal Adviser

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

(h) Bankers

- 1) Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
- 2) Kenya Commercial Bank
Kilifi Branch

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- 3) National Bank
Malindi Branch
- 4) Cooperative Bank
Kilifi Branch
- 5) NCBA Bank
Kilifi Branch
- 6) Absa Bank
Kilifi Branch
- 7) SBM Bank
Malindi Branch

i. The County Attorney
County Government of Kilifi
P.O. Box 519 - 80108
Kilifi, Kenya

3. Foreword by the CECM Finance and Economic Planning

Preamble

It is with great pleasure that I present the Revenue Statements for the year ended 30 June 2023 for the County Government of Kilifi. The Revenue Statements present the County's revenue performance for the period of twelve months.

The Revenue Statements have been prepared in accordance with Section 165 of the Public Finance Management Act, 2012 which 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. This shall include a statement of receipts and disbursement in a form prescribed by the Accounting Standards Board. These revenue statements present a true and fair view of the state of affairs of the County Revenue operations for the year ended 30 June 2023.

The Receiver of Revenue is established in accordance with Section 157 of the Public Finance Management Act, 2012 which states that the County Executive Committee Member for finance shall, in writing, designate persons to be responsible for collecting, receiving and accounting for such county government revenue as the County Executive Committee Member for Finance may specify in their letters of designation. The Receiver of County Government Revenue is also responsible to the County Executive Committee Member for Finance for ensuring that the revenue for which the receiver is responsible is collected or recovered, and is accounted for.

The disbursements of the revenue to the County Revenue Fund were done in accordance with the Public Finance Management Act, 2012 Section 109 (6) which requires the County Treasury for each county government shall ensure that all money raised or received by or on behalf of the county government is paid into the County Revenue Fund, except money that— (a) is excluded from payment into that Fund because of a provision of this Act or another Act of Parliament, and is payable into another county public fund established for a specific purpose; (b) may, in accordance with other legislation, this Act or County legislation, be retained by the County government entity which received it for the purposes of defraying its expenses; or (c) is reasonably excluded by an Act of Parliament as provided in Article 207 of the Constitution.

Revenue

In the financial year ended 30 June 2023,

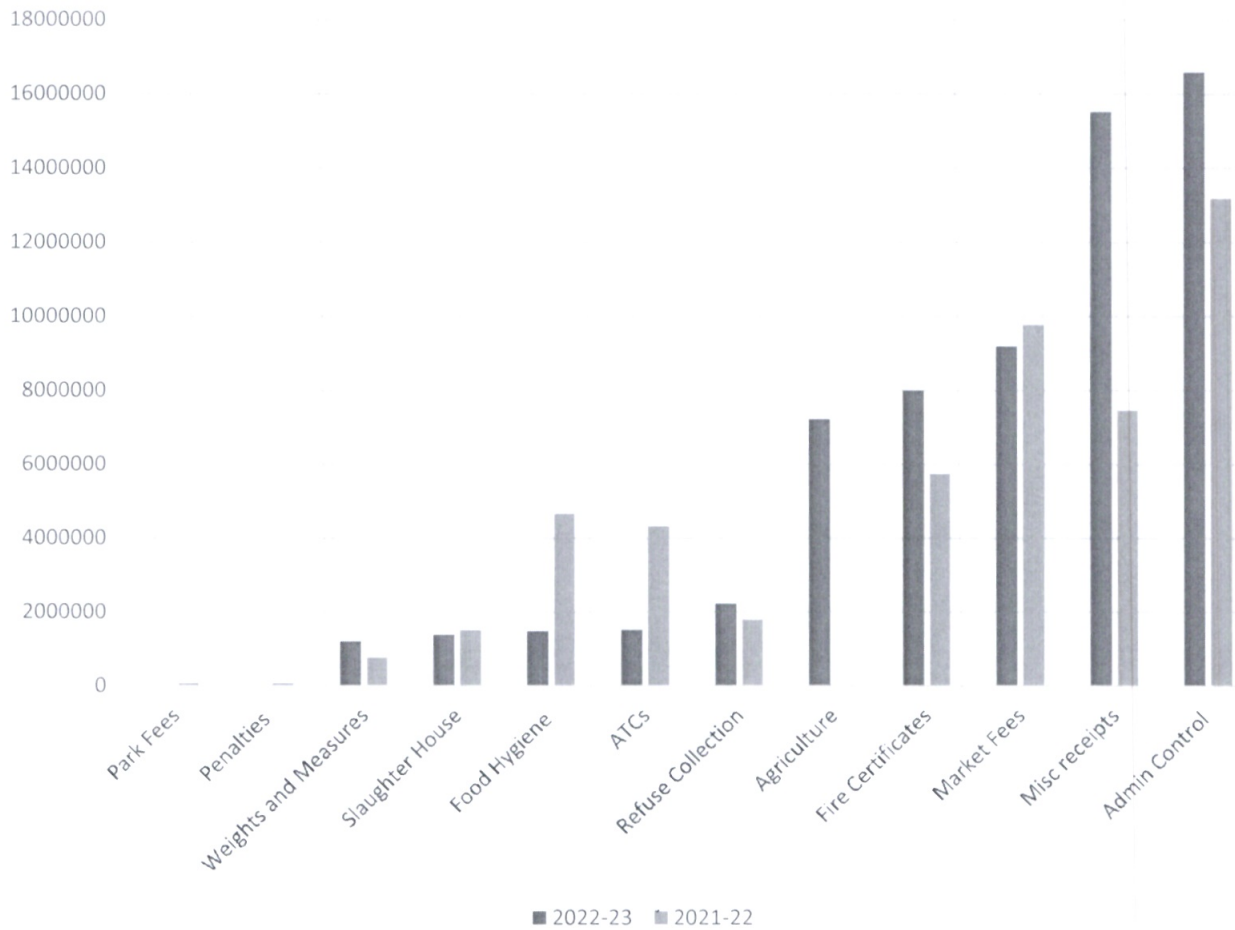
Receiver of Revenue
County Government of Kilifi
Revenue Statements for the Period ended 30 June, 2023

the County collected a total of Kshs, 1,003,644,804 as compared to Kshs. 847,473,210 reported in the previous period. Therefore, revenue collection improved by Kshs. 156,171,594 which translates to an increase of 18%. Table and graph of various revenue streams as shown below;

Revenue Collection from various Streams

Description	Note	2022/23	2021/22
		Kshs	Kshs
County Own Source Revenue			
Cess	1	233,503,005	252,918,783
Land/Poll Rates	2	147,899,106	107,510,206
Single/Business Permits	3	61,516,823	49,927,962
Property Rent	4	23,332,067	22,501,094
Parking Fees	5	23,915,034	25,193,407
Market Fees	6	9,193,837	9,769,231
Advertising	7	25,484,587	31,137,223
Hospital Fees	8	404,392,902	280,113,841
Public Health Service/Food Hygiene Fees	9	1,476,005	4,655,270
Physical Planning and Development	10	35,680,021	36,869,147
Hire Of County Assets/AMS/ATCs	11	1,524,145	4,327,310
Conservancy Admin/Refuse Collection Fees	12	2,224,900	1,783,599
Administration Control fees & Charges	13	16,579,560	13,115,660
Agriculture	14	7,241,403	-
Education, Youth & Social Services	15	-	3,500
Park Fees	16	-	72,000
Fines, Penalties and Forfeiture Fees	17	337,801	123,700
Slaughter House and Livestock sale Yards	18	1,379,065	-
Miscellaneous Receipts	19	7,688,134	7,451,281
Cemetery	20	3,000	-
Forestry Products & Cutting of Trees	21	273,409	-
Total County Own Source Revenue		1,003,644,804	847,473,210
Other Receipts			
Donations/Grants Not Received Through CRF		-	-
Total Other Receipts		-	-
Total Receipts		1,003,644,804	847,473,210
Balance B/f at the Beginning of the Year	22	728,756,252	762,414,629
Less			
Disbursements to County Revenue Fund (CRF)		(603,675,375)	(469,785,879)
Suspense Account	23	(2,972,329)	-
Balance due for Disbursement before Adjustments		1,125,753,352	1,140,101,964

REVENUE COLLECTION PER STREAM
FY 2022/2023 COMPARED TO FY 2021/2022



*Receiver of Revenue
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Revenue Statements for the Period ended 30 June, 2023.*

Disbursements

During the financial year under review, a total of Kshs. 603,675,375 was disbursed to the County Revenue Fund as compared to Kshs. 469,785,879 in the financial year 2021/2022. This denoted an increase of 29%.

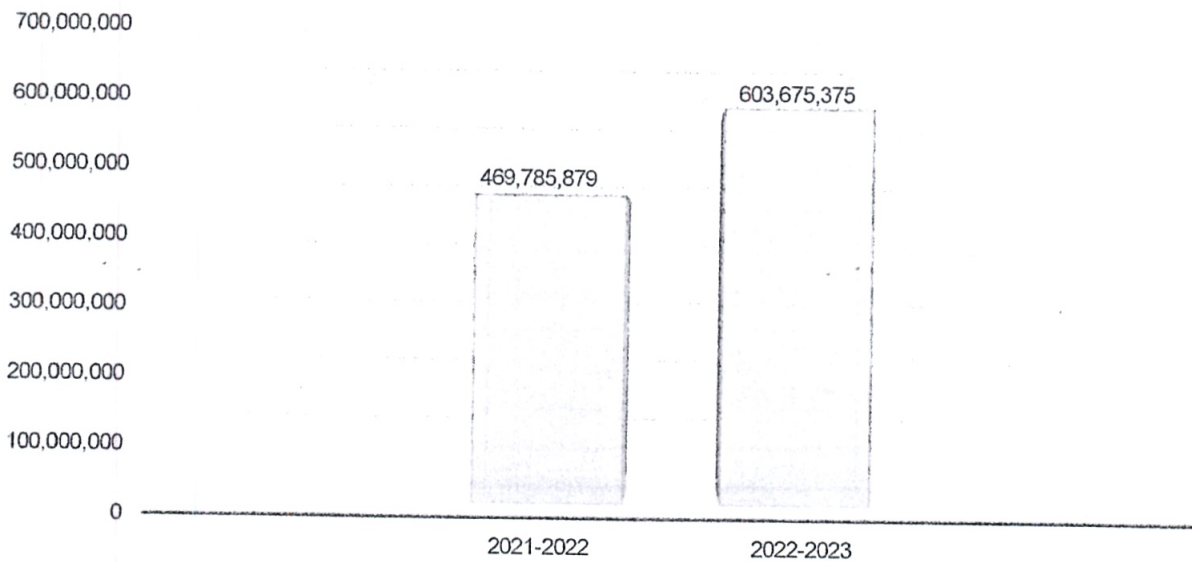
Health revenues collected are banked in accounts operated under Hospital Services Improvement Fund. The Fund collects revenues and incurs expenditures without transferring revenues to County Revenue Fund (CRF). These revenues are therefore not due to CRF.

A transfer to CRF during the last three years is as follows;


TRANSFERS TO COUNTY REVENUE FUND

Description	2022/23 Kshs	2021/22 Kshs
Amounts disbursed to CRF during the year	603,675,375	469,785,879

AMOUNT TRANSFERRED TO CRF



□ AMOUNT TRANSFERRED TO CRF



Date _____

Hon. John Raymond Ngala
County Executive Committee Member
Department of Finance and Economic Planning

*Receiver of Revenue
County Government of Kilifi
Revenue Statements for the Period ended 30 June, 2023*

4. Management Discussion and Analysis

Revenue collection during the Financial Year 2022/2023 was Kshs. 1,003,644,804 as compared to Kshs. 847,473,210 in the Financial Year 2021/2022.

The County Government of Kilifi has various revenue streams as shown in the table below;

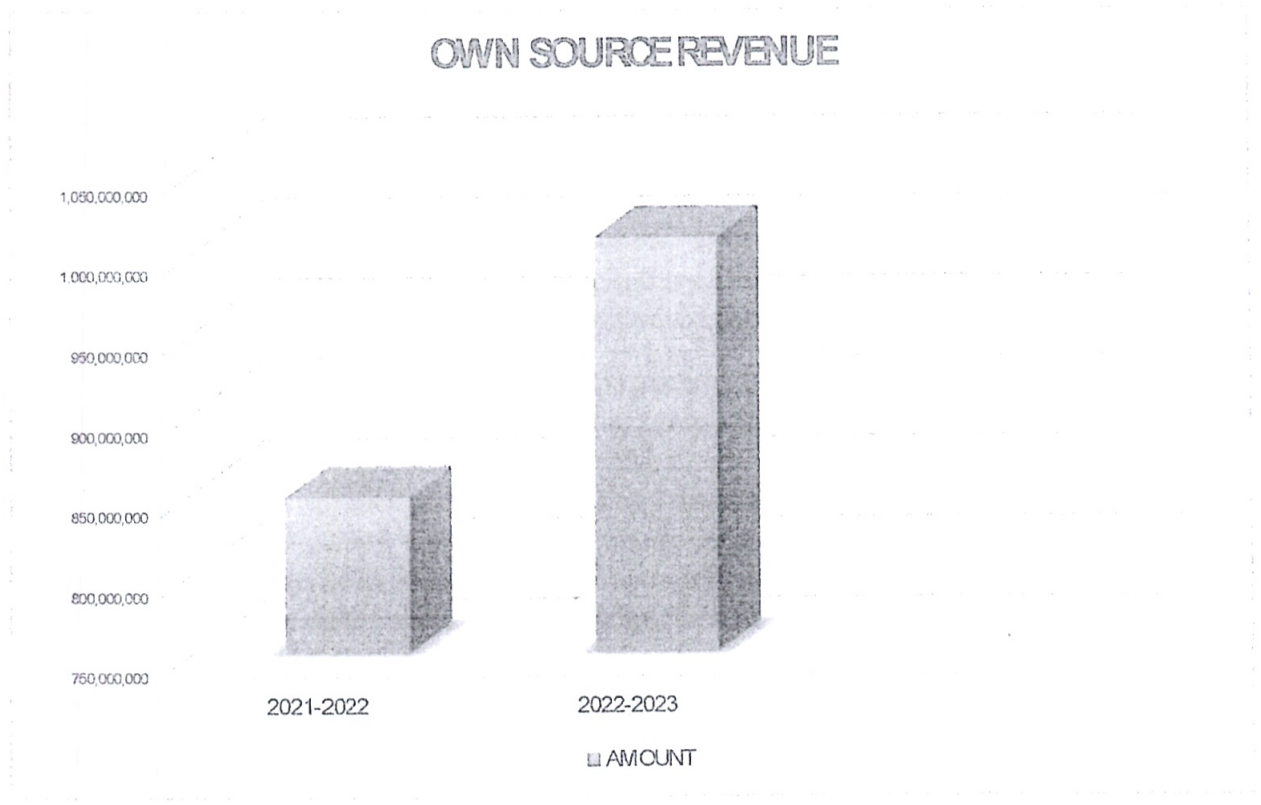
REVENUE STREAMS

The Own Source Revenue collected during the Financial Years 2022/2023 and 2021/2022 is depicted as follows;

Description	Note	2022/23 Kshs	2021/22 Kshs
County Own Source Revenue			
Cess	1	233,503,005	252,918,783
Land/Poll Rates	2	147,899,106	107,510,206
Single/Business Permits	3	61,516,823	49,927,962
Property Rent	4	23,332,067	22,501,094
Parking Fees	5	23,915,034	25,193,407
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Hospital Fees	8	404,392,902	280,113,841
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Physical Planning and Development	10	35,680,021	36,869,147
Hire Of County Assets/AMS/ATCs	11	1,524,145	4,327,310
Conservancy Admin/Refuse Collection Fees	12	2,224,900	1,783,599
Administration Control fees & Charges	13	16,579,560	13,115,660
Agriculture	14	7,241,403	-
Education, Youth & Social Services	15	-	3,500
Park Fees	16	-	72,000
Fines, Penalties and Forfeiture Fees	17	337,801	123,700
Slaughter House and Livestock sale Yards	18	1,379,065	-
Miscellaneous Receipts	19	7,688,134	7,451,281
Cemetery	20	3,000	-
Forestry Products & Cutting of Trees	21	273,409	-
Total County Own Source Revenue		1,003,644,804	847,473,210
Other Receipts			
Donations/Grants Not Received Through CRF		-	-
Total Other Receipts		-	-
Total Receipts		1,003,644,804	847,473,210

Receiver of Revenue
County Government of Kilifi
Revenue Statements for the Period ended 30 June, 2023

Balance B/f at the Beginning of the Year	22	728,756,252	762,414,629
Less			
Disbursements to County Revenue Fund (CRF)		(603,675,375)	(469,785,879)
Suspense Account	23	(2,972,329)	-
Balance due for Disbursement before Adjustments		1,125,753,352	1,140,101,964



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 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 County Government of Kilifi,
- (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 Government of Kilifi,
- (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 County Government of Kilifi 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 and the County Government of Kilifi. The Receiver of Revenue is of the opinion that the County Government of Kilifi Receiver of Revenue Account gives a true and fair view of the state of transactions, assets and liabilities during the financial year ended June 30, 2023. 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 controls.

The Receiver of Revenue confirms that the County Government of Kilifi has complied fully with applicable Government Regulations and the terms of external financing covenants. 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 2023

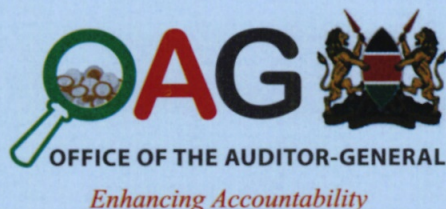

.....
Hon. John Raymond Ngala

County Executive Committee Member

Department of Finance and Economic Planning

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON RECEIVER OF REVENUE - REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2023 - COUNTY GOVERNMENT OF KILIFI

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 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

Adverse Opinion

I have audited the accompanying revenue statements of Receiver of Revenue - County Government of Kilifi set out on pages 1 to 21, which comprise of the statement of financial

assets and liabilities as at 30 June, 2023, statement of receipts and disbursements 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the revenue statements do not present fairly, the financial position of the Receiver of Revenue-County Government of Kilifi as at 30 June, 2023, and of its financial performance for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1.0 Inaccuracies in the Presentation and Disclosure of the Revenue Statements

Review of the revenue statements revealed the following:

- i. The statement of receipts and disbursements reflects County Own Source Revenue totalling to Kshs.1,003,644,804. However, the schedule provided from Kilifi Pay (Revenue collection system) revealed several unexplained variances as indicated in the table below:

Revenue	Amount (Kshs)		
	Revenue Statement	Kilifi Pay	Variance
Single Business Permit			
Single Business Permit – Current Year	61,118,947	80,074,543	18,955,596
Single Business Permit – Other Years	176,500	0	176,500
Single Business Permit – Penalties	123,326	0	123,326
Application fees	28,100	0	28,100
Impounding fees	45,200	0	45,200
Fish Traders	24,750	0	45,200
Property Rent			
County Housing/Rent on Staff payroll	6,003,684	0	6,003,684
Plot Rent	7,360,159	0	7,360,159
Stalls/kiosks rent	9,968,225	9,094,250	873,975
Conservancy Administration			
Garbage Damping/Dumpsite Fees	10,400	0	10,400
Refuse Collection/Disposal Fees	2,170,500	2,167,200	3,300
Cesspit Emptying/Sewerage Fees	44,000	0	44,000
Fire Certificates			
Fire Services	8,001,100	8,331,200	330,100

- ii. The statement of receipts and disbursements reflects a balance brought forward at the beginning of the year of Kshs.728,756,252 while the corresponding Note 22 to the revenue statements refer to prior year adjustment of balance due to County Revenue Fund which is not supported/explained and is not in line with the template provided by The National Treasury. Further, the amount does not agree to the previous audited financial statements balance adjustments of Kshs.816,045,933 resulting to unexplained variance of Kshs.87,289,681.
- iii. The statement of arrears of revenue reflected Kshs.Nil balance in respect of property rent and single/business permits while review of the County records revealed arrear on Property rent of Kshs.45,734,884,937 and House Stalls amount Kshs.139,881,551 respectively. In addition, Management did not disclose the aging analysis of arrears of revenue.

In the circumstances, the accuracy and completeness of the statement of the revenue could not be confirmed.

2.0 County Own Source Revenue

The statement of receipts and disbursements reflects County own source revenue amount of Kshs.1,003,644,804. However, review of records revealed the following anomalies:

i. Unsupported Revenue

The trial balance provided showed bank and cash balances which were not support by ledgers.

ii. Unsupported Physical Planning and Development Revenue

The statement of receipts and disbursements and as disclosed in Note 10 to the revenue statements reflects revenue from physical planning and development amount of Kshs.35,680,021 in respect of building plans approval out of which an amount of Kshs.14,395,003 relates to revenue collect between January and June, 2023. However, the register for July to December, 2022 was not provided for audit review. In addition, summary of revenue performance for the year under review indicates no revenue in respect of this stream, while Kilifi pay system reflects revenue collected amounting to Kshs.1,905,957 in respect of development control. This inconsistency has not been explained.

iii. Unsupported Conservancy Administration/Refuse Collection Fees

The statement of receipts and disbursements and as disclosed in Note 12 to the revenue statements reflects revenue amount of Kshs.2,224,900 in respect of conservancy administration/refuse collection fees. However, supporting schedule was not provided for audit review. Further, included in this amount is revenue of Kshs.44,000 classified as cesspit emptying/sewerage fees which is not defined in the Finance Act 2023.

iv. Unsupported Revenue from Liquor Licenses

The statement of receipts and disbursements and as disclosed in Note 13 to the revenue statements reflects revenue amount of Kshs.16,579,560 in respect of administration control fees and charges out of which an amount of Kshs.7,352,700 was in respect of liquor licenses. However, a register of all the alcoholic drink outlets in the County (all new applicants during the year under review and renewed licenses) were not provided for audit review.

v. Revenue from Agriculture Stream

The statement of receipts and disbursements and as disclosed in Note 14 to the revenue statements reflects revenue amount of Kshs.7,241,403 in respect of revenue from agriculture which was not supported by schedules, daily receipts and cash books.

vi. Inaccuracies in Cess Revenue

The statement of receipts and disbursements and as disclosed in Note 1 to the revenue statements reflects Cess revenue amount of Kshs.233,503,005 while KCB Cess collection account reflects total receipts of Kshs.200,037,252 resulting to unexplained variance of Kshs.33,465,753. In addition, Kilifi Revenue Management System reported collections totalling to Kshs.93,446,641 resulting to unexplained variance of Kshs.140,056,364. Further, an incorrect Mpesa reversal of Kshs.41,000 captured in the cashbook for the month of April, 2023 was not reported in the bank and other unpaid cheques and Mpesa reversals totalling to Kshs.2,825,278 were long outstanding in the cashbook/bank reconciliation statements.

vii. Doubtful Recovery of Accumulated Land Rates, Arrears, Penalties and Interest

The statement of receipts and disbursements and as disclosed in Note 2 to the revenue statements reflects Land/Poll rates of Kshs.147,899,106. During the year under review, revenue realized from arrears in land rates amounted to Kshs.18,131,470. However, analysis of the list of land rates defaulters revealed that the County was owed Kshs.31,043,400,120 in land rates, rate in arrears, penalties and interests as at 30 June, 2023. No plausible explanation was provided why the revenue was not collected from the defaulters.

viii. Unsupported Revenue from Property Rent

The statement of receipts and disbursements and as disclosed in Note 4 to the revenue statements reflects an amount of Kshs.23,332,067 being property rent in respect to County housing, plot rent and stalls/kiosk rent. However, the county housing register provided indicated that as at 30 June, 2023 there were one hundred and seventy-five (175) housing units, ninety-two (92) with monthly rent income of Kshs.396,000 which were under the County's management while eighty-three (83) were still managed under National Housing Cooperation. Out of the ninety-two (92) houses, twenty-five (25) houses had rent arrears amount of Kshs.1,560,255 which was however not disclosed in the statement of arrears of revenue. In addition, aging analysis for the outstanding amount was not provided for audit review. Further, sixty-two (62) houses with monthly rent

amount of Kshs.113,000 were occupied by civilians. Review of stalls/kiosks rent records revealed rent arrears of Kshs.140,903,018 which was not disclosed in the revenue arrears statement. In addition, records revealed property rent amount of Kshs.6,003,684 relating to house rent, Kshs.7,360,159 relating to plot rent and Kshs.9,968,225 relating to kiosks and stall rent respectively whose tenancy and lease agreements were not provided for audit review.

In the circumstances, the accuracy and completeness of the County Own Source Revenue could not be confirmed.

3.0 Unsupported Financial Assets Balance

The statement of financial assets and liabilities reflects total financial assets balance of Kshs.676,044,262 which includes a cash at bank balance of Kshs.674,593,438 and cash in hand balance of Kshs.1,450,824. However, cashbooks and reconciliation statements for Main Revenue Account, Land Rates Revenue, NBK Kilifi, ATC Revenue, KCB Mtwapa, Lands and Housing Revenue Collection, ABSA Kilifi; Payroll Commissions and NIC Kilifi were not provided for audit. Cash in hand balance of Kshs.1,450,824 was also not supported by board of survey certificate.

In the circumstances, the accuracy and completeness of the total financial assets balance could not be confirmed.

4.0 Irregular Disbursements

The statement of receipts and disbursements reflects balance due for disbursements totalling to Kshs.1,125,753,352. Included in these disbursements is an amount of Kshs.45,171,180 in respect of transfers to a company contracted by the County Government for collection of cess and parking fees revenue on 20 February, 2014. The disbursements to the service provider was irregular in that it was deducted at source. Further, monthly payment to the service provider of Kshs.3,969,015 was only paid in the first three (3) and irregularly changed to Kshs.3,696,015 in the subsequent nine (9) months against the court order provisions of Kshs.3,969,015.

In the circumstances, the disbursements of salaries to service provider is irregular and Management was in breach of the law.

5.0 Inaccuracy in Statement of Arrears of Revenue

The statement of arrears of revenue reflects total arrears of Kshs.46,738,989,911 in respect of land rates whose accuracy could not be confirmed due to redundancy of data in the system as explained by Management

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Receiver of Revenue - County Government of Kilifi 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 adverse opinion.

Emphasis of Matter

Budgetary Control and Performance

Statement of comparison of budget and actual amounts reflects final targets of revenue collection from County own source revenue totalling to Kshs.1,371,385,905 and actual on comparable basis totalling to Kshs.1,003,644,804 resulting to under-collection of Kshs.367,741,101 or 27%. A review of the revenue streams revealed that out of the 16 revenue streams only three (3) realised above 50% as nine (9) of them did not realize 50% of their respective budgets. In addition, four (4) streams of revenue surpassed their respective budgets by collecting more than 100%. The County may not have realized projected project implementation and expected objectives due to the under collections.

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 financial 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with Court Order

As previously reported, on 17 January, 2022, interim orders were issued by the Court restraining the County Government of Kilifi and/ or any other third party by themselves and/ or their servants and or agents and/ or employees from taking over collection of cess and parking revenue and those orders were extended until 3 February, 2022 when the matter would have been placed before the Court for directions. However, on 15 January, 2022, the County Department of Finance had issued a public notice warning traders against paying money to the outsourced service provider, and instead directed them to pay their dues to the County revenue officers effective from 17 January, 2023. The direct collection and banking of cess and parking fees revenues from 17 January, 2022 to 3 February, 2022 amounting to Kshs.22,437,037 by the County Government was therefore in contravention of the Court order. In addition, the resumption

of cess and parking fees revenue collection by the County was before termination of the contract between the outsourced service provider and the County Government.

In the circumstances, Management was in breach of the law.

2. Failure to Designate a Receiver of Revenue

Information disclosed under key County Government information and Management indicates that the Receiver of Revenue is under the Department of Finance and Economic Planning while at the County Executive Committee level, the Receiver of Revenue is represented by the County Executive Committee Member (CECM) for Finance and Economic Planning who is responsible for the general policy and strategic direction of the Receiver of Revenue. The revenue statements have been signed by Hon. John Raymond Ngala, the CECM for Finance and Economic Planning. Even though it is indicated that the Receiver of Revenue was designated as a receiver in July 2022 by the CECM for Finance and Economic Planning, it was observed that during the year under review, the CECM for finance and economic planning docket was occupied by two (2) CECMs at different times. Consequently, the completeness of the designation of the Receiver of Revenue could not be ascertained.

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 financial 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

Failure to Fully Automate Revenue Collection

During the period under review, it was observed that the County used both the manual and electronic methods of revenue collection. Official receipt books were issued from the central stores and received in the revenue department for distribution to the revenue collectors within the County. Review of records revealed the following:

- a. Department of revenue were not maintaining an up to date counter receipt book register as details of when the receipt books were returned, examined and audited were not posted.

- b. Collection control sheets used to account for the money collected through manual receipt books were not being maintained at the county revenue office or sequentially filed to confirm which months had not been surrendered.
- c. Daily collection sheets were not signed by Sub-County revenue officers and supervisors.
- d. Board of survey was not performed.
- e. Review of the revenue collection process, in relation to the collection of parking fees in cash revealed that summaries of daily collections were not reviewed/confirmed by supervisors.

In the circumstances, the effectiveness and efficiency of the revenue collection could not be confirmed.

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 controls 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 controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Receiver of Revenue's ability to continue to sustain its 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 Receiver of Revenue or to cease 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 the Receiver of Revenue'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 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 financial 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 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 controls would not necessarily disclose all matters in the internal controls 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 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 controls 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 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 controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of 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 Receiver of Revenue'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 Receiver of Revenue to cease 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 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 controls 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

26 January, 2024

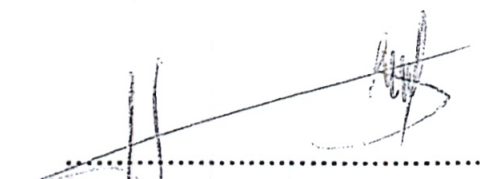
*Receiver of Revenue
County Government of Kilifi
Revenue Statements for the Period ended 30 June, 2023*

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


Description	Note	2022/23	2021/22
		Kshs	Kshs
County Own Source Revenue			
Cess	1	233,503,005	252,918,783
Land/Poll Rates	2	147,899,106	107,510,206
Single/Business Permits	3	61,516,823	49,927,962
Property Rent	4	23,332,067	22,501,094
Parking Fees	5	23,915,034	25,193,407
Market Fees	6	9,193,837	9,769,231
Advertising	7	25,484,587	31,137,223
Hospital Fees	8	404,392,902	280,113,841
Public Health Service/Food Hygiene Fees	9	1,476,005	4,655,270
Physical Planning and Development	10	35,680,021	36,869,147
Hire Of County Assets/AMS/ATCs	11	1,524,145	4,327,310
Conservancy Admin/Refuse Collection Fees	12	2,224,900	1,783,599
Administration Control fees & Charges	13	16,579,560	13,115,660
Agriculture	14	7,241,403	-
Education, Youth & Social Services	15	-	3,500
Park Fees	16	-	72,000
Fines, Penalties and Forfeiture Fees	17	337,801	123,700
Slaughter House and Livestock sale Yards	18	1,379,065	-
Miscellaneous Receipts	19	7,688,134	7,451,281
Cemetery	20	3,000	-
Forestry Products & Cutting of Trees	21	273,409	-
Total County Own Source Revenue		1,003,644,804	847,473,210
Other Receipts			
Donations/Grants Not Received Through CRF		-	-
Total Other Receipts		-	-
Total Receipts		1,003,644,804	847,473,210
Balance B/f at the Beginning of the Year	22	728,756,252	762,414,629
Less			
Disbursements to County Revenue Fund (CRF)		(603,675,375)	(469,785,879)
Suspense Account	23	(2,972,329)	-
Balance due for Disbursement before Adjustments		1,125,753,352	1,140,101,964
Adjustments			
Less: Bank Charges	24	(145,009)	-
Less: Transfers to Rain Drop Ltd (Services)	25	(45,171,180)	-
Less: Hospital Revenue Accounts	8	(404,392,902)	-
Balance Due for Disbursement	26 & 27	676,044,262	728,756,252

*Receiver of Revenue
County Government of Kilifi
Revenue Statements for the Period ended 30 June, 2023*

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



.....
Hon. John Raymond Ngala
County Executive Committee Member
Finance and Economic Planning



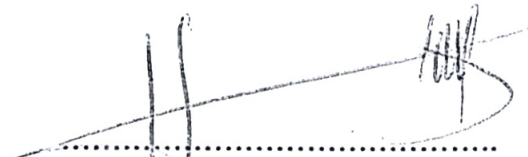
.....
Lawrence Mwazonga Bokoro
Chief Officer – Resource Mobilization
ICPAK M/No 3764


*Receiver of Revenue
County Government of Kilifi
Revenue Statements for the Period ended 30 June, 2023*

8. Statement of Financial Assets and Liabilities as at 30 June, 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash & Cash Equivalents			
Bank Balances	26	674,593,438.	754,023,696
Cash In Hand	27	1,450,824	298,830
Total Financial Assets		676,044,262	754,322,526
Financial Liabilities			
Payables-Due to CRF	28	676,044,262.	754,322,526
Total Financial Liabilities		676,044,262	754,322,526

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 _____ 2023 and signed by:


.....
Hon. John Raymond Ngala
County Executive Committee Member
Finance and Economic Planning


.....
Lawrence Mwazonga Bokoro
Chief Officer – Resource Mobilization
ICPAK M/No 3764

Receiver of Revenue
County Government of Kilifi
Revenue Statements for the Period ended 30 June, 2023

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

Receipt	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% Of Realization
	A	B	C=A+B	D	E=C-D	F=D/C %
County Own Source Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Cess	259,034,054	-	259,034,054	233,503,005	25,531,049	90
Land Rate	319,066,961	-	319,066,961	147,899,106	171,167,855	46
Single/Business Permits	72,613,623	-	72,613,623	61,516,823	11,096,800	85
Property Rent	66,266,000	-	66,266,000	23,332,067	42,933,933	35
Parking Fees	51,306,811	-	51,306,811	23,915,034	27,391,777	47
Market Fees	25,000,000	-	25,000,000	9,193,837	15,806,163	37
Advertising	30,000,000	-	30,000,000	25,484,587	4,515,413	85
Hospital Fees/HSIF	250,000,000	100,000,000	350,000,000	404,392,902	-54,392,902	116
Public Health Service/Food Hygiene Fees	10,000,000	-	10,000,000	1,476,005	8,523,995	15
Physical Planning and Development	25,000,000	-	25,000,000	35,680,021	-10,680,021	143
Hire Of County Assets/AMs/ATCs	25,000,000	-	25,000,000	1,524,145	23,475,855	6
Conservancy Admin/Refuse Collection	1,262,000	-	1,262,000	2,224,900	-962,900	176
Administration Control Fees (Weights & Measures, Fire Services, Liquor Licenses)	6,000,000	-	6,000,000	16,579,560	-10,579,560	276
Leasing of Plans & Equipment	16,387,528	-	16,387,528	0	16,387,528	0
Slaughter House & Livestock sale Yards	10,000,000	-	10,000,000	1,379,065	8,620,935	14
Miscellaneous Receipts(Others, Fines, Penalties, Forestry products)	104,448,928	-	104,448,928	15,543,747	88,905,181	15
Total County Own Source Revenue	1,271,385,905	100,000,000	1,371,385,905	1,003,644,804	367,741,101	73
Total Receipts	1,271,385,905	100,000,000	1,371,385,905	1,003,644,804	367,741,101	73

Budget Under-realization

- 1) Land Rates: The target set was to be in accordance with the implementation of the revised Valuation Roll. This under realization was as a result of non-operationalization of the revised valuation roll which pegged rate on struck rates. The rates struck have been gazette.
- 2) Property Rent: The management has conducted an analysis of all properties owned by the County. The under collection was as a result of failure of our Finance bill in the course of public participation
- 3) Parking Fees: During the period under review the County Government had neither designated parking zones as envisaged nor automated the collection of parking fees.
- 4) Market Fees: Under realization was occasioned by uptake failure by people who had been allocated market stall facilities in a number of markets.
- 5) Public Health Service/Food Hygiene Fees: The under collection was due to inadequate enforcement personnel. The management is in the process of recruiting enforcement and health workers to cover the gaps.
- 6) Hire of County Assets/AMs/ATCs: The County facilities ought to be modernized/attractive to potential users. This is due to budgetary constraints.
- 7) Leasing of Plants & Equipment: The Plants and equipment were grounded in the course of the financial year.
- 8) Slaughter House & Livestock sale Yards: Stiff competition from private players negatively impacted on our collection because the county facilities are old and unattractive.
- 9) Miscellaneous Receipts (Others, Fines, Penalties, Forestry products): Delay to institute enforcement mechanism including establishment of the County Court.

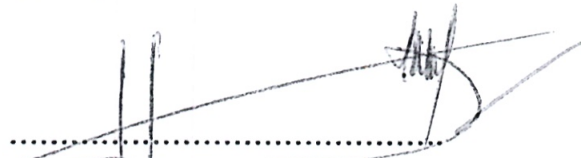
Budget over-realization


- 1) Hospital Fees/HSIF: The upgrading of hospital facilities from level 3 to 4 and 5 which attract HSIF charges. They include; Marafa, Gede & Jibana. Full operationalization of Kilifi Medical Complex with new additional specialized services.
- 2) Physical Planning and Development: Automation through KeDams System and the upward infrastructure development growth within the county as well as enhanced enforcement machinery.

Receiver of Revenue
County Government of Kilifi
Revenue Statements for the Period ended 30 June, 2023

- 3) Conservancy Admin/Refuse Collection: Establishment of municipalities with key functions of solid waste management. E.g. Malindi & Kilifi municipalities.
- 4) Administration Control Fees (Weights & Measures, Fire Services, Liquor Licenses): Mapping of weights & measures collection avenues including filling stations and weighbridges, internal controls, wide scope coverage of the collection area.

The County Receiver of Revenue's financial statements were approved on _____ 2023 and signed by:


.....
Hon. John Raymond Ngala
County Executive Committee Member
Finance and Economic Planning


.....
Lawrence Mwazonga Bokoro
Chief Officer – Resource Mobilization
ICPAK M/No 3764

Receiver of Revenue
County Government of Kilifi
Revenue Statements for the Period ended 30 June, 2023

10.Statement of Arrears of Revenue as at 30 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 2023 D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Land rates	-	(-)	-	46,738,989,910.81	-	-
Single/Business Permits	-	(-)	-	-	-	-
Property Rent	-	(-)	-	-	-	-
Total Arrears	-	(-)	-	-	-	-

NOTE: The arrears as 30th June 2023 on account of Land rates stands at Kshs. 46,738,989,910.81 as per our Revenue system (Kilifi Pay System). However, this amount does not portray the correct position mainly because of redundant data in system. It is imperative to conduct data cleaning exercise in order to enhance reliability of arrears report generated from the system.

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 to and compliance 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 Kilifi. 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 Kilifi. The accounting policies adopted have been consistently applied to all the years presented.

The revenue statements have been prepared on a 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 Kilifi.

2. Recognition of Receipts

The County Government of Kilifi recognizes all receipts from various sources when the related cash has been received.

3. Budget

The County Revenue Budget is developed on a cash basis and approved as required by law. The original budget was approved by the County Assembly on 25 May 2022 for the financial year ending June 30, 2023 as required by law. 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 the 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.

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	2022-2023	2021-2022
	Kshs	Kshs
Agricultural Cess	20,355	-
Ngonge	11,450	-
Farm produce	30,765	6,915,259
Cess Receipts	169,084,864	244,314,553
Livestock	46,950	1,643,720
Hides and skins stamps	5,550	-
Timber Cess	16,020	-
Charcoal Cess	9,000	-
Salt Cess	21,641,225	-
Quarry Cess	6,464,917	-
Sand Quarry	36,171,909	-
Fish Farming	-	45,250
Total	233,503,005	252,918,782

2. Land rates

Description	2022-2023	2021-2022
	Kshs	Kshs
Plot Rates	92,959	-
Land Rates Current Year	115,056,552	73,424,436
Land Rates Penalties	10,579,079	12,698,364
Clearance Certificates	3,540,500	-
CILOR Penalties	8,000	-
Rent of Land	490,546	-
Arrears	18,131,470	21,387,406
Total	147,899,106	107,510,206

Notes to the Financial Statements (continued)

3. Single /Business Permits

Description	2022-2023	2021-2022
	Kshs	Kshs
Single Business Permit- Current year	61,118,947	49,591,339
Single Business Permit - Other Years	176,500	9,975
Single Business Permit- Penalties	123,326	202,948
Application Fees	28,100	123,700
Impounding Fees	45,200	-
Fish Traders	24,750	-
Total	61,516,823	49,927,962

4. Property Rent

Description	2022-2023	2021-2022
	Kshs	Kshs
County Housing/Rent on Staff Payrol	6,003,684	9,807,862
Plot Rent	7,360,159	4,792,982
Stalls/kiosks rent	9,968,225	7,900,250
Total	23,332,068	22,501,094

5. Parking Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Transit Toll Charges(Entry Fess)	4,414,273	-
Parking fees	19,281,111	25,193,406
Clamping Fees	219,650	-
Total	23,915,034	25,193,406

6. Market Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Premises Fee	3,500	-
Market fees	6,689,672	-
Market Entrance/Gate Fees	2,500,665	9,769,231
Total	9,193,837	9,769,231

Notes to the Financial Statements (Continued)

7. Advertising

Descriptions	2022-2023	2021-2022
	Kshs	Kshs
Signboard /Billboards / Banners	25,276,937	31,072,723
Mobile Advertisement	178,150	-
Public Entertainment	24,000	-
Application Fees	5,500	38,400
Road shows	-	26,100
Total	25,484,587	31,137,223

8. Hospital Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Level 5 Hospitals / FIF – Health	404,392,902	280,113,840
Total	404,392,902	280,113,840

9. Public Health Service Fees/Food Hygiene

Description	2022-2023	2021-2022
	Kshs	Kshs
Food Hygiene Fees	1,288,005	-
Application for Food Hygiene	97,400	875,560
Inspection Fees For Food Hygiene	90,600	3,779,710
Total	1,476,005	4,655,270

10. Physical Planning and Development

Description	2022-2023	2021-2022
	Kshs	Kshs
Change / Renewal of user	-	646,500
Building plans approval	35,680,021	36,172,096
Physical planning fees	-	50,550
Total	35,680,021	36,869,146

Notes to the Financial Statements (Continued)

11. Hire of County Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Hire of County Stadia	-	-
Hire of County Halls	-	-
Conference facilities/Agricultural Training Centers (ATC)	1,524,145	4,327,310
Total	1,524,145	4,327,310

12. Conservancy Administration

Description	2022-2023	2021-2022
	Kshs	Kshs
Garbage Damping/Dumpsite Fees	10,400	13,600
Refuse Collection/Disposal Fees	2,170,500	1,563,700
Cesspit Emptying/Sewerage Fees	44,000	55,300
Total	2,224,900	1,783,599

13. Administration Control Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Liquor licenses	7,352,700	6,657,000
Betting levy	26,000	-
Weights and measures	1,199,760	726,260
Fire Services	8,001,100	5,732,400
TOTAL	16,579,560	13,115,660

14. Agriculture

Description	2022-2023	2021-2022
	Kshs	Kshs
Agriculture	7,241,403	-
Total	7,241,403	-

15. Education, Youth & Social Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Education, Youth & Social Services	-	3,500
Total	-	3,500

16. Park Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Park entry fees	-	-
Filming and Photography fees	-	72,000
Total	-	72,000

17. Other Fines, Penalties and Forfeitures

Description	2022-2023	2021-2022
	Kshs	Kshs
Impounding Fees, Fines and Penalties	206,801	123,700
Court-imposed fines and Forfeitures	131,000	-
Total	337,801	123,700

18. Slaughter House & Livestock Sale Yards

Description	2022-2023	2021-2022
	Kshs	Kshs
Slaughter House & Livestock Sale Yards	1,379,065	-
Total	1,379,065	-

19. Miscellaneous Receipts

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest and Commissions	7,615,721	7,451,281
Other Income	72,413	-
Total	7,688,134	7,451,281

20. Cemetery fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Cemetery fees	3,000	-
Total	3,000	-

21. Forestry products and Cutting of trees

Description	2022-2023	2021-2022
	Kshs	Kshs
Forestry products	260,409	-
Approval of cutting trees fee	11,000	
Road cutting fees – Tarmac Road	2,000	
Total	273,409	-

22. Prior Year Adjustment of Balance due to CRF

Analysis of Balance due to CRF – Local Revenue only (excluding Hospital Fees)	Amount
Local Revenue	566,991,716.49
Add: Bank Balances - Local Revenue	645,753,896.62
Less: Transfer to CRF - Local Revenue	(435,498,278.86)
Less: Bank Charges	(271,523.00)
Less: Salaries (to Service Provider)	(47,628,180.00)
Add: KCB A/C 1140769235 (understatement)	7,839.96
Less: NCBA A/C 1006089603 (Overstatement)	(599,218.85)
BALANCE DUE TO CRF	728,756,252.36

23. Suspense Account – Transfers to CRF

Suspense Account; Late transfer to CRF		2022-2023
Date	FT no	Kshs
June 2023	FT2318490Z96	814,629
June 2023	FT23193FXRFF	1,700,000
January 2023		457,700
Total		2,972,329

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24. Bank Charges

Bank	Description	A/C No.	2022-2023	2021-2022
			Kshs	Kshs
Co-operative Bank	KCG Main Revenue Account	01141691026400	36,120.00	-
KCB Bank	CGK Cess Revenue Account	1292544562	10,185.00	-
KCB Bank	CGK Parking Fees Revenue Account	1292544872	3,000.00	-
NBK	KCG Land Rates Revenue Account	01001135200100	8,887.42	-
KCB Bank	Kilifi County Govt Revenue Coll Acc	1140769235	6,354.20	-
SBM	KCG Cess Revenue Account	0198094843001	10,800.00	-
SBM	KCG Parking Revenue Account	0198094843002	9,360.00	-
SBM	The County Government of Kilifi	0191094843003	- -	-
Co-operative Bank	KCG Agriculture	"01141466268700	5,400.19	-
ABSA	KCG Lands and Housing	2031340988.00	30,714.40	-
Co-operative Bank	KCG Housing	"01141779473400	6,719.11	-
KCB Bank	ATC Mtwapa	1173577289	5,007.00	-
NCBA BANK	KCG PAYROLL ACCOUNT	1006089603	12,461.25	-
	Total		145,009	-

25. Salaries to Service Provider

Description	2022-2023	2021-2022
	Kshs	Kshs
Jul-22	3,969,015	3,969,015
Aug-22	3,969,015	3,969,015
Sep-22	3,969,015	3,969,015
Oct-22	-	3,969,015
Nov-22	7,392,030	3,969,015
Dec-22	3,696,015	3,969,015
Jan-23	3,696,015	3,969,015
Feb-23	3,696,015	3,969,015
Mar-23	3,696,015	3,969,015
Apr-23	3,696,015	3,969,015
May-23	3,696,015	3,969,015
Jun-23	3,696,015	3,969,015
TOTAL	45,171,180	47,628,180

26. Bank Balances

Name of Bank, Account No. & currency	Amount in bank account currency	Exc. rate (if in foreign currency)	2022-2023	2021-2022
			Kshs	Kshs
1.KCG - Main Revenue Account-01141691026400 – CO-OP	12,889,328.02	-	12,889,328.02	4,928,356.02
2. Kilifi County Revenue Collection-1140769235 – KCB	0.04	-	0.04	11,197,230.64
3.KCG-Land Rates Revenue-01001135200100 - NBK Kilifi	55,513.63	-	55,513.63	5,051.05
4. The County Government of Kilifi-Cess Revenue Account-0198094843001- SBM	508,663,464.85	-	508,663,464.85	553,845,444.85
The County Government of Kilifi-Parking Fee Revenue Account-0198094843002 – SBM	137,016,974.65	-	137,016,974.65	137,026,334.65
The County Government of Kilifi-Savings Revenue Account-0191094843003 – SBM	5,355,340.80	-	5,355,340.80	5,077,909.45
CGK Cess Revenue Account 1292544562 - KCB Kilifi	1,028,864.12	-	1,028,864.12	11,529,952.50
CGK Parking Fees Revenue Account 1292544872 - KCB Kilifi	112,508.00	-	112,508.00	1,696,474.00
KCG-Agriculture Revenue Collection Account-01141466268700	0.93	-	0.93	-
Kilifi County Govt. ATC Revenue-1173577289 - KCB Mtwapa	345,855.00	-	345,855.00	73,935.00
KCG-Lands and Housing Revenue Collection-2031340988 - Absa Kilifi	89,317.60	-	89,317.60	1,571,142.90
KCG-Payroll Commissions-1006089603 - NIC Kilifi	9,036,271.28	-	9,036,271.28	2,396,400.18
KCG Land and Housing Revenue-01141779473400 - Co-op Kilifi	-	-	-	(599.96)
TOTAL	674,593,438.92	-	674,593,438.92	729,347,631.28

Notes to the Financial Statement (Continued)

27. Cash in hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Cash Balance	64,220	158,463
Mobile Money	1,386,604	140,367
Total	1,450,824	298,830

28. Payables- Due To CRF

Payables	2022-2023	2021-2022
	Kshs	Kshs
Balance b/f at the beginning of the year (Cash & Bank Balances) – As per the Prior Year Adjustment 7.1 above	728,756,252	762,209,428
Adjustment		
Amount collected during the year	1,008,361,868	847,473,213
Amounts disbursed to CRF during the year	(603,675,375)	(469,785,879)
Suspense Account	(4,455,328)	
Bank Charges	(145,009)	-
Salaries (to Service provider)	(45,171,180)	-
Hospital Accounts	(407,626,966)	-
Balance c/d at the end of the year (Cash & Bank Balances)	676,044,262	754,322,525

31. Balance carried forward as at 30th June 2023 and subsequently transferred

Ref	Amount (Kshs)	Date subsequently transferred
CGK – Main Revenue Account Co-op– 01141691026400	5,998,007	03 July 2023
CGK – Land & Housing Revenue Absa - 2031340988	837,000	07 July 2023
CGK – Agriculture Co-op Revenue Co-op – 01141466268700	250,865	31 July 2023
CGK – Kcb Parking 1292544872	3,163,853	01 Sept 2023
CGK – Kcb Cess 1292544562	25,254,924	01 Sept 2023
Total	35,504,649	

Notes to the Financial Statement (Continued)

29. 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	-	-	-	-	-
Single/business permits	-	-	-	-	-
Property rent	-	-	-	-	-
Total	-	-	-	-	-

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13. 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	Jiangxi Transportation Engineering Group Ltd. in Joint venture with Victoria Engineering Co. Ltd	21 st July, 2022- December 2024 and another defect liability period.	-	The contract does not envisage payment of taxes.	Tax Waiver Administration Act.



Lawrence Mwazonga Bokoro
Chief Officer – Resource Mobilization
ICPAK M/No. 3764

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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 the Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Recovery of Outstanding Lands Rates	In Progress	Not Resolved	To be Resolved by 30 th June 2024
2.0	Inaccurate Payable-Due to CRF		Resolved	
3.0	Inaccurate Bank Balances		Resolved	
4.0	Unreceipted Cess Revenue	In Progress	Not Resolved	To be Resolved by 30 th June 2024
5.0	Misstatement of Disbursement to CRF		Resolved	
6.0	Unsupported Parking Fee	In Progress	Not Resolved	To be Resolved by 30 th June 2024
7.0	Unaccounted Building Plan Approval Fees	In Progress	Not Resolved	To be Resolved by 30 th June 2024
8.0	Property Rent	In Progress	Not Resolved	To be Resolved by 30 th June 2024

.....
Hon. John Raymond Ngala
 County Executive Committee Member
 Finance and Economic Planning

.....
Lawrence Mwazonga Bokoro
 Chief Officer – Resource Mobilization
 ICPAK M/No. 3764

Date

Date