

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

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**OF**

**THE AUDITOR-GENERAL**

**ON**

**REVENUE STATEMENTS - RECEIVER  
OF REVENUE**

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

**COUNTY GOVERNMENT OF MAKUENI**



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
**MACHAKOS HUB.**

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**RECEIVER OF REVENUE  
COUNTY GOVERNMENT OF MAKUENI**

**REVENUE STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> JUNE 2023**

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

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*Receiver of Revenue*  
*County Government of Makueni*  
*Revenue Statements for the Period Ended 30<sup>th</sup> June 2023*

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**1. Acronyms and glossary of terms**

*a) Acronyms*

AIA	Appropriation In Aid
CA	County Assembly
COB	Controller of Budget
CPA	Certified Public Accountant
CRF	County Revenue Fund
FY	Financial Year
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KSHS	Kenya Shillings
NHIF	National Hospital Insurance Fund
OSR	Own Source Revenue
PFMA	Public Finance Management Act
POA	Performance Outcome Areas
PSASB	Public Sector Accounting Standards Board
ROR	Receiver of Revenue
TADAT	Tax Administration Diagnostic Assessment Tool
TNT	The National Treasury

*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**

Makueni County is a predominantly rural economy with agriculture accounting for 78 per cent of the total household income. The total Gross County Product (GCP) is estimated at Kshs 111 billion (GCP, KNBS 2021). The County aims to be “A prosperous value based County with high quality of life” and a mission “to transform the livelihoods of each household through accountable leadership that creates an enabling environment for inclusive, effective and efficient service delivery”.

The County Executive Committee member is responsible for the general policy and strategic direction of the department and appoints the County Receiver of Revenue in accordance with Section 157 of the PFM Act 2012. The directorate is spearheaded by county receiver of revenue who is responsible to the Chief Officer, Planning, Budget, Revenue and Monitoring & Evaluation. The Directorate has six divisions that specialize in offering specific deliverables that contribute to the overall functionality of the Department, the divisions are headed by the Deputy Directors as follows; Head of Business licensing, Revenue reporting, Land Based Revenue, Entities and AIA Revenues, Unstructured Revenue and; Policy, Strategy and Decentralized Services.

### **b) Principal activities**

The receiver of revenue collects revenue, accounts and remits to the County Revenue Fund (CRF) held at the Central Bank of Kenya.

### **c) Key Management Team**

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

<b>S/no</b>	<b>Name</b>	<b>Designation</b>	<b>Department</b>
1.	CPA Damaris Mumo Kavoi	County Executive Committee Member for Finance	County Treasury
2.	Boniface Musyoki Mutua	Chief Officer-Planning, Budget, Revenue, Monitoring & Evaluation	PBR and M&E
3.	John Nguni	Chief Officer-Finance	Finance
4.	Dr. Stephen Ndolo	Chief officer-Health Services	Health Services
5.	Jackson Charo Daudi	Chief Officer- Lands & Urban Planning	Lands & Urban Planning
6.	CPA Stephen Thiong’o Moses	Director/Receiver of Revenue	PBR and M&E
7.	CPA Kiniva Benson Mwendwa	Deputy Director –Head of Revenue Reporting	PBR and M&E

**Key Entity information and Management (continued)**

**d) County Headquarters**

P.O. Box 78-90300  
County Headquarters Building  
Off Wote-Makindu Highway  
**Makueni-Kenya**

**e) County Executive Contacts**

Telephone: (254) 20 203 4944/2068236  
E-mail: [contact@makueni.go.ke](mailto:contact@makueni.go.ke)  
Website: [www.makueni.go.ke](http://www.makueni.go.ke)

**f) Independent Auditors**

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

**g) Principal Legal Adviser**

The Attorney General  
Telephone: (254) 700 072929/ 732 529995  
E-mail: [communications@ag.go.ke](mailto:communications@ag.go.ke)  
Website: [www.statelaw.go.ke](http://www.statelaw.go.ke)

**h) County Executive Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
**NAIROBI, KENYA**
2. Kenya Commercial Bank-Wote Branch  
Telephone No: (+254)711087000  
Email: [cacarewote@kcbgroup.com](mailto:cacarewote@kcbgroup.com)  
Website: <https://ke.kcbgroup.com>
3. Cooperative Bank of Kenya-Wote Branch  
Tel: 0701825734, 0708223372  
Email: [wotebr@co-opbank.co.ke](mailto:wotebr@co-opbank.co.ke)  
Website: <https://www.co-opbank.co.ke>

**i) County Attorney**

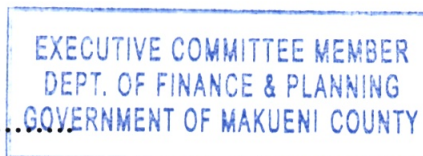
Office of the Governor  
P.O. Box 78-90300 Makueni  
Email: [county.attorney@makueni.go.ke](mailto:county.attorney@makueni.go.ke)

**3. Foreword by the CECM Finance and Economic Planning**

Article 209 of the Constitution of Kenya, 2010 gives powers to the county government to impose taxes, fees and charges to mobilize resources to finance the budget. In addition, section 104(d), of the PFMA, 2012 empowers the County Treasury to mobilize resources. Further the Makueni County development blueprint Vision 2025 sets out strategic objectives geared towards empowering the Makueni county citizenry to be able to increase productivity and thereby enhance their economic wellbeing through saving and investment for wealth creation. The key drivers of this vision are anchored on the county's ability to mobilize adequate resources and seek strategic partnerships.

The county resources comprise of the equitable share, conditional allocations in form of either loans or grants and Own Source Revenue. The county projected to generate Kshs 1,085,000,000.00 from own source revenue during the FY 2022/2023 accounting for 11.23% of the total projected revenue of Kshs 9,661,674,208 for the year. The Own Source Revenue realised was Kshs. 891,595,986 which accounted for 9.2% of the total revenues actualized and a growth of 18% from Ksh 749,406,507 OSR realized in FY 2021/2022. The most improved revenue streams were; land rates which were as a result of implementation of the valuation roll, and health fees attributed to increased NHIF uptake.

The county has over the years been unable to achieve set revenue targets on own-source revenue principally due to lack of appropriate data to assess revenue potential, weak enforcement for compliance as well as lack of requisite laws to facilitate enforcement. Towards this end, the county has undertaken business establishment census for all businesses, enhancing synergies within departments responsible for own source revenue mobilization, deepening automation through use of cashless payment methods and; enhancing the capacity of enforcement and compliance unit among others.



**CPA Damaris Mumo Kavoi**  
**CECM Finance and Economic Planning**  
**County Government of Makueni**



#### **4. Management Discussion and Analysis**

The Makueni County development blueprint Vision 2025 sets out strategic objectives geared towards empowering the Makueni County citizenry to be able to increase productivity and there by enhance their economic wellbeing through saving and investment for wealth creation. The key driver for this vision shall be informed by the county's ability to mobilize adequate resources in terms of revenues and seeking strategic partnerships to support the vision. The county resources over the past years have comprised of the national equitable share, conditional grants from the national government, and Own source revenues (OSR)

##### **Legal Framework**

Article 209 of the Kenya Constitution gives power to county governments to impose certain taxes, fees, charges necessary for funding of their development programmes and activities. Further section 132 of the Public Finance Management Act 2012 provides for the enactment of a Finance Act to guide the imposition of these taxes, charges.

##### **Policy and Revenue Administration.**

An assessment of the system of tax administration of Makueni County was undertaken using the Tax Administration Diagnostic Assessment Tool (TADAT) which provides an assessment baseline of tax administration performance that is used to determine reform priorities based on international standards. TADAT framework has nine performance outcome areas (POAs) and 32 high level indicators critical to tax administration performance. Although the Department has a number of good practices in place, core tax administration functions need to be improved. The TADAT assessment has highlighted many areas where the tax system, relative to international good practice, is either inadequate or where performance is weak.

##### **Own Source Revenue Performance**

The county has over the years been unable to achieve set revenue targets on own-source revenue principally due to lack of appropriate data to assess revenue potential, weak enforcement for compliance as well as lack of requisite laws to facilitate enforcement, untapped potential of land based revenue, staff shortage as well as exogenous factors such as drought, political interference and negative impact of COVID -19 pandemic.

Own source revenue performance registered a growth of 18% from Kshs 749,406,507 recorded in FY 2021/22 to 891,595,986 Kshs in financial year 2022/23. The increase was attributed to collective efforts to enhance Own Source Revenue collection, increased surveillance, increased willingness of the populace to pay fees, increased uptake of health insurance through NHIF, enhancing cashless collection,

**Receiver of Revenue**  
**County Government of Makueni**  
**Revenue Statements for the Period Ended 30<sup>th</sup> June 2023**

and reporting of all revenues collected by County government entities. Table 1 shows comparison of revenue estimates and actual for the last five years as well as own source revenue trend for the period under review.

<b>Financial Year</b>	<b>Estimates</b>	<b>Actuals</b>	<b>Variance</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>2018/2019</b>	758,190,000	511,702,072	246,487,928
<b>2019/2020</b>	655,235,126	465,939,456	189,295,670
<b>2020/2021</b>	1,093,000,000	527,527,341	565,472,659
<b>2021/2022</b>	1,091,306,710	749,406,507	341,900,203
<b>2022/2023</b>	1,085,000,000	891,595,986	193,404,014

**OSR Potential**

County Own Source revenue accounts for approximately 9.2 per cent of the total county budget. This leads to overreliance on the equitable share from the National Government and funds from development partners. According to the Commission on Revenue Allocation (CRA) report, the county has a potential to raise Kshs 1.393 Billion against collection of Kshs 891 Million last financial year which is approximately 63% against county OSR potential.

**Human Resource Capacity**

The County Treasury has had high staff turnover through natural attrition, mainly retirement of officers inherited from the defunct local authorities. Though efforts have been made to replace the existing staff, a gap still exists. As part of staff development and retention, the County continuously allocates finances for training of staff to ensure they are at par with the operational and professional requirements of their career. This is done through staff attending continuous professional development courses, approved trainings and customized in house group trainings.

**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.

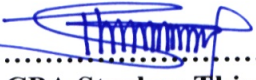
The Receiver of Revenue is responsible for the preparation and presentation of the *receiver of revenue account*, which gives a true and fair view of the state of affairs of the County Government of Makueni receiver of revenue transactions for and as at the end of the financial year ended on June 30, 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 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 County Government of Makueni 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 County Government of Makueni receiver of revenue account gives a true and fair view of the state of County Government of Makueni receiver of revenue transactions during the financial year ended June 30, 2023, and of the County Government of Makueni 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 County Government of Makueni 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 08/12/2023

  
.....  
**Name: CPA Stephen Thiong'o Moses**  
**County Receiver of Revenue**



# REPUBLIC OF KENYA

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



*Enhancing Accountability*

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

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE REVENUE STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of Receiver of Revenue - County Government of Makueni set out on pages 1 to 17, which comprise of the statement of financial assets and liabilities and the statement of arrears of revenue as at 30 June, 2023, and the statement of receipts and disbursements and statement of comparison of the budget and actual amounts for the year then ended, a summary of

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

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 effects of the matter described in the Basis for Qualified Opinion section of my report, the revenue statements present fairly, in all material respects, the financial position of Receiver of Revenue - County Government of Makueni 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 comply with and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Inaccuracies in the Revenue Statements**

Review of the revenue statements presented for audit revealed the following variances:

- i. The statement of arrears of revenue reflects property rent arrears opening balance of Kshs.6,932,000 while analysis of schedules revealed Kshs.6,798,000 resulting to unexplained variance of Kshs.134,000;
- ii. The statement of arrears of revenue reflects property rent arrears additions of Kshs.4,365,000 while analysis of schedules revealed Kshs.4,170,000 resulting to unexplained variance of Kshs.195,000;
- iii. The statement of arrears of revenue reflects property rent arrears receipts during the year of Kshs.3,211,025 while analysis of schedules revealed Kshs.2,882,025 resulting to unexplained variance of Kshs.329,000;

In the circumstances, the accuracy and completeness of the above amounts reflected in the revenues statements could not be confirmed.

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

### **Emphasis of Matter**

#### **Budget Control and Performance**

The statement of comparison of budget and actual amounts reflects own source revenue budget and actual on comparable basis of Kshs.1,085,000,000 and Kshs.891,595,987 respectively, resulting to under collection of Kshs.193,404,013 or 18% of the budget. Management has not indicated the measures being undertaken to ensure prompt and effective collection of own source revenue.

In the circumstances, the shortfall in own source revenue collection may have affected implementation of planned activities and programs and impacted negatively on service delivery to the residents.

My opinion is however, not modified in respect of this matter.

### **Key Audit Matters**

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else 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**

#### **1. Irregular Expenditure at Source**

Note 8 of the financial statements reflects hospital fees amount of Kshs.454,968,896 being Appropriation-In-Aid retained and spent at source by hospitals. In addition, the statement of receipts and disbursements reflects cess revenue of Kshs.47,211,929 out of which Kshs.27,721,334 was spent at source by the Makueni Sand Conservation and Utilization Authority. This was contrary to Regulation 81(2) of the Public Finance Management (County Governments), Regulations, 2015 which states that the receivers of revenue shall promptly pay the revenue received into the County Revenue Fund, as soon as possible and in any case not later than five (5) working days after receipt thereof.

Further, the hospital fees were collected through the system but manually transferred into another revenue system indicative of human intervention in the revenue reporting.

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

#### **2. Failure to Remit Revenue Generated by the Sand Authority**

The statement of receipts and disbursements reflects amounts held in sand authority bank account of Kshs.25,590,132 which was not disbursed into the County Revenue Fund account. This was contrary to Regulations 82(3) and (4) which states that except with the prior authority of the County Treasury, no accounting officer may open a bank account for the deposit, custody or withdrawal of public moneys or other moneys for which he or she is responsible in his or her official capacity or for the transaction of official banking business. Further, during the year under review, Makueni Sand Conservation and utilization Authority spent part of the cess with no authorization from the Makueni County Assembly.

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

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

## REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and 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 governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, 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 financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and 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 the applicable basis of accounting unless Management either intends to terminate the Receiver of Revenue or to cease operations, or have no realistic alternative but to do so.

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 Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

Because of its inherent limitations, internal 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 policies and procedures may deteriorate.

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



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the 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 the 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 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**

**01 February, 2024**

*Receiver of Revenue  
County Government of Makueni  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2023*

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

	Note	FY 2022/2023 Kshs	FY 2021/2022 Kshs
<b>County Own Source Revenue</b>			
Cess	1	47,211,929	51,802,995
Land Rate	2	26,660,498	11,117,635
Single/Business Permits	3	127,039,495	129,297,699
Property Rent	4	3,211,025	781,400
Parking Fees	5	25,997,996	24,213,152
Market Fees	6	28,850,257	30,071,353
Advertising	7	13,800,222	13,861,690
Hospital Fees	8	454,968,896	350,150,674
Public Health Service Fees	9	17,874,150	19,273,400
Physical Planning and Development	10	15,350,680	17,042,710
Hire of County Assets	11	1,526,300	3,182,695
Conservancy Administration	12	1,835,530	669,900
Administration Control Fees and Charges	13	56,862,918	46,433,833
Proceeds from sale of assets	14	51,207,000	36,173,135
Other Fines, Penalties, and Forfeiture Fees	15	679,316	389,830
Miscellaneous receipts	16	18,519,775	14,944,406
<b>Total County Own Source Revenue</b>		<b>891,595,987</b>	<b>749,406,507</b>
<b>Other Receipts</b>			
Donations/Grants Not Received Through CRF	17	0	0
<b>Total Other Receipts</b>		<b>0</b>	<b>0</b>
<b>Total Receipts</b>		<b>891,595,987</b>	<b>749,406,507</b>
Balance b/f at the beginning of the year 2022/2023		8,188,084	2,633,462
<b>Less: Amounts retained by hospitals in form of AIA</b>		-454,968,896	-350,150,672
<b>Less: Amounts held in Sand Authority bank account</b>		-25,590,132	-24,513,581
<b>Disbursements To CRF</b>		-407,888,330	-369,187,633
Bank charges	18	-40,164	
<b>Balance Due for Disbursement</b>		<b>11,296,550</b>	<b>8,188,084</b>

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 08/12/2023 and signed by:

.....  
Name: CPA Stephen Thiong'o Moses

County Receiver of Revenue

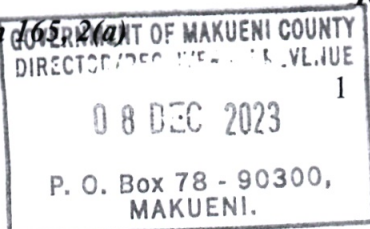
ICPAK M/No: 18114

(Ref: PFM ACT section 65(2)(a))

.....  
Name: CPA Kiniva Benson Mwendwa

Head of Revenue Reporting

ICPAK M/No: 16512

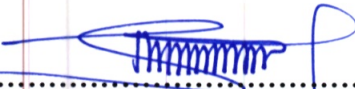



*Receiver of Revenue  
County Government of Makueni  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2023*

**8. Statement of Financial Assets and Liabilities as at 30<sup>th</sup> June 2023**

	Note	FY 2022/2023 Kshs	FY 2021/2022 Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances	20	8,691,560	8,188,084
Cash in Hand	21	2,604,990	0
<b>Total Financial Assets</b>		<b>11,296,550</b>	<b>8,188,084</b>
<b>Total Financial Assets</b>		<b>11,296,550</b>	<b>8,188,084</b>
<b>Financial Liabilities</b>			
Payables-Due to CRF	22	11,296,550	8,188,084
<b>Total Financial Liabilities</b>		<b>11,296,550</b>	<b>8,188,084</b>

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 08/12/2023 and signed by:

  
Name: Stephen Thiong'o Moses  
County Receiver of Revenue  
ICPAK M/No: 18114

  
Name: CPA Kiniva Benson Mwendwa  
Head of Revenue Reporting  
ICPAK M/No: 16512



*Receiver of Revenue  
County Government of Makueni  
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**9. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30<sup>th</sup> June 2023**

<b>Receipt</b>	<b>Original Targets</b>	<b>Adjustments</b>	<b>Final Targets</b>	<b>Actual On Comparable Basis</b>	<b>Budget Realization Difference</b>	<b>% Of Realization</b>
	<b>A</b>	<b>B</b>	<b>C=A+B</b>	<b>D</b>	<b>E=C-D</b>	<b>F=D/C %</b>
	Kshs	Kshs	Kshs	Kshs	Kshs	%
<b>County Own Source Revenue</b>						
Cess	62,600,000	-600,000	62,000,000	47,211,929	14,788,071	<b>76</b>
Land Rates	39,000,000	+87,000,000	126,000,000	26,660,498	99,339,502	<b>21</b>
Single/Business Permits	132,000,000	+13,000,000	145,000,000	127,039,495	17,960,505	<b>88</b>
Property Rent	3,000,000	+200,000	3,200,000	3,211,025	-11,025	<b>100</b>
Parking Fees	31,000,000	+14,000,000	45,000,000	25,997,996	19,002,004	<b>58</b>
Market Fees	37,000,000	+23,000,000	60,000,000	28,850,257	31,149,743	<b>48</b>
Advertising	13,000,000	+2,000,000	15,000,000	13,800,222	1,199,778	<b>92</b>
Hospital Fees	354,000,000	+56,000,000	410,000,000	454,968,896	-44,968,896	<b>111</b>
Public Health Service Fees	30,000,000	-5,000,000	25,000,000	17,874,150	7,125,850	<b>71</b>
Physical Planning and Development	20,000,000	+15,000,000	35,000,000	15,350,680	19,649,320	<b>44</b>
Hire Of County Assets	12,500,000	-3,300,000	9,200,000	1,526,300	7,673,700	<b>17</b>
Conservancy Administration	1,000,000	+6,000,000	7,000,000	1,835,530	5,164,470	<b>26</b>
Administration Control Fees and Charges	52,500,000	+24,200,000	76,700,000	56,862,918	19,837,082	<b>74</b>
Proceeds from sale of assets.	60,000,000	0	60,000,000	51,207,000	8,793,000	<b>85</b>
Other Fines, Penalties, and Forfeiture Fees	2,000,000	+3,100,000	5,100,000	679,316	4,420,684	<b>13</b>
Miscellaneous Receipts	400,000	+400,000	800,000	18,519,775	-17,719,775	<b>100</b>

*Receiver of Revenue  
County Government of Makeni  
Revenue Statements for the Period Ended 30<sup>th</sup> 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 %
<b>Total County Own Source Revenue</b>	<b>850,000,000</b>	<b>235,000,000</b>	<b>1,085,000,000</b>	<b>891,595,987</b>	<b>193,404,013</b>	<b>82</b>
<b>Other Receipts</b>					<b>0</b>	
Donations /Grants Not Received Through CRF	0	0	0	0	0	0
<b>Total Other Receipts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Receipts</b>	<b>850,000,000</b>	<b>235,000,000</b>	<b>1,085,000,000</b>	<b>891,595,987</b>	<b>193,404,013</b>	<b>82</b>

- (a) **Cess.** The negative performance for the cess revenue is attributed to prolonged drought that affected agricultural production in the county.
- (b) **Single Business.** Prolonged drought and depressed economic activities negatively affected business thereby under performance of this stream
- (c) **Hospital Fees:** The significant positive performance for this stream is attributable to increased NHIF uptake in the health facilities.
- (d) **Property Rent.** The impressive performance is attributable to aggressive enforcement of stall rent payment through issuance of demand notices by office of county attorney.
- (e) **Parking fee:** The adverse performance is attributable to depressed economic activities due to prolonged drought. However, there was a marginal increase over previous year's performance.
- (f) **Market fees.** The performance of this stream was adversely affected by prolonged drought that negatively affected production and peoples' purchasing power


*Receiver of Revenue  
County Government of Makueni  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2023*

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- (g) **Public Health Services fee:** The key services associated with public health include development control, food hygiene licensing among others.
- (h) **Physical Planning and development:** The depressed economic condition negatively affected buildings construction hence the poor performance.
- (i) **Administrative control fees and charges:** The major stream under this category is the alcoholic drinks control licensing fee. The underperformance against the target is due to continued post Covid-19 relief of 20% on liquor businesses. The performance is substantially higher as compared to previous year.
- (j) **Other Fines, Penalties and Forfeitures:** The underperformance is attributable to waiver of penalties for permit and rates for the period between April and June to encourage payment.

The changes between original and final own source revenue estimates are as a result of change in projected revenues from the various revenue streams.

The County Receiver of revenue's financial statements were approved on 08/12/2023 and signed by:

  
**County Receiver of Revenue**  
**CPA Stephen Thiong'o Moses**  
**ICPAK M/No: 18114**




  
**Head of Revenue Reporting**  
**CPA Kiniva Benson Mwendwa**  
**ICPAK M/No: 16512**

10. Statement of Arrears of Revenue as at 30<sup>th</sup> June 2023


Classification Of Receipts  (Indicate As Applicable)	Balance as at the beginning of the current year (1 <sup>st</sup> 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 rate	212,004,538	22,222,548	102,437,769	292,219,759	The county government has issued demand notes to plot owners and is continually sending reminders for compliance	Majority of the plot owners are traceable and substantial amount of the outstanding amount can be recovered.
Property Rent (stall Rent)	6,932,000	3,211,025	4,365,000	8,085,975	Issue of demand notices by County Attorney to the tenants to comply	Substantial amount of the arrears is realizable
<b>Total Arrears</b>	<b>218,936,538</b>	<b>25,433,573</b>	<b>106,802,769</b>	<b>300,305,734</b>		

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

  
Name: Stephen Thiong'o  
County Receiver of Revenue  
ICPAK M/No: 18114

(Ref: PFM ACT section 165, 2(a))



  
Name: CPA Kiniva Benson Mwendwa  
Head of Revenue Reporting  
ICPAK M/No: 16512

## **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 Makueni. 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 Makueni. 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 Makueni.

### **2. Recognition of Receipts**

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

### **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 24<sup>th</sup> May 2022 for the period 1st July 2022 to 30<sup>th</sup> June 2023 as required by law. There were two 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 Commercial bank account to the County Revenue Fund account at Central Bank. The total disbursements to the CRF are as a result of the transfer arrangement during the year. The policy provides for weekly transfer of monies held at Kenya Commercial Bank.

**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

*Receiver of Revenue*  
*County Government of Makeni*  
*Revenue Statements for the Period Ended 30<sup>th</sup> June 2023*

**12. Notes to the Financial Statements**

**1. Cess**

<b>Description</b>	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Agricultural cess/farm produce fee	13,777,120	13,032,577
Building Materials fees	2,639,920	1,923,635
Livestock movement fee	3,073,555	3,705,045
Sand Authority	27,721,334	33,141,738
<b>Total</b>	<b>47,211,929</b>	<b>51,802,995</b>

**2. Land Rates**

<b>Description</b>	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Land rates	22,222,548	6,462,285
Renewal Fees (Kiosks)	4,437,950	4,655,350
<b>Total</b>	<b>26,660,498</b>	<b>11,117,635</b>

**3. Single /Business Permits**

<b>Description</b>	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Business Permit Application Fees	3,326,100	5,468,500
Annual Business Permit Fees	118,763,190	118,897,310
Business Permit Conservancy Fees	4,620,900	4,737,500
Business Permit Penalties and Interest	329,305	194,389
<b>Total</b>	<b>127,039,495</b>	<b>129,297,699</b>

**4. Property Rent**

<b>Description</b>	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Stalls/kiosks rent	3,211,025	781,400
<b>Total</b>	<b>3,211,025</b>	<b>781,400</b>

*Receiver of Revenue  
County Government of Makueni  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2023*

**Notes to the Financial Statements (continued)**

**5. Parking Fees**

<b>Description</b>	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Monthly Toll/Sticker Fees		336,000
Registration Fees	2,250,949	1,588,200
Bus Park Fees	23,747,047	22,288,952
<b>Total</b>	<b>25,997,996</b>	<b>24,213,152</b>

**6. Market Fees**

<b>Description</b>	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Market Entry Fees	21,947,089	22,788,801
Stock Market Fees	6,903,168	7,282,552
<b>Total</b>	<b>28,850,257</b>	<b>30,071,353</b>

**7. Advertising**

<b>Descriptions</b>	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Branding	4,612,325	380,500
Billboard Advertising	9,187,897	11,670,190
Communication Masts		1,811,000
<b>Total</b>	<b>13,800,222</b>	<b>13,861,690</b>

**8. Hospital Fees**

<b>Description</b>	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Level 5 Hospitals	175,916,519	
Level 4 Hospitals	279,052,377	350,150,674
<b>Total</b>	<b>454,968,896</b>	<b>350,150,674</b>

Notes to the Financial Statements (Continued)

9. Public Health Service Fees

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Public Health Permit	17,874,150	19,273,400
<b>Total</b>	<b>17,874,150</b>	<b>19,273,400</b>

10. Physical Planning and Development

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Building plans approval	15,350,680	17,042,710
<b>Total</b>	<b>15,350,680</b>	<b>17,042,710</b>

11. Hire of County Assets

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Agricultural Mechanization Services (AMS)	340,250	585,590
Hire of County Facilities	520,000	471,450
Conference facilities/Agricultural Training Centers (ATC)	666,050	2,125,655
<b>Total</b>	<b>1,526,300</b>	<b>3,182,695</b>

12. Conservancy Administration

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Noise Control	1,785,530	469,900
Refuse Disposal Fees	50,000	
Mineral Prospecting Fees		200,000
<b>Total</b>	<b>1,835,530</b>	<b>669,900</b>

13. Administration Control Fees and Charges

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Weights and Measures	1,116,075	1,490,013
Fire Services	829,500	442,800
Liquor Licenses	46,830,100	37,212,400
Veterinary Services Fee	8,087,243	7,288,620
<b>Total</b>	<b>56,862,918</b>	<b>46,433,833</b>

*Receiver of Revenue  
County Government of Makueni  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2023*

Notes to the Financial Statements (Continued)

**14. Proceeds from sale of assets.**

	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Receipts from Sale of Inventories, Stocks and Commodities	51,207,000	36,173,135
<b>Total</b>	<b>51,207,000</b>	<b>36,173,135</b>

**15. Other Fines, Penalties and Forfeitures**

<b>Description</b>	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Impounding Fees	476,501	107,635
Towing Fees		24,000
General Penalties	202,815	258,195
<b>Total</b>	<b>679,316</b>	<b>389,830</b>

**16. Miscellaneous Receipts**

<b>Description</b>	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Cooperative Audit Fee	245,740	54,750
Communication Information Centre	268,890	204,950
Other Revenues- Salary Refund and Insurance Compensation	3,550,000	
Direct Deposits	14,455,145	14,684,706
<b>Total</b>	<b>18,519,775</b>	<b>14,944,406</b>

**17. Donations and Grants Not Received Through CRF**

<b>Description</b>	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**Note: All grants are received through CRF**

*Receiver of Revenue  
County Government of Makueni  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2023*

**Notes to the Financial Statements (Continued)**

**18. Bank Charges**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
KCB Makueni County Revenue Account- 114075719-Kshs.	35,016	
KCB Directorate of Cooperatives Account-1168389127-Kshs.	1,665	
KCB Makueni County Demonstration Revenue Collection Account- 1169183565-Kshs.	3,483	
<b>Total</b>	<b>40,164</b>	

**19. Bank Balances**

Name of Bank, Account No. & currency	Amount	Exc. rate (if in foreign currency)	FY 2022/2023	FY 2021/2022
			Kshs	Kshs
KCB Makueni County Revenue Account- 114075719-Kshs.	7,865,188		7,865,188	7,119,142
KCB Directorate of Cooperatives Account- 1168389127-Kshs.	235,940		235,940	271,062
KCB Makueni County Demonstration Revenue Collection Account- 1169183565-Kshs.	590,432		590,432	797,880
<b>Total</b>	<b>8,691,560</b>		<b>8,691,560</b>	<b>8,188,084</b>

**20 (a) Balance carried forward as at 30<sup>th</sup> June 2023 and subsequently transferred**

Ref	Amount (Kshs)	Date subsequently transferred
FT23185QFSB4	11,146,000	4th July 2023
<b>Total</b>	<b>11,146,000</b>	

*(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 Makueni  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2023*

**Notes to the Financial Statement (Continued)**

**21. Cash in Hand**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
<i>Mpesa Utility account 171777)</i>	8,300	0
Cash on Transit-Mpesa Utility Account 171777	1,632,960	
Cash in hand	963,730	
<b>Total</b>	<b>2,604,990</b>	<b>0</b>

**22. Payables- Due to CRF**

Payables	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Balance b/f at the beginning of the year	8,188,084	2,633,462
Amount collected during the year	411,036,960	366,899,434
Amounts disbursed to CRF during the year	(407,888,330)	(369,187,633)
Direct deposit from Sand Authority		7,842,821
Bank Charges	(40,164)	
<b>Balance c/d at the end of the year</b>	<b>11,296,550</b>	<b>8,188,084</b>

*This relates to amounts yet to be disbursed to the exchequer at the end of the financial year. The amounts are supported by Cash book balances.*

*The under remittance to CRF is due to revenue retained by Health and Sand Authority.*

Notes to the Financial Statement (Continued)

23. 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
Property rent	335,500	2,189,500	3,632,975	1,928,000	8,085,975
Land rates /Plot Rent	0	80,215,221	81,212,166	130,792,372	292,219,759
<b>Total (agree to statement of arrears)</b>	<b>335,500</b>	<b>82,404,721</b>	<b>84,845,141</b>	<b>132,720,372</b>	<b>300,305,734</b>



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	Kenya Revenue Authority	FY 2022/2023	12,000	Customer sensitization for Tax compliance	PFM Act, 2012

(PFM ACT section 165 subsection 4, 5)



*Boira* 08/12/2023  
 \_\_\_\_\_  
 Sign and date  
 Accounting Officer

**Receiver of Revenue  
County Government of Makueni  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2023**


**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)
OAG/LER/CGMKNRR/2021/2022(24)	Shortfall in county OSR. The county management did not demonstrate the measures been put in place to ensure prompt and full collection of OSR	<p>Issuance of demand notices and thorough engagement of property owners.</p> <p>Deepening automation through use of several cashless mode of payment.</p> <p>Facilitation of revenue staff on time and ensuring they are mobile throughout the year.</p> <p>Creating awareness all the year round on the importance of compliance</p>	Resolved	

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- (iii) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

  
Name: Stephen Thiong'o Moses  
County Receiver of Revenue  
ICPAK M/No:18114

Date: 08/12/2023

  
Name: CPA Kiniva Benson Mwendwa  
Head of Revenue Reporting  
ICPAK M/No:16512

Date: 08/12/2023

