

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

PAPERS LAID	
DATE	16/04/2024
TABLED BY	Majority Leader
COMMITTEE	Finance & Budget
AT THE TABLE	C-Cherop

RECEIVER OF REVENUE – REVENUE STATEMENT

FOR THE YEAR ENDED 30 JUNE, 2023

COUNTY GOVERNMENT OF ELGEYO/MARAKWET



RECEIVER OF REVENUE
COUNTY GOVERNMENT OF ELGEYO MARAKWET
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 Elgeyo Marakwet
Revenue Statements for the Period Ended 30th June 2023**

**Table of Contents
Page**

1. Acronyms and glossary of terms	ii
2. Key Entity Information and Management	iii
3. Foreword By the CECM Finance and Economic Planning	v
4. Management Discussion and Analysis	vi
5. Statement of Receiver of Revenue's responsibilities	vii
6. Report of the Office of Auditor General on the Receiver of Revenue-County Government of Elgeyo Marakwet for the year ended 30 th June 2023.....	viii
7. Statement of Receipts and Disbursements for the year ended 30 th June 2023.....	1
8. Statement of Financial Assets and Liabilities As at 30 th June 2023.....	2
9. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30 th June 2023	3
10. Statement of Arrears of Revenue As at 30 th June 2023	5
11. Significant Accounting Policies	7
12. Notes to the Financial Statements	9

1. Acronyms and glossary of terms

a) Acronyms

CA	County Assembly
COB	Controller of Budget
CRF	County Revenue Fund
FY	Financial Year
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OSR	Own Source Revenue
PFMA	Public Finance Management Act
PSASB	Public Sector Accounting Standards Board
ROR	Receiver of Revenue

b) Glossary of terms

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

2. Key Entity Information and Management

(a) Background information

The receiver of revenue is under the Department of Finance and Economic Planning. At the County Executive Committee level, the receiver of revenue is represented by the County Executive committee member for Finance and Economic Planning, who is responsible for the general policy and strategic direction of the receiver of revenue. The receiver of revenue is designated as a receiver 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 Elgeyo Marakwet day-to-day management of revenue is under the following:

- County Executive Committee Member for Finance and Economic Planning
- Chief Officer, Finance and Economic Planning
- Director, Revenue
- Head of Revenue Reporting

Key Entity information and Management (continued)

(d) County Headquarters

P.O.Box 220-30700
Elgeyo Marakwet County Treasury Building, Iten
Eldoret -Iten Road
ITEN, KENYA

(e) Entity Contacts

Telephone: 053-4142277
E-mail: elgeyomarakwet.go.ke
Website: www.elgeyomarakwet.go.ke

(f) Independent Auditor

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

(g) Principal Legal Adviser

The legal section
P.O. Box 220-30700
Elgeyo Marakwet County Treasury Building, Iten
Eldoret -Iten Road

(h) Bankers

- (i) Kenya Commercial Bank
Iten Branch
- (ii) Access Bank Ltd
Iten Branch

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

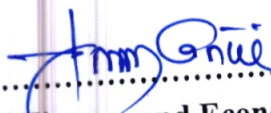
3. Foreword By the CECM Finance and Economic Planning

The County Government of Elgeyo Marakwet budgeted KSh 246,239,212 in the financial year 2022/2023. The Revenue performance against the Approved budget for the FY 2022/2023 is tabulated below;

Performance of County Own Source Revenue against the Budget

Revenue Source	Budget Ksh	Actual KSh
Cess	12,909,654	11,113,053
Land Rate	1,500,392	583,881
Single/Business Permits	10,443,090	16,716,265
Property Rent	1,730,500	2,245,389
Parking Fees	2,749,530	3,336,580
Market Fees	2,922,923	6,455,098
Advertising	1,103,580	1,500,300
Hospital Fees	200,000,000	157,018,816
Public Health Service Fees	2,013,975	2,488,526
Physical Planning and Development	150,550	1,343,800
Hire Of County Assets	218,230	-
Conservancy Administration	1,436,927	878,460
Administration Control Fees and Charges	185,000	30,600
Proceeds from sale of assets	-	-
Park Fees	1,056,923	153,200
Other Fines, Penalties, And Forfeiture Fees	810,000	393,979
Miscellaneous Receipts	7,007,938	8,885,984
Total	<u>246,239,212</u>	<u>213,564,131</u>

The amount of Sh.210,939,613 was transferred to County Revenue Fund during the year.


CECM Finance and Economic Planning
County Government of Elgeyo Marakwet

ELGEYO MARAKWET COUNTY
C.E.C FINANCE & PLANNING
P. O. Box 220-30700 ITEN
Tel: 053-42277

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

4. Management Discussion and Analysis

The revenue performance for FY 2022/2023 compared to FY 2021/2022 is tabulated below,

<i>Revenue Performance for 2 years</i>				
	<i>2022-2023</i>	<i>2021-2022</i>		
<i>Revenue Stream</i>	<i>Kshs</i>	<i>Kshs</i>	<i>Increase/ Decrease</i>	<i>%</i>
<i>Cess</i>	<i>11,113,053</i>	<i>10,815,416</i>	<i>297,637</i>	<i>3%</i>
<i>Land Rate</i>	<i>583,881</i>	<i>1,662,512</i>	<i>(1,078,631)</i>	<i>-65%</i>
<i>Single/Business Permits</i>	<i>16,716,265</i>	<i>10,304,408</i>	<i>6,411,857</i>	<i>62%</i>
<i>Property Rent</i>	<i>2,245,389</i>	<i>239,534</i>	<i>2,005,855</i>	<i>837%</i>
<i>Parking Fees</i>	<i>3,336,580</i>	<i>3,215,340</i>	<i>121,240</i>	<i>4%</i>
<i>Market Fees</i>	<i>6,455,098</i>	<i>3,443,391</i>	<i>3,011,707</i>	<i>87%</i>
<i>Advertising</i>	<i>1,500,300</i>	<i>2,021,380</i>	<i>(521,080)</i>	<i>-26%</i>
<i>Hospital Fees</i>	<i>157,018,816</i>	<i>118,103,290</i>	<i>38,915,526</i>	<i>33%</i>
<i>Public Health Service Fees</i>	<i>2,488,526</i>	<i>2,187,200</i>	<i>301,326</i>	<i>14%</i>
<i>Physical Planning and Development</i>	<i>1,764,000</i>	<i>215,800</i>	<i>1,548,200</i>	<i>717%</i>
<i>Hire Of County Assets</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>0%</i>
<i>Conservancy Administration</i>	<i>878,460</i>	<i>678,600</i>	<i>199,860</i>	<i>29%</i>
<i>Administration Control Fees and Charges</i>	<i>30,600</i>	<i>188,850</i>	<i>(158,250)</i>	<i>-84%</i>
<i>Proceeds from sale of assets</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>0%</i>
<i>Park Fees</i>	<i>153,200</i>	<i>-</i>	<i>153,200</i>	<i>100%</i>
<i>Other Fines, Penalties, And Forfeiture Fees</i>	<i>393,979</i>	<i>83,428</i>	<i>310,551</i>	<i>372%</i>
<i>Miscellaneous receipts</i>	<i>8,885,984</i>	<i>5,501,051</i>	<i>3,384,933</i>	<i>62%</i>
<i>Total County Own Source Revenue</i>	<i>213,564,131</i>	<i>158,660,200</i>	<i>54,903,931</i>	<i>35%</i>

The Revenue streams which posted significant performance during the year include Market Fees, Public Health Fees, Single Business Permit Fees and Physical Planning fees. The Revenue increased from Sh.158,660,200 to Sh.213,564,131 in the FY 2022/2023 compared to FY 2021/2022. The increase translates to 35%.

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

5. Statement of Receiver of Revenue's responsibilities

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


The Receiver of Revenue is responsible for the preparation and presentation of the receiver of revenue account, which gives a true and fair view of the state of affairs of the receiver of revenue for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the statement of assets and liabilities of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Receiver of Revenue in charge accepts responsibility for the entity's receiver of revenue accounts, which have been prepared on the Cash Basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the entity's receiver of revenue account gives a true and fair view of the state of entity's receiver of revenue transactions during the financial year ended June 30, 2023, and of the entity's statement of assets and liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the receiver of revenue account as well as the adequacy of the systems of internal financial control.

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

Approval of the Revenue Statements

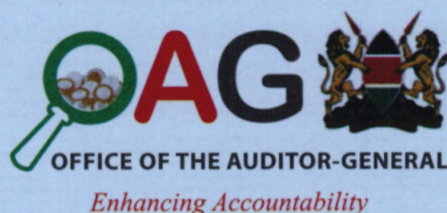
The revenue statements were approved and signed by the Receiver of Revenue on 16th November, 2023

 16 NOV 2023

Name: Solomon Kandie
County Receiver of Revenue

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON RECEIVER OF REVENUE – REVENUE STATEMENT FOR THE YEAR ENDED 30 JUNE, 2023 - COUNTY GOVERNMENT OF ELGEYO/MARAKWET

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

Qualified Opinion

I have audited the accompanying revenue statements of Receiver of Revenue -Revenue Statement set out on pages 1 to 20, which comprise of the statement of financial assets

and liabilities as at 30 June, 2023, the statement of receipts and disbursement, statement of comparison of budget and actual amounts for the year then ended, statement of arrears of revenue and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Unsupported Arrears of Revenue

The statement of arrears of revenue reflects a balance of Kshs.159,923,743. This amount was made up of opening balance of Kshs.152,507,342, additions during the year of Kshs.9,648,841 and arrears received during the year of Kshs.2,232,440. However, the opening balance of Kshs.152,507,342 differs with the prior year closing balance of Kshs.10,880,000 resulting in an unexplained difference of Kshs.141,627,342. In addition, no records were provided to support the additions during the year, Management did not explain why the arrears continued to increase over the years and the columns on measures to be taken to recover the arrears and assessment to the recoverability of arrears had no comments.

In the circumstances, the accuracy, completeness and recoverability of arrears of revenue balance of Kshs.159,923,743 could not be confirmed.

2. Unreceipted Deposits

The statement of receipts and disbursements and Note 17 to the revenue statements reflects miscellaneous receipts amount of Kshs.8,885,984. Review of the documents provided for audit revealed that amount of Kshs.8,885,984 were direct bank deposits in the revenue collection accounts for which revenue receipts were not issued and subsequent posting into the respective revenue streams. Further, no reconciliations were provided to show whether the bank deposits were revenue earnings by the County Government.

In the circumstances, the completeness and accuracy of miscellaneous receipts amount of Kshs.8,885,984 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Receiver of Revenue - Revenue Statement – County Government of Elgeyo/Marakwet Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the

ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.246,139,212 and Kshs.213,564,131 respectively resulting to an under-funding of Kshs.32,575,081 or 13% of the budget. The underfunding affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

Review of the progress on follow up on prior year auditor's recommendations revealed that, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance which remained unresolved contrary to Section 149(2) (I) of the Public Finance Management Act, 2012 which require Accounting Officers designated for County Government entities to try to resolve any issues resulting from an audit that remain outstanding.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the 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, based on the audit procedures performed, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires 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 International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of revenue statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the revenue statements and audit of compliance, I consider internal 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 control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the revenue statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal 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 the 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 continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the 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 continue to sustain its services.
- Evaluate the overall presentation, structure and content of the revenue 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 revenue information and business activities of the Receiver of Revenue to express an opinion on the revenue statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


 FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 February, 2024

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

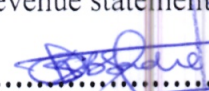
7. Statement of Receipts and Disbursements for the year ended 30th June 2023

	Note	2022-2023 KShs.	2021-2022 KShs.
County Own Source Revenue			
Cess	1	11,113,053	10,815,416
Land Rate	2	583,881	1,662,512
Single/Business Permits	3	16,716,265	10,304,408
Property Rent	4	2,245,389	239,534
Parking Fees	5	3,336,580	3,215,340
Market Fees	6	6,455,098	3,443,391
Advertising	7	1,500,300	2,021,380
Hospital Fees	8	157,018,816	118,103,290
Public Health Service Fees	9	2,488,526	2,187,200
Physical Planning and Development	10	1,764,000	215,800
Hire Of County Assets	11	-	-
Conservancy Administration	12	878,460	678,600
Administration Control Fees and Charges	13	30,600	188,850
Proceeds from sale of assets	14	-	-
Park Fees	15	153,200	-
Other Fines, Penalties, And Forfeiture Fees	16	393,979	83,428
Miscellaneous receipts	17	8,885,984	5,501,051
Total County Own Source Revenue		213,564,131	158,660,200
Other Receipts			
Donations/Grants Not Received Through CRF	18	-	-
Total Other Receipts		-	-
Total Receipts		213,564,131	158,660,200
Balance b/f at the beginning of the year		1,193,082	4,427,248
Disbursements To CRF		(210,939,613)	(161,087,774)
Bank charges	19	(1,012,634)	(806,593)
Balance Due for Disbursement		2,804,966	1,193,032

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on **16th November, 2023** and signed by:

Name: Solomon Kandie

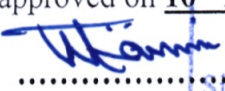
County Receiver of Revenue

Signature: 
16 NOV 2023
Sign:
P. O. Box 220 - 30700, ITEN

Name: John Keen Murkeu Jairo

Head of Revenue Reporting

ICPAK M/No:8112


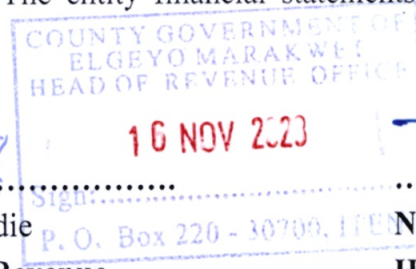


Signature: 
16 NOV 2023
Sign:
P. O. Box 220 - 30700, ITEN

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

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

	2023	2022	2021
Financial Assets			
Cash And Cash Equivalents			
Bank Balances	20	2,804,966	955,517
Cash In Hand	21	-	237,565
Total Financial Assets		2,804,966	1,193,082
Total Financial Assets		2,804,966	1,193,082
Financial Liabilities			
Payables-Due to CRF	22	2,804,966	1,193,082
Total Financial Liabilities		2,804,966	1,193,082

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 **16th November, 2023** and signed by:

 Name: Solomon Kandie County Receiver of Revenue	 P. O. Box 220 - 30700, ITEN	 Name: John Keen Murkeu Jairo Head of Revenue Reporting ICPAK M/No:8112	 P. O. Box 220 - 30700, ITEN
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Receiver Of Revenue
County Government Of Elgeyo Marakwet
Revenue Statements for the Period Ended 30th June 2023

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

Receipt	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% Of Realization
	A	B	C=A+B	D	E=C-D	F=D/C %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
County Own Source Revenue						
Cess	12,909,654	-	12,909,654	11,113,053	1,796,601	86%
Land Rate	1,500,392	-	1,500,392	583,881	916,511	39%
Single/Business Permits	10,443,090	(100,000)	10,343,090	16,716,265	(6,373,175)	162%
Property Rent	1,730,500	-	1,730,500	2,245,389	(514,889)	130%
Parking Fees	2,749,530	-	2,749,530	3,336,580	(587,050)	121%
Market Fees	2,922,923	-	2,922,923	6,455,098	(3,532,175)	221%
Advertising	1,103,580	-	1,103,580	1,500,300	(396,720)	136%
Hospital Fees	200,000,000	-	200,000,000	157,018,816	42,981,184	79%
Public Health Service Fees	2,013,975	-	2,013,975	2,488,526	(474,551)	124%
Physical Planning and Development	150,550	-	150,550	1,764,000	(1,613,450)	1172%
Hire Of County Assets	218,230	-	218,230	-	218,230	0%
Conservancy Administration	1,436,927	-	1,436,927	878,460	558,467	61%
Administration Control Fees and Charges	185,000	-	185,000	30,600	154,400	17%
Proceeds from sale of assets	-	-	-	-	-	0%
Park Fees	1,056,923	-	1,056,923	153,200	903,723	14%
Other Fines, Penalties, And Forfeiture Fees	810,000	-	810,000	393,979	416,021	49%
Miscellaneous Receipts	7,007,938	-	7,007,938	8,885,984	(1,878,046)	127%
Total County Own Source Revenue	246,239,212	(100,000)	246,139,212	213,564,131	32,575,081	87%
Other Receipts						
Donations /Grants Not Received Through	-	-	-	-	-	0%


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


Receipt	Original Targets A	Adjustments B	Final Targets C=A+B	Actual On Comparable Basis D	Budget Realization Difference E=C-D	% Of Realization F=D/C %
CRF						
Total Other Receipts	-	-	-	-	-	0%
Total Receipts	246,339,212	(100,000)	246,239,212	213,564,131	32,575,081	87%

Notes

- (a) The adjustment of Sh.(100,000) is the reduction in amount for Own Source revenue during the supplementary budget.
- (b) The overall Revenue performance is 87%. The Revenue streams which posted significant performance during the year include Market Fees, Public Health Fees, Single Business Permit Fees and Physical Planning fees

The County Receiver of revenue's financial statements were approved on 16th November, 2023 and signed by


Name: Solomon Kandie
County Receiver of Revenue



Name: John Keen Murkeu Jairo
Head of Revenue Reporting
ICPAK M/No:8112

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


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

Classification Of Receipts (Indicate AS Applicable)	Balance as at the beginning of the current year (1 st July 2022) A	Arrears received during the year B	Additions to 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 of the recoverability of arrears
Cess	-	-	-	-		
Land rate	79,284,435	583,881	3,193,438	81,893,992		
Single/Business Permits	-	-	-	-		
Property Rent –Plot Rent	73,222,907	1,648,559	6,455,403	78,029,751		
Parking Fees	-	-	-	-		
Market Fees	-	-	-	-		
Advertising	-	-	-	-		
Hospital Fees	-	-	-	-		
Public Health Service Fees	-	-	-	-		
Physical Planning and Development	-	-	-	-		
Hire Of County Assets	-	-	-	-		
Conservancy Administration	-	-	-	-		
Administration Control Fees and Charges	-	-	-	-		
Park Fees	-	-	-	-		
Other Fines, Penalties, And Forfeiture Fees	-	-	-	-		
Miscellaneous	-	-	-	-		
Total Arrears	152,507,342	2,232,440	9,648,841	159,923,743		

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


.....
Name: Solomon Kandie
County Receiver of Revenue
P.O. Box 220 - 30700, ITEN

COUNTY GOVERNMENT OF ELGEYO MARAKWET
HEAD OF REVENUE OFFICE
16 NOV 2023


.....
Name: John Keen Murkeu Jairo
Head of Revenue Reporting
ICPAK M/No:8112

COUNTY GOVERNMENT OF ELGEYO MARAKWET
COUNTY TREASURY
CHIEF FINANCE OFFICER
16 NOV 2023
Sign:.....
P. O. Box 220 - 30700, ITEN

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 Elgeyo Marakwet. 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 *entity*. 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 *Receiver of Revenue*

2. Recognition of Receipts

The *Receiver of Revenue* recognises all receipts from the various sources when the related cash has been received by the *entity*.

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 *Receiver of Revenue* budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 23rd May, 2022 for the period 1st July 2022 to 30 June 2023 as required by law. There was one supplementary budget passed during the year. A high-level assessment of the *Receiver of Revenue* actual performance against the comparable budget for the financial quarter 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.

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

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

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

12. Notes to the Financial Statements

1. Cess

Description	2022-2023	2021-2022
	Kshs	Kshs
Farm produce	7,914,773	6,891,613
Quarrying	339,670	523,550
Livestock	-	351,130
Fish farming	-	-
Brick Cess	1,000	1,500
Charcoal Cess	46,700	68,430
Manure Cess	95,100	49,200
Sand Cess	2,287,250	1,746,605
Scrap Metal	15,510	7,350
Timber/Logs Cess	413,050	1,176,038
Total	11,113,053	10,815,416

2. Land rates

Description	2022-2023	2021-2022
	Kshs	Kshs
Land rates	583,881	1,662,512
Land penalties and interest	-	-
Arrears	-	-
Total	583,881	1,662,512

3. Single /Business Permits

Description	2022-2023	2021-2022
	Kshs	Kshs
Business permit application fees	1,807,340	1,117,810
Annual Business permit fees	14,908,925	9,186,598
Business permit penalties and interest	-	-
Business permit fees arrears	-	-
Total	16,716,265	10,304,408

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

Notes to the Financial Statements (continued)

4. Property Rent

Description	2022-2023	2021-2022
	Kshs	Kshs
County Housing-House Rent	286,030	-
Plot Rent	1,648,559	-
Tenancy Agreement	-	-
Transfer of Property	-	-
Stalls/kiosks rent	310,800	239,534
Others (<i>Specify</i>)	-	-
Total	2,245,389	239,534

5. Parking Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Street parking fees	482,500	134,230
Monthly toll/sticker fees	1,466,300	-
Motorbike fees	945,480	1,594,450
Registration fees	-	-
Reserved parking	-	-
Bus Park fees /Matatu Park fees	442,300	1,486,660
Others (<i>Specify</i>)	-	-
Total	3,336,580	3,215,340

6. Market Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Market entry fees	5,979,948	3,443,391
Hawking fees	475,150	-
Others (<i>Specify</i>)	-	-
Total	6,455,098	3,443,391

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

Notes to the Financial Statements (Continued)

7. Advertising

Descriptions	2022-2023	2021-2022
	KShs	KShs
Branding	1,392,700	1,661,100
Billboard advertising	-	-
Signage	-	134,380
Roadshows	107,600	225,900
Banners	-	-
Posters	-	-
Tent advertising	-	-
Street pole/clock advertising	-	-
others (Specify)	-	-
Total	1,500,300	2,021,380

8. Hospital Fees

Description	2023-2024	2021-2022
	KShs	KShs
Level 5 hospitals	-	-
Level 4 hospitals -FIF	157,018,816	118,103,290
Others (Specify)	-	-
Total	157,018,816	118,103,290

9. Public Health Service Fees

Description	2022-2023	2021-2022
	KShs	KShs
Inspection of buildings/premises/Institutions	-	-
Inspection for issuance of hygiene license	-	-
Vaccination: Yellow fever, Typhoid, etc	-	-
Applications for medical examination	-	-
Sanitation inspection for schools	2,488,526	2,187,200
Public health permit	-	-
Rodent Control/Fumigation	-	-
Others (Specify)	-	-
Total	2,488,526	2,187,200

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

Notes to the Financial Statements (Continued)

10. Physical Planning and Development

Description	2022-2023 KShs	2021-2022 KShs
Sale of County planning documents	-	-
Land valuation and registration fees	-	-
Change / Renewal of user	824,600	215,800
Building plans approval	446,200	-
Signboards	-	-
Occupational Permits	-	-
Enforcement / Demolition	-	-
Architectural designs by county officers	-	-
Hoarding fees	-	-
Physical Planning fees	218,000	-
Clearance certificate fees	82,200	-
Site value charges	15,000	-
Transfer fees	70,000	-
PPA 1 forms	108,000	-
Total	1,764,000	215,800

11. Hire Of County Assets

Description	2022-2023 KShs	2021-2022 KShs
Agricultural Mechanisation Services (AMS)	-	-
Hire of Machines and Equipment	-	-
Hire of County Stadia	-	-
Hire of County Halls	-	-
Conference facilities/Agricultural Training Centers (ATC)	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

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

Notes to the Financial Statement (Continued)

12. Conservancy Administration

Description	2022-2023	2021-2022
	Kshs	Kshs
Refuse disposal fees	878,460	678,600
Dumpsite fees	-	-
Sewerage fees	-	-
Sale of seedlings	-	-
Public cemetery	-	-
Disposal of carcasses	-	-
Noise control	-	-
Others (<i>Specify</i>)	-	-
Total	878,460	678,600

13. Administration Control Fees and Charges

Description	2022-2023	2021-2022
	Kshs	Kshs
Weights and measures	30,600	188,850
Fire Services	-	-
Liquor licenses	-	-
Betting levy	-	-
Others (<i>Specify</i>)	-	-
Total	30,600	188,850

14. Proceeds from sale of assets.

Description	2022-2023	2021-2022
	Kshs	Kshs
Receipts from Sale of Buildings	-	-
Receipts from Sale of Vehicles and Transport Equipment	-	-
Receipts from Sale of Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from Sale of Strategic Reserves Stocks	-	-
Receipts from Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	-	-

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

Notes to the Financial Statement (Continued)

15. Park Fees

Description	2022-2023 Kshs	2021-2022 Kshs
Lodge Tariffs and levies	-	-
Park entry fees	153,200	-
Filming and Photography fees	-	-
Camping fees	-	-
Balloon landing fees	-	-
Others (<i>Specify</i>)	-	-
Total	153,200	-

16. Other Fines, Penalties and Forfeitures

Description	2022-2023 Kshs	2021-2022 Kshs
Impounding Fees	393,979	83,428
Towing Fees	-	-
Others (<i>Specify</i>)	-	-
Total	393,979	83,428

17. Miscellaneous Receipts

Description	2022-2023 Kshs	2021-2022 Kshs
Dividends	-	-
Interest	-	-
Commissions	-	-
Others- Not classified anywhere	8,885,984	5,501,051
Total	8,885,984	5,501,051

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

Notes to the Financial Statement (Continued)

18. Donations And Grants Not Received Through CRF

Description	2022-2023	2021-2022
	KShs	KShs
Donations (Specify Based on Source)	-	-
Grants (Specify Based on Source)	-	-
Others (Specify)	-	-
Total		

19. Bank Charges

Description	2022-2023	2021-2022
	KShs	KShs
Bank Charges & commissions	1,012,634	806,593
Total	1,012,634	806,593

20. Bank Balances

Name of Bank, Account No. & currency	Amount in bank account currency	Exch. rate (if in foreign currency)	2022-2023	2021-2022
			KShs	KShs
KCB County Revenue collection A/C No. 1140751360			943,496	312,257
ACCESS Bank County Revenue collection A/C 0180130000044			1,569,759	159,392
Cash in Transit (Access to CRF)			286,311	473,367
Paybill Account-MPESA			5,400	10,501
Total			2,804,966	955,517

20 (a) Balance carried forward as at 30th June 2023 and subsequently transferred

Ref	Amount (KShs)	Date subsequently transferred
KCB Collection A/C No. 1140751360	943,496	1 July 2023
ACCESS Bank County Revenue collection A/C 0180130000044	1,569,759	3 July 2023
Cash in Transit (Paybill to Access Bank)	286,311	1 July 2023
Paybill Account-MPESA	5,400	1 July 2023
Total	2,804,966	

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

Notes to the Financial Statement (Continued)

21. Cash in hand

Description	2022-2023 Kshs.	2021-2022 Kshs.
Cash Balance (<i>Location</i>)	-	-
Mobile Money-Cash in Transit		237,565
Others (<i>Specify</i>)	-	-
Total		237,565

22. Payables- Due To CRF

Payables	2022-2023 Kshs.	2021-2022 Kshs.
Balance b/f at the beginning of the year	1,193,082	4,427,248
Amount collected during the year	213,564,131	158,660,200
Amounts disbursed to CRF during the year	(210,939,613)	(161,087,774)
Bank Charges	(1,012,634)	(806,593)
Balance c/d at the end of the year	2,804,966	1,193,082

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

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
Cess	-	-	-	-	-
Land rate	2,587,223	3,193,438	3,193,438	72,919,893	81,893,992
Single/business permits	-	-	-	-	-
Property rent	1,300,511	6,455,403	6,455,403	63,818,434	78,029,751
Parking fees	-	-	-	-	-
Market fees	-	-	-	-	-
Advertising	-	-	-	-	-
Hospital fees	-	-	-	-	-
Public health service fees	-	-	-	-	-
Physical planning and development	-	-	-	-	-
Hire of County Assets	-	-	-	-	-
Conservancy administration	-	-	-	-	-
Administration control fees and charges	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-
Park fees	-	-	-	-	-
Other fines, penalties, and forfeiture fees	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-
Others (Specify)	-	-	-	-	-
Total	3,887,734	9,648,841	9,648,841	136,738,327	159,923,743

Receiver Of Revenue
 County Government Of Elgeyo Marakwet
 Revenue Statements for the Period Ended 30th 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)
1.	In accuracies in Cash and Cash Equivalents	Sh.473,367 represent the Cash in Transit as at 30 June 2022. The amount was transferred from KCB collection to CRF. The amount omitted will be restated in the FY 2022/2023	Not resolved	6 months
2.	Variance in Hospital Fees Collection	The amount of Sh.15,869,998 relate to amount borrowed by the Facility and refunded on diverse dates as reflected in the bank statement	Not resolved	6 months
3.	Cess Revenue	The reconciliation of Sh.10,815,416 has been availed to auditors for review.	Not resolved	6 months
4.	Miscellaneous Receipts	The miscellaneous receipts relate to receipts collected from revenue streams not classified anywhere in reporting template. The breakdown for Sh.5,501,051 has been availed to auditors	Not resolved	6 months

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

Reference No. of the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Time frame (Put a date when you expect the issue to be resolved)
1	Key Audit Matters Lack of Valuation Roll	The County Government is in the process of updating the valuation roll	Not resolved	6 months
2	Budgetary Control and Performance	The under-collection of Sh.107,437,8000 relate to FIF Fees and other miscellaneous Revenue. The County Government will put in place stringent measures to ensure revenue target are achieved including automation	Not resolved	6 months
3	Failure to appoint Substantive County Receiver of Revenue	The County has now appointed the substantive Receiver of Revenue	Resolved	6 months

Solomon Kandie

Name: Solomon Kandie
 County Receiver of Revenue

Date: 16th November, 2023

COUNTY GOVERNMENT OF ELGEYO MARAKWET
 HEAD OF REVENUE OFFICE
 16 NOV 2023
 P. O. Box 220 - 30700, ITEN

John Keen Murkeu Jairo

Name: John Keen Murkeu Jairo
 Head of Revenue Reporting

ICPAK M/No: 8112

Date: 16th November, 2023

COUNTY GOVERNMENT OF ELGEYO MARAKWET
 COUNTY TREASURY
 CHIEF FINANCE OFFICER
 16 NOV 2023
 P. O. Box 220 - 30700, ITEN