

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PAPERS LAID	
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COMMITTEE	—
CLERK AT THE TABLE	Angela

OF

THE AUDITOR-GENERAL

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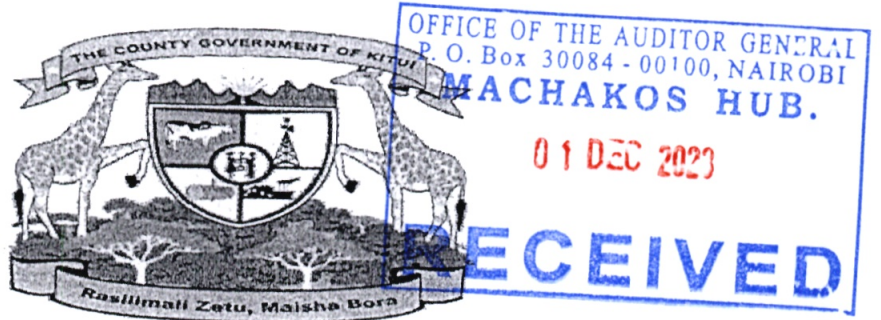
ON

**RECEIVER OF REVENUE - REVENUE
STATEMENTS**

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

COUNTY GOVERNMENT OF KITUI

Revised 30th June 2023



RECEIVER OF REVENUE
COUNTY GOVERNMENT OF KITUI
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)

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

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I. Acronyms and glossary of terms

a) Acronyms

CA	County Assembly
CECM	County Executive Committee Member
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

The County Government of Kitui was established under the 2010 Constitution. It is located 170Km to the South East of Nairobi City. It covers an area of about 30,496 km². Kitui County shares its borders with seven counties; Tharaka-Nithi and Meru to the north, Embu to the northwest, Machakos and Makueni to the west, Tana River to the east and southeast, and Taita-Taveta to the south. Revenue Department is a function in County Treasury and the Ministry is headed by County Executive Committee Member (C.E.C.M).

Background information

The *receiver of revenue* is under the Department of County Treasury. At the County Executive Committee level, the *receiver of revenue* is appointed by the County Executive committee member for County Treasury who is responsible for the general policy and strategic direction of the *receiver of revenue*. The *receiver of revenue* is designated as a receiver in October 2020 by the County Executive Committee member for Finance, in accordance with section 157 of the PFM Act.

(a) Principal activities

The receiver of revenue collects revenue and remits to the County Revenue Fund (CRF) for Kitui County Government at Central Bank of Kenya A/C Number 1000171111

(b) Key Management Team

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

- County Executive Committee Member for County Treasury
- Chief Officer – Finance, Revenue Management and Accounting
- Chief Officers, in charge of Ministries Collecting revenue
- Director Revenue
- Deputy Director Revenue
- Assistant Director Revenue
- Head of Revenue Reporting

Key Entity information and Management (continued)

(c) County Headquarters

P.O. Box 33 – 90200, Kitui
Kitui County Headquarter Building

(d) Entity Contacts

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(e) Independent Auditor

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P. O. Box 30084
GPO 00100
Nairobi, Kenya

(f) Principal Legal Adviser

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

(g) Bankers

Kenya Commercial Bank of Kenya
P.o Box 683 - 90200
Kitui - Kenya

Co-operative Bank of Kenya
P.O Box 11431 - 90200
Kitui - Kenya

Central Bank of Kenya
Haile Selassie Avenue
P.o Box 60,000 - 00200
Nairobi - Kenya

Key Entity information and Management (continued)

(h) County Attorney

Kitui County Solicitor
P.O. Box 33 – 90200, Kitui
Kitui County Headquarter Building

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

3. Foreword by the CECM Finance and Economic Planning

It is my pleasure to forward the Government of Kitui County Receiver of Revenue Report for the year ended 30th June, 2023. The report presents the performance of the County Government of Kitui over the past financial year.

Pursuant to Section 164 of the Public Finance Management Act, an Accounting Officer for a County Government entity shall prepare Financial Statements in respect of the entity in formats prescribed by the Public Sector Accounting Standards Board. The attached Financial Statements which have been prepared in line with the requirements of (PFMA), 2012, outline the state of affairs of the County Government of Kitui for the twelve months period ending June 30th 2023.

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. The County also finances its operations through own source revenues (OSR) and continues to explore new and innovative ways of increasing revenue allocations.

In the year ended 30th June 2023, the County received KShs. 10.39 billion as the equitable share of the revenue raised nationally, collected KShs. 473.14 million as own-source revenue (OSR), Kshs. 416.19 million as conditional grants, and had a cash balance of Kshs. 1.12 billion from FY 2021/22. This translates to KShs.12.40 billion total funds available for budget implementation during the period as shown in below table.


In FY 2022/2023, the County generated a total of Kshs. 473.14 million as own source revenue. This amount represents a 30.97 per cent increase compared to Kshs. 361.27 million raised in FY 2021/22 and was 112.65 percent of the annual target.

S/No	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs)	Actual Receipts as a Percentage of Annual Budget Allocation
A	Equitable Share of Revenue raised Nationally	10,393,970,413	10,393,970,413	100
	Sub Total	10,393,970,413	10,393,970,413	100
B	Other Sources of Revenue			
1	Own Source Revenue	420,000,000	473,138,520	112.65
2	Conditional Grants	374,080,509	416,198,252	111.26
3	Balance B/f from FY 2021/22	1,118,001,643	1,118,001,643	100.00
	Other Revenue Sources			
	Sub Total	1,912,082,152	2,007,338,415	104.98
	Grand Total	12,306,052,565	12,401,308,828	100.77

*Receiver Of Revenue
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The increase in revenue can be attributed to supply of enough drugs and medicines, Non pharmaceuticals, reagents and sound management of revenue collection and revenue inspections within the county.

Going forward, the revenue performance is bullish buoyed by a robust OSR e-collection system and synergy in decision making across the county leadership.

 27/11/2023

Peter Kilonzo

**CECM Finance and Economic Planning
County Government of Kitui**

4. Management Discussion and Analysis

This section covers the overall performance on budget implementation for the last Five years covering FY 2018/19-2022/23

Revenue Analysis

In FY 2018/19 the County's Supplementary Budget was Kshs.11.69 billion, comprising of Kshs.4.63 billion (39.6 per cent) and Kshs.7.06 billion (60.4 per cent) allocation for development and recurrent expenditure respectively. To finance the budget, the County expected to receive Kshs.8.73 billion (74.7 per cent) as equitable share of the revenue raised nationally, Kshs.1.22 billion (10.4 per cent) as total conditional grants, generate Kshs.797.99 million (6.8 per cent) from own sources of revenue, and Kshs.941.22 million (8.1 per cent) cash balance from FY 2017/18.

During FY 2018/19, the County had a total of Kshs.10.84 billion available for budget implementation. This amount consisted of Kshs.8.73 billion received as equitable share of the revenue raised nationally, Kshs.725.16 million as conditional grants, Kshs.443.18 million generated from own sources of revenue, and a cash balance of Kshs.941.22 million from FY 2017/18.

In FY 2019/20 the County governments approved second supplementary budget amounted to Kshs. 11.8 billion comprising of Kshs 4.39 billion (37.2 per cent) and Kshs 7.40 billion (62.8 percent) allocations for Development and Recurrent programmes respectively. To finance the budget, the County expected to receive KShs 8.83 (74.9 percent) billion as the equitable share of revenue raised nationally, KShs. 1.41 billion (12 per cent) as total conditional grants, generate KShs. 600 million (5.1 percent) from own sources of revenue, and the cash balance of kshs. 526.21 million (4.5 percent) from FY 2018/19. The County also expected to receive Kshs.425.93 million (3.6 per cent) as "other revenues" not contained in the CARA, 2019.

The FY 2019/20 revenue performance saw the County receive Kshs.8.07 billion as the equitable share of the revenue raised nationally, Kshs.701.73 million as total conditional grants, Kshs.120.36 million "other revenues" from National Government for COVID- 19 intervention, raised Kshs.408.29 million as own-source revenue and had a cash balance of Kshs.526.21 million from FY 2018/19. This translated to total funds available for budget implementation during the period of Kshs 9.8 billion.

In FY 2020/21, The County's approved supplementary budget was Kshs.11.84 billion, comprising of Kshs.4.41 billion (37.2per cent) and Kshs.7.43 billion (62.8 per cent) allocation for development and recurrent programmes, respectively. To finance the budget, the County expected to receive Kshs.8.83 billion (74.6 per cent) as the equitable share of revenue raised nationally, Kshs.830.89 million (7 per cent) as total conditional grants, generate

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Kshs.600 million (5.1 per cent) from own sources of revenue, and a cash balance of Kshs.1.58 billion (13.3 per cent) from FY 2019/20.

In FY 2020/21, the County received Kshs.8.83 billion as the equitable share of the revenue raised nationally, Kshs.986.21 million as conditional grants, raised Kshs.326.45 million as own-source revenue, and had a cash balance of Kshs.1.58 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.11.7 billion.

In FY 2021/22, the County received Kshs.9.56 billion as the equitable share of the revenue raised nationally, Kshs.147.67 million as conditional grants, raised Kshs.361.27 million as own-source revenue, and had a cash balance of Kshs 769.55 million from FY 2020/21. The total funds available for budget implementation during the period amounted to Kshs.10.84 billion

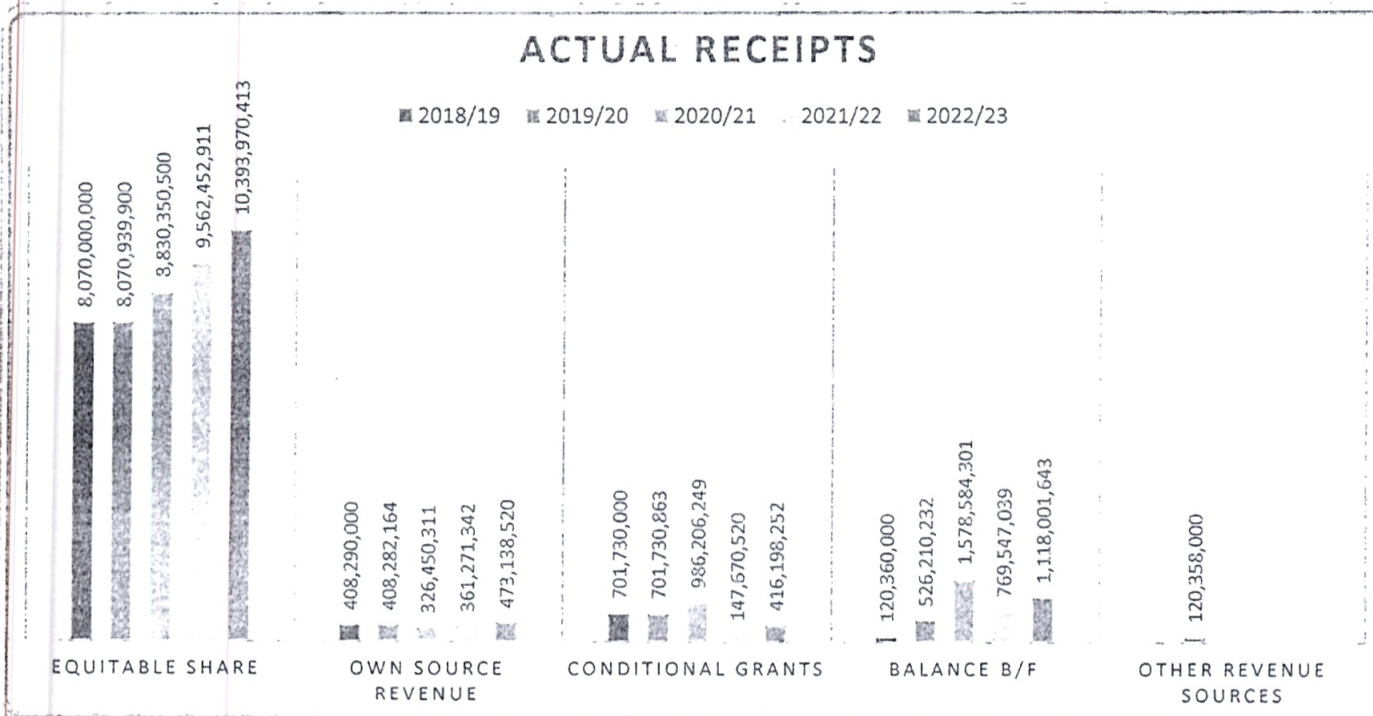
In the Current FY2022/23, the County received Kshs.10.39 billion as the equitable share of the revenue raised nationally, Kshs.416.12 million as conditional grants, raised Kshs.473.14 million as own-source revenue, and had a cash balance of Kshs 1.12 billion from FY 2021/22. The total funds available for budget implementation during the period amounted to Kshs.12.40 billion.

The table below shows the revenue performance overview for the FY 2018/19-2022/23

S/No	Revenue Category	2018/19		2019/20		2020/21		2021/2022		2022/2023	
		Annual Budget Allocation (Kshs)	Actual Receipts(Kshs)	Annual Budget Allocation(Kshs)	Actual Receipts (Kshs)	Annual Budget Allocation(Kshs)	Actual Receipts(kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs)
A	Equitable Share of Revenue raised Nationally	8,730,000,000	8,070,000,000	8,830,350,000	8,070,939,900	8,830,350,000	8,830,350,500	10,393,970,413	9,562,452,911	10,393,970,413	10,393,970,413
	Sub Total	8,730,000,000	8,070,000,000	8,830,350,000	8,070,939,900	8,830,350,000	8,830,350,500	10,393,970,413	9,562,452,911	10,393,970,413	10,393,970,413
B	Other Sources of Revenue										
1	Own Source Revenue	797,990,000	408,290,000	600,000,000	408,282,164	600,000,000	326,450,311	800,000,000	361,271,342	420,000,000	473,138,520
2	Conditional Grants	1,220,000,000	701,730,000	1,412,759,294	701,730,863	830,888,396	986,206,249	505,225,110	147,670,520	374,080,509	416,198,252
3	Balance B/f from	941,220,000	120,360,000	526,210,232	526,210,232	1,578,572,223	1,578,548,301	769,547,039	769,547,039	1,118,001,643	1,118,001,643
	Other Revenue Sources			425,929,437	120,358,000						
	Sub Total	2,959,210,000	1,230,380,000	2,964,898,963	1,756,581,259	3,009,460,619	2,891,240,861	2,074,772,149	1,278,488,901	1,912,082,152	2,007,338,415
	Grand Total	11,689,210,000	9,300,380,000	11,795,248,963	9,827,521,159	11,839,810,619	11,721,591,361	12,468,742,562	10,840,941,812	12,306,052,565	12,401,308,828

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

Chart on Revenue Performance Actual Receipts FY 2018/19-2022/23



Overall year-over-year Expenditure review FY 2018/19-2022/23

In FY 2018/19 Expenditure on development programmes amounted to Kshs.3.30 billion while Kshs.6.56 billion was spent on recurrent activities. Development expenditure recorded an absorption rate of 71.3 per cent. Conversely, recurrent expenditure represented 93.0 per cent of the annual recurrent budget.

In FY 2019/20 a total of Kshs.10.01 billion was spent on Development and Recurrent programmes. The expenditure comprised of Kshs.2.92 billion and Kshs.7.09 billion on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 66.5 per cent while that incurred on recurrent programmes represented an absorption rate of 95.8 per cent.

During the 2020/21 reporting period, the County spent Kshs.10.51 billion on development and recurrent programmes. The expenditure comprised Kshs.3.45 billion and Kshs.7.06 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 78.4 per cent, while recurrent expenditure represented 94.9 per cent of the annual recurrent expenditure budget.

In FY 2021/22 the County spent Kshs.9.40 billion on development and recurrent programmes during the reporting period. This expenditure comprised of Kshs.2.73 billion and Kshs.6.67 billion on development and recurrent

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programmes, respectively. Expenditure on development programmes represented an absorption rate of 67.0 per cent, while recurrent expenditure represented 90.9 per cent of the annual recurrent expenditure budget.

In FY 2022/23 the County spent Kshs.10.30 billion on development and recurrent programmes during the reporting period. This expenditure comprised of Kshs.2.10 billion and Kshs.8.20 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 58.30 per cent, while recurrent expenditure represented 94.3 per cent of the annual recurrent expenditure budget.

The table below illustrates summary of FY 2018/19-2022/23 budget and expenditure by economic classification

Summary of FY 2018/19-2022/23 Budget and EXPENDITURE BY Economic Classification

Description	2018/19			2019/20			2020/21			2021/22			2022/23		
	Budget Kshs Billions	Expenditure Kshs Billions	Actual Expenditure AS % of Funds Released	Budget Kshs Billions	Actual Expenditure Kshs Billions	Actual Expenditure AS % of funds Released	Budget Kshs Billions	Expenditure Kshs Billions	Actual Expenditure AS % of Funds Released	Budget Kshs Billions	Actual Expenditure Kshs Billions	Actual Expenditure AS % of Funds Released	Budget Kshs Billions	Actual Expenditure Kshs Billions	Actual Expenditure AS % of Funds Released
Total Recurrent Expenditure	7.06	6.56	93	7.4	7.09	95.8	7.43	7.06	94.9	7.34	6.67	90.9	8.7	8.2	94.3
Compensation to employees		4.1		4.67	4.65	99.7	4.71	4.68	99.3	4.75	4.61	97	4.8	4.7	97.9
Operations and Maintenance	7.06	2.46	58	2.74	2.44	89.1	2.72	2.38	87.5	2.58	2.06	79.6	3.9	3.5	89.7
Total Development	4.63	3.3	71.3	4.39	2.92	66.5	4.41	3.45	78.4	4.07	2.73	67	3.6	2.1	58.3
Development Expenditure	4.63	3.3	71.3	4.39	2.92	66.5	4.41	3.45	78.4	4.07	2.73	67	3.6	2.1	58.3
Grand Total	11.69	9.86	-	11.79	10.01	-	11.84	10.51	-	11.41	9.40	-	12.30	10.30	-

Receiver Of Revenue

County Government Of Kitui

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

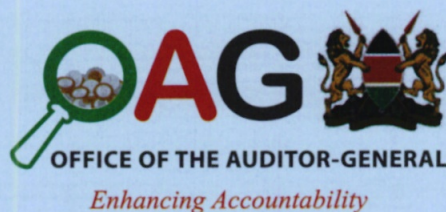
The *revenue* statements were approved and signed by the Receiver of Revenue on  27/11/2023

CPA John Makau

County Receiver of Revenue

REPUBLIC OF KENYA

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

PREAMBLE

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

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

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

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

REPORT ON THE REVENUE STATEMENTS

Qualified Opinion

I have audited the accompanying revenue statements of Receiver of Revenue - County Government of Kitui set out on pages 1 to 18, which comprise of the statement of financial assets and liabilities and the statement of arrears as at 30 June, 2023 and the statement of receipts and disbursements, statement of comparison of budget and actual amounts

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

for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the revenue statements present fairly, in all material respects, the financial position of Receiver of Revenue - County Government of Kitui 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 the Public Financial Management Act, 2012.

Basis for Qualified Opinion

1. Misstatement of Opening Balance

The statement of arrears of revenue reflects total arrears opening balance as at 01 July, 2022 of Kshs.692,130,002 while the audited revenue statements for year ended 30 June, 2022 reflected a balance of Kshs.626,005,795. This resulted to an unexplained and unreconciled variance of Kshs.66,124,207.

In the circumstances, the accuracy and completeness of total arrears opening balance of Kshs.692,130,002 could not be confirmed.

2. Inaccuracies in Bank Balances

The statement of financial assets and liabilities reflects bank balance of Kshs.1,468,018 as disclosed in Notes 20 to the financial statements. The amount includes a bank account balance of Kshs.299,678 while the cashbook reflects Kshs.11,704,438 resulting to an unreconciled and unexplained variance of Kshs.11,404,760. In addition, Note 20 reflects another bank account balance of Kshs.1,168,340 whose cashbook, bank reconciliation statements and certificate of bank balances were not provided for audit.

In the circumstances, the accuracy and completeness of bank balance of Kshs.1,468,018 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 - Revenue Statements - County Government of Kitui 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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget of Kshs.420,000,000 and actual on comparable basis of Kshs.473,138,519 resulting to over collection of Kshs.53,138,519 or 13% of the budget.

The over-collection of Kshs.53,138,519 may indicate under-budgeting in some of own source revenue items.

My opinion is not modified in respect to 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.

Other Matter

Unresolved Prior Year Matters

In the audit report for the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in the Use of Public Resources and Report on Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues.

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, 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 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, based on the audit procedures performed, except for the matters described in the Basis of Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Failure to Collect Revenue from County Investments

Review of county own source revenue documents revealed investments in ballast crusher at Kshs.220 million, cabro processing plant at Kshs.14 million and chicken slaughterhouse at Kshs.6.3 million but no revenue was reported from these activities in the year under review. In addition, rent on leased land for the ballast crusher is accrued annually at Kshs.360,000. However, physical verification of the ballast crusher and cabro processing plant in October and November, 2023 revealed that the equipment were not operational and had deteriorated due to adverse weather conditions.

Further, there were raw materials and finished products lying idle at the cabro processing plant site without any security arrangements. Management did not provide satisfactory explanations on why the projects were not operational or highlight the measures being put in place to revive them.

In the circumstances, value for money from the investments of ballast crusher at Kshs.220 million, cabro processing plant at Kshs.14 million and chicken slaughterhouse at Kshs.6.3 million could not be confirmed.

2. Failure to Integrated Revenue Systems

The statement of receipts and disbursements reflects revenue from hospital fees of Kshs.274,835,744. However, the revenue management system in the hospitals is not integrated to the County revenue collection system and the revenues from the hospital facilities are collected and transferred independently into the County revenue collection bank account. As a result, the County is not able to centrally oversee the revenue collection and reporting process for the same.

In the circumstances, effectiveness of internal controls on the revenue management systems could not be confirmed.

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 the Management and those Charged with Governance

The 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 controls as the 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 controls, risk management and overall governance.

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

The 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the revenue statements comply 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that

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


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Receiver of Revenue 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 control that are identified during the audit.

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

07 February, 2024

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


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

Description	Note	2022/23	2021/22
		Kshs	Kshs
County Own Source Revenue			
Cess	1	9,557,128.00	7,398,530.00
Land Rate	2	11,599,653.00	13,450,023.00
Single/Business Permits	3	76,558,410.00	57,065,586.00
Property Rent	4	2,805,640.00	1,999,800.00
Parking Fees	5	15,256,278.00	10,347,962.00
Market Fees	6	14,853,052.00	10,941,907.00
Advertising	7	22,953,545.00	23,159,130.00
Hospital Fees	8	274,835,744.00	184,701,071.00
Public Health Service Fees	9	4,101,950.00	3,849,000.00
Physical Planning and Development	10	8,352,476.00	11,078,624.00
Hire Of County Assets	11	3,967,822.00	2,385,937.00
Conservancy Administration	12	734,828.00	1,198,776.00
Administration Control Fees and Charges	13	24,891,789.00	24,899,653.00
Proceeds from sale of assets	14	-	216,200.00
Park Fees	15	-	-
Other Fines, Penalties, And Forfeiture Fees	16	116,290.00	25,000.00
Miscellaneous receipts	17	2,553,914.00	8,554,142.00
Total County Own Source Revenue		473,138,519.00	361,271,341.00
Other Receipts			
Donations/Grants Not Received Through CRF	18	-	-
Total Other Receipts		-	-
Total Receipts		473,138,519.00	361,271,341.00
Balance b/f at the beginning of the year		6,677,197.76	3,174,327.03
Recoveries from collectors		603,635.75	907,998.00
Disbursements To CRF		(467,089,152.20)	(358,676,469.03)
Balances with Collectors		(11,395,086.25)	-
Bank Charges	19	(130,013.00)	-
Balance Due for Disbursement as at the end of the period		1,805,102.00	6,677,197.00

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

The accounting policies and explanatory notes to these revenue statements, form an integral part of the revenue statements. These revenue statements were approved on 27/11/2023 and signed by:


CPA John Makau
County Receiver of Revenue
County Government of Kitui



Mrs. Roselyne K. Munyasya
Head of Revenue Reporting
ICPAK M/No 10949


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

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

Description	Note	2022/23	2021/22
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalentents			
Bank Balances	20	1,468,018.04	6,431,464.76
Cash In Hand	21	337,084.00	245,733.00
Total Financial Assets		1,805,102.02	6,677,197.76
Financial Liabilities			
Payables-Due to CRF	22	1,805,102.00	6,677,197.76
Total Financial Liabilities		1,805,102.00	6,677,197.76

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 27/6/23 2023 and signed by:


CPA John Makau
County Receiver of Revenue
County Government of Kitui


Mrs. Roselyne K. Munyasya
Head of Revenue Reporting
ICPAK M/No 10949

Receiver Of Revenue
County Government Of Kitui
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	15,403,693.00	(8,005,163.00)	7,398,530.00	9,557,128.00	(2,158,598.00)	129.18
Land Rate	63,290,200.00	(47,400,618.61)	15,889,581.39	11,599,653.00	4,289,928.39	73.00
Single/Business Permits	70,189,117.00	(1,204,859.00)	68,984,258.00	76,558,410.00	(7,574,152.00)	110.98
Property Rent	2,136,800.00	(137,000.00)	1,999,800.00	2,805,640.00	(805,840.00)	140.30
Parking Fees	13,460,715.00	(1,012,753.00)	12,447,962.00	15,256,278.00	(2,808,316.00)	122.56
Market Fees	10,337,297.00	604,610.00	10,941,907.00	14,853,052.00	(3,911,145.00)	135.74
Advertising	18,378,652.00	10,201,064.33	28,579,716.33	22,953,545.00	5,626,171.33	80.31
Hospital Fees	197,740,536.66	18,128,825.88	215,869,362.55	274,835,744.00	(58,966,381.45)	127.32
Public Health Service Fees	2,941,613.34	1,556,905.12	4,498,518.45	4,101,950.00	396,568.45	91.18
Physical Planning and Development	37,527,270.00	(26,253,884.00)	11,273,386.00	8,352,476.00	2,920,910.00	74.09
Hire Of County Assets	17,819,032.00	(16,605,981.00)	1,213,051.00	3,967,822.00	(2,754,771.00)	327.09
Conservancy Administration	2,967,676.00	(2,011,300.00)	956,376.00	734,828.00	221,548.00	76.83
Administration Control Fees and Charges	67,749,284.00	(39,531,389.00)	28,217,895.00	24,891,789.00	3,326,106.00	88.21
Proceeds from sale of assets	11,216,200.00	(11,216,200.00)	-	-	-	-
Park Fees	-	-	-	-	-	-
Other Fines, Penalties, And Forfeiture Fees	5,625,000.00	(5,388,622.77)	236,377.23	116,290.00	120,087.23	49.20

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

Miscellaneous Receipts	63,216,914.00	(51,723,634.95)	11,493,279.05	2,553,914.00	8,939,365.05	22.22
Total County Own Source Revenue	600,000,000.00	(180,000,000.00)	420,000,000.00	473,138,519.00	(53,138,519.00)	112.65
Other Receipts						
Donations /Grants Not Received Through CRF	-	-	-	-	-	-
Total Other Receipts	-	-	-	-	-	-
Total Receipts	600,000,000.00	(180,000,000.00)	420,000,000.00	473,138,519.00	(53,138,519.00)	112.65


All the revenue streams with below 90% achievement were affected by:-

Revenue Stream	% of Revenue Stream Realization	Reason for Less than 90% Realization
Miscellaneous Receipts	22.22	Affected by Machinery break down
Other Fines, Penalties, And Forfeiture Fees	49.20	Compliance was high due to regular inspections
Conservancy Administration	76.83	Affected by drought
Land Rate	73.00	Lack of Valuation Roll which Could Upsize the Collections
Physical Planning and Development	74.09	Lack of Valuation Roll which Could Upsize the Collections
Advertising	80.31	There was low adverts by companies due to low economy
Administration Control Fees and Charges	88.21	There was delivery fees by companies due to low economy

The County Receiver of revenue's financial statements were approved on 27th June 2023 2023


and signed by:


CPA John Makau
County Receiver of Revenue
County Government of Kitui



Mrs. Roselyne K. Munyasya
Head of Revenue Reporting
ICPAK M/No 10949

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

Classification Of Receipts (Indicate As Applicable)	Balance as at 1 st July 2022	Arrears received during the year	Additions in arrears for the current year to June 30, 2023	Total arrears as at 30 June 2023	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Land/Poll Rate	692,130,002	(1,270,128.48)	152,236,523	843,096,397.64	Pegging payment of rates on SBP	Not Substantial
Total Arrears	692,130,002	(1,270,128.48)	152,236,523	843,096,397.64		



CPA JOHN MAKAU
 County Receiver of Revenue
 (Ref: PFM ACT section 165, 2(a))



ROSELYNE MUNYASYA
 Head of Revenue Reporting
 ICPAK M/No 10949

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

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 Kitui. 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 Kitui. 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 Kitui.

2. Recognition of Receipts

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

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 23rd June 2022 for the period 1st July 2022 to 30 June 2023 as required by law. There was two number of supplementary budgets passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

4. Cash and cash equivalents

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

5. Revenue in Arrears

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

6. Disbursements to CRF

The Receiver of Revenue has an arrangement for transfer of funds from its Kenya Commercial bank of Kenya to the CRF account every Friday. Total disbursements to the CRF are as a result of the transfer arrangement during the year.

7. Comparative Figures

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

8. Subsequent Events

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

12. Notes to the Financial Statements

1. Cess

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Farm produce	3,658,190.00	2,529,230.00
Quarrying	5,898,938.00	4,869,300.00
Total	9,557,128.00	7,398,530.00

2. Land rates

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Land rates	5,115,169.44	5,766,981.00
Land penalties and interest	2,284,906.00	2,084,199.00
Arrears	4,199,577.56	5,598,843.00
Total	11,599,653.00	13,450,023.00

3. Single /Business Permits

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Business permit application fees	106,700.00	142,381.00
Annual Business permit fees	76,441,935.00	56,799,036.00
Business permit penalties and interest	9,775.00	124,169.00
Total	76,558,410.00	57,065,586.00

4. Property Rent

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Stalls/kiosks rent	2,805,640.00	1,999,800.00
Total	2,805,640.00	1,999,800.00

Notes to the Financial Statements (Continued)

5. Parking Fees

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Street parking fees	10,366,398.00	7,678,722.00
Enclosed parking	4,889,880.00	2,669,240.00
Total	15,256,278.00	10,347,962.00

6. Market Fees

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Market entry fees	7,163,842.00	3,453,447.00
Stock Fees	7,689,210.00	7,488,460.00
Total	14,853,052.00	10,941,907.00

7. Advertising

Descriptions	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Branding	17,070,645.00	19,600,240.00
Billboard advertising	3,027,300.00	2,611,300.00
Posters and Banners	268,200.00	223,100.00
Promotions	2,587,400.00	724,490.00
Total	22,953,545.00	23,159,130.00

8. Hospital Fees

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Level 4 hospitals	222,624,107.79	147,205,527.16
Sub County Hodpitals	52,211,636.21	37,495,543.84
Total	274,835,744.00	184,701,071.00

Notes to the Financial Statements (Continued)

9. Public Health Service Fees

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Inspection of buildings/premises/Institutions	500,000.00	440,000.00
Inspection for issuance of hygiene license	2,001,950.00	1,890,000.00
Applications for medical examination	1,300,000.00	1,270,000.00
Sanitation inspection for schools	120,000.00	100,000.00
Others (Specify)	180,000.00	149,000.00
Total	4,101,950.00	3,849,000.00

10. Physical Planning and Development

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Building Inspection Fees	984,000.00	1,568,000.00
Signboards	477,400.00	475,000.00
Occupational Permits	65,000.00	33,000.00
Architectural designs by county officers	2,697,596.00	688,500.00
Purchase of GIS data	-	141,000.00
Land Administrative Fees	3,987,680.00	7,720,118.00
Survey fees	140,800.00	453,006.00
Total	8,352,476.00	11,078,624.00

11. Hire Of County Assets

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Agricultural Mechanisation Services (AMS)	41,000.00	1,232,900.00
Hire of County Halls and Stadia	111,000.00	72,000.00
Conference facilities/Agricultural Training Centers (ATC)	3,815,822.00	1,081,037.00
Total	3,967,822.00	2,385,937.00

Notes to the Financial Statement (Continued)

12. Conservancy Administration

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Sale of seedlings/ Agricultural goods	596,428.00	946,376.00
Public cemetery	15,200.00	22,300.00
Noise control	123,200.00	230,100.00
Total	734,828.00	1,198,776.00

13. Administration Control Fees and Charges

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Weights and measures	560,431.00	533,837.00
Liquor licenses	12,461,000.00	9,128,100.00
Meat Inspection	585,260.00	887,146.00
Veterinary Services	150,425.00	155,155.00
Livestock Movement Permit	431,888.00	770,155.00
Slaughter House Inspection	40,225.00	29,000.00
Dispatch Note & Flayer Licence	4,300.00	15,500.00
Slaughter Fees	1,816,130.00	1,964,210.00
Transportation Charges	8,842,130.00	11,416,550.00
Total	24,891,789.00	24,899,653.00

14. Proceeds from sale of Assets.

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Sale of products from Kitui Foods	-	216,200.00
Total	-	216,200.00

Notes to the Financial Statement (Continued)

15. Park Fees

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

16. Other Fines, Penalties and Forfeitures

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Impounding Fees	116,290.00	25,000.00
Total	116,290.00	25,000.00

17. Miscellaneous Receipts

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Sale and Search of Assets	16,600.00	6,300.00
Sale of Goods e.g Cabros, Interlocking blocks	21,014.00	6,030,092.00
Borehole Drilling	-	202,000.00
Engineering Works Levy	6,300.00	188,650.00
County Investment Fees-Crusher	-	1,027,100.00
Proceeds from Insurance of Vehicles	2,500,000.00	-
Other Miscellaneous	10,000.00	-
Sale of Shoes and Puncture	-	1,100,000.00
Total	2,553,914.00	8,554,142.00

Notes to the Financial Statement (Continued)

18. Donations and Grants not Received Through CRF

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Donations (Specify Based on Source)	-	-
Grants (Specify Based on Source)	-	-
Others (Specify)	-	-
Total	-	-

19. Bank Charges

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Bank Charges & commissions-KCB A/C 1140752855	96,613.00	-
Bank Charges & commissions-Co-Op A/C 01141810632200	33,400.00	-
Total	130,013.00	-

20. Bank Balances

Name of Bank, Account No. & currency	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Kenya Commercial Bank, A/C No. 1140752855	299,678.00	6,431,464.76
Co-operative Bank of Kenya Bank, A/C No. 01141810632200	1,168,340.04	-
Total	1,468,018.04	6,431,464.76

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

Ref	Amount (Kshs)	Date subsequently transferred
Disbursement 1	1,468,018.14	10 th July 20223
Total	1,468,018.14	

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

Notes to the Financial Statement (Continued)

21. Cash in hand

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Mobile Money- Paybill Number 815815 (Safaricom)	337,084.00	243,733.00
Mobile Money- Paybill Number 415215 (Safaricom)	-	2,000.00
Total	337,084.00	245,733.00

22. Payables- Due To CRF

Payables	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Balance b/f at the beginning of the year	6,677,197.76	3,174,327.03
Recoveries	603,635.75	907,998.00
Amount collected during the period	473,138,519.00	361,271,341.00
Amounts disbursed to CRF during the period	(467,089,152.2)	(358,676,469.03)
Balances with Collectors	(11,395,086.25)	-
Bank Charges	(130,013.00)	-
Balance c/d at the end of the period	1,805,102.00	6,677,197.76

This relates to amounts yet to be disbursed to the exchequer at the end of the financial year. The amount should be supported by the bank balances as per note 16 above.

Notes to the Financial Statement (Continued)

23. Ageing Analysis of Revenue in Arrears


Description (indicate as applicable)	Less than	Between	Between	Over 3 years	Total
	1 year	1-2 years	2-3 years		
Land/ Poll Rate	6,743,796.00	2,386,403.62	27,960,401.57	806,005,795.00	843,096,396.19

24. 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 benefiting 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
N/A	N/A	N/A	N/A	N/A	N/A

(PFM ACT section 165 subsection 4, 5)



 Sign and date
 Accounting Officer

Receiver Of Revenue
 County Government Of Kitui
 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)
4.11	Errors in presentation of the Financial Statements	Receiver of Revenue Statements adjusted and submitted for review on 21 st March 2023	Resolved	N/A
4.2	Revenue Under-collection	Measures put in place to enhance revenue collection including inspection drives	Resolved	N/A
4.3	Unconfirmed County Own Source Revenue	Reconciliation of Hospital Revenue reconciled against hospital collection receipts.	Resolved	N/A
4.4	Non-compliance with guidelines on banking of collected revenue	Issue caused by delays in swiping of the monies by the KCB bank	Resolved	N/A

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.

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 CPA John Makau
 County Receiver of Revenue
 County Government of Kitui

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 Mrs. Roselyne K. Munyasya
 Head of Revenue Reporting
 ICPAK M/No 10949