

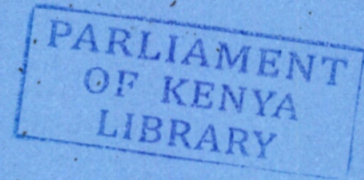
REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT  
OF  
THE AUDITOR-GENERAL**

**ON**



**RECEIVER OF REVENUE**

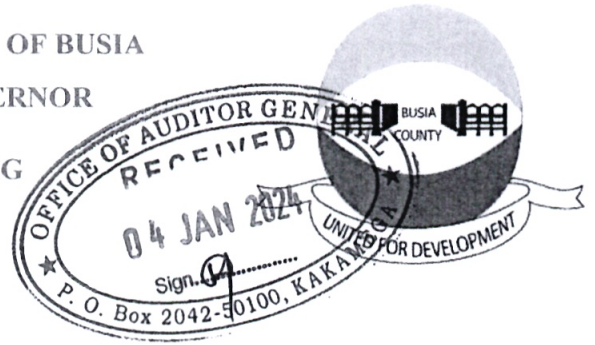
**FOR THE YEAR ENDED  
30 JUNE, 2023**

**COUNTY GOVERNMENT OF BUSIA**

PAPERS LAID	
DATE	19/03/2024
TABLED BY	ML
COMMITTEE	—
CLERK AT THE TABLE	Cerlyne Cherop



COUNTY GOVERNMENT OF BUSIA  
OFFICE OF THE GOVERNOR  
P.O. BOX PRIVATE BAG  
50400 BUSIA,  
KENYA



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**RECEIVER OF REVENUE**

**COUNTY GOVERNMENT OF BUSIA**

**REVENUE STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE, 2023**

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

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

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**1. Acronyms and glossary of terms**

*a) Acronyms*

CA	County Assembly
COB	Controller of Budget
CRA	Commission on Revenue Allocation
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, 2012
PSASB	Public Sector Accounting Standards Board
ROR	Receiver of Revenue

**2. Key Entity Information and Management**

**(a) Background information**

The receiver of revenue is under the Department of finance, economic planning and ICT. At the County Executive Committee level, the receiver of revenue is represented by the County Executive committee member for finance, 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**

The County Government of Busia's day-to-day management of revenue is under the following:

No.	Designation	Name
1.	CECM Finance and Economic Planning	Hon. Topister Naiti Wanyama
2.	Accounting Officer in charge of Finance	Mr. Gypson Ojiambo Wafula
3.	Accounting Officer in charge of Agriculture	Mr. Odende Timothy
4.	Accounting Officer in charge of Sports	Mr. Panyako Seth
5.	Accounting Officer in charge of Health	Ms. Outa Susan
6.	Accounting Officer in charge of Transport	Mr. Hefow Aden
7.	Accounting Officer in charge of Trade	Mr. Mwaro Elijah
8.	Accounting Officer in charge of Lands	Ms. Imo Mercy
9.	Head of Revenue Reporting unit	Mr. William O. Picha

**(d) County Headquarters**

P.O. Box Private Bag 50400

Busia (K)

Town Hall Building Busia-

Kisumu Highway Busia

**(e) Entity Contacts**

E-mail: [info@busiacounty.go.ke](mailto:info@busiacounty.go.ke)

Website: [www.busiacyounty.go.ke](http://www.busiacyounty.go.ke)

**(f) Independent Auditors**

Auditor General

Kenya National Audit Office

Anniversary Towers, University Way

P. O. Box 30084

GPO 00100

Nairobi, Kenya

**(g) Principal Legal Adviser**

The Attorney General State

Law Office Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

**(h) Bankers**

**1. Commercial banks**

i. Kenya Commercial Bank, Busia Branch

ii. National Bank of Kenya, Busia Branch.

**(i) County Attorney**

P.O. Box Private Bag 50400

Busia (K)

Inyanza Plaza

Opposite KMTC-Busia

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

It is my pleasure to present the County Government of Busia Receiver of revenue financial statements for the year ended 30<sup>th</sup> June, 2023. The financial statements present the financial performance of the Receiver of Revenue Fund for the financial year 2022/2023.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments.

**Financing of the County Governments**

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution of Kenya 2010.

The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue sources for Busia County included single business permits, land rates, business plan approvals, advertising fees, hospital user fees, cess and various other administrative charges.

The County continues to explore new and innovative ways of increasing its local revenue collections. Some of the steps that the County has taken towards improving its revenue collections include:

- 1) Automation of revenue collection system – the County is currently using Busia County Revenue Management system as the revenue collection system;
- 2) Continuous revenue mapping to inform realistic projections and putting in place proper revenue collection enforcement measures.
- 3) Allocation of service delivery vehicles to enhance local revenue collection.
- 4) Collaborative approach including administrators at grassroot level to enhance revenue collection.

Sign.....

**Hon. Topister Naiti Wanyama.**  
**CECM Finance, Economic Planning and ICT**

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

##### **Background information**

Own Source Revenue (OSR) is anchored by the 2010 Constitution, the 2012 Public Finance Management Act, the County Government Act of 2012 and Urban Areas and Cities Act 2011. Together, these allow counties to impose property tax, entertainment taxes and any other tax authorized by an Act of Parliament, as well as charges for the services they provide.

Improved OSR not only increases absolute revenues for a county but also improves the fiscal autonomy of county governments and allows them to better manage their public finances in manner more appropriate to their own economies. Studies by the National Treasury and reports by the Office of the Controller of Budget and the Commission on Revenue Allocation (CRA) have established that most counties raise less than 40 per cent of their estimated revenue potential. The joint devolution programme is working with partner counties and CRA to address this issue.

CRA has developed Own Sources Revenue Training Guidelines for counties that provide a tool for strengthening their technical capacity on OSR administration to improve performance. Through training programmes and ongoing assessments, the programme, together with CRA, is enhancing the technical capacity of county government revenue staff, supervisors, management and policymakers on the process of revenue collection, management and enhancement.

##### **County own generated receipt.**

This is money derived by or on behalf of a County Government from levies, rates, fees, charges or any other source as authorized by Article 209 (3) of The Constitution of Kenya, 2010. The county heavily relied on levy rates on hospital user fees, trailer parking fees and single business permits for its services. During the financial year 2019/2020, 2020/2021, 2021/2022 and 2022/2023 the County Government adopted electronic payment and improved its monitoring systems for charges, permits and fees.

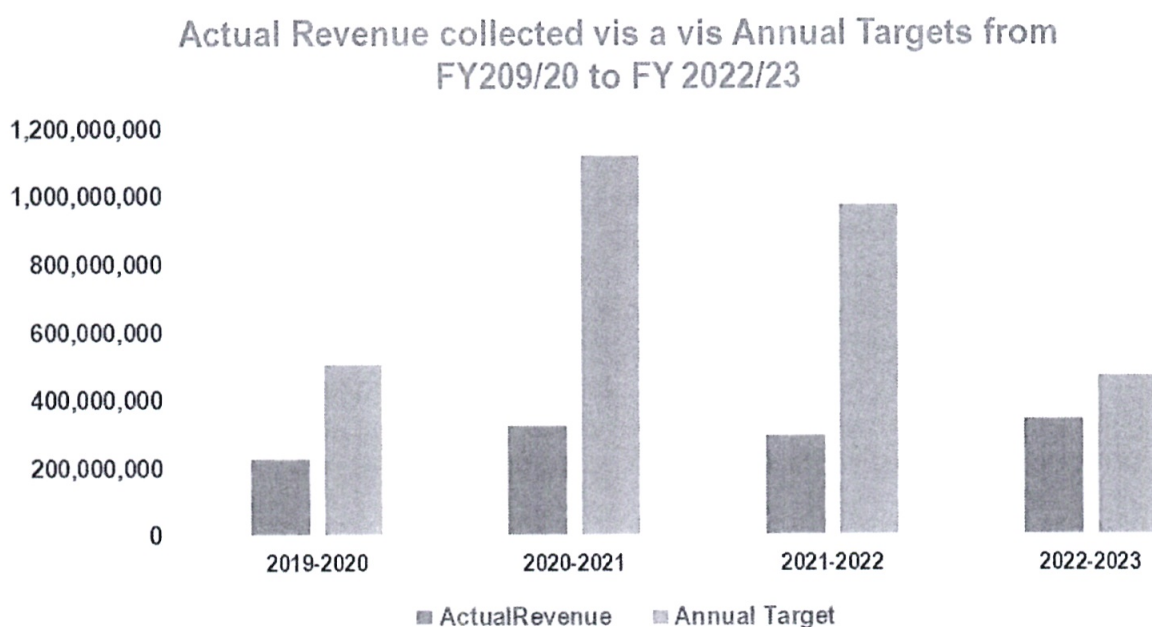
The County Government projected to collect a total of Kshs. 469,156,699 from the local sources which were planned to support priority programmes and projects identified for implementation over the FY 2022/2023. This is shown in the table below:



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

Own generated revenues for the FY 2019/2020 to 2022/2023				
Financial Year	Approved Budget	Actual Receipts	Deviation	Budget realization
	Kshs	Kshs	Kshs	%
2019-2020	504,500,647	225,827,435	278,673,212	45
2020-2021	1,119,555,802	322,558,227	796,997,575	29
2021-2022	976,108,322	292,736,456	683,371,867	30
2022-2023	469,156,699	355,797,718	113,358,981	76
<b>Totals</b>	<b>3,069,321,470</b>	<b>1,196,919,836</b>	<b>1,872,401,635</b>	<b>39</b>

**Actual Revenue Performance against Annual Targets from FY 219/2020 to FY 2022/2023**



The county recorded an upward trajectory in revenue for the FY 2022/2023 as shown above. This was attributed to a number of factors listed below:

- i. Intensified revenue enhancement and enforcement through regular Rapid Result Initiatives
- ii. Operationalization of car parking fees along designated parking areas
- iii. Enhancement in collection of sugarcane cess from the sugarcane companies
- iv. Regular follow up NHIF disbursements and sub sequent transfer of collection account

**5. Statement of Receiver of Revenue's responsibilities**

Section 166 (1) of the Public Finance Management Act, 2012 requires that, at the end of each quarter, the accounting officer for a County Government shall prepare financial statements in respect of that entity. Section 166 (2) (b) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

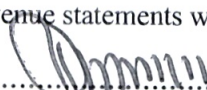
The Receiver of Revenue is responsible for the preparation and presentation of the receiver of revenue financial statements, which gives a true and fair view of the state of affairs of the receiver of revenue for and as at the end of the period ended on 30<sup>th</sup> June,2023. This responsibility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

The Receiver of Revenue in charge accepts responsibility for the County Government of Busia receiver of revenue accounts, which have been prepared on the Cash Basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the County Government of Busia receiver of revenue account gives a true and fair view of the state of County Government's receiver of revenue transactions during the period ended 30<sup>th</sup> June,2023, and of the County Government's statement of financial 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 County Government of Busia 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.

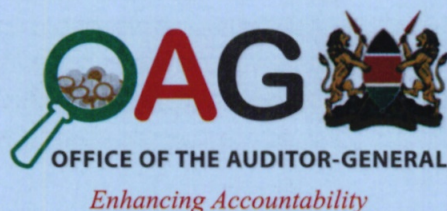
**Approval of the Revenue Statements**

The revenue statements were approved and signed by the Receiver of Revenue on 27<sup>th</sup> December, 2023.

  
.....  
Name: Ms. Topister Naiti Wanyama.  
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 FOR THE YEAR ENDED 30 JUNE, 2023 – COUNTY GOVERNMENT OF BUSIA**

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### **PREAMBLE**

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

- A. Report on the Revenue Statements that considers whether the revenue statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the revenue statements;
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for intended purpose; and,
- 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 Busia set out on pages 1 to 21 which comprise of the statement of financial assets and liabilities and statement of arrears of revenue as at 30 June, 2023, the

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

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

In my opinion, 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 – County Government of Busia 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 Receipts - Single Business Permit**

The statement of receipts and disbursements reflects an amount of Kshs.64,080,118 in respect of revenue from single business permit as disclosed in Note 3 to the financial statements. Available records indicated that the single business permit revenue stream is fully automated, and collections are done through the Busia County Pro-revenue System. However, at the time of audit in November, 2023, there was no data provided for audit verification in relation to the revenue stream.

Further, during the year under review, the County Executive of Busia did not maintain a data base of all the businesses operating in the sub-counties and a register of invoices issued to various business owners requesting for payment for business permits. No revenue registers were also maintained to ascertain the amount invoiced, amount collected and outstanding balances.

In the circumstances, the accuracy and completeness of the revenue of Kshs.64,080,118 from single business permit could not be ascertained.

#### **2. Inaccuracies in the Statement Arrears of Revenue**

The statement of arrears of revenue reflects total arrears of Kshs.119,236,332. However, re-calculation of the total arrears amounted to Kshs.112,973,487 resulting to unreconciled variance of Kshs.6,262,845.

In the circumstances, the accuracy and completeness of total arrears of revenue balance of Kshs. 119,236,332 could not be confirmed.

#### **3. Unsupported Bank Balances**

The statement of financial assets and liabilities reflects a balance of Kshs.38,593,347 in respect of bank balances which, as disclosed in Note 18 to the financial statements,

comprises of balances in thirteen (13) bank accounts. However, certificates of bank balances for three (3) bank accounts with balances of Kshs.785,023, Kshs.3,638,179 and Kshs.1,830,092 respectively, were not provided for audit review.

In the circumstances, the accuracy and completeness of the bank balances of the three (3) accounts with total balance of Kshs.6,253,294 could not be confirmed.

#### **4. Variances between Financial Statements and Supporting Schedules**

The statement of receipts and disbursements reflects own source revenue amounts of Kshs.153,638,955, Kshs.3,725,150 and Kshs.6,072,514 relating to hospital fees, land rates and public health services, respectively. However, the amounts are at variance with the amounts of Kshs.142,150,611, Kshs.3,649,803 and Kshs.5,966,845 shown in the respective supporting schedules. The variances of Kshs.11,488,344, Kshs.75,347 and Kshs.105,669 have not been explained or reconciled.

In the circumstances, the accuracy and completeness of the revenues of Kshs.153,638,955, Kshs.3,725,150 and Kshs.6,072,514 in respect to hospital fees, land rates and public health services, respectively 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 - County Government of Busia 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 receipts budget and actual on comparable basis amounts of Kshs.469,156,699 and Kshs.355,797,718 respectively, resulting to under-collection of revenue of Kshs.113,358,981 or 24% of the targeted receipts.

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

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

#### **Key Audit Matters**

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

## **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, although Management has indicated that the issues have been resolved, no documentary evidence was provided to show how the issues were resolved.

In the circumstances, the issues remain unresolved.

## **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, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **Irregular Operation of Revenue Collection Bank Accounts**

During the year under review, the County Executive of Busia operated thirteen (13) revenue collection accounts held at commercial banks. This was contrary to Regulation 82(1)(b) of the Public Finance Management (County Governments) Regulations, 2015 which provides that all County Government bank accounts shall be opened at the Central Bank of Kenya except for imprest bank accounts for petty cash.

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

## **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 matter described in the Basis for 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 overall governance were not effective.

## **Basis for Conclusion**

### **Revenue Collection Automation**

During the audit under review, it was revealed that the County Executive automated part of its revenue collection streams through the Busia County Revenue Collection System managed by the County ICT department with back up and support from a local company. However, it was not possible to confirm which revenue streams had been automated and the modules in use. Further, there were no reports generated from the system detailing consolidated revenue collection from all the revenue collection streams including the arrears accruing from non-payment of revenue for the year under review. There were also no well-defined backup and archiving procedures that are central to data management process.

A site visit in the month of September, 2023 at the Malaba Border office revealed that two revenue streams: bus parking fees and transit produces cess were managed through the Point of Sale (POS) gadgets. It was noted that there were challenges in collection of fees from moving vehicles and motorcycles. Further, the point of sale gadgets generate more than one receipt causing conflicting reconciliations. The gadgets are also linked whereby a collector can access another collector's information when generating receipts.

In the circumstances, internal controls relating to revenue collection were not effective.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these revenue statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of revenue statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the revenue statements, Management is responsible for assessing the Receiver of Revenue's ability to 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 its operations.

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

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

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

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

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

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

Further, in planning and performing the audit of the revenue statements and audit of compliance, I consider internal 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 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

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



amounts that would be material in relation to the revenue statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the revenue statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Receiver of Revenue's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the revenue statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Receiver of Revenue to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the revenue statements, including the disclosures and whether the revenue statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Receiver of Revenue to express an opinion on the revenue statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL.

Nairobi

06 February, 2024

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

**7. Statement of Receipts and Disbursements for the year ended 30<sup>th</sup> June,2023**

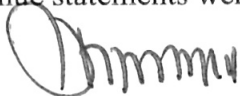
	Note	2022/23	2021/22
		Kshs	Kshs
<b>County Own Source Revenue</b>			
Cess	1	49,905,791	41,721,962
Land/Poll Rate	2	3,725,150	7,015,612
Single/Business Permits	3	64,080,118	54,087,055
Property Rent	4	6,090,268	13,276,087
Parking Fees	5	31,697,585	38,703,770
Market Fees	6	12,679,690	14,851,492
Advertising	7	12,518,898	7,343,350
Hospital Fees	8	153,638,955	95,171,104
Public Health Service Fees	9	6,072,514	4,732,510
Physical Planning and Development	10	4,927,616	6,672,600
Hire Of County Assets	11	1,387,095	1,835,515
Conservancy Administration	12	4,220,881	3,822,246
Administration Control Fees and Charges	13	3,974,980	3,116,930
Other Fines, Penalties, And Forfeiture Fees	14	672,928	358,200
Cash in hand	15	205,249	-
<b>Total County Own Source Revenue</b>		<b>355,797,718</b>	<b>292,708,434</b>
<b>Other Receipts</b>			
<b>Total Other Receipts</b>		-	-
<b>Total Receipts</b>		<b>355,797,718</b>	<b>292,708,434</b>
Balance b/f at the beginning of the Period		80,036,552	648,061
<b>Disbursements To CRF</b>		(396,000,000)	293,356,495
Reversals, Bank charges	16	(625,875)	-
Prior year adjustments	17	(409,798)	-
<b>Balance Due for Disbursement as at the end of the period</b>		<b>38,798,596</b>	<b>648,061</b>

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

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The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Revenue statements were approved on 27<sup>th</sup> December, 2023 and signed by:



.....  
**Name: Ms. Topister Naiti Wanyama**  
**County Receiver of Revenue**



.....  
**Name: Mr. William O. Picha**  
**Head of Revenue Reporting**

*Receiver of Revenue  
County Government of Busia  
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**8. Statement of Financial Assets and Liabilities as at 30th June, 2023**

	Note	2022/23	2021/22
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances	18	38,593,347	79,388,491
Cash In Hand	15	205,249	648,061
<b>Total Financial Assets</b>		<b>38,798,596</b>	<b>80,036,552</b>
<b>Financial Liabilities</b>			
Payables-Due to CRF	19	38,798,596	80,036,552
<b>Total Financial Liabilities</b>		<b>38,798,596</b>	<b>80,036,552</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 27<sup>th</sup> December, 2023 and signed by:



.....  
Name: Ms. Topister Naiti Wanyama  
County Receiver of Revenue



.....  
Name: Mr. William O. Picha.  
Head of Revenue Reporting

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

**9. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30<sup>th</sup> June, 2023**

Receipt	Original annual Budget	Adjustments	Final Budget	Actual Cumulative to date (30 <sup>th</sup> June, 2023)	% Of realization of revenue
	A	B	C=A+B	D	F=D/C %
<b>County Own Source Revenue</b>	Kshs	Kshs	Kshs	Kshs	
Cess	62,226,999	-	62,226,999	50,011,460	80%
Land/Poll Rate	29,366,615	-	29,366,615	3,725,150	12%
Single/Business Permits	67,973,538	-	67,973,538	64,080,118	94%
Property Rent	8,339,592	-	8,339,592	6,090,268	73%
Parking Fees	46,723,750	-	46,723,750	31,697,585	68%
Market Fees	31,370,361	-	31,370,361	12,679,690	40%
Advertising	13,408,371	-	13,408,371	12,518,898	93%
Hospital Fees	153,202,948	-	153,202,948	153,638,955	100%
Public Health Service Fees	8,155,358	-	8,155,358	5,966,845	73%
Physical Planning and Development	12,943,657	-	12,943,657	4,927,616	38%
Hire of County Assets	15,166,023	-	15,166,023	1,387,095	9%
Conservancy Administration	10,599,905	-	10,599,905	4,220,881	40%
Administration Control Fees and Charges	5,139,369	-	5,139,369	3,974,980	77%
Park Fees	-	-	-	-	-
Other Fines, Penalties, And Forfeiture Fees	4,540,213	-	4,540,213	672,928	15%
cash in hand	-	-	-	205,249	-
<b>Total County Own Source Revenue</b>	<b>469,156,699</b>	<b>-</b>	<b>469,156,699</b>	<b>355,797,718</b>	<b>76%</b>
<b>Other Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Donations /Grants Not Received Through CRF	-	-	-	-	-
<b>Total Other Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Receipts</b>	<b>469,156,699</b>	<b>-</b>	<b>469,156,699</b>	<b>355,797,718</b>	<b>76%</b>

**Explanation**

**Budgetary notes on under realization (below 90%)**

- Cess: the under realization was as result of inadequate agricultural harvest during the year under review occasioned by drought, poor performance in sugar sector as result, sugar cane cess was affected.*
- Land/poll rate: the under realization was attributed to un-operationalization of the Rating Act due to lack of Rating of Committee and lack of un-updated valuation Roll.*
- Property Rent: the under realization was attributed to un-operationalization of the Rating Act due to lack of Rating of Committee and lack of un-updated valuation Roll.*

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- d. *Parking fees: the under collection was attributed to hike in fuel prices which had an effect on matatu industry lack of trailer park to maximize on trailer parking fee.*
- e. *Market fees: the under realization was attributed to tough economic times thus trading activities especially the purchasing power of the taxpayers affected, and also the seasonality of this revenue stream affected regular collection.*
- f. *Public health services: under realization was as result of decline in need of this services due tough economic times affecting hospitality industry.*
- g. *Physical planning: the under collection from this stream was as a result of declining demand for building plan approval due reduced construction works as result of harsh economic times.*
- h. *Conservancy Administration: the under realization was as a result of struggling water schemes thus the low supply and low receipts in respect of sale of water from the water schemes.*
- i. *Administration control fees: the under realization was as a result of consumer behavior in response to tough economic times like the liquor sector which led to most liquor stores to close amid low customer turn out.*
- j. *Other fines, penalties and forfeitures: the under realization from this stream, owing to the fact that this stream is pegged in non-compliance cases that leads to clamping and impounding, in which such cases were limited, furthermore any court fines to defaulters end up to judiciary and not the County government.*

The County Receiver of revenue's quarterly financial statements were approved on 27<sup>th</sup> December, 2023 and signed by:



.....  
**Name: Ms. Topister Naiti Wanyama.**  
**County Receiver of Revenue**



.....  
**Name: Mr. William O. Picha**  
**Head of Revenue Reporting**

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

Classification of Receipts (Indicate as Applicable)	Balance as at 1 <sup>st</sup> July, 2022	Arrears received during the period	Additions in arrears for the FY ended 30 <sup>th</sup> June, 2023	Total arrears as at end of the period 30 <sup>th</sup> June, 2023	Measures taken to recover the arrears	Assessment of the recoverability of arrears
Land/Poll Rate	111,250,103	3,649,803.00	3,649,803.00	111,250,103	The Governor has waived interest and penalties. Operationalization and implementation and enforcement of valuation roll	
Property Rent	7,986,229	830,020	830,020	7,986,229	The Governor has waived interest and penalties. Operationalization and implementation and enforcement of valuation roll	
Hospital Fees (NHIF)	11,000,000	91,167,845	73,905,000	6,250,000	Ensure timely transfers	
<b>Total Arrears</b>	<b>130,236,332</b>	<b>95,647,668</b>	<b>78,384,823</b>	<b>119,236,332</b>		



## **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 Busia. 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 County Government of Busia. 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 County Government of Busia.

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

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

### **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 31<sup>st</sup> March, 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 period. A high-level assessment of the County's actual performance against the comparable budget during the period under review has been included in these financial statements.

### **4. Cash and cash equivalents**

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

**5. Revenue in Arrears**

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

**6. Disbursements to CRF**

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

**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

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**12. Notes to the Financial Statements**

**1. Cess**

Description	2022/2023	2021/2022
	Kshs	Kshs
Farm produce(Sugar, Tobacco,Transit cess)	43,211,291	34,208,242
Quarrying (sand cess)	1,214,850	2,108,190
Livestock(Stock sale & slaughter fees)	4,089,840	3,751,330
Fish farming (fish cess, import, licence, permit)	1,389,810	1,654,200
<b>Total</b>	<b>49,905,791</b>	<b>41,721,962</b>

**2. Land rates**

Description	2022/2023	2021/2022
	Kshs	Kshs
Land rates	3,725,150	7,015,612
<b>Total</b>	<b>3,725,150</b>	<b>7,015,612</b>

**3. Single Business Permits**

Description	2022/2023	2021/2022
	Kshs	Kshs
Single Business permit	64,080,118	54,087,055
<b>Total</b>	<b>64,080,118</b>	<b>54,087,055</b>

**4. Property Rent**

Description	2022/2023	2021/2022
	Kshs	Kshs
County Housing (Govt houses Rental income)	4,511,837	10,780,812
Plot Rent	830,020	1,806,511
Stalls/kiosks rent	748,410	688,764
<b>Total</b>	<b>6,090,267</b>	<b>13,276,087</b>

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**5. Parking Fees**

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Reserved/private parking	3,137,194	-
Trailer Parking	2,468,580	4,532,310
Bus Park fees	26,091,811	34,171,460
<b>Total</b>	<b>31,697,585</b>	<b>38,703,770</b>

**6. Market Fees**

Description	2022/2023	2021/2022
	Kshs	Kshs
Market entry fees	12,679,690	14,851,492
<b>Total</b>	<b>12,679,690</b>	<b>14,851,492</b>

**7. Advertising**

Descriptions	2022/2023	2021/2022
	Kshs	Kshs
Advertising (Branding, billboard, street pole)	12,518,897.50	7,343,350
<b>Total</b>	<b>12,518,897.50</b>	<b>7,343,350</b>

**8. Hospital Fees**

Description	2022/2023	2021/2022
	Kshs	Kshs
Hospital user fees	57,430,824	54,676,740
mortuary fees	5,040,285	40,494,364
Funds from NHIF	91,167,845	-
<b>Total</b>	<b>153,638,954</b>	<b>95,171,104</b>

**9. Public Health Service Fees**

Description	2022/2023	2021/2022
	Kshs	Kshs
Veterinary services	1,858,214	1,477,790
Public Health	4,214,300	3,254,720
<b>Total</b>	<b>6,072,514</b>	<b>4,732,510</b>

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**10. Physical Planning and Development**

Description	2022/2023	2021/2022
	Kshs	Kshs
Building plans approval	4,927,616	6,672,600
<b>Total</b>	<b>4,927,616</b>	<b>6,672,600</b>

**11. Hire Of County Assets**

Description	2022/2023	2021/2022
	Kshs	Kshs
Machine hire services	198,000	44,000
Tractors hire services	-	124,000
Hire of County Stadia/Halls	56,000	73,500
Agricultural Training Centre (ATC)	943,855	1,086,915
Water bowser services	189,240	507,000
<b>Total</b>	<b>1,387,095</b>	<b>1,835,415</b>

**12. Conservancy Administration**

Description	2022/2023	2021/2022
	Kshs	Kshs
Solid waste	2,625,470	1,600,600
Noise	358,200	312,700
sale of water from water scheme (Busia Hill, Busijo, Alema, Munana, Butula, Port. Victoria)	1,237,911	1,908,947
<b>Total</b>	<b>4,220,881</b>	<b>3,822,247</b>

**13. Administration Control Fees and Charges**

Description	2022/2023	2021/2022
	Kshs	Kshs
Weights and measures	-	85680
Fire Services	2,472,800	1,427,000
Liquor licenses	1,353,000	1,200,000
Group registration	104,650	204,280
Coop Audit fee	44,530	-
<b>Total</b>	<b>3,974,980.</b>	<b>2,916,960</b>

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

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

Description	2022/2023	2021/2022
	Kshs	Kshs
Impounding Fees	594,050	358,200
Other miscellaneous	78,878	-
<b>Total</b>	<b>672,928</b>	<b>358,200</b>

**15. Cash in hand**

	2022/23	2021/22
	Kshs	Kshs
Cash in Hand	205,249	648,061
<b>Grand total</b>	<b>205,249</b>	<b>648,061</b>

Description	2022/2023
	Kshs
Produce cess	24,000
Hospital user fees	60,180
Bus parking fees	50,690
Market fees	45,040
kiosk rent	2,000
Sand cess	18,300
Fish cess	8,000
Plot rent	5,039
<b>Total</b>	<b>205,249</b>

**16. Reversals, Bank charges**

Description	2022/23
	Kshs
Bank charges and bank charges	625,875
<b>Totals</b>	<b>625,875</b>

**17. Prior year adjustments**

Description	2021/22	2020/21
	Kshs	Kshs
single business permit	128,500	-
Bus parking fees	176,120	-
Market fees	57,430	-
kiosk rent	3,000	-

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Fish cess	3,510	-
Land rates	22,418	-
Trailer parking fees	8,800	-
Plan approval	10,000	-
	<b>409,778</b>	

Ksh. 409,778 was reported as part of the cash in hand for the FY 2021/2022 and also captured as part of own source revenue for the FY 2022/2023

**18. Bank balances**

Name Of Bank, Account No. & Currency	Amount in bank account currency*	Ex. rate (if in foreign currency)	FY 2022/2023	Comparative amount 2022
			Kshs	Kshs
KCB Revenue Collection-1140748017	26,923,153	-	26,923,153	79,388,491
Sio Port Victoria Health Centre KCB - Health (NHIF)	202	-	202	-
Teso North Sub County hospital (NHIF)-1264006292	8,370	-	8,370	-
Alupe Sub District hospital (NHIF)	42	-	42	-
Khuyangu health centre (NHIF)-01001036736900	785,023	-	785,023	-
Nambale Sub County Hospital (NHIF)-1255604875	144	-	144	-
Teso District health care fund account (NHIF)-1102098337	795	-	795	-
Busia County Referral Hospital National Bank Of Kenya - Health (NHIF)-01001036712400	3,638,179	-	3,638,179	-
Port Victoria hospital (NHIF)-01001036646000	1,830,092	-	1,830,092	-
Busia Transport and Public Works – NBK-01071253868000	834	-	834	
Busia Lands Housing and Urban Development-01071253878000	75,347	-	75,347	
Busia Agriculture crop and animal resources-01071253873700	105,669	-	105,669	
Busia Health and Sanitation revenue Account-1309510830	5,225,499	-	5,225,499	
<b>Total bank balances</b>	<b>38,593,347</b>	<b>-</b>	<b>38,593,347</b>	<b>79,388,491</b>

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**19. Payables- Due To CRF**

Payables	2022/23	2021/22
	Current FY	Comparative FY
	Kshs	Kshs
Balance b/f at the beginning of the year	80,036,545	664,717
Amount collected during the year	355,797,718	292,736,453
Amounts disbursed to CRF during the year	(396,000,000)	(213336,599)
Reversals, Bank charges	(625,875)	-
Prior year adjustments	(409,778)	-
<b>Balance c/d at the end of the year</b>	<b>38,798,596</b>	<b>80,036,545</b>

**20. Ageing Analysis of Revenue in Arrears**

Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Land rate	-	111,250,103	-	-	111,250,103
Property rent	-	7,986,229	-	-	7,986,229
Hospital fees	-	-	-	-	-
<b>Total (agree to statement of arrears)</b>	-	<b>119,236,332</b>	-	-	<b>119,236,332</b>





**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)
	<p><b>Disbursements to County Revenue Fund (CRF)</b> The statement of receipts and disbursements reflects an amount of Kshs. 293,356,495 as the disbursements to CRF during the 2021/2022 financial year. However, the amount is at variance with the Kshs. 214,668,000 shown in bank transfers to the CRF. The variance of Kshs. 78,688,495 has not been explained or reconciled.</p> <p>In the circumstances, the accuracy of the disbursement to CRF amounting to Kshs. 293,356,495 could not be confirmed.</p>	<p>The Management would like to clarify that Kshs. 214,668,000 was the correct amount disbursed to CRF account. The variance of Kshs. 78,688,495 was the amount that was yet to be disbursed to the CRF bank account as at 30<sup>th</sup> June, 2022 which has since been reconciled and amended in the statement of receipts and disbursements</p>	<p>Resolved</p>	
	<p><b>Variances between the Statement of Comparison of Budget and Actual Amounts and Statement of Receipts and Disbursements</b> The statement reflects Kshs. 292,736,453 as the total county own source revenue, which is at a variance with the Kshs. 292,708,434 reported in the statement of receipts and disbursements, by an unreconciled variance of Kshs.</p>	<p>The Management has amended the financial statements to reflect the correct total of county own source revenue collected in the statement of comparison of Budget and Actual Amounts (Page 3 of the Amended ROR Financial Statements).</p> <p>The Management has amended the financial statements to reflect the correct actual receipts from administration on control</p>	<p>Resolved</p>	

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)
	28,019.  The statement also reflects Kshs. 3,144,950 as the actual receipts from administration on control fees and charged, which is at variance with the actual amount of Kshs. 3,116,930 reflected in the statement of receipts and disbursements. The variance has not been explained or reconciled	fees in the statement of comparison of Budget and Actual Amounts (Page 3 of the Amended ROR Financial Statements).		
	<b>Misstated Balance Due for Disbursement</b> The statement of receipts and disbursements reflects an amount of Kshs. 648,061 as the balance due for disbursement to the County Revenue Fund (CRF) for the 2021/2022 financial year. The balance is, however, at a variance of Kshs. 78,740,430 with the confirmed balance of Kshs. 79,388,491 held in the KCB Revenue Collection account, and as disclosed in Note 18. Management did not explain the misstatement.  In the circumstances, the accuracy and completeness of the balance due for disbursement amounting to Kshs. 648,061 could not be confirmed.	The Management hereby provides Amended Receiver of Revenue financial statements reflecting the two sets of data reconciled and the accurate amount due for disbursement in the statement of receipts and disbursements (Page 1 of the Amended ROR Financial Statements).	Resolved	
	<b>REPORT ON LAWFULNESS</b>	The Management hereby	Yet to be resolved	

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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)
	<p><b>AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</b></p> <p><b>1. Lack of updated Valuation Roll</b></p> <p>The Receiver of Revenue uses a valuation roll that was last updated in 2018. Further, the County did not have in place a rating committee to handle any objection to the implementation of the valuation roll. This is contrary to Section 18(2) of the Valuation for Rating Act, 2015, which states that a valuation roll shall remain in force, as amended from time to time by a supplementary valuation roll, until it is wholly superseded by a new valuation roll. In the circumstances, Management was in breach of the law</p>	<p>provides the updated Valuation roll and a Gazette Notice 14243</p>		
	<p><b>2. Irregular Revenue Spending at Source</b></p> <p>The statement of receipts</p>	<p>The Management would like to clarify that the difference of the Kshs. 283,922 were debits with</p>	<p>Resolved</p>	

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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)
	<p>and disbursements reflects Kshs. 292,708,434 as the total county own generated revenue for the year 2021/2022 financial year. However, the audit revealed that own source revenues amounting to Kshs. 255,902 which had been collected by the Receiver of Revenue was spent at source, and was not banked to the designated bank account, contrary to Regulation 63 (4) of the Public Finance Management (County Governments) Regulations, 2015, which requires that all public moneys collected by a Receiver of Revenue or Collector of Revenue or collected and retained by a County Government entity, shall be paid into the designated bank accounts of the County Government and shall not be used by any public officer in any manner</p>	<p>respect to bank charges and wrong account reversals during the Financial year under review.</p> <p>The Management would like to clarify that the withdrawals were occasioned by the need to purchase urgent items in the health facilities. These were necessitated by emergency needs associated with emergency nature of the health facilities. Some of the emergencies occur when there are no available resources due to late disbursements from exchequer.</p> <p>The main areas of expenditure included purchase of fuel for ambulances, purchase of food for patients, purchase of emergency medicines and basic maintenance of health facilities.</p>	<p>Resolved</p>	

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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)
	<p>between the time of their receipts and payment into the bank except as provided by law.</p> <p>Further, Management at Alupe Sub-County, Nambale Sub-County and Busia County Referral hospitals irregularly withdrew Kshs. 10,800,000, Kshs. 300,000, and Kshs. 1,250,000 respectively, totaling Kshs. 12,350,000 contrary to Section 7(4) of the Busia County Health Services Fund (Amendment) Act, 2021, which requires the County Treasury to transfer all the money fees and charges collected in health facilities to the County Revenue Fund within seven (7) days</p>			

**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.

*[Handwritten Signature]*

TOPISIO WANEAMA

Name

County Receiver of Revenue

Date 27/12/2023

*[Handwritten Signature]*

W.O. PICHIA

Head of Revenue Reporting

Date 27/12/2023