

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**COUNTY REVENUE FUND**

**FOR THE YEAR ENDED  
30 JUNE, 2024**

**COUNTY GOVERNMENT OF MOMBASA**

PAPERS LAID	
DATE	6/3/2025
TABLED BY	Dep. Maj. Whip
COMMITTEE	
CLERK AT THE TABLE	Maalim

OFFICE OF THE COUNTY TREASURER  
P.O. BOX 35207, MOMBASA  
30 SEP 2024  
RECEIVED  
MOMBASA REGIONAL OFFICE



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**COUNTY REVENUE FUND**  
*COUNTY GOVERNMENT OF MOMBASA*

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024**

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

*County Government of Mombasa*  
*County Revenue Fund*  
*For the financial year ended 30<sup>th</sup> June 2024*

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## 1. Acronyms and glossary of terms

### a) Acronyms

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

### b) glossary of terms

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

*(Entity to insert all the relevant acronyms and key terms used in the annual report and financial statements)*

## 2. Key Entity Information and Management

### a) Background information

Article 207 of the Constitution of Kenya provides for the establishment of the County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government.

### b) Key Management Team

The County Revenue Funds day-to-day management is under the following key organs:

No.	Designation	Name
1.	CECM Finance and Economic planning	Mr. Evans Oanda
2.	Chief Officer Finance & Investment	Swaleh Mwalizuma
3.	Head of Treasury	Mr. Ayub Buhiri
4.	Chief Accountant	CPA Robert Makokha

### c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CECM Finance and Economic planning	Mr. Evans Oanda
2.	Chief Officer Finance & Investment	Swaleh Mwalizuma
3.	Head of Treasury	Mr. Ayub Buhiri
4.	Chief Accountant	CPA Robert Makokha

**d) Fiduciary Oversight Arrangements**

*Here, provide a high-level description of the key fiduciary oversight arrangements covering:*

- National Treasury*
- Senate Committees*
- Mombasa County Assembly*
- Development partner oversight bodies*
- Controller of Budget*
- Office of the Auditor General*
- County Budget and Economic Forum (CBEF)*

*(Provide a brief explanation on fiduciary activities undertaken during the financial year)*

**e) County Headquarters**

Betting Control Building

Mombasa, Kenya

**f) County Contacts**

P.O. Box 90440-80100

Mombasa, Kenya.

Telephone: (254) 41-2311531

E-mail: [countysec@mombasa.go.ke](mailto:countysec@mombasa.go.ke)

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

**g) County Bankers**

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

**h) Independent Auditor**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

NAIROBI, KENYA

**i) Principal Legal Adviser**

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

**j) County Attorney**

Bima Towers,

6th Floor, Digo Road

P.O. Box 84569-80100

**MOMBASA, KENYA**

### 3. Statement by the CECM Finance

It is my pleasure to present the Annual Financial Statements for Mombasa County Revenue Fund for the fiscal year ended 30th June 2024. These financial statements have been prepared in strict adherence to the provisions stipulated in the Public Financial Management Act of 2012, section 167 and Article 207 of the Kenyan constitution 2010. This legal requirement mandates the County Treasury to compile annual financial reports at the conclusion of each fiscal year. These financial statements serve as a comprehensive representation of Mombasa County Government's financial performance throughout the past year.

The purpose of the County Revenue Fund as envisioned by the Kenyan constitution Article 207 and section 109 of the PFM Act of 2012 is to receive all monies raised or received by or on behalf of the county government. The Laws of Kenya tasks the responsibility of administering the CRF on behalf of the County Government to the County Treasury of the executive arm of the County Government.

The County Revenue Fund held at the Central Bank of Kenya being a critical fund for the county government as it holds the resources required by county executive and the assembly to discharge their mandate to its citizens. Funds withdrawn are in accordance with the county Appropriation Act and approval by the Controller of Budget.

#### **Financing of the County Government:**

The financial resources of the Mombasa County Government are derived from multiple avenues, including:

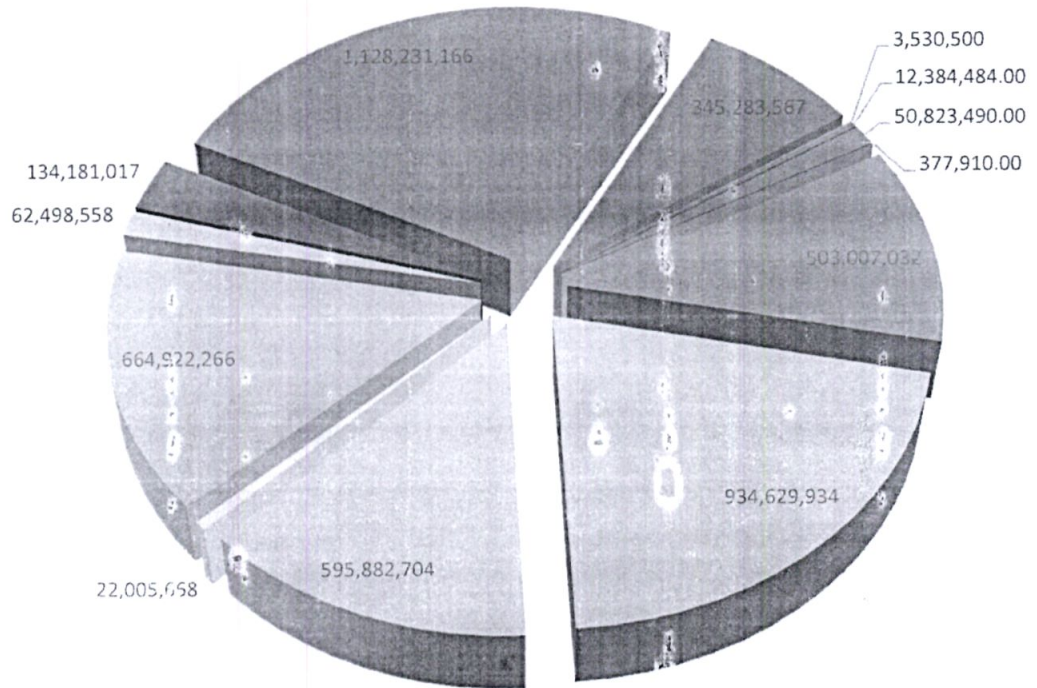
- **Equitable Share from National Government:** Mombasa County receives a portion of its funding through the equitable share allocation from the National Government. This allocation is determined annually under the County Allocation of Revenue Act (CARA) in accordance with Article 202 of the Constitution of Kenya. The specific allocation formula is developed by the Commission on Revenue Allocation and subsequently endorsed by Parliament as per Article 217 of the Constitution.
- **Conditional Grants from Donors and Development Partners:** The County Government also benefits from conditional grants provided by various donors and development partners. These funds are designated for specific projects and initiatives, further contributing to the County's financial resources.
- **Own Source Revenue:** Mombasa County actively pursues strategies to boost its own source revenue collection by embracing new technological advancements and actively training revenue officers on revenue enhancement.

Local revenue generation in Mombasa County encompasses various streams, with key sources including:

- *Single Business Permits*: Revenue generated from issuing permits to businesses operating within the County.
- *Parking Fees*: Income generated from parking fees collected within the County.
- *Market Fees*: Revenue derived from fees levied on vendors and traders in local markets.
- *Cess*: Funds collected through cess payments, often related to specific activities or services.
- *Sand & Gravel*: Income generated from sand-related activities within the County.
- *Land Rates*: Revenue collected from property owners based on the value of their land.
- *Development Plan Approvals*: Fees associated with the approval of development plans and permits.
- *Advertising Fees*: Funds acquired through charges for advertising within the County.
- *Various Other Administrative Charges*: Additional revenue streams that result from administrative fees and charges.

Mombasa County continues to explore innovative strategies to enhance its local revenue collections, demonstrating a commitment to financial sustainability and efficient resource utilization. These efforts are aligned with the County's dedication to meet the changing needs of its residents and embrace advancements in technology and service delivery. These measures have paid dividend, since inception of Devolution, own source revenue has continued to increase each year as highlighted below:

### Own Source Revenue Collection



- Cess
- Single/Business Permits
- Parking Fees
- Advertising
- Physical Planning and Development
- Conservancy Administration
- Other Fines, Penalties, And Forfeiture Fees
- Land Rate
- Property Rent
- Market Fees
- Public Health Service Fees
- Hire Of County Assets
- Administration Control Fees and Charges

Figure 1: Mombasa County revenue sources in FY 2023/2024

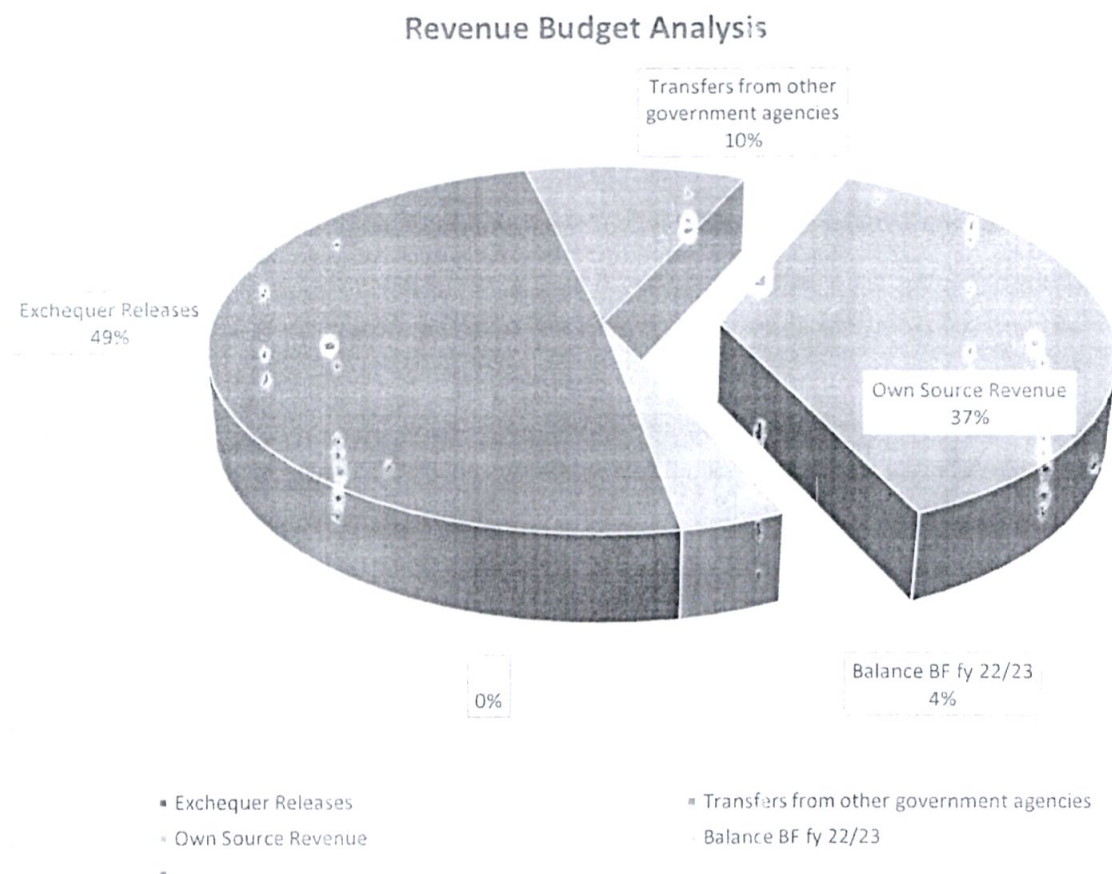
## FINANCIAL PERFORMANCE

### Budget Performance Against Actual Amounts

#### a) Revenue

For the fiscal year ending on 30th June 2024, Mombasa County anticipated total revenues amounting to KShs 15,990,000,000. This sum can be further broken down into two primary categories: KShs 5,856,356,997 generated from Own Source Revenue and KShs 10,133,643,003 sourced externally, encompassing County Allocation received through the Exchequer and donor funds.

A graphical representation of the revenue budget is as shown below:



**Figure 2: Mombasa County revenue sources FY 2023/2024**

County Government of Mombasa  
 County Revenue Fund  
 For the financial year ended 30<sup>th</sup> June 2024

County Allocation of Revenue Act (CARA) funds continue to constitute the most substantial portion of our revenue budget, contributing 63% to our overall budget. Meanwhile, revenues generated internally account for the remaining 37% of our budget. Out of the projected revenue, Mombasa County successfully achieved Kshs 13,413,408,724.65 in actual revenues, representing a 84% performance level. This success was driven by 92% realization of the County Allocation through the Exchequer and an 76% achievement in terms of our self-generated revenues.

The table below shows an analysis of revenue performance during the year ended 30<sup>th</sup> June 2024.

Revenue Classification	Revenue Budget (KShs)	Actual (KShs)	Realisation (%)
Exchequer releases	7,861,523,820	7,231,601,918.00	92%
Transfers from other government agencies	1,661,315,449	1,105,702,211.15	67%
Own Source Revenue	5,856,356,997	4,457,758,296	76%
Balance b/f FY 2022/2023	610,803,734	617,346,299.50	101%
<b>Total</b>	<b>15,990,000,000</b>	<b>13,413,408,724.65</b>	<b>84%</b>

**Table 1: Revenue performance in FY 2023/2024**

From the total of Kshs 4,457,758,296 realized from our internally generated revenue sources, an amount of Kshs 3,353,113,041.45 was disbursed to the County Revenue Fund (CRF) Account. Additionally, Kshs 1,104,645,254.55 was collected by Coast Province General Hospital Facility Improvement Fund (FIF) in accordance with the stipulations outlined in Section 40 (2) of the Mombasa County Health Act of 2018. This provision mandates that the funds, specifically the revenues, collected by the health facility are to be disbursed into the FIF account.

**b) Transfers**

In the year under review, the County Government of Mombasa made transfer payments of KShs 10,994,217,107.00 and KShs 950,807,393.00 to County Executive and County Assembly respectively.

	<b>Period ended June</b>	<b>Comparative period</b>
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County Government of Mombasa  
County Revenue Fund  
For the financial year ended 30<sup>th</sup> June 2024

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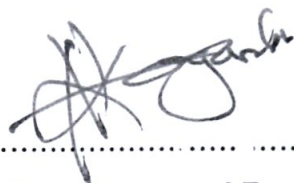
	<b>2024</b>	
	<b>Kshs.</b>	<b>Kshs.</b>
Recurrent Account	8,871,471,775.00	8,689,273,398.00
Development Account	1,503,007,866.00	826,652,503.00
Special purpose Accounts	619,737,466.00	637,134,375.00
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>10,994,217,107.00</b>	<b>10,153,060,276.00</b>

**Table 2: Transfers to County Executive**

I would like to express my gratitude at this moment to H.E. the Governor and the Deputy Governor for their invaluable support. I also extend my appreciation to my fellow colleagues, the

County Executive Committee Members responsible for various departments. We have collaboratively worked towards fulfilling Mombasa County's mission.

I extend my thanks to all the staff in the Department of Finance and Economic Planning, with special recognition for the Revenue Directorate. Despite numerous challenges, they have consistently demonstrated unwavering commitment and dedication, diligently fulfilling their responsibilities for the betterment of the people of Mombasa County.



..... (Sign)

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

**4. Management Discussion and Analysis**

The County Revenue Fund is treated as an entity itself for the purpose of preparing its report and financial statements. The funding sources for the County Government are derived from three primary channels: the Equitable share received from the National Government, Conditional grants provided by Donors and Development Partners, and internally generated Source Revenue collected from a diverse range of revenue streams. The Constitutional framework, as articulated in Article 202 of the Kenyan Constitution, mandates the equitable distribution of revenue generated at the national level between the National Government and County Governments.

Withdrawals from this account for the purpose of expenditure are done through the office of the controller of budget which is aimed at ensuring that all expenditures are within the county budget.

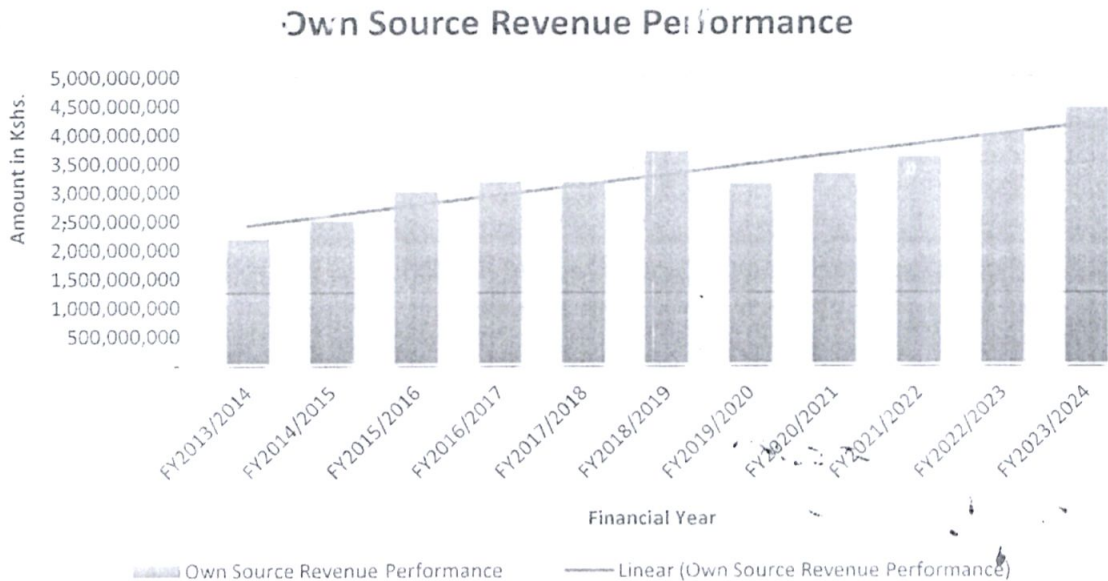
**FINANCIAL PERFORMANCE**

**Own Source Revenue Performance**

The County was able to record its highest ever own source revenue collection in the financial year under review and achieved through new and innovative ways such as:

- Automation of revenue collection system
- Sealing revenue leakages

These measures have paid dividend, since inception of the County, own source revenue has continued to increase each year as highlighted below:



**Figure 3: Mombasa County Own source revenue trend**

## **5. Overview of the County Revenue Fund Operations**

### **Background**

Article 207 of the Constitution of Kenya provides for the establishment of a County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government. As outlined under Section 109 of the Public Finance Management (PFM) Act, 2012 the County Treasury is responsible for administration of the County Revenue Fund. The County Revenue Fund is maintained as the County Exchequer Account at the Central Bank of Kenya.

### **Receipts into the County Revenue Fund**

County Government revenue is received through appointed County Receiver of Revenue by the County Executive Committee Member for Finance to the County Treasury pursuant to Section 157 (1) of the PFM Act 2012. Receipts include Exchequer releases, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Revenue Fund Account.

### **Transfers from the County Revenue Fund**

The withdrawal of funds from the County Revenue Fund is authorized by the County appropriation Act. The County Treasury is required to seek the Controller of Budget's approval for withdrawal of funds from the County Revenue Fund to the County Executive and County Assembly bank accounts. These entities are responsible for the administration of their respective approved budgets.

### **Financial Reporting requirements**

The Accounting Officer for the County Revenue Fund is required to prepare and submit the financial statements to the Auditor-General and a copy to the Controller of Budget, and the Commission on Revenue Allocation.

This statement therefore covers the operations of the County Exchequer Account for the financial year ended 30<sup>th</sup> June 2024.



CEC Member – Finance and Economic Planning  
County Government of Mombasa

## 6. Statement of Management Responsibility

Article 207 of the Constitution, Sections 109 and 167 of the Public Finance Management Act, 2012 requires a County Revenue Fund established by the Constitution, an Act of Parliament or county legislation to prepare financial statements for the Fund for each financial year in a form prescribed by the Public Sector Accounting Standards Board and submit to the Auditor General and a copy to the Commission on Revenue Allocation and the Controller of Budget.

The Accounting Officer at the County Treasury is responsible for the preparation and presentation of the County Revenue Fund financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on *June 30, 2024*. 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 financial position of the County Revenue Fund; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the County Revenue Fund; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, 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). The Accounting Officer is of the opinion that the County Revenue Fund's financial statements give a true and fair view of the state of the County Revenue Fund's transactions during the financial year ended *June 30, 2024*, and of its financial position as at that date.

The Accounting Officer further confirms the completeness of the accounting records maintained for the County Revenue Fund which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control. The Accounting Officer confirms that the County Revenue Fund has complied fully with applicable Government Regulations and the terms of external financing covenants (*where applicable*). Further, Accounting Officer confirms that the County Revenue Fund's Financial Statements have been prepared in a form that complies with relevant Accounting Standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the Financial Statements**

The County Revenue Fund's financial statements were approved and signed on 27/09 2024.

Signature \_\_\_\_\_

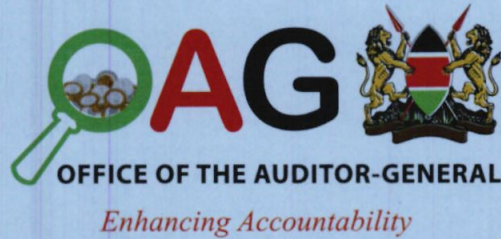


**Name: Swaleh Mwalizuma**

**Chief Officer Finance /Accounting Officer  
County Government of Mombasa**

# REPUBLIC OF KENYA

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Email: 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 COUNTY REVENUE FUND FOR THE YEAR ENDED 30 JUNE, 2024 - COUNTY GOVERNMENT OF MOMBASA

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### PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on the 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; 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 aim to address the Auditor-General's statutory roles and responsibilities 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 FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of County Revenue Fund - County Government of Mombasa set out on pages 1 to 13, which comprise the statement of receipts and payments for the year ended 30 June, 2024, the 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, the financial statements present fairly, in all material respects, the financial position of County Revenue Fund County - Government of Mombasa as at 30 June, 2024 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 Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the County Revenue Fund – County Government of Mombasa 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 opinion.

### **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 Information**

Management is responsible for the other information set out on page iii to xvii which comprise of Key Entity Information and Management, Statement by the CECM Finance and Economic Planning, Management Discussion and Analysis Overview of the County Revenue Fund Operations and Statement of Management Responsibilities. The Other Information does not include the revenue statements and my audit report thereon.

In connection with my audit on the County Revenue Fund-County Government of Mombasa financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the revenue statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact. Based on the audit procedures performed, I confirm that other information is not materially inconsistent with the financial statements.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

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

### **Conclusion**

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the 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**

#### **Excess Transfer to County Assembly**

The statement of receipts and payments and Note 9 to the financial statements reflects transfers to County Assembly of Kshs.950,807,393. The transfer was above the expected set ceiling of seven per cent of the total revenues of the County Government of Kshs.819,610,780 by Kshs.84,657,573.

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

The audit was conducted in accordance with ISSAIs 3000 and 4000. The Standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with 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**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements 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 Fund'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**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements comply with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

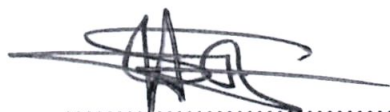
**Nairobi**

**16 December, 2024**

County Government of Mombasa  
 County Revenue Fund  
 For the financial year ended 30<sup>th</sup> June 2024

8. Statement of Receipts and Payments for the Year Ended 30<sup>th</sup> June 2024.

		2023-2024	2022-2023
	Note s	Kshs.	Kshs.
<b>Receipts</b>			
Exchequer releases	1	7,232,601,918.00	7,567,354,061.00
Transfers from other government agencies	2	1,105,702,211.15	597,437,230.90
Other grants	3	0	0
Proceeds from Domestic Borrowing	4	0	0
Proceeds from Foreign Borrowing	5	0	0
Own Source Revenue	6	3,353,113,041.45	2,723,299,472.65
Return to CRF issues	7	17,308,257.80	39,420,922.80
<b>Total Receipts</b>		<b>11,708,725,428.40</b>	<b>10,927,511,687.35</b>
<b>Payments</b>			
Transfers to County Executive	8	10,994,217,107.00	10,153,060,276.00
Transfers to County Assembly	9	950,807,393.00	808,602,367.00
Other Transfers	10	0	0
<b>Total Payments</b>		<b>11,945,024,500.00</b>	<b>10,961,662,643.00</b>
Net increase/ (decrease) in cash for the year		(236,299,071.60)	(34,150,955.65)
Add Opening fund balance b/f	11	600,038,041.70	634,188,997.35
<b>Closing Fund balance for the year</b>	<b>11</b>	<b>363,738,970.10</b>	<b>600,038,041.70</b>



Name: Swaleh Mwalizuma  
 Chief Officer - Finance

Date: 27/09/2024



Name: Robert Makokha  
 Chief Accountant  
 ICPAK Member No.10578

Date: 27/09/2024

County Government of Mombasa  
 County Revenue Fund  
 For the financial year ended 30<sup>th</sup> June 2024

9. Statement of Comparison of Budget Actual Amounts for the Year Ended 30<sup>th</sup> June, 2024.

Receipt/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realization Difference	% of Realization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
Opening fund balance	0	600,038,042	600,038,042	600,038,042	0	100.00%
Exchequer releases	7,861,523,820	0	7,861,523,820	7,232,601,918	628,921,902	92.00%
Transfers from other government agencies	1,585,680,062	75,635,387	1,661,315,449	1,105,702,211	555,613,238	66.56%
Other conditional grants	0	0	0	0	0	0.00%
°Proceeds from Domestic Borrowing	0	0	0	0	0	0.00%
Proceeds from Foreign Borrowing	0	0	0	0	0	0.00%
Own Source Revenue	5,252,796,118	603,560,879	5,856,356,997	3,353,113,041	2,503,243,956	57.26%
Return to CRF issues	0	10,765,693	10,765,693	17,308,258	(6,542,566)	160.77%
<b>Total Receipts</b>	<b>14,700,000,000</b>	<b>1,290,000,000</b>	<b>15,990,000,000</b>	<b>12,308,763,470.10</b>	<b>3,681,236,530</b>	<b>76.98%</b>
<b>Payments</b>						
Transfers to County Executive	13,735,900,000	1,208,155,094	14,944,055,094	10,994,217,107.00	3,949,837,987	73.57%
Transfers to County Assembly	964,100,000	81,844,906	1,045,944,906	950,807,393.00	95,137,513	90.90%
Others	0	0	0	0	0	0.00%

County Government of Mombasa  
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 For the financial year ended 30<sup>th</sup> June 2024

Receipt/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realization Difference	% of Realization
	a	b	c=a+b	d	e=c-d	f=d/c %
Total Payments	14,700,000,000	1,290,000,000	15,990,000,000	11,945,024,500	4,044,975,500	74.70%
Balance				363,738,970.10		

*(Explain whether the changes between the original and final are as a result of reallocations within the budget or other causes as per IPSAS 1.7.23 The total of actual on comparable basis should tie with the totals under receipts and payments where this is not the case, a reconciliation between the two statements should be prepared and disclosed.)*

## **10. Significant Accounting Policies**

### **a) Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the Cash-Basis of accounting, as prescribed by the PSASB and Section 167 of the PFM Act 2012.

The Financial Statements are presented in Kenya Shillings, which is the functional and reporting currency of the Fund, all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

### **b) Reporting entity**

This report relates to financial operations of the County Revenue Fund domiciled at the County Treasury and bank account maintained at Central Bank of Kenya.

### **c) Receipts**

Receipts include funds deposited in the County Revenue Fund pursuant to Article 207 of the Constitution of Kenya and Section 109 of the PFM Act 2012.

The receipts collected include Exchequer releases, own source revenue, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Exchequer Account.

Transfers from the exchequer and own source revenue are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

### **d) Payments**

Payments are based on the County Government Appropriation Act. The exchequer requests are received by County Treasury, which rationalizes the requests based on the available balance, consolidates the requests and forwards them to Controller of Budget (COB) for approval. Once the approval of COB is obtained, the funds are released to the County Assembly and County Executive operational accounts appropriately.

**Significant Accounting Policies (Continued)**

**e) Fund Balances**

Fund balances comprise bank balances in County Exchequer Account held at Central Bank of Kenya.

**f) Restriction on Cash**

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation or *There were no restrictions on cash during the year. (Entity to indicate the amount of funds restricted for use or relating to conditional allocations.)*

County Government of Mombasa  
 County Revenue Fund  
 For the financial year ended 30<sup>th</sup> June 2024

**11. Notes to the Financial Statements**

**1. Exchequer releases**

The following is an analysis by revenue type of the receipts collected in the County Revenue Fund:

Description	FY2023/2024	FY2022/2023
	Kshs.	Kshs.
Equitable Share (a)	7,232,601,918.00	7,567,354,061.00
Level 5 hospitals (b)	0	0
Others ( <i>Specify</i> ) (c)	0	0
<b>Total (d=a+b+c)</b>	<b>7,232,601,918.00</b>	<b>7,567,354,061.00</b>

**2. Transfers from other government agencies\*\***

	2023-2024	2022-2023
	Kshs.	Kshs.
Road Maintenance Levy	0	0
Covid-19	0	0
Development of Youth Polytechnics-State Department of TVETS	0	0
User Fees Foregone -Ministry of Health	0	0
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health	0	8,864,250.00
Word Bank-NARIGP-State Department of Crop Development	0	0
World Bank Kenya Climate Smart Agriculture (KCSAP) -State Department of Crop Development	0	0
DANIDA Grant -Primary Health care in devolved context -Ministry of Health	0	13,839,938.00
IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation and Irrigation	722,189,672.15	570,120,195.90
SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development	1,012,539.00	4,612,847.00
Grant for Aggregated Industrial Parks Programme	62,500,000.00	0.00
Word Bank-Emergency Locust Response Project (ILRP) State Department of Crop Development	0	0
Word Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development	320,000,000.00	0
UNFPA-9th County Programme Implementation - Ministry of Health	0	0

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EU Grant (Instruments for Devolution Advice and Support- (IDEAS)-State Department of Devolution	0	0
KfW German Development Bank- Drought Resilience Programme in Northern Kenya (DRPNK)-Min. Water, Sanitation and Irrigation	0	0
IDA World Bank National Agricultural Value Chain Development Project (NAVCDP) -State Department of Crop Development	0	0
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA) I CCIS Grant State Department of .....	0	0
<b>Total</b>	<b>1,105,702,211.15</b>	<b>597,437,230.90</b>

\*\* These include other government grants released through other government entities such as the National Government MDAs.

**3. Other grants\*\***

Description	FY2023/2024	FY2022/2023
	Kshs.	Kshs.
Donor 1 (Specify)	0	0
Donor 2 (Specify)	0	0
Donor 3 (Specify)	0	0
Others (Specify)	0	0
	<b>0</b>	<b>0</b>

\*\* These are funds received from development partners directly to the CRF.

**4. Proceeds from Domestic borrowing.**

Description	FY2023/2024	FY2022/2023
	Kshs.	Kshs.
Borrowing within General Government	0	0
Borrowing from Monetary Authorities (Central Bank)	0	0
Other Domestic Depository Corporations (Commercial Banks)	0	0
Borrowing from Other Domestic Financial Institutions	0	0
Borrowing from Other Domestic Creditors	0	0
Domestic Currency and Domestic Deposits	0	0
Others (Specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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Notes to the Financial Statements (Continued)

5. Proceeds from Foreign Borrowing

Description	FY2023/2024	FY2022/2023
	Kshs.	Kshs.
Foreign Borrowing – Drawdowns Through Exchequer	0	0
Foreign Borrowing - Direct Payments	0	0
Foreign Currency and Foreign Deposits	0	0
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

6. Own Source Revenue

Description	FY2023/2024	FY2022/2023
	Kshs.	Kshs.
Cess	503,007,032.00	359,099,986
Land rate	934,629,934.00	801,593,315
Single/Business permits	595,882,704.00	563,274,882
Property rent	22,005,668.00	16,839,304
Parking fees	664,922,266.00	560,401,021
Market fees	62,498,558.00	31,701,033
Advertising	134,181,017.00	142,270,874
Hospital fees	0.00	0
Public health service fees	23,585,911.45	0
Physical planning and development	345,283,567.00	186,199,717.65
Hire of County Assets	3,530,500.00	5,217,403
Conservancy administration	12,384,484.00	4,516,598
Administration control fees and charges	50,823,490.00	46,774,898
Park fees	0.00	0
Proceeds from sale of assets	0.00	0
Other fines, penalties, and forfeiture fees	377,910.00	5,410,441
Miscellaneous	0.00	0
<b>Total</b>	<b>3,353,113,041.45</b>	<b>2,723,299,472.65</b>

(The total of own source revenue should tally with disbursements from county receivers of revenue)

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 County Revenue Fund  
 For the financial year ended 30<sup>th</sup> June 2024

Notes to the Financial Statements (Continued)

7. Return to CRF Issues

Description	FY2023/2024	FY2022/2023
	Kshs.	Kshs.
Recurrent Account ( <i>County Executive</i> )	8,593,959.10	91,899.00
Development Account ( <i>County Executive</i> )	224,846.60	6,515.00
Recurrent Account ( <i>County Assembly</i> )	2,462.40	1,211.00
Mombasa County Road Maintenance Levy	1,726,481.55	10,012,233
Mombasa County Executive-ASDP II	0	1,373,819
Mombasa County Executive-City Polytechnic	0	0
Mombasa County Executive-KDSP	217,942.90	2,021,529
Mombasa County Executive-COVID 19	0	2,837,008
Mombasa County Executive-Universal Health	6,542,565.15	23,076,709
Mombasa County Executive-WSDP	0.1	0
<b>Total</b>	<b>17,308,257.80</b>	<b>39,420,923.00</b>

8. Transfers to County Executive

Description	FY2023/2024	FY2022/2023
	Kshs.	Kshs.
Recurrent Account	8,871,471,775.00	8,689,273,398.00
Development Account	1,503,007,866.00	826,652,503.00
Special Purpose Accounts	619,737,466.00	637,134,375.00
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>10,994,217,107</b>	<b>10,153,060,276</b>

(Explain as per County Appropriation Act. These amounts should tally with corresponding receipts by the County Executive)

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 For the financial year ended 30<sup>th</sup> June 2024

Notes to the Financial Statements (Continued)

9. Transfers to County Assembly

Description	FY2023/2024	FY2022/2023
	Kshs.	Kshs.
Recurrent Account	950,807,393.00	808,602,367.00
Development Account	0	0
Special purpose accounts	0	0
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>950,807,393.00</b>	<b>808,602,367.00</b>

10. Other Transfers

Description	FY2023/2024	FY2022/2023
	Kshs.	Kshs.
Agency Notices	0	0
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

(Explain as per County Appropriation Act)

11. Fund balance

Description	FY2023/2024	FY2022/2023
	Kshs.	Kshs.
County Exchequer Account - ( <i>CBK Account number 1000171235</i> )	363,738,970.10	600,038,041.70
<b>Total</b>	<b>363,738,970.10</b>	<b>600,038,041.70</b>

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

**12. Disclosure of Balances in Revenue Collection Accounts**

County Government Own source revenue is recognized in the financial statements when it has been swiped to CRF. Revenue collection account balances are disclosed as at the end of the reporting period as below.

Name Of Bank, Account No. & Currency	Account Number	Ex. rate (if in foreign currency)	Period ended Jun	FY2022/2023
			2024	
			Kshs	Kshs
Equity Land Rate Acc	2.50282E+11	Kshs	2,466,998.00	1,728,566.00
Equity Parking Acc	1.56028E+12	Kshs	2,742.00	416.00
Coop Revenue Acc	1.14145E+12	Kshs	24,000,475.03	400.03
KCB Main Revenue	1180783522	Kshs	134,649.00	73,008.00
KCB Deposit Acc	1162415967	Kshs	5,251,058.05	7,537,532.05
NBK Amanah Acc	1.05009E+12	Kshs	43,765,075.37	62,852,901.07
<b>Total</b>			<b>75,620,997.45</b>	<b>72,192,823.15</b>

**Cash in hand**

Description	As at 30 Jun 2024	Previous FY Audited
	Kshs	Kshs
Cash Balance (Location)	0	
Mobile Money-PayBill-933254 County Government Of Mombasa Land Rates	0	
Mobile Money-PayBill-010230 New Kongowea Retail Market	0	
Mobile Money-PayBill-858351 Mombasa County Psv 1	48,000.00	
Mobile Money-PayBill-858353 Mombasa County Psv 3	0	
Mobile Money-PayBill-858355 Mombasa County General 1	0	

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Mobile Money-PayBill-010181 Kongowea Market	14,760.00	
Mobile Money-PayBill-010149 Miritini Barrier	771,926.00	
Mobile Money-PayBill-010131 Likoni Barrier	70,700.00	
Mobile Money-PayBill-010107 Junda Barrier	0	
Mobile Money-PayBill-010102 Shanzu Barrier	392,200.00	
Others (Specify)	0	
<b>Total</b>	<b>1,297,586.00</b>	<b>0</b>

*(These balances should be reconciled by those reported by CRORs as balances due for disbursement to the CRF at the end of the reporting period.)*

**12. Annexes**

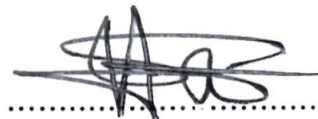
**Annex 1: Progress on follow up of Auditor’s Recommendations**

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)

**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/ County Treasury.



.....  
**Name: Swaleh Mwalizuma**  
**Chief Officer Finance**

Date..... 27/09/2024 .....

County Government of Mombasa  
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**Annex 2. Analysis Of Receipts from The National Treasury Exchequer Releases**

Period 2023-2024	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Equitable Share	1,297,151,431.00	1,965,380,956.00	1,297,151,431.00	2,672,918,100.00	7,232,601,918.00
Level 5 Hospitals	0	0	0	0	0
DANIDA - Universal Healthcare in Devolved Units Programme	0	0	0	0	0
World Bank – THUSCP	0	0	0	0	0
National Agricultural & Rural Inclusive Growth Project (NARIGP)	0	0	0	0	0
Kenya Devolution Support Programme	0	0	0	0	0
Word Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development	0	0	0	320,000,000.00	320,000,000.00
DANIDA Grant-Primary Health Care in devolved context-MOH	0	0	0	0	0
Kenya Urban Support Programme	0	0	0	0	0
Agriculture Sector Development Support Project (ASDSP)	0	500,000.00	512,539.00	0	1,012,539.00
Grant for Aggregated Industrial Parks Programme	0	0	0	62,500,000.00	62,500,000.00
Kenya Climate Smart Agriculture Project (KCSAP)	0	0	0	0	0
Water and Sanitation	0	0	487,650,672.15	234,539,000.00	722,189,672.15

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Period 2023-2024	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Development Project					
<b>Total</b>	<b>1,297,151,431</b>	<b>1,965,880,956</b>	<b>1,785,314,642.15</b>	<b>3,289,957,100</b>	<b>8,338,304,129.15</b>

*(Amend appropriately as per the current year CARA)*

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**Annex 3. Analysis Of Receipts from Own Source Revenue per Quarter**

Period 2023-2024	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Cess	128,202,049.00	123,907,061.00	124,544,573.00	126,353,349.0	503,007,032.00
Land rate	80,675,323.00	160,378,657.00	534,995,852.00	158,580,102.0	934,629,934.00
Single/Business permits	36,570,507.00	18,290,271.00	374,226,550.00	166,795,376.0	595,882,704.00
Property rent	9,259,844.00	3,568,975.00	4,561,354.00	4,615,495.0	22,005,668.00
Parking fees	153,569,916.00	137,021,906.00	168,875,797.00	205,454,647.0	664,922,266.00
Market fees	20,622,089.00	18,548,208.00	12,591,608.00	10,736,653.0	62,498,558.00
Advertising	25,763,619.00	15,701,068.00	48,507,708.00	44,208,622.0	134,181,017.00
Hospital fees	0.00	0.00	0.00	0.00	0.00
Public health service fees	0.00	23,585,911.45	0.00	0.00	23,585,911.45
Physical planning and development	95,766,673.00	65,751,313.00	70,819,121.00	112,946,459.0	345,283,567.00
Hire of County Assets	675,300.00	627,500.00	1,171,800.00	1,055,900.0	3,530,500.00
Conservancy administration	2,926,300.00	2,077,400.00	4,051,920.00	3,328,864.0	12,384,484.00
Administration control fees and charges	11,985,000.00	4,005,000.00	23,407,500.00	11,425,990.0	50,823,490.00
Park fees	0.00	0.00	0.00	0.00	0.00
Proceeds from sale of assets	0.00	0.00	0.00	0.00	0.00
Other fines,	377,910.00	0.00	0.00	0.00	377,910.00

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penalties, and forfeiture fees					
Miscellaneous	0.00	0.00	0.00	0.00	0.00
Others ( <i>Specify</i> )	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>566,394,530</b>	<b>573,463,270.45</b>	<b>1,367,753,784</b>	<b>845,501,457</b>	<b>3,353,113,041.45</b>

County Government of Mombasa  
 County Revenue Fund  
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**Annex 4: Analysis of Transfers from the County Revenue Fund**

Period -20xx	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive -Rec	1,943,924,064.00	1,565,498,654.00	2,466,427,332.00	2,895,621,725.00	8,871,471,775.00
County Executive -Dev	56,890,042.00	93,447,985.00	152,067,637.00	1,200,602,202.00	1,503,007,866.00
County Assembly -Rec	176,016,000.00	211,455,767.00	237,039,637.00	326,295,989.00	950,807,393.00
County Assembly -Dev	0.00	0.00	0.00	0.00	0.00
Special Purpose A/c (Specify)	29,839,938.00	10,000,000.00	0.00	579,897,528.00	619,737,466.00
<b>Total</b>	<b>2,206,670,044</b>	<b>1,880,402,406</b>	<b>2,855,534,606</b>	<b>5,002,417,444</b>	<b>11,945,024,500</b>