

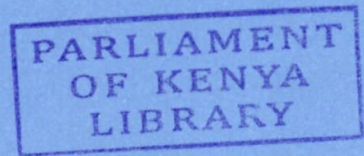
REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF



THE AUDITOR-GENERAL

ON

**RECEIVER OF REVENUE-REVENUE
STATEMENTS**

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

COUNTY GOVERNMENT OF GARISSA

PAPERS LAID	
DATE	6/3/2025
TABLED BY	Dep. Maj. J. Shit
COMMITTEE	
CLERK AT THE TABLE	M. Agler

OFFICE OF THE AUDITOR GENERAL
NORTH EASTERN REGIONAL OFFICE
29 NOV 2023
RECEIVED
P. O. BOX 88-70103 GARISSA



**RECEIVER OF REVENUE
COUNTY GOVERNMENT OF GARISSA**

REVENUE STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024**

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

**Receiver Of Revenue
County Government of Garissa
Revenue Statements for the Period Ended 30th June 2024**

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1. Acronyms and glossary of terms

a) Acronyms

CA	County Assembly
CECM	County Executive Committee Member
COB	Controller of Budget
CRF	County Revenue Fund
FIF	Facility Improvement Financing
FY	Financial Year
IPSAS	International Public Sector Accounting Standards
KCB	Kenya Commercial Bank
NT	National Treasury
OSR	Own Source Revenue
PFMA	Public Finance Management Act
PSASB	Public Sector Accounting Standards Board
ROR	Receiver of Revenue

b) Glossary of terms

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

2. Key Entity Information and Management

(a) Background information

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

(b) Principal activities

The receiver of revenue collects revenue and remits to the County Revenue Fund (CRF).

(c) Key Management Team

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

- County Executive Committee Member for Finance and Economic Planning.
- Chief Officer, Finance
- Chief Officer, Revenue Services and Resource Mobilization
- Chief Officers, in charge of departments collecting revenue.
- Director, Revenue
- Head of Revenue Reporting.

Key Entity information and Management (continued)

(d) County Headquarters

P.O. Box 563-70100,
Garissa County Offices
Lamu – Road,
Garissa, Kenya.

(e) Entity Contacts

Telephone: (254) 719663711
E-mail: enquiries@garissa.go.ke/revenue@garissa.go.ke
Website: www.garissa.go.ke

(f) Independent Auditor

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

(g) County Attorney

Mrs. Khadija Mohamed
Telephone: +254722930665
Email: enquiries@garissa.go.ke/revenue@garissa.go.ke

(h) Bankers Detail

Kenya Commercial Bank (KCB),
Garissa Branch.

3. Foreword By the CECM Finance and Economic Planning

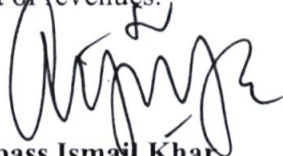
For the period starting 1st July 2023 and ending 30th June 2024, the county collected and generated total revenue of Ksh. 254,862,423 from various revenue streams which include: hospital user fees, public health, bridge entry and exit cess, single business permit, building plan approvals, land rents & rates, livestock auction and export cess, livestock movement permit, slaughterhouse, agricultural cess, wayleaves, market fees, parking among others.

In 2023/2024, Ksh. 89,086,072.65 was generated from ordinary own source revenues. However, a total Ksh. 89,631,256 was disbursed to CRF this is inclusive of the balance brought forward from the previous year. Additionally, a total of Ksh. 165,776,351 was raised and utilized at source as per the County Facility Improvement Financing Act 2023.

In the period under review, there was an increase in collections of revenues from ordinary revenues sources, hospitals and public health compared to the previous year. This was occasioned by the enactment of the FIF Act 2023, linking service delivery to revenue collections, enhanced collaboration, increase in monitoring and enhanced citizen engagement and lastly improved staff welfare and working conditions.

Similarly, there was under collection of ordinary own source revenues due to various factors such as; severe drought in the first quarter, freezing of gypsum mining and land registration processes, the road-cut (Nairobi-Garissa) caused by floods had severely impacted the OSR collections (accounting loss of approximately Ksh. 12,000,000) and inadequate staff and among others.

However, several measures have been put in place to maximize and enhance revenue collections in the county these include: widening tax base, hiring/deployment of adequate staff, enhancing collaboration in revenue collections, enhancing service delivery, putting more infrastructural developments such as market shades, parking shades, ease of doing business, rolling out of revolving funds to create more opportunities for the county residents and increasing awareness of the public on payment of revenues.



Hon. Abass Ismail Khar

CECM- Finance and Economic Planning,

*Receiver Of Revenue
County Government of Garissa
Revenue Statements for the Period Ended 30th June 2024*

4. Management Discussion and Analysis

The Directorate of Revenue Services falls under the County Department of Finance and Economic Planning docket of the Executive.

It is mandated under Sections 157 (1) of the PFM Act to be the collectors and receivers of Revenue. The receiver of revenues is required under section 157 (2) of the PFM Act to ensure all revenues for which the receiver of county revenue is responsible over is collected, recovered and accounted through the established Revenue Account as dictated by sections 109 (1) of the Act and therefore, County Government of Garissa has only two (2) collection avenues:

KCB A/C NO: 1140761625

MPESA PAY BILL NO: 209118

Tabular presentation of the last five (5) annual performance of county OSR Collections: -

FY	Own Source Revenues (Excluding Health) (Ksh. Million)	Health Fees/FIF (Ksh. Million)	Actual Realized (Ksh. Million)	Target (Ksh. Million)	% Realized
2019/20	73.22	34.88	108.1	250	43.24
2020/21	79.67	16.34	96.01	250	38.40
2021/22	60.09	65.62	125.71	200	62.86
2022/23	78.74	114.38	193.12	250	77.25
2023/24	89.09	165.78	254.87	230	110.81

The table above presents annual performance of the last five years of county OSR collections, it depicts that only the year under review 2023/2024 the county managed to attain and surpass the annual target of Ksh. 230 million. However, the increase is mainly attributed to collections from FIF streams (Health and Public Health user fees/charges).

The hospital and public health fees that were collected by the entities were used at source in line with the National FIF Act 2023 and the County FIF Act 2024 as guided by section 109 (2)(a)(b) of PFM Act. Subsequently the hospitals prepare separate financial statement that is audited by the auditor general as an independent entity

Receiver Of Revenue
County Government of Garissa
Revenue Statements for the Period Ended 30th June 2024

5. Statement of Receiver of Revenue's responsibilities

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

The Receiver of Revenue is responsible for the preparation and presentation of the *receiver of revenue account*, which gives a true and fair view of the state of affairs of the *receiver of revenue* for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes:

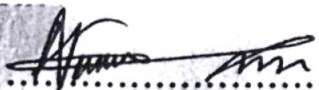
- i. maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- ii. maintaining proper accounting records, which disclose with reasonable accuracy at any time the statement of assets and liabilities of the entity,
- iii. designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud,
- iv. safeguarding the assets of the entity,
- v. selecting and applying appropriate accounting policies, and
- vi. making accounting estimates that are reasonable in the circumstances.

The Receiver of Revenue in charge accepts responsibility for the *entity's receiver of revenue* accounts, which have been prepared on the Cash Basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the *county's receiver of revenue* account gives a true and fair view of the state of *county's receiver of revenue* transactions during the financial year ended June 30, 2024, and of the *entity's* statement of assets and liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the *receiver of revenue account* as well as the adequacy of the systems of internal financial control.

The Receiver of Revenue confirms that the county has complied fully with applicable Government Regulations and the terms of external financing covenants. 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.

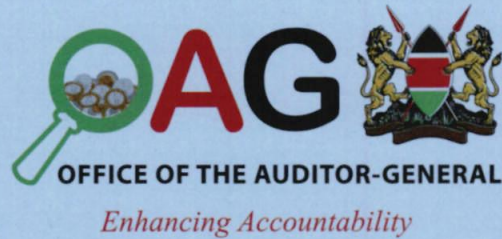
Approval of the Revenue Statements

The *revenue* statements were approved and signed by the Receiver of Revenue on ... *30th September 2024* ...


.....
Name *ABDIFATAH SHEIKH*
County Receiver of Revenue

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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 RECEIVER OF REVENUE-REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2024 - COUNTY GOVERNMENT OF GARISSA

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; 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.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 Garissa set out on pages 1 to 16, which comprise the statement of

Report of the Auditor-General on Receiver of Revenue-Revenue Statements for the year ended 30 June, 2024-County Government of Garissa

financial assets and liabilities and the statement of arrears of revenue as at 30 June, 2024, the statement of receipts and disbursements, and statement of comparison of budget verses 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 Receiver of Revenue - County Government of Garissa as at 30 June, 2024 and of its financial performance for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Revenue

The statement of receipts and disbursements reflects total County own source revenue for the year of Kshs.89,086,073. Although monthly revenue schedules with lumpsum amounts were provided, the records detailing daily and weekly registers/reports indicating actual revenue collection such as revenue source, dates and amounts linked to the monthly schedule were not provided to support the lumpsum amounts.

In the circumstances, the accuracy and completeness of the own generated revenue of Kshs.89,085,073 could not be confirmed.

2. Lack of Updated Valuation Roll and Land Rates Register

The statement of receipts and disbursements reflects revenue of Kshs.1,089,929 in respect of land rates as disclosed in Note 2 to the financial statements. However, the amount was not supported by an updated valuation roll detailing the plot owners, plot numbers, location, plot value and land rates payable per year. Further, Management did not provide invoicing records and a detailed ledger or register to show the amount of land rates invoiced, amount received and outstanding balance as at 30 June, 2024.

In the circumstances, the accuracy and completeness of the land rates revenue of Kshs.1,089,929 could not be confirmed.

3. Inaccuracies in the Statement of Arrears of Revenue

The statement of arrears of revenue reflects nil balances of arrears of revenue for various streams of revenue. However, the statement of comparison of budget verses actual amounts reflects unrealized budgeted revenue of Kshs.14,544,071 and Kshs.5,494,750 from land rates and single business permits respectively. The budgeted amounts should have been based on existing land owners and businesses which were supposed to pay land rates and single business permits. The unrealized revenue should have been recognized as arrears and followed up to ensure collection in the subsequent year.

In the circumstances, the accuracy of nil balance of revenue arrears could not be confirmed.

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

Emphasis of Matter

Under-Performance in Revenue Collection

The statement of comparison of budget and actual amounts reflects budgeted own source revenue of Kshs.139,000,000. However, the actual own source revenue collected during the year was Kshs.89,086,073, resulting to a shortfall of Kshs.49,913,927 representing 36% of the budgeted amount.

Further the County's Integrated Development Plan for 2023-2027 did not include revenue raising strategies as well as action plans for implementation of strategies identified to enhance revenue collection as required by Section 108(4)(c) of the County Governments Act, 2012. The law provides that a resource mobilization and management framework shall be reflected in a County's Integrated Development Plan (CIDP) and shall at least include a financial strategy that defines sound financial management and expenditure control as well as ways and means of increasing revenues and external funding for the County and its development priorities and objectives which strategy may address revenue raising strategies.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or given any explanation for the failure to adhere to the provisions of the Public Sector Accounting Standards Board template.

Other Information

The Management is responsible for the other information set out on page iii to vii which comprise of Key Entity Information and Management, Forward by the County Executive Committee Member for Finance and Economic Planning, Management Discussion and Analysis and Statement of Receiver of Revenue's Responsibilities. The other information does not include the financial statements and my audit report thereon.

In connection with my audit on the Receiver of Revenue's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial 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, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Collection of Revenue Without a Finance Act

During the year under review, the Receiver of Revenue collected revenue amounting to Kshs.89,086,073 from own source revenue. However, the Finance Bill 2024 setting out the revenue measures by the County Government was not approved by the County Assembly of Garissa. This was contrary to Section 133 of the Public Finance Management Act, 2012 which requires that not later than ninety (90) days after passing the Appropriation Bill, the County Assembly consider and approve the Finance Bill with or without amendments.

In the circumstances, it was not possible to confirm the legal basis for collection of revenue from local sources without a Finance Act.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 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, except for effects of 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 governance were not effective.

Basis for Conclusion

Weakness in Revenue Collection System

Review of revenue collection records revealed that revenue collection, recording and accounting were not automated, but were done manually, which is prone to errors, manipulation and revenue leakages.

In the circumstances, controls on revenue collection and the reliability of the revenue collection system could not be confirmed.

The audit was conducted in accordance with the 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 controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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 International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the revenue 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 ISSAIs 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 are in compliance 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


*Report of the Auditor-General on Receiver of Revenue-Revenue Statements for the year ended 30 June, 2024 -
County Government of Garissa*


Receiver Of Revenue
County Government of Garissa
Revenue Statements for the Period Ended 30th June 2024

7. Statement of Receipts and Disbursements for the year ended 30th June 2024

	Note	2023/2024	2022/2023
		Kshs	Kshs
County Own Source Revenue			
Cess	1	39,881,222	23,081,746
Land Rate	2	1,089,929	3,937,740
Single/Business Permits	3	17,705,250	10,252,230
Property Rent	4	-	-
Parking Fees	5	864,100	912,505
Market Fees	6	9,208,870	10,011,102
Advertising	7	1,164,800	375,700
Hospital Fees	8	-	-
Public Health Service Fees	9	405,050	463,920
Physical Planning and Development	10	714,700	1,258,000
Hire Of County Assets	11	335,000	14,000
Way Leave Fees	12	3,410,149.65	808,968
Slaughterhouse	13	2,049,337	1,790,160
Vet Department	14	1,726,965	1,862,590
Natural Resources Exploitation	15	10,183,500	23,847,762
Fire Certificate	16	30,000	125,000
Weight and Measures	17	317,200	-
Miscellaneous receipts	18	-	-
Total County Own Source Revenue		89,086,072.65	78,741,423.00
Other Receipts			
Donations/Grants Not Received Through CRF	18	0	0
Total Other Receipts		0	0
Total Receipts		89,086,072.65	78,741,423
Balance b/f at the beginning of the year		575,659.81	3,851,377
Disbursements To CRF		89,631,256	82,592,800
Bank charges	19	29,942	
Balance Due for Disbursement		534.46	575,659.81

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on ... 20-9-2024 ... and signed by:


Name **ABDIFATAH SHEIKH**
County Receiver of Revenue
(Ref: PFM ACT section 165, 2(a))

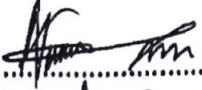

Name **ASD**
Head of Revenue Reporting
ICPAK M/No. 29047


*Receiver Of Revenue
County Government of Garissa
Revenue Statements for the Period Ended 30th June 2024*

8. Statement of Financial Assets and Liabilities As at 30th June 2024

	Note	2023/2024	2022/23
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances	20	534.46	575,659.81
Cash In Hand	21	0	0
Total Financial Assets		534.46	575,659.81
Financial Liabilities			
Payables-Due to CRF	22	0	0
Total Financial Liabilities		534.46	575,659.81

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 30.9.2024 and signed by:


 Name ABDIRAHMAN SHEIKH
 County Receiver of Revenue
 (Ref: PFM ACT section 165, 2(a))


 Name ABDIRAHMAN SHEIKH
 Head of Revenue Reporting
 ICPAK M/No. 291047

9. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30th June 2024

Receipt	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% Of Realization
	A	B	C=A+B	D	E=C-D	F=D/C*%
	Kshs	Kshs	Kshs	Kshs	Kshs	
County Own Source Revenue						
Cess	42,230,000	-	42,230,000	39,881,222	(2,348,778)	94
Land Rate	15,634,000	-	15,634,000	1,089,929	(14,544,071)	7
Single/Business Permits	23,200,000	-	23,200,000	17,705,250	(5,494,750)	76
Property Rent	-	-	-	-		
Parking Fees	4,600,000	-	4,600,000	864,100	(3,735,900)	19
Market Fees	5,564,000	-	5,564,000	9,208,870	3,644,870	166
Advertising	2,400,000	-	2,400,000	1,164,800	(1,235,200)	49
Hospital Fees				-		
Public Health Service Fees	-	-	-	405,050		
Physical Planning and Development	3,168,000	-	3,168,000	714,700	(2,453,300)	23
Hire Of County Assets	2,370,000	-	2,370,000	335,000	(2,035,000)	14
Way Leave Fees	540,000	-	540,000	3,410,149.65	2,870,150	632
Slaughterhouse	3,600,000	-	3,600,000	2,049,337	(1,550,663)	57
Vet Department	4,200,000	-	4,200,000	1,726,965	(2,473,035)	41
Natural Resources Exploitation	31,000,000	-	31,000,000	10,183,500	(20,816,500)	33
Fire Certificate	250,000	-	250,000	30,000	(220,000)	12
Weight and Measures	244,000	-	244,000	317,200	73,200	130
Other Receipts				-		
Donations /Grants Not Received Through CRF	-	-	-			
Total Other Receipts	-	-	-			
Total Receipts	139,000,000	-	139,000,000	89,086,072.65	(49,913,927)	64

Receiver Of Revenue
County Government of Garissa
Revenue Statements for the Period Ended 30th June 2024

In the statement of comparison of budget vs actual for the period ended 30th June 2024, as shown above, there have been evidence of under and over realization of revenue targets. These has been necessitated by the following issues:

- a) Over/under estimation of some revenue streams during the budget preparation process.
- b) General economic crisis in the nation.
- c) Severe drought in the first quarter of the year.
- d) Suspension of gypsum mining in the county due to insecurity in the sites.
- e) Suspension of land registration processes in the county due to clan conflicts.
- f) The heavy rains and flash floods in November 2023 and April/May 2024 had affected many roads, making them impassable - cut off – Garissa - Modogashe, Garissa - Mombasa and Garissa – Nairobi and this have severely affected movement of goods and services thus impairing revenue generation in the county.

The County Receiver of revenue's financial statements were approved on 30.9.2024 and signed by:



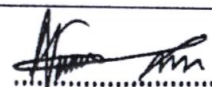
.....
Name **ABDIRAHMAN SHEIKH**
County Receiver of Revenue
(Ref: PFM ACT section 165, 2(a))

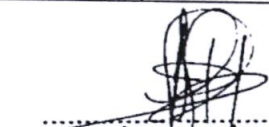


.....
Name **MSI AU**
Head of Revenue Reporting
ICPAK M/No. 29047

10. Statement of Arrears of Revenue As at 30th June 2024

Classification Of Receipts	Balance as at the beginning of the current year (1 st July 2023) A	Arrears received during the year. B	Additions in arrears for the current year to June 30, 2024 C	Total arrears as at 30 June 2024 D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Cess	0	0	0	0		
Land rate	0	0	0	0		
Single/Business Permits	0	0	0	0		
Property Rent	0	0	0	0		
Parking Fees	0	0	0	0		
Market Fees	0	0	0	0		
Advertising	0	0	0	0		
Public Health Service Fees	0	0	0	0		
Physical Planning and Development	0	0	0	0		
Hire Of County Assets	0	0	0	0		
Conservancy Administration	0	0	0	0		
Administration Control Fees and Charges	0	0	0	0		
Park Fees	0	0	0	0		
Other Fines, Penalties, Forfeiture Fees	0	0	0	0		
Miscellaneous	0	0	0	0		
Total Arrears	0	0	0	0		


 Name **ABDIRAHMAN SHEIKH**
 County Receiver of Revenue
 (Ref: PFM ACT section 165, 2(a))


 Name **MST. AU**
 Head of Revenue Reporting
 ICPAK M/No. 2047

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 Government. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The accounting policies adopted have been consistently applied to all the years presented.

The revenue statements have been prepared on the cash basis following the standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the *entity*.

2. Recognition of Receipts

The county government of Garissa recognises all receipts from the various sources when the related cash has been received by the county.

3. Budget

The County Revenue budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by law. The original budget was approved by the County Assembly on June 2023 for the period 1st July 2023-1 to 30 June 2024 as required by law. There was two (2) number of supplementary budgets passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

4. Cash and cash equivalents

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

5. Revenue in Arrears

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

6. Disbursements to CRF

The Receiver of Revenue has an arrangement for transfer of funds from its 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, 2024

*Receiver Of Revenue
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12. Notes to the Financial Statements

1. Cess

Description	2023/2024	2022/2023
	Kshs	Kshs
Farm/Vegetable produce	7,082,200	2,351,608
Timber bridge	3,200,460	225,000
Livestock	23,480,945	15,897,538
Miraa & Firewood	6,117,617	4,607,600
Total	39,881,222	23,081,746

2. Land rates

Description	2023/2024	2022/2023
	Kshs	Kshs
Land rates	1,089,929	3,937,740
Land penalties and interest	0	0
Arrears	0	0
Total	1,089,929	3,937,740

3. Single /Business Permits

Description	2023/2024	2022/2023
	Kshs	Kshs
Business permit application fees	-	-
Annual Business permit fees	17,705,250	10,252,230
Business permit penalties and interest		
Business permit fees arrears		
Total	17,705,250	10,252,230

*Receiver Of Revenue
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Notes to the Financial Statements (continued)

4. Property Rent

Description	2023/2024	2022/23
	Kshs	Kshs
County Housing	0	0
Plot Rent	0	0
Tenancy Agreement	0	0
Transfer of Property	0	0
Stalls/kiosks rent	0	0
Others (<i>Specify</i>)	0	0
Total	0	0

5. Parking Fees

Description	2023/2024	2022/2023
	Kshs	Kshs
Parking fees	864,100	912,505
Monthly toll/sticker fees		
Motorbike fees		
Registration fees		
Reserved parking		
Bus Park fees		
Others (<i>Specify</i>)		
Total	864,100	912,505

6. Market Fees

Description	2023/2024	2022/2023
	Kshs	Kshs
Gate entry fees	7,915,000	9,546,302
Stalls rent	1,079,970	282,000
Shelter fees	213,900	-
Total	9,208,870	9,828,302

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Notes to the Financial Statements (Continued)

7. Advertising

Descriptions	2023/2024 Kshs	2022/2023 Kshs
Branding & Advertisement	1,164,800	357,700
Billboard advertising	0	0
Signage	0	0
Roadshows	0	0
Banners	0	0
Posters	0	0
Tent advertising	0	0
Street pole/clock advertising	0	0
others (<i>Specify</i>)	0	0
Total	1,164,800	357,700

8. Hospital Fees

Description	2023/2024 Kshs	2022/2023 Kshs
Level 5 hospitals	-	-
Level 4 hospitals	-	-
Total	-	-

9. Public Health Service Fees

Description	2023/2024 Kshs	2022/2023 Kshs
Inspection of buildings/premises/Institutions	0	0
Inspection for issuance of hygiene license	0	0
Vaccination: Yellow fever, Typhoid, etc	0	0
Applications for medical examination	0	0
Sanitation inspection for schools	0	0
Public health fees/permit	405,050	463,920
Rodent Control/Fumigation	0	0
Others (<i>Specify</i>)	0	0
Total	405,050	463,920

*Receiver Of Revenue
County Government of Garissa
Revenue Statements for the Period Ended 30th June 2024*

Notes to the Financial Statements (Continued)

10. Physical Planning and Development

Description	2023/2024 Kshs	2022/2023 Kshs
Sale of County planning documents	0	0
Land valuation and registration fees	0	0
Change / Renewal of user	0	0
Building plans approval	714,700	1,258,000
Signboards	0	0
Occupational Permits	0	0
Enforcement / Demolition	0	0
Architectural designs by county officers	0	0
Hoarding fees	0	0
Total	714,700	1,258,000

11. Hire Of County Assets

Description	2023/2024 Kshs	2022/2023 Kshs
Agricultural Mechanisation Services (AMS)	330,000	14,000
Hire of Machines and Equipment		
Hire of County Stadia		
Hire of County Halls		
Conference facilities/Agricultural Training Centers (ATC)	5,000	
Others (Hire of County Assets)		
Total	335,000	14,000

12. Way Leave

Description	2023/2024 Kshs	2022/2023 Kshs
Way leave fees	3,410,149.65	808,968
Total	3,410,149.65	808,968

*Receiver Of Revenue
County Government of Garissa
Revenue Statements for the Period Ended 30th June 2024*

Notes to the Financial Statement (Continued)

13. Slaughterhouse

Description	2023/2024	2022/2023
	Kshs	Kshs
Slaughterhouse charges	2,049,337	1,790,160
Total	2,049,337	1,790,160

14. Vet Department

	2023/2024	2022/2023
	Kshs	Kshs
Movement permit/sanitation	1,726,965	1,862,590
Total	1,726,965	1,862,590

15. Natural Resources Exploitation

Description	2023/2024	2022/2023
	Kshs	Kshs
Sand, hardcore and ballast	5,615,500	3,870,762
Gypsum	4,568,000	19,977,000
Total	10,183,500	23,847,762

16. Fire Certificate

Description	2023/2024	2022/2023
	Kshs	Kshs
Fire Clearance	30,000	125,000
Total	30,000	125,000

17. Weight and Measures

Description	2023/2024	2022/2023
	Kshs	Kshs
Weight and Measures	317,200	182,800
Total	317,200	182,800

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Notes to the Financial Statement (Continued)

18. Donations And Grants Not Received Through CRF

Description	2023/2024	2022/2023
	Kshs	Kshs
Donations	0	0
Grants	0	0
Others	0	0
Total	0	0

19. Bank Charges

Description	2023/2024	2022/2023
	Kshs	Kshs
Bank Charges & commissions	29,942	
Total	29,942	

20. Bank Balances

Name of Bank, Account No. & currency	Amount	Exc. rate (if in foreign currency)	2023/2024	2022/2023
			Kshs	Kshs
Kenya Commercial Bank, Account No: 1140761625, Ksh.			534.46	575,659.81
Total			534.46	575,659.81

20 (a) Balance carried forward as at 30th June 2024 and subsequently transferred

Ref	Amount (Kshs)	Date subsequently transferred
Disbursement 1	534.6	1 July 2024
Total	534.6	

*Receiver Of Revenue
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21. Cash in hand as at 30th June 2024

Description	2023/2024	2022/2023
	Kshs	Kshs
Cash Balance	-	-
Mobile Money	-	-
Total	-	-

22. Payables- Due To CRF

Payables	2023/2024	2022/2023
	Kshs	Kshs
Balance b/f at the beginning of the year	575,659.81	3,851,377
Amount collected during the year	89,086,072.65	78,741,423
Amounts disbursed to CRF during the year	(89,631,256.00)	82,592,800
Bank Charges	(29,942.00)	
Balance c/d at the end of the year	534.46	575,659.81

*Receiver Of Revenue
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23. Ageing Analysis of Revenue in Arrears

Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Cess	0	0	0	0	0
Land rate	0	0	0	0	0
Single/business permits	0	0	0	0	0
Property rent	0	0	0	0	0
Parking fees	0	0	0	0	0
Market fees	0	0	0	0	0
Advertising	0	0	0	0	0
Hospital fees	0	0	0	0	0
Public health service fees	0	0	0	0	0
Physical planning and development	0	0	0	0	0
Hire of County Assets	0	0	0	0	0
Conservancy administration	0	0	0	0	0
Administration control fees and charges	0	0	0	0	0
Proceeds from sale of assets	0	0	0	0	0
Park fees	0	0	0	0	0
Other fines, penalties, and forfeiture fees	0	0	0	0	0
Miscellaneous receipts	0	0	0	0	0
Others	0	0	0	0	0
Total	0	0	0	0	0


Receiver Of Revenue
 County Government of Garissa
 Revenue Statements for the Period Ended 30th June 2024

13. Appendices

Appendix 1: A Report of Waivers and Variations of Fees or charges granted by the Receiver of Revenue during the year.

S/N	Name of person/organisation benefiting from waiver/variation	Year in which waiver/variation relates	Amount of variation waiver (fee or charges)	Reasons for waiver/variation	The law in terms of which the variation/waiver was granted
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

(PFM ACT section 165 subsection 4, 5)


 Name ABDIFATAH SHEIKH
 Sign and date 30-9-2024


Accounting Officer


Receiver Of Revenue
County Government of Garissa
Revenue Statements for the Period Ended 30th June 2024

Appendix 2: Progress on follow up of prior Year Auditor Recommendations.

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NERO/AUD/GSA/1(28)	Unaccounted Hospital Fees for	Hospital fees were collected by the hospital and used at source in line with the National FIF Act 2023 and the County FIF Act 2024. Subsequently the hospitals prepare separate financial statement that is audited by the auditor general as an independent entity	Resolved	
OAG/NERO/AUD/GSA/1(28)	Unsupported Revenue	The daily and weekly register is available for audit review.	Resolved	
OAG/NERO/AUD/GSA/1(28)	Under Collection of Own Generated Revenue	The county is coming up with mechanisms to enhance the collection of revenue such as automation of revue collection system.	Not Resolved	June 2025


 Name **ABDIRAHMAN SHEIKH**
 County Receiver of Revenue
 (Ref: PFM ACT section 165, 2(a))
 Date **30-9-2024**


 Name **ALDI AU**
 Head of Revenue Reporting
 ICPAK M/No. **2904A**
 Date **30.9.2024**