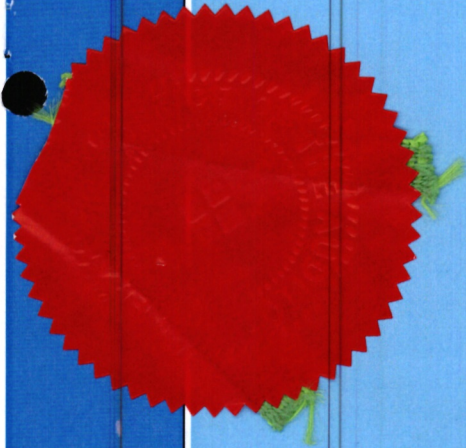
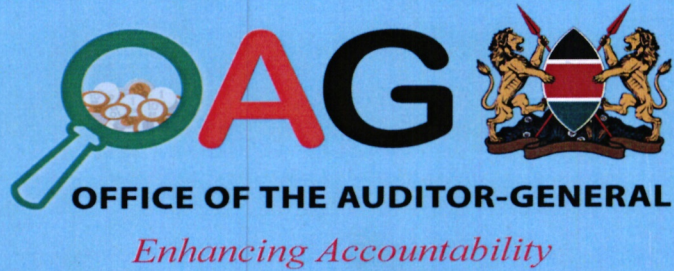


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**REPORT**

**OF**

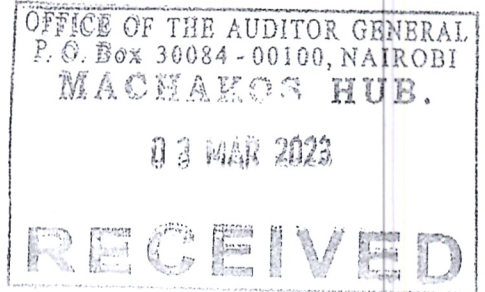
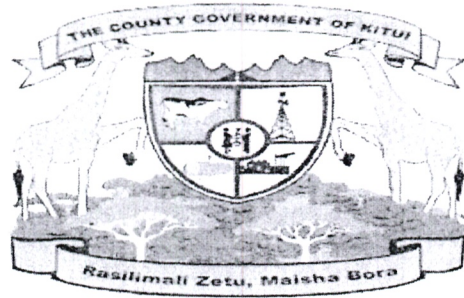
**THE AUDITOR-GENERAL**

**ON**

**RECEIVER OF REVENUE -  
REVENUE STATEMENTS**

**FOR THE YEAR ENDED  
30 JUNE, 2022**

**COUNTY GOVERNMENT OF KITUI**



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**RECEIVER OF REVENUE**

**COUNTY GOVERNMENT OF KITUI**

**REVENUE STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2022**

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

*Receiver Of Revenue  
County Government Of Kitui  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2022*

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## **I. Key Entity Information and Management**

The County Government of Kitui was established under the 2010 Constitution. It is located 170Km to the South East of Nairobi City. It covers an area of about 30,496 km<sup>2</sup>. Kitui County shares its borders with seven counties; Tharaka-Nithi and Meru to the north, Embu to the northwest, Machakos and Makueni to the west, Tana River to the east and southeast, and Taita-Taveta to the south. Revenue Department is a function in County Treasury. The ministry headed by County Executive Committee Member (C.E.C.M).

### **(a) Background information**

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

### **(b) Principal activities**

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

### **(c) Key Management**

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

- County Executive Committee Member for County Treasury
- Chief Officer - Finance
- Chief Officers, in charge of Ministries collecting revenue
- Director Revenue
- Deputy Director Revenue
- Assistant Director Revenue
- Head of Revenue Reporting

### **(d) County Headquarters**

P.O. Box 33 – 90200, Kitui

Kitui County HeadQuarter Building

**(e) Entity Contacts**

Telephone: (254) 044-4422041, 4422304

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

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

*Receiver Of Revenue  
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Revenue Statements for the Period Ended 30<sup>th</sup> June 2022*

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**(f) Independent Auditors**

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

**(g) Principal Legal Adviser**

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

**(h) Bankers**

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

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

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

**Receiver Of Revenue  
County Government Of Kitui  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2022**

**11 Foreword By the CECM Finance and Economic Planning**

*It is my pleasure to forward the Government of Kitui County Receiver of Revenue Report for the year ended 30<sup>th</sup> June, 2022. The report presents the performance of the County Government of Kitui over the past financial year.*

*Pursuant to Section 164 of the Public Finance Management Act, an Accounting Officer for a County Government entity shall prepare Financial Statements in respect of the entity in formats prescribed by the Public Sector Accounting Standards Board. The attached Financial Statements which have been prepared in line with the requirements of (PFMA), 2012, the state of affairs of the County Government of Kitui for the twelve months period ending June 30<sup>th</sup> 2022.*

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

*In the year ended 30<sup>th</sup> June 2022, the County received KShs. 9.56 billion as the equitable share of the revenue raised nationally, collected KShs. 361.27 million as own-source revenue (OSR), Kshs. 205 million as conditional grants, and had a cash balance of Kshs. 769.55 million from FY 2020/21. This translates to KShs.10.84 billion total funds available for budget implementation during the period as shown in below table.*

In FY 2021/222, the County generated a total of Kshs. 361.27 million as own source revenue. This amount represents a 10.7 per cent increase compared to Kshs. 326.45 million raised in FY 2020/21 and was 45.2 percent of the annual target.

S/No	Revenue Category	Annual Budget allocation(kshs)	Actual Receipts (kshs)	Actual Receipts as Percentage of Annual Budget Allocation
A.	Equitable Share of Revenue Raised Nationally	10,393,970,413	9,562,452,911	92
<b>Sub Total</b>		<b>10,393,970,413</b>	<b>9,562,452,911</b>	<b>92</b>
B	Other Sources of Revenue			
1	Own Source Revenue	800,000,000	361,271,342	45.2
2	Conditional Grants	505,225,110	205,296,006	29.2
3	Balance b/f from FY 2020/21	769,547,039	769,547,039	100
<b>Sub Total</b>		<b>2,074,772,149</b>	<b>1,336,114,387</b>	<b>61.6</b>
<b>Grand Total</b>		<b>12,468,742,562</b>	<b>10,898,567,298</b>	<b>86.9</b>

The County has implemented an Automated Own-Source Revenue collection system known as ZIZI. The increase in revenue can be attributed to a new revenue stream on county investments in sale of

*Receiver Of Revenue  
County Government Of Kitui  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2022*

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cabro-blocks and interlocking bricks and cash received from the NHIF relating to outstanding bills of the previous financial year.

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



**CECM Finance and Economic Planning**

**County Government of Kitui**

## **I. Management Discussion and Analysis**

*This section covers the overall performance on budget implementation for the last Four years covering FY 2018/19-2021/22*

### **Revenue Analysis**

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

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

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

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

In FY 2020/21, The County's approved supplementary budget was Kshs.11.84 billion, comprising of Kshs.4.41 billion (37.2per cent) and Kshs.7.43 billion (62.8 per cent) allocation for development and recurrent programmes, respectively. To finance the budget, the County expected to receive Kshs.8.83 billion (74.6 per cent) as the equitable share of revenue raised nationally, Kshs.830.89 million (7 per cent) as total conditional grants, generate Kshs.600 million (5.1 per cent) from own sources of revenue, and a cash balance of Kshs.1.58 billion (13.3 per cent) from FY 2019/20.

**Receiver Of Revenue**  
**County Government Of Kitui**  
**Revenue Statements for the Period Ended 30<sup>th</sup> June 2022**

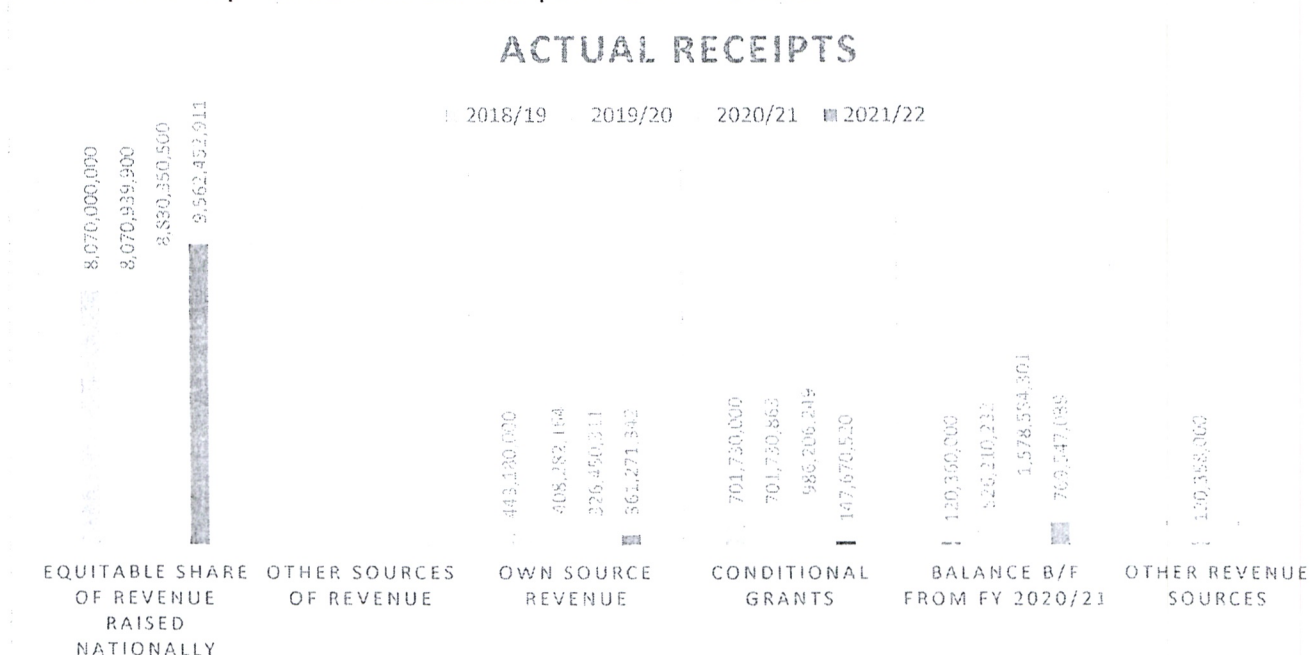
In FY 2020/21, the County received Kshs.8.83 billion as the equitable share of the revenue raised nationally, Kshs.986.21 million as conditional grants, raised Kshs.326.45 million as own-source revenue, and had a cash balance of Kshs.1.58 billion from FY 2019/20. The total funds available for budget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

The table below shows the revenue performance overview for the FY 2018/19-2021/22

Revenue Performance for FY 2018/19-2020/21

S/No	Revenue Category	2018/19		2019/20		2020/21		2021/22	
		Annual Budget allocation (kshs)	Actual Receipts (kshs)	Annual Budget allocation(kshs)	Actual Receipts (kshs)	Annual Budget allocation (kshs)	Actual Receipts (kshs)	Annual Budget allocation (kshs)	Actual Receipts (kshs)
A	Equitable Share of Revenue Raised Nationally	8,730,000,000	8,070,000,000	8,830,350,000	8,070,939,900	8,830,350,000	8,830,350,500	10,393,970,413	9,562,452,911
	<b>Sub Total</b>	<b>8,730,000,000</b>	<b>8,070,000,000</b>	<b>8,830,350,000</b>	<b>8,070,939,900</b>	<b>8,830,350,000</b>	<b>8,830,350,500</b>	<b>10,393,970,413</b>	<b>9,562,452,911</b>
B	<b>Other Sources of Revenue</b>								
1	Own Source Revenue	797,990,000	408,290,000	600,000,000	408,282,164	600,000,000	326,450,311	800,000,000	361,271,342
2	Conditional Grants	1,220,000,000	701,730,000	1,412,759,294	701,730,863	830,888,396	986,206,249	505,225,110	205,296,006
3	Balance b/ffrom FY 2020/21	941,220,000	120,360,000	526,210,232	526,210,232	1,578,572,223	1,578,584,301	769,547,039	769,547,039
	Other Revenue Sources			425,929,437	120,358,000				
	<b>Sub Total</b>	<b>2,959,210,000</b>	<b>1,230,380,000</b>	<b>2,964,898,963</b>	<b>1,756,581,259</b>	<b>3,009,460,619</b>	<b>2,891,240,861</b>	<b>2,074,772,149</b>	<b>1,336,114,387</b>
	<b>Grand Total</b>	<b>11,689,210,000</b>	<b>9,300,380,000</b>	<b>11,795,248,963</b>	<b>9,827,521,159</b>	<b>11,839,810,619</b>	<b>11,721,591,361</b>	<b>12,468,742,562</b>	<b>10,898,567,298</b>

Chart on Revenue performance Actual Receipts FY 2018/19-2021/22



Overall year-over-year Expenditure review FY 2018/19-2021/22

**Receiver Of Revenue**  
**County Government Of Kitui**  
**Revenue Statements for the Period Ended 30<sup>th</sup> June 2022**

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

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

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

In FY 2021/22 the County spent Kshs.9.40 billion on development and recurrent programmes during the reporting period. This expenditure comprised of Kshs.2.73 billion and Kshs.6.67 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 67.0 per cent, while recurrent expenditure represented 90.9 per cent of the annual recurrent expenditure budget.

The table below illustrates summary of FY 2018/19-2021/22 budget and expenditure by economic classification

Summary of FY 2018/19-2021/22 Budget and Expenditure by Economic Classification

	2018/19			2019/20			2020/21			2021/22		
	Budget Kshs Billions	Expenditure Kshs. Billions	Actual Expenditure As % of Funds Released	Budget Kshs Billions	Actual Expenditure Kshs. Billions	Actual Expenditure As % of Funds Released	Budget Kshs Billions	Expenditure Kshs. Billions	Actual Expenditure As % of Funds Released	Budget Kshs Billions	Actual Expenditure Kshs. Billions	Actual Expenditure As % of Funds Released
<b>Total Recurrent Expenditure</b>	7.06	6.56	93.0	7.40	7.09	95.8	7.43	7.06	94.9	7.34	6.67	90.9
Compensation to Employees	7.06	4.10	58.0	4.67	4.65	99.7	4.71	4.68	99.3	4.75	4.61	97.0
Operations and Maintenance		2.46		2.74	2.44	89.1	2.72	2.38	87.5	2.58	2.06	79.6
<b>Total Development</b>	4.63	3.30	71.3	4.39	2.92	66.5	4.41	3.45	78.4	4.07	2.73	67.0
Development Expenditure	4.63	3.30	71.3	4.39	2.92	66.5	4.41	3.45	78.4	4.07	2.73	67.0
<b>Total</b>	11.69	9.86	84.4	11.80	10.01	84.9	11.84	10.51	88.8	11.41	9.40	82.4

**Budget and Expenditure FY 2018/19-2021/22**

BUDGET KSHS BILLIONS	EXPENDITURE KSHS. BILLIONS	BUDGET KSHS BILLIONS	ACTUAL EXPENDITURE KSHS. BILLIONS	BUDGET KSHS BILLIONS	EXPENDITURE KSHS. BILLIONS	ACTUAL EXPENDITURE KSHS. BILLIONS
2018/19		2019/20		2020/21		
Compensation to Employees		Operations and Maintenance		Development Expenditure		

**III. Statement of Performance against County Predetermined Objectives**

**A. Budget Execution Historical Performance and Outlook:** Key performance indicators, observations with respect to financial statements, surplus/deficit, earnings, cash flow, and whether or not past performance may be indicative of future results. The performance of revenue collection was fair taking note that most of the revenue will be collected in the 3<sup>rd</sup> Quarter of the financial year.

**Budget Execution highlight for the quarter/ period**

Details	Annual Final Budget	Actual Cumulative to Date	Utilisation%
	Kshs	Kshs	
Receipts	600,000,000	61,599,535	10.27%
Payments	0	0	0
Surplus/ Deficit	-	-	-

Most of the revenue is collected in the 3<sup>RD</sup> Quarter of the year. The revenue collection is not equally across the Quarters. This has led to the first quarter collection being less than the expected 25%

**Introduction**

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each County Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board, includes a statement of the county government entity’s performance against predetermined objectives.

**Strategic development objectives**

The County’s 2021-2022 CIDP has identified three key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor’s Manifest and the National Government’s “Big Four”. The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key development objectives of the Revenue Department County’s 2021-2022CIDP are to

*Receiver Of Revenue  
County Government Of Kitui  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2022*

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- >> County Government operations automated, Revenue collection maximized, Access to County resource data enabled
- >> Development of Valuation Roll
- >> Development of revenue enhancement plan

*Receiver Of Revenue  
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Revenue Statements for the Period Ended 30<sup>th</sup> June 2022*

<i>Ref</i>	<i>Objective as per CIDP</i>	<i>Performance/Progress made up since the start of CIDP planning period up to date</i>	<i>Remarks (Explain the reasons underperformance/ Overperformance)</i>
1.	Operationalization of ploughing tractors	Led to collection of Ploughing Revenue by Kshs 1,232,900	Objective achieved
2.	Preparation of Valuation Roll	Fully Achieved	Pending Implementation in revenue system
3.	Formulation of Policies and Finance Acts	Finance Act produced every year	Objective Achieved
4.	Marketing of Products eg. Cabros, Interlocking blocks	Collection of Kshs from those streams 6,030,092	Objective Achieved
5.	Support of Ballast Crusher	Revenue Collection of Kshs 1,027,100	Objective Achieved
6.	Support of production of leather products (shoes and balls)	Revenue Collection of Kshs 1,100,000	Objective Achieved

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

<b>Department</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Revenue	Revenue Inspection	Increased Revenue	Growth in Own Source Revenue	Fair
	Preparation of Valuation Roll	Valuation roll document	Valuation roll in use	Good

*Receiver Of Revenue*  
*County Government Of Kitui*  
*Revenue Statements for the Period Ended 30<sup>th</sup> June 2022*

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**IV. 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, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the statement of assets and liabilities of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Receiver of Revenue in charge accepts responsibility for the *entity's receiver of revenue* accounts, which have been prepared on the Cash Basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the *entity's receiver of revenue* account gives a true and fair view of the state of *entity's receiver of revenue* transactions during the financial year ended June 30, 2022, and of the *entity's* statement of assets and liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the *receiver of revenue account* as well as the adequacy of the systems of internal financial control.

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

**Approval of the Revenue Statements**

The *revenue* statements were approved and signed by the Receiver of Revenue on \_\_\_\_\_

  
County Receiver of Revenue  
CO Finance



# REPUBLIC OF KENYA



*Enhancing Accountability*

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON RECEIVER OF REVENUE - REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022 - COUNTY GOVERNMENT OF KITUI**

### **PREAMBLE**

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

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

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

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

### **REPORT ON THE REVENUE STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying revenue statements of Receiver of Revenue - County Government of Kitui set out on pages 1 to 17, which comprise the statement of financial assets and liabilities as at 30 June, 2022 and the statement of receipts and

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Receiver of Revenue - County Government of Kitui as at 30 June, 2022, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Financial Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Financial Statements**

##### **i. Unconfirmed Cash and Cash Equivalents Balance**

The statement of financial assets and liabilities reflects bank balances of Kshs.6,431,465. However, the referenced Note 18 to the financial statements does not exist.

##### **ii. Variances in Disbursements to the County Revenue Fund**

The statement of receipts and disbursements reflects disbursements to County Revenue Fund (CRF) amounting to Kshs.353,197,996. However, the analyzed CRF statement for inward receipts from Revenue Collection Account (KCB) reflects receipts of Kshs.358,676,513 resulting to an unexplained and unreconciled variance of Kshs.5,478,517.

In the circumstances, the accuracy of the disbursed amount of Kshs.353,197,996 could not be confirmed.

#### **2. Unsupported County Own Source Revenue Balance**

The statement of receipts and disbursements reflects total County own source revenue of Kshs.361,271,341 which includes revenues collected from public health facilities of Kshs.188,550,071. However, revenue reports and reconciliation statements for the hospital's collections were not provided for audit review. Further, revenue collection account bank reconciliation statements as at 30 June, 2022 showed unbanked cash receipts collected through point-of-sale gadgets under ZIZI platform of Kshs.10,488,599. Management did not provide explanations as to why the revenue was not being banked intact as required by the law.

In addition, the disclosed revenue includes rent of County stalls and business permits of Kshs.1,999,800 and Kshs.57,065,586 respectively. Review of the revenue collection processes showed that the County was unable to collect rentals from stalls and business permits of Kshs.10,180,440 and Kshs.99,987,300 respectively.

In the circumstances, the accuracy and completeness of the County own source revenue of Kshs.361,271,341 for the year ended 30 June, 2022 could not be confirmed.

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

### Key Audit Matters

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

### Other Matter

#### Budgetary control and Performance

The County Government budgeted County own source revenue of Kshs.800,000,000. However, only Kshs.361,271,342 was realized resulting to a Kshs.438,728,658 (or 54.8%) shortfall.

Further, a trend analysis for County own generated revenue for the past three financial years indicated that revenue collections have been on the decline whereas the budgeted amounts have been on an upward trend as detailed in the table below:

Financial Year	Budgeted Amount (Kshs)	Actual Amount (Kshs)	Variance (Kshs)	%
2018/2019	528,413,076	335,127,474	193,285,602	37%
2019/2020	600,000,000	408,285,164	191,714,836	32%
2020/2021	600,000,000	316,000,000	284,000,000	47%
2021/2022	800,000,000	361,271,342	438,728,658	54.8%

The under collection of the budgeted revenue impacted negatively on the planned activities and service delivery to the residents of Kitui County.

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

### Conclusion

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

#### 1. Late Submission of Financial Statements

The Receiver of Revenue - County Government of Kitui's financial statements for the year ended 30 June, 2022 were received by the Office of the Auditor-General on

03 March, 2023 more than five months after the statutory date of 30 September, 2022. This is contrary to the provisions of the Regulation 101(4) of the Public Finance Management (County Governments) Regulations, 2015 which states that an Accounting Officer shall prepare the financial statements in a form that complies with the relevant accounting standards prescribed by the Public Sector Accounting Standards Board, not later than three months after the end of the financial year and submit them to the Auditor-General with a copy to the County Treasury, the Controller of Budget and The National Treasury.

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

## **2. Presentation and Disclosures in the Financial Statements**

Review of the financial statements for the Receiver of Revenue - County Government of Kitui revealed the following anomalies:

- i. The dates of approval of the revenue statements, the statement of receiver of revenue's responsibilities, the statement of receipts and disbursements, the statement of financial assets and liabilities and the statement of comparison of budget and actual amounts were not indicated.
- ii. Notes 1 and 2 on accounting policies do not indicate the name of the entity.
- iii. The statement of receipts and disbursements indicates Note Nos.3-35 which do not correspond to disclosure notes to the financial statements, and
- iv. The statement of financial assets and liabilities reflects Notes 18,19 and 20 against balances on bank, cash in hand and payables-due to CRF respectively. However, the Notes do not exist in the financial statements.

In the circumstances, the financial statements as presented do not conform to the financial reporting template prescribed by the Public Sector Accounting Standards Board.

### **Basis for Conclusion**

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

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

#### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

## **Basis for Conclusion**

### **Poor Revenue Management Controls**

Review of system generated reports on business permits and house stalls rent revealed the following anomalies;

- i. Data clean up during migration to the County Revenue Collection System was not done to completion as there were cases of unidentified location for some businesses, incomplete information in some entries such as period for which services have been paid for and contact details for some businesses. The system reports could therefore not provide accurate status of existing clients to the County.
- ii. The revenue collection system was not integrated to the banking systems of the County as provided for in Clause 31.1.4 of the ZIZI System procurement contract. Hence, the revenue officers were forced to do manual reconciliations.
- iii. The County Government of Kitui is yet to implement a Hospital Revenue Management System for the hospitals within the County that is linked to the County revenue collection system. The County is therefore not able to centrally oversee the revenue collection and reporting processes for public health facilities within the County.
- iv. Review of County Government of Kitui revenue collection account statements for the months of June and July, 2022, revealed that although revenue was being collected on a daily basis, banking of the collected revenue to the County Revenue Fund (CRF) was not done within a maximum period of five (5) working days as required by the law.

In the circumstances, the County Government is at risk of losing revenue owing to the poor internal controls.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control 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 Receiver of Revenue Fund - Revenue Statements ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Receiver of Revenue of 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

28 April, 2023

*Receiver Of Revenue  
County Government Of Kitui  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2022*


**VI. Statement of Receipts and Disbursements for the year ended 30th June 2022**

	Note	2021/22 Kshs	2020/21 Kshs
<b>County Own Source Revenue</b>		Kshs	Kshs
Cess	1	7,398,530	10,180,651
Land/Poll Rate	2	13,450,023	28,677,704
Single/Business Permits	3	57,065,586	67,811,995
Land Administration Fess	4	11,078,624	11,858,506
Parking Fees	5	10,347,962	13,759,590
Market Fees	6	10,941,907	16,297,960
Sign Board and Advertising	7	23,159,130	20,371,750
Ministry of Health and Public Health Fees	8	188,550,071	105,045,742
Alcoholic Drink License	9	9,128,100	11,966,050
Sale and Search of Assets	10	6,300	46,200
Sale of Goods e.g Cabros, Interlocking Blocks	11	6,030,092	5,395,440
Weights and Measures charges	12	533,837	502,995
Ministry of Tourism, Sports and Culture	13	72,000	26,000
Other Fines, Penalties, And Forfeiture Fees	14	25,000	1,201,953
County investment Fees – Crusher	15	1,027,100	779,200
Sale of Shoes and Functure	17	1,100,000	2,000
House and Stall Rents	18	1,999,800	2,580,457
Transportation/ Delivery Charges	19	11,416,550	16,275,410
Slaughter Fees	20	1,964,210	2,354,100
Burial Fees	21	22,300	15,420
Receipts from sale of agricultural Goods	22	946,376	1,585,238
Borehole Drilling	23	202,000	-


*Receiver Of Revenue  
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Engineering and works Levy	24	188,650	3,079,424
Ploughing	25	1,232,900	1,486,840
Training/ Learning Centre fees	26	1,081,037	2,137,226
Slaughter House Inspection	27	29,000	35,300
Meat Inspection/ Veterinary Services	28	1,042,301	2,300,515
Livestock Movement Permits	29	770,155	515,195
Dispatch note and Flayer License	30	15,500	10,250
Sale of products from Kitui foods Corporation	31	216,200	1,500
Sand approval fee and pollution	32	230,100	144,200
Miscellaneous Receipts	33	-	5,500
<b>Total County Own Source Revenue</b>	<b>34</b>	<b>361,271,341</b>	<b>326,450,311.00</b>
<b>Other Receipts</b>			
Donations/Grants Not Received Through CRF	35	0	0
<b>Total Other Receipts</b>		<b>0</b>	<b>0</b>
<b>Total Receipts</b>		<b>361,271,341.00</b>	<b>326,450.311</b>
Balance b/f at the beginning of the year		3,174,371.03	2,283,708
<b>Disbursements To CRF</b>		<b>353,197,995.60</b>	<b>307,190,563.65</b>
<b>Balances with Collectors</b>		<b>4,816,208.27</b>	<b>18,369.128.35</b>
<b>Balance Due for Disbursement</b>		<b>6,431,464.76</b>	<b>3,174,371.03</b>

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

  
County Receiver of Revenue  
CO Finance

*John Mwakari*

  
Mrs. Roseline K. Munyasya  
Head of Revenue Reporting


ICPAK M/No 10949

*Receiver Of Revenue  
County Government Of xx  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2022*


**VII. Statement of Financial Assets and Liabilities As At 30<sup>th</sup> June 2022**

	Note	2021/22	2020/21
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances - KCB	18	6,431,464.76	2,110,654.00
Bank balance - Co-operative Bank		0	1,063,673.03
Cash In Hand	19	0	0
<b>Total Financial Assets</b>			
<b>Total Financial Assets</b>			
<b>Financial Liabilities</b>			
Payables-Due to CRF	20	6,431.464.76	3,174,327.03
<b>Total Financial Liabilities</b>			

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on \_\_\_\_\_ 2022 and signed by:

  
County Receiver of Revenue  
CO Finance

*John Mwangi*

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

VIII. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30<sup>th</sup> June 2022

Receipt	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>County Own Source Revenue</b>	Kshs	Kshs	Kshs	Kshs	Kshs	
Cess	9,242,710	0	9,242,710	7,398,530	1,844,180	80.0%
Land/Poll Rate	69,325,000	0	69,325,000	13,450,023	55,874,977	19.4%
Single/Business Permits	65,426,289	0	65,426,289	57,065,586	8,360,703	87.2%
Land Administartion Fess	52,644,000	0	52,644,000	11,078,624	41,565,376	21.0%
Parking Fees	15,690,490	0	15,690,490	10,347,962	5,342,528	66.0%
Market Fees	16,298,670	0	16,298,670	10,941,907	5,356,763	67.1%
Sign Board and Advertising	18,440,250	0	18,440,250	23,159,130	-4,718,880	125.6%
Ministry of Health and Public Health Fees	358,353,582	0	358,353,582	188,550,071	169,803,511	52.6%
Alcoholic Drink License	31,670,000	0	31,670,000	9,128,100	22,541,900	28.8%
Sale and Search of Assets	5000	0	5,000	6,300	-1,300	126.0%

Receiver Of Revenue  
 County Government Of Kitui  
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Sale of Goods e.g Cabros, Interlocking Blocks	30,788,000	0	30,788,000	6,030,092	24,757,908	19.6%
Weights and Measures charges	516,029	0	516,029	533,837	-17,808	103.5%
Ministry of Tourism, Sports and Culture	1,300,000	0	1,300,000	72000	1,228,000	5.5%
Other Fines, Penalties, And Forfeiture Fees	1,050,000	0	1,050,000	25,000	1,025,000	2.4%
County investment Fees – Crusher	43,425,552	0	43,425,552	1,027,100	42,398,452	2.4%
Livestock Transportations	3,622,838	0	3,622,838	376,820	3,246,018	10.4%
Sale of Shoes and Furniture	1,033,404	0	1,033,404	1,100,000	-66,596	106.4%
House and Stall Rents	2,751,557	0	2,751,557	1,999,800	751,757	72.7%
Transportation/ Delivery Charges	16,583,800	0	16,583,800	11,416,550	5,167,250	68.8%
Slaughter Fees	2,848,300	0	2,848,300	1,964,210	884,090	69.0%
Burial Fees	17,500	0	17,500	22,300	-4,800	127.4%

*Receiver Of Revenue  
County Government Of Kitui  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2022*

Receipts from sale of agricultural Goods	1,600,700	0	1,600,700	946,376	654,324	59.1%
Borehole Drilling	3,500,000	0	3,500,000	202,000	3,298,000	5.8%
Engineering and works Levy	11,151,250	0	11,151,250	188,650	10,962,600	1.7%
Ploughing	3,500,029	0	3,500,029	1,232,900	2,267,129	35.2%
Training/ Learning Centre fees	3,254,000	0	3,254,000	1,081,037	2,172,963	33.2%
Slaughter House Inspection	35,000	0	35,000	29,000	6,000	82.9%
Meat Inspection/ Veterinary Services	6,510,000	0	6,510,000	1,042,301	5,467,699	16.0%
Movement Permits	1,507,000	0	1,507,000	393,335	1,113,665	26.1%
Dispatch note and Flayer License	54,000	0	54,000	15,500	38,500	28.7%
Sale of products from Kitui foods Corporation	8,550,050	0	8,550,050	216,200	8,333,850	2.5%
Sand approval fee and pollution	19,300,000	0	19,300,000	230,100	19,069,900	1.2%


Receiver Of Revenue  
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Miscellaneous Receipts	5000	0	5000	0	5,000	0.0%
<b>Total County Own Source Revenue</b>	800,000,000	0	800,000,000	361,271,341	438,728,659	45.2%
Other Receipts	0	0	0	0	0	
Donations /Grants Not Received Through CRF	0	0	0	0	0	
<b>Total Other Receipts</b>	0	0	0	0	0	
<b>Total Receipts</b>	<b>800,000,000</b>	<b>0</b>	<b>800,000,000</b>	<b>361,271,341</b>	<b>438,728,659</b>	<b>45.2%</b>


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

- Political Interference affected all
- Drought affected market fess
- Lack of demarcation of parking slots
- Covid 19 effects
- Slaughter fees affected failure to renovate slaughter house
- Waivers affected Single Business permit

The County Receiver of revenue's financial statements were approved on \_\_\_\_\_ 2022 and signed by:

  
County Receiver of Revenue  
CO Finance


*John Mwanja*

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


*Receiver Uj Revenue  
County Government Of Kitui  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2022*

IX. Statement of Arrears of Revenue as At 30th June 2022

Classification Of Receipts (Indicate As Applicable)	Balance as at 1 <sup>st</sup> July 20xx <sup>-1</sup>	Arrears received during the year	Additions in arrears for the current year to June 30, 20xx	Total arrears as at 30 June 20xx	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Land/Poll Rate						
<b>Total Arrears</b>						

  
 County Receiver of Revenue  
 CO Finance



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

*An ageing analysis of revenue in arrears has been shown on note 21 of these financial statements.*

**X. Notes to the Financial Statements**

**Accounting Policies**

The principal accounting policies adopted in the preparation of these revenue statements are set out below:

**1. Statement of Compliance and Basis of Preparation**

The revenue statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and relevant legal framework of the County Government xxx. 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 *entity* recognises all receipts from the various sources when the related cash has been received by the *entity*.

**3. Budget**

The County Revenue budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by law. The original budget was approved by the County Assembly on xxx for the period 1st July 2021 to 30 June 2022 as required by law. There was xxx 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.

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

**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. *(Include the receiver's actual policy on disbursements)*

**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, 2022

Notes To the Financial Statements (Continued)

1. Cess

Description	2021/22	2020/21
	Kshs	Kshs
Cess	7,398,530	10,180,651
<b>Total</b>	<b>7,398,530</b>	<b>10,180,651</b>

2. Land/Poll rates

Description	2021/22	2020/21
	Kshs	Kshs
Land rates	13,450,023	28,677,704
<b>Total</b>	<b>13,450,023</b>	<b>28,677,704</b>

*Receiver Of Revenue*  
*County Government Of Kitui*  
*Revenue Statements for the Period Ended 30<sup>th</sup> June 2022*

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

Notes To the Financial Statements (Continued)

3. Bank Balances

Name of Bank, Account No. & currency	Amount in bank account currency	Exc. rate (if in foreign currency)	2021/22	2020/21
			Kshs	Kshs
KCB, A/C No. 1140752855	Kshs	N/A	6,431,464.76	2,110,654.00
Co-operative Bank, A/C	Kshs	N/A	0	1,063,673.03
<b>Total</b>			<b>6,431,464.76</b>	<b>3,174,327.03</b>

18 (a) Balance carried forward as at 30<sup>th</sup> June 2022 and subsequently transferred

Ref	Amount (Kshs)	Date subsequently transferred
		1 July 2022
<b>Total</b>	6,431,464.76	26 <sup>th</sup> July 2022

4. Cash in hand

Description	2021/22	2020/21
	Kshs	Kshs
Cash Balance ( <i>Location</i> )		
Mobile Money – Paybill Number 815815	243,733	0
Mobile Money – Paybill Number 415215	2,000	0
<b>Total</b>	<b>245,733</b>	<b>0</b>

5. Payables- Due To CRF

Payables	2021/22	2020/21
	Kshs	Kshs
Balance b/f at the beginning of the year	3,174,327.03	2,283,708.00
Amount collected during the year	361,271,341.50	326,450,311.00
Amounts disbursed to CRF during the year	353,197,995.60	307,190,563.65
Balances with Collectors	4,816,208.27	18,369,128.35
<b>Balance c/d at the end of the year</b>	<b>6,431,464.76</b>	<b>3,174,327.03</b>

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

*Receiver Of Revenue  
County Government Of Kitui  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2022*

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

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

<b>Description (indicate as applicable)</b>	<b>Less than 1 year</b>	<b>Between 1-2 years</b>	<b>Between 2-3 years</b>	<b>Over 3 years</b>	<b>Total</b>
Land/poll rate	2,386,403.62	27,960,401.57	20,323,601.15	575,335,485.66	626,005,795.00
<b>Total (agree to statement of arrears)</b>	2,386,403.62	27,960,401.57	20,323,601.15	575,335,485.66	626,005,795.00


**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)
	Recovery of money collectors with	Recovery Initiated	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 Treasury.

  
County Receiver of Revenue  
CO Finance

*John Makau*

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

XI. Appendices

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

S/No	Name of person / organisation benefitting from waiver/ variation	Year in which waiver/ variation relates	Amount of variation/ waiver (fee or charge)	Reasons for waiver/ variation	The law in terms of which the variation/waiver was granted
	N/A	N/A	N/A	N/A	N/A

(PFMACT section 165 subsection 4, 5)



County Receiver of Revenue  
 CO Finance



**Appendix 3 - Reports Generated From IFMIS**

The following Financial Reports generated from IFMIS should be generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. GOK Miscellaneous Receipts Register
- iii. FO30 (Bank reconciliations) for all bank accounts

