

REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

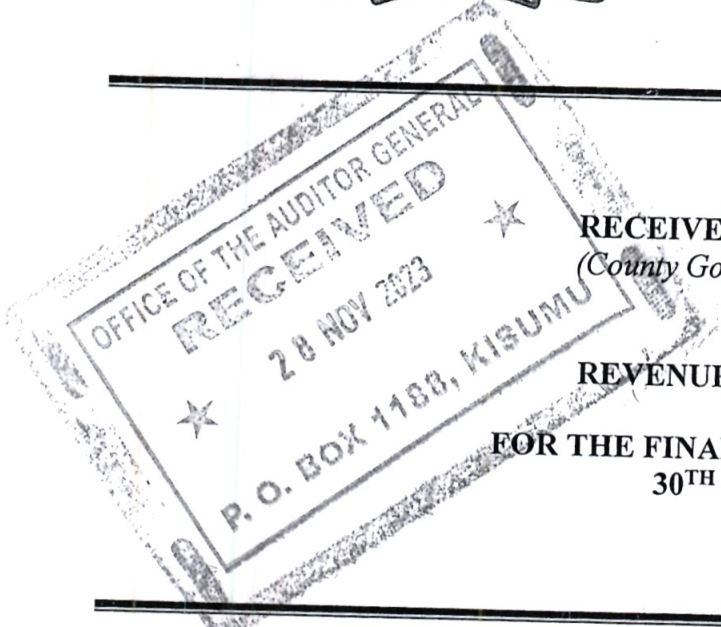
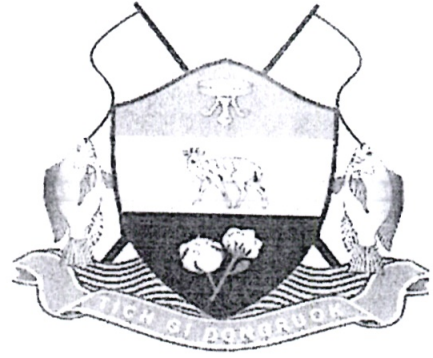
THE AUDITOR-GENERAL

PAPERS LAID	
DATE	20/3/2024
TABLED BY	Sen. J. Kingua ON
COMMITTEE	—
CLERK AT THE TABLE	Polycarp

RECEIVER OF REVENUE

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

COUNTY GOVERNMENT OF SIAYA



RECEIVER OF REVENUE
(County Government of Siaya)

REVENUE STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

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

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1. Acronyms and glossary of terms

a) Acronyms

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

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 28th September 2019 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 Siaya day-to-day management of revenue is under the following:

- County Executive Committee Member for Finance and Economic Planning
- Chief Officer, Finance and Economic Planning
- Director, Revenue
- Head of Revenue Reporting

Key Entity information and Management (continued)

(d) County Headquarters

P.O. Box 803, (40600)
SIAYA, KENYA

(e) Entity Contacts

Telephone:
E-mail: fiance@siaya.go.ke
Website: www.go.ke

(f) Independent Auditor

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

(g) Principal Legal Adviser

Telephone: (254) 714706462
E-mail: pro.owade@gmail.com.
Website: www.go.ke

(h) Bankers;

**Kenya Commercial Bank,
Siaya Branch**
Telephone: +254772086084
E-mail: retailmgsiaya@kcbgroup.com
Website: www.kcbgroup.com

3. Foreword By the CECM Finance and Economic Planning

It is my pleasure to present the County Government of Siaya financial statements for the year ended 30th June 2023. The financial statements present the financial performance of the County Government over the past year.

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

Financing of the County Governments

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

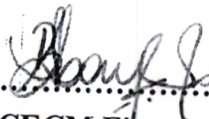
The County also finances its operations through Own Source generated revenues. These are revenues collected within the County. They key local revenue sources for Siaya County included Single Business Permits, Land Rates, Building Plan approval, Plot Rents, Fish cess, Sand cess, Sugar cess, Market fees and various other administrative charges.

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

- i. **Fully Automate Revenue collection system** – the County is currently in the process of sourcing for competent firm to undertake full automation of its revenue collection which is at the evaluation stage.
- ii. **Development of Centralized Database** - the County Government has put measures in place to computerize/ digitize all business inventories (currently manual) such as; database of all businesses, plot inventories; county Government houses; and all other revenue-generating assets; for ease of County planning and revenue target settings.

Revenue Projection FY 2022/2023

In the year ended 30th June 2023 the County had projected Kshs.700,998,234.00 from own sources.


.....
CECM Finance and Economic Planning
County Government of Siaya.

As evidenced in Table 1. above the revenue targets have consistently not been met with the consequences of County's ability to undertake planned activities being reduced. The schedule shows a sharp increment to try and meet the target in the financial year 2021/2022 recording 100.21%, this was the best performance compared to other financial years. Financial year 2014/2015 was the lowest in terms of revenue ever to be collected within the county, which registered 47.52%.

Review of Performance for FY 2022/2023

During the period under review, the county targeted to collect Kshs. **700,998,234.00** million from local sources. Actual collection realized in the same period (1st July 2022 to 30th June 2023) totaled to Kshs. **501,460,021.00** million. This is inclusive of Liquor licenses and Hospital revenue.

Reasons why the county failed to meet its set target may include but not limited to;

- i. Lack of enough supply of fuel.
- ii. Lack of enough accountable documents.
- iii. Thermorolls shortage.
- iv. Services not provided to the general public hence adamant to pay taxes.
- v. Weak enforcement and compliance mechanisms.
- vi. Incomplete database of potential revenue streams.
- vii. Lack of enough vehicles and motorcycles.

Some of the strategies to be implemented to improve revenue collection include;

- i. Completion of Siaya and Bondo municipal bus park.
- ii. Construction of parking lanes within municipality to enhance parking fee.
- iii. Completion of market shades and construction of new ones to create conducive environmental for business.
- iv. Fast racking the enactment of missing principle legislation to support our Finance Act, 2023/2024.
- v. Developing and mapping of County businesses.
- vi. Developing and operationalizing the revenue automation system.
- vii. Provision of additional motor vehicle and motorcycle to enhance supervision.

5. Statement of Receiver of Revenue's responsibilities

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

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

The Receiver of Revenue in charge accepts responsibility for the *entity's receiver of revenue* accounts, which have been prepared on the Cash Basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the *entity's receiver of revenue* account gives a true and fair view of the state of *entity's receiver of revenue* transactions during the financial year ended June 30, 2023, and of the *entity's* statement of assets and liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the *receiver of revenue account* as well as the adequacy of the systems of internal financial control.

The Receiver of Revenue confirms that the *siaya* 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.

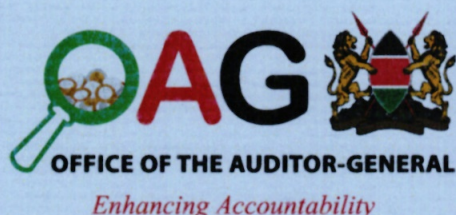
Approval of the Revenue Statements

The *revenue* statements were approved and signed by the Receiver of Revenue on 29th Sep. 2023.

.....
Name LUETA MOSES OLOTH
County Receiver of Revenue

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

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

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 FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Receiver of Revenue-County Government of Siaya set out on pages 1 to 21, which comprise of the statement of financial assets and liabilities as at 30 June, 2023, and the statement of receipts and

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

In my opinion, 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 the Receiver of Revenue – County Government of Siaya as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Use of the Appropriation in Aid (Health Services) at Source

The statement of receipts and disbursements and as disclosed in Notes 8 and 9 to the financial statements reflects amounts of Kshs.273,612,051 and Kshs.9,721,240 related to hospital fees and public health fees (Appropriation in Aid) respectively all related to health services for the year. However, an amount of Kshs.281,331,381 relating Appropriation In Aid (Health Services) was expended at source contrary to the County Government Regulation Section 63(4), which requires that all public moneys collected by a receiver of revenue or collector of revenue or collected and retained by a county government entity, shall be paid into a designated bank account of the county government and shall not be used by any public officer in any manner between the time of their receipt and payment into the bank except as provided by law.

In the circumstances, the completeness and accuracy of the reported revenue could not be confirmed.

2. Unsupported Revenue from Single Business Permit

The statement of receipts and disbursements reported revenue collected from single business permits of Kshs.73,947,724. The Receiver of Revenue did not have a comprehensive register of all businesses and traders and the existing records have not been validated by senior Management. There were no details of default in business permit renewals nor records of new business permit applications.

In the circumstances, the completeness and accuracy of the revenue collected from single business permits of Kshs.73,947,724 could not be confirmed.

3. Lack of General Valuation Roll

The statement of receipts and disbursements reflects revenue collected from land rates amounting to Kshs.20,176,756. It was however established that the County Receiver of Revenue did not keep a comprehensive general valuation roll of all the land parcels owned by the County Government.

In the circumstances the accuracy and completeness of the revenue from land rates amounting to Kshs.20,176,756 could not be confirmed.

4. Unsupported Arrears of Revenue

The statement of arrears of revenue reflects a balance of Kshs.382,663,396 under arrears of revenue. However, this differs with the amount of Kshs.323,674,531 reflected in Note 2 to the financial statements on the ageing analysis of revenue. Management did not provide a record of arrears of revenue. Further, no record of waivers, variations of fees or charges granted were provided for audit.

In the circumstances, the completeness and accuracy of the arrears of revenue balance of Kshs.382,663,396 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 Siaya 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Irregular Use of the Appropriation in Aid (Health Services) at Source

Review of records revealed that an amount of Kshs.281,331,381 relating Appropriation In Aid (Health Services) was expended at source contrary to Regulation 63(4) of the Public Finance Management (County Governments) Regulations, 2015 which requires that all public moneys collected by a receiver of revenue or collector of revenue or collected and retained by a County Government entity, shall be paid into a designated bank account of the County Government and shall not be used by any public officer in any manner between the time of their receipt and payment into the bank except as provided by law.

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

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 matters 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

1. Failure to Automate Revenue Collection System

Review of the revenue collection system revealed that the Receiver of Revenue had not automated all its revenue collection sources of internally generated revenue and continued to rely on manual method which was prone to abuse.

In the circumstances, detecting revenue collection frauds and achieving real-time payments and revenue reporting within the County Government could not be confirmed.

2. Poor Maintenance of the Cashbook

Review of the cashbooks revealed that the County Government did not use F.O 17 receipts vouchers to receive and support revenue recorded in the cashbook and the entries in the cashbook were not adequately supported.

In the circumstances, the effectiveness of the internal controls on cash recordings in the cashbook could not be confirmed.

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 (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Receiver of Revenue's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of an intention to terminate the Receiver of Revenue 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 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 controls 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls 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 controls may not prevent or detect misstatements and instances of noncompliance. 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 Receiver of Revenue's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the 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 controls.
- 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 controls that are identified during the audit.

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 February, 2024

*Receiver Of Revenue
County Government Of siaya
Revenue Statements for the Year Ended 30th June 2023*

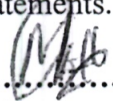
7. Statement of Receipts and Disbursements for the year ended 30th June 2023

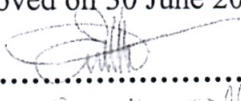
	Note	2022/2023	Comparative 2021/2022
		Kshs	Kshs
County Own Source Revenue			
Cess	1	11,697,085	11,022,285
Land Rate	2	20,176,756	19,034,652
Single/Business Permits	3	73,947,724	57,618,991
Property Rent	4	279,000	332,080
Parking Fees	5	16,613,104	19,593,749
Market Fees	6	32,723,244	36,308,060
Advertising	7	2,446,451	4,076,605
Hospital Fees	8	273,612,051	276,823,367
Public Health Service Fees	9	9,389,430	9,547,160
Physical Planning and Development	10	4,488,399	8,223,069
Hire Of County Assets	11	3,926,250	-
Conservancy Administration	12	991,560	141,100
Administration Control Fees and Charges	13	8,424,950	1,627,185
Proceeds from sale of assets	14	11,023,308	-
Plan Approval	15	4,090,735	-
Other Fines, Penalties, And Forfeiture Fees	16	105,250	138,900
Miscellaneous receipts	17	27,626,324	1,892,425
Total County Own Source Revenue		501,561,621	446,379,628
Other Receipts			

Receiver Of Revenue
County Government of Siaya
Revenue Statements for the Year Ended 30th June 2023

Donations/Grants Not Received Through CRF	18	-	-
Total Other Receipts		-	-
Total Receipts		501,561,621	446,379,628
Balance b/f at the beginning of the year		1,792,443	9,924,329
Disbursements To CRF		215,555,285	167,825,195
Bank charges	19	86,473	-
A.I.A		281,331,381	276,823,367
Deffered Revenue collected (Suspense A/C		5,276,531	
Balance Due for Disbursement		1,104,394	1,792,443

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 30 June 2023 and signed by:

.....

Name IRTA MOSES O/OTH
County Receiver of Revenue
(Ref: PFM ACT section 165, 2(a))


.....

Name Frank Odhiambo Ougure
Head of Revenue Reporting
ICPAK M/No 19904


Receiver Of Revenue
 County Government of Siaya
 Revenue Statements for the Year Ended 30th June 2023

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

	Note	2022/2023	2022/2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances	20	1,104,394	1,792,443
Cash In Hand	21	-	-
Total Financial Assets		1,104,394	1,792,443
Financial Liabilities			
Payables-Due to CRF	22	1,104,394	1,792,443
Total Financial Liabilities		1,104,394	1,792,443

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 30th June 2023 and signed by:


 Name ICETA MOSES OLOTH
 County Receiver of Revenue


 Name Frank Odhiambo Oyunga
 Head of Revenue Reporting
 ICPAK M/No 19704

*Receiver Of Revenue
County Government of Siaya
Revenue Statements for the Year Ended 30th June 2023*

Receiver Of Revenue
County Government of Siaya
Revenue Statements for the Year Ended 30th June 2023

9. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30th June 2023

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 %
County Own Source Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	100%
Cess	42,498,200	(15,998,200)	26,500,000	11,697,085	(14,802,915)	-56%
Land/Poll Rate	13,000,000	28,180,650	41,180,650	20,176,756	(21,003,894)	-51%
Single/Business Permits	94,580,869	-	94,580,869	73,947,724	(20,633,145)	-22%
Property Rent	37,010,650	(32,410,650)	4,600,000	-	(4,600,000)	-100%
Parking Fees	31,998,234	12,025,000	44,023,234	16,613,104	(27,410,130)	-62%
Market Fees	40,000,000	-	40,000,000	32,723,244	(7,276,756)	-18%
Advertising	10,000,000	-	10,000,000	2,446,451	(7,553,549)	-76%
Hospital Fees	237,344,097	80,000,000	317,344,097	273,612,051	(43,732,046)	-14%
Public Health Service Fees	7,556,144	-	7,556,144	9,389,430	1,833,286	24%
Physical Planning and Development	17,803,000	4,330,000	22,133,000	4,767,399	(17,365,601)	-78%
Hire Of County Assets	14,720,290	37,119,710	51,840,000	3,926,250	(47,913,750)	-92%
Conservancy Administration	300,000	(100,000)	200,000	991,560	791,560	396%
Administration Control Fees and Charges	18,086,750	6,515,990	24,602,740	8,424,950	(16,177,790)	-66%
Plan Approval/Engineers	15,000,000	-	15,000,000	4,090,735	(10,909,265)	-73%
Other Fines, Penalties, And Forfeiture Fees	1,100,000	-	1,100,000	105,250	(994,750)	-90%
Miscellaneous Receipts		337,500	337,500	38,649,632	38,312,132	11352%
Total County Own Source Revenue	580,998,234	120,000,000	700,998,234	501,561,621	(199,436,613)	-28%
Other Receipts		-		-	-	0%
Donations /Grants Not Received Through CRF	-	-		-	-	0%

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Total Other Receipts	-	-	-	-	-	0%
Total Receipts	580,998,234	120,000,000	700,998,234	501,561,621	(199,436,613)	-28%
Total Other Receipts					-	0%
Total Receipts	580,998,234	120,000,000	700,998,234	501,561,621	(199,436,613)	-28%

[Provide below a commentary on significant under realisation (below 90% of realisation) and any over realisation]

- (a) Inadequate budget to facilitate revenue department.
- (b) Weak enforcement and compliance mechanisms.
- (c) Incomplete database of potential revenue streams.
- (d) Manual revenue collection system.
- (e) Lack of infrastructural related to revenue collection, i.e., lack of bus parks, parking lots, market shades among others.
- (f) Lack of legislation for example valuation roll.

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

The County Receiver of revenue’s financial statements were approved on 30th June 2023 and signed by:

.....
 Name **ICPAK MOSES OIKIT**
 County Receiver of Revenue

.....
 Name **Enock Odhiambo Oigine**
 Head of Revenue Reporting
 ICPAK M/No

Receiver Of Revenue
 County Government of Siaya
 Revenue Statements for the Year Ended 30th June 2023

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

Classification Of Receipts (Indicate As Applicable)	Balance as at The beginning of the current year (1st July 2022) A	Arrears received during the year. B	Additions in arrears for the current year to June 30, 2023 C	Total arrears as at 30 June 2023 D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Cess	-	-	-	-	e.g., the Governor has waived interest and penalties	
Land rate	168,437,042	24,115,580	-	144,321,462		
Single/Business Permits	54,321,126	9,231,306	-	45,089,820		
Property Rent	159,905,228	25,641,979	-	134,263,249		
Parking Fees	-	-	-	-		
Market Fees	-	-	-	-		
Advertising	-	-	-	-		
Hospital Fees	-	-	-	-		
Public Health Service Fees	-	-	-	-		
Physical Planning and Development	-	-	-	-		
Hire Of County Assets	-	-	-	-		
Conservancy Administration	-	-	-	-		
Administration Control Fees and Charges	-	-	-	-		
Park Fees	-	-	-	-		
Other Fines, Penalties, And Forfeiture Fees	-	-	-	-		
Miscellaneous	-	-	-	-		
Total Arrears	<u>382,663,396</u>	<u>58,988,865</u>	<u>-</u>	<u>323,674,531</u>		



.....
Name ICETA MOSES ORETH
County Receiver of Revenue
(Ref: PFM ACT section 165, 2(a))



.....
Name Frank Odhiambo Ogure
Head of Revenue Reporting
ICPAK M/No 19784

An ageing analysis of revenue in arrears has been shown on note 20 of these financial statements.

11. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

The revenue statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and relevant legal framework of the County Government of Siaya. 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 30th September 2022 for the period 1st July 2022-1 to 30 June 2023 as required by law. There was *one* 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. *(The bank was instructed to sweep revenue collected on weekly basis)*

7. Comparative Figures

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

8. Subsequent Events

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

12. Notes to the Financial Statements

1. Cess

Description	2022/2023	2021/2022
	Kshs	Kshs
Farm produce		-
Quarrying	1,189,287	2,181,524
Livestock	4,221,715	3,583,580
Fish farming	-	-
Sugar cess	3,412,213	1,424,867
Fish cess	2,873,870	3,037,134
Slaughter fee		565,450
Tractor fee		229,830
Total	11,697,085	11,022,385

2. Land rates

Description	2022/2023	2021/2022
	Kshs	Kshs
Land rates	20,093,072	18,917,601
Land penalties and interest	83,684	-
Arrears		117,061
Total	20,176,756	19,034,662

3. Single /Business Permits

Description	2022/2023	2021/2022
	Kshs	Kshs
Business permit application fees	-	-
Annual Business permit fees	73,262,313	57,273,672
Business permit penalties and interest	90,911	193,769
Business permit fees arrears	594,500	151,550
Total	73,947,724	57,618,991

Notes to the Financial Statements

4. Property Rent

Description	2023/2022	2022/2021
	Kshs	Kshs
County Housing	-	-
Plot Rent	-	-
Tenancy Agreement	-	-
Transfer of Property		133,580
Stalls/kiosks rent		198500
Others (Clearance)	279,000	-
Total	279,000	332080

5. Parking Fees

Description	2022/2023	2021/2022
	Kshs	Kshs
Street parking fees	-	-
Monthly toll/sticker fees	-	-
Motorbike fees	-	-
Registration fees	-	-
Reserved parking	-	-
Bus Park fees	16,613,104	19,593,749
Others (Specify)	-	-
Total	16,613,104	19,593,749

6. Market Fees

Description	2022/2023	2021/2022
	Kshs	Kshs
Market entry fees	32,723,244	36,308,060
Hawking fees	-	-

Others (Specify)	-	-
Total	32,723,244	36,308,060

Notes to the Financial Statements

7. Advertising

Descriptions	2022/2023	2021/2022
	Kshs	Kshs
Branding, Distribution & Sales promotion	2,446,451	4,076,605
Billboard advertising	-	-
Signage	-	-
Roadshows	-	-
Banners	-	-
Posters	-	-
Tent advertising	-	-
Street pole/clock advertising	-	-
others (Specify)	-	-
Total	2,446,451	4,076,605

8. Hospital Fees

Description	2022/2023	2021/2022
	Kshs	Kshs
Level 5 hospitals	-	-
Level 4 hospital sFIF	167,799,996	144,608,340
NHIF Capitation	71,489,770	60,136,224
Linda mama	34,322,285	72,078,803
Total	273,612,051	276,823,367

9. Public Health Service Fees

Description	2022/2023	2021/2022
	Kshs	Kshs
Inspection of buildings/premises/Institutions	-	-
Inspection for issuance of hygiene license	-	-

Receiver Of Revenue
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Vaccination: Yellow fever, Typhoid, etc		-
Applications for medical examination		-
Sanitation inspection for schools		-
Public health permit	5,309,130	5,425,290
Rodent Control/Fumigation		-
Meat inspection and Vet services	4,080,300	4,121,870
Total	9,389,430	9,547,160

10. Physical Planning and Development

Description	2022/2023	2021/2022
	Kshs	Kshs
Sale of County planning documents		-
Land valuation and registration fees		-
Change / Renewal of user	524,230	-
Building plans approval	3,424,774	7,657,469
clearance		-
Occupational Permits	-	-
Enforcement / Demolition	-	-
Architectural designs by county officers	-	-
Hoarding fees	-	-
Others Survey	539,395	565,600
Total	4,488,399	8,223,069

11. Hire Of County Assets

Description	2022/2023	2021/2022
	Kshs	Kshs
Agricultural Mechanisation Services (AMS)	3,925,250	-
Hire of Machines and Equipment	-	-
Hire of County Stadia	-	-
Hire of County Halls	1,000	-

Conference facilities/Agricultural Training Centers (ATC)	-	-
Others (<i>Specify</i>)	-	-
Total	3,926,250	-

12. Conservancy Administration

Description	2022/2023	2021/2022
	Kshs	Kshs
Refuse disposal fees	-	-
Dumpsite fees	-	-
Sewerage fees	-	-
Sale of seedlings	-	-
Public cemetery	-	4,000
Slaughter fees	836,460	
Noise control	155,100	137,100
Others	-	-
Total	991,560	141,100

13. Administration Control Fees and Charges

Description	2022/2023	2021/2022
	Kshs	Kshs
Weights and measures	490,080	713,200
Fire Services	63,100	70,630
Liquor licenses	7,719,330	644,675
Betting levy	-	-
Others Co-operative Audit	152,440	198,680
Total	8,424,950	1,627,185

14. Proceeds from sale assets.

	2022/2023	2021/2022
	Kshs	Kshs
Receipts from Sale of Buildings	-	-
Receipts from Sale of Vehicles and Transport Equipment	-	-
Receipts from Sale of Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock/Fertizer	11,023,308	229,830
Receipts from Sale of Strategic Reserves Stocks	-	-
Receipts from Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	11,023,308	229,830

**15. Plan approval
 (engineeres)**

Description	2022/2023	2021/2022
	Kshs	Kshs
Lodge Tariffs and levies	-	-
Park entry fees	-	-
Filming and Photography fees	-	-
Camping fees	-	-
Balloon landing fees	-	-
Plan Approval Public works	4,090,735	-
Total	4,090,735	-

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

Description	2022/2023	2021/2022
	Kshs	Kshs
Impounding Fees	105,250	138,900

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Towing Fees	-	-
Others (Specify)	-	-
Total	105,250	138,900

17. Miscellaneous Receipts

Description	2022/2023	2021/2022
	Kshs	Kshs
Dividends	-	-
Interest	-	-
Commissions	-	-
Others Refund and Recovery	27,626,324	1,892,425
Total	27,626,324	1,982,425

18. Donations And Grants Not Received Through CRF

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

19. Bank Charges

Description	2022/2023	2021/2022
	Kshs	Kshs
Bank Charges & commissions	86,473	-
Total	86,473	-

20. Bank Balances

Name of Bank, Account No. & currency	Amount	Exc. rate (if in foreign currency)	2022/2023
			Kshs
Name of Bank, Account No. 1140748904 & Kshs	586,969	-	586,969
Name of Bank, Account No	-	-	-
Name of Bank, Account No.	-	-	-
Total	586,969	-	586,969

20 (a) Balance carried forward as at 30th June 2022 and subsequently transferred

Ref	Amount (Kshs)	Date subsequently transferred
Disbursement 1	1,792,443	1 July 2023
Disbursement 2	-	
Total	1,792,443	

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

Notes to the Financial Statement
 (Continued)

21. Cash in hand

Description	2022/2023	Insert 2021/2022
	Kshs	Kshs
Cash Balance (Location)	-	-
Mobile Money	-	-
Others (Specify)	-	-
Total	-	-

22. Payables- Due To CRF

Payables		
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*Receiver Of Revenue
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Revenue Statements for the Year Ended 30th June 2023*

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	2022/2023	2021/2022
	Kshs	Kshs
Balance b/f at the beginning of the year	1,792,443	9,924,329
Amount collected during the year	501,561,621	446,379,627
Amounts disbursed to CRF during the year	215,555,285	165,323,194
Balance c/d at the end of the year	1,104,394	1,792,443

Notes to the Financial Statement

2. 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	-	-	-	-	-
Land rate	144,321,462	-	-	-	144,321,462
Single/business permits	45,089,820	-	-	-	45,089,820
Property rent	134,263,249	-	-	-	134,263,249
Parking fees	-	-	-	-	-
Market fees	-	-	-	-	-
Advertising	-	-	-	-	-
Hospital fees	-	-	-	-	-
Public health service fees	-	-	-	-	-
Physical planning and development	-	-	-	-	-
Hire of County Assets	-	-	-	-	-
Conservancy administration	-	-	-	-	-
Administration control fees and charges	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-
Park fees	-	-	-	-	-
Other fines, penalties, and forfeiture fees	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-
Others (<i>Specify</i>)	-	-	-	-	-
Total (agree to statement of arrears)	323,674,531	-	-	-	323,674,351

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

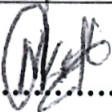
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

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)
1.	Failure to provide a trial balance	The trial balance have been prepared		
2	Lack of single Business Permit Register			
3	Failure to Automate Revenue Collection			
4.1	Misstatement of Revenue			
4.2	Misstatement in the statement of receipt and disbursemet			
5	Use of Revenue at Source -Failure to transfer funds to County Revenue Fund			
6	Failure to Maintain record of arrears, waiver and variation.			
7	Low revenue collection			

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.

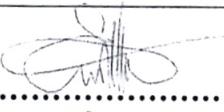
Receiver Of Revenue
County Government of Siaya
Revenue Statements for the Year Ended 30th June 2023

.....


Name ILETA MOSES OJITH

County Receiver of Revenue

Date

.....


Name Frank Odhiambo Ojoro

Head of Revenue Reporting

ICPAK M/No 19704

Date