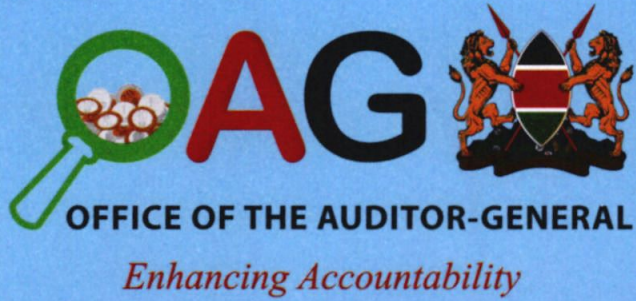
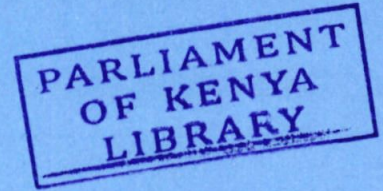


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

**RECEIVER OF REVENUE - REVENUE
STATEMENTS**

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

COUNTY GOVERNMENT OF KISII

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



**RECEIVER OF REVENUE
County Government of Kisii**

REVENUE STATEMENTS

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

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

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

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

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 Department of Finance, Accounting Services & Revenue Management. At the County Executive Committee level, the receiver of revenue is represented by the County Executive committee member for Finance Economic Planning & ICT, 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 15th March 2023 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 Kisiis' day-to-day management of revenue is under the following:

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

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

Key Entity information and Management (continued)

(d) County Headquarters

P.O. Box 4550-40200
Kisii Building/House/Plaza
Kisii-Keroka Road/Highway
KISII, KENYA

(e) Entity Contacts

Telephone: (254) 58203005
E-mail: info@kisii.go.ke
Website: www.kisii.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

The Attorney General
State Law Office
P.o.Box 40112
City Square 00200

(h) Bankers

Kenya Commercial Bank
Kisii Branch
P.O.Box 48400
Nairobi, Kenya

(i) County Attorney

The Office the County Attorney
County Government of Kisii
P.o.Box 4550
Kisii, Kenya

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

3. Foreword By the CECM Finance and Economic Planning

In the Budget estimates for the Financial Year 2023/2024, Kisii County Government expected to collect Kshs 650M from the following 22 Revenue streams as follows:

Table: 1 Budget estimates for the financial year 2023/2024

Receipt	Original Targets	Adjustments	Final Targets
	A	B	C=A+B
	Kshs	Kshs	Kshs
County Own Source Revenue			
Cess	21,000,000	0	21,000,000
Land Rate	25,000,000	0	25,000,000
Single/Business Permits	200,000,000	0	200,000,000
Property Rent	25,000,000	0	25,000,000
Parking Fees	156,000,000	0	156,000,000
Market Fees	90,000,000	0	90,000,000
Advertising	40,000,000	0	40,000,000
Hospital Fees	-	0	-
Public Health Service Fees	-	0	-
Physical Planning and Development	40,000,000	0	40,000,000
Hire Of County Assets	3,500,000	0	3,500,000
Conservancy Administration	5,000,000	0	5,000,000
Administration Control Fees and Charges	31,000,000	0	31,000,000
Proceeds from sale of assets	10,000,000	0	10,000,000
Park Fees	-	0	-
Other Fines, Penalties, And Forfeiture Fees	-	0	-
Miscellaneous Receipts	3,500,000	0	3,500,000
Total County Own Source Revenue	650,000,000	0	650,000,000
Other Receipts			
Donations /Grants Not Received Through CRF	-	0	0
Total Other Receipts	-	0	0
Total Receipts	650,000,000	0	650,000,000

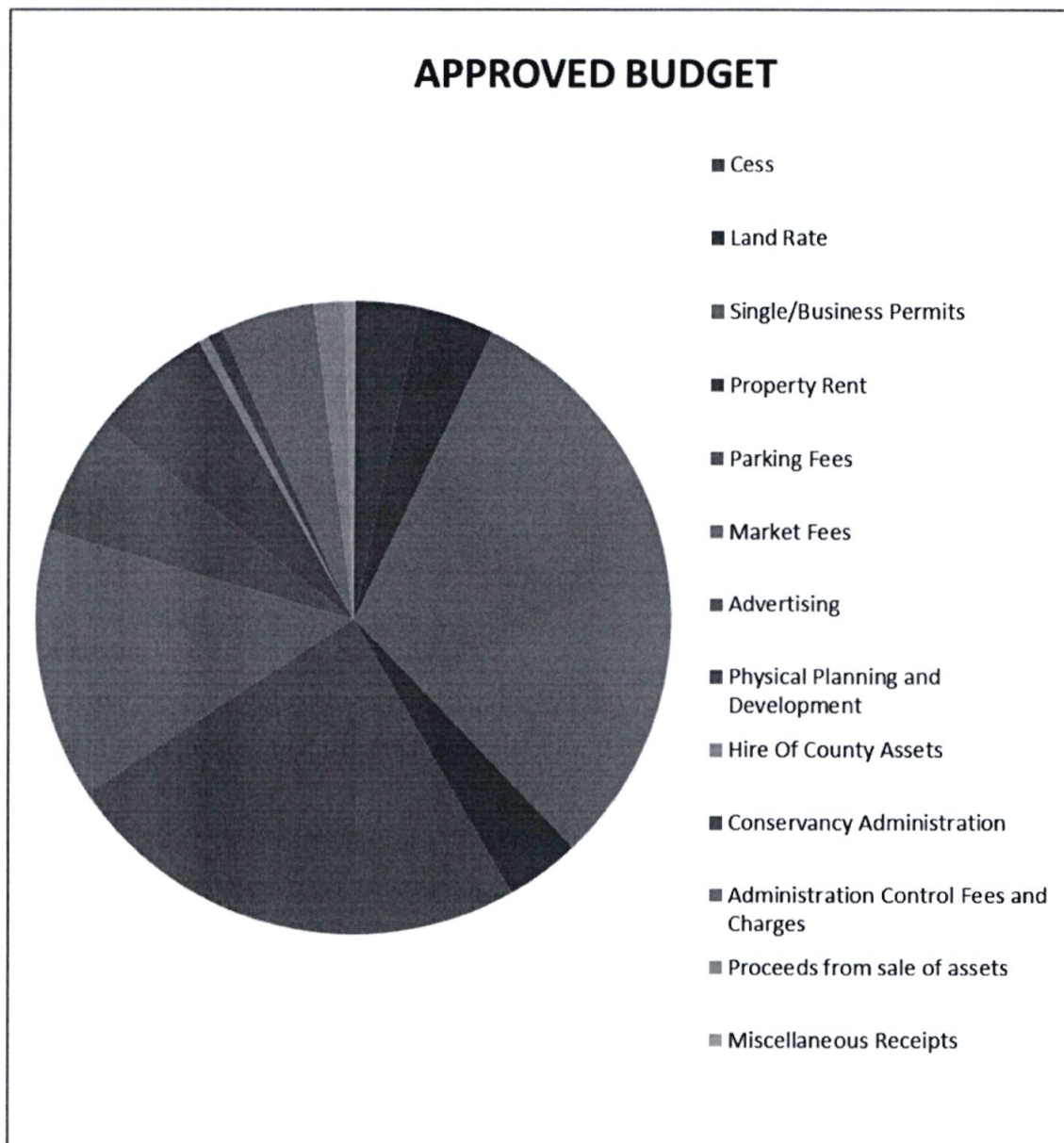


Figure: 1

The actual revenue collected was Kshs 502,404,001 which represented 77% of the budget estimates. The Budget estimates against actual collection for the year was represented in the pie-chart

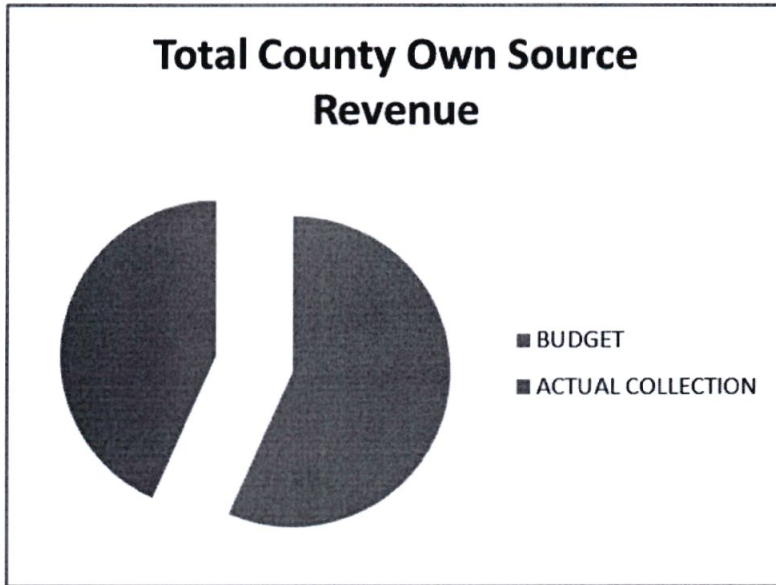


Figure: 2

During the financial year 2023/2024, Kshs 501,823,902 was transferred from the revenue collection account in Kenya Commercial Bank into the County Revenue Collection Account in the Central Bank of Kenya (CBK) where as Ksh. 2,142,444 was outstanding as at the financial year end. This was subsequently transferred on 3rd of July 2023.

.....
CECM Finance, Economic Planning & ICT Services

County Government of Kisii

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

4. Management Discussion and Analysis

Own source revenues Budget estimates against actual revenues collected have been analyzed in tables and graphs as shown below in table 2 and figure 2 respectively as follows;

Table: 2 Budget estimates against actual revenues collected

Financial year	Budget Estimates	Actual Collection	Actual collection as % of Budget
2019/2020	870,000,000	478,209,672	55
2020/2021	650,000,000	399,505,292	61
2021/2022	700,000,000	400,297,869	57
2022/2023	750,000,000	415,285,664	55
2023/2024	650,000,000	502,404,001	77

BUDGET ESTIMATES VS ACTUAL REVENUE COLLECTED

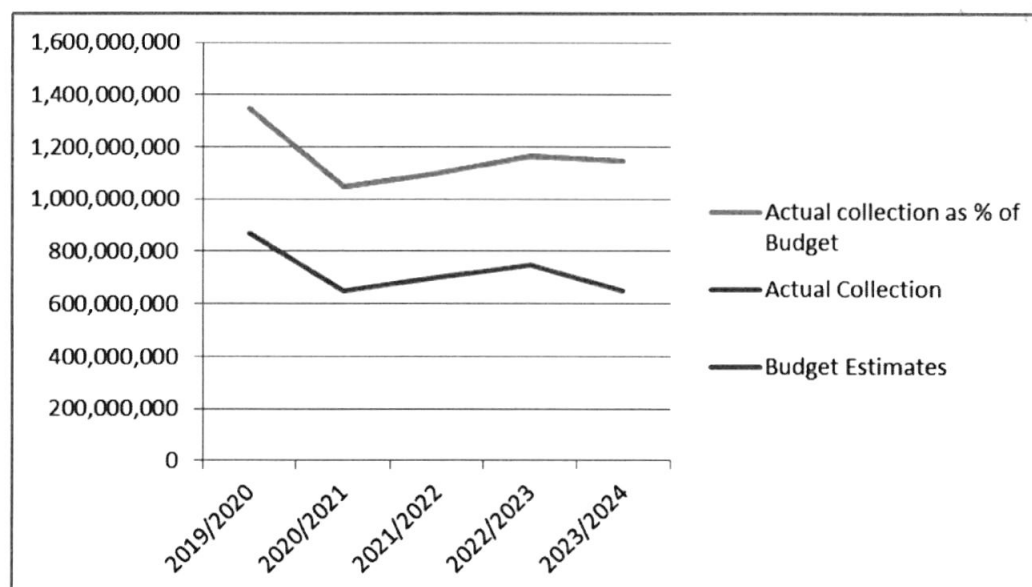


Figure: 3

It is important to note that revenue targets have not been achieved over the years. For the financial year 2019/2020, the collection included Facility improvement fund which was separated as from the financial year 2020/2021.

5. Statement of Receiver of Revenue’s responsibilities

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

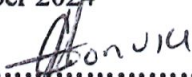
The Receiver of Revenue is responsible for the preparation and presentation of the *receiver of revenue account*, which gives a true and fair view of the state of affairs of the *receiver of revenue* for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the statement of assets and liabilities of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

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

The Receiver of Revenue confirms that the *County Government of Kisii* 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

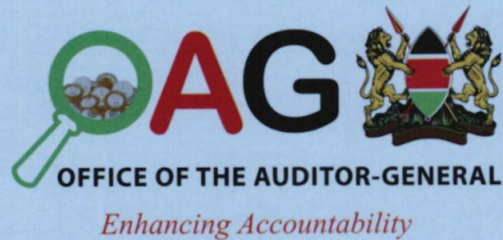
The revenue statements were approved 30/9/2024 and signed by the Receiver of Revenue on 4th November 2024



.....
Name : Charles Bonuke

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON RECEIVER OF REVENUE - REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2024 - COUNTY GOVERNMENT OF KISII

PREAMBLE

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

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

A Qualified Opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal control, 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 the Receiver of Revenue Statements - County Government of Kisii set out on pages 1 to 21, which comprise the

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

statement of financial assets and statement of arrears of revenue as at 30 June, 2024, 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 revenue statements present fairly, in all material respects, the financial position of Receiver of Revenue - County Government of Kisii as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unexplained Variance in County Own Source Revenue Amount

The statement of receipts and disbursement reflects total County own source revenue of Kshs.502,404,101 while the revenue streams reports generated from Jambo Pay, Zizi and LAIFOM systems shows total revenue of Kshs.487,943,992 resulting in an unexplained variance of Kshs.14,460,009.

In the circumstances, the accuracy and completeness of the total County own source revenue of Kshs.502,404,101 for the year ended 30 June, 2024 could not be confirmed.

2. Variances Between the Financial Statement and Disbursement to CRF

The statement of receipts and disbursement reflects disbursement to County Revenue Fund (CRF) of Kshs.501,823,902. However, cashbook and bank statement supporting financial statement reflects total disbursement of Kshs.501,337,273 resulting into an unexplained variance of Kshs.486,629.

In the circumstances, the accuracy and completeness of the total revenue disbursement of Kshs.501,823,902 for the year ended 30 June, 2024 could not be confirmed.

3. Unsupported Revenue Collected Through Zizi System

The statement of receipts and disbursement reflects County own source revenue amounting to Kshs.502,404,001. This amount includes Kshs.304,194,975 revenue collected from Zizi system. However, as at the time of audit in October, 2024, the management was not able to provide the Itemized revenue collected per revenue stream, revenue collected by collection channel and period, total transaction amounts per county collector, total transaction per sub county, date and time of transactions, payment channel used to effect a transaction and transaction ID/Reference ID of the transaction. Management explained that they were unable to retrieve the reports as their rights were taken by the service provider immediately the contract expired.

In the circumstances, the accuracy and completeness of the total County own source revenue of Kshs.502,404,001 for the year ended 30 June, 2024 could not be confirmed.

4. Unreceipted Revenue

The statement of assets and liabilities reflects cash and cash equivalent of Kshs.2,142,444 as disclosed in Note 20 to the financial statement. Review of the bank statement provided for the audit revealed unpaid cheques of Kshs.1,543,150. There was no evidence provided indicating when these cheques were paid yet services were already offered.

In the circumstances, the accuracy and completeness of cash and cash equivalent balance of Kshs.2,142,444 as at 30 June, 2024 could not be confirmed.

5. Long Outstanding Land Rate Arrears

The statement of arrears of revenue reflects land rate balance as at 30 June, 2024 of Kshs.546,132,152 which, as disclosed in Note 23 to the financial statements. The balance includes an amount of Kshs.375,124,208 that has been outstanding for more than three years and a further amount of Kshs.58,478,524 in respect to the year under review. Management did not demonstrate steps and strategies taken by the County Executive to collect the outstanding land rates and reduce the balance since it has been indicated some arrears are irrecoverable.

In addition, the County has been using the 1988 valuation roll to determine the amount to be paid as revenue to the County. This implies that the County is losing revenue due to long overdue to outstanding land rates and outdated valuation roll since the land prices have significantly changed over years.

In the circumstances, the accuracy and completeness and recoverability of land rates balance of Kshs.546,132,152 could not be confirmed

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

Emphasis of Matter

Budgetary Control and Performance

The statement of Comparison of budget and actual amount reflects final revenue budget and actual amount on comparable basis amount of Kshs.650,000,000 and Kshs.502,404,001 respectively, resulting in under collection of Kshs.147,595,999 or 23% of the budget. Further, the basis of the budget amount of Kshs.650,000,000 has not been

explained, given that the revenue collection in the last five years had never surpassed 502,404,001 and the revenue collected in the previous year was only Kshs.415,285,664.

In addition, the County did not collect any income from under disposal of assets revenue stream.

In circumstances, under collection of revenue may have affected the planned activities and may have adversely impacted on service delivery to the residents of Kisii County.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

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

Other Information

The Management is responsible for the Other Information set out on page iii to ix which comprise of Key Entity Information and Management, Foreword by the CECM Finance and Economic Planning, Management Discussion and Analysis and the Statement of Receiver of Revenue's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Receiver of Revenue financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I

confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis For Conclusion

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of 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. Weak Internal Controls over the Administration of Revenue Collection Systems

Review of the Information Communication Technology environment confirmed that the County Government of Kisii was using three revenue collection systems namely – LAIFOM, JamboPay and ZiZiPay. However, a review of the system during the audit established that the contract between Kisii County Government and The ZiZiPay vendor had lapsed and was not renewed prompting the system vendor to lock out the users from accessing the revenue collection system hampering operations like revenue reporting from the system. Therefore, management relied on documentation provided by the vendor in preparation of the financial statements. Further, the County Government of Kisii procured the services of M/S Web Tribe Limited (Jambo Pay) to provide another automated revenue collection and management system at the contract sum of Kshs.24,902,063 on 26 January 2024. However, it was noted that the County Government of Kisii does not have full control of the system and is relying heavily on the vendor for some functions i.e. daily paybill banking, M/S Web Tribe owns and has full control of the paybill number and the USSD No. *414# used for payment services and while interviewing management it was established that the system has frequent downtimes especially in the sub-counties.

In addition, it was established that the County Government of Kisii intended to terminate the contract between Web Tribe on grounds of breach of contract, however during the audit of the Receiver of Revenue Kisii County it was established that the system was still in use yet the pending matters raised had not been resolved. The integrity of the Jambo pay system could not ascertained.

In the circumstances, the effectiveness of the internal controls over revenue collection systems could not be confirmed.

2. Lack of Risk Management Strategy

The Kisii County Receiver of Revenue did not have a risk management policy or strategy in place and therefore, had no approved processes and guidelines on how to mitigate operational, legal and financial risks including loss of revenues contrary to Regulation 158 of the Public Finance Management (County Government) Regulations 2015.

In the circumstances, the lack of risk management policy, manuals and standard operating procedures, is an indication of weak 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 controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as the 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 as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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


Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


27 December, 2024


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

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

	Note	2023/24	2022/23
		Kshs	Kshs
County Own Source Revenue			
Cess	1	11,815,533	11,527,870
Land Rate	2	17,327,300	10,115,712
Single/Business Permits	3	135,822,089	108,438,178
Property Rent	4	10,894,497	9,632,557
Parking Fees	5	104,465,989	87,294,000
Market Fees	6	42,039,388	44,696,320
Advertising	7	76,833,425	52,609,610
Hospital Fees	8	-	-
Public Health Service Fees	9	-	-
Physical Planning and Development	10	55,018,081	43,765,457
Hire Of County Assets	11	78,000	851,000
Conservancy Administration	12	28,608,090	21,231,550
Administration Control Fees and Charges	13	12,282,100	25,123,410
Proceeds from sale of assets	14	-	-
Park Fees	15	-	-
Other Fines, Penalties, And Forfeiture Fees	16	-	-
Miscellaneous receipts	17	7,219,509	-
Total County Own Source Revenue		502,404,001	415,285,664
Other Receipts			
Donations/Grants Not Received Through CRF	18	-	-
Total Other Receipts		-	-
Total Receipts		502,404,001	415,285,664
Balance b/f at the beginning of the year		1,595,312	334,564
Disbursements To CRF		501,823,902	413,988,596
Bank charges	19	32,967	36,320
Balance Due for Disbursement		2,142,444	1,595,312

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 4th November 2024 and signed by:


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

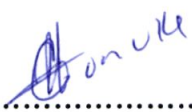

 Name: CPA Lucas Arasa
 Head of Revenue Reporting
 ICPAK M/No 10111

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


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

	Note	2023/24	2022/23
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances	20	2,142,444	1,595,312
Cash In Hand	21	-	-
Total Financial Assets		2,142,444	1,595,312
Total Financial Assets		2,142,444	1,595,312
Financial Liabilities			
Payables-Due to CRF	22	2,142,444	1,595,312
Total Financial Liabilities		2,142,444	1,595,312

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 4th November 2024 and signed by:



Name: Charles Bonuke
County Receiver of Revenue



Name: Lucas Arasa
Head of Revenue Reporting
ICPAK M/No 10111


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

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

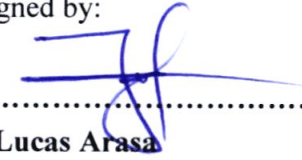
Receipt	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% Of Realization
	A	B	C=A+B	D	E=C-D	F=D/C %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
County Own Source Revenue						
Cess	21,000,000	0	21,000,000	11,815,533	9,184,467	56.26
Land Rate	25,000,000	0	25,000,000	17,327,300	7,672,700	69.31
Single/Business Permits	200,000,000	0	200,000,000	135,822,089	64,177,911	67.91
Property Rent	25,000,000	0	25,000,000	10,894,497	14,105,503	43.58
Parking Fees	156,000,000	0	156,000,000	104,465,989	51,534,011	66.97
Market Fees	90,000,000	0	90,000,000	42,039,388	47,960,612	46.71
Advertising	40,000,000	0	40,000,000	76,833,425	- 36,833,425	192.08
Hospital Fees	-	0	-	-	-	0.00
Public Health Service Fees	-	0	-	-	-	0.00
Physical Planning and Development	40,000,000	0	40,000,000	55,018,081	- 15,018,081	137.55
Hire Of County Assets	3,500,000	0	3,500,000	78,000	3,422,000	2.23
Conservancy Administration	5,000,000	0	5,000,000	28,608,090	- 23,608,090	572.16
Administration Control Fees and Charges	31,000,000	0	31,000,000	12,282,100	18,717,900	39.62
Proceeds from sale of assets	10,000,000	0	10,000,000	-	10,000,000	0.00
Park Fees	-	0	-	-	-	0.00
Other Fines, Penalties, And Forfeiture Fees	-	0	-	-	-	0.00
Miscellaneous Receipts	3,500,000	0	3,500,000	7,219,509	- 3,719,509	206.27
Total County Own Source Revenue	650,000,000	0	650,000,000	502,404,001	147,595,999	77.29
Other Receipts					-	0.00
Donations /Grants Not Received Through CRF	-	0	0	-	-	0.00
Total Other Receipts	-	0	0	-	-	0.00
Total Receipts	650,000,000	0	650,000,000	502,404,001	147,595,999	77.29

- (a) Asset disposal was uncollected because no assets were disposed.*
- (b) Miscellaneous income represents un-presented direct deposits.*
- (c) The Stadium was under renovation during the financial year.*

The County Receiver of revenue's financial statements were approved on 4th November 2024 and signed by:



.....
Name: Charles Bonuke
County Receiver of Revenue



.....
Name: Lucas Arasa
Head of Revenue Reporting
ICPAK M/No10111

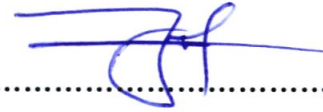
*Receiver Of Revenue
County Government Of Kisii
Revenue Statements for the Period Ended 30th June 2024*

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

Classification Of Receipts (Indicate As Applicable)	Balance as at The beginning of the current year (1st July 2023) A	Arrears received during the year. B	Additions in arrears for the current year to June 30, 20xx C	Total arrears as at 30 June 2024 D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Cess	0	0	0	0		
Land rate	495,446,662	7,793,034	58,478,524	546,132,152	Issuances of demand notices	some arrears are irrecoverable and a committee is currently working on them and issue a way forward
Single/Business Permits	0	0	0	0		
Property Rent	0	0	0	0		
Parking Fees	0	0	0	0		
Market Fees	0	0	0	0		
Advertising	0	0	0	0		
Hospital Fees	0	0	0	0		
Public Health Service Fees	0	0	0	0		
Physical Planning and Development	0	0	0	0		
Hire Of County Assets	0	0	0	0		
Conservancy Administration	0	0	0	0		
Administration Control Fees and Charges	0	0	0	0		
Park Fees	0	0	0	0		
Other Fines, Penalties, Forfeiture Fees	0	0	0	0		
Miscellaneous	0	0	0	0		
Total Arrears	495,446,662	7,793,034	58,478,524	546,132,152		



.....
Name: Charles Bonuke
County Receiver of Revenue
(Ref: PFM ACT section 165, 2(a))



.....
Name: Lucas Arasa
Head of Revenue Reporting
ICPAK M/No10111

An ageing analysis of revenue in arrears has been shown on note 23 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 Kisii. 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 *County Government Kisii*. 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 *County Government Kisii*.

2. Recognition of Receipts

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

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 23rd June 2023 for the period 1st July 2023 to 30 June 2024 as required by law. There were two 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 county Government of Kisii has policy to transfer own source revenue collected twice a week ie Every Tuesdays and Fridays.

7. Comparative Figures

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

8. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended June 30, 2024

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

12. Notes to the Financial Statements

1. Cess

Description	2023/24	2022/23
	Kshs	Kshs
Farm produce	11,221,583	11,189,367
Quarrying	-	-
Livestock	-	-
Fish farming	-	-
Others (<i>sale of finger lings</i>)	593,950	338,504
Total	11,815,533	11,527,870

2. Land rates

Description	2023/24	2022/23
	Kshs	Kshs
Land rates	7,857,359.00	7,085,124
Land penalties and interest	1,676,907.00	922,787
Arrears	7,793,034.00	2,107,801
Total	17,327,300.00	10,115,712

3. Single /Business Permits

Description	2023/24	2022/23
	Kshs	Kshs
Business permit application fees	135,822,089	2,989,219.00
Annual Business permit fees	-	104,915,041.00
Business permit penalties and interest	-	533,918.00
Business permit fees arrears	-	-
Total	135,822,089	108,438,178.00

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

Notes to the Financial Statements (continued)

4. Property Rent

Description	2023/24	2022/23
	Kshs	Kshs
County Housing	5,825,950	5,457,310.00
Plot Rent	4,978,547	4,175,247.00
Tenancy Agreement	-	-
Transfer of Property	-	-
Stalls/kiosks rent	-	-
Others (<i>rent from cold room services</i>)	90,000	-
Total	10,894,497	9,632,557.00

5. Parking Fees

Description	2023/24	2022/23
	Kshs	Kshs
Street parking fees	42,398,266	31,764,300.00
Monthly toll/sticker fees	0	-
Motorbike fees	14,597,720	2,684,400.00
Registration fees	-	-
Reserved parking	3,851,000	9,642,000.00
Bus Park fees	43,619,003	43,203,300.00
Others (<i>Specify</i>)	-	-
Total	104,465,989	87,294,000.00

6. Market Fees

Description	2023/24	2022/23
	Kshs	Kshs
Market entry fees	42,039,388	44,696,320
Hawking fees	-	-
Others (<i>Specify</i>)	-	-
Total	42,039,388	44,696,320

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

Notes to the Financial Statements (Continued)

7. Advertising

Descriptions	Insert 2023/24	Insert 2022/23
	Kshs	Kshs
Branding	-	-
Billboard advertising	-	-
Signage	-	-
Roadshows	-	-
Banners	-	-
Posters	-	-
Tent advertising	-	-
Street pole/clock advertising	-	-
others (<i>General advertisement</i>)	76,833,425	52,609,610
Total	76,833,425	52,609,610

8. Hospital Fees

Description	2023/24	2022/23
	Kshs	Kshs
Level 5 hospitals	-	-
Level 4 hospitals	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

9. Public Health Service Fees

Description	2023/24	2022/23
	Kshs	Kshs
Inspection of buildings/premises/Institutions	-	-
Inspection for issuance of hygiene license	-	-
Vaccination: Yellow fever, Typhoid, etc	-	-
Applications for medical examination	-	-
Sanitation inspection for schools	-	-
Public health permit	-	-
Rodent Control/Fumigation	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

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

Notes to the Financial Statements (Continued)

10. Physical Planning and Development

Description	2023/24	2022/23
	Kshs	Kshs
Sale of County planning documents	-	-
Land valuation and registration fees	-	-
Change / Renewal of user	-	-
Building plans approval	55,018,081	43,765,457
Signboards	-	-
Occupational Permits	-	-
Enforcement / Demolition	-	-
Architectural designs by county officers	-	-
Hoarding fees	-	-
Others (Specify)	-	-
Total	55,018,081	43,765,457

11. Hire Of County Assets

Description	2023/24	2022/23
	Kshs	Kshs
Agricultural Mechanisation Services (AMS)	-	-
Hire of Machines and Equipment	-	-
Hire of County Stadia	17,000	765,000
Hire of County Halls	61,000	86,000
Conference facilities/Agricultural Training Centers (ATC)	-	-
Others (Specify)	-	-
Total	78,000	851,000

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

Notes to the Financial Statement (Continued)

12. Conservancy Administration

Description	Insert	Insert
	2023/24	2022/23
	Kshs	Kshs
Refuse disposal fees	-	-
Dumpsite fees	-	-
Sewerage fees	-	-
Sale of seedlings	-	-
Public cemetery	-	-
Disposal of carcasses	-	-
Noise control	-	-
Others (Environmental Permits)	28,608,090.00	21,231,550.00
Total	28,608,090.00	21,231,550.00

13. Administration Control Fees and Charges

Description	2023/24	2022/23
	Kshs	Kshs
Weights and measures	2,401,601	1,864,852
Fire Services	5,149,500	21,329,500
Liquor licenses	-	-
Administrative fees and charges	3,681,423	1,312,208
Cooperative Audit and supervision Fees	327,876	-
Others (<i>Slaughter fees</i>)	721,700	616,850
Total	12,282,100	25,123,410

14. Proceeds from sale of assets.

	2023/24	2022/23
	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	-	-
Receipts from Sale of Strategic Reserves Stocks	-	-
Receipts from Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	-	-

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

15. Park Fees

Description	2023/24	2022/23
	Kshs	Kshs
Lodge Tariffs and levies	-	-
Park entry fees	-	-
Filming and Photography fees	-	-
Camping fees	-	-
Balloon landing fees	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

16. Other Fines, Penalties and Forfeitures

Description	2023/24	2022/23
	Kshs	Kshs
Impounding Fees	-	-
Towing Fees	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

17. Miscellaneous Receipts

Description	2023/24	2022/23
	Kshs	Kshs
Dividends	-	-
Interest	-	-
Commissions	-	-
Others (Unprocessed Direct Bank deposits)	7,219,509	-
Total	7,219,509	-

18. Donations And Grants Not Received Through CRF

Description	2023/24	2022/23
	Kshs	Kshs
Donations (<i>Specify Based on Source</i>)	-	-
Grants (<i>Specify Based on Source</i>)	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

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

19. Bank Charges

Description	2023/24	2022/23
	Kshs	Kshs
Bank Charges & commissions	32,967	36,320
Total	32,967	36,320

20. Bank Balances

Name of Bank, Account No. & currency	Amount	Exc. rate (if in foreign currency)	2023/24	2022/23
			Kshs	Kshs
KCB 1140758519 (Kes)	2,142,444	-	2,142,444	1,595,312
Total	2,142,444		2,142,444	1,595,312

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

Ref	Amount (Kshs)	Date subsequently transferred
Disbursement 1	2,142,444	03-Jul-24
Total	2,142,444	

21. Cash in hand

Description	2023/24	2022/23
	Kshs	Kshs
Cash Balance (<i>Location</i>)	-	-
Mobile Money	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

22. Payables- Due To CRF

Payables	2023/24	2022/23
	Kshs	Kshs
Balance b/f at the beginning of the year	1,595,312	334,564
Amount collected during the year	502,404,001	415,285,664
Amounts disbursed to CRF during the year	501,823,902	413,988,596
Bank charges	32,967	36,320
Balance c/d at the end of the year	2,142,444	1,595,312

• ***Receiver Of Revenue***
County Government Of Kisii
Revenue Statements for the Period Ended 30th June 2024

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 19 above.

23. Ageing Analysis of Revenue in Arrears


Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Land rate	58,478,524	59,447,444	53,081,976	375,124,208	546,132,152.00
Total	58,478,524	59,447,444	53,081,976	375,124,208	546,132,152.00

13. 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

(PFM ACT section 165 subsection 4, 5)



*Sign and date
Accounting Officer*

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.

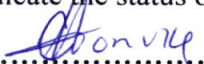
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Unexplained Variance in County Own Source Revenue Amount	The issue has been addressed by the management	Resolved	N/A
2	Long outstanding land rates	The management appointed a committee to look in to the issues.	Not resolved	30 th June 2025
3	Unsupported Revenue Administration Control Fees and Charges	The issue has been addressed by the management	Resolved	N/A
1	Budgetary Control and Performance	The management is working to address the issue	Not Resolved	30 th June 2025
2	Unresolved Prior Year Matters	The management is working to address the issue	Not Resolved	
	Unauthorized Deductions in the	The issue has been addressed by the	Resolved	

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

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)
	County Revenue Collection Account	management		
1	Uncollected Revenue – Property Rates	The management has done a draft valuation roll aimed at addressing the issues	Not Resolved	30 th June 2025
2	Weakness in Revenue Collection System	The management has acquired a new revenue system that has addressed the weaknesses of the previous one.	Resolved	

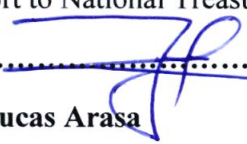
Guidance Notes:

- (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.

.....


Name: Charles Bonuke
County Receiver of Revenue

Date
4th November 2024

.....


Name: Lucas Arasa
Head of Revenue Reporting

ICPAK M/No 10111

Date
4th November 2024