

REPUBLIC OF KENYA



29



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REPORT

OF

THE AUDITOR-GENERAL

ON

RECEIVER OF REVENUE – REVENUE STATEMENTS

| PAPERS LAID | |
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FOR THE YEAR ENDED 30 JUNE, 2025

COUNTY GOVERNMENT OF VIHIGA

PA



RECEIVER OF REVENUE
COUNTY GOVERNMENT OF VIHIGA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

Transitional IPSAS Financial Statements.



*Receiver Of Revenue
County Government Of Vihiga
Revenue Statements for the Period Ended 30th June 2025*

| Table of Contents | Page |
|--|-------------|
| 1. Acronyms and Definition of Key Terms..... | ii |
| 2. Key Entity Information and Management..... | iii |
| 3. Foreword By the CECM Finance and Economic Planning | vi |
| 4. Management Discussion and Analysis | vii |
| 5. Statement of Receiver of Revenue's responsibilities..... | ix |
| 6. Report of the Independent Auditor on the Vihiga county Receiver of Revenue for Year Ended 2025 | x |
| 7. Statement of Revenue and Disbursements for the year ended 30th June 2025..... | 1 |
| 8. Statement of Financial Position as at 30 th June 2025..... | 3 |
| 9. Statement of Cash Flows for the Year Ended 2025..... | 4 |
| 10. Statement of Comparison of Budget vs Actual Amounts for Year Ended 30 th June 2025 | 5 |
| 11. Notes to the Financial Statements | 7 |
| 12. Appendices | 25 |

*Receiver Of Revenue
County Government of Vihiga
Revenue Statements for the Period Ended 30th June 2025*

1. Acronyms and Definition of Key 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) Key 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. At the County Executive Committee level, the receiver of revenue is represented by the County Executive committee member for Finance and Economic 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 1st July 2024 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 Vihiga day-to-day management of revenue is under the following:

- County Executive Committee Member for Finance -Hon.Meshack Onzere
- Chief Officer, Finance -CPA James Atemba
- Director, Revenue -CPA George Omusula
- Head of Revenue Reporting-CPA Sheilla Lwali

Key Entity information and Management (continued)

(d) County Headquarters

P.O. Box 344-50300
Vihiga County headquarter -Mbale
Mbale Kegoye Road
Maragoli, KENYA

(e) Entity Contacts

Telephone: (254)
E-mail: treasury@vihiga.go.ke
Website: : www.vihiga.go.ke

(f) Independent Auditor

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

(g) Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O Box 6000 – 00200
City Square
2. Kenya Commercial Bank
Mbale Branch
P.O Box 1123-50300
Maragoli – Kenya
3. Co-operative Bank of Kenya
Mbale Branch
P.O Box 816-50300
Maragoli – Kenya
4. Equity Bank, Mbale Branch
P.O Box 545 – 50300
Maragoli – Kenya

(h) Principal Legal Adviser

The Attorney General
Sheria House,Harambee Avenue
Website: www.go.ke

(i) County Attorney

P.O. Box 344-50300

Vihiga County headquarter -Mbale

Mbale Kegoye Road

Maragoli, KENYA

3. Foreword By the CECM Finance and Economic Planning

The economic conditions during the review period were characterized by reduction inflation rates, economic growth, or other pertinent factors. These factors played a significant role in shaping the revenue collection landscape, influencing local businesses, and impacting the overall performance of revenue collection.

Certain aspects helped to boost revenue collection, such as compliance by traders, inspection team being formed and change of toll stations to safer region.

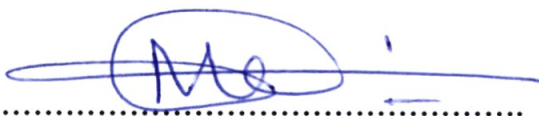
The total revenue collected was 397,998,051 an improvement from last financial year of 335,439,785 The revenue was generated from a variety of sources including toll fees, markets, business permits, land rates, physical planning, fines and penalties, county housing and commissions earned, advertisement, health collections among others.

The total budgeted revenue for the period was Kshs.340,000,000 and the actual revenue collected amounted to Kshs. 397,998,051 exceeding the budget by Ksh. 57,998,051. This is 117% The disbursement to CRF was Kshs.184,379,104 while Kshs.206,436,980 was disbursed to health special purpose account and the difference of 4,546,821 was disbursed to Vihiga County liquor special purpose account.

The improved performance against target is due to the automation. This was the second year of implementation hence improved usage and most of the user challenges from year one had been addressed. Inspection and supervision for the period was enhanced with regular checks carried out. Enhanced compliance towards the deadline of structured stream collection, the department carried out public awareness through radio and mobile announcements at market centres to enhance public awareness

Despite exceeding the budget, the following streams did not meet their respective budgets

- 1.hire of county machinery
- 2.Landrates
- 3.water administration fees



CECM Finance and Economic Planning

County Government of Vihiga

4. Management Discussion and Analysis

This section provides an analysis of the operational and financial performance of the Receiver of Revenue for the past three financial years. It highlights actual revenue collections against budgeted targets, key trends, challenges faced, and corrective measures taken. The aim is to inform users of the financial statements on the efficiency, effectiveness, and sustainability of the county/entity’s revenue mobilization efforts.

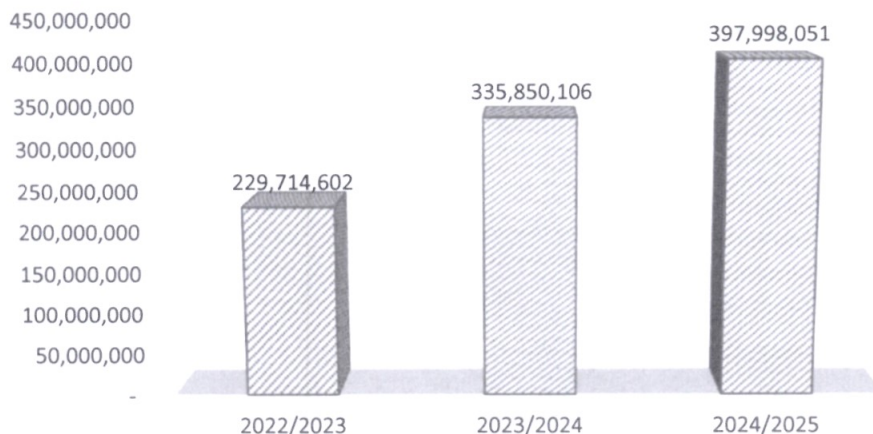
Performance of revenue for the last three financial years

| Financial Year | Budgeted revenue | Actual Revenue collected | Variance | % performance |
|-----------------------|-------------------------|---------------------------------|-----------------|----------------------|
| 2022/2023 | 284,073,208 | 229,714,602 | (54,358,606) | 81% |
| 2023/2024 | 300,549,454 | 335,850,106 | 35,300,652 | 112% |
| 2024/2025 | 340,000,000 | 397,998,051 | 57,998,051 | 117% |

The sharp increase from FY 2022/23 to FY 2023/24 was attributed to automation of revenue streams, increased compliance, and expansion of collection points.

Bar graph

ACTUAL REVENUE COLLECTED



The top performing streams were single business permits, busparks, wall and vehicle branding, markets, motorbike stickers. The largest share of revenue is from health sector. Water administration fees, land rates and advertisement registered a drop in the financial year 2024/2025.

Challenges

- System downtimes which leads to interruption in daily collection
- Resistance to cashless adoption
- Lack of valuation roll for land-based revenue which leads to low revenue being collected in the in that revenue stream.
- Low compliance in informal sectors
- Industrial actions by the traders hence leading to no collection

Mitigation and strategy implementation

- Creation of self-service portals and real-time dashboards for monitoring.
- Expansion of enforcement units and training of revenue officers.
- Diversification of revenue streams
- Use of GIS technology to identify taxable assets and reduce under-collection.
- Fasten the process of approving the new valuation roll

Future Outlook FY 2025/2026 and beyond

- Focus on increasing compliance in sectors such as SBPs, ECDEs, cooperatives, land rates, physical planning etc.
- Continuous stakeholder engagement to improve compliance and trust.
- Periodic audits and risk assessments to strengthen governance.

The past three years have demonstrated significant improvement in both revenue mobilization and operational efficiency, largely attributed to automation, staff capacity building, and structured reforms. While challenges persist, the ROR remains committed to enhancing its revenue base to support sustainable development and service delivery.

Sign.....

Name.....

County Receiver of Revenue



5. Statement of the 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, 2025. 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 Accrual Basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and the 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 the *entity's receiver of revenue* transactions during the financial year ended June 30, 2025, and of the *entity's* statement of assets and liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the *Receiver of Revenue account* as well as the adequacy of the systems of internal financial control.

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

Approval of the Revenue Statements

The *revenue* statements were approved and signed by the Receiver of Revenue on 2025

.....
Name... *Gayo Omwesh*
County Receiver of Revenue

15 OCT 2025

REPUBLIC OF KENYA



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E-mail: info@oagkenya.go.ke
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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, 2025 - COUNTY GOVERNMENT OF VIHIGA

PREAMBLE

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

- A. Report on Revenue statements that considers whether the revenue 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 revenue statements.
- B. Report on Lawfulness and Effectiveness in the 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 Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE REVENUE STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS revenue statements of Receiver of Revenue - County Government of Vihiga set out on pages 1 to 28, which comprise of the statement of financial position as at 30 June, 2025 and the statement of revenue and disbursements, statement of cash flows 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 transitional IPSAS revenue statements present fairly, in all material respects, the financial position of Receiver of Revenue - County Government of Vihiga as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the County Government Act, 2012 and the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Understatement of Transfers to County Revenue Fund

The statement of revenue and disbursements and as disclosed in Note 22 to the revenue statements reflects an amount of Kshs.184,379,104 in respect of disbursement to County Revenue Fund (CRF). However, the County Revenue Fund statement of financial performance reflects an amount of Kshs.189,706,363 in respect of own source revenue receipts from receiver of revenue resulting in unreconciled variance of Kshs.5,327,259 between the two (2) sets of statements.

In the circumstances, the completeness and accuracy of the disbursements to CRF balance of Kshs.184,379,102 could not be confirmed.

2. Long Outstanding Receivables from Non-exchange Transactions

The statement of financial position and as disclosed in Note 26 to the revenue statement reflects balance of Kshs.37,665,504 in respect of receivables from non-exchange transactions comprising of single business permit and land rates amounting Kshs.16,103,250 and Kshs.21,562,254 respectively. However, the opening statement as at 1 July, 2024 reflect balance of Kshs.21,562,254 in respect of land rates which have been long outstanding for over one (1) year. Management have not shown any effort of recovery of the debts casting doubt on recoverability of the debts.

In the circumstances, the accuracy, completeness and recoverability of the long outstanding land rates amounting to Kshs.21,562,254 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 Vihiga 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 revenue statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior year's audit report, several issues were raised under the Report on Revenue statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Receiver of Revenue - County Government of Vihiga in 2024/2025 revealed that the following matters remained unresolved as detailed in **Appendix I**.

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 County Executive Committee Member (CECM) Finance and Economic Planning, Management Discussion and Analysis and the Statement of Receiver of Revenue Responsibilities. The Other Information does not include the revenue statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE 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

1. Irregular Hire of Machines and Equipment

Note 20 to the revenue statements discloses expenditure of Kshs.1,170,030 on hire of County assets comprising of hire of machines & equipment and hire of County stadia/ground amounting to Kshs.1,110,030 and Kshs.60,000 respectively. Included in the hire of machines and equipment balance are unpaid invoices amounting to Kshs.1,040,030. Management has not explained how long the amounts have been outstanding and why the machines were hired before payment contrary to Section 8(1) of the Vihiga County Finance Act, 2024 which provides that a person who wishes to use a County machine shall first apply for a permit to the relevant department of the County Government in the prescribed form on payment of the fee prescribed in subsection (2) of this Section.

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

2. Failure to Issue Notices to Tenants and Under Collection of Rent

The statement of revenue and disbursements and as disclosed in Note 17 to the revenue statements reflects Kshs.14,191,315 in respect of property rent which includes revenue from County housing amounting to Kshs.4,490,075. Review of records maintained by the Department of Physical Planning, Lands, Housing and Urban Development revealed 100% occupancy. However, rent payment records show that only 53% of the tenants were paying rent. Management had not issued three (3) months notices to the tenants who were not paying rent contrary to Section (3) of the Vihiga County Finance Act, 2024 which provides that a person who defaults to pay the rent prescribed under this section shall be issued with three (3) months' notice and be liable to eviction from the premises without other notice on the expiry of the sixth month.

Further, payroll deductions records for rent in respect of County housing revealed that some members of staff were irregularly under-paying rent for occupied houses as tabulated below:

| House No. | Estate | Payroll Deductions (Kshs) | Chargeable Rent Per Finance Act (Kshs) | Under Billing (Kshs) |
|--------------------|-----------------------|---------------------------|--|----------------------|
| MBALE/MED/(MG4) | Mbale Rural Training | 10,000 | 15,000 | 5,000 |
| MBALE/MED/6C(MG6C) | Vihiga Referral Hosp. | 2,500 | 6,000 | 3,500 |
| MBALE/MED/7C(MG7C) | Vihiga Referral Hosp. | 2,500 | 6,000 | 3,500 |
| MBALE/MED/(LG1A) | Mbale Rural Training | 1,500 | 4,000 | 2,500 |
| MBALE/MED/(LG1C) | Mbale Rural Training | 1,500 | 4,000 | 2,500 |
| MBALE//MED/(MG1B) | Mbale Rural Training | 4,000 | 6,000 | 2,000 |
| MBALE/MED/7B(MG7B) | Vihiga Referral Hosp. | 4,000 | 6,000 | 2,000 |

This was contrary to Section 7(1) of the Vihiga County Finance Act, 2024 which provides that; a person occupying a plot, stall or a building leased or rented out by the County Government shall pay rent, at the rate specified in the last column of the relevant Part of the Fourth Schedule.

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

3. Outdated Valuation Roll Applied for Revenue Collection

As previously reported, the statement of revenue and disbursements and as disclosed in Note 7 to the revenue statements reflects an amount of Kshs.938,182 in respect of land rate revenue. Examination of documents provided for audit revealed that the valuation roll/land register was last updated in 2005. However, the County Government of Vihiga has been basing its revenue collection on the same despite not updating these records. Consequently, the valuation, accuracy and completeness of the applicable rates may not be reliable.

This was contrary to Regulation 63(1)(a) of the Public Finance Management (County Governments) Regulations, 2015 which states that an accounting officer and a receiver of revenue are personally responsible for ensuring that adequate safeguards exist and are applied for the prompt collection and proper accounting for, all County Government revenue.

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

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 revenue 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 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 matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Failure to Undertake Internal Audit Reviews

During the year under review, it was noted that there was no internal audit review of the Receiver of Revenue – County Government of Vihiga activities contrary to section 153(1) of the Public Finance Management (County Government) Regulations, 2015 which require that the internal Auditor shall review the effectiveness of the financial and non-financial performance management system of the entities.

In the absence of constant reviews by the internal audit unit the effectiveness of internal control and risk management in relation to the entity 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 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 revenue statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of revenue statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

08 December, 2025

Appendix I: Unresolved Prior Year Matters

| No. | Audit Issue |
|-----|---|
| 1 | Understatement of Rent Revenue Collections |
| 2 | Inaccuracies in Single Business Permits Collections |
| 3 | Understated Arrears Under County Stalls |
| 4 | Unsupported Arrears of Revenue |
| 5 | Non-Disclosure of Commission Earned from Services Rendered in Processing Payroll Deduction for Third-Party Institutions |
| 6 | Unreconciled Transfers to County Revenue Fund |
| 7 | Budgetary Control and Performance |
| 8 | Unresolved Prior Year Matters |
| 9 | Low Target Setting on Revenue Collections |
| 10 | Failure to Surrender FM Radio Advertising Receipts |
| 11 | Outdated Valuation Roll in Revenue Collection |
| 12 | Inactive E-Services on the Vihiga County Website |
| 13 | Weaknesses in Management of Single Business Permit |
| 14 | Failure to Have a System that Identifies Paid and Outstanding Invoices. |
| 15 | Lack of Inspection Unit Reports |
| 16 | Underperformance in Issuance of Single Business Permits |
| 17 | Ineffective Internal Controls on Revenue Collection (Hire of Machinery |

*Receiver Of Revenue
County Government Of Vihiga
-Revenue Statements for the Period Ended 30th June 2025*

7. Statement of Revenue and Disbursements for the year ended 30th June 2025

| | Note | Jun-25 |
|--|------|--------------------|
| | | Kshs |
| Revenue from non-exchange transactions | | |
| Cess | 6 | 11,048,359 |
| Land Rates | 7 | 938,182 |
| Single/Business Permits | 8 | 67,304,272 |
| Conservancy Administration | 9 | 7,085,490 |
| Administration Control Fees and Charges | 10 | 2,568,700 |
| Other Fines, Penalties, And Forfeiture Fees | 11 | 858,371 |
| Public Health Service Fees | 12 | 4,563,585 |
| Physical Planning and Development | 13 | 8,837,434 |
| Liquor license | 14 | 4,546,821 |
| Total Revenue from non-exchange transactions | | 107,751,214 |
| Revenue from exchange transactions | | |
| Property Rent | 17 | 14,191,315 |
| Parking Fees | 15 | 46,180,810 |
| Market Fees | 16 | 20,308,934 |
| Advertising | 18 | 23,387,705 |
| Hospital Fees | 19 | 262,696,419 |
| Hire of County Assets | 20 | 1,170,030 |
| Miscellaneous receipts | 21 | 6,417,493 |
| Total Revenue from exchange transactions | | 374,352,706 |
| Total Revenues (a) | | 482,103,920 |
| | | |
| Disbursements | | |
| Disbursements To CRF | 22 | 184,379,104 |
| Disbursement to another County Fund | 23 | 210,983,801 |
| Bank charges | 24 | 120,395 |
| Total Disbursements and other charges (b) | | 395,483,300 |
| | | |
| Balance Due for Disbursement (collected amounts) (c) | | 4,292,641 |
| Balance Due for Disbursement (uncollected Amounts) (d) | | 107,858,558 |
| Balance Due for Disbursement and Collection (e = c + d) | | 112,151,199 |

Receiver Of Revenue
County Government of Vihiga
Revenue Statements for the Period Ended 30th June 2025

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 15/10 2025 and signed by:



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



.....
Name SHEILLA LWALI
Head of Revenue Reporting
ICPAK M/No 31964

(Paragraph 79 of IPSAS 33 allows for the election by an entity to present one statement of financial performance, one statement of cash flow, one statement of net assets, and the statement of financial position and an opening statement of financial position at the time of adoption of the accrual basis of accounting. In preparing this financial reporting template, this election has been made; therefore, there are no comparatives in the first year of transition.)

Receiver Of Revenue
 County Government of Vihiga
 - Revenue Statements for the Period Ended 30th June 2025

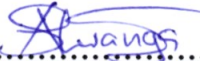
8. Statement of Financial Position as at 30th June 2025

| | Not e | Period as at June 30, 2025 | Opening Statement 1st July 2024 |
|--|-------|----------------------------|---------------------------------|
| | | Kshs | Kshs |
| Current Assets | | | |
| Cash and Cash Equivalents | 25 | 4,292,641 | 2,075,074 |
| Receivables from non-Exchange transactions | 26 | 37,665,504 | |
| Receivables from Exchange transactions | 27 | 70,193,054 | |
| Total Current Assets | | 112,151,199 | 2,075,074 |
| | | | |
| Total Assets | | 112,151,199 | 2,075,074 |
| | | | |
| Financial Liabilities | | | |
| | | | |
| Payables-Due to CRF | 28 | 112,151,199 | 2,075,074 |
| Total Financial Liabilities | | 112,151,199 | 2,075,074 |

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 15/10 2025 and signed by:



 Name Grace Omursh
 County Receiver of Revenue



 Name SHELLA WAKI
 Head of Revenue Reporting
 ICPAK M/No 31964

*Receiver Of Revenue
County Government of Vihiga
Revenue Statements for the Period Ended 30th June 2025*

9. Statement of Cash Flows for the Year Ended 2025

| | Note | Period ended June 30, 2025 |
|--|------|-------------------------------|
| | | Kshs |
| Cash flows from operating activities | | |
| Receipts | | |
| Cess | | 11,048,359 |
| Land Rate | | 938,182 |
| Single/Business Permits | | 51,201,022 |
| Property Rent | | 9,089,150 |
| Conservancy Administration | | 7,085,490 |
| Administration Control Fees and Charges | | 1,531,300 |
| Other Fines, Penalties, And Forfeiture Fees | | 858,371 |
| Public Health Service Fees | | 4,563,585 |
| Physical Planning and Development | | 8,837,434 |
| Liquor | | 4,546,821 |
| Parking Fees | | 46,180,810 |
| Market Fees | | 20,308,934 |
| Advertising | | 23,387,705 |
| Hospital Fees | | 201,873,395 |
| Hire of County Assets | | 130,000 |
| Miscellaneous receipts | | 6,417,493 |
| Total Receipts | | 397,998,051 |
| | | |
| Payments | | |
| Disbursements To CRF& other county fund | | 395,362,905 |
| Bank charges | | 120,395 |
| Total Payments | | 395,483,300 |
| Net Cash Flows from/ (used in) Operating Activities | | 2,514,751 |
| Cash and cash equivalents at Period Start | 25 | 2,075,074 |
| Cash and cash equivalents at Period End | 25 | 4,292,641 |

**A total of 1,617,922 from Vihiga FM that was a collection for the financial year 2023/24 was swept to CRF in April 2025 hence forming part of the amount swept to CRF in FY 2024/2025*

10. Statement of Comparison of Budget vs Actual Amounts for Year Ended 30th June 2025

| Receipts | 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*100 |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| County Own Source Revenue | | | | | | |
| Cess | 9,793,785 | - | 9,793,785 | 11,048,359 | (1,254,574) | 113% |
| Land Rate | 924,925 | - | 924,925 | 938,182 | (13,257) | 101% |
| Single/Business Permits | 36,161,680 | - | 36,161,680 | 51,201,022 | (15,039,342) | 142% |
| Property Rent | 8,953,650 | - | 8,953,650 | 9,089,150 | (135,500) | 102% |
| Parking Fees | 29,688,044 | - | 29,688,044 | 46,180,810 | (16,492,766) | 156% |
| Market Fees | 15,928,855 | - | 15,928,855 | 20,308,934 | (4,380,079) | 127% |
| Advertising | 16,363,839 | - | 16,363,839 | 23,387,705 | (7,023,866) | 143% |
| Hospital Fees | 197,299,121 | - | 197,299,121 | 201,873,395 | (4,574,274) | 102% |
| Public Health Service Fees | 4,483,080 | - | 4,483,080 | 4,563,585 | (80,505) | 102% |
| Liquor Licence | 4,977,796 | - | 4,977,796 | 4,546,821 | 430,975 | 91% |
| Physical Planning and Development | 8,280,831 | - | 8,280,831 | 8,837,434 | (556,603) | 107% |
| Hire of County Assets | 451,000 | - | 451,000 | 130,000 | 321,000 | 29% |

**Receiver Of Revenue
County Government Of Vihiga
Revenue Statements for the Period Ended 30th June 2025**


| | | | | | | |
|---|--------------------|----------|--------------------|--------------------|---------------------|-------------|
| Conservancy Administration | 5,135,100 | - | 5,135,100 | 7,085,490 | (1,950,390) | 138% |
| Administration Control Fees and Charges | 1,210,242 | - | 1,210,242 | 1,531,300 | (321,058) | 127% |
| Other Fines, Penalties, and Forfeiture Fees | 348,051 | - | 348,051 | 858,371 | (510,320) | 247% |
| Miscellaneous Receipts | - | - | - | 6,417,493 | (6,417,493) | 100% |
| Total County Own Source Revenue | 340,000,000 | - | 340,000,000 | 397,998,051 | (57,998,051) | 117% |
| Other Receipts | | | | | | |
| Total Other Receipts | | | | | | |
| Total Receipts | 340,000,000 | - | 340,000,000 | 397,998,051 | (57,998,051) | 117% |

- (a) Hire of county assets underperformed because most of the assets are obsolete
 - (b) Parking performed well because of enforcement
 - (c) Single business performed well because of higher compliance rate and inspection
 - (d) Advertising performed well because of enforcement and compliance on time
- (Explain whether the changes between the original and final are as a result of reallocations within the budget or other causes as per IPSAS 24.
A reconciliation should be presented where the actual on comparable basis does not tie with the underlying primary financial statements.)

The County Receiver of Revenue's financial statements were approved on 15/10 2025 and signed by:

.....

 Name **George Omusuh**
 County Receiver of Revenue

.....

 Name **SHELLA CWALI**
 Head of Revenue Reporting
 ICPAK M/No **31964**

11. Notes to the Financial Statements

1. General Information

The Vihiga County Receiver of Revenue was appointed by the CEC member of Finance of Vihiga County Government in accordance with section 157 of the PFM Act. The Entity's principal activity is revenue collection as outlined in the appointment letter and section 157 of the PFM Act.

2. 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) Accrual Basis of Accounting and relevant legal framework of the County Government Vihiga. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/year financial statements are transitional financial statements and the following elements of the financial statements have not been recognized as the entity has taken advantage of the transition provisions outlined in IPSAS 33. (entity to state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual).

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 Financial statements were authorized for issue by the Accounting Officer on

**Receiver Of Revenue
County Government Of Vihiga
Revenue Statements for the Period Ended 30th June 2025**

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025)

- i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

There were no new and amended standards issued in the financial year.

- ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025*

| Standard | Effective date and impact: |
|--|---|
| IPSAS 43 | <p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p> |
| IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations | <p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p> |

| Standard | Effective date and impact: |
|---|--|
| <p>IPSAS 45- Property Plant and Equipment</p> | <p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p> |
| <p>IPSAS 46 Measurement</p> | <p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p> |
| <p>IPSAS 47- Revenue</p> | <p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p> |

**Receiver Of Revenue
County Government Of Vihiga
Revenue Statements for the Period Ended 30th June 2025**

| Standard | Effective date and impact: |
|---|--|
| IPSAS 48- Transfer Expenses | <p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p> |
| IPSAS 49- Retirement Benefit Plans | <p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p> |
| IPSAS 50: Exploration For & Evaluation of Mineral Resources | <p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>State the expected impact of the standard to the Entity if relevant</i></p> |

iii) Early adoption of standards

The Entity did not early-adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on the entity's financial statements.)*

4. Significant Accounting Policies

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

i) Revenue from non-exchange transactions

Fees, taxes, fines and charges

The *Receiver of Revenue* recognizes revenues from fees, taxes, fines and charges when the event occurs and the asset recognition criteria is met. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

ii) Revenue from exchange transactions

Rendering of services

The *Receiver of Revenue* recognizes revenue from the rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Entity.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Receiver Of Revenue
County Government Of Vihiga
Revenue Statements for the Period Ended 30th June 2025

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

iii) Budget

The County Revenue budget is developed on cash basis. The budget has 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 May 2024 for the period 1st July 2024-1 to 30 June 2025. 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.

The *Entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 9 of these financial statements.

iv) Cash and cash equivalents.

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

v) Revenue in Arrears

Revenue in arrears relate to revenue earned and is yet to be received or collected by the receiver of revenue. These arrears are presented as receivables from exchange and non- exchange transactions in the statement of financial position. These receivables are assessed for impairment on a continuous basis. The details of these arrears are presented as an appendix to the financial statements under the statement of arrears as required under the PFM Act, 2012 Section 165 (2) (b).

vi) Disbursements to CRF

The Receiver of Revenue has an arrangement for transfer of funds from its bank account to the CRF account. Total disbursements to the CRF are as a result of the transfer arrangement during the year. *(Include the receiver's actual policy on disbursements whether weekly, monthly....)*

vii) Payables due to CRF

These relate to amounts yet to be disbursed to the County Revenue Fund at the end of the period. The amount also includes monies that are yet to be collected by the receiver of revenue at the end of the reporting period.

viii) Comparative Figures

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

ix) 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, 2025.

***Receiver Of Revenue
County Government Of Vihiga
Revenue Statements for the Period Ended 30th June 2025***

Notes to the financial statements

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Entity's* financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

State all significant judgements, estimates and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 26. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

(include provisions applicable to your organization, e.g., provision for bad debts and how management estimates these provisions).

Notes to the Financial Statements

6. Cess

| Description | Period ended June 2025 |
|--|------------------------|
| Farm produce(Tea cess) | 4,134,173 |
| Quarrying(Sand and murrum) | 2,807,100 |
| Livestock(slaughter mgt) | 1,930,530 |
| Fish farming(veterinary and fisheries) | 2,176,556 |
| Total | 11,048,359 |

7. Land rates

| Description | Period ended June 2025 |
|--------------|------------------------|
| Land rates | 938,182 |
| Total | 938,182 |

8. Single /Business Permits

| Description | Period ended June 2025 |
|--|------------------------|
| Business permit application fees | 187,000 |
| Annual Business permit fees | 66,855,632 |
| Business permit penalties and interest | 261,640 |
| Total | 67,304,272 |

*Receiver Of Revenue
County Government Of Vihiga
Revenue Statements for the Period Ended 30th June 2025*

Notes to the Financial Statements (continued)

9. Conservancy Administration

| Description | Period ended March 2025 |
|-----------------------------------|--------------------------------|
| Refuse disposal fees(conservancy) | 6,542,000 |
| Sanitation(toilet fees) | 290,190 |
| Noise control | 163,200 |
| Water admin fees | 90,100 |
| Total | 7,085,490 |

10. Administration Control Fees and Charges

| Description | Period ended June 2025 |
|----------------------|-------------------------------|
| Weights and measures | 508,800 |
| Fire Services | 2,007,900 |
| Cooperatives | 52,000 |
| Total | 2,568,700 |

11. Other Fines, Penalties and Forfeitures

| Description | Period ended |
|---------------------------------|---------------------|
| | Jun-25 |
| Impounding Fees and other fines | 858,371 |
| Total | 858,371 |

Notes to the Financial Statements (continued)

12. Public Health Service Fees

| Description | Period ended |
|---|------------------|
| | Jun-25 |
| Inspection of buildings/premises/Institutions | 4,563,585 |
| Total | 4,563,585 |

13. Physical Planning and Development

| Description | Period ended |
|--------------------------|------------------|
| | Jun-25 |
| Scrutiny Electrical | 705,000 |
| Scrutiny mechanical | 746,900 |
| Building plans approval | 2,010,750 |
| Clearance certificate | 16,000 |
| Physical planning | 2,163,900 |
| Renovation | 248,400 |
| Building inspection fees | 977,000 |
| Hoarding fees | 159,000 |
| wayleave application | 1,810,484 |
| Total | 8,837,434 |

*Receiver Of Revenue
County Government Of Vihiga
Revenue Statements for the Period Ended 30th June 2025*

Notes to the Financial Statements (continued)

14. Liquor License fees

| Description | June 2025 |
|--------------|------------------|
| | Kshs |
| License fees | 4,546,821 |
| Total | 4,546,821 |

15. Parking Fees

| Description | Period ended. Jun-25 |
|---------------------|-------------------------|
| Street parking fees | 7,013,307 |
| Motorbike fees | 6,644,500 |
| Bus Park fees | 32,523,003 |
| Total | 46,180,810 |

16. Market Fees

| Description | Period ended Jun-25 |
|-------------------|------------------------|
| Market entry fees | 17,019,554 |
| stock sale | 3,289,380 |
| Total | 20,308,934 |

Notes to the Financial Statements (continued)

17. Property Rent

| Description | Period ended June 2025 |
|------------------------|------------------------|
| County Housing | 4,490,075 |
| Plot Rent | 379,475 |
| Search fee | 5,000 |
| Change of user | 229,000 |
| Stalls/kiosks rent | 8,947,765 |
| Land boundary/disputes | 140,000 |
| Total | 14,191,315 |

18. Advertising

| Descriptions | Period ended |
|---------------------------|-------------------|
| | Jun-25 |
| wall and vehicle Branding | 17,177,100 |
| Advertising | 4,337,799 |
| Signage | 1,328,668 |
| Vihiga FM | 544,138 |
| Total | 23,387,705 |

19. Hospital Fees

| Description | Period ended |
|---------------------|--------------------|
| | Mar-25 |
| NHIF,SHA,SHIF,MINET | 211,439,675 |
| FIF (cash) | 51,256,744 |
| Total | 262,696,419 |

*Receiver Of Revenue
County Government Of Vihiga
Revenue Statements for the Period Ended 30th June 2025*

Notes to the Financial Statements (continued)

20. Hire Of County Assets

| Description | Period ended |
|--------------------------------|------------------|
| | Jun-25 |
| Hire of Machines and Equipment | 1,110,030 |
| Hire of County Stadia/ground | 60,000 |
| Total | 1,170,030 |

21. Miscellaneous Revenues

| Description | Period ended |
|---------------------------------|------------------|
| | Mach 2025 |
| Commissions | 1,474,763 |
| Salary advance&recovery | 549,806 |
| Fine Surchages,imprest recovery | 4,386,250 |
| Tender | 6,674 |
| Total | 6,417,493 |

22. Disbursements to CRF

| Description | Period ended |
|--------------|--------------------|
| | Jun-25 |
| | Kshs |
| Quarter 1 | 23,907,750 |
| Quarter 2 | 28,299,265 |
| Quarter 3 | 62,693,672 |
| Quarter 4 | 69,478,417 |
| Total | 184,379,104 |

Notes to the financial statements(continued)

23. Disbursement to another County Fund

| Description | Period ended |
|--------------|--------------------|
| | Mar-25 |
| | Kshs |
| Quarter 1 | 38,174,965 |
| Quarter 2 | 60,422,171 |
| Quarter 3 | 34,171,171 |
| Quarter 4 | 78,215,494 |
| Total | 210,983,801 |

24. Bank Charges

| Description | Period ended |
|----------------------------|----------------|
| | Jun-25 |
| | Kshs |
| Bank Charges & commissions | 120,395 |
| Total | 120,395 |

25. Cash and Cash Equivalents

| Name of Bank, Account No. & currency | Period ended | Statement 1 st July 2024 |
|--|------------------|-------------------------------------|
| | 30-Jun-25 | |
| | Kshs | Kshs |
| Kenya Commercial Bank (kcb), 1140749552. Kshs | 3,546,113 | 393,272 |
| Vihiga County Government Mpesa Utility Account, Kshs. | 596,761 | 63,880 |
| Kenya Commercial Bank (kcb), . 1226509320 | 149,767 | 1,617,922 |
| Total | 4,292,641 | 2,075,074 |

*Receiver Of Revenue
County Government Of Vihiga
Revenue Statements for the Period Ended 30th June 2025*

Notes to the financial statements(continued)

26. Receivables for non-exchange transactions

| Description | Period ended | Opening |
|----------------------------------|-------------------|-------------------------|
| | 25-Jun | Statement 1st July 2024 |
| | Kshs | Kshs |
| Receivables | | |
| Single business permit | 16,103,250 | - |
| Land rates | 21,562,254 | 21,562,254 |
| Sub total | 37,665,504 | 21,562,254 |
| Less impairment Allowance | - | - |
| | | |
| Total Current Receivables | 37,665,504 | 21,562,254 |

These receivables are the invoiced amounts that are yet to be collected. We have put measures to recovery of this amount by enforcement, and issue of demand notices

Ageing analysis for Receivables from Non-exchange transactions

| Description | Period ended June 25 | | Opening Statement 1st July 2024 | |
|--------------------|----------------------|----------------|------------------------------------|----------------|
| | Current FY | % of the total | Opening Statement 1st July 2024 | % of the total |
| | Kshs | | Kshs | |
| Less than 1 year | 16,103,250 | 43% | 872,522 | 4% |
| Between 1- 2 years | 872,522 | 2% | 1,432,838 | 7% |
| Between 2-3 years | 1,432,838 | 4% | 7,738,935 | 36% |
| Over 3 years | 19,256,894 | 51% | 11,517,959 | 53% |
| Total (a+b) | 37,665,504 | | 21,562,254 | |

Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

| Impairment allowance/ provision | Period ended June 2025 |
|---|------------------------|
| At the beginning of the year/period | - |
| Additional provisions during the period | - |
| Recovered during the period | (-) |
| Written off during the period | (-) |
| At the end of the period | - |

27. Receivables from exchange transactions

| Description | Period ended | Opening |
|----------------------------|-------------------|------------------|
| | 25-Jun | Statement |
| | | 1st July 2024 |
| | Kshs | Kshs |
| Total receivables | | |
| Stall rent | 7,292,600 | 2,190,435 |
| Fire licenses | 1,037,400 | |
| SHA | 60,823,024 | |
| Hire of Machinery | 1,040,030 | |
| Less: impairment allowance | - | - |
| Total receivables | 70,193,054 | 2,190,435 |

Ageing analysis for total receivables in exchange transactions

| Description | Period ended June 25 | | Opening Statement 1st July 2024 | |
|--------------------|----------------------|----------------|---------------------------------|----------------|
| | Current FY | % of the total | Opening Statement 1st July 2024 | % of the total |
| | Kshs | | Kshs | |
| Less than 1 year | 68,002,619 | 97% | 540,793 | 25% |
| Between 1- 2 years | 540,793 | 1% | 799,142 | 36% |
| Between 2-3 years | 799,142 | 1% | 850,500 | 39% |
| Over 3 years | 850,500 | 1% | - | |
| Total (a+b) | 70,193,054 | | 2,190,435 | |

Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

| Impairment allowance/ provision | Period ended June 2025 |
|---|------------------------|
| At the beginning of the year/period | - |
| Additional provisions during the period | - |
| Recovered during the period | (-) |
| Written off during the period | (-) |
| At the end of the period | - |

*Receiver Of Revenue
County Government Of Vihiga
Revenue Statements for the Period Ended 30th June 2025*

28. Payables- Due To CRF

| Payables | Period ended | Opening |
|---|--------------------|-------------------------|
| | Jun-25 | Statement 1st July 2024 |
| | Kshs | Kshs |
| Amount collected yet to be disbursed to CRF | 4,292,641 | 2,075,074 |
| Amount billed and yet to be collected for disbursement to CRF | 107,858,558 | |
| Total undisbursed funds to CRF | 112,151,199 | 2,075,074 |

Movement Disclosure on Dues to CRF

| Description | Amount |
|----------------------------------|--------------------|
| | Kshs |
| Opening Dues to CRF | 2,075,074 |
| Increase/Decrease in Dues to CRF | 110,076,125 |
| Closing Dues to CRF | 112,151,199 |

12. Appendices

Appendix 1: 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. | Understatement of rent revenue arrears | The supporting ledgers given to the auditors for rent revenue was 5,513,188 | Resolved | |
| 2. | Inaccuracies of single business permits collections | The SBP are issued in the calendar year there fore by the end of June we had some unpaid SBP running for the calendar year. | Resolved | |
| 3. | Understated arrears under county stalls | The stalls in chavakali market had a long outstanding litigation issue which led to non collection of rent thus leading to the big outstanding arrears | Resolved | |
| 4. | Unsupported arrears of revenue | We maintain records of stalls rent owners at the sub county level .The house rent in question applies to the houses | Resolved | |

*Receiver Of Revenue
County Government Of Vihiga
Revenue Statements for the Period Ended 30th June 2025*

| 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) |
|---|---|---|--|---|
| | | owned by the management and occupied by the county staff and deductions done on the check off and the paid into the county revenue fund. | | |
| 5. | Non disclosure of commission earned from services rendered in processing payroll deduction for third party institutions | Included in the 4,298,552 is the commission from bank loans deducted from the payroll amounting to 2,835,152 which are not charged commission. Commission earned for the year was 1,463,400 which was reported as miscellaneous income. | Resolved | |
| 6. | Unreconciled transfers to the county revenue fund | The reconciliation was attached. | Resolved | |
| 7. | Failure to surrender FM radio advertising receipts | The failure to sweep was due to agency notice from KRA placed on the account. | Resolved | |
| 8. | Outdated valuation roll in revenue collection | The valuation roll is still at the county assembly | Not resolved | |
| 9. | Inactive E service on the Vihiga county website | The system is implemented in | Resolved | |

Receiver of Revenue
 County Government Of Vihiga
 Revenue Statements for the Period Ended 30th June 2025

| 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) |
|--|---|---|-----------------------------------|--|
| | | phases. The integration with other system including the website would be done in the final phase. | | |
| 10. | Weakness in management of single business permits | System was able to identify both paid and unpaid invoices, inspection team has prepared reports, penalty on single business was effective | Resolved | |
| 11. | Ineffective internal controls on revenue collection (hire of machinery) | Most of the machines were acquired in 2013-2017. Many of these machines have now aged become too costly for the county to maintain and operate. | Resolved | |

Guidance Notes:

- Use the same reference numbers as contained in the external audit report.
- Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management.
- Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Receiver Of Revenue
County Government Of Vihiga
Revenue Statements for the Period Ended 30th June 2025



.....
Name *George Omush*
County Receiver of Revenue

Date





.....
Name *SHEILLA LWACI*
Head of Revenue Reporting
ICPAK M/No *31964*
Date *15/10/2025*

Appendix 2: Statement of Arrears of Revenue As at 30th June 2025

| Classification Of Receipts | Balance as at The beginning of the current year (1st July 2024) | Arrears received during the Period. | Additions in arrears for the current Period to June 30, 2025 | Total arrears as at June 30 2025 | Measures taken to recover the arrears | Assessment to the recoverability of arrears |
|-----------------------------------|---|--|---|---|--|--|
| | A | B | C | D=A+(B)+C | | |
| Land rate | 21,562,254 | - | - | 21,562,254 | Issue of demand notices | |
| Stall rent | 2,190,435 | - | 5,102,165 | 7,292,600 | Closure of stalls | |
| Single business permit | - | - | 16,103,250 | 16,103,250 | Enforcement | |
| Fire services | - | - | 1,037,400 | 1,037,400 | Enforcement | |
| SHA | - | - | 60,823,024 | 60,823,024 | Payment for SHAH by treasury | |
| Hire of Machinery | - | - | 1,040,030 | 1,040,030 | Enforcement and RRI | |
| Total Arrears | 23,752,689 | - | 84,105,869 | 107,858,558 | | |

Receiver Of Revenue
County Government Of Vihiga
Revenue Statements for the Period Ended 30th June 2025


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


.....
Name **SHEILLA LWALI**
Head of Revenue Reporting
ICPAK M/No **3564**

Appendix 3: 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 |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Single business permit | 16,103,250 | - | - | - | 16,103,250 |
| Land rate | - | 872,522 | 1,432,838 | 19,256,894 | 21,562,254 |
| Fire services | 1,037,400 | - | - | - | 1,037,400 |
| Stall rent | 5,102,165 | 540,793 | 799,142 | 850,500 | 7,292,600 |
| Hire of Machinery | 1,040,030 | - | - | - | 1,040,030 |
| Hospital fees (SHA) | 60,823,024 | - | - | - | 60,823,024 |
| Total | 84,105,869 | 1,413,315 | 2,231,980 | 20,107,394 | 107,858,558 |

Appendix 4: 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 |
|------|--|---|---|-------------------------------|--|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

(PFMACT section 165 subsection 4, 5)



 Sign and date
 Accounting Officer

