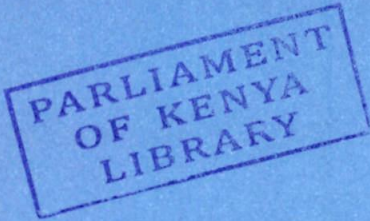


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**



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COMMITTEE	
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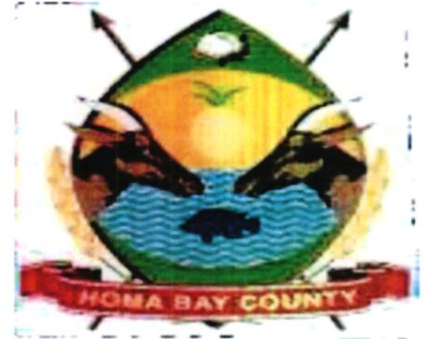
**THE AUDITOR-GENERAL**

**ON**

**RECEIVER OF REVENUE - REVENUE  
STATEMENTS**

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

**COUNTY GOVERNMENT OF HOMA BAY**



---

**RECEIVER OF REVENUE  
(COUNTY GOVERNMENT OF HOMABAY)**

**REVENUE STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2024**

---

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

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1. Acronyms and glossary of terms

a) Acronyms

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

b) Glossary of terms

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

2. Key Entity Information and Management

(a) Background information

The receiver of revenue is under the Department of Finance and Economic Planning. At the County Executive Committee level, the receiver of revenue is represented by the County Executive committee member for Finance and Economic Planning, who is responsible for the general policy and strategic direction of the receiver of revenue.

(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 Homa Bay day-to-day management of revenue is under the following:

- County Executive Committee Member for Finance and Economic Planning
- Chief Officer, Finance
- The County Revenue Board
- Director, Revenue.

(d) County Headquarters

P.O BOX 469-40300  
HOMA BAY, KENYA.

(e) Entity Contacts

Telephone: (254) 2038617565/55  
E-mail: [governorsofficeHomaBaycounty.go.ke](mailto:governorsofficeHomaBaycounty.go.ke)  
Website: [www.Homa Bay.go.ke](http://www.Homa Bay.go.ke)

(f) Independent Auditor

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

**Key Entity Information and Management (Continued)**

(g) Principal Legal Adviser  
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

(h) Bankers

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
  
2. Kenya Commercial Bank Ltd  
Kencom House,  
Moi Avenue,  
P.O Box 48400-00100  
Nairobi, Kenya.

(i) County Attorney  
Homa Bay County Attorney  
Homa Bay County Governor's office  
P.O BOX 469-40300  
HOMA BAY, KENYA

### 3. Foreword By the CECM Finance and Economic Planning



Dear Stakeholders,

It is my pleasure to present the Homa Bay County Receiver of Revenue financial statements for the year ended 30<sup>th</sup> June 2024. The financial statements present the financial performance of the county Government over the past one year.

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

#### Financing of the County Governments

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

The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue sources for Homa Bay County include health revenues, business permits, cesses, parking fees, market dues, and various other administrative charges.

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

- The County has embarked on a paperless Revenue Service Delivery through the automation of its Revenue and Management Systems. Unstructured revenue which includes parking, market fees and cattle auction is now fully automated.
- Improved infrastructure and service delivery particularly in health facilities that has been initiated by the management of Homa Bay County Government.

- County has also gone cashless in all revenue streams. All payments in these streams are done via M-Pesa Paybill and direct Bank Deposits. As a result, there has been an increase in prompt Supervision and follow-ups as well as reduced pilferages.
- Moreover, formation and operationalization of the Homa Bay County Revenue Board through an act of the County Assembly has strengthened legal and administrative frameworks for the County OSR operations. The Board has also helped to identify opportunities for optimizing County's revenues.



.....  
Hon. Solomon Obiero  
CEC-M Finance and Economic Planning  
Homa Bay County Government.

#### 4. Management Discussion and Analysis

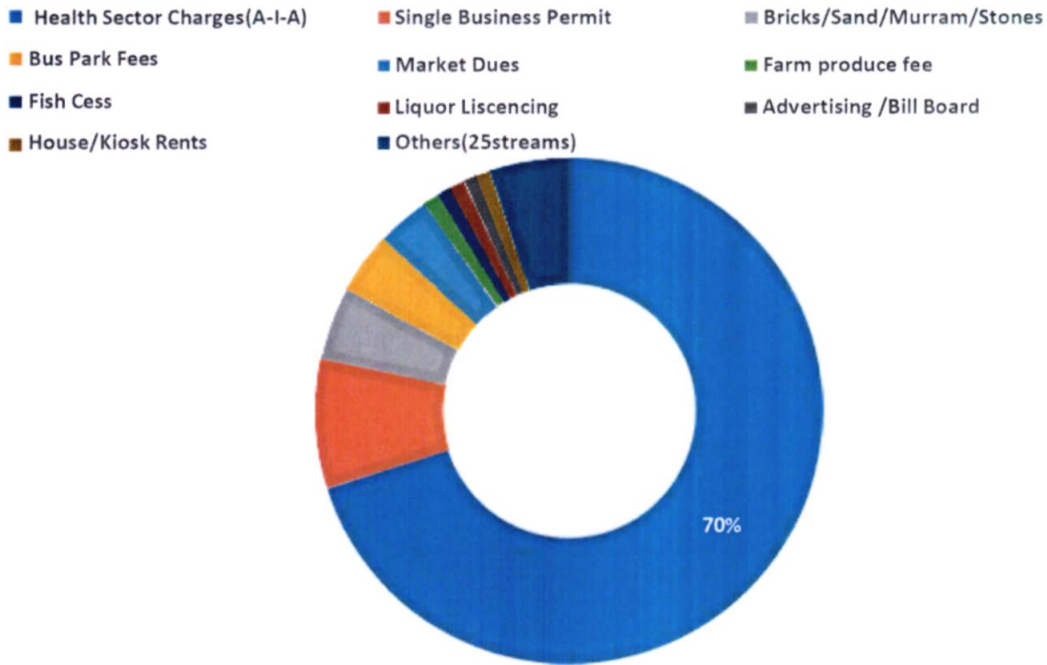
In the financial year under review, Kshs. 1,200,495,830 was generated as total revenues for the County. Ksh. 841,250,805 of the total collections was realized from health facilities while ksh 359,245,025 were collections from other ordinary revenue streams.

The above total represents 86% of the revised estimates II of Ksh 1,392,206,352 and a great improvement compared to Ksh.859,454,023 realized in the FY 2022/23. This has been occasioned by the following:

1. Formation and operationalization of the Homa Bay County Revenue Board through an act of the County Assembly. The Revenue Board in consultation with the management of the County has helped to strengthen legal and administrative frameworks for the County OSR.
2. Enactment of the Homa Bay County Finance Act 2023 that provides for appropriate taxation, imposition of fees and charges for services and other revenue raising measures.
3. Automation of the County revenue collection processes. This has been a great step by the management through the procurement of an automated revenue collection solution. As a result, the County Government is able to well manage the revenue sources by identifying and classifying them for prompt reporting and informed decision making.
4. Recruitment and training of more revenue staff by the County Management has seen an improvement in revenue administration and human resource systems. As a result, there is efficiency in enforcing revenue collection.
5. Public sensitization through revenue days and radio talk shows on the need to pay revenue using the county established channels.

The following table indicates the performance of the various revenue streams for the FY 2023/24.

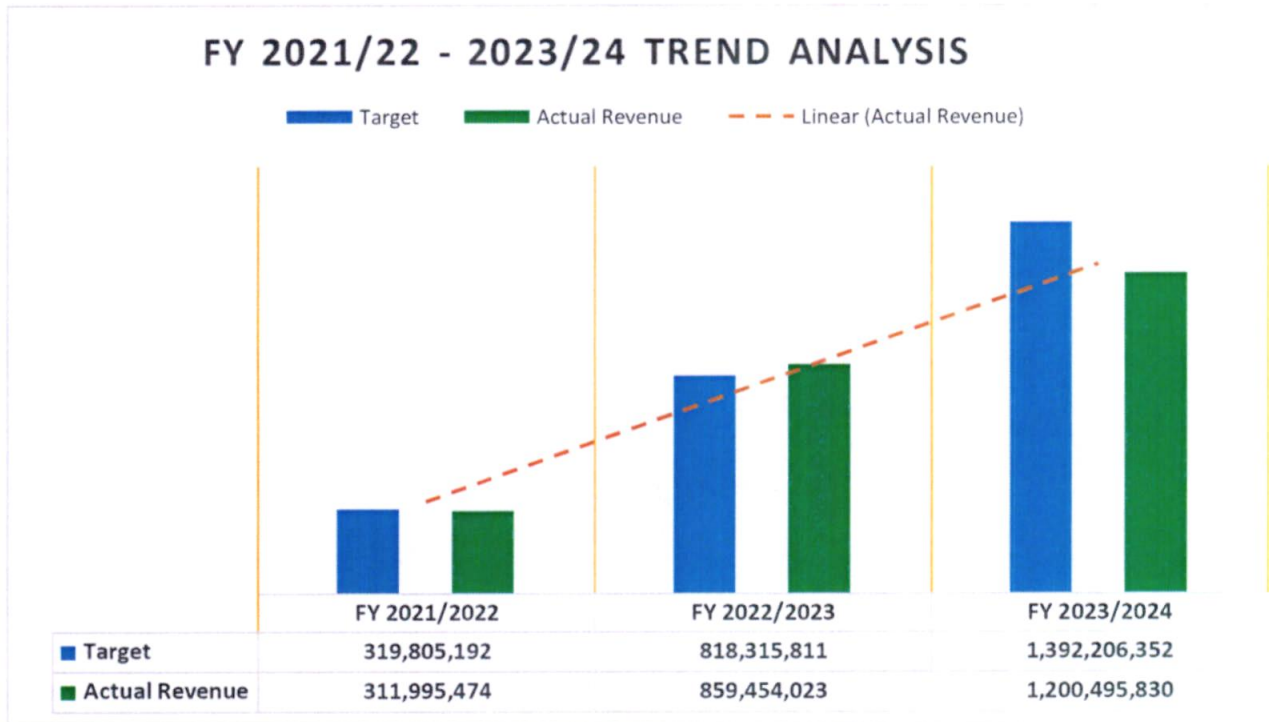
**ACTUAL REVENUE COLLECTED IN FY 2023/24**



**Table analysis**


Revenue Streams	Actual Revenue
<b>Health Sector Charges(A-I-A)</b>	841,250,805
<b>Single Business Permit</b>	99,333,166
<b>Natural resource road service fee</b>	56,105,447
<b>Bus Park Fees</b>	46,784,631
<b>Market Dues</b>	40,648,114
<b>Farm produce fee</b>	12,146,048
<b>Beach Service Fee</b>	10,992,382
<b>Liquor Licencing</b>	10,978,513
<b>Advertising /Bill Board</b>	10,543,053
<b>House/Kiosk Rents</b>	10,532,780
<b>Others(25streams)</b>	61,180,891
<b>Total (Kshs)</b>	<b>1,200,495,830</b>

An analysis of the yearly revenue trend for the past three financial years is as shown in the following table.



**Approval of the Revenue Statements**

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

  
 Name CATHERINE WERAH  
 County Receiver of Revenue

**3. Statement of Receiver of Revenue's responsibilities**

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

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

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

The Receiver of Revenue confirms that the *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 30/9/2024

  
.....

Name.. A. PHANCE WERAH  
.....

**County Receiver of Revenue**

# REPUBLIC OF KENYA



*Enhancing Accountability*

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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 HOMA BAY

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### PREAMBLE

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

- A. Report on the 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 the 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 revenue statements of Receiver of Revenue - County Government of Homa Bay set out on pages 1 to 14, which comprise the statement of financial assets and liabilities and the statement of arrears of revenue as at 30 June, 2024, and statement of receipts and disbursements and statement of comparison of budget versus 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the revenue statements present fairly, in all material respects, the financial position of the Receiver of Revenue - County Government of Homa Bay as at 30 June, 2024, and of its revenue performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the County Governments Act, 2012 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Unsupported Physical Planning and Development Revenue**

The statements of receipts and disbursements reflects physical planning and development amount of Kshs.7,967,079 as disclosed in Note 10 to the revenue statements. However, Management did not provide registers for the site value rates, details of search and clearance application records and register for survey sub-division for audit.

In the circumstances, the accuracy and completeness of the revenue amount of Kshs.7,967,079 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 Homa Bay Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of 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.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget versus actual amounts reflects final revenue budget and actual on comparable basis of Kshs.1,392,206,352 and Kshs.1,200,495,830 respectively, resulting in an under-collection of Kshs.191,710,522 or 14% of the budget.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the revenue statements. Except for the matter 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**

Various prior year audit issues remained unresolved as at 30 June, 2024. Management has not provided satisfactory reasons for the delay in resolving the prior year audit issues. Further, one of the prior year audit issues on budgetary controls and performance has not been disclosed in the progress on follow up of prior year auditor recommendation section of the revenue statements.

### **Other Information**

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

In connection with my audit of the Receiver of Revenue's 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.

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

### **Conclusion**

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for 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**

### **1.0. Delays in Transfer of Revenues to County Revenue Fund**

The statements of financial assets and liabilities reflects bank balance of Kshs.1,466,806 which was due for disbursement into the County Revenue Fund (CRF) within five (5) days after its receipt. Management has however indicated that the balance was disbursed to the County Revenue Fund (CRF) on 22 August, 2024. This was contrary to Regulation 81 of the Public Finance Management (County Governments) Regulations, 2015, which requires the receivers of revenue to promptly pay the revenue received into the County Revenue Fund as soon as possible and in any case not later than five (5) working days after receipt thereof.

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

### **2.0. Underbilling on the Hire of County Assets**

The statement of receipts and disbursements reflects an amount of Kshs.2,932,536 in respect of hire of County assets. Audit review revealed some activities such as sports were billed at Kshs.5,000 instead of Kshs.10,000 as per the Homa Bay Finance Act, 2023. However, no authorization or amended rates to justify the underbilling was not provided for audit.

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

### **3.0. Delayed Finalization of the Valuation Roll for Homa Bay Municipality**

During the year under review, the Management of Homa bay County Government engaged a local consultant, for the preparation of a valuation roll for Homa Bay Municipality at a contract sum of Kshs.20,515,760. The contract commenced on 15 May, 2023 with initial expected completion date of 31 August, 2023. The terms of the contract specified that thirty percent (30%) of the contract sum, equivalent to Kshs.6,154,728 be paid upon submission of the inception report and the balance of (70%) was to be paid in installments based on specified percentages throughout the implementation of the project, the final being upon submission and presentation of the draft valuation roll.

Review of records at the time of the audit in October, 2024 revealed that the consultant had delivered the inception report and had been paid Kshs.6,154,728 - 30% of the contract sum. However, as previously reported, the other three milestones, namely the delivery of the status report and scheduling of rateables land, preparation of the draft report, and tabling for the adoption of the draft valuation roll by 31 October, 2023 had not been achieved.

In the circumstances, the revenue generation potential of the County could not be optimized for lack of an updated valuation roll.

#### **4.0. Spending of Revenue at Source by the Health Facilities**

The statement of receipts and disbursements reflects Appropriation-In-Aid (AIA) health amount of Kshs.835,741,227, which represents revenue collected by health facilities and spent at the source. This was contrary to Section 109(2) of the Public Finance Management Act, 2012, which provides that the County Treasury for each County Government shall ensure that all money raised or received by or on behalf of the County Government is paid into the County Revenue Fund.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the 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**

##### **Anomalies in the Revenue Collection and Management System**

The County Government of Homa Bay procured Craft Biller System for revenue collection and management from a local vendor through a contract signed on 26 May, 2023. However, audit of the system conducted in October, 2024 revealed the following anomalies:

- i. Error handling had not been hardened; overly informative error messages were revealed to users. An attempt to generate receipts returned an error message with SQL code that revealed the details of the database and the database management system used by the system. the information revealed makes the system an indication that the system vulnerable to attack by malicious users and hackers;
- ii. Management had not instituted security incident handling procedures for the use of the System. No evidence of measures taken to address past incidences and record of their causes. As a result, it is hard to institute mitigative measures against similar threats in the future;

- iii. The System could not generate event log reports. Further, there was no audit trail functionality defined in the system to provide system assurance on its use;
- iv. The System could not generate system users report. Further, the user matrix indicating what each category of user can access and perform was not provided for audit review. It was therefore not possible to ascertain if all the users in the system had access only to their respective authorized functions;
- v. The system used several APIs for its functionality. However, there was no evidence of system tests conducted before commissioning of the Revenue System, and regular simulation tests to ensure that the system code/APIs has not been irregularly altered. Further, the vendor had not configured the system to capture payments made directly to the Safaricom pay bill number. Such transactions do not reflect in the system;
- vi. Review of revenue records and revenue collection systems indicated that the County Government used various systems to collect hospital revenue, which have not been integrated. Further, no reconciliation of revenue collected was conducted through the various systems; and
- vii. Review of the contract between the County Government of Homa Bay and the Vendor revealed that the contract did not specify the contract period and did not provide for the payment of a 5% commission on revenue collected, which is paid to the contractor every month. In addition, the contract price was Kshs.28,289,179, including VAT, with payments structured in three phases: 30% upon submission of a draft report; 40% upon submission of an acceptable draft report and 30% upon submission and approval of the final report. Though no reports were provided for audit verification on the phase of development of the project, the vendor sent a letter reminding the County Government to pay outstanding invoice, warning that delays could lead to service disruptions, as they would shut down the system on April 12, 2024.

In the circumstances, the security, integrity and reliability of the Revenue Collection and Management System, and the value for money of the payments made to the vendor could not be confirmed.

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

### **Responsibilities of 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 (Cash Basis) and for maintaining effective internal controls as the Management determines is necessary to enable the preparation of revenue statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

In addition to the responsibility for the preparation and presentation of the revenue statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the revenue statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

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

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

**24 December 2024**

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

	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>County Own Source Revenue</b>			
Cess	1	80,128,782	63,295,046
Land/Poll Rate	2	8,847,826	5,996,073
Single/Business Permits	3	101,657,743	64,744,620
Property Rent	4	18,894,495	10,378,806
Parking Fees	5	53,906,470	31,251,276
Market Fees	6	47,958,419	30,705,122
Advertising and Billboards	7	10,543,053	9,313,233
Health Sector Charges	8	841,250,805	626,646,994
Veterinary service fees	9	1,333,117	263,725
Physical Planning and Development	10	7,967,079	2,836,944
Hire Of County Assets	11	2,932,536	307,250
Conservancy Administration	12	12,815,017	1,210,245
Administration Control Fees and Charges	13	1,088,311	361,060
Landing Fees	14	129,050	53,285
Miscellaneous receipts	15	11,043,127	12,143,630
<b>Total County Own Source Revenue</b>		<b>1,200,495,830</b>	<b>859,454,023</b>
Balance b/f at the beginning of the year		7,580,182	1,593,587
<b>Disbursements To CRF</b>		<b>370,850,441</b>	<b>461,496,551</b>
less: AIA Health		835,741,227	391,776,443
less bank charges	16	17,537	194,434
<b>Balance Due for Disbursement</b>		<b>1,466,806</b>	<b>7,580,182</b>

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 30/9/24 and signed by:



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



.....  
 Name  
 Head of Revenue Reporting  
 ICPAK M/No

7. Statement of Financial Assets and Liabilities As at 30<sup>th</sup> June 2024

	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances	17(a)	1,466,806	7,580,182
Balance carried forward as at 30 <sup>th</sup> June 2024 and subsequently transferred	17(b)	1,466,806	1,466,806
<b>Total Financial Assets</b>		<b>1,466,806</b>	<b>7,580,182</b>
<b>Total Financial Assets</b>		<b>1,466,806</b>	<b>7,580,182</b>
Financial Liabilities			
Payables-Due to CRF	18	1,466,806	7,580,182
<b>Total Financial Liabilities</b>		<b>1,466,806</b>	<b>7,580,182</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/9/2024 2024 and signed by:



.....  
 Name STEPHEN WERAH  
 County Receiver of Revenue



.....  
 Name  
 Head of Revenue Reporting  
 ICPAK M/No

8. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30<sup>th</sup> June 2024

Receipt	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Realization Difference	% Of Realization
	A	B	C=A+B	D	E=C-D	F=D/C %
<b>Revenue Streams</b>	Kshs	Kshs	Kshs	Kshs	Kshs	
Cess	104,034,661	(29,257,153)	74,777,508	80,128,782	(5,351,274)	107.16%
Land/Poll Rate	7,800,000	1,553,870	9,353,870	8,847,826	506,044	94.59%
Single/Business Permits	93,829,550	(3,827,950)	90,001,600	101,657,743	(11,656,143)	112.95%
Property Rent	32,340,102	(13,649,362)	18,690,740	18,894,495	(203,755)	101.09%
Parking Fees	106,519,050	(56,835,202)	49,683,848	53,906,470	(4,222,622)	108.50%
Market Fees	56,940,176	(10,240,180)	46,699,996	47,958,419	(1,258,423)	102.69%
Advertising	15,521,872	(993,229)	14,528,643	10,543,053	3,985,590	72.57%
Hospital Fees	1,888,053,228	(836,986,586)	1,051,066,642	841,250,805	209,815,837	80.04%
Public Health and veterinary Service Fees	1,520,947	(382,977)	1,137,970	1,333,117	(195,147)	117.15%
Physical Planning and Development	22,460,542	(16,775,289)	5,685,253	7,967,079	(2,281,826)	140.14%
Hire Of County Assets	6,539,720	(1,775,180)	4,764,540	2,932,536	1,832,004	61.55%
Conservancy Administration	32,070,187	(17,179,223)	14,890,964	12,815,017	2,075,947	86.06%
Administration Control Fees and Charges	1,582,178	(400,078)	1,182,100	1,088,311	93,789	92.07%
Landing Fees	126,177	5,973	132,150	129,050	3,100	97.65%
Miscellaneous Receipts	9,610,528	-	9,610,528	11,043,127	(1,432,599)	114.91%
<b>Total County Own Source Revenue</b>	<b>2,378,948,918</b>	<b>(986,742,566)</b>	<b>1,392,206,352</b>	<b>1,200,495,830</b>	<b>191,710,522</b>	<b>86.23%</b>



9. 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 (1 <sup>st</sup> July 2023) A	Arrears received during the year. B	Additions in arrears for the current year to June 30, 2024 C	Total arrears as at 30 June 2024 D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Farm Produce Road service fee	1,243,561	(1,243,561)	1,816,904	1,816,904	Enforcement	Recoverable
Single/Business Permits	1,108,500	(1,108,500)	4,184,845	4,184,845	Enforcement	Recoverable
Land Rate & Property Rent	1,994,693	(1,054,184)	11,504,946	12,445,455	Enforcement	Recoverable
Parking fee	100,000	(100,000)	-	-	-	-
<b>Total Arrears</b>	<b><u>4,446,754</u></b>	<b><u>(3,506,245)</u></b>	<b><u>17,506,695</u></b>	<b><u>18,447,204</u></b>	-	-

An ageing analysis of revenue in arrears has been shown on note 22 of these financial statements.



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



.....  
 Name  
 Head of Revenue Reporting  
 ICPAK M/No

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

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

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

### 2. Recognition of Receipts

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

### 3. Budget

The County Revenue budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by law. The original budget was approved by the County Assembly on 8<sup>th</sup> May 2024 for the period 1st July 2023 to 30<sup>th</sup> June 2024 as required by law. There was two number of supplementary budgets passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

### 4. Cash and cash equivalents

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

5. Revenue in Arrears

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

6. Disbursements to CRF

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

7. Comparative Figures

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

8. Subsequent Events

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

11. Notes to the Financial Statements

1. Cess

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Beach Service Fee	10,992,382	7,004,275
Livestock movement fees	884,905	379,910
Agricultural Produce Road fee	12,146,048	24,331,008
Natural resource road fee	56,105,447	31,579,853
<b>Total</b>	<b>80,128,782</b>	<b>63,295,046</b>

2. Land rates

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Land rates	8,847,826	5,996,073
<b>Total</b>	<b>8,847,826</b>	<b>5,996,073</b>

3. Single /Business Permits

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Single Business Permit	99,333,166	61,770,496
Fines and Penalties	2,324,577	2,974,124
<b>Totals</b>	<b>101,657,743</b>	<b>64,744,620</b>

Notes to the Financial Statements (continued)

4. Property Rent

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Kiosk Rent	10,532,780	4,614,290
Ground rent	3,476,590	2,444,825
Housing Fees	1,122,700	1,582,609
Tenancy agreement	2,305,925	1,598,552
Transfer of property	1,456,500	138,530
<b>Total</b>	<b>18,894,495</b>	<b>10,378,806</b>

5. Parking Fees

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Bus Park/Parking fees	46,784,631	29,359,416
motor bike fees	7,121,839	1,838,575
<b>Total</b>	<b>53,906,470</b>	<b>31,251,276</b>

6. Market Fees

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
market entry fees	40,648,114	24,955,898
slaughter house fees	2,285,505	1,686,094
stock auction fees	5,024,800	4,063,130
<b>Total</b>	<b>47,958,419</b>	<b>30,705,122</b>

7. Advertising

Descriptions	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Advertising Charges	10,543,053	9,313,233
<b>Total</b>	<b>10,543,053</b>	<b>9,313,233</b>

Notes to the Financial Statements (Continued)

8. Hospital Fees

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Level 4 hospitals	841,250,805	626,646,994
<b>Total</b>	<b>841,250,805</b>	<b>626,646,994</b>

9. Veterinary Charges

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Veterinary charges	1,333,117	263,725
<b>Total</b>	<b>1,333,117</b>	<b>263,725</b>

10. Physical Planning and Development

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Approval plans/Transfers/Certificates	7,279,879	2,449,634
Site Value Rates	35,200	4,090
Search and clearing certificates	131,000	23,600
survey/ sub division fee	521,000	359,620
<b>Total</b>	<b>7,967,079</b>	<b>2,836,944</b>

11. Hire Of County Assets

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Hire of tractors	971,810	121,250
Hire of machines and equipment	237,000	186,000
Hire of stadium/park and open spaces	1,723,726	-
<b>Total</b>	<b>2,932,536</b>	<b>307,250</b>

Notes to the Financial Statement (Continued)

12. Conservancy Administration

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Noise Pollution Fees	563,320	193,490
Conservancy fee	87,480	144,060
liquor licencing	10,978,513	350,500
water charges	592,684	20,885
Weights and measures	593,020	501,310
<b>Total</b>	<b>12,815,017</b>	<b>1,210,245</b>

13. Administration Control Fees and Charges

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Fire Services	<b>1,088,311</b>	361,060
<b>Total</b>	<b>1,088,311</b>	<b>361,060</b>

14. Landing fee.

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Landing fee	129,050	53,285
<b>Total</b>	<b>129,050</b>	<b>53,285</b>

15. Miscellaneous Receipts

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Others	11,043,127	12,143,630
<b>Total</b>	<b>11,043,127</b>	<b>12,143,630</b>

16. Bank Charges

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Bank Charges	17,537	194,434
<b>Total</b>	<b>17,537</b>	<b>194,434</b>

Notes to the Financial Statement (Continued)

17. (a) Bank Balances

Name of Bank, Account No. & currency	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Homa Bay County KCB –Revenue A/c no 1140763555	1,466,806	7,580,182
<b>Total</b>	<b>1,466,806</b>	<b>7,580,182</b>

17.(b) Balance carried forward as at 30<sup>th</sup> June 2024 and subsequently transferred

Ref	Amount (Kshs)	Date subsequently transferred
Disbursement 1	1,466,806	22 <sup>nd</sup> August 2024
<b>Total</b>	<b>1,466,806</b>	

18. Payables- Due To CRF

Payables	FY 2023/2024	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Amount collected yet to be disbursed to CRF	1,466,806	7,580,182
Amount billed and yet to be collected for disbursement to CRF	17,506,695	4,466,754
<b>Total undisbursed funds to CRF</b>	<b>18,973,501</b>	<b>12,046,936</b>

Notes to the Financial Statement (Continued)

20. 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
Farm Produce Road service fee	1,816,904	-	-	-	1,816,904
Single/Business Permits	4,184,845	-	-	-	4,184,845
Land rates/Property Rent	<u>8,500,600</u>	3,004,346			11,504,946
Total (agree to statement of arrears above)	14,502,349	3,004,346	-	-	17,506,695

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	Timeframe
OAG/HBRO/HBRoR-RS/2022/2023/(24)	Delayed finalization of the Valuation Roll	The valuation roll is with the county assembly of Homa Bay pending approval.	Not resolved	Before Nov 2024.
OAG/HBRO/HBRoR-RS/2022/2023/(24)	Spending of revenue at source by health facilities	The management has put in place the FIF Act by the approval of the County Assembly for prudent expenditure of resources raised by health facilities given the urgent nature of activities involved.	In progress	

**Appendix 2: 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
1	Homa Bay County Teaching & Referral Hospital Patients	FY 2023/24	7,562,533	As assessed by the waiver committee on the basis of the social and Economic status of the patient	Homa Bay County Health Services Act,2020.



.....  
 Name **RUPHONCE WERAH**  
 County Receiver of Revenue

Date **30/9/2024**



.....  
 Name  
 Head of Revenue Reporting  
 ICPAK M/No

Date. **30/9/2024**