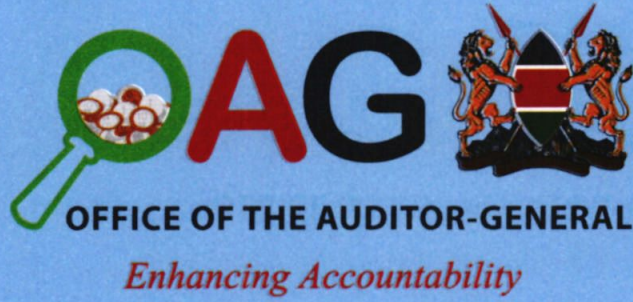


REPUBLIC OF KENYA



# REPORT

OF

**THE AUDITOR-GENERAL**

ON

**RECEIVER OF REVENUE  
- REVENUE STATEMENTS**

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

**COUNTY GOVERNMENT  
OF TRANS NZOIA**

PAPERS LAID	
DATE	6/3/2025
TABLED BY	Dep Mas Whip
COMMITTEE	
CLERK AT THE TABLE	Maali'm





---

**RECEIVER OF REVENUE**  
*(County Government of Trans Nzoia)*




**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)**

**Table of Contents**

**Page** 

1. Acronyms and glossary of terms .....	ii
2. Key Entity Information and Management.....	iii
3. Foreword by the CECM Finance and Economic Planning .....	v
4. Management Discussion and Analysis.....	vi
5. Statement of Receiver of Revenue's responsibilities .....	viii
6. Report of the Independent Auditor on the Receiver of Revenue for the year ended 30 <sup>th</sup> June 2024 x	
7. Statement of Receipts and Disbursements for the year ended 30th June 2024 .....	1
8. Statement of Financial Assets and Liabilities as at 30 <sup>th</sup> June 2024.....	2
9. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30 <sup>th</sup> June 2024 .....	3
10. Statement of Arrears of Revenue as at 30th June 2024.....	5
11. Significant Accounting Policies .....	6
12. Notes to the Financial Statements .....	8

**1. Acronyms and glossary of terms**

*a) Acronyms*

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

*b) Glossary of terms*

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

*(Entity to insert all the relevant acronyms and key terms used in the annual report and financial statements)*

**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 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

30<sup>th</sup> June 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 Trans-Nzoia's day-to-day management of revenue is under the following:

- County Executive Committee Member for Finance - ....
- Chief Officer, Finance ...
- Chief Officers, in charge of departments collecting revenue ...
- Director, Revenue...
- Head of Revenue Reporting...

**(d) County Headquarters**

P.O. Box 4211-30200  
County Head Quarter Building  
Moi Avenue  
**KITALE KENYA**

**(e) County Executive Bankers**

Telephone: (054) 30301/2  
E-mail: countyoftranszoia@gmail.com  
Website: wwwtranszoia.go.ke

**(f) Independent Auditor**

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

**(g) Principal Legal Adviser**

The Attorney General  
State Law Office and Department of Justice  
Harambee Avenue  
P.O BOX 40112  
City Square 00200  
**NAIROBI, KENYA**

**(h) Bankers**

Kenya Commercial Bank (KCB)- Kitale Branch A/C :1284890635  
Equity Bank – Kitale Branch A/C: 0330260729452  
SBM Bank – Kitale Branch A/C: 0402380769001, 0402380766001, 0402380770001,  
0402380771001, 0402380772001, 0402380772001.

**(i) County Attorney**

Trans- Nzoia County Attorney  
P.O. Box 4211-30200  
County Head Quarter Building  
Moi Avenue  
**KITALE, KENYA.**

### **3. Foreword by the CECM Finance and Economic Planning**

The County's Own Source Revenue (OSR) is an integral part of the County's resource envelope contributing about 6% of the revenue receipts each financial year. In the financial year 2023/2024, the total of OSR was Kshs 470,522,927 against budget of Kshs. 643,700,000 representing 73%. over the year's revenue has performed below par but continually improved. In 2022/2023 the total OSR collection was Kshs 493,306,859 compared to Kshs 470,522,927 collected in the year 2023/2024.

The reasons for under collection include;

1. Incomplete automation of revenue collection.
2. Lack of an updated valuation roll.
3. Lack of reliable businesses register.
4. Inadequate revenue collection staff.

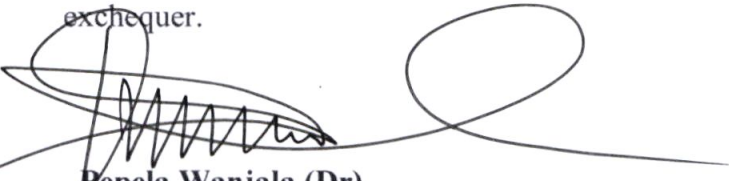
It is planned and anticipated that the Own Sources Revenue (OSR) collection will improve in the current financial year because the Department of Finance and Economic Planning has started the procurement of a new and all-round revenue collection system. The process should be complete before the end of the second quarter of the financial year just in time to take advantage of the peak collection which is in the third quarter.

The system will also address the issue of updating the businesses register.

At the same time, the preparation of an updated valuation roll is completed and will be rolled out before the end of the second quarter.

Additionally, in intend for recruitment of revenue collection staff has been submitted to the County Public Service Board. Hopefully, the recruitment process will be completed before the end of the second quarter.

In effect therefore the county is poised to meet its OSR collection targets and probably surpass it. Further improvements including development of county revenue collection strategy paper and carrying out revenue mapping are planned. It is the county's deliberate effort to reduce over reliance on the  
exchequer.



**Depela Wanjala (Dr)**

**CECM - Finance and Economic Planning**

#### 4. Management Discussion and Analysis

The biggest challenge of many counties is the collection of own source revenue. Trans Nzoia county is no exception. From the graph below, the county has continually missed its budgeted revenue target due to various reasons ranging from inadequate staffing, outdated working documents like the valuation roll, incomplete revenue mapping and automation. That, notwithstanding, concerted efforts have been expedited translating to an improvement in revenue collection. As indicated below, OSR collection dipped in the financial year 2020/2021 owing to the adverse effects of the Covid 19 pandemic. In the following financial year, there was an improvement of Kshs 39,447,359. In the following year (2022/2023) there was further improvement where an additional Kshs 113,315,754 however in the current financial year there was a slight drop owing to restructuring and staff challenge which we have addressed by transferring temporary staff from collecting revenue and initiating Rapid Results Initiative.

The county intends to improve revenue collection by setting the tone at the top i.e. involving the CECs and Chief Officers to enhance the collection of revenue more so the revenue streams in their respective departments. Further, the heads of revenue streams have been moved to the parent department where the revenue stream is domiciled to supervise and coordinate revenue collection in the respective department. Some of the strategies envisioned include, acquisition of a new and robust revenue collection automated system, carrying out a comprehensive revenue mapping, completion of and implementation the updated valuation roll, recruitment of more revenue collection staff, and updating the tax payers register. More still, the directorate has started establishment sub-County revenue offices which will serve tax payers at the convenience of their regions.



**Challenges encountered in revenue collection and the mitigation factors**

- Lack of updated valuation roll. The last valuation roll was prepared in 2006.
- Challenge in enforcing revenue defaulters/offenders. Lack of county court has resulted to increase in tax defaulters. e.g. SBP, Land rates etc. currently county government of Trans-Nzoia is constructing county court and will be operational soon.
- Pending court cases affecting revenue. e.g. petition no: 385 of 2013 on cess. This has resulted to refusal to pay cess by flower growers, coffee/Tea growers etc. establishment of county court will fast track pending court cases relating to revenue.
- Lack of infrastructure to support devolution of systems to sub-county and ward level e.g. lack of operational sub-county revenue offices.
- Casual revenue collectors. The collectors constitute a half of revenue collectors. County is in the process of employing revenue collectors on P&P terms.
- Political interference to operations of revenue collection. Due to political goodwill with the current administration, we believe this challenge will be resolved.
- Challenges that come with procured revenue collection systems e.g. lack systems support by vendors, crashing of systems, hackers etc.
- Unforeseen natural calamities e.g. Covid-19, floods, El Nino, drought etc. County should put in place emergency measures to counter emerging cases.
- Lack of an updated tax payers register
- Incomplete revenue collection automation
- Inadequate civic education and awareness creation on tax obligations for tax payers

**5. Statement of Receiver of Revenue’s responsibilities**

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

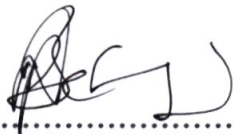
The Receiver of Revenue is responsible for the preparation and presentation of the Receiver of Revenue account, which gives a true and fair view of the state of affairs of the Receiver of Revenue for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: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

The Receiver of Revenue in charge accepts responsibility for the 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 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 ..... 18/11/2024 .



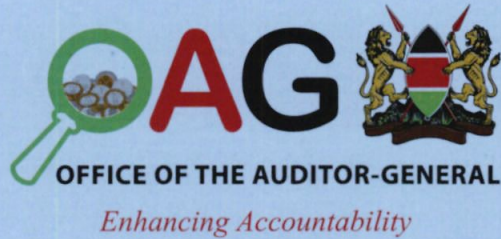
.....  
**CS Phoebe Buchunju**  
**County Receiver of Revenue**

*Receiver of Revenue  
County Government of Trans-Nzoia  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024*

---

# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON RECEIVER OF REVENUE - REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2024 - COUNTY GOVERNMENT OF TRANS NZOIA**

---

### PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial 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 Trans Nzoia set out on pages 1 to 18, which comprise of the statement of financial assets and liabilities and statements of arrears of revenue as at 30 June, 2024 and the statement of receipts and disbursements, and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the revenue statements present fairly, in all material respects, the financial position of Receiver of Revenue - County Government of Trans Nzoia as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the County Governments Act, 2012 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Facility Improvement Fund Amount**

The statement of receipts and disbursement reflects disbursements to Facility Improvement Fund (FIF) amounting to Kshs.48,518,771 relating to 2022/2023 and Kshs.209,019,783 relating to 2023/2024 financial years as disclosed in Note 19 to the financial statements. However, the disbursements were not supported with the supporting ledgers.

In the circumstance, the accuracy and completeness of the disbursements of Facility Improvement Fund (FIF) amounting to Kshs.257,538,554 could not be confirmed.

#### **2. Unsupported Miscellaneous Receipts**

The statement of receipts and disbursements reflects County own source of revenue amount of Kshs.470,522,927 which includes miscellaneous receipts amount of Kshs.51,921,225 as disclosed in Note 14 to the financial statements. However, details, records and composition of the miscellaneous receipts was not provided for audit. Further, Management had not budgeted for the revenue.

In the circumstances, the accuracy and completeness of the miscellaneous receipts amount of Kshs.51,921,225 could not be confirmed.

#### **3. Unsupported Property Rent Revenue**

The statement of receipts and disbursements reflects County own source revenue amount of Kshs.470,522,927 for the year ended 30 June, 2024 which includes property

rent amount of Kshs.3,172,340 as disclosed in Note 4 to the financial statements. However, a list of properties, reference number, location, names of tenants, lease agreements, rent assessment or valuations reports and records of rent arrears for the County's rented houses, kiosks, stalls were not provided for audit.

In the circumstances, the accuracy and completeness of the revenue from property rent amounting to Kshs.3,172,340 could not be confirmed.

#### **4. Unsupported Physical Planning and Development**

The statement of receipts and disbursements reflects County own source of revenue amount of Kshs.470,522,927 for the year ended 30 June, 2024 which includes physical planning and development amount of Kshs.3,846,600 collected from land survey, application and building approval. However, register of received land survey, application, building approval applications, summary of issued invoices during the year, field inspection and enforcement reports have not been provided for audit review.

In the circumstances, the accuracy and completeness of the physical planning and development receipts amounting to Kshs.3,846,600 could not be confirmed.

#### **5. Unsupported Hire of Machinery**

The statement of receipts and disbursements reflects revenue from hire of County assets amount of Kshs.36,600 as disclosed in Note 11 to the financial statements. Included in the revenue is an amount of Kshs.12,600 in respect of hire of Agricultural Machinery Services (AMS) which represent a significant reduction of 95% compared to Kshs.265,612 collected in the previous year. Further, Management did not provide a schedule of all the equipment, their status and work tickets to provide assurance that the machines and equipment were idle during the year.

In the circumstances, the accuracy and completeness of the hire of machinery amount of Kshs.36,600 could not be confirmed.

#### **6. Unsupported Cash and Cash Equivalents Balance**

The statement of financial assets and liabilities reflects cash and cash equivalents balance of Kshs.3,669,612 which was not supported with cash books, bank certificates and bank reconciliation statements.

In the circumstances, the accuracy, completeness and existence of the cash and cash equivalents balance of Kshs.3,669,612 could not be confirmed.

#### **7. Unsupported Arrears of Revenue**

The statement of arrears of revenue reflects land rate arrears balance of Kshs.20,020,184,186 and property rent arrears balance of Kshs.6,765,969 both totalling Kshs.20,026,950,155 as disclosed in Note 20 to the financial statements. However, ageing analysis provided was not supported with a schedule showing the names of the debtors or defaulters, land or property number and rate or amounts.

In the circumstances, the accuracy, completeness and existence of the arrears of revenue balance of Kshs.20,026,950,155 could not be confirmed.

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

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of comparison of budget versus actual amounts reflects County own source revenue amount of Kshs.470,522,927 against the budgeted amount of Kshs.643,700,000 resulting in under-collection of Kshs.173,177,073 or 27% of the budgeted amount. Further, the revenue collections reduced by an amount of Kshs.22,783,932 from Kshs.493,306,859 collected in year ended 30 June, 2023.

The continued under-collection of local revenue affects negatively the execution of planned programs and activities and therefore results in poor or non-delivery of services 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 financial statements. Except for the matters described in the Basis for Qualified Opinion section of my report, I have determined that there were no other key audit matters to communicate in my report.

## **Other Information**

The Management is responsible for the other information set out on page iii to viii which comprise of Key Entity Information and Management, foreword by the CECM finance and economic planning, Management Discussion and Analysis, Statement of Receiver of Revenue's responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

My opinion on the financial 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 USE OF PUBLIC RESOURCES

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the 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**

#### **Ineffectiveness of Internal Audit Function**

Review of the internal controls revealed that although the internal audit prepared a Work Plan, it was not approved by the audit committee and there was no evidence that the Plan was shared with the Accounting Officer. Further, there was no evidence that Management had established an effective system for monitoring the implementation of audit recommendations.

In the circumstances, the effectiveness of the internal controls could not be confirmed.

The audit was conducted in accordance with the ISSAIs 2315 and 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Receiver of Revenue's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to cease operations.

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

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

Those charged with governance are responsible for overseeing the Receiver of Revenue'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 INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected

to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the Receiver of Revenue'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

10 December, 2024

*Receiver of Revenue  
County Government of Trans-Nzoia  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024*

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

	Note	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
<b>County Own Source Revenue</b>			
Cess	1	11,525,206	44,177,710
Land Rate	2	41,328,597	31,592,094
Single/Business Permits	3	64,718,170	70,190,610
Property Rent	4	3,172,340	8,605,361
Parking Fees	5	49,960,973	63,786,652
Market Fees	6	13,682,170	17,718,150
Advertising	7	5,895,000	17,663,652
Hospital Fees	8	209,019,783	213,285,125
Public Health Service Fees	9	832,610	5,410,593
Physical Planning and Development	10	3,846,600	4,505,500
Hire Of County Assets	11	36,600	349,212
Conservancy Administration	12	1,553,000	5,757,635
Administration Control Fees and Charges	13	7,984,001	10,324,934
Miscellaneous Receipts	14	51,921,225	-
Payroll commissions	15	5,046,652	-
<b>Total County Own Source Revenue</b>		<b>470,522,927</b>	<b>493,306,859</b>
			-
<b>Total Receipts</b>		<b>470,522,927</b>	<b>493,306,859</b>
Balance b/f at the beginning of the year	19	64,248,256	39,794,932
<b>Disbursements To CRF</b>	19	(261,503,143)	(295,819,000)
Bank charges	16	(69,537)	(26,079)
Facility Improvement Fund (FIF)	19	(209,019,783)	(173,008,456)
Facility Improvement Fund (FIF)	19	(48,518,771)	
<b>Balance Due for Disbursement</b>		<b>15,659,949</b>	<b>64,248,256</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<sup>th</sup> June 2024 and signed by:



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



.....  
Emmanuel Masungu  
Chief Officer Finance  
ICPAK M/No 19966

*Receiver of Revenue  
County Government of Trans-Nzoia  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024*

**8. Statement of Financial Assets and Liabilities as at 30<sup>th</sup> June 2024**

	Note	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	17	3,669,612	57,148,256
<b>Total Financial Assets</b>		<b>3,669,612</b>	<b>57,148,256</b>
Account receivable	18	11,990,337	7,100,000
<b>Total Financial Assets</b>		<b>15,659,949</b>	<b>64,248,256</b>
<b>Financial Liabilities</b>			
Payables-Due to CRF	19	15,659,949	64,248,256
<b>Total Financial Liabilities</b>		<b>15,659,949</b>	<b>64,248,256</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<sup>th</sup> June 2024 and signed by:



.....  
**CS Phoebe Buchunju**  
**County Receiver of Revenue**



.....  
**Emmanuel Masungu**  
**Chief Officer Finance**  
*ICPAK M/No 19966*

*Receiver of Revenue  
County Government of Trans-Nzoia  
Revenue Statements for the Period Ended 30 June 2024*

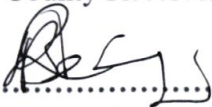
**9. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30<sup>th</sup> June 2024**


<b>Receipt</b>	<b>Original Targets</b>	<b>Adjustments</b>	<b>Final Targets</b>	<b>Actual On Comparable Basis</b>	<b>Budget Realization Difference</b>	<b>% Of Realization</b>
	<b>A</b>	<b>B</b>	<b>C=A+B</b>	<b>D</b>	<b>E=C-D</b>	<b>F=D/C %</b>
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>County Own Source Revenue</b>						
Cess	36,300,000	-	36,300,000	11,525,206	24,774,794	32%
Land Rate	45,000,000	-	45,000,000	41,328,597	3,671,403	92%
Single/Business Permits	70,300,000	-	70,300,000	64,718,170	5,581,830	92%
Property Rent	11,000,000	-	11,000,000	3,172,340	7,827,660	29%
Parking Fees	80,000,000	-	80,000,000	49,960,973	30,039,027	62%
Market Fees	20,000,000	-	20,000,000	13,682,170	6,317,830	68%
Advertising''	18,000,000	-	18,000,000	5,895,000	12,105,000	33%
Hospital Fees	300,000,000	-	300,000,000	209,019,783	90,980,217	70%
Public Health Service Fees	1,700,000	-	1,700,000	832,610	867,390	49%
Physical Planning and Development	13,000,000	-	13,000,000	3,846,600	9,153,400	30%
Hire Of County Assets	4,100,000	-	4,100,000	36,600	4,063,400	1%
Conservancy Administration	6,200,000	-	6,200,000	1,553,000	4,647,000	25%
Administration Control Fees & Charges	24,750,000	-	24,750,000	7,984,001	16,765,999	32%
Hides and skin licence	500,000	-	500,000	-	500,000	0%
Hire/lease of county agricultural land	300,000	-	300,000	-	300,000	0%
Licensing of extractive resources	1,000,000	-	1,000,000	-	1,000,000	0%
A.I services	50,000	-	50,000	-	50,000	0%
Livestock movement permit	500,000	-	500,000	-	500,000	0%
Licensing of meat containers	100,000	-	100,000	-	100,000	0%
Hire of county brick-making machine	100,000		100,000	-	100,000	0%

*Receiver of Revenue  
County Government of Trans-Nzoia  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024*

<b>Receipt</b>	<b>Original Targets</b>	<b>Adjustments</b>	<b>Final Targets</b>	<b>Actual On Comparable Basis</b>	<b>Budget Realization Difference</b>	<b>% Of Realization</b>
	<b>A</b>	<b>B</b>	<b>C=A+B</b>	<b>D</b>	<b>E=C-D</b>	<b>F=D/C %</b>
Lease of nonagricultural county land	1,000,000	-	1,000,000	-	1,000,000	0%
Temporary occupation license(TOL)	100,000	-	100,000	-	100,000	0%
Survey fee	1,000,000	-	1,000,000	-	1,000,000	0%
Plot sub-division and transfer of plots	1,000,000	-	1,000,000	-	1,000,000	0%
Pole rate i.e KPLC and telecom poles	1,000,000	-	1,000,000	-	1,000,000	0%
Use of county dumpsite	1,000,000	-	1,000,000	-	1,000,000	0%
Hire of construction machinery	5,000,000	-	5,000,000	-	5,000,000	0%
Wayleave charges i.e cutting trenches	500,000	-	500,000	-	500,000	0%
Lab services	100,000	-	100,000	-	100,000	0%
Certificate of transport	100,000	-	100,000	-	100,000	0%
Other revenues	-	-	-	56,967,877	(56,967,877)	
<b>Total County Own Source Revenue</b>	<b>643,700,000</b>	<b>-</b>	<b>643,700,000</b>	<b>470,522,927</b>	<b>167,061,828</b>	<b>73%</b>

The County Receiver of revenue's financial statements were approved on 30th June 2024 and signed by:

.....  
  
**CS Phoebe Buchunju**  
**County Receiver of Revenue**

.....  
  
**Emmanuel Masungu**  
**Chief Officer Finance**  
**ICPAK M/No 19966**

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

Classification Of Receipts (Indicate As Applicable)	Balance as at The beginning of the current year (1 <sup>st</sup> July 2022) A	Arrears received during the year. B	Additions in arrears for the current year to June 30, 2023 C	Total arrears as at 30 June 2023 D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
					e.g., the Governor has waived interest and penalties	
Land rate				20,020,184,186		
Property Rent				6,765,969		
<b>Total Arrears</b>				<b><u>20,026,950,155</u></b>		

## **11. Significant Accounting Policies**

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

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

The revenue statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and relevant legal framework of the County Government of Trans-Nzoia. The financial statements comply with and conform to the form of presentation prescribed by the International 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 30<sup>th</sup> June, 2023 for the period 1st July 2023 to 30 June 2024 as required by law. There were two Supplementary budgets passed during the financial year on 21<sup>st</sup> November 2023 and 28<sup>th</sup> March 2024 for supplementary one and two respectively. 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.

**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 30<sup>th</sup> June 2024

## 12. Notes to the Financial Statements

### 1. Cess

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Farm produce	10,622,746	42,978,600
Quarrying	-	219,400
Livestock (Stock yard)	275,460	626,340
Forest	-	144,370
Coffee movement permit	627,000	149,000
<b>Total</b>	<b>11,525,206</b>	<b>44,117,710</b>

### 2. Land rates

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Land rates	41,172,597	30,061,994
Amalgamation	-	5,000
Transfer fee	-	236,260
Subdivision	-	36,000
Clearance certificate	-	611,000
Ground rent	156,000	641,840
<b>Total</b>	<b>41,328,597</b>	<b>31,592,094</b>

### 3. Single /Business Permits

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Business permit application fees	-	2,803,850
Annual Business permit fees	64,660,170	67,081,010
Amusement permit fee	58,000	305,750
<b>Total</b>	<b>64,718,170</b>	<b>70,190,610</b>

Notes to the Financial Statements Continued

4. Property Rent

Description	FY 2023-2024	FY 2022-2023
	Kshs	
County Housing	47,300	193,600
Stalls/kiosks rent	3,125,040	8,411,761
<b>Total</b>	<b>3,172,340</b>	<b>8,605,361</b>

5. Parking Fees

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Street parking fees	14,532,865	22,729,785
Motorbike fees	6,814,150	5,513,700
Motorbike fees(penalties)	1,500	-
Clamping fee	-	488,000
Reserved parking	-	2,401,000
Bus Park fees	28,612,458	30,224,700
Seasonal parking	-	2,277,600
Impounding fee	-	151,500
<b>Total</b>	<b>49,960,973</b>	<b>63,786,285</b>

6. Market Fees

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Market entry fees	13,682,170	17,715,150
Hawking fees	-	3,000
<b>Total</b>	<b>13,682,170</b>	<b>17,718,150</b>

Notes to the Financial Statements Continued

7. Advertising

Descriptions	FY2023-2024	FY2022-2023
	Kshs	Kshs
Branding	5,895,000	8,687,952
Billboard advertising	-	1,593,000
Signage	-	146,500
Roadshows	-	4,804,000
Banners	-	10,500
Posters	-	250,200
Tent advertising	-	1,793,000
Street pole/clock advertising	-	22,000
Advertisement forms	-	356,500
<b>Total</b>	<b>5,895,000</b>	<b>17,663,652</b>

8. Hospital Fees

Description	FY 2023-2024	FY2022-2023
	Kshs	Kshs
NHIF Reimbursement	129,404,528	138,790,709
Hospital fee (FIF)	79,615,255	74,494,414
<b>Total</b>	<b>209,019,783</b>	<b>213,285,123</b>

9. Public Health Service Fees

Description	FY20223-2024	FY2022-2023
	Kshs	Kshs
Public health permit	-	3,752,683
Toilets	796,110	1,596,910
Public Cemetery	36,500	61,000
<b>Totals</b>	<b>832,610</b>	<b>5,410,593</b>

Notes to the Financial Statements Continued

10. Physical Planning and Development

Description	FY2023-2024	FY 2022-2023
	Kshs	Kshs
Change /Renewal of user	-	208,000
Building plans approval	296,000	1,770,300
Signboards	-	155,500
Site visit	-	357,000
Fire compliance certificate	405,000	561,500
Occupational Permits	-	42,000
Subdivision of agricultural land	-	211,500
Architectural designs by county officers	-	210,500
Hoarding fees	-	114,500
Survey fee	-	254,500
Building approval fee	3,145,600	620,200
<b>Total</b>	<b>3,846,600</b>	<b>4,505,500</b>

11. Hire of County Assets

Description	FY 2023-2024	FY2022-2023
	Kshs	Kshs
Agricultural Mechanisation Services (AMS)	12,600	265,612
Ploughing	-	42,000
Hire of County Stadia	-	41,000
Hire of County Halls	24,000	
<b>Total</b>	<b>36,600</b>	<b>349,212</b>

12. Conservancy Administration

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Refuse disposal fees	1,066,500	5,137,130
Sale of seedlings	172,200	548,005
Tree harvesting permit	290,300	-
Noise control	24,000	70,500
<b>Total</b>	<b>1,553,000</b>	<b>5,755,635</b>

Notes to the Financial Statements Continued

13. Administration Control Fees and Charges

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Weights and measures	385,850	344,001
Fire Services	-	1,729,000
Liquor licenses	5,843,000	5,104,000
Slaughter house	898,405	640,400
Meat inspection fee	822,045	1,596,965
Audit of co-operative	30,800	481,967
Miscellaneous income	3,901	-
Not assigned	-	6,510
Refund to revenue account	-	99,280
Unallocated Mpesa transaction	-	18,230
Governance salary refund	-	304,581
<b>Totals</b>	<b>7,984,001</b>	<b>10,324,934</b>

14. Miscellaneous Receipts

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Unstructured	4,761,320	-
Other revenues	52,206,557	-
Payroll Commission	(5,046,652)	-
<b>Total</b>	<b>51,921,225</b>	<b>-</b>

15. Payroll Commissions

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Quarter 1	-	-
Quarter 2	2,132,256	-
Quarter 3	1,535,920	-
Quarter 4	1,378,476	-
<b>Total</b>	<b>5,046,652</b>	<b>-</b>

Notes to the Financial Statements Continued

16. Bank Charges

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Bank Charges & commissions	69,537	26,097
<b>Total</b>	<b>69,537</b>	<b>26,097</b>

17. Bank Balances

Name of Bank, Account No. & currency	Amount	Exc. rate (if in foreign currency)	FY2023-2024	FY2022-2023
			Kshs	Kshs
KCB A/C 1284890635			123,181	11,293,744
Equity Bank A/C 0330260729452			449,732	7,637,576
SBM				
A/C 0402380769001-Cherangany			257,641	6,627,850
A/C 0402380766001- Saboti			1,799,865	8,998,150
A/C 0402380770001- Kwanza			240	1,464,128
A/C 0402380771001 - Matunda			1,011,188	4,072,600
A/C 0402380772001- Kapsara			425	1,714,170
A/C 0402380774001-Endebess			27,340	15,340,038
<b>Total</b>			<b>3,669,612</b>	<b>57,148,256</b>

18. Account receivable

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Account receivable B/F	7,100,000	7,100,000
Receivables during the year	11,061,427	-
	<b>18,161,427</b>	<b>7,100,000</b>
Less: Recovered during the year	6,171,090	-
<b>Total</b>	<b>11,990,337</b>	<b>7,100,000</b>

*Notes to the Financial Statements Continued*

**19. Payables- Due to CRF**

<b>Payables</b>	<b>FY 2023-2024</b>	<b>FY2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Balance b/f at the beginning of the year	<b>64,248,256</b>	<b>39,794,932</b>
Amount collected during the year	<b>470,522,927</b>	<b>493,306,859</b>
Amounts disbursed to CRF during the year	(261,503,143)	(295,819,000)
Bank charges	(69,537)	(26,079)
Facility Improvement Fund (FIF)FY 2023-2024	(209,019,783)	(173,008,456)
Facility Improvement Fund (FIF)FY 2022-2023	(48,518,771)	-
<b>Balance c/d at the end of the year</b>	<b>15,659,949</b>	<b>64,248,256</b>

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

<b>Description (indicate as applicable)</b>	<b>Less than 1 year</b>	<b>Between 1-2 years</b>	<b>Between 2-3 years</b>	<b>Over 3 years</b>	<b>Total</b>
Land rate	-		-	20,020,184,186	20,020,184,186
Property rent	-	6,765,969	-		6,765,969
<b>Total</b>	-	<b>6,765,969</b>	-	<b>20,020,184,186</b>	<b>20,026,950,155</b>

**21. Appendices**

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

<b>S/No</b>	<b>Name of person / organisation benefitting from waiver/ variation</b>	<b>Year in which waiver/ variation relates</b>	<b>Amount of variation/ waiver (fee or charge)</b>	<b>Reasons for waiver/ variation</b>	<b>The law in terms of which the variation/waiver was granted</b>
1.	Motorbikes stickers	2022-2023	From Sh3,600 p.a to Sh500 p.a	To attract more clients	Executive order
2.	Market fee	2022-2023	From Sh40 to Sh 20 per day	To attract more clients	Executive order
3.	Land rates	2022-2023	On penalties	To attract more clients	Gazette

*(PFM ACT section 165 subsection 4, 5)*



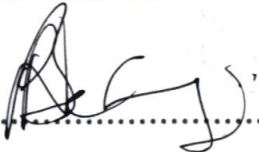
-----  
*Sign and date  
Accounting Officer*

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<b>Unconfirmed Balance Brought Forward</b> The statement of receipts and disbursement reflect balance brought forward at the beginning of the year of Kshs. 39,794,932. This balance was not supported by cash books, bank balance certificates and bank reconciliation statements. In the circumstances, the accuracy, completeness and existence of the balance could not be confirmed.	Management is working on responses to be submitted and discussed with the OAG for concurrence	Not resolved	2024
2.	<b>Unconfirmed Bank Balance</b> The statement of financial assets and liabilities reflect bank balance of Kshs. 57,148,256. This balance was not supported by cash books, bank balance certificates and bank reconciliation statements. In the circumstances, the accuracy, completeness and existence of the bank balance of Kshs. 57,148,256 as at 30 June,2023 could not be ascertained.	Management is working on responses to be submitted and discussed with the OAG for concurrence	Not resolved	2024
1.	<b>Failure to transfer own Source Revenue from Commercial Bank to CRF within Stipulated Timeliness</b> The statement of receipts and disbursement reflects total county own source revenue of Kshs. 493,306,859 Review of bank statements for the revenue collection accounts revealed the own source revenue collected were not transferred/swept to the county Revenue Fund within five (5) working days after receipt and in some instances only transferred after one (1) or two (2) months. This was contrary to Section 81(2) of the Public Finance Management (County Governments)	Management is working on responses to be submitted and discussed with the OAG for concurrence	Not resolved	2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Regulations, 2015, which states that the Receivers of Revenue shall promptly pay the revenue received into the County Revenue Fund, as soon as possible and in any case not later than five (5) workings after receipt thereof. Consequently, Management was in breach of the law.			
2.	<p><b>Revenue Spent at Source</b></p> <p>The statement of assets and liabilities reflects accounts receivables of Kshs. 7,100,000 being amount transferred from the revenue collection account to the Imprest account. This represents revenue funds that were irregularly spent at source contrary to paragraph 5.3 of the County Finance Accounting Reporting Manual that requires all funds collected to be banked intact in agreed commercial bank account for onward transfer to the County Revenue Fund. Consequently, the Management was in breach of the County Finance Accounting and Reporting Manual guidelines.</p>	Management is working on responses to be submitted and discussed with the OAG for concurrence	Not resolved	2024



CS Phoebe Buchunju  
 County Receiver of Revenue

Date



Emmanuel Masungu  
 Chief Officer Finance  
 ICPAK M/No 19966

Date