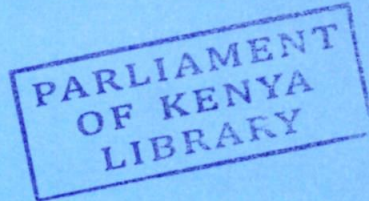


REPUBLIC OF KENYA

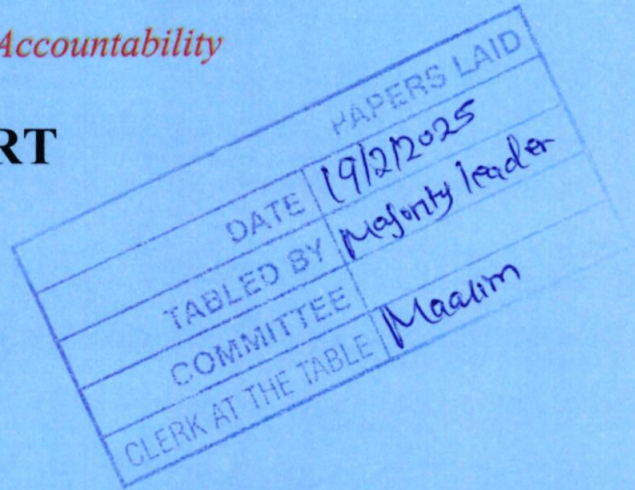


*Enhancing Accountability*

**REPORT**



**OF**



**THE AUDITOR-GENERAL**

**ON**

**RECEIVER OF REVENUE**

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

**COUNTY GOVERNMENT OF KERICHO**



COUNTY GOVERNMENT OF KERICHO

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RECEIVER OF REVENUE  
*(County Government of Kericho)*

REVENUE STATEMENTS

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

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

*Receiver Of Revenue  
County Government Of Kericho  
Revenue Statements for the Year Ended 30<sup>th</sup> June 2024*

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*Receiver Of Revenue  
County Government Of Kericho  
Revenue Statements for the Year Ended 30<sup>th</sup> June 2024*

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**I. 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
SBP	Single Business Permit
SRO	Sub County Revenue Officer

**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. 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 01.07.2023 by the County Executive Committee member for Finance, in accordance with section 157 of the PFM Act.

**(b) Principal activities**

The receiver of revenue collects revenue and remits to the County Revenue Fund (CRF).

**(c) Key Management Team**

The County Government of Kericho' day-to-day management of revenue is under the following:

1.	Hon. Jackson Rop	County Executive Committee Member-Finance and Economic Planning and Head of Treasury
2.	CPA. George Kirer	Chief officer-Finance & Receiver of Revenue
3.	Mr. Stanley Koech	Ag. Director Revenue
4.	CPA Kipkurui Koros Benard	Head of Revenue Reporting
5	CPA Catherine Kageha	Revenue Officer-Kericho Municipal
6	CPA Maureen Chemutai	Revenue Officer-Kipkelion Sub county
7	Christine Cheseny	Revenue Officer -Ainamoi Sub county
8	Robert Ruttoh	Revenue Officer -Belgut Sub county
9	Edwin Langat	Revenue Officer-Litein Municipal
10	Japhet Kibet	Revenue Officer- Bureti Sub county
11	Richard Kiprutoh Sang	Revenue Officer- Soin/Sigowet Sub county
12	Richard Maritim	Revenue Officer- Kipkelion East Sub county

**Key Entity information and Management (continued)**

**d) County Headquarters**

County Government of Kericho Headquarters  
P.O. Box 112-20200,  
Kericho, KENYA

**e) County Contacts**

Telephone: (254) 0522021100  
(254) 0522021101  
E-mail: [info@kericho.go.ke](mailto:info@kericho.go.ke)  
Website: [www.kericho.go.ke](http://www.kericho.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  
Harambee Avenue  
P.O. Box 40112, City Square 00200  
Nairobi, Kenya

**h) County Bankers**

County Government of Kericho Revenue Collection  
Kenya Commercial Bank-Kericho Branch  
P.O Box 43-20200

**i) County Attorney**

Kericho County Attorney

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

Article 209 (2) of the Constitution reserves to county governments the power to impose the taxes stated in Article 209 (3). Further, Article 209 (4) of the Constitution, read together with Part 2 of the Fourth Schedule thereto, gives counties the power to impose fees and charges for services provided and for regulatory purposes in respect of certain licensed activities. A receiver of county government revenue is responsible to the County Executive Committee member for finance for ensuring that the revenue for which the receiver is responsible is collected or recovered, and is accounted for.

In fulfilling its mandate, Revenue section administer revenues Acts, which includes the Kericho County Finance Act, Public Finance Management act 2012 (PFM Act), the Trade License Act, Alcoholic Drinks License act and Public Health Act.

The Department of Finance through the Revenue section has taken its time and resources in putting up schemes, methods and adoption of new strategies aimed at facilitating operational efficiency of the Revenue Collection processes. In particular, to its functions which includes; accounting, assessing, and collecting for all revenues in accordance with the laid provisions of all revenue laws.

In the year under review, the Own Source Revenue (OSR) performance for the financial year 2023/2024 shows a global performance of 78.28 % as summarized below,

Revenues	Budgeted	Actual collection	% Performance
Local Collection(OSR)	530,071,600	362,936,512	68.50%
Facility Improvement Fund (FIF)	239,059,086	181,715,212	76.01%
NHIF	297,295,914	290,107,047	97.58%
<b>TOTAL</b>	<b>1,066,426,600</b>	<b>834,758,771</b>	<b>78.28%</b>

This shows that there was an overall collection of ksh 834,758,771 against a target of ksh 1,066,426,600 giving a shortfall of ksh 231,667,829 which translate to non-achievement by 21.72%.

*Receiver Of Revenue  
County Government Of Kericho  
Revenue Statements for the Year Ended 30<sup>th</sup> June 2024*

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This report contain several parts for collecting, receiving and accounting for taxes, fees and charges in the County. It confers the responsibility for the administration of county revenue laws on County Receiver of Revenue who is to be held accountable for that administration.

It's worth noting that the County also finances its operations through own generated revenues. These are revenues collected within the County. The County Government will continue to explore new and innovative ways of increasing its local revenue collections. Some of the steps among others that the County has taken towards improving its revenue collections include continuous automation of all revenue streams and full implementation/enforcement of Kericho County Finance act, 2023.

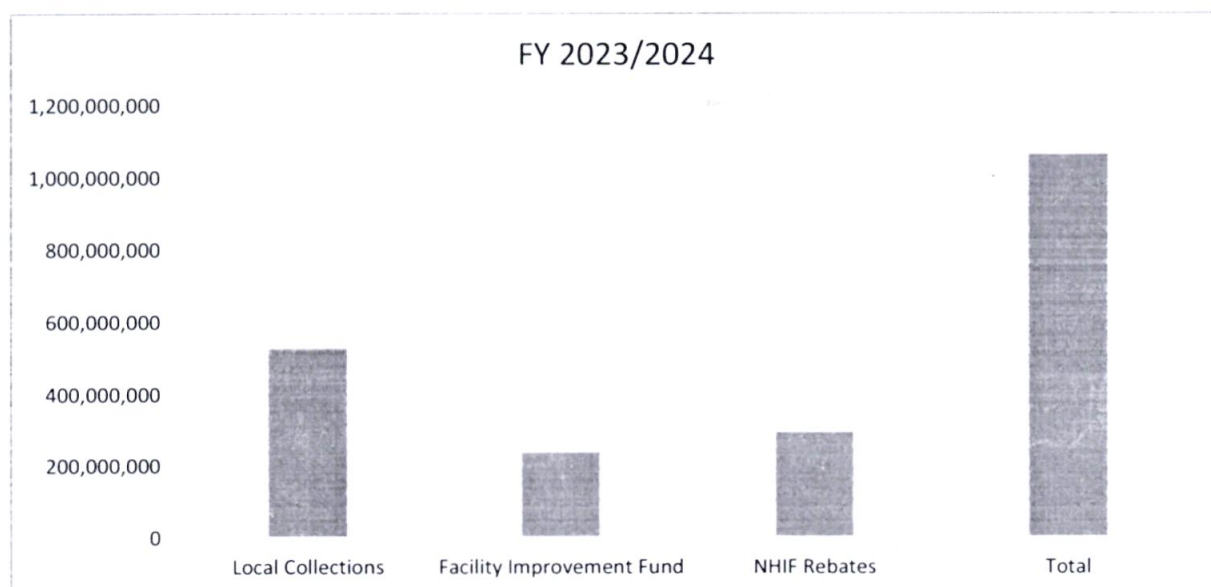
  
.....  
**CECM Finance and Economic Planning**  
**County Government of Kericho**

*Receiver Of Revenue  
County Government Of Kericho  
Revenue Statements for the Year Ended 30<sup>th</sup> June 2024*

**4. Management Discussion and Analysis**

In the year ended 30th June 2024, the County had projected revenues of Kshs. 1,066,426,600 consisting of Kshs 530,071,600 from own sources , Kshs 239,059,086 as Facility improvement Fund (FIF) entities and Ksh. 297,295,914 from NHIF rebates.

<b>COUNTY GOVERNMENT OF KERICHO</b>	
<b>SOURCES OF REVENUE</b>	<b>2023/2024</b>
<b>Own Source Revenue Description</b>	
1.Local Collections	530,071,600
2.Facility Improvement Fund	239,059,086
3.NHIF Rebates	297,295,914
<b>Total</b>	<b>1,066,426,600</b>

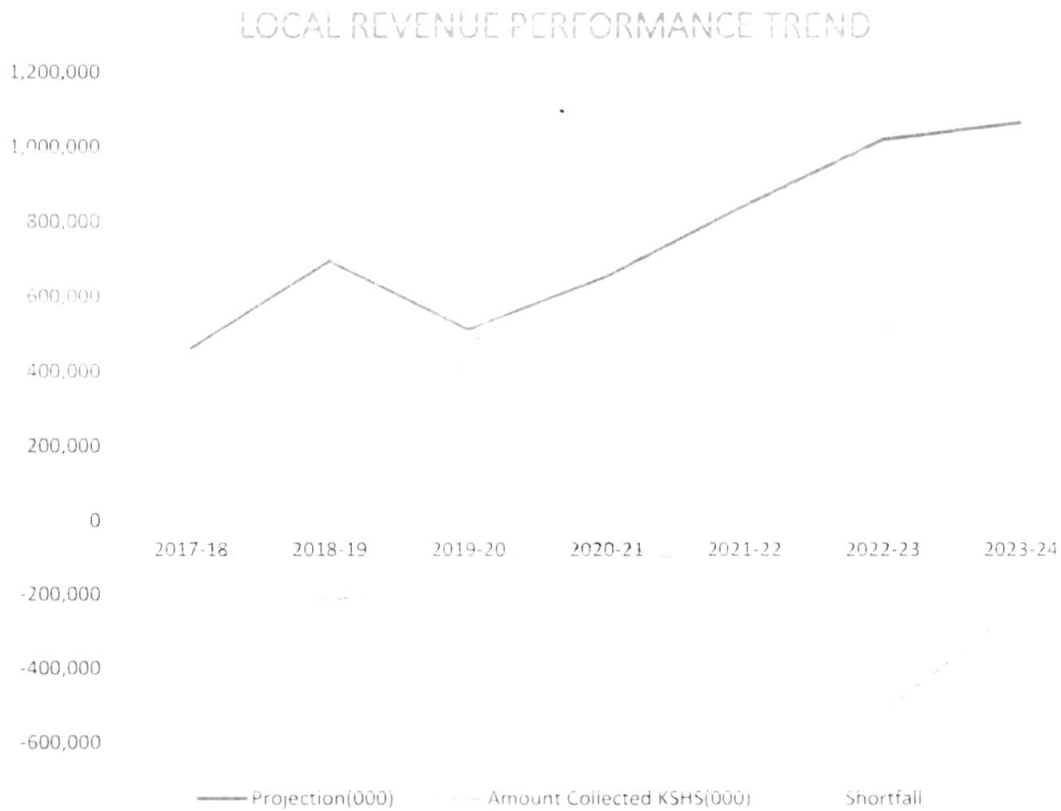


The local revenue collections performance over the years is as shown below.

Year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Projection(000)</b>	461,211	694,819	512,294	654,058	842,386	1,019,388	1,065,456
<b>Amount Collected KSHS(000)</b>	415,612	473,694	394,054	595,977	693,663	501,291	834,758
<b>Shortfall</b>	(45,599)	(221,125)	(118,240)	(58,081)	(148,723)	(518,097)	(230,698)

**Receiver Of Revenue**  
**County Government Of Kericho**  
**Revenue Statements for the Year Ended 30<sup>th</sup> June 2024**

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**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.

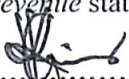
The Receiver of Revenue is responsible for the preparation and presentation of the receiver of revenue account, which gives a true and fair view of the state of affairs of the receiver of revenue for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining 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 county government of Kericho receiver of revenue’s statement of assets and liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the receiver of revenue account as well as the adequacy of the systems of internal financial control.

The Receiver of Revenue confirms that the County Government of Kericho receiver of revenue 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 26-11-2024

  
.....  
Name : CPA George Kirer  
County Receiver of Revenue

# REPUBLIC OF KENYA

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



*Enhancing Accountability*

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

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

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### **PREAMBLE**

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the 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 Kericho set out on pages 1 to 17, which comprise the statement of

financial assets and liabilities and statement of arrears of revenue as at 30 June, 2024 and the 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 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 Kericho as at 30 June, 2024 and of its financial performance for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Inaccuracies in the Revenue Statements**

#### **1.1 Variance of the Budget Utilization Difference**

The statement of comparison of budget and actual amounts reflects receipts budget and actual collections of Kshs.1,066,426,600 and Kshs.834,758,771 respectively. The statements however show the budget utilization difference of Kshs.224,198,812 instead of Kshs.231,667,829 resulting to an unexplained and unreconciled variance of Kshs.7,469,017.

In the circumstances, the accuracy of the budget utilization difference of Kshs.224,198,812 could not be confirmed.

#### **1.2 Inaccuracy of the Statement of Arrears of Revenue**

The statement of arrears of revenue reflects land rates arrears amounting to Kshs.177,259,920 at the end of the year. However, the land rates had an opening arrears balance of Kshs.158,607,957, additional arrears outstanding during the year were Kshs.18,828,801 and receipts from the account were totalling to Kshs.5,671,427 resulting to outstanding balance of Kshs.171,765,331. The excess reported arrears amount of Kshs.5,494,589 was not explained.

In the circumstances, the accuracy and completeness of the land rates arrears amount of Kshs.177,259,920 could not be confirmed.

### **2. Unsupported Long Outstanding Land Rates and Property Rates Arrears**

The statement of comparison of budget versus actual amounts for the year ended 30 June, 2024 reflects land rates revenue target of an amount of Kshs.214,071,600 and actual on comparable basis of Kshs.110,759,375.45 resulting to uncollected land rates of Kshs.103,312,225 or 48 % of the targeted revenue. Review of the statement of arrears of revenue, item 10 in the revenue statements revealed accumulated land rates and

property rates arrears amounting to Kshs.171,765,331 and Kshs.9,593,400, respectively, totalling to Kshs.181,358,731. The outstanding rates were not supported with control ledger. In addition, the County did not maintain an updated valuation roll or land register thus making it difficult to identify all the chargeable property, the rates charged per year and any adjustments that were made.

In the circumstances, the accuracy, regularity, completeness and fair statement of outstanding land rates could not be confirmed.

### **3. Failure to Map Revenue Sources**

The statement of receipts and disbursements reflects total County own source revenue of Kshs.834,758,771 which includes an amount of Kshs.161,206,632, Kshs.110,759,375 and Kshs.10,344,723 in respect of single business permit, land rates and property rent as disclosed in Note 3, 2 and 4 to the financial statements. Review of supporting documents in respect to own generated receipts for the three revenue streams revealed that the County Government did not maintain a register of land rates, property rents and licenses and only updated them when traders and individuals presented themselves for renewal or application of the permits and payments.

In the circumstances the accuracy and completeness of the own source revenue of an amount of Kshs.834,758,771 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Government of Kericho-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.

### **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 I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness, Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not provided satisfactory reasons for the delay in resolving the issues.

## **Other Information**

The Management is responsible for the other information set out on page ii to ix which comprise of Key Entity Information and Management, Forward 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 financial statements and my audit report thereon.

In connection with my audit on Receiver of Revenue - County Government of Kericho revenue 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 THE USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

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

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

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **1. Inadequate Internal Control Environment in Accounting for Own Generated Revenues**

Internal audit report on own generated revenue referenced covering the period between 1 July, 2020 to 30 June, 2023, revealed instances of forged single business permits, functional businesses operating without single business permits, multiple trades using single business permits, improper management of stalls and bus parks, unutilised bus parks and market stalls, incomplete land register/roll, unaccounted for cash, inconsistent remittance of house rents deducted and absences of Point of Sale machine registers.

In the circumstances, the adequacy of the internal control environment relating to the accounting of own generated revenue was doubtful.

### **2. Manual Revenue Collection System**

The County Government of Kericho entered into contract agreement on 18 February, 2016 with a local bank to implement electronic revenue collection and management system within the County. The bank was to supply the software and hardware components alongside providing banking services for revenue collected. The County Government committed to paying the bank for services offered such amount as shall constitute 4.5% of the revenue collected. However, for the purposes of revenue collection and administration, the bank entered into an agreement with a vendor to provide the software and hardware components required to execute the revenue collection and management system and the bank to provide banking services.

Further, the system operation ceased on 28 November, 2023 due to lapsed contract and the County Government delay in making payment to the service provider who was also facing subscription deadline from the hosting service provider. Due to non-availability of the service to the County Government by the provider, the County Government reverted to manual revenue collection system. Manual revenue collection system however lacked sufficient audit trail due to lack of detailed records and controls. It was not possible to establish from the manual revenue collection system, the number of single business permits issued, functional businesses operating without business permits, number of market stalls and established bus parks with revenue details per location, land register/roll, house rent collected and outstanding.

In the circumstances, it could not be confirmed the adequacy of the manual revenue collection for accounting for own generated revenue.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control 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 control, risk management and governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, 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 International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 financial statements.

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi


23 December, 2024


*Receiver Of Revenue  
County Government Of Kericho  
Revenue Statements for the Year Ended 30<sup>th</sup> June 2024*

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

	Note	2023-24	2022-23
		Kshs	Kshs
<b>County Own Source Revenue</b>			
Cess	1	18,568,151	7,465,662
Land Rate	2	110,759,375.45	92,673,207
Single/Business Permits	3	161,206,631.80	65,370,907
Property Rent	4	10,344,723	7,212,429
Vehicle Parking Fees	5	24,782,558	30,583,202
Market Fees	6	15,880,747	18,981,805
Advertising	7	10,851,542	19,192,163
Hospital Fees	8	471,822,259	219,603,767
Public Health Service Fees	9	1,113,995	4,027,100
Physical Planning and Development	10	1,574,406	7,752,520
Hire Of County Assets	11	110,000	300,000
Conservancy Administration	12	46,629	7,458,000
Administration Control Fees and Charges	13	5,587,329	13,492,485
Profits and Dividends	14	2,000,000	1,500,000
Library Services	15	110,425	-
Proceeds from Insurance Compensation	16	-	5,678,000
<b>Total County Own Source Revenue</b>		<b>834,758,771</b>	<b>501,291,247</b>
<b>Other Receipts</b>			
<b>Total Other Receipts</b>		-	-
<b>Total Receipts</b>		<b>834,758,771</b>	<b>501,291,247</b>
Balance b/f at the beginning of the year		24,089,226	69,298.57
<b>Disbursements To CRF</b>		(568,420,500)	(477,246,120)
Bank charges	17	(25,460)	(25,200.)
NHIF Rebates	20	(290,107,047)	-
<b>Balance Due for Disbursement</b>		<b>294,990.52</b>	<b>24,089,226</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 26-11-2024 2024 and signed by:

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

.....  
  
Name: Benard Kipkurui Koros  
Head of Revenue Reporting  
ICPAK M/No 18698

*Receiver Of Revenue  
County Government Of Kericho  
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	2023-24	2022-23
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances	18	294,990.52	24,089,226.12
Cash In Hand	19	-	-
<b>Total Financial Assets</b>		<b>294,990.52</b>	<b>24,089,226.12</b>
<b>Total Financial Assets</b>		<b>-</b>	<b>24,089,226.12</b>
<b>Financial Liabilities</b>			
Payables-Due to CRF	20	294,990.52	24,089,226.12
<b>Total Financial Liabilities</b>		<b>294,990.52</b>	<b>24,089,226.12</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 26-11 2024 and signed by:

.....  
Name: CPA George Kirer  
County Receiver of Revenue

ICPAK M/No :9499

.....  
Name: Benard Kipkurui Koros  
Head of Revenue Reporting

ICPAK M/No 18698

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

Receipt	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% Of Realization
	A	B	C=A+B	D	E=D-C	F=D/C %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>County Own Source Revenue</b>						
Cess	14,350,000	-	14,350,000	18,568,151	4,218,151	129.39%
Land Rate	214,071,600	-	214,071,600	110,759,375.45	(103,312,225)	51.74%
Single Business Permits	146,850,000	-	146,850,000	161,206,631.80	14,356,631.80	109.78%
House Rent	15,000,000	-	15,000,000	10,344,723	(4,655,277)	68.96%
Vehicle Parking Fees	48,500,000	-	48,500,000	24,782,558	(23,717,442)	51.10%
Market Fees	34,000,000	-	34,000,000	15,880,747	(18,119,178)	46.71%
Advertising	20,000,000	-	20,000,000	10,851,542	(9,148,458)	54.26%
Hospital Fees	239,059,086	-	239,059,086	181,715,212	(57,343,874)	76.01%
Public Health Service Fees	5,000,000	-	5,000,000	1,113,995	(3,886,005)	22.28%
Physical Planning and Development	16,000,000	-	16,000,000	1,574,406	(14,425,594)	9.84%
Hire Of County Assets	500,000	-	500,000	110,000	(109,925)	22.09%
Conservancy Administration	50,000	-	50,000	46,629	(3,371)	93.26%
Administration Control Fees and Charges	10,750,000	-	10,750,000	5,587,329	(5,162,671)	51.98%
Profits and Dividends	5,000,000	-	5,000,000	2,000,000	(3,000,000)	40%
Library Services				110,425	110,425	100%
<b>Total County Own Source Revenue</b>						
<b>Other Receipts</b>						
NHIF Rebates	297,295,914	-	297,295,914	290,107,047		97.58 %

*Receiver Of Revenue  
County Government Of Kericho  
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<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=D-C</b>	<b>F=D/C %</b>
<b>Total Other Receipts</b>	-	-	-	-		
<b>Total Receipts</b>	1,066,426,600		1,066,426,600	834,758,771	(-224,198,812 )	78.28%

**(a) Cess**

*During the financial year, County partnered with contractors who were engaged in County road construction in paying 2% murram cess on the value of the contract and this contributed in the increase*

**(b) Single Business Permit**

*The Ove realization are attributed to unified invoicing with other streams of revenue which led to single pay and collection being posted single business permit streams*

**(c) Landrates**

*Most rates payers did not honour the issued demand notes.*

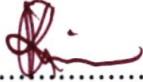
**(d) Public Health Service Fees**

*Some of the collection was remitted to hospital collection.*

*Receiver Of Revenue  
County Government Of Kericho  
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The County Receiver of revenue's financial statements were approved on 26-11- 2024 and signed by:



.....  
**Name: CPA George Kirer**  
**County Receiver of Revenue**  
**ICPAK M/No 9499**



.....  
**Name: Benard Kipkurui Koros**  
**Head of Revenue Reporting**  
**ICPAK M/No 18698**

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

<b>Classification Of Receipts</b>	<b>Balance as at The beginning of the current year (1<sup>st</sup> July 2023) A</b>	<b>Arrears received during the year. B</b>	<b>Additions in arrears for the current year to June 30, 2024 C</b>	<b>Total arrears as at 30 June 20xx D=A+(B)+C</b>	<b>Measures taken to recover the arrears</b>	<b>Assessment to the recoverability of arrears</b>
Land rate	158,607,957	5,671,427	18,828,801	177,259,920	Demand note issued	Ongoing
House Rent	9,535,100	-	58,300	9,593,400	Closing of stalls	Ongoing
<b>Total Arrears</b>	<b><u>168143057</u></b>	<b><u>5,671,427</u></b>	<b><u>18,887,101</u></b>	<b><u>186,853,320</u></b>		

.....  
 Name: CPA George Kirer  
 County Receiver of Revenue

ICPAK M/No 9499

.....  
 Name: Benard Kipkurui Koros  
 Head of Revenue Reporting

ICPAK M/No 18698

*An ageing analysis of revenue in arrears has been shown on note 23 of these financial statements.*

## **11. Significant Accounting Policies**

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

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

The revenue statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and relevant legal framework of the County Government of Kericho. 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 28/06/2023 for the period 1st July 2023 to 30 June 2024 as required by law. There were 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.

**7. Comparative Figures**

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

**8. Subsequent Events**

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

*Receiver Of Revenue  
County Government Of Kericho  
Revenue Statements for the Year Ended 30<sup>th</sup> June 2024*

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**12. Notes to the Financial Statements**

**1. Cess**

<b>Description</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>Kshs</b>	<b>Kshs</b>
Cess	18,568,151	7,465,662
<b>Total</b>	<b>18,568,151</b>	<b>7,465,662</b>

There was more than double increase due to increased enforcement for murram cess whereby county contractors working on county roads were required to pay 2% of the contract sum.

**2. Land rates**

<b>Description</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>Kshs</b>	<b>Kshs</b>
Land rates	110,759,375.45	92,673,207.30
<b>Total</b>	<b>110,759,375.45</b>	<b>92,673,207.30</b>

There was a 19.52% increase due to enhance enforcement on collection of arrears

**3. Single /Business Permits**

<b>Description</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>Kshs</b>	<b>Kshs</b>
Business permit application fees	161,206,631.80	65,370,907
<b>Total</b>	<b>161,206,631.80</b>	<b>65,370,907</b>

The 146.60% increase is due to single issuance of permit to the payer for several streams of revenue listed in the invoice

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Notes to the Financial Statements (continued)

4. Property Rent

Description	2023-24	2022-23
	Kshs	Kshs
Stalls/kiosks rent	10,344,723	7,212,429
<b>Total</b>	<b>10,344,723</b>	<b>7,212,429</b>

The 43.43% increase can be attributed to enhance enforcement during the year.

5. Vehicle Parking Fees

Description	2023-24	2022-23
	Kshs	Kshs
Street parking fees	24,782,558	30,582,302
<b>Total</b>	<b>24,782,558</b>	<b>30,582,302</b>

The decline of 18.96% is associated with restructuring of vehicle parking during the year by relocating them for pick and drop at main stage whereby some operators were against the arrangement hence avoided paying the monthly sticker during the period.

6. Market Fees

Description	2023-24	2022-23
	Kshs	Kshs
Market entry fees	15,880,747	18,981,805
<b>Total</b>	<b>15,880,747</b>	<b>18,981,805</b>

7. Advertising

Descriptions	2023-24	2022-23
	Kshs	Kshs
Branding	10,851,542	19,192,163
<b>Total</b>	<b>10,851,542</b>	<b>19,192,163</b>

*Receiver Of Revenue  
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Revenue Statements for the Year Ended 30<sup>th</sup> June 2024*

**8. Hospital Fees**

<b>Description</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>Kshs</b>	<b>Kshs</b>
Hospitals	181,715,212	219,603,767
NHIF Rebates	290,107,047	-
<b>Total</b>	<b>471,822,259</b>	<b>219,603,767</b>

The prolong doctors strike at the month of March to May contributed to the drop in hospital collection.

**9. Public Health Service Fees**

<b>Description</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>Kshs</b>	<b>Kshs</b>
Inspection of buildings/premises/Institutions	1,113,995	4,027,100
<b>Total</b>	<b>1,113,995</b>	<b>4,027,100</b>

**10. Physical Planning and Development**

<b>Description</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>Kshs</b>	<b>Kshs</b>
Sale of County planning documents	1,574,406	7,752,520
<b>Total</b>	<b>1,574,406</b>	<b>7,752,520</b>

**11. Hire Of County Assets**

<b>Description</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>Kshs</b>	<b>Kshs</b>
Hired Mechanisation Services	110,000	300,000
<b>Total</b>	<b>110,000</b>	<b>300,000</b>

**12. Conservancy Administration**

<b>Description</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>Kshs</b>	<b>Kshs</b>
Refuse disposal fees	46,629	7,458,000
<b>Total</b>	<b>46,629</b>	<b>7,458,000</b>

*Receiver Of Revenue  
County Government Of Kericho  
Revenue Statements for the Year Ended 30<sup>th</sup> June 2024*

**13. Administration Control Fees and Charges**

<b>Description</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>Kshs</b>	<b>Kshs</b>
Administration control Fees and Charges	5,587,329	13,447,485
<b>Total</b>	<b>5,587,329</b>	<b>13,447,485</b>

This includes transferred amount of ksh 4,920,000 from alcoholic drinks.

**14. Profits and Dividends.**

	<b>2023-24</b>	<b>2022-23</b>
	<b>Kshs</b>	<b>Kshs</b>
Receipts from Kabianga Tea Farm	2,000,000	1,500,000
<b>Total</b>	<b>2,000,000</b>	<b>1,500,000</b>

This a collection received from Kabianga Tea farm which is a County own entity.

**15. Library Services**

	<b>2023-24</b>	<b>2022-23</b>
	<b>Kshs</b>	<b>Kshs</b>
Library Services	110,425	-
<b>Total</b>	<b>110,425</b>	

County took over from national government the management Kericho library from 1<sup>st</sup> July 2023.

**16. Proceeds from Insurance Compensation**

<b>Description</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>Kshs</b>	<b>Kshs</b>
Insurance Compensation	-	5,678,000
<b>Total</b>		<b>5,678,000</b>

**17. Bank Charges**

<b>Description</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank Charges & commissions	25,460	25,200
<b>Total</b>	<b>25,460</b>	<b>25,200</b>

*Receiver Of Revenue  
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**18. Bank Balances**

Name of Bank, Account No. & currency	Amount	Exc. rate (if in foreign currency)	2023-24	2022-23
			Kshs	Kshs
KCB, Kericho County Revenue Collection, Account No. 1140754297 (Ksh)			294,990.52	24,089,226.12
<b>Total</b>			<b>294,990.52</b>	<b>24,089,226.12</b>

The balance above relates to Cashbook Balances.

**18. (a) Balance carried forward as at 30th June 2024 and subsequently transferred**

Ref	Amount (Kshs)	Date subsequently transferred
Disbursement 1	15,541,000	1 <sup>st</sup> July 2024
Disbursement 2	294,990.52	8 <sup>th</sup> July 2024
<b>Total</b>	<b>15,835,990</b>	

*Receiver Of Revenue  
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**19. Cash in hand**

<b>Description</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>Kshs</b>	<b>Kshs</b>
Mobile Money	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**20. Payables- Due To CRF**

<b>Payables</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>Kshs</b>	<b>Kshs</b>
Balance b/f at the beginning of the year	24,089,226.12	69,298.57
Amount collected during the year	834,758,771	501,291,247.80
NHIF Rebates	(290,107,047)	-
Amounts disbursed to CRF during the year	(568,420,500)	(477,246,120.00)
Bank Charges	(25,460)	(25,200)
<b>Balance c/d at the end of the year</b>	<b>294,990.12</b>	<b>24,089,226.12</b>

21. Ageing Analysis of Revenue in Arrears

Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Land rate	438,764	1,512,575	1,888,714	173,419,867	177,259,920
Property rent	784,900	515,500	573,300	7,719,700	9,593,400
<b>Total (agree to statement of arrears)</b>	<b>1,223,664</b>	<b>2,028,075</b>	<b>2,462,014</b>	<b>181,139,567</b>	<b>186,853,320</b>

13. Appendices

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

S/No	Name of person / organisation benefitting from waiver/ variation	Year in which waiver/ variation relates	Amount of variation/ waiver (fee or charge)	Reasons for waiver/ variation	The law in terms of which the variation/waiver was granted

(PFM ACT section 165 subsection 4, 5)



-----  
 Sign and date  
 Accounting Officer


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

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


Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Failure to Maintain Cash book	It was prepared	Resolved	By end of each financial year.
2	Failure to Map Revenue Sources	Partially done	Not Resolved	Continuous

**Guidance Notes:**

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

  
 .....

Name: CPA George Kirer  
 County Receiver of Revenue  
 ICPAK M/No 9499  
 Date .....26-11-2024.....

  
 .....

Name: Benard Kipkurui Koros  
 Head of Revenue Reporting  
 ICPAK M/No 18698  
 Date: ...26-11-2024.....