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REPORT

OF

THE AUDITOR-GENERAL

ON

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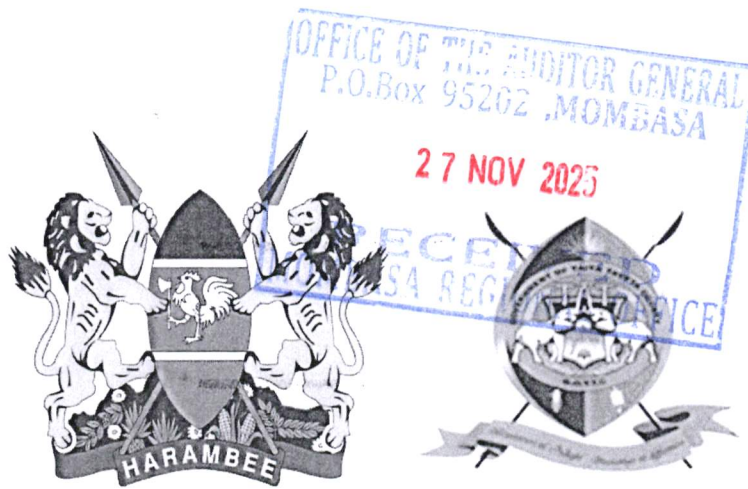
RECEIVER OF REVENUE - REVENUE STATEMENTS

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF TAITA TAVETA

73

Revised 30th June 2025



RECEIVER OF REVENUE
COUNTY GOVERNMENT OF TAITA TAVETA
REVENUE STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

**Transitional IPSAS Financial Statements under the International Public Sector Accounting
Standards (IPSAS)**

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

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

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

1. Acronyms and Definition of Key Terms

a) Acronyms

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

b) Key terms

Comparative FY Comparative Prior Financial Year

Fiduciary Management The key management personnel who had financial responsibility.

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

2. Key Entity Information and Management

(a) Background information

The receiver of revenue is under the Department of Finance and Planning. At the County Executive Committee level, the receiver of revenue is represented by the County Executive committee member for Finance and Planning, who is responsible for the general policy and strategic direction of the receiver of revenue. The receiver of revenue is designated as a receiver 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 Taita Taveta day-to-day management of revenue is under the following:

No.	Designation	Name
1.	CECM Finance and Economic Planning	CPA Elijah Mwazo
2.	Accounting Officer in charge of Finance	CPA Fredrick Nganga
3.	Accounting Officer in charge of Planning & Mobilization	CPA Laban Mbelenga Kinyai
4.	Director Accounting Services	CPA Joyce Kambe Mwachia
5.	Director Revenue Services	CPA Nancy Mwacharo

(d) County Headquarters

Office of the Governor
Mwatate Town, Off Voi – Taveta Highway,
P.O. Box 106680304
Wundanyi, Kenya

(e) County Executive Contacts

Telephone: 0788186436/0718988717
Email: info@taitataveta.go.ke
Website: www.taitataveta.go.ke

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

Key Entity information and Management (continued)

(f) County Bankers

1. Central Bank of Kenya

Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA

2. Other Commercial Banks

Kenya Commercial Bank

Wundanyi Branch
Along Posta Road
P.O. Box 1067-80304
WUNDANYI, KENYA

Equity Bank

Voi Branch
Along Posta Road
P.O. Box 1067-80304
WUNDANYI, KENYA

Co-op Bank

Voi Branch
Along Posta Road
P.O. Box 1067-80304
WUNDANYI, KENYA

DTB Bank

Voi Branch
Along Posta Road
P.O. Box 1067-80304
WUNDANYI, KENYA

(g) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
NAIROBI, KENYA

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

(h) Principal Legal Adviser

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

(i) County Attorney

The County Attorney General
Office of the Governor
Mwatate Town, Off Voi – Taveta Highway,
P.O. Box 106680304
Wundanyi, Kenya

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

3. Foreword By the CECM Finance and Economic Planning

It is my pleasure to present the County Government of Taita Taveta Revenue statements for the year ended 30th June 2025. The statements have been prepared in accordance with the provisions of the Public Financial Management Act, 2012 cap 165 which requires a receiver of revenue to prepare annual Receiver of Revenue statements at the end of each financial year. The financial statements present the financial performance of the County Government over the past 12 months.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments, Taita Taveta included. Functions and powers exercised by County Executive of Taita Taveta are as articulated in section 5 and 6 of the County Government Act 2012 respectively.

Financing of the County Governments

The County has been putting in efforts to increase its own source revenue over the last few years. In the year under review, the County collected **Kshs 544,488,942** from key revenue streams. This was against a target of **Kshs 850,000,000**.

The key local revenue sources include; Single Business Permits, Market fees, Agricultural Produce Cess, Hospital cost sharing fees, Sand cess, Land rates, Development plan approvals, Advertising fees, and various other administrative charges.

The County has always continued to explore new and innovative ways of increasing its local revenue collections.

FINANCIAL PERFORMANCE

I. Budget Performance Against Actual Amounts

a) Revenue

In the year ended 30th June 2025, the County had total projected revenues of **KShs 850,000,000** consisting of Own source revenue of **Kshs 600,000,000** and Facility Improvement Fund of **Kshs 250,000,000**.

Key local revenue Source such as; Single Business Permits, Market fees, Agricultural Produce Cess, Hospital cost sharing fees, Sand Cess, Land rates, Development plan approvals, Advertising fees, and various other administrative charges.

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

A graphical representation of the revenue budget is as shown below:

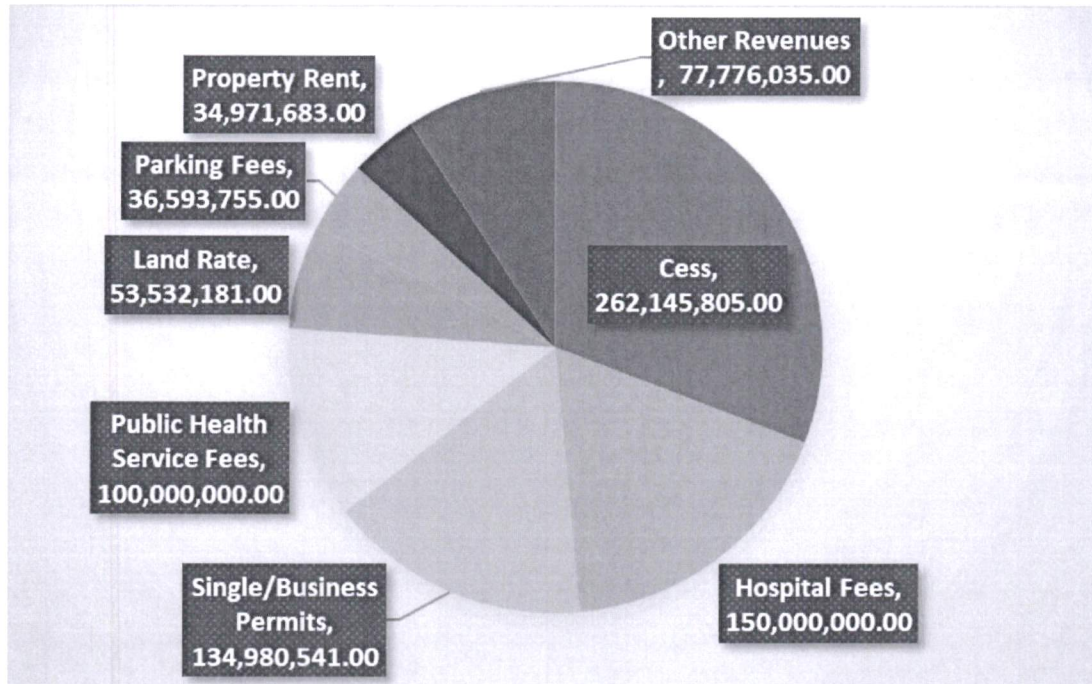


Figure 1: Taita Taveta County revenue sources in FY 2023/2024

Out of the projected revenue of Kshs **850,000,000** the County was able to realize KShs **544,488,942** in actual revenues, representing **64%** performance. Kshs **318,639,000** was disbursed to CRF Account while Kshs **229,395,968** was Disbursed to the Facility Improvement fund (FIF) & Level 4 Hospitals. This performance was as a result of 55% realization of the Cess Revenue i.e. (Agricultural Cess, Sand Cess Mining Cess), 50% from Single Business Permits, 97% from Hospital Revenues, 85% from Public Health Service Fees amongst other revenues as depicted in the table.

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

The table below shows an analysis of revenue performance during the year ended 30th June 2025.

Revenue Classification	Revenue Budget (KShs)	Actual (KShs)	Realisation (%)
Cess	262,145,805	145,209,406	55%
Land Rate	53,532,181	26,595,111	50%
Single/Business Permits	134,980,541	67,444,626	50%
Property Rent	34,971,683	17,714,632	51%
Parking Fees	36,593,755	18,842,222	51%
Market Fees	23,512,500	11,676,537	50%
Advertising	12,296,108	6,241,389	51%
Hospital Fees	150,000,000	144,827,658	97%
Public Health Service Fees	100,000,000	84,644,260	85%
Physical Planning and Development	12,801,174	6,808,964	53%
Hire of County Assets	2,126,561	1,078,608	51%
Conservancy Administration	5,646,872	2,821,448	50%
Administration Control Fees and Charges	12,598,246	5,301,760	42%
Other Fines, Penalties, and Forfeiture Fees	3,079,144	1,366,388	44%
Miscellaneous Receipts	5,715,430	3,915,934	69%
Total County Own Source Revenue	850,000,000	544,488,942	64%

Table 1: Revenue performance in FY 2024/2025

I take this earliest opportunity to thank H.E. the Governor and the Deputy Governor for their support. I would also want to thank my colleagues, the County Executive Committee Members in charge of other departments who we have worked hand in hand to ensure that Taita Taveta County achieves its mission.

I thank all staff in the Department of Finance and Planning, and especially Revenue directorate amidst many challenges, they have continued to show commitment and dedication through hard work in delivering their mandate to the people of Taita Taveta County.

CPA ELIJAH MWAZIGHE MWAZO
CECM FINANCE AND ECONOMIC PLANNING
COUNTY GOVERNMENT OF TAITA TAVETA

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

4. Management Discussion and Analysis

The County Government gets its financing from the Equitable share from National Government, Conditional grants from Donors & Development Partners and its own Source Revenue collected from various revenue streams. Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

The County also finances its operations through Own Source revenues. These are revenues collected within the County. The key local revenue sources for Taita Taveta County included Single Business Permits, Market fees, Agricultural Produce Cess, Hospital cost sharing fees, Sand Cess, Land rates, Development plan approvals, Advertising fees, and various other administrative charges.

FINANCIAL PERFORMANCE

Revenue Budget Performance Against Actual Amounts

a) Revenue

In the year ended 30th June 2025, the County had total projected revenues of **KShs 850,000,000** consisting of Own source revenue of **KShs 650,000,000** and Facility Improvement Fund of **KShs 250,000,000**.

Key local revenue Source such as; Single Business Permits, Market fees, Agricultural Produce Cess, Hospital cost sharing fees, Sand Cess, Land rates, Development plan approvals, Advertising fees, and various other administrative charges.

A graphical representation of the **revenue budget** is as shown below:

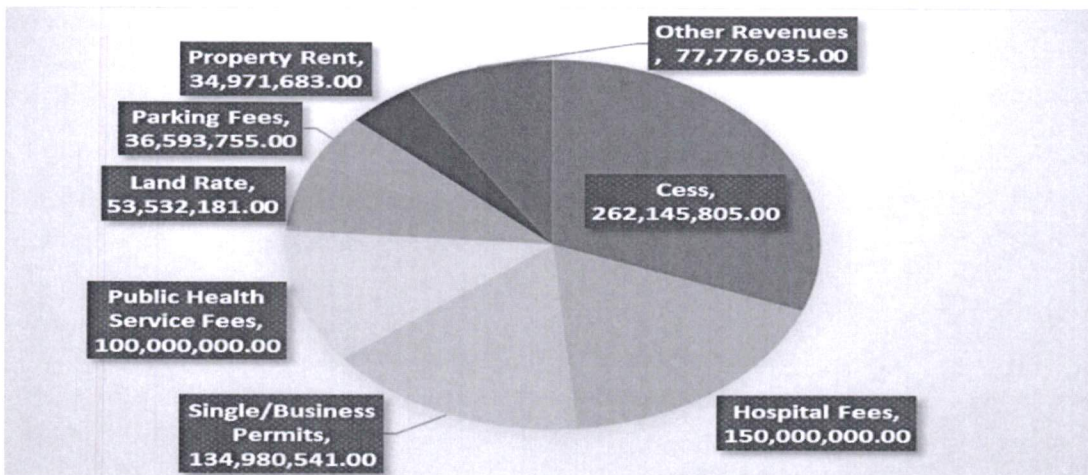


Figure 1: Taita Taveta County revenue sources in FY 2023/2024

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

Out of the projected revenue of Kshs **850,000,000** the County was able to realize KShs **544,488,942** in actual revenues, representing **64%** performance. Kshs **318,639,000** was disbursed to CRF Account while Kshs **229,395,968** was Disbursed to the Facility Improvement fund (FIF) and Level 4 Hospitals. This performance was as a result of 55% realization of the Cess Revenue i.e. (Agricultural Cess, Sand Cess Mining Cess), 50% from Single Business Permits, 97% from Hospital Revenues, 85% from Public Health Service Fees amongst other revenues.

The graph below shows an analysis of revenue performance over the past five years.

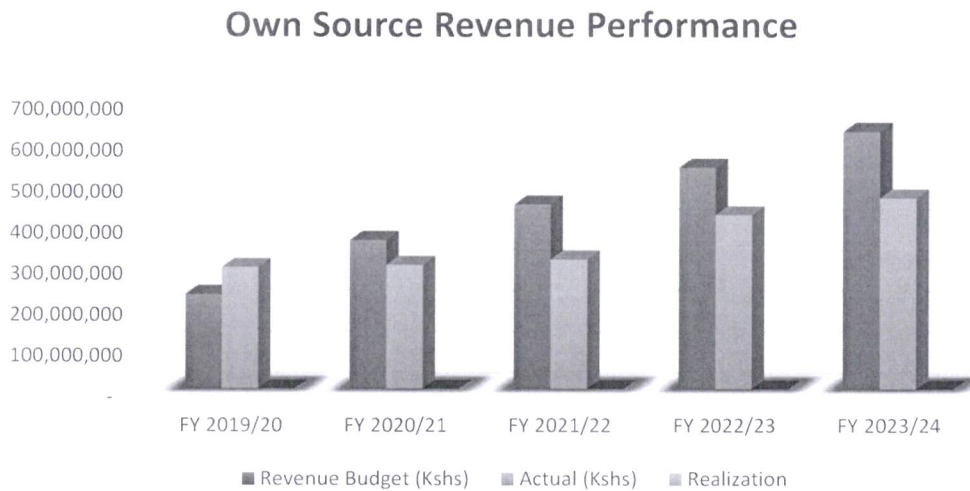


Figure 2: Taita Taveta County revenue sources in FY 2024/2025

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

5. Statement of the Receiver of Revenue's responsibilities

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

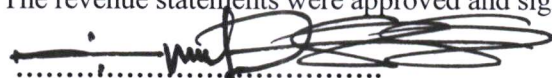
The Receiver of Revenue is responsible for the preparation and presentation of the Receiver of Revenue account, which gives a true and fair view of the state of affairs of the Receiver of Revenue for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,(ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the statement of assets and liabilities of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Receiver of Revenue in charge accepts responsibility for the entity's receiver of revenue accounts, which have been prepared on the Accrual Basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and the relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the entity's receiver of revenue account gives a true and fair view of the state of the entity's receiver of revenue transactions during the financial year ended June 30, 20xx, and of the entity's statement of assets and liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the Receiver of Revenue account as well as the adequacy of the systems of internal financial control.

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

Approval of the Revenue Statements

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



.....
Name: CPA Laban Mbelenga Kinyai
County Receiver of Revenue

REPUBLIC OF KENYA

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E-mail: 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, 2025 - COUNTY GOVERNMENT OF TAITA TAVETA

PREAMBLE

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

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

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

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

REPORT ON THE REVENUE STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS revenue statements of Receiver of Revenue - County Government of Taita Taveta set out on pages 1 to 25, which comprise of the statement of financial position as at 30 June, 2025 and the statement of revenue and disbursements, statement of cash flows and statement of comparison

of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS revenue statements present fairly, in all material respects, the financial position of Receiver of Revenue - County Government of Taita Taveta as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the County Governments Act, 2012, Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Unsupported Opening Balance on Receivables from Non-Exchange Transactions

The statement of financial position reflects receivables from non-exchange transactions opening balance of Kshs.17,299,000. However, a schedule in support of the opening statement balance was not reconciled with the underlying records.

In the circumstances, the accuracy and completeness of the receivables from non-exchange transactions opening balance of Kshs.17,299,000 as at 30 June, 2025 could not be confirmed.

2. Unconfirmed Receipts- Disbursements to Another County Fund

The statement of revenue and disbursements and as disclosed in Note 25 to the revenue statements reflect revenue disbursements to another County Fund of Kshs.229,395,968. Included in the disbursements is an amount of Kshs.144,724,208 remitted to Level 4 Hospitals. However, the respective revenue statements for the Hospitals did not disclose receipt of the amounts as shown below resulting in a variance of Kshs.66,764,327. Further, bank statements and cash books from the respective entities were not provided as evidence of receipts from the Sub-County revenue account.

Hospital	ROR Financial	Facility revenue	Variance
Moi Hospital	79,393,896	77,959,881	1,434,015
Mwatate Hospital	15,044,529	-	15,044,529
Taveta Hospital	40,472,772	-	40,472,772
Wesu Hospital	9,813,011	-	9,813,011
Total	144,724,208	77,959,881	66,764,327

In the circumstances, the accuracy and completeness of the revenue disbursement to another County Fund of Kshs.144,723,842 could not be confirmed.

3. Discrepancy Between POS Device Check-Ins and Banking's

The statement of revenue and disbursements reflects total revenue of Kshs.544,488,942. Review of the Revenue Management System POS receipts revealed that an amount of Kshs.795,309 was receipted from the POS. However, analysis of the receipts collected from the POS devices and bank statements revealed that the receipts could not be traced to the bank statements. It was noted that the system had various narrations such as various parking, various market and various cess as reference numbers, lacking a linkage mechanism to reconcile single device check-in activities with actual receipting.

Further, all payments made through mobile money transfers were manually accounted for using a collection control sheet which were then collectively remitted to the mobile money transfer County revenue accounts. This made it impossible to verify whether all collections made through POS devices were remitted to the County revenue accounts.

In the circumstances, the accuracy and completeness total revenue of Kshs.544,488,942 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts final budgeted total receipts and actual on comparable basis of Kshs.850,000,000 and Kshs.544,488,942 resulting in underperformance of Kshs.305,511,058 or 36% of the budget.

The revenue underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Taita Taveta County.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Issues

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public

Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the County in 2024/2025 revealed that the following nine (9) issues remained unresolved as at 30 June, 2025:

No.	Financial Year	Audit Issue
1.	2023/2024	Cash and Cash Equivalents
2.	2023/2024	Unsupported MPesa Balances
3.	2023/2024	Failure to Collect Single Business Permit from Miners
4.	2023/2024	Unsupported Revenue Disbursed to Facilities Improvement Fund (FIF)
5.	2023/2024	Failure to Collect Advertising Fees
6.	2023/2024	Under-Collection Cess Revenue
7.	2023/2024	Unauthorized Transfer of Revenue Collection Rights
8.	2023/2024	Budgetary Control and Performance
9.	2023/2024	Unauthorized Transfer of Assets
10.	2023/2024	Inadequate Internal Controls at Maungu Lorry Parking Site.

Other Information

The Management is responsible for the Other Information set out on page iv to xii which comprise of Key Entity Information and Management, Foreword by the County Executive Committee Member (CECM) Finance and Economic Planning, Management Discussion and Analysis and the Statement of the Receiver of Revenue responsibilities. The Other Information does not include the revenue statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Outdated Valuation Roll

The statement of revenue and disbursement reflects Kshs.26,595,111 in respect of land rates as disclosed in Note 7 to the revenue statements. However, the valuation roll, or ratable property land register used by the County Government provided was for the period 2006 which is outdated. This was contrary to Section 3 valuation for rating Act (Cap 266) which requires a Local Authority to prepare a valuation roll from time to time at least once in every ten years.

In the circumstances, Management was in breach of the law

2. Lack of an Approved Policy on the Entity's Website

Review of system controls established that the County Government Website is not fully compliant with the provisions of the Data Protection Act, 2019, particularly with respect to the requirement for transparency and accountability in the collection and processing of personal data. Users are not adequately informed of how their personal information is being collected, processed, stored, or shared, thereby creating significant transparency and trust gaps.

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

3. Lack of Formal Engagement Agreements with the Developer of E-Pay Revenue System

Review of contractual documents established that County Executive had not entered into a formal escrow agreement with the vendor/developer of the County Integrated Revenue Management System. The County Government does not hold independent rights or secured access to the system source code, technical documentation, or key configuration details necessary for continued system maintenance and sustainability. Further, no documentation was provided demonstrating whether the contract had been formally extended or renewed beyond its expiry date, thereby leaving the vendor in continued control of critical system assets without a valid legal framework.

In the circumstances, Management is exposed to litigation in an event of disagreement with the vendor.

4. Weak Contract Management and Incomplete Implementation Revenue Management System

Review of procurement records established that the County Executive entered into a contract with a Company on 27 January, 2022 for the supply, implementation and maintenance of the County Integrated Revenue Management System. The contract was valued at Kshs.11,000,000 and was to run for a period of one hundred and twenty (120) calendar days, commencing from the date of signing and expiring on 1 February, 2022 and to be completed on 2 May, 2022. The contract scope provided for the implementation of (8) modules; Single Business Permit, Customer Service and Billing, Receipting, Accountable Documents, Property Rates, Hosing and Stalls, Reporting and Parking Module.

However, audit verification established that only five (5) modules were fully completed. The House and Stall Rent Module, was partially complete, while two (2) modules, Property Rates and Parking Module were not functional. Despite this, the contractor had already been paid an amount of Kshs.11,000,000 as per the contract agreement.

Further, audit review noted that there was no evidence of formal sign-off or acceptance documentation for the modules, nor confirmation of the system's operational functionalities.

In the circumstances, value for money has not been realized in the acquisition of the revenue management system.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Discontinuation of Data in Local Integrated Financial Operations Management Systems

Review of the revenue collection systems showed that property rents were being collected and accounted for in the Local Authority Integrated Financial Operations Management Systems (LAIFOMS) and not in County Integrated Revenue Management Information System (CIRMIS). As at the time of audit in October 2025, data was being manually transferred/updated into LAIFOMS from an excel workbook that was obtained from County Pro revenue collection and accounting system. In addition, it is not clear why the County Government used LAIFOMS for collection and accounting of revenue for property rent instead of making use of the property management module which is in CIRMIS.

In the circumstances, the existence of effective controls in the revenue collection system could not be confirmed.

2. Lack of an Approved Business Continuity and Disaster Recovery Plan

Review of internal controls revealed that the County Government had not developed, approved, or tested a Business Continuity or Disaster Recovery Plan for the Taita

Taveta County Integrated Revenue Management System. The absence of formal continuity and recovery frameworks heightens the risk of prolonged service outages, data loss, and reputational damage in the event of infrastructure failure, cyber incidents, or other disruptions.

In the circumstances, Management may be exposed to disruption of services to the residents of Taita Taveta in an event of a disaster.

3. Weak Contractual Management and Oversight over Maintenance of Integrated Revenue System

Review of contractual documents established that the County Government entered into a contract with a firm on 27 January, 2022 for the supply, implementation, and maintenance of the County Integrated Revenue Management System valued at Kshs.11,000,000. The contract period was 120 calendar days, commencing from the date of signing the contract and expiring on 2 May, 2022. The contract was extended twice, each for a two-year period on 5 May, 2022 and 5 May, 2024. Management explained that the extensions were to enable completion of the remaining modules. However, there was no justification or evidence of requests from the tenderer for the extensions. Further, there were no corresponding approvals detailing specific deliverables, milestones, user needs assessments, progress evaluations, or evidence-based justification outlining what had been completed and what remained outstanding.

In the circumstances, Management may not have effectively monitored performance against agreed deliverables.

4. Over-Reliance on the Vendor and Developer for the Support and Maintenance of the Revenue System

The audit established that the vendor and developer of the County Revenue Integrated Management system has full and unrestricted access to critical system components and system administrative functions. At the time of audit, the vendor was solely responsible for the end-to-end lifecycle of the system, encompassing system design, implementation, deployment, and ongoing support. This includes performing database administration, and code deployment activities in the live environments. This arrangement has resulted in an excessive concentration of control within the vendor who is currently working as the system developer and leading to inadequate segregation of duties between development, system administration, and operational functions of the Revenue system.

In the circumstances, the existence of effective controls in the revenue collection system could not be confirmed.

5. Lack of Change Management Framework, Documentation, and User Acceptance Procedures

Review internal controls in place showed that the County Executive had not developed a formal Change Management Policy or documented procedures to guide the review, approval, and implementation of system changes within the Taita Taveta County Integrated Revenue Management System. There was also no evidence of a designated Change Management Committee or equivalent governance structure responsible for assessing the technical, operational, and security implications of

proposed system changes. In addition, the County did not avail critical change management documentation, including authorized change approvals, change management registers, test scripts, or signed User Acceptance Testing (UAT) reports.

As a result, changes to the system, including enhancements, patches, and configurations, were implemented without structured evaluation, approval, or post-change review, and the audit could not confirm whether such changes were properly tested or formally accepted by end users prior to deployment.

In the circumstances, the change management process may be ineffective and Management may not make desired input before implementation.

6. Failure to Appoint a Data Protection Officer

Review of administrative records established that the County Government had not appointed a Data Protection Officer, despite the County Integrated Revenue Management System processing large volumes of sensitive personal data related to land transactions, property ownership, and citizen identity. There was also no evidence that contact details had been published or shared with the Data Commissioner.

In the circumstances, Management may be exposed to litigations by the aggrieved parties.

7. Excessive User Rights Assigned to Staff Without Revenue Administration Responsibilities

Review of user access controls in the Taita Taveta County Revenue Management System (CIRMS) revealed that multiple users designated under unrelated job titles such as Senior Sergeant, Cleaners, Support Staff, and Security Warden were assigned system roles of Revenue Collector or Billing Officer. These system roles provided access to sensitive financial and transactional modules, including receipting, billing, and revenue posting functions, which were critical in ensuring accuracy, completeness, and integrity of County revenue data. The assignment of such access to officers not formally designated as revenue personnel represented a significant control weakness in the management of system privileges. Management acknowledged that the listed officers, after their initial appointment, were redeployed as Revenue Clerks. However, due to the absence of approved Schemes of Service and career progression guidelines for Revenue Collectors and Enforcement Officers within the HRIS system, these officers were retained under unrelated cadres such as Senior Sergeant, Cleaner, Support Staff, and Security Warden.

In the circumstances, there is inadequate alignment between human resource records and system roles, resulting in weak segregation of duties and inappropriate assignment of access privileges, contrary to established information security and revenue management best practices.

8. Use of Personal Email Addresses in the County Revenue Management System

Review of user configurations within the Taita Taveta County Revenue Management System revealed that personal email addresses were used to capture employees'

unique identities. This practice is contrary to the Head of Public Service directive and undermines secure information handling practices. Moreover, it increases the risk of unauthorized access, data leakage, and loss of audit trail in cases where the user leaves public service.

In the circumstances, existence of effective controls on data could not be confirmed.

9. Exposure of the Revenue Management System

Review of the County Revenue Management System revealed that the system is accessed through an unsecured protocol. The use of the unsecured protocol exposes sensitive internal network information, including address details, that could be intercepted by unauthorized parties if accessed beyond the trusted internal network. Additionally, the system's address was not assigned an alias e.g., *taitatavetarevenuesystem.go.ke*, thereby directly revealing internal network configurations and increasing the risk of targeted cyberattacks or data interception.

In the circumstances, existence of effective information technology controls could not be confirmed.

10. Duplicate Receipt, Bill and Reference Numbers

Analysis of the revenue system revealed that the County's Revenue Management System contained multiple instances of duplicate entries for Receipt Number where Same receipt numbers were recorded more than once against different transactions. In addition, several bill numbers were linked to multiple receipts, indicating repeated billing for the same service or revenue item. Further, payment reference identifiers (e.g., Mpesa or bank transaction codes) were reused in separate transactions.

In the circumstances, the duplications indicate weak data validation controls within the system and irregular revenue posting practices, which may lead to inconsistent and unreliable financial records.

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the revenue statements , Management is responsible for assessing the Receiver of Revenue's ability to continue as a going concern, disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 December, 2025

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

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

	Note	FY 2024/25
		Kshs
Revenue from non-exchange transactions		
Cess	6	145,209,406
Land Rates	7	26,595,111
Single/Business Permits	8	67,444,626
Conservancy Administration	9	2,821,448
Administration Control Fees and Charges	10	5,301,760
Other Fines, Penalties, And Forfeiture Fees	11	1,366,388
Public Health Service Fees	12	84,644,260
Physical Planning and Development	13	6,808,964
Donations/Grants Not Received Through CRF	14	-
Total Revenue from non-exchange transactions		340,191,963
Revenue from exchange transactions		
Parking Fees	15	18,842,222
Market Fees	16	11,676,537
Property Rent	17	17,714,632
Advertising	18	6,241,389
Hospital Fees	19	144,827,658
Hire of County Assets	20	1,078,608
Sale of assets	21	-
Park Fees	22	-
Miscellaneous receipts	23	3,915,934
Total Revenue from exchange transactions		204,296,980
Total Revenues (a)		544,488,942
Disbursements		
Disbursements To CRF	24	318,639,000
Disbursements to another County Fund	25	229,395,968
Bank charges	26	234,261
Waivers and exemptions	27	-
Bad debts written off	28	-
Provision for bad debts	29	-
Total Disbursements and other charges (b)		548,269,229
Other gains/(losses)		
Gain/Loss on foreign exchange transactions	30	-
Increase/Decrease in Dues to County Revenue Fund		(3,780,287)

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



**Name: CPA Laban Mbelenga Kinyai
County Receiver of Revenue**



**Name: CPA Nancy Mwacharo
Director Revenue Services
ICPAK M/No: 25690**

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


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

	Note	FY 2024/25	Opening Statement 1 st July 2025
		Kshs	Kshs
Current Assets			
Cash and Cash Equivalents	31	1,742,532	7,185,802
Receivables from non-Exchange transactions	32	-	17,299,000
Receivables from Exchange transactions	33	-	436,000
Total Current Assets		1,742,532	24,920,802
Total Assets		1,742,532	24,920,802
Financial Liabilities			
Payables-Due to CRF	34	1,742,532	24,920,802
Revenue Received in Advance	35	-	-
Total Financial Liabilities		1,742,532	24,920,802

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 _____ 2025 and signed by:



Name: CPA Laban Mbelenga Kinyai
County Receiver of Revenue



Name: CPA Nancy Mwacharo
Director Revenue Services
ICPAK M/No: 25690

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

9. Statement of Cash Flows for the Year Ended 2025

	Note	FY 2024/25
		Kshs
Operating Activities		
Receipts		
Cess		145,209,406
Land Rate		26,595,111
Single/Business Permits		67,444,626
Conservancy Administration		2,821,448
Administration Control Fees and Charges		5,301,760
Other Fines, Penalties, And Forfeiture Fees		1,366,388
Public Health Service Fees		84,644,260
Physical Planning and Development		6,808,964
Donations/Grants Not Received Through CRF		-
Parking Fees		18,842,222
Market Fees		11,676,537
Property Rent		17,714,632
Advertising		6,241,389
Hospital Fees		144,827,658
Hire of County Assets		1,078,608
Sale of assets		-
Park Fees		-
Miscellaneous receipts		3,915,934
Total Receipts		544,488,942
Payments		
Disbursements To CRF		(318,639,000)
Disbursement to another County Fund (FIF)		(229,395,968)
Bank charges		(234,261)
Total Payments		(548,269,229)
Net Cash from operating Activities		(3,780,287)
Cash and Cash Equivalent as at 1 st July 2024	31	5,522,819
Cash and Cash Equivalent as at 30th June 25	31	1,742,532

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

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

Receipts	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% of Realization
	A	B	C=A+B	D	E=C-D	F=D/C %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
County Own Source Revenue						
Cess	172,145,805	90,000,000	262,145,805	145,209,406	116,936,399	55%
Land Rate	50,132,181	3,400,000	53,532,181	26,595,111	26,937,070	50%
Single/Business Permits	104,980,541	30,000,000	134,980,541	67,444,626	67,535,915	50%
Property Rent	34,971,683		34,971,683	17,714,632	17,257,051	51%
Parking Fees	37,593,755	(1,000,000)	36,593,755	18,842,222	17,751,533	51%
Market Fees	31,312,500	(7,800,000)	23,512,500	11,676,537	11,835,963	50%
Advertising	18,996,108	(6,700,000)	12,296,108	6,241,389	6,054,719	51%
Hospital Fees	150,000,000		150,000,000	144,724,210	5,275,790	96%
Public Health Service Fees	100,000,000	-	100,000,000	84,644,260	15,355,740	85%
Physical Planning and Development	6,801,174	6,000,000	12,801,174	6,808,964	5,992,210	53%
Hire of County Assets	2,426,561	(300,000)	2,126,561	1,078,608	1,047,953	51%
Conservancy Administration	9,246,872	(3,600,000)	5,646,872	2,821,448	2,825,424	50%
Administration Control Fees and Charges	12,598,246		12,598,246	5,301,760	7,296,486	42%
Proceeds from sale of assets	-		-		-	0%
Park Fees						0%
Other Fines, Penalties, and Forfeiture Fees	3,079,144		3,079,144	1,366,388	1,712,756	44%
Miscellaneous Receipts	15,715,430	(10,000,000)	5,715,430	3,915,934	1,799,496	69%
Total County Own Source Revenue	750,000,000	100,000,000	850,000,000	544,488,942	305,511,058	64%
Other Receipts						
Donations /Grants Not Received Through CRF						
Total Other Receipts	-	-	-	-	-	-
Total Receipts	750,000,000	100,000,000.00	850,000,000	544,488,942	305,511,058	64%

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

.....
Name: CPA Laban Mbelenga Kinyai
County Receiver of Revenue

.....
Name: CPA Nancy Mwacharo
Director Revenue Services
ICPAK M/No: 25690

11. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

The revenue statements ~~have~~ been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) Accrual Basis of Accounting and relevant legal framework of the County Government Taita Taveta. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), and the entity has taken advantage of the transitional provisions under ~~IPSAS 33~~ and therefore this is the 1st year transitional financial statements.

The entity has ~~not recognized~~ intangible Assets, service concession assets and related liabilities and financial instruments. ~~The~~ entity has undertaken necessary initiatives such as Capacity building to be fully compliant by the end of the transitional period.

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

The Financial statements were authorized for issue by the Accounting Officer on 28th August, 2025

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application</p>

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

Standard	Effective date and impact:
	<p>guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>

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

Standard	Effective date and impact:
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

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

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

4. Significant Accounting Policies

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

i) Revenue from non-exchange transactions

Fees, taxes, fines and charges

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Dividends

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Rental income

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

iii) Budget

The County Revenue budget is developed on cash basis. The budget has the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by law. The original budget was approved by the County Assembly on - for the period 1st July 2024 to 30 June 2025. There was one (1) number of supplementary budgets passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

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

iv) Cash and cash equivalents.

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

v) Revenue in Arrears

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

vi) Disbursements to CRF

The Receiver of Revenue has an arrangement for transfer of funds from its bank account to the CRF account. Total disbursements to the CRF are as a result of the transfer arrangement during the year.

vii) Payables due to CRF

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

viii) Comparative Figures

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

ix) Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended June 30, 2025

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

Notes to the financial statements

5. Significant Judgments and Sources of Estimation Uncertainty

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

State all significant judgements, estimates and assumptions made:

Estimates and assumptions.

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

Provisions

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

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

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

Notes to the Financial Statements

6. Cess

Description	FY 2024/2025
	Kshs
Farm produce	128,542,201
Quarrying	64,001
Livestock	2,132,100
Fish farming	-
Mining Cess	450,000
Sand Cess	11,073,604
Sisal Cess	2,947,500
Others (<i>specify</i>)	
Total	145,209,406

7. Land rates

Description	FY 2024/2025
	Kshs
Land rates	22,671,252
Land penalties and interest	270,219
Arrears	3,653,640
Total	26,595,111

8. Single /Business Permits

Description	FY 2024/2025
	Kshs
Business permit application fees	-
Annual Business permit fees	67,444,626
Business permit penalties and interest	-
Business permit fees arrears	-
Total	67,444,626

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

Notes to the Financial Statements (continued)

9. Conservancy Administration

Description	FY 2024/2025
	Kshs
Refuse disposal fees	1,445,128
Dumpsite fees	-
Sewerage fees	-
Sale of seedlings	-
Public cemetery	4,550
Disposal of carcasses	-
Noise control	-
Slaughter Houses Administration	1,371,770
Total	2,821,448

10. Administration Control Fees and Charges

Description	FY 2024/2025
	Kshs
Weights and measures	744,760
Fire Services	111,000
Liquor licenses	3,134,000
Betting levy	-
Audit Fees	194,200
Administrative Fees and Charges	32,800
Water Charges	1,085,000
Total	5,301,760

11. Other Fines, Penalties and Forfeitures

Description	FY 2024/2025
	Kshs
Impounding Fees	90,220
Towing Fees	-
Storage Fees	19,600
By laws	3,000
Others Fines	1,253,568
Total	1,366,388

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

Notes to the Financial Statements (continued)

12. Public Health Service Fees

Description	FY 2024/2025
	Kshs
Inspection of buildings/premises/Institutions	-
Inspection for issuance of hygiene license	-
Vaccination: Yellow fever, Typhoid, etc	-
Applications for medical examination	-
Sanitation inspection for schools	-
Public health permit	75,950
Rodent Control/Fumigation	-
Public health permit(FIF)	84,568,310
Total	84,644,260

13. Physical Planning and Development

Description	FY 2024/2025
	Kshs
Sale of County planning documents	-
Land valuation and registration fees	-
Change / Renewal of user	-
Building plans approval	2,042,733
Signboards	-
Occupational Permits	-
Enforcement / Demolition	448,900
Architectural designs by county officers	-
Hoarding fees	-
Physical Planning	3,934,331
Survey and Mapping	383,000
Others (Specify)	
Total	6,808,964

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

Notes to the Financial Statements (continued)

14. Donations and Grants Not Received Through CRF

Description	FY 2024/2025
	Kshs
Donations	-
Grants	-
Others	-
Total	-

15. Parking Fees

Description	FY 2024/2025
	Kshs
Street parking fees	7,268,582
Monthly toll/sticker fees	-
Motorbike fees	729,600
Registration fees	-
Reserved parking	349,100
Bus Park fees	10,494,940
Others (<i>Specify</i>)	-
Total	18,842,222

16. Market Fees

Description	FY 2024/2025
	Kshs
Market entry fees	11,676,537
Hawking fees	-
Others (<i>Specify</i>)	-
Total	11,676,537

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

Notes to the Financial Statements (continued)

17. Property Rent

Description	FY 2024/2025
	Kshs
County Housing	8,727,773
Plot Rent	1,702,556
Tenancy Agreement	-
Transfer of Property	-
Stalls/kiosks rent	5,375,800
Plot Rent Arrear	1,908,503
Total	17,714,632

18. Advertising

Descriptions	FY 2024/2025
	Kshs
Branding	-
Billboard advertising	-
Signage	-
Roadshows	-
Banners	-
Posters	-
Tent advertising	-
advertising	6,241,389
others (<i>Specify</i>)	-
Total	6,241,389

19. Hospital Fees

Description	FY 2024/2025
	Kshs
Level 5 hospitals	-
Level 4 hospitals	144,827,658
Others (<i>Specify</i>)	-
Total	144,827,658

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

Notes to the Financial Statements (continued)

20. Hire Of County Assets

Description	FY 2024/2025
	Kshs
Agricultural Mechanisation Services (AMS)	-
Hire of Machines and Equipment	-
Hire of County Stadia	-
Hire of County Halls	255,100
Conference facilities/Agricultural Training Centers (ATC)	-
County Lodging	823,508
Total	1,078,608

21. Sale of assets.

	FY 2024/2025
	Kshs
Receipts from Sale of Buildings	-
Receipts from Sale of Vehicles and Transport Equipment	-
Receipts from Sale of Plant Machinery and Equipment	-
Receipts from Sale of Certified Seeds and Breeding Stock	-
Receipts from Sale of Strategic Reserves Stocks	-
Receipts from Sale of Inventories, Stocks and Commodities	-
Disposal and Sales of Non-Produced Assets	-
Total	-

22. Park Fees

Description	FY 2024/2025
	Kshs
Lodge Tariffs and levies	-
Park entry fees	-
Filming and Photography fees	-
Camping fees	-
Balloon landing fees	-
Others (<i>Specify</i>)	-
Total	-

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

Notes to the Financial Statements (continued)

23. Miscellaneous Revenues

Description	FY 2024/2025
	Kshs
Dividends	-
Interest	-
Commissions	-
Miscellaneous Fees	3,915,934
Total	3,915,934

24. Disbursements to CRF

Description	FY 2024/2025
	Kshs
Quarter 1	52,832,000
Quarter 2	55,302,000
Quarter 3	78,762,000
Quarter 4	131,743,000
Total	318,639,000

25. Disbursement to County Funds (FIF & Level 4 Hospital)

Description	FY 2024/2025
	Kshs
Quarter 1	39,608,227
Quarter 2	56,481,725
Quarter 3	34,484,981
Quarter 4	98,821,036
Total	229,395,968

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

Notes to the Financial Statements (continued)

26. Bank Charges

Description	FY 2024/2025
	Kshs
Bank Charges & commissions	234,261
Total	234,261

27. Waivers and Exemptions

Description	FY 2024/2025
	Kshs
Penalties	-
Interest	-
Others (<i>Specify</i>)	-
Total	-

28. Bad debts written off.

Description	FY 2024/2025
	Kshs
Bad debts written off	-
Total	-

29. Provision for bad debts

Description	FY 2024/2025
	Kshs
Provision for bad debts	-
Total	-

30. Gain/Loss on Foreign Exchange Transactions

Description	FY 2024/2025
	Kshs
Gain or loss on foreign exchange transactions	-
Gain or loss on balances in foreign exchanges	-
Total	-

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

Notes to the Financial Statements (continued)

31. Cash and Cash Equivalents

Name of Bank, Account No. & currency	Account No:	Exc. rate (if in foreign currency)	Period Ended Jun-25	Opening Statement 1st July 2024
			Kshs	Kshs
Taita Taveta County -Revenue Collection A	1140754017	Kshs	628	4,217,440
Moi Hospital Revenue Collection	1197838384	Kshs	2,067	2,333
Taveta Hospital Revenue Collection	1197838996	Kshs	-	1,170
Taita Taveta County Hospitals Revenue	1261095480	Kshs	39,392	40,723
Taita Taveta County Revenue Collection -Eq	7.9028E+11	Kshs	358,880	358,880
Voi Sub County Rev Collection	1305926846	Kshs	213,189	161,957
Mwatate Sub County Rev Collection	1305926870	Kshs	5078	5,078
Taveta Sub County Rev Collection	1305926897	Kshs	924,695	586,089
Wundanyi Sub County Rev Collection	1305926935	Kshs	12,447	61,796
Mwatate Municipality Rev Collection	1305926943	Kshs	180,796	86,353
Cash At Hand				
Taita Taveta Revenue Collection	899131	Kshs	-	-
Taveta Sub County Revenue Collection Mpesa	4101269	Kshs	2,800	-
Mwatate Municipality Revenue Collection Mpesa	8200892	Kshs	1,000	-
Wundanyi Sub County Revenue Mpesa	4101273	Kshs	-	-
Voi Sub County Revenue Mpesa	4101275	Kshs	1,560	1,000
Mwatate Sub County Revenue Mpesa	4101271	Kshs	-	-
Total			1,742,532	5,522,819

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

32. Receivables for non-exchange transactions

Description	FY 2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Receivables		
Single/Business Permits	-	17,299,000
	-	
Sub total		17,299,000
Less impairment Allowance	-	
Total Current Receivables	-	17,299,000

Ageing analysis for Receivables from Non-exchange transactions

Description	FY 2024/2025		Opening Statement 1 st July 2024	
	FY 24/25	% of the total	FY 2023/24	% of the total
	Kshs		Kshs	
Less than 1 year	-	%	17,299,000	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	%	17,299,000	%

Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Impairment allowance/ provision	FY 2024/2025
	Kshs
At the beginning of the year	-
Additional provisions during the year	-
Recovered during the year	-
Written off during the year	-
At the end of the year	-

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

33. Receivables from exchange transactions

Description	FY 2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Total receivables		
Advertising	-	436,000
Less: impairment allowance	-	-
Total receivables	-	436,000

Ageing analysis for total receivables in exchange transactions

Description	FY 2024/2025		FY 2023/2024	
	FY 2024/25	% of the total	FY 2023/24	% of the total
	Kshs		Kshs	
Less than 1 year	-	%	436,000	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-		436,000	

Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/ provision	FY 2024/2025
	Kshs
At the beginning of the year	-
Additional provisions during the year	-
Recovered during the year	-
Written off during the year	-
At the end of the year	-

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

34. Payables- Due To CRF

Payables	FY 2024/2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Amount collected yet to be disbursed to CRF	1,742,532	5,522,819
Amount billed and yet to be collected for disbursement to CRF		17,735,000
Total Due to CRF	1,742,532	23,257,819

Movement Disclosure on Dues to CRF

Description	Amount
	Kshs
Opening Dues to CRF	-
Increase/Decrease in Dues to CRF	-/(-)
Closing Dues to CRF	-

35. Revenue received in advance

Description	FY 2024/2025	Opening Statement 1st July 2024
	Kshs	Kshs
<i>Specify</i>	-	-
Total	-	-

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

12. Appendices

Appendix 1: Progress on follow up of prior Year Auditor Recommendations.

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe
1.0	Cash and Cash Equivalent		Resolved	30 th June 2025
2.0	Unreconciled Receipts & Payments		Resolved	30 th June 2025
3.0	Unsupported Mpesa Balance		Resolved	30 th June 2025
4.0	Failure to collect SBP from Miner		Resolved	30 th June 2025
5.0	Unsupported Revenue disbursed to FIF		Resolved	30 th June 2025
6.0	Failure to Collect Advertising Fees		Resolved	30 th June 2025
7.0	Under-collection Cess Revenue		Resolved	30 th June 2025
8.0	Unauthorised Transfer of Revenue Rights		Resolved	30 th June 2025



Name: CPA Laban Mbelenga Kinyai
 County Receiver of Revenue



Name: Nancy Mwacharo
 Director Revenue Services
 ICPAK M/No: 25690

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

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

Classification Of Receipts (Indicate As Applicable)	Balance as at The beginning of the current year (1 st July 20xx) A	Arrears received during the year. B	Additions in arrears for the current year to June 30, 20xx C	Total arrears as at 30 June 20xx D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Cess	-	(-)	-	-		
Land rate	-	(-)	-	-		
Single/Business Permits	-	(-)	-	-		
Property Rent	-	(-)	-	-		
Parking Fees	-	(-)	-	-		
Market Fees	-	(-)	-	-		
Advertising	-	(-)	-	-		
Hospital Fees	-	(-)	-	-		
Public Health Service Fees	-	(-)	-	-		
Physical Planning and Development	-	(-)	-	-		
Hire Of County Assets	-	(-)	-	-		
Conservancy Administration	-	(-)	-	-		
Administration Control Fees and Charges	-	(-)	-	-		
Park Fees	-	(-)	-	-		
Other Fines, Penalties, And Forfeiture Fees	-	(-)	-	-		
Miscellaneous	-	(-)	-	-		
Total Arrears	-	(-)	-	-		



Name: CPA Laban Mbelenga Kinyai
 County Receiver of Revenue



Name: Nancy Mwacharo
 Director Revenue Services
 ICPAK M/No: 25690

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

Appendix 3: Ageing Analysis of Revenue in Arrears

Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Cess	-	-	-	-	-
Land rate	-	-	-	-	-
Single/business permits	-	-	-	-	-
Property rent	-	-	-	-	-
Parking fees	-	-	-	-	-
Market fees	-	-	-	-	-
Advertising	-	-	-	-	-
Hospital fees	-	-	-	-	-
Public health service fees	-	-	-	-	-
Physical planning and development	-	-	-	-	-
Hire of County Assets	-	-	-	-	-
Conservancy administration	-	-	-	-	-
Administration control fees and charges	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-
Park fees	-	-	-	-	-
Other fines, penalties, and forfeiture fees	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-
Others (<i>Specify</i>)	-	-	-	-	-
Total (agree to statement of arrears above)	-	-	-	-	-

Appendix 4: A Report of Waivers and Variations of Fees or charges granted by the Receiver of Revenue during the year.

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

