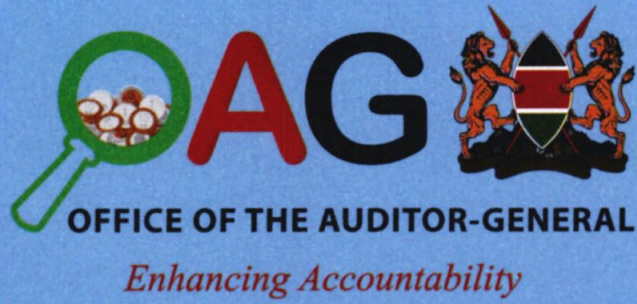


REPUBLIC OF KENYA



REPORT

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THE AUDITOR-GENERAL

ON

**RECEIVER OF REVENUE – REVENUE
STATEMENTS**

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

COUNTY GOVERNMENT OF ISIOLO

PAPERS LAID	
DATE	27/2/2025
TABLED BY	Majority Whip
COMMITTEE	*
CLERK AT THE TABLE	Angela



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ISIOLO REGION OFFICE
31 OCT 2024 525
P. O. Box 1027 - 60300, ISIOLO
RECEIVED



RECEIVER OF REVENUE
(County Government of Isiolo)

REVENUE STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2024

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

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Receiver Of Revenue
County Government of Isiolo
Revenue Statements for the Period Ended 30th June 2024

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1. Acronyms and glossary of terms

a) Acronyms

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

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 Revenue. 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* was designated as a receiver on 30th April, 2024 by the County Executive Committee member for Finance, in accordance with section 157 of the PFM Act, 2012.

(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 Isiolo' day-to-day management of revenue is under the following:

- County Executive Committee Member for Finance - Hon. Abdullahi J. Banticha
- Chief Officer, Finance – Habiba J. Galgalo
- Chief Officer, in charge of Revenue – Feisal Hassan
- Director, Finance – Mbithi Joseph

(d) County Headquarters

County Government of Isiolo,
P.O. Box 36-60300,
Isiolo, KENYA.

(e) County Contacts

Telephone: (+254) 733 227530
E-mail: info@isiolo.go.ke
Website: www.isiolo.go.ke

Key Entity information and Management (continued)

(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 Attorney

P.O. Bo 36-60300,
Isiolo, Kenya.

(i) Bankers

a) Co-operative Bank of Kenya

P.O Box 48231-00100, Nairobi.
Tel: +254 020 277 6000
info@co-opbank.co.ke

b) Consolidated Bank

Tel: +254-703-016-100
E-mail: tellus@consolidated-bank.com
www.consolidated-bank.com

c) National Bank

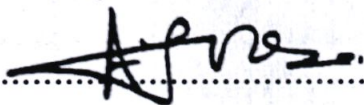
P.O Box 72866-00200 Nairobi, Kenya
Tel: +254 (0)20-2828000
E-mail: info@nationalbank.co.ke

3. Foreword By the CECM Finance and Economic Planning

Article 209 Of the Constitution of Kenya, 2010 gives powers to the county government to impose taxes, fees and charges to mobilize resources to finance the budget.in addition, section 104(d), of the PFM Act 2012, empowers the county treasury to mobilize resources.

The county resources comprise of the equitable share, conditional allocations in form of either loans or grants and Own Source Revenue. The county projected to generate **Kshs.271,208,180** from own source revenue during the FY 2023/2024 accounting for **4.74%** of the total projected revenue of **Kshs.5,718,810,379.70** for the year. The own source revenue realised was **Kshs.281,624,246** which accounted for **5.55%** of the total revenues actualized and a growth rate of **139.37%** from **Kshs.117,648,148** own source revenue realized in FY 2022/2023.The most improved revenue streams were Park Fees, Cess, Hospital Fees among others which was as a result of strict control measures and empowerment of revenue Officers by His Excellency the Governor to maximize on collection of our own source generated revenue.

The county has over the years been unable to achieve set revenue targets on own source revenue principally due to lack of appropriate data to assess revenue potential, weak enforcement for compliance as well as lack of requisite laws to facilitate enforcement. Towards this end, the county has undertaken business establishment census for all businesses, enhancing synergies within departments responsible for own source revenue mobilization, deepening automation through use of cashless payment methods and enhancing the capacity of enforcement and compliance unit among others.



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

4. Management Discussion and Analysis

Introduction

The financial year ending 30th June 2024 marks a significant milestone for the County Government of Isiolo. With a total revenue collection of **Kshs 281,624,246**, the county achieved a substantial improvement in its revenue generation compared to the previous financial year. However, this collection fell short of the budgeted figure of **Ksh 271,208,180**. This discussion provides a detailed analysis of revenue performance, key drivers behind these numbers, the challenges we faced, and an outlook on how we plan to improve revenue collection in the coming years.

Financial Overview

For the financial year 2023/2024, Isiolo County collected **Kshs 281,624,246** in revenue, representing a **139.37% increase** compared to the **Ksh 117,648,148** collected in the previous year. While this growth is impressive, it is important to note that the county exceeded the targeted revenue of **Kshs 271,208,180**, by **Kshs. 10,416,066** or approximately **3.84%**.

Despite this shortfall, the significant leap in revenue is a positive indicator of Isiolo's improving financial management, expanding economic activities, and enhanced revenue collection strategies. This growth reflects the concerted efforts made by the county government to diversify revenue sources, improve collection efficiency, and foster economic development within the region.

Revenue Performance Breakdown

1. Park Fees

Game Park fees remain one of the key sources of revenue for the county, driven by the steady growth in the number of local and foreign tourists visiting our game parks and reserves. The increased number contributed to a notable rise in Park fees, which totalled **Kshs 135,575,916**, up from **Ksh 100,465,216** in the previous financial year. This growth represents a **34.95% increase**, reflecting a positive impact of Isiolo resident's livelihood.

2. Cess

Sand Cess and livestock auction also contributed **Ksh 22,297,125**, a **102 % increase** from the last year's **Ksh 11,035,570**. This rise is attributed by the increased construction of businesses and building translating to high demand and supply for sand. On the other hand, livestock auction has in the past year increased its operations due to the rise in demand for livestock products.

3. Business Permits and Fees

Business permits and fees contributed **Kshs 10,299,385**, a **67.63 % increase** from last year's **Ksh 6,143,850**. This growth can be attributed to the county's efforts to formalize and license more businesses, especially in emerging sectors like tourism and trade. New markets and business hubs also contributed to the expansion of this revenue stream.

4. Service Charges and Other Fees

Revenue from land rates charges and other administrative fees amounted to **Kshs, 7,593,959** which is a slight improvement from the **Ksh 5,754,084** collected in the previous year. This rise is linked to improvements in service delivery and increased demand for county services, particularly in the health and licensing departments.

Challenges and Shortfalls

While the county achieved significant revenue growth, we faced several challenges that impacted our ability to meet the budgeted target:

1. Economic Environment

The regional economic slowdown, caused by inflationary pressures and reduced business activity, hampered growth in some key sectors such as retail trade and transport. The high cost of living also affected disposable incomes, leading to lower consumer spending and a subsequent decline in revenue from businesses.

2. Drought and Environmental Factors

Isiolo County, like other arid and semi-arid regions, has been affected by persistent drought conditions that have adversely impacted agricultural activity. Many local businesses, particularly those in the agricultural sector, struggled to stay afloat, leading to delays and defaults in tax payments.

3. Compliance and Collection Challenges

Although tax compliance improved, some sectors of the economy remain largely informal and difficult to tax. In addition, inefficient collection mechanisms, particularly in remote areas, continue to pose a challenge in reaching our full revenue potential. The county has been working to modernize its collection systems, but more work remains to close this gap.

Comparison with Budgeted Revenue

Our actual revenue collection of **Kshs 281,624,246** was **3.84%** above the budgeted figure of **Ksh 271,208,180**. This increase of revenue collection exceeding the Budgeted figure by **Kshs. 10,416,066** was largely due to more stringent Measures that were put in place to safeguard and empowerment of revenue collection officers by His excellency the Governor.

Henceforth, the county government will focus on improving compliance, expanding the tax base, and leveraging new technology to enhance revenue collection and reduce leakages.

Opportunities and Future Outlook

Looking ahead, Isiolo County has several opportunities to further enhance its revenue collection:

1. Economic Diversification

The ongoing infrastructure development in Isiolo, including road upgrades and the expansion of Isiolo International Airport, is expected to attract more investments and businesses. This growth in tourism, real estate, and trade sectors will create new revenue streams for the county.

2. Improved Tax Compliance and Automation

The county is in the process of implementing a modernized revenue collection system, which will digitize processes and make it easier for residents and businesses to comply with tax regulations. This initiative is expected to increase both the volume and efficiency of collections, especially in previously underserved areas.

3. Collaboration with National and International Partners

Continued collaboration with national government agencies and international donors will provide additional funding and resources for critical projects. This not only enhances service delivery but also strengthens our overall revenue generation capacity.

4. Enhanced Enforcement

Stricter enforcement of tax regulations, along with public awareness campaigns, will encourage better compliance among taxpayers. The county also plans to introduce new revenue streams by exploring untapped areas such as tourism levies and land rents.

Conclusion

In summary, the County Government of Isiolo has made significant strides in improving its revenue collection for the financial year ended 30th June 2024. Despite the challenges faced, our revenue growth of **139.37%** over the previous year is a testament to the county's commitment to financial sustainability and efficient service delivery. While we fell short of the budgeted target, the measures we have put in place offer hope for continued growth and better performance in the coming fiscal year.

Moving forward, Isiolo County remains focused on enhancing revenue collection, improving tax compliance, and expanding its revenue base to ensure the sustainable development of our county and the provision of quality services to our residents.

5. Statement of Receiver of Revenue’s responsibilities

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

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

The Receiver of Revenue in charge accepts responsibility for the *Receiver of revenue-County Government of Isiolo* 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 *Receiver of revenue-County Government of Isiolo* account gives a true and fair view of the state of *Receiver of revenue-County Government of Isiolo* transactions during the financial year ended June 30, 2024, and of *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 *Receiver of revenue-County Government of Isiolo* 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 **1st August 2024**.



Name: Feisal Hassan
County Receiver of Revenue

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON RECEIVER OF REVENUE – REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2024 - COUNTY EXECUTIVE OF ISIOLO

PREAMBLE

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

- A. Report on the Revenue Statements that considers whether the revenue statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the revenue statements.
- B. Report on Lawfulness and Effectiveness in 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.
- 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 – Revenue Statements - County Executive of Isiolo set out on pages 1 to 15, 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 and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the

Report of the Auditor-General on Receiver of Revenue – Revenue Statements for the year ended 30 June, 2024 - County Government of Isiolo

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 revenue position of Receiver of Revenue – County Executive of Isiolo as at 30 June, 2024 and of its revenue performance for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the County Government Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Lack of a Valuation Roll and Land Rates Registers

The statement of receipts and disbursements and as disclosed in Note 2 to the financial statements reflect Kshs.7,593,959 in respect of land rates. However, Management did not maintain an updated record of all landowners within the County. Further, there was no evidence that the County have caused a valuation to be made of all ratable properties and maintain an updated valuation roll and the register of land owners contrary to Section 3 of the Valuation for Rating Act. In addition, plot allotments and the list of individuals granted temporary occupation licenses were not provided for audit review.

In the circumstances, the accuracy and completeness of Kshs.7,593,959 in respect of land rates could not be confirmed.

2. Ineffective Revenue Collection from Single Business Permits

The statement of receipts and disbursements and as disclosed in Note 3 to the financial statements reflect Kshs.10,299,385 collected from single business permits. However, the following issues were noted:

- i. The Receiver of Revenue lacked proper guidelines to guide business owners in the application process for business permits. There were no records of business permit applications, nor a clear method for evaluating applications to determine applicable fees. Additionally, there was no evidence that business premises were assessed before permits were issued and invoices generated.
- ii. The Receiver of Revenue did not maintain a comprehensive database of all businesses operating within the County. Further, there were no records indicating the number of stalls or criteria for charges, there was no register of issued business permits for the year under review and business permits were issued in handwritten format without proper tracking mechanisms, increasing the risk of counterfeit permits or unauthorized alterations.
- iii. The Receiver of Revenue relied on manual record-keeping, which exposes operations to risks of fraud, data manipulation, and potential revenue loss. Manual records are prone to errors and tampering, which can result in inaccurate financial reporting.

In the circumstances, accountability and management of Single Business permit could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Receiver of Revenue – County Government of Isiolo 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 reflects Kshs.271,208,180 and Kshs.281,624,246 in respect to final budget targets and actual on comparable basis respectively resulting into an over realization of budget by Kshs.10,416,066 or approximately 4% of the final budget.

The over realization is an indication that the County under estimated the revenue sources and capability to collect revenue. There is therefore need for the County to make a realistic revenue budget estimate.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Failure to Automate Revenue Collection

The statement of receipts and payments reflects Kshs.281,624,246 in respect to own source revenue collected during the year under review. However, available records indicate that the County relied on manual revenue collection system and required the revenue collectors to manually collect the revenue, issue manual receipts, bank the cash collected, and a reconciliation done afterward. This system is heavily reliant on human intervention between the collection and banking of revenue thus it is prone to human manipulation and error. The County has not automated the collection of revenue to minimize on instances of possible loss of revenue and no explanation was provided for failure to put in place a modern revenue collection system that would ensure proper management of revenue and minimize the risks of pilferage and misappropriation.

In the circumstances, it was not possible to determine if the Receiver of Revenue using manual system accounted for all the revenues collected in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in 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

Delays in the Transfer of Own Source Revenue

Review of transfers to County Revenue Fund from two (2) revenue collection commercial bank accounts revealed that transfers intervals of between 18 days and 28 days for one account and 255 days for the other account contrary to Regulation 81(2) of the Public Finance Management (County Governments) Regulations, 2015 which requires that all revenue received to be deposited into the County Revenue Fund promptly, and no later than five (5) working days after receipt.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 3000 and ISSAIs 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the revenue statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Basis for Conclusion

Failure to Enact County Finance Act 2023 and Liquor Licensing Act

The statement of receipts and payments reflects Kshs.281,624,246 in respect to own source revenue collected during the year under review. However, the approved

pronouncement of the revenue-raising measure made by the County Executive member for Finance was not provided for audit review contrary to Section 132 (1) and 133 of the Public Finance Management Act, 2012 In addition, the County Government of Isiolo Finance Act, 2020 in use, revealed that liquor license fees had not been included as fees payable to the County. It was observed that the liquor licensing bill had not been passed and despite the County having numerous liquor outlets, bars and liquor wholesalers and no revenue is being generated by the County from these liquor outlets.

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

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

Responsibilities of Management and those Charged with Governance

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

In preparing the revenue statements, Management is responsible for assessing the Receiver's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to dissolve the Receiver of Revenue or 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Receiver's financial reporting process, reviewing the effectiveness of how the 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

20 December, 2024

*Receiver Of Revenue
County Government Of Isiolo
Revenue Statements for the Period Ended 30th June 2024*

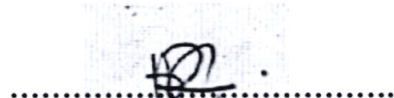
7. Statement of Receipts and Disbursements for the year ended 30th June 2024

	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
County Own Source Revenue			
Cess	1	22,297,125	-
Land Rate	2	7,593,959	-
Single/Business Permits	3	10,299,385	-
Parking Fees	4	4,249,840	-
Market Fees	5	2,464,520	-
Advertising	6	367,086	-
Hospital Fees	7	94,481,928	-
Public Health Service Fees	8	3,130,360	-
Physical Planning and Development	9	311,327	-
Hire Of County Assets	10	143,200	-
Park Fees	11	135,575,916	-
Miscellaneous receipts	12	709,600	-
Total County Own Source Revenue		281,624,246	-
			-
Total Receipts		281,624,246	-
Balance b/f at the beginning of the year		56,240,911	-
Disbursements To CRF	16	(320,797,390)	-
Bank charges	13	(84,711)	-
Balance Due for Disbursement		16,983,056	-

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on **1st August 2024** and signed by:



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



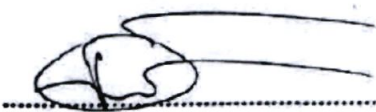
Name: Monica Nkirote
Head of Revenue Reporting
ICPAK M/No 23115

*Receiver Of Revenue
County Government of Isiolo
Revenue Statements for the Period Ended 30th June 2024*


8. Statement of Financial Assets and Liabilities As at 30th June 2024

	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances	14	16,983,056	-
Cash In Hand		-	-
Total Financial Assets		16,983,056	-
Total Financial Assets		16,983,056	-
Financial Liabilities			
Payables-Due to CRF	15	16,983,056	-
Total Financial Liabilities		16,983,056	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The *Receiver of revenue* financial statements were approved on **1st August 2024** and signed by:



**Name: Feisal Hassan
County Receiver of Revenue**



**Name: Monica Nkirote
Head of Revenue Reporting
ICPAK M/No 23115**

*Receiver Of Revenue
County Government Of Isiolo
Revenue Statements for the Period Ended 30th June 2024*

9. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30th June 2024

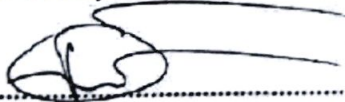
Receipt	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% Of Realization
	A	B	C=A+B	D	E=C-D	F=D/C %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
County Own Source Revenue						
Cess	36,207,149	-	36,207,149	22,297,125	13,910,024	62%
Land Rate	27,007,075	-	27,007,075	7,593,959	19,413,116	28%
Single/Business Permits	16,556,872	-	16,556,872	10,299,385	6,257,487	62%
Parking Fees	6,480,000	-	6,480,000	4,249,840	2,230,160	66%
Market Fees	3,432,446	-	3,432,446	2,464,520	967,926	72%
Advertising	1,000,000	-	1,000,000	367,086	632,914	37%
Hospital Fees	9,373,785	-	9,373,785	94,481,928	(85,108,143)	1008%
Public Health Service Fees	6,888,261	-	6,888,261	3,130,360	3,757,901	45%
Physical Planning and Development	1,040,700	-	1,040,700	311,327	729,373	30%
Hire Of County Assets	900,000	-	900,000	143,200	756,800	16%
Park Fees	160,701,973	-	160,701,973	135,575,916	25,126,057	84%
Miscellaneous Receipts	1,619,919	-	1,619,919	709,600	910,319	44%
Total County Own Source Revenue	271,208,180	-	271,208,180	281,624,246	(10,416,066)	104%
Total Receipts	271,208,180	-	271,208,180	281,624,246	(10,416,066)	104%

[Provide below a commentary on significant under realisation (below 90% of realisation) and any over realisation]

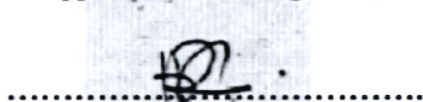
Receiver Of Revenue
County Government Of Isiolo
Revenue Statements for the Period Ended 30th June 2024

- (a) The negative performance for the cess of 62% was attributed to prolonged drought which affected the agricultural production in the county.
- (b) The land rates negative performance of 28% was affected by non-automation of the collection system in different parts of the county.
- (c) The S.B.P performance of 62% reduced to lack of proper sensitization of public on the need for small businesses licensing
- (d) The Park fees performance of 84% was due to the decrease in number of visitors and seasonal fluctuations on our county parks.
- (e) Promotion and advertising were affected mainly due to a shift towards digital media.
- (f) Hospital fees- The significant positive performance of 1008% for this stream is attributable to streamlined collection policies in the level four and ICHTR.
- (g) Public Health Service fees- The significant negative performance of 45% due to low business performance
- (h) The market fees had a 72% performance as small-scale traders opted to sell commodities on open air markets rather than paying for markets stalls due to economic strains.
- (i) The advertising fees had a 37% performance way below expected due to low business performance.
- (j) The Physical planning and development had a 30% performance way below expected due harsh economic challenges.
- (k) Hire of county assets had a performance of 16% due to minimum activities among the members of the public

The County Receiver of revenue's financial statements were approved on **1st August 2024** and signed by:



Name: Feisal Hassan
County Receiver of Revenue



Name: Monica Nkirete
Head of Revenue Reporting
ICPAK M/No 23115

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

Classification Of Receipts (Indicate As Applicable)	Balance as at The beginning of the current year (1 st July 2023) A	Arrears received during the year. B	Additions in arrears for the current year to June 30, 2024 C	Total arrears as at 30 June 2024 D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Cess	-	-	-	-	-	-
Land rate	-	-	-	-	-	-
Property Rent	-	-	-	-	-	-
Total Arrears	-	-	-	-	-	-

An ageing analysis of revenue in arrears has been shown on note 13 of these financial statements.



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



Name: Monica Nkirote
 Head of Revenue Reporting
 ICPAK M/No 23115

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 *Isiolo*. 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 *County Government of Isiolo*. 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 *County Government of Isiolo*.

2. Recognition of Receipts

The *County Government of Isiolo* recognises all receipts from the various sources when the related cash has been received by the *County*.

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 14 June 2023 for the period 1st July 2023 to 30 June 2024 as required by law. There was *two* number of supplementary budgets passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

4. Cash and cash equivalents

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

5. Revenue in Arrears

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

6. Disbursements to CRF

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

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 Isiolo
Revenue Statements for the Period Ended 30th June 2024*

12. Notes to the Financial Statements

1. Cess

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Farm Produce	8,234,900	-
Quarrying/sand cess	5,093,117	-
Livestock Auction	8,670,443	-
Barter/Murram/Audit/fire charge/hide skin	298,665	-
Total	22,297,125	-

2. Land rates

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Land Rent/Rates - current	2,571,777	-
Penalties Rent/Rates	1,228,843	-
Land Rent/Rates - Arreas	3,793,339	-
Total	7,593,959	-

3. Single /Business Permits

Description	FY 2023/2024	FY 2022/2023
Annual Business permit fees	10,299,385	-
Total	10,299,385	-

4. Parking Fees

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Street parking fees	4,249,840	-
Total	4,249,840	-

*Receiver Of Revenue
County Government Of Isiolo
Revenue Statements for the Period Ended 30th June 2024*

Notes to the Financial Statements (continued)

5. Market Fees

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Market stalls/kiosks	2,464,520	-
Total	2,464,520	-

6. Advertising

Descriptions	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Branding	100,086	-
Billboard advertising	267,000	-
Total	367,086	-

7. Hospital Fees

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Hospital service fees	94,481,928	-
Total	94,481,928	-

8. Public Health Service Fees

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Inspection of buildings/premises/Institutions	2,251,900	-
Inspection for issuance of hygiene license	878,460	-
Total	3,130,360	-

9. Physical Planning and Development

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Building plans approval	311,327	-
Total	311,327	-

*Receiver Of Revenue
County Government Of Isiolo
Revenue Statements for the Period Ended 30th June 2024*

Notes to the Financial Statements (Continued)

10. Hire Of County Assets

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Hire of Machines and Equipment	143,200	-
Conference facilities/Agricultural Training Centers (ATC)	-	-
Total	143,200	-

11. Park Fees

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Park entry fees	135,575,916	-
Total	135,575,916	-

12. Miscellaneous Receipts

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Consent and clearance	709,600	-
Total	709,600	-

13. Bank Charges

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Bank Charges & commissions	84,711	-
Total	84,711	-

*Receiver Of Revenue
County Government Of Isiolo
Revenue Statements for the Period Ended 30th June 2024*

Notes to the Financial Statement (Continued)

14. Bank Balances

Name of Bank, Account No. & currency	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
National Bank	3,664,884	-
Cooperative Bank USD	-	-
Cooperative Bank Kes	61,941	-
Consolidated Bank USD	-	-
Consolidated Bank Kes	13,256,231	-
Cash at Hand	-	-
Total	16,983,056	-

14 (a) Balance carried forward as at 30th June 2024 and subsequently transferred

Ref	Amount (Kshs)	Date subsequently transferred
Disbursement 1	13,255,600	1 July 2024
Disbursement 2	3,400,000	1 July 2024
Disbursement 3	61,341	2 July 2024
Total	16,716,941	

(This is a disclosure note indicating how the cash balance as at the end of the year has been subsequently disbursed to the CRF)

*Receiver Of Revenue
County Government Of Isiolo
Revenue Statements for the Period Ended 30th June 2024*

Notes to the Financial Statements (Continued)

15. Payables- Due To CRF

Payables	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Balance b/f at the beginning of the year	56,240,911	-
Amount collected during the year	281,624,246	-
Amounts disbursed to CRF during the year	(320,797,390)	-
Bank Charges	(84,711)	-
Balance c/d at the end of the year	16,983,056	-

This relates to amounts yet to be disbursed to the exchequer at the end of the financial year. The amount should be supported by the bank balances as per note 1 above.

16. Disbursements to CRF

Payables	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Transfers to CRF	226,315,462	-
Other Transfers-Hospital	94,481,928	-
Total	320,797,390	-

13.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	-	-	-	-	-
Property rent	-	-	-	-	-
Total	-	-	-	-	-

14. 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*

01/8/2024


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

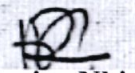
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

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)

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: Feisal Hassan
County Receiver of Revenue
 Date 01/8/2024


Name: Monica Nkirote
Head of Revenue Reporting
 ICPAK M/No 23/15
 Date 01/8/2024