

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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ON

RECEIVER OF REVENUE

**FOR THE YEAR ENDED
30 JUNE, 2022**

COUNTY GOVERNMENT OF MOMBASA

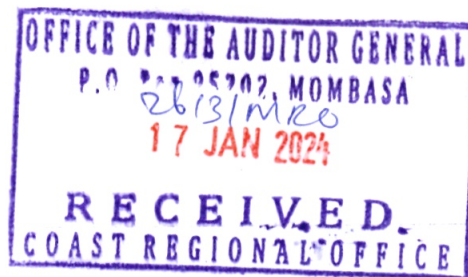


**RECEIVER OF REVENUE
COUNTY GOVERNMENT OF MOMBASA**

REVENUE STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022**

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



*Receiver Of Revenue
County Government of Mombasa
Revenue Statements for the Period Ended 30th June 2022*

*Receiver Of Revenue
County Government Of Mombasa
Revenue Statements for the Period Ended 30th June 2022*

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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

Background information

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

(a) Principal activities

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

(b) Key Management Team

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

No.	Designation	Name
1.	CEC Member, Finance & Economic Planning	Mr. Evans Oanda
2.	Ag Chief Officer, Finance and Economic Planning	Mr. Ayub Buhiri
3.	Director Revenue Services	Mr. Affan Mohammed
4.	Director Supply Chain Management	Mr. Omar Abdalla
5.	Chief Accountant	CPA Robert Makokha

*Receiver Of Revenue
County Government of Mombasa
Revenue Statements for the Period Ended 30th June 2022*

GPO 80100.
Mombasa, Kenya.

4. National Bank of Kenya Limited.
Bondeni Branch and Nkrumah Road,
P.O. Box 90363.
GPO 80100.
Mombasa, Kenya.

5. Equity bank.
Moi Avenue Branch.
P.O. Box 90016.
GPO 80100.
Mombasa.

(h) County Attorney

Bima Towers,
6th Floor, Digo Road
P.O. Box 84569-80100
MOMBASA, KENYA

Key Entity information and Management (continued)

(c) County Headquarters

Betting Control Building
Mombasa, Kenya

(d) Entity Contacts

P.O. Box 90440-80100
Mombasa, Kenya.
Telephone: (254) 41-2311531
E-mail: countysec@mombasa.go.ke
Website: www.mombasacounty.go.ke

(e) Independent Auditor

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

(f) Principal Legal Adviser

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

(g) County Executive Bankers

1. Central Bank of Kenya,
Haile Selassie Avenue,
P.O. Box 60000,
City Square 00200.
Nairobi, Kenya.

2. Kenya Commercial Bank Limited.
Treasury Square Branch,
P.O. Box 90254
GPO 80100.
Mombasa, Kenya

3. Cooperative Bank of Kenya Limited.
Nkrumah road, Mombasa,
P.O. Box 87771.

3. Foreword By the CECM Finance and Economic Planning

It is my pleasure to present the Annual Financial Statements of Mombasa County Receiver of Revenue for the fiscal year ending on 30th June 2022. These financial statements have been prepared in strict adherence to the provisions stipulated in the Public Financial Management Act of 2012, specifically under Cap 165. This legal requirement mandates the County Treasury to compile annual Receiver of Revenue financial reports at the conclusion of each fiscal year. These financial statements serve as a comprehensive representation of Mombasa County Government's financial performance throughout the past year.

The adoption of the 2010 Constitution of Kenya, which is outlined in Chapter 11, marked a significant turning point in Kenya's governance structure. This transition replaced the previous centralized system with a decentralized governance model. Under this decentralized system, authority is distributed between the National Government and the 47 County Governments, including Mombasa County. The County Government Act of 2012, sections 5 and 6, clearly articulate the functions and powers exercised by the County Executive of Mombasa County.

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 3,608,672,111 against a target of Kshs 4,966,330,106.76

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

- Automation of revenue collection system
- Sealing revenue leakages
- Use of Mpesa and improved internal Controls.

These measures have paid dividend, since inception of Devolution, own source revenue has continued to increase each year as highlighted below:

Own Source Revenue Collection

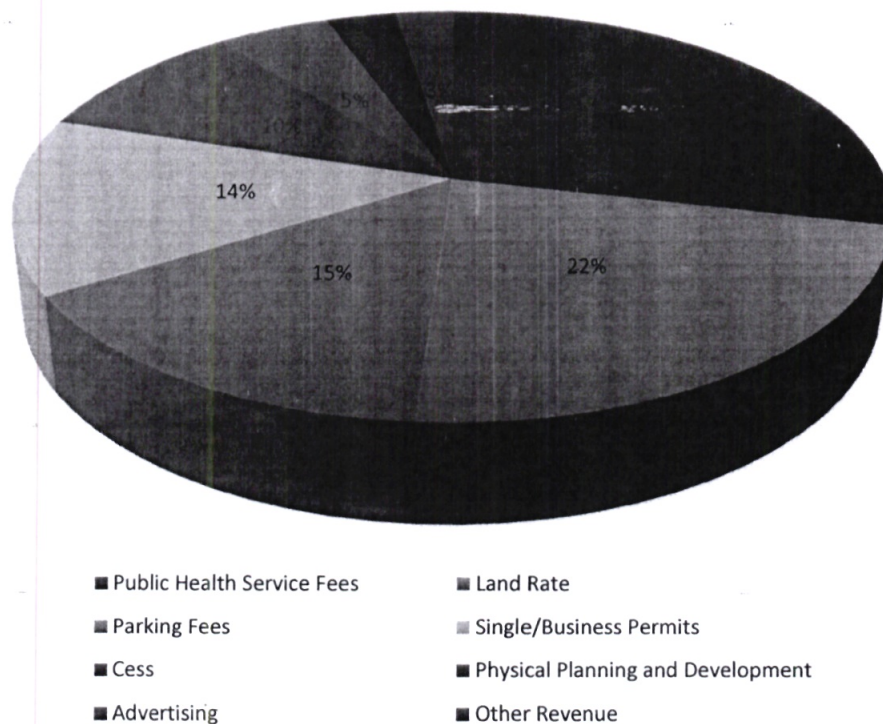


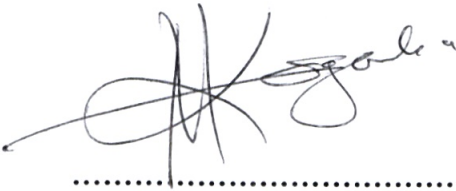
Figure 1: Mombasa County revenue sources in FY 2021/2022

From the total of Kshs 3,608,672,111 realized from our internally generated revenue sources, an amount of Kshs 2,257,591,518.65 was disbursed to the County Revenue Fund (CRF) Account. Additionally, Kshs 1,351,080,592.35 was collected by Coast Province General Hospital Facility Improvement Fund (FIF) in accordance with the stipulations outlined in Section 40 (2) of the Mombasa County Health Act of 2018. This provision mandates that the funds, specifically the revenues, collected by the health facility are to be disbursed into the FIF account.

I would like to express my gratitude at this moment to H.E. the Governor and the Deputy Governor for their invaluable support. I also extend my appreciation to my fellow colleagues, the County Executive Committee Members responsible for various departments. We have collaboratively worked towards fulfilling Mombasa County's mission.

Receiver Of Revenue
County Government of Mombasa
Revenue Statements for the Period Ended 30th June 2022

I extend my thanks to all the staff in the Department of Finance and Planning, with special recognition for the Revenue Directorate. Despite numerous challenges, they have consistently demonstrated unwavering commitment and dedication, diligently fulfilling their responsibilities for the betterment of the people of Mombasa County.

A handwritten signature in black ink, appearing to read 'K. K. K.', written over a dotted line.

.....
CECM Finance and Economic Planning
County Government of Mombasa

4. Management Discussion and Analysis

The funding sources for the County Government are derived from three primary channels: the Equitable share received from the National Government, Conditional grants provided by Donors and Development Partners, and internally generated Source Revenue collected from a diverse range of revenue streams. The Constitutional framework, as articulated in Article 202 of the Kenyan Constitution, mandates the equitable distribution of revenue generated at the national level between the National Government and County Governments.

To implement this revenue sharing, each County Government's equitable portion of the nationally raised revenue is determined on an annual basis through the County Allocation of Revenue Act (CARA). The specific formula for revenue allocation is crafted by the Commission on Revenue Allocation and subsequently ratified by Parliament, in strict accordance with the constitutional provisions outlined in Article 217.

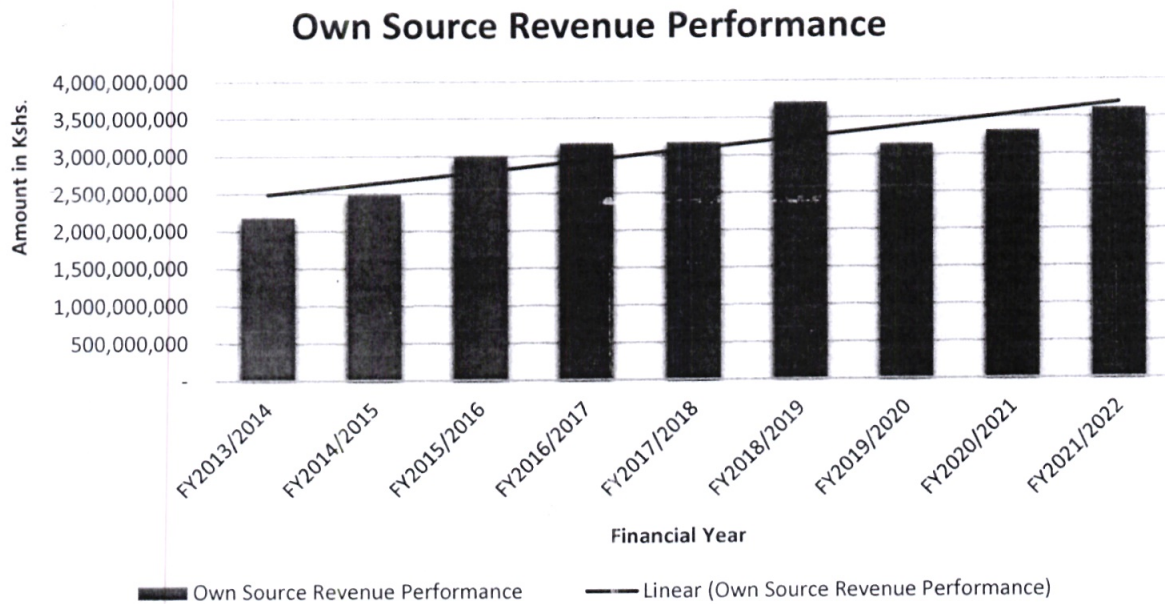


Figure 2: Mombasa County Own source revenue trend

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, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the statement of assets and liabilities of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Receiver of Revenue in charge accepts responsibility for the entity’s receiver of revenue accounts, which have been prepared on the Cash Basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the entity’s receiver of revenue account gives a true and fair view of the state of entity’s receiver of revenue transactions during the financial year ended June 30, 2022, 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

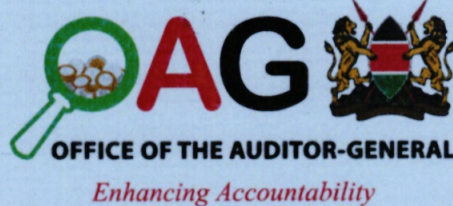
The revenue statements were approved and signed by the Receiver of Revenue on 14 Dec.....2023



.....
**Name: Ayub Buhiri
County Receiver of Revenue**

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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 FOR THE YEAR ENDED 30 JUNE, 2022 - COUNTY GOVERNMENT OF MOMBASA

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review

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 FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Receiver of Revenue – County Government of Mombasa set out on pages 1 to 19, which comprise of the statement of financial assets and liabilities as at 30 June, 2022 and the statement of receipts and

Report of the Auditor-General on Receiver of Revenue for the year ended 30 June, 2022 - County Government of Mombasa

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the revenue statements present fairly, in all material respects, the statement of financial assets and liabilities of the Receiver of Revenue - County Government of Mombasa and of its receipts and disbursements for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Revenue disbursement to Facility Improvement Fund

The statement of receipts and disbursements and as disclosed in Note 19 to the revenue statement reflects Kshs.1,351,080,592 in respect of revenue disbursed to Facility Improvement Fund. However, details and analysis of this disbursement were not provided for audit review.

In the circumstances, the accuracy and completeness of revenue disbursed amount of Kshs.1,351,080,592 could not be confirmed.

2. Unsupported Balance Brought Forward

The statement of receipts and disbursements reflects balance brought forward at the beginning of the year of Kshs.41,874,292. However, during the previous year (2020/2021), the revenue statements were not prepared and therefore the source of this amount could not be confirmed.

In the circumstances, the accuracy and completeness of balance brought forward of Kshs.41,874,292 could not be confirmed.

3. Failure to Prepare Statement of Arrears of Revenue

Review of the revenue statements revealed that the Receiver of Revenue did not populate the Statement of Arrears with the required information but was left blank contrary to Section 165 of Public Finance Management Act, 2012 which states that; (1) 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; and (2) The account under subsection (1) shall include; (a) a statement of receipts and disbursement in a form prescribed by the Accounting Standards Board from time to time; and (b) a statement of arrears of revenue.

In the circumstances, fair presentation of statements of arrears 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 Mombasa Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts target and actual amounts on comparable basis of Kshs.4,966,330,106 and Kshs.3,608,672,111 respectively, resulting to under realization of Kshs.1,357,657,995 or 27% of the target. However, no report was provided by the Receiver of Revenue to the County Executive Committee Member (CECM)-Finance and Economic Planning detailing the reasons for difficulties in revenue collection as required of Regulation 63(2) of the Public Finance Management (County Governments) Regulations, 2015 which provides that "where there are difficulties in revenue collection a Receiver of Revenue shall report the circumstances to the CECM-Finance".

The under realisation affected the planned activities and may have impacted negatively on service delivery to the residents of Mombasa County.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report 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 and based on the audit procedures performed, except for the matter described in the Basis for Conclusion, 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

Late Submission of Financial Statements

The financial statements of Receiver of Revenue - County Government Mombasa for the financial year ended 30 June 2022 were submitted on 10 January 2024 contrary to Section 47 (1) of the Public Audit Act, 2015 which requires that the financial statements required under the Constitution, the Public Finance Management Act, 2012 (No. 18 of 2012) and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

In the circumstance Management was in breach of the law.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

In preparing the financial statements, Management is responsible for assessing the Receiver of Revenue – County Government of Mombasa's ability to sustain 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 terminate the Receiver of Revenue or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements 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 of Revenue - County Government of Mombasa'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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in

amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the management's use of the use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Receiver of Revenue's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Receiver of Revenue to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Receiver of Revenue to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

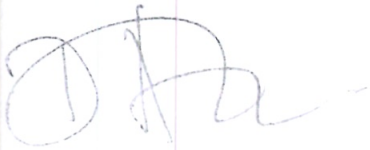
21 February, 2024

Receiver Of Revenue
County Government of Mombasa
Revenue Statements for the Period Ended 30th June 2022

7. Statement of Receipts and Disbursements for the year ended 30th June 2022

	Note	FY2021/2022	FY 2020/2021
		Kshs	Kshs
County Own Source Revenue			
Cess	1	350,284,760.00	-
Land Rate	2	810,191,232.00	-
Single/Business Permits	3	498,723,726.00	-
Property Rent	4	25,532,615.00	-
Parking Fees	5	537,641,127.00	-
Market Fees	6	24,484,919.00	-
Advertising	7	109,254,560.00	-
Hospital Fees	8	0	-
Public Health Service Fees	9	1,032,181,640.00	-
Physical Planning and Development	10	179,968,693.00	-
Hire Of County Assets	11	4,341,219.00	-
Conservancy Administration	12	2,846,000.00	-
Administration Control Fees and Charges	13	32,082,830.00	-
Proceeds from sale of assets	14	0	-
Park Fees	15	0	-
Other Fines, Penalties, And Forfeiture Fees	16	1,138,790.00	-
Miscellaneous receipts	17	0	-
Total County Own Source Revenue		3,608,672,111.00	-
Other Receipts			
Donations/Grants Not Received Through CRF	18	0	-
Total Other Receipts		0	-
Total Receipts		3,608,672,111.00	-
Balance b/f at the beginning of the year		41,874,292.03	-
Disbursements To CRF		(2,257,591,518.65)	-
Revenue Disbursed to FIF	19	(1,351,080,592.35)	-
Balance Due for Disbursement		41,874,292.03	-

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 14/12 2023 and signed by:



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



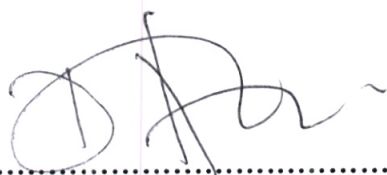
Name: Affan Mohammed
Director Revenue

Receiver Of Revenue
County Government of Mombasa
Revenue Statements for the Period Ended 30th June 2022

8. Statement of Financial Assets and Liabilities As at 30th June 2022

	Note	FY2022/2021	FY2020/2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances	20	41,874,292.03	0
Cash In Hand	21	0	0
Total Financial Assets		41,874,292.03	0
		0	0
Total Financial Assets		41,874,292.03	0
Financial Liabilities			
Payables-Due to CRF	22	41,874,292.03	0
Total Financial Liabilities		41,874,292.03	0

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 14th Dec 2023 and signed by:



.....
Name: Ayub Buhiri
County Receiver of Revenue



.....
Name: Affan Mohammed
Director Revenue

County Government of Mombasa
Revenue Statements for the Period Ended 30th June 2022

9. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30th June 2022

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	795,448,649.92	0.00	795,448,649.92	350,284,760.00	445,163,889.92	44%
Land Rate	951,242,723.00	0.00	951,242,723.00	810,191,232.00	141,051,491.00	85%
Single/Business Permits	590,950,016.93	0.00	590,950,016.93	498,723,726.00	92,226,290.93	84%
Property Rent	19,358,612.25	0.00	19,358,612.25	25,532,615.00	-6,174,002.75	132%
Parking Fees	579,006,857.00	0.00	579,006,857.00	537,641,127.00	41,365,730.00	93%
Market Fees	422,431,080.03	0.00	422,431,080.03	24,484,919.00	397,946,161.03	6%
Advertising	120,664,187.84	0.00	120,664,187.84	109,254,560.00	11,409,627.84	91%
Hospital Fees		0.00		0	0.00	
Public Health Service Fees	778,000,000.00	0.00	778,000,000.00	1,032,181,640.00	-254,181,640.00	133%
Physical Planning and Development	201,927,203.00	0	201,927,203.00	179,968,693.00	21,958,510.00	89%
Hire Of County Assets	13,400,000.00	0.00	13,400,000.00	4,341,219.00	9,058,781.00	32%
Conservancy Administration	111,534,780.00	0.00	111,534,780.00	2,846,000.00	108,688,780.00	3%
Administration Control Fees and Charges	352,185,015.76	0.00	352,185,015.76	32,082,830.00	320,102,185.76	9%
Proceeds from sale of assets	0	0.00	0	0	0.00	
Park Fees	0	0.00	0	0	0.00	

*Receiver Of Revenue
County Government of Mombasa
Revenue Statements for the Period Ended 30th June 2022*

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 %
Other Fines, Penalties, And Forfeiture Fees	30,180,981.27	0.00	30,180,981.27	1,138,790.00	29,042,191.27	4%
Miscellaneous Receipts	0	0.00	0	0	0.00	
Total County Own Source Revenue	4,966,330,106.76	0	4,966,330,106.76	3,608,672,111	1,357,657,995.76	73%
Other Receipts				0	0.00	0%
Donations /Grants Not Received Through CRF	0	0	0	0	0.00	0%
Total Other Receipts	0	0	0	0	0.00	0%
Total Receipts	4,966,330,106.76	0.00	4,966,330,106.76	3,608,672,111.00	1,357,657,995.76	73%

The County Receiver of revenue's financial statements were approved on 14 Dec 2023 and signed by:



.....
Name: Ayub Buhiri
County Receiver of Revenue

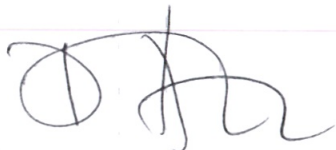


.....
Name: Affan Mohammed
Director Revenue

10. Statement of Arrears of Revenue As at 30th June 2022

Classification Of Receipts	Balance as at The beginning of the current year (1 st July 2021) A	Arrears received during the year. B	Additions in arrears for the current year to June 30, 2022 C	Total arrears as at 30 June 2022 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						

*Receiver Of Revenue
County Government of Mombasa
Revenue Statements for the Period Ended 30th June 2022*



.....
Name: Ayub Buhiri

County Receiver of Revenue

(Ref: PFM ACT section 165, 2(a))



.....
Name: Affan Mohammed

Director Revenue

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

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

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

2. Recognition of Receipts

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

3. Budget

The County Revenue budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by law. The original budget was approved by the County Assembly on 30th June 2021 for the period 1st July 2022 to 30 June 2022 as required by law. There was 2 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.

*Receiver Of Revenue
County Government of Mombasa
Revenue Statements for the Period Ended 30th June 2022*

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, 2022

12. Notes to the Financial Statements

1. Cess

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Farm produce		
Quarrying	350,233,760.00	0
Livestock		
Fish farming		
Others (<i>specify</i>)-Incidental Charges	51,000.00	0
Total	350,284,760.00	0

2. Land rates

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Land rates	284,643,813.00	0
Land penalties and interest	110,265.00	0
Administration Cost	18,750.00	0
Land Rates Other Years	941,969.00	0
Arrears	524,476,435.00	0
Total	810,191,232.00	0

3. Single /Business Permits

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Business permit application fees	0	0
Annual Business permit fees	492,117,503.00	0
Business permit penalties and interest	6,606,223.00	0
Business permit fees arrears	0	0
Total	498,723,726.00	0

Receiver Of Revenue
 County Government of Mombasa
 Revenue Statements for the Period Ended 30th June 2022

Notes to the Financial Statements (continued)

4. Property Rent

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
County Housing	25,031,115.00	0
Plot Rent		
Tenancy Agreement		
Transfer of Property		
Stalls/kiosks rent		
Others (<i>Specify</i>)- Other Property Charges	501,500.00	0
Total	25,532,615.00	0

5. Parking Fees

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Street parking fees		
Monthly toll/sticker fees		
Motorbike fees		
Registration fees		
Reserved parking		
Bus Park fees		
Others (<i>Specify</i>)-Road maintenance Management Unit	537,641,127.00	0
Total	537,641,127.00	0

6. Market Fees

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Market entry fees	2,215,470.00	0
Hawking fees	2,011,780.00	0
Market Stalls Rent	19,821,519.00	0
Market Shelter fee	5,000.00	0
Others (<i>Specify</i>)-Shelter and Offloading	431,150.00	0
Total	24,484,919.00	0

Receiver Of Revenue
 County Government of Mombasa
 Revenue Statements for the Period Ended 30th June 2022

Notes to the Financial Statements (Continued)

7. Advertising

Descriptions	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Branding	780,050.00	0
Billboard advertising	108,474,510.00	0
Signage		
Roadshows		
Banners		
Posters		
Tent advertising		
Street pole/clock advertising		
others (Specify)		
Total	109,254,560.00	0

8. Hospital Fees

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Level 5 hospitals		
Level 4 hospitals		
Others (Specify)		
Total	0.00	0.00

9. Public Health Service Fees

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Inspection of buildings/premises/Institutions	1,031,255,384.00	0
Inspection for issuance of hygiene license	894,756.00	0
Vaccination: Yellow fever, Typhoid, etc		
Applications for medical examination		
Sanitation inspection for schools		
Public health permit	31,500.00	0
Rodent Control/Fumigation		
Others (Specify)		
Total	1,032,181,640.00	0

Notes to the Financial Statements (Continued)

10. Physical Planning and Development

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Sale of County planning documents	12,000.00	0
Land valuation and registration fees-Valuation & Survey	8,705,269.00	0
Change / Renewal of user	34,000.00	0
Building plans approval	6,032,771.00	0
Signboards		
Occupational Permits		
Enforcement / Demolition		
Architectural designs by county officers-Development control unit	165,155,653.00	0
Hoarding fees		
Others (Specify)-Document Search fee	29,000.00	0
Total	179,968,693.00	0

11. Hire Of County Assets

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Agricultural Mechanisation Services (AMS)	0	0
Hire of Machines and Equipment	0	0
Hire of County Stadia	158,000.00	0
Livestock Management Unit-Permits and Licenses	256,930.00	0
Horticulture Consultation fee	255,800.00	0
Cooperative Management -Saccos	89,990.00	0
Hire of County Halls	2,183,300.00	0
Conference facilities/Agricultural Training Centers (ATC)	1,200,000.00	0
Others (Specify)- Refund of over-payment/collateral-Financial Management Unit	197,199.00	0
Total	4,341,219.00	0

Receiver Of Revenue
 County Government of Mombasa
 Revenue Statements for the Period Ended 30th June 2022

Notes to the Financial Statement (Continued)

12. Conservancy Administration

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Refuse disposal fees	1,646,000.00	0
Dumpsite fees		
Sewerage fees		
Sale of seedlings		
Public cemetery	0	0
Disposal of carcasses		
Noise control		
Others (<i>Specify</i>)-Education Administration	1,200,000.00	0
Total	2,846,000.00	0

13. Administration Control Fees and Charges

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Weights and measures		
Fire Services	5,378,000.00	0
Liquor licenses		
Betting levy		
Others (<i>Specify</i>)-Hotel Levy	26,704,830.00	0
Total	32,082,830.00	0

14. Proceeds from sale of assets.

	FY 2021/2022	FY 2020/2021
	Kshs	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	0	0

Notes to the Financial Statement (Continued)

15. Park Fees

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Lodge Tariffs and levies		
Park entry fees		
Filming and Photography fees		
Camping fees		
Balloon landing fees		
Others (<i>Specify</i>)		
Total	0.00	0.00

16. Other Fines, Penalties and Forfeitures

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Impounding Fees		
Towing Fees		
Others (<i>Specify</i>)-Court fines and Cash bail	259,790.00	0
	879,000.00	0
Total	1,138,790.00	0

17. Miscellaneous Receipts

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Dividends		
Interest		
Commissions		
Others (<i>Specify</i>)		
Total	0.00	0.00

Receiver Of Revenue
County Government of Mombasa
Revenue Statements for the Period Ended 30th June 2022

Notes to the Financial Statement (Continued)

18. Donations And Grants Not Received Through CRF

Description	FY2021/2022	FY2020/2021
	Kshs	Kshs
Donations	0	0
Grants	0	0
Others	0	0
Total	0	0

19. Bank Charges

Description	FY2021/2022	FY2020/2021
	Kshs	Kshs
Bank Charges & commissions		
Disbursement To FIF	1,351,080,592.35	0
Total	1,351,080,592.35	0

20. Bank Balances

Name Of Bank, Account No. & Currency	Account Number	Ex. rate (if in foreign currency)	FY2021/2022	FY2020/2021
			Kshs	Kshs
Equity Land Rate Acc	0250282286927	Kshs	2,041,404.00	0
Equity Parking Acc	1560276850479	Kshs	18,225,755.00	0
Coop Revenue Acc	01141445300000	Kshs	400.03	0
KCB Main Revenue	1180783522	Kshs	23,717.00	0
KCB Deposit Acc	1162415967	Kshs	6,121,097.00	0
NBK Amanah Acc	01050089324300	Kshs	15,461,919.00	0
Total			41,874,292.03	0

20 (a) Balance carried forward as at 30th June 2022 and subsequently transferred

Ref	Amount (Kshs)	Date subsequently transferred
Disbursement 1		1 July 20xx
Disbursement 2		15 July 20xx
Total		

Receiver Of Revenue
 County Government of Mombasa
 Revenue Statements for the Period Ended 30th June 2022

Notes to the Financial Statement (Continued)

21. Cash in hand

Description	FY2021/2022	FY2020/2021
	Kshs	Kshs
Cash Balance		
Mobile Money		
Others		
Total	0.00	0.00

22. Payables- Due To CRF

Payables	FY2021/2022	FY2020/2021
	Kshs	Kshs
Balance b/f at the beginning of the year	41,874,292.03	0
Amount collected during the year	3,608,672,111.00	0
Amounts disbursed to CRF during the year	(2,257,591,518.65)	0
Transfers to FIF	(1,351,080,592.35)	
Balance c/d at the end of the year	-41,874,292.03	0

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 19 above.

Notes to the Financial Statement (Continued)

23. Ageing Analysis of Revenue in Arrears

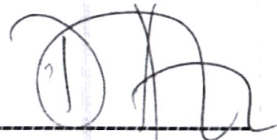
Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Cess					
Land rate					
Single/business permits					
Property rent					
Parking fees					
Market fees					
Advertising					
Hospital fees					
Public health service fees					
Physical planning 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 (<i>agree to statement of arrears</i>)					

24. 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
 Name: Ayub Buhiri
 County Receiver of Revenue

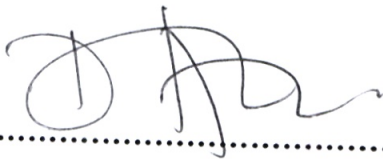
Appendix 2: Progress on follow up of prior Year Auditor Recommendations.

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)
9.0	Failure to Prepare Financial Statements for County Receiver of Revenue	This has been corrected	Resolved	30th June 2023

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: Ayub Buhiri
 County Receiver of Revenue

Date: 14TH DEC.....2023



Name: Affan Mohammed
 Director Revenue

Date: 14TH DEC.....2023