REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

RECEIVER OF REVENUE REVENUE STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2025

COUNTY GOVERNMENT OF BUNGOMA

HARAMBEE

Our Heritage Our Wealth

RECEIVER OF REVENUE

County Government of Bungoma

REVENUE STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2025

Transitional Financial Statements Prepared Under International Public Sector Accounting Standards (IPSAS)

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1. Acronyms and Definition of Key Terms

a) Acronyms

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

b) Key terms

Comparative FY Comparative Prior Financial Year

Fiduciary Management The key management personnel who had financial responsibility.

2. Key Entity Information and Management

(a) Background information

The receiver of revenue is under the Department of Finance and Economic Planning. At the County Executive Committee level, the County Executive Committee member represents the receiver of revenue for Finance and Economic Planning, 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 8th July, 2024 by the County Executive Committee member for Finance, in accordance with section 157 of the PFM Act.

(b) Principal activities

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

(c) Key Management Team

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

No.	Designation	Name
1.	CEC member -Finance	Ms. Carolyne Makali
2.	Chief Officer, Finance & Economic Planning	Mr Roberts Simiyu
4.	Chief Officer Health and Sanitation	Dr. Magrina Mayama
5.	Chief Officer Tourism and Environment	Mr. Stephen Makhanu
6.	Chief officer, Agriculture	Mrs. Dinah Waswa
7.	Chief officer, Livestock and Fisheries	Mr. Andrew Musungu
8.	Chief officer Roads and Public Works	Mr. Edward Makhandia
9.	Chief Officer Trade and Energy	Mr. Reuben Wambwa
10.	Chief Officer Lands and Physical Planning	Mr. George Kombo
11.	Chief Officer Housing	Dr. Fwamba Rashid
12.	Director Revenue	CPA. Gregory Wafula

(d) County Headquarters

P.O. Box 437-50200,
Former Municipal Buildings,
Moi Avenue Street
Bungoma, KENYA

(e) Entity Contacts

Telephone: (254) 728 039 039
E-mail: revenue@bungoma.go.ke
Website: https://bungoma.go.ke

Key Entity information and Management (continued)

(f) External Auditor

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

(g) Bankers

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

ii. Kenya Commercial Bank,
P.O. Box 201-50200
Bungoma.

iii. Equity Bank Ltd,
P. O. Box 2450-50200,
Bungoma.

iv. Co-operative Bank of Kenya Ltd,
P.O. Box 1964-50200,
Bungoma.

v. National Bank of Kenya,
P.O. Box 25-50200,
Bungoma.

vi. Safaricom PLC,
Moi Avenue, Moghe Plaza Ground floor
Bungoma.

(h) Principal Legal Adviser

The Attorney General State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

(i) County Attorney

County Attorney
Bungoma Municipal Building,
P.O. Box 437-50200.
Bungoma, Kenya.

3. Foreword by the CECM Finance and Economic Planning

It is my pleasure to present the County Government of Bungoma financial statements on Receiver of Revenue for the year ended 30th June, 2025. The financial statements present the financial performance of the County Government over the past twelve months of FY 2024/25.

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue sources for Bungoma County include business permits, land rates, cesses, market fees, parking fees, administrative service fees, public health facilities' fees, Appropriation in Aids (AIA) among others.

Financial Performance

a) Receipts

In the year ending 30th June 2025, the county Receipted Kshs. 1,725,396,851 (Actual of ksh 1,426,996,915 Receivables 626,949,982 and Waivers of ksh 39,295,242). Local Revenue includes Own Source Revenue of Kshs. 419,548,659, Mabanga AMC and ATC of Kshs. 23,061,455 and VTC of Kshs. 23,452,690. AIA includes Primary Heath Care and Level 4&5 facilities. Out of the collected amount, Kshs. 419,046,8219.00 was transmitted to County Revenue Fund. The County had projected to collect Kshs. 1,777,933,189 as own source revenue.

Below is the summaries table:

Description of Revenue	Budget Amount	Actual Receipt	% Absorption
Local Revenue	1,042,461,543	466,062,803	44.71%
AIA	735,471,646	960,934,112	130.66%
Total	**1,777,933,189**	**1,426,996,915**	**80.26%**

In view of this, the County has developed a Revenue Enhancement Action Plan that sets out practical, prioritized strategies across key revenue streams.

- In the health sector, the county aims to expand billing and automate revenue collection, including linking services with insurance schemes and enhancing

infrastructure in revenue-generating facilities.

- To optimize market fees, Bungoma will rehabilitate market infrastructure, streamline collection processes, and strengthen enforcement.
- Agricultural produce cess collection will be reinforced through point-of-origin tracking, route surveillance, and digital collection tools.
- For trade licensing, the county will implement a complete mapping of businesses and improve the licensing system through automation and compliance outreach.
- Outdoor advertising revenue is expected to be boosted through updated signage inventories, clearer regulatory enforcement, and the integration of GIS mapping.

These efforts are underpinned by cross-cutting enablers: improved data systems, legal and institutional reforms, enhanced staff deployment, and stakeholder engagement. The action plan assigns clear responsibilities and timelines to each reform action, ensuring oversight of implementation and performance monitoring.

National and County economic outlook

- National Government revenues continue to form the largest part of the County Government budget, together with development partners grants, they contribute 85.5% while locally generated revenues constitute 14.5% of the budget.
- The country experienced economic resilience and real Gross Domestic Product growth of 4.7% which is projected to grow to 5.3%, rebounding from previous slowdowns and supported by the Bottom-Up Economic Transformation Agenda (BETA), improved agricultural productivity, broad-based private sector growth, and greater macroeconomic stability.
- The country's inflation is expected to be maintained at 3.8%. Interest and exchange rates are expected to remain stable, and this will be safeguarded over the medium term.

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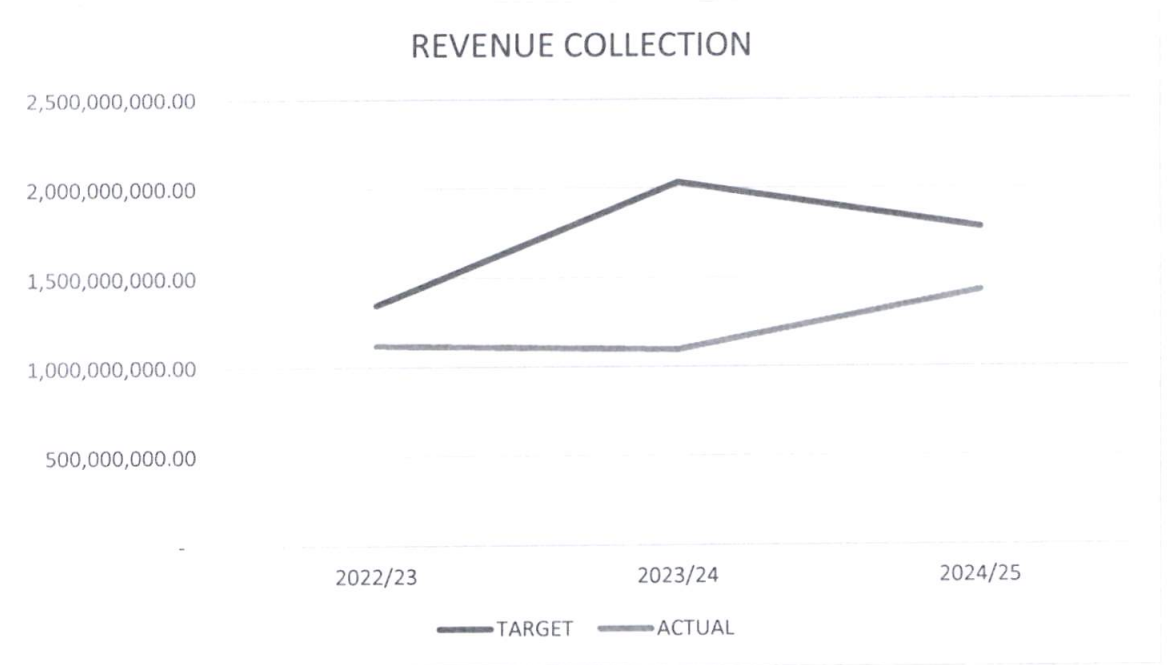
Ms. Carolyne Makali
CECM Finance and Economic Planning
County Government of Bungoma

4. Management Discussion and Analysis

The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue sources for Bungoma County included business permits, land rates, cesses, market fees, parking fees, administrative service fees, public health facilities' fees, Appropriation in Aids (AIA) among others. Aids in Appropriation are revenue associated with collections from Mabanga ATC/AMC, level 3, 4&5 hospitals and County vocational training centres. The revenues include, receipts from County Government and Donations, receipts from offering services, hire of county machines & assets and sale of goods. Most cash are collected through agents that are located within the facility entities.

S/No.	Financial Year	Target	Actual	Performance
1	2022/23	1,347,382,860.00	1,119,159,145.00	83.06%
2	2023/24	2,030,272,854.00	1,095,692,519.00	53.97%
3	2024/25	1,777,933,189.00	1,426,996,915.00	80.26%



Operation of the fund.

County Government collects local revenue using the Bungoma Automated Revenue Management System (BARMS). Every collecting officer has a POS machine to ensure that every revenue paid is captured directly into the system to avoid leakages and encourage efficient revenue collection. The amounts are banked daily in the four Collection accounts

and swept daily to the Bungoma County Revenue Fund A/C held at CBK.
The county collected Ksh. 1,426,996,915 in cash with Net Receivables of ksh 626,949,982 for the year ending June 30, 2025 against Ksh. 1,095,692,519 reported for the year ending June 30, 2024 representing a marginal growth of 30.24% in revenues generated.

Revenue Collection Challenges

A number of challenges, key among them highlighted below, has hampered revenue enhancement effort:

I. Constrained budget towards revenue enhancement activities including staff capacity building, supervision, inspections, trader sensitization and enforcement activities.
II. The poor state of market support infrastructure including livestock sale yards, sanitation facilities and slaughterhouses, and poor drainage facilities during rainy seasons.
III. There is still a limitation in undertaking revenue supervision and inspections arising from mobility constraints. The few vehicles assigned for revenue enhancement are old and frequently breakdown.

Revenue Raising Measures

In order achieve a sustained growth in revenue collection; the County Government will undertake the following measures;

I. **Outdoor Advertising and Sign Board Fees**
- Conduct a comprehensive audit and registration of all advertising and signage companies to establish an up-to-date database and enhance billing and enforcement.
- Inspect and verify all existing signposts for compliance with county regulations, and update records for enforcement and billing purposes.

II. **Agricultural Transportation Fees**
- Register all corporate entities subject to agricultural produce transportation fees to expand the billing base and support compliance monitoring.
- Gazette all designated agricultural produce transportation fee collection points to formalize operations and enhance transparency and enforcement.
- Engage agricultural produce Cess committees to strengthen community oversight and cooperation in the collection of transportation fees.
- Reconcile records and request payments from privatized sugar companies to recover outstanding agricultural transportation fee payments.

III. **Revenue Administration**

- Develop and enact legislation to expand the county's ability to collect fees and charges, close legal gaps, and strengthen revenue enforcement frameworks in compliance with national legal standards.
- Introduce automated taxpayer feedback messages upon successful payment to enhance transparency, taxpayer experience, and trust in county digital revenue systems
- Develop KPIs per staff role; link performance appraisals to revenue collection and service delivery targets.
- Capacity building for revenue collectors on best practices in revenue collection and management

IV. Market Entry Fees

- Engage properly elected market committees to promote compliance, coordinate fee collection, and resolve trader issues locally.
- Coordinate with the Department of Lands to integrate GIS data for all gazetted market locations, thereby improving tracking and billing.
- Conduct regular sensitization forums for traders on their fee payment obligations to promote voluntary compliance.
- Gazette all market centers to formalize their legal status and support revenue administration and enforcement.

V. Parking Fees

- Gazette and designate public and private parking areas to establish legal authority for billing and enforcement.
- Introduce electronic clamping services to enforce payment compliance and reduce parking fee evasion.

VI. Property Rates

- Pursue all rate defaulters recorded in BARMS through enforcement actions and demand notices to recover outstanding liabilities.
- Migrate all rates data from LAIFORMS to BARMS to centralize and digitize billing, tracking, and enforcement.
- Integrate rate payments with SBP (Single Business Permit) systems to streamline billing and encourage compliance among commercial property users.
- Conduct sensitization campaigns to educate ratepayers on payment obligations, eligibility, and available waivers.
- Develop a comprehensive database of all ratable properties to strengthen billing and ensure complete coverage of the tax base.

VII. Trade Licensing Fees

- Pursue licensing defaulters using data from BARMS through issuance of reminders, penalties, and compliance visits.
- Establish a comprehensive database of all traders across the county to support targeted billing and policy development.

VIII. Public Health Licensing Fees

- Develop a digital register of all hotels and eateries in Bungoma County to enhance licensing, inspection, and billing processes.
- Conduct compliance audits to confirm payment of food handler licenses and initiate follow-ups where necessary.
- Procure county-specific public health certificates to support enforcement of licensing requirements.
- Conduct stakeholder engagements with target sectors (e.g., entertainment, hospitality) to promote compliance and awareness of public health fees.
- Increase enforcement and collection from noise pollution sources such as roadshows, crusades, and entertainment venues.

IX. Hospital Fees

- Digitize billing in all Level 4 and 5 hospitals using the Hospital Management System (HMS) to ensure 100% electronic revenue capture.
- Develop and roll out standardized weekly reporting templates for non-HMS facilities to support consistent revenue monitoring.
- Implement M-Pesa Pay-bill accounts in hospitals not yet on HMS to increase cashless collection efficiency and reduce leakage.
- Procure and install essential revenue-related equipment in Level 3 and 5 hospitals to support accurate billing and service delivery.
- Conduct ongoing training for health staff on revenue billing systems, digital platforms, and compliance procedures.
- Conduct a comprehensive review of hospital service processes and implement standard operating procedures to improve efficiency and billing accuracy.

Roberts Simiyu
County Receiver of Revenue

5. Statement of the Receiver of Revenue's responsibilities

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

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

The Receiver of Revenue in charge accepts responsibility for the Bungoma receiver of revenue accounts, which have been prepared on the Accrual Basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and the relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the Bungoma receiver of revenue account gives a true and fair view of the state of the Bungoma receiver of revenue transactions during the financial year ended June 30, 2025, and of the Bungoma 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. 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 29th Aug 2025

Name: Roberts Simiyu
County Receiver of Revenue

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

	Note	2024-2025
		Kshs
Revenue from non-exchange transactions		
Cess	6	84,633,313.27
Land Rates	7	52,219,237.30
Single/Business Permits	8	103,988,511.45
Conservancy Administration	9	13,764,100.00
Administration Control Fees and Charges	10	32,339,067.00
Other Fines, Penalties, And Forfeiture Fees	11	1,140,820.00
Public Health Service Fees	12	4,947,877.00
Physical Planning and Development	13	8,433,780.00
Total Revenue from non-exchange transactions		**301,466,706.02**
Revenue from exchange transactions		
Property Rent	14	17,594,187.50
Parking Fees	15	80,944,200.00
Market Fees	16	40,664,780.00
Advertising	17	28,285,511.00
Hospital Fees	18	1,209,772,322.33
Hire of County Assets	19	23,140,954.65
Miscellaneous receipts	20	23,528,189.79
Total Revenue from exchange transactions		**1,423,930,145.27**
Total Revenues (a)		**1,725,396,851.29**
Disbursements		
Disbursements To CRF	21	(419,046,219.35)
Disbursements to another County Fund	22	(984,304,286.73)
Bank charges	23	(502,439.66)
Waivers and exemptions	24	(39,295,241.50)
Total Disbursements and other charges (b)		**(1,443,148,187.24)**
Increase/Decrease in Dues to County Revenue Fund		**282,248,664.05**

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 29th Aug 2025 and signed by:

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Roberts Simiyu
County Receiver of Revenue

.....

CPA Gregory Wafula
Head of Revenue
ICPAK M/No. 13658

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON RECEIVER OF REVENUE - REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF BUNGOMA

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; and,

C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE REVENUE STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS revenue statements of Receiver of Revenue - County Government of Bungoma set out on pages 1 to 37, which comprise of the statement of financial position as at 30 June, 2025 and the statement of revenue and

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

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

Basis for Qualified Opinion

1. Unconfirmed Revenue from County Housing, Stalls and Kiosks Rent

The statement of revenue and disbursements reflects property rent amounting to Kshs.17,594,187 as disclosed in Note 14 to the revenue statements. Included in this amount is Kshs.12,588,168 and Kshs.1,196,450 for County Housing and Stalls/Kiosks rent respectively. However, the tenants' agreements and the list of all the County houses, stalls and kiosks in respect of rent chargeable and charged were not provided for audit review.

In addition, it was observed that Bungoma Automated Revenue Management System (BARMS) lacked configuration of stall and house rent and the County Government had not mapped all the county houses and stalls for easy of audit trail.

Audit inspection done in the month of July, 2025 revealed that the stalls at the bus park were not numbered for identification. Some stalls had been sub-rented to third parties who paid rent to their "Landlords" i.e. those who were registered by the County. Further, these "landlords" could not be identified and therefore audit could not confirm that they had paid the rent due for the stalls to Bungoma County Receiver of Revenue.

In the circumstances, the accuracy and completeness of property rent amounting to Kshs.17,594,187 could not be confirmed.

2. Unreconciled Variances Between Amounts Reflected in the Statement of Cash Flows and System Generated Receipts

The statement of cash flows reflects amounts of Kshs.335,950,623 for various revenue streams which differ with the amounts as per Bungoma Automated Revenue Management System (BARMS) generated receipts of Kshs.323,723,691, resulting to an unexplained variance of Kshs.12,226,932.

In the circumstances, the accuracy and completeness of amounts reflected in the statement of cash flows could not be confirmed.

3. Unsupported Waivers and Exemptions on Level 4 and 5 Hospitals

The statement of revenue and disbursements and as disclosed in Note 24 to the revenue statements reflects waivers and exemptions amount of Kshs.39,295,241 which includes Level 4 and 5 hospitals waivers amount of Kshs.31,919,837. However, the supporting document provided did not have all the names of beneficiary patients, not all patients listed had reasons for waivers and amount waived per patient. Further, the minutes provided indicated a list of patients who were not in the schedule of waivers provided for audit.

In the circumstances, the accuracy, completeness and regularity of Level 4 and 5 Hospitals waivers of Kshs.31,919,837 could not be confirmed.

4. Unconfirmed Cash and Cash Equivalents Balance

The statement of financial position reflects a balance of Kshs.106,841,678 for cash and cash equivalents as disclosed in Note 25 to the revenue statements. Included in this, is Kshs.5,433,621 for the four accounts whose bank reconciliation statements and cashbooks were not provided for audit to review. Further, the reported balances were bank statements balances and not cash book balances as required by the reporting template prescribed by the Public Sector Accounting Standards Board.

In the circumstances, the accuracy, completeness, and existence of cash and cash equivalents balance of Kshs.5,433,621 could not be confirmed.

5. Unconfirmed Receivables from Non-Exchange Transactions

The statement of financial position and as disclosed in Note 26 to the revenue statements reflects receivables from non-exchange transactions balance of Kshs.268,398,383 which includes cess and land rates of Kshs.84,641,795 and Kshs.183,756,587 respectively. However, according to the ageing analysis provided, receivables amounting to Kshs.206,195,223 were aged over 3 years, and no documentary evidence was provided for audit indicating efforts made by Management to recover the debts.

In the circumstances, accuracy, completeness and recoverability of the receivables from non-exchange transactions balance of Kshs.268,398,383 could be confirmed.

6. Unsupported Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.358,551,600 as disclosed in Note 27 to the revenue statements, which includes Level 4 and 5 Hospitals receivables amount of Kshs.231,192,217. Included in the amount was Kshs.73,903,076 for Bumula, Kimilili, Naitiri, Bokoli, Cheptais, Chwele and Mt. Elgon hospitals whose detailed ledgers were not been provided for audit review.

In the circumstances, the accuracy and completeness of the receivables for Level 4 and 5 Hospitals balance of Kshs.231,192,217 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Receiver of Revenue-County Government of Bungoma 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 revenue final budget and actual on comparable basis amounts of Kshs.1,777,933,189 and Kshs.1,394,958,013 respectively, resulting to under-collection of revenue by Kshs.382,975,176 or 22% of the budget.

The under-collection of revenue affected the implementation of the budgeted activities and may have impacted negatively on the service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under Report on the Revenue Statements, Report on Lawfulness and Effectiveness in the Use of Public Resources and Report of Effectiveness of Internal Controls, Risk Management and Governance as indicated in **Appendix I.** Management had indicated under the progress on follow up of prior year Auditor's recommendations section of the revenue statements that some issues were resolved, others partially resolved and others not resolved. However, no documentary evidence was provided indicating how the resolved issues were resolved. Further, no satisfactory explanation was provided for the delay in resolving the other issues.

Other Information

Management is responsible for the Other Information set out on page iii to xii which comprise of Key Entity Information and Management, Foreword by CECM Finance and Economic Planning, Management Discussion and Analysis and Statement of Receiver of Revenue's Responsibilities. The Other Information does not include the revenue statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Remit Revenue Collected to the County Revenue Fund

1.1 Payables Due to County Revenue Fund

The statement of financial position and as disclosed in Note 28 to the revenue statements reflects payables due to the County Revenue Fund (CRF) balance of Kshs.733,791,661. The balance includes amount collected and not disbursed to CRF of Kshs.5,433,621 and amount collected but retained in the operation account of Kshs.101,408,057. However, Management did not provide explanation for not remitting the amounts to the County Revenue Fund. Further, revenue totaling Kshs.4,070,713 deposited in a local bank throughout the year under review was retained in the account and not remitted to County Revenue Fund.

1.2 Revenue from Hire of County Halls and Stadium

The statement of revenue and disbursements reflects an amount of Kshs.23,140,955 for hire of county assets as disclosed in Note 19 to the revenue statements. Included in this

amount is Agricultural Mechanization Services revenue of Kshs.1,169,250, hire of county halls/stadium of Kshs.79,500 and conference facilities Agricultural Training Centres of Kshs.21,892,204. However, the revenue was not remitted to the Receiver of Revenue for subsequent transfer to the County Revenue Fund but was spent at source within the various institutions. No explanation was given for failure to remit the funds to the County Revenue Fund in accordance with the law.

This was contrary to Regulation 81(2) of the Public Finance Management (County Governments) Regulations, 2015 which provides that, the receivers of revenue shall promptly pay the revenue received into the County Revenue Fund, as soon as possible and in any case not later than five (5) working days after receipt thereof.

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

2. Loss of Revenue Due to Unoccupied Market Stalls- Chebkube Market

The statement of revenue and disbursements reflects property rent amounting to Kshs.17,594,187 as disclosed in Note 14 to the revenue statements. Included in this amount is Kshs.1,196,450 for stalls/kiosks rent. Audit inspection done on 25 July, 2025 revealed that the County Executive through the Department of Trade constructed Chebkube Market including twenty-one (21) kiosks/stalls. However, the 21 stalls had not been occupied since the launch of the market in April 2024 and remained closed and Management did not provide explanation for their non-occupation. The rent is priced at Kshs.5,000 per stall per month.

In the circumstances, County Government may have lost revenue amounting to Kshs.1,575,000 for the period up 30 June, 2025.

3. Failure to Comply with the Law on Issuance of Liquor Licenses

The statement of revenue and disbursements reflects administration control fees and charges amounting to Kshs.32,339,067 as disclosed in Note 10 to the revenue statements. Included in this amount is Kshs.9,920,250 for liquor licenses. Audit review of the vetting process revealed that there was no Sub-County Alcoholic Drinks Regulation Committees formed for that purpose. Further, there was no enforcement committee to coordinate the enforcement of the Act.

This was contrary to Section 9 of the Bungoma County Alcoholic Drinks Control Act, 2015 which provides that there shall be, for every sub-county, a committee to be known as the Sub - County Alcoholic Drinks Regulation Committee which shall issue licenses in accordance with this Act and Section 58 of the Bungoma County Alcoholic Drinks Control Act, 2015 which provides that the Governor may establish a County Alcoholic Drinks Control Enforcement Co-ordinating Committee for the purpose of enforcing this Act.

In the circumstances, the regularity of the liquor licenses issued could not be confirmed and Management was in breach of the law.

4. Failure to Establish Alcoholic Drinks Control Fund

Audit review of Receiver of Revenue records revealed that Management had not established Alcoholic Drinks Control Fund. This was contrary to Section 6 of Bungoma County Alcoholic Drinks Control Act, 2015 which provides that there is established a Fund to be known as Alcoholic Drinks Control Fund.

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

5. Use of Outdated Valuation Roll

The statement of revenue and disbursements reflects land rates revenue amounting to Kshs.52,219,237 as disclosed in Note 7 to the revenue statements. Review of the revenue collection process revealed that the Receiver of Revenue used a valuation roll for the year 2006. Further, the roll did not disclose details of all the land parcels within the County, the value of land, use of property, the assessment for the improvements, size, name and address of the ratable owner. This was contrary to Section 30(1) of National Rating Act, 2024 which provides that a county government shall cause preparation of a valuation roll to be undertaken in every five years on the ratable properties within the county.

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

6. Failure to Submit Waivers and Exemptions Report to the County Assembly

Note 24 to the revenue statements reflects waivers and exemptions amount of Kshs.39,295,242 which includes Level 4 and 5 hospitals waivers amount of Kshs.31,919,837 and land rates waivers of Kshs.7,375,404. However, Management did not provide evidence to show that the waivers and exemptions reports were submitted to the County Assembly. This was contrary to Section 165 (4) of the Public Finance Management Act, 2012 which provides that not later than two months after the end of each financial year, a receiver of revenue for the county government shall submit to a county assembly a report with respect to all waivers and variations of taxes, fees or charges granted by the receiver of revenue during that year.

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

7. Unexplained Transfer of Funds

Analysis of bank statements of a revenue collection bank account revealed two instances where revenue collected amounting to Kshs.1,817,977 was not remitted to the County Revenue Fund. The narration in the bank statements indicates that an amount of Kshs.1,600,000 was paid into a Bungoma County Government imprest account and Kshs.217,977 was paid into a loan settlement account. No explanation was given on the nature of transfers.

In the circumstances, the regularity of the transfers could not be confirmed and revenue reported is understated by an amount of Kshs.1,817,977.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Bungoma Automated Revenue Management System (BARMS)

1.1. Reliability of Data Maintained in Bungoma Automated Revenue Management System

Analysis of system-generated receipts from BARMS system revealed 307 instances where receipts for the several streams of revenue were issued with zero amounts. The receipts were expected to reflect actual total revenue amount of Kshs.620,300. The issuance of zero-value receipts without supporting documentation raises concerns about the integrity of the revenue collection process. Further, analysis of system-generated revenue reports revealed unexplained gaps in the sequence of receipt numbers. Management did not provide reasons for the missing receipts and whether revenue had been received using these receipts.

In addition, there were one hundred and twenty two (122) instances where receipts were generated for amounts below Kshs.30. However, the County Finance Act did not have provisions for services or charges below this threshold. Therefore, the issuance of such receipts was irregular and reflects weaknesses in system validation controls.

1.2. Over-Reliance on the System Vendor

The County relies heavily on the vendor to generate revenue reports. The revenue management system is fully controlled by the vendor, while County staff have limited capacity and no access to the back-end. For instance, when the County Executive System Administrator was requested by audit team to extract a list of system users and their assigned profiles, he indicated that he did not have rights to access the back-end

and was unable to generate or extract the requested information through the system's front-end interface. At the database level, it was noted that the Receiver of Revenue had not implemented adequate controls to monitor and review activities performed by the vendor. As a result, critical functions such as access to logs, changes made to the database, and other vendor-related activities were not being independently reviewed by County ICT staff. This gap increases the risk of unauthorized changes, manipulation of data, and loss of accountability.

This over-reliance on the vendor poses significant risks to the integrity, accuracy, and completeness of reported revenue. It also exposes the County to potential manipulation, delays in reporting, and loss of critical financial information in the event of system failure or a contractual dispute with the vendor. In addition, the lack of internal technical capacity reflects poor succession planning, as the County is unable to independently manage or sustain the system without continued reliance on the vendor.

In the circumstances, the integrity and reliability of the BARMS system could not be confirmed and the County Government is at risk of loss of revenue through irregular changes, uncounted for receipts and unauthorized manipulation of revenue data.

2. Management of Information and Communication Technology (ICT) Infrastructure

2.1. Deficiency in ICT Policy Framework

Review of information system management revealed that the Receiver of Revenue has not developed and implemented the critical policies on ICT including Security Policy, Backup Policy, Data Classification Policy and Change Management Policy. These policies are essential as they provide clear guidance for the protection of information assets, promote operational efficiency, and define standardized procedures for carrying out business activities.

2.2. Lack of On-Premise Data Centre

The County Government does not have an on-premise Data Centre as indicated in its contract agreement with vendor, the County relies entirely on the vendor's infrastructure to host and manage revenue systems.

2.3. Inadequate Management of User Accounts

The audit established that user accounts in BARMS were created without documented approval from the respective Heads of Departments. In several cases, it was noted that the ICT department/Systems Administrator processed user creation requests directly without evidence of authorization or formal verification of the users' roles and responsibilities. In the circumstances, the weak controls could lead to creation of unauthorized user accounts.

2.4. Lack of Change Management Policy

There were no formal procedures for the receiver of revenue to follow in effecting any changes to the systems in place. The mechanisms include change management forms, review and approval of changes, testing of changes, implementing changes, periodic reporting of changes and post implementation review of changes done to critical systems. Further, the absence of an ICT policy exposes the receiver of revenue to various risks, including security vulnerabilities, data loss, and non-compliance with regulations.

2.5. Lack of Business Continuity Plan

Audit review revealed that the Receiver of Revenue did not have in place ICT continuity plan and disaster recovery plan during the year under audit review. Further, there was no documentary evidence to confirm that the Receiver of Revenue had a strategic plan and an operational plan in place. In addition, the Receiver of Revenue Directorate did not have alternative power supply hence hindering revenue collection and daily operations of the entity.

In the circumstances, the effectiveness of the receiver of revenue's ICT environment internal controls could not be confirmed.

3. Poor Management of Parking Areas

Management did not provide a list of all the gazetted areas for purposes of revenue collection from parking within Bungoma County. Further, there was no proper controls put in place to ensure all parked vehicles pay the parking fees promptly to the County. Audit inspection done within Bungoma town on 25 July, 2025 revealed that parking areas are not marked leading to haphazard parking in the streets of Bungoma town.

In the circumstances, the Receiver of revenue may not collect the optimal revenue from parking fees.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Receiver of Revenue's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

08 December, 2025

Appendix I : Unresolved Prior Year Matters

S/No.	Year	Audit Issue
1	2023/2024	Unreconciled Variances Between Revenue Statements and Supporting Schedules
2	2023/2024	Unsupported Revenue Balances
	2023/2024	Conservancy Administration Revenue
	2023/2024	Market Fees Revenue
	2023/2024	Revenue from County Housing
	2023/2024	Stalls/Kiosks Rent
	2023/2024	Advertising
3	2023/2024	Failure to Provide Revenue Collection Accounts Bank Statements
4	2023/2024	Unaccounted for Revenue from Public Health Services
5	2023/2024	Unaccounted for Revenue from Agricultural Mechanization Services
6	2023/2024	Unconfirmed Arrears of Revenue
7	2023/2024	Unconfirmed Balance Brought Forward
8	2023/2024	Budgetary Control and Performance
9	2023/2024	Lack of Control on Use of Bungoma Automated Revenue Management System
10	2023/2024	Failure to Operationalize Valuation Roll
11	2023/2024	Underpricing of Noise Control Permits
12	2023/2024	Internal Control Weaknesses in Revenue Collection
13	2023/2024	Non-Strategic Market Fees Collection
14	2023/2024	Weak Internal controls in the Collection of Revenue from Building Plans Approval
15	2023/2024	Failure to Maintain Buildings Inspection Register
16	2023/2024	Uncollected Revenue from Motorcycle and Taxis
17	2023/2024	Unmarked Parking slots in Bungoma Town
18	2023/2024	Unregulated Issuance of County Parking Stickers
19	2023/2024	Unconfirmed Revenue from Matatus Sector
20	2023/2024	Inefficiencies in Revenue Collection Gadgets
21	2023/2024	Failure to Prepare Progress Reports on Revenue Collection
22	2023/2024	Internal Control Weaknesses on Issue of Liquor Licenses
23	2023/2024	Revenue Collection Information Communication Technology (ICT) Environment

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

	Note	2024-2025	Opening Statement 1st July 2024
		Kshs	Kshs
Current Assets			
Cash and Cash Equivalents	25	106,841,678	79,207,719
Receivables from non-Exchange transactions	26	268,398,383	226,212,061
Receivables from Exchange transactions	27	358,551,600	141,633,226
Total Current Assets		**733,791,661**	**447,053,006**
Total Assets		**733,791,661**	**447,053,006**
Financial Liabilities			
Payables-Due to CRF	28	733,791,661	447,053,006
Total Financial Liabilities		**733,791,661**	**447,053,006**

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 29th Aug. 2025 and signed by:

.....

Roberts Simiyu
County Receiver of Revenue

.....

CPA Gregory Wafula
Head of Revenue
ICPAK M/No. 13658

9. Statement of Cash Flows for the Year Ended 2025

	Note	2024-2025
Cash flows from operating activities		
Receipts		
Cess		65,848,848
Land Rate		21,441,977
Single/Business Permits		103,988,511
Property Rent		17,594,188
Conservancy Administration		13,764,100
Administration Control Fees and Charges		32,339,067
Other Fines, Penalties, and Forfeiture Fees		1,140,820
Public Health Service Fees		4,947,877
Physical Planning and Development		8,433,780
Parking Fees		80,944,200
Market Fees		40,664,780
Advertising		28,285,511
Hospital Fees		960,934,112
Hire of County Assets		23,140,955
Miscellaneous receipts		23,528,190
Total Receipts		**1,426,996,915**
Payments		
Disbursements To CRF		(414,556,230)
Disbursement to another County Fund		(984,304,287)
Bank charges		(502,440)
Total Payments		**(1,399,362,956)**
Net Cash Flows from/ (used in) Operating Activities		**27,633,959**
Cash and cash equivalents at Period Start 1st July 2024	25	79,207,719
Cash and cash equivalents at Period End 30th June 2025	25	**106,841,678**

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

Receipts	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% of Realization
	A	B	C=(A+B)	D	E=(C-D)	F=D/C*100
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
County Own Source Revenue						
Cess	100,014,389	-	100,014,389	65,848,848	34,165,541	66%
Land Rate	163,814,018	-	163,814,018	21,441,977	142,372,041	13%
Single/Business Permits	246,886,787	-	246,886,787	103,988,511	142,898,276	42%
Property Rent	22,136,578	-	22,136,578	17,594,188	4,542,391	79%
Parking Fees	84,955,998	-	84,955,998	80,944,200	4,011,798	95%
Market Fees	116,660,670	-	116,660,670	40,664,780	75,995,890	35%
Advertising	48,957,759	-	48,957,759	28,285,511	20,672,248	58%
Hospital Fees	1,063,647,395	(328,175,749)	735,471,646	960,934,112	(225,462,466)	131%
Public Health Service Fees	30,137,645	-	30,137,645	4,947,877	25,189,768	16%
Physical Planning and Development	32,415,143	-	32,415,143	8,433,780	23,981,363	26%
Hire of County Assets	8,640,683	-	8,640,683	23,140,955	(14,500,271)	268%
Conservancy Administration	18,551,802	-	18,551,802	13,764,100	4,787,702	74%
Administration Control Fees and Charges	31,855,430	-	31,855,430	32,339,067	(483,637)	102%
Proceeds from sale of assets	163,000,000	(150,783,878)	12,216,122	-	12,216,122	0%
Other Fines, Penalties, and Forfeiture Fees	18,749,115	-	18,749,115	1,140,820	17,608,295	6%
Miscellaneous Receipts	106,469,402	-	106,469,402	23,528,190	82,941,212	22%
Total Receipts	**2,256,892,816**	**(478,959,627)**	**1,777,933,189**	**1,426,996,915**	**350,936,274**	**80%**

- ✓ *The budget adjustment is attributable to supplementary changes.*
- ✓ *The excess collection of more done 100% is due to reimbursement prior year Receivables within the year.*
- ✓ *The revenues collected below 90% is due to delays in approving and inadequate legislation affecting revenues*

The County Receiver of Revenue's financial statements were approved on 29th Aug 2025 and signed by:

.....

Roberts Simiyu

County Receiver of Revenue

.....

CPA Gregory Wafula

Head of Revenue

ICPAK M/No. 13658

11. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

Receiver of Revenue-County Government of Bungoma has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st year financial statements are transitional revenue statements and the following elements of the revenue statements have not been recognized as the entity has taken advantage of the transition provisions outlined in IPSAS 33;
Full disclosure Current Assets

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

The Financial statements were authorized for issue by the Accounting Officer on 29 August, 2025

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43	***Applicable 1st January 2025*** The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for	***Applicable 1st January 2025*** The Standard requires,

Standard	Effective date and impact:
Discontinued Operations	Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	***Applicable 1st January 2025*** The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	***Applicable 1st January 2025*** The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	***Applicable 1st January 2026*** This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This

Standard	Effective date and impact:
	standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48-Transfer Expenses	***Applicable 1st January 2026*** The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49-Retirement Benefit Plans	***Applicable 1st January 2026*** The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	***Applicable 1st January 2027*** The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

The Entity did not early–adopt any new or amended standards in the financial year

4. Significant Accounting Policies

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

i) **Revenue from non-exchange transactions**

Fees, taxes, fines and charges

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

ii) **Revenue from exchange transactions**

Rendering of services

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

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

Summary of Significant Accounting Policies (Continued)

iii) Budget

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

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

iv) Cash and cash equivalents.

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

v) Revenue in Arrears

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

vi) Disbursements to CRF

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

vii) Payables due to CRF

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

viii) Comparative Figures

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

ix) Subsequent Events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Notes to the Financial Statements

6. **Cess**

Description	2024-2025
	ksh
Farm produce	3,246,300.00
Livestock/Slaughter	8,168,710.00
Fish farming	155,500.00
Others (*specify)Timber Cess*	4,500.00
Corporate Cess (Nzoia and West Kenya)	73,058,303.27
Total	**84,633,313.27**

7. **Land rates**

Description	2024-2025
	Kshs
Land rates	10,570,753.00
Land penalties and interest	2,306,745.00
Arrears	39,341,739.30
Total	**52,219,237.30**

8. **Single /Business Permits**

Description	2024-2025
	Kshs
Business permit application fees	3,856,000.00
Annual Business permit fees	88,741,461.45
Business permit penalties and interest	3,350,400.00
Business permit fees renewals	8,040,650.00
Total	**103,988,511.45**

9. **Conservancy Administration**

Description	2024-2025
	Kshs
Refuse disposal fees/ Conservancy fees	13,583,250.00
Public cemetery	60,500.00
Noise control	120,350.00
Total	**13,764,100.00**

Notes to the Financial Statements (continued)

10. Administration Control Fees and Charges

Description	2024-2025
	Kshs
Weights and measures	1,007,430.00
Fire Services	21,310,800.00
Liquor licenses	9,920,250.00
Refund for overpayment	100,587.00
Total	**32,339,067.00**

11. Other Fines, Penalties and Forfeitures

Description	2024-2025
	Kshs
Impounding Fees	980,250.00
Others (*Specify)Penalties*	160,570.00
Total	**1,140,820.00**

12. Public Health Service Fees

Description	2024-2025
	Kshs
Inspection of buildings/premises/Institutions	1,645,547.00
Building Plan Approval Application	396,000.00
Public health permit	2,906,330.00
Total	**4,947,877.00**

13. Physical Planning and Development

Description	2024-2025
	Kshs
Change / Renewal / Extension of user	390,500.00
Building plans approval	7,981,880.00
Occupational Permits	55,400.00
Hoarding fees	6,000.00
Total	**8,433,780.00**

Notes to the Financial Statements (continued)

14. Property Rent

Description	2024-2025
	Kshs
County Housing	12,588,168.05
Plot Rent	3,170,460.00
Compliance/ Clearence certificate	315,600.00
Transfer of Property	232,000.00
Stalls/kiosks rent	1,196,450.00
Others (Specify) Consent to lease/ charge/other charges land rates	91,509.45
Total	**17,594,187.50**

15. Parking Fees

Description	2024-2025
	Kshs
Street parking fees	10,704,750.00
Monthly toll/sticker fees	64,861,800.00
Motorbike fees	950,750.00
Registration fees	485,000.00
Reserved parking	3,941,900.00
Total	**80,944,200.00**

16. Market Fees

Description	2024-2025
	Ksh
Market entry fees	40,633,780.00
Pulping fees	31,000.00
Total	**40,664,780.00**

17. Advertising

Descriptions	2024-2025
	Ksh
SBP Advertisement	14,188,350.00
Billboard advertising/ Branding	3,689,910.00
Roadshows/Outdoor Advertising	10,407,251.00
Total	**28,285,511.00**

Notes to the Financial Statements (continued)

18. Hospital Fees

Description	2024-2025
	Ksh
Level 5 hospitals	845,257,846.98
Primary Health Care Facilities(Level 2 & 3 hospitals) Revenues include Shif Reimbursements, Donor Funding & Other	361,904,345.35
Public Health	2,610,130.00
Total	**1,209,772,322.33**

19. Hire Of County Assets

Description	2024-2025
	Ksh
Agricultural Mechanisation Services (AMS)	1,169,250.00
Hire of County Halls/Stadium	79,500.00
Conference facilities/Agricultural Training Centers (ATC)	21,892,204.65
Others (*Specify*)	
Total	**23,140,954.65**

20. Miscellaneous Revenues

Description	2024-2025
	Ksh
Fee from Vocational Polytechnic services offered & other Income	23,452,689.79
Others *(Specify)Miscellaneous fees/bank charges*	75,500.00
Total	**23,528,189.79**

21. Disbursements to CRF

Description	2024-2025
	Ksh
Quarter 1	43,432,887.40
Quarter 2	91,236,900.10
Quarter 3	138,551,258.90
Quarter 4	145,825,172.95
Total	**419,046,219.35**

Notes to the Financial Statements (continued)

22. Disbursement to another County Fund

Description	2024-2025
	Ksh
Primary Health Care Facilities (Consolidated)	190,920,087.58
Mabanga ATC & AMC	33,137,225.00
Level 4 & 5 Hospitals	736,956,209.03
Bungoma Vocational Training(Consolidated)	23,290,765.12
Total	**984,304,286.73**

23. Bank Charges

Description	2024-2025
	Ksh
Bank Charges & commissions	502,439.66
Total	**502,439.66**

24. Waivers and Exemptions

Description	2024-2025
	Ksh
Landrates waivers	7,375,404.30
Level 4 & 5 waivers	31,919,837.20
Total	**39,295,241.50**

25. Cash and Cash Equivalents

Name of Bank, Account No. & currency	2024-2025	Statement 1st July 2024
	Kshs	Kshs
Kenya Commercial Bank 1177737930	948,300.64	867,101.35
National Bank of Kenya 7700058148	4,070,713.21	600.00
Cooperative bank of Kenya 01141669167100	25.00	18,525.50
Equity Bank 0480261006908	414,582.55	57,404.75
M-pesa Paybill 337890	-	-
Primary Health Care Facilities (Consolidated)	44,920,320.96	5,166,797.19
Bumula Health Centre Dev Community		
Mt. Elgon District Health Services		
Kimilili Health Management Services	288,825.63	2,544,106.13
Health Care Services Webuye	762,407.50	684,774.25
MOH Hospitals(Bungoma Referral)	47,204,083.00	56,967,918.00
Bokoli Sub-District Hospital	474,793.10	879,374.90
Med Sup Nait. Cost Sharing Account		
Sirisia Sub-District Hospital CA MoE/ School Accounts		
Chwele Sub-Distrcit Hospital - BGM	280,807.13	2,065,298.48
Cheptais Sub-Distrct Hospital	28,513.75	165,135.05
Cheptais Sub County Hospital Collection Account		
Mabanga Agricultural Training Centre KCB	401,697.55	580,047.55
Bungoma County Agriculture Mechanization Centre Equity	19,564.75	29,747.26
Chwele Sub County Hospital Collection account (Co-op. Bank)		
MT. Elgon Sub County Hospital - Collection 1141782311800	1,172,868.44	54,795.00
Sirisia Sub County Hospital Revenue Collection -01141782311100	416,653.08	1,674,304.50
Naitiri Sub-District Hospital Collection Account(KES)	724,004.00	572,102.00
Sinoko Sub County Hospital coperative Bank	2,977.75	332,223.15
Sinoko Sub County Hospital kcb Bank	8,709.55	
Bumula Sub County Hospital Collection Account -01141782311500	1,409,057.00	**712,185.20**
Public Health Collection Account KCB 1156993393	121,158.40	78,444.00
Public Health Collection Account KCB 1225921872	84,300.25	3,212,234.25
Bungoma Vocational Training(Consolidated)	2,706,525.23	2,544,600.56
Mpesa - Health Care services Webuye	177,313.00	
Mpesa - Moh Hospitals -Bungoma Referral	203,477.00	-
Total	**106,841,678.47**	**79,207,719.07**

Notes to the Financial Statements (continued)

26. Receivables for non-exchange transactions

Description	2024-2025	Statement 1st July 2024
	Kshs	Kshs
Receivables		
Cess	84,641,795.21	65,857,330.00
Land Rates	183,756,587.40	160,354,731.37
Total Current Receivables	**268,398,382.61**	**226,212,061.37**

Ageing analysis for Receivables from Non-exchange transactions

Description	2024-2025		Statement 1st July 2024	
	Kshs	% of the total	Opening Balance	% of the total
Less than 1 year	62,203,159.21	23%	-	%
Over 3 years	206,195,223.37	77%	226,212,061.37	%
Total (a+b)	**268,398,382.58**	100%	**226,212,061.37**	%

27. Receivables from exchange transactions

Description	2024-2025	Statement 1st July 2024
	Kshs	Kshs
Total receivables		
SHA/NHIF and other deptors - Primary Health Care	127,359,382.00	
Level 4 & 5 Hospitals	231,192,217.65	141,633,226.02
Less: impairment allowance		
Total receivables	**358,551,599.65**	**141,633,226.02**

Ageing analysis for total receivables in exchange transactions

Description	2024-2025	% of the total	Opening statement 1st July 2024	% of the total
	Kshs		Kshs	
Less than 1 year	358,551,599.65	100%	141,633,226.02	100%
Total (a+b)	**358,551,599.65**	**1.00**	**141,633,226.02**	**1.00**

28. Payables- Due To CRF

Payables	2024-2025	Opening statement 1st July 2024
	Kshs	Kshs
Amount collected yet to be disbursed to CRF	5,433,621.40	943,631.60
Amounted Collected but Retained in the operation account	101,408,057.07	78,264,087.47
Amount billed and yet to be collected for disbursement to CRF	626,949,982.26	367,845,287.42
Total undisbursed funds to CRF	**733,791,660.73**	**447,053,006.49**

Movement Disclosure on Dues to CRF

Description	**Amount**
	Kshs
Opening Dues to CRF	447,053,006.49
Increase/Decrease in Dues to CRF	282,248,664.05
Local Revenue Changes In closing Balances	4,489,989.80
Closing Dues to CRF	**733,791,660.34**

Uncollected Balances	**733,791,660.73**
Less :Opening Fund Balance	(447,053,006.49)
less: Changes in Receivables Local revenue	(4,489,989.80)
Increase/Decrease in Dues to CRF	**282,248,664.44**

12. Appendices

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

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

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status *(Resolved/ Not Resolved)*	Timeframe
2023-2024 FINANCIAL YEAR.					
BUNGOMA County Receiver of Revenue Fund for the Year Ended 30th June, 2024.					
FINANCIAL STATEMENTS					
Basis of the qualified opinion					
1	**Unreconciled Variances Between Revenue Statements and Supporting Schedules** The statement of receipts and disbursements reflects own source revenue totaling Kshs. 368,069,810. However, various revenue streams balances are at variance with the supporting schedules balances as detailed below:	Management has reconciled the variances between the financial statements and supporting schedules. Attached are the supporting ledgers.	Accountant	Resolved	

S/No.	Revenue stream	Revenue Statement Amount Kshs.	Supporting Schedule Amount Kshs.	Variance Kshs.
1	Cess	21,274,695	21,138,245	136,450
2	Property Rent	15,374,769	9,580,451	5,794,318
3	Parking Fees	70,686,786	2,533,106	68,153,680
4	Market Fees	41,735,125	91,750	41,643,375
5	Public Health Services Fees	6,970,851	4,069,951	2,900,900
6	Administration Control Fees and Charges	40,693,046	21,714,590	18,978,456
7	Other Fines, Penalties and Forfeiture Fees	724,300	6,135,740	5,411,440
8	Land Rates	23,198,375	20,636,794	2,561,581

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status *(Resolved/ Not Resolved)*	Timeframe
	The resultant variances have not been explained or reconciled. In the circumstances, the accuracy and completeness of the respective own source revenue balances could not be confirmed.				
2.	**Unsupported Revenue Balances** **2.1 Conservancy Administration Revenue** The statements of receipts and disbursements indicates revenue from conservancy administration amounting to Kshs. 14,029,112 and as disclosed in Note 12 to the revenue statements, which further comprises revenue from refuse disposal fees, public cemetery and noise control amounting to Kshs. 13,892,012, Kshs. 84,500 and Kshs. 52,600 respectively. However, refuse disposal fees amounting to Kshs. 13,892,012 was supported by a cash book balance of Kshs. 15,576,410 which results in an unreconciled variance of Kshs. 1,684,398. In addition, the supporting schedules for revenues from public cemetery and Noise control were not provided for audit review. In the circumstances, the accuracy and completeness of revenue from conservancy administration amounting to Kshs. 14,029,112 could not be confirmed.	i. The revenue department maintains cashbook based on the bank accounts and not on the streams. There was no specific cashbook for conservancy administration. ii. The chart of accounts of receiver of revenue reporting template are highly summarized as opposed to BARMS which is detailed and based on the Finance Act. For Financial Reporting purposes, some streams in BARMS are grouped under one chart of account in the reporting template. The conservancy administration revenue of Kshs. 14,029,112 comprised of: **SBP CONSERVANCY** 13,892,012 Noise Pollution fee 52,600 Burial fee for adults 84,500 **14,029,112** The above revenue stream codes are not available in the reporting template. They were therefore disclosed under refuse disposal fees, noise control and public cemetery respectively.	Director Revenue.	Resolved	

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status *(Resolved/ Not Resolved)*	Timeframe
		Management has further provided soft copy of supporting schedules for refuse disposal fees, noise control and public cemetery for further audit review.			
	2.2 MARKET FEES REVENUE The statement of receipts and disbursements indicates market fees amounting to Kshs. 41,735,125 and as disclosed in Note 6 to the revenue statements. However, the supporting schedule for the revenue was not provided for audit review and could not be generated in Bungoma Automated Revenue Management System (BARMS). In the circumstances, the accuracy and completeness of market fees amounting to Kshs. 41,735,125 could not be confirmed.	At the time of audit, there was low internet connectivity which slowed down report generation. Management has generated the supporting schedule of market fees from the Bungoma Automated Revenue Management System (BARMS). This is a high-volume report with a total of over 527,634 transactions. Ordinary, in all systems, such bulk report generation will be slow.	Accountant	Resolved	
	2.3 Revenue from County Housing The statement of receipts and disbursements indicates property rent amounting to Kshs. 15,374,769 and as disclosed under Note 4 to the revenue statements. Included in property rent is revenue from county housing which was collected from county houses amounting to Kshs. 8,075,432. However, the revenue was supported by a schedule amounting to Kshs. 2,428,150, resulting in an unexplained variance of Kshs. 5,647,282. In addition, the supporting schedule for each category of housing and how much was generated for each specific revenue sub-stream was not provided for audit review.	Management has reconciled and provided supporting schedules for each of the category of County Housing and the amount generated by each of the revenue stream for audit review.	Accountant	Resolved	

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status *(Resolved/ Not Resolved)*	Timeframe
	In the circumstances, the accuracy and completeness of revenue from county housing amounting to Kshs. 8,075,432 could not be confirmed.				
	2.4 Stalls/Kiosks Rent The statement of receipts and disbursements indicates property rent amounting to Kshs. 15,374,769 and as disclosed under Note 4 to the revenue statements, which includes stalls/kiosks rent amounting to Kshs. 2,400,072. However, the tenancy agreements and the list of all rented properties were not provided for audit review. In the circumstances, the accuracy and completeness of revenue from stalls/kiosks amounting to Kshs. 2,400,072 could not be confirmed.	Management has acknowledged audit observation and the tenancy agreements and the list of all rented properties have been provided for verification.	Accountant	Resolved	
	2.5 Advertising The statement of receipts and disbursements indicates advertising revenue amounting to Kshs.9,385,390 and as disclosed under Note 7 to the revenue statements, which comprises branding and billboard advertising amounts of Kshs.4,122,630 and Kshs.5,262,760, respectively. However, the applications, approvals and basis of billing were not provided for audit review. Further, the mapping details on the areas where the advertisement, branding and billboards are placed were not provided for audit review. In the circumstances, the accuracy and completeness of advertising revenue amounting to Kshs.9,385,390 could not be confirmed.	Through BARMS, management has automated applications, approvals and billing of advertisement fees. Management requests the audit team to verify this automated process in the system. For ease of administration, Outdoor Advertisement and Branding for formal businesses are applied, invoiced and levied as a component of Single Business Permit. The County has however enacted the Outdoor Advertisement and Signage Act 2023 to guide specific administration of these streams. Management is upgrading the system to enable GIS mapping that will provide mapping details	CECM-Finance and Economic Planning	Resolved	

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status *(Resolved/ Not Resolved)*	Timeframe
		on the areas where the advertisement, branding and billboards are located.			
3.	**Failure to Provide Revenue Collection Accounts Bank Statements** The statement of receipts and disbursements reflects own source revenue totaling Kshs. 368,069,810. During the year under review, the receiver of revenue operated four bank accounts and M-pesa pay bill number through which revenue was collected. However, the bank statements from Kenya commercial bank, National Bank of Kenya, Equity Bank, Cooperative Bank and M-pesa Pay bill were not provided for audit review. In the circumstances, the accuracy and completeness of own source revenue amounting to Kshs. 368,069,810 could not be confirmed.	Management has provided the bank statements from Kenya commercial bank, National Bank of Kenya, Equity Bank and Co-operative Bank Pay Bill for audit review.	Accountant	Resolved	
4.	**Unaccounted for Revenue from Public Health Services** The statement of receipts and disbursements reflects Public Health Services Fees amounting to Kshs. 6,970,851. However, review of revenue records from Public Health Services Fees from nine (9) sub-counties of Bungoma County revealed that revenue was not banked in four (4) Receiver of Revenue bank accounts. No explanation was provided on why revenue was not banked in the designated revenue collection accounts and the ownership status of the bank account the revenue was being banked.	Management strongly disagrees with this audit finding. All the revenues collected from Public Health Services i.e. inspection for issuance of public health, public health permit and slaughter fees were deposited into the revenue collection accounts as summarized in the table below. The management has provided the soft copy of supporting schedules.	Chief Officer	Resolved	

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status (Resolved/ Not Resolved)	Timeframe
	In the circumstances, the accuracy and completeness of revenue from Public Health Services fees amounting to Kshs. 6,970,851 could not be confirmed.				

Stream Bank	Inspection for issuance of public health service	Public health service	Slaughter fees	Total
KCB	326,801	696,730		1,023,531
Coop	90,250	103,600		193,850
NBK	12,000	38,500		50,500
Equity	304,400	194,670		499,070
M-pesa	902,750	1,392,450	2,908,700	5,203,900
Total	1,636,201	2,425,950	2,908,700	6,970,851

5.	**Unaccounted for Revenue from Agricultural Mechanization Services** The statement of receipts and disbursements reflects hire of county assets revenue amounting to Kshs. 40,000, which as disclosed in Note 11 to the revenue statements includes revenue from hire of county stadium, Agricultural Mechanization Services (AMS) and conference facilities/Agricultural Training Centre (ATC) amounting to Kshs. 40,000, Kshs. Nil and Kshs. Nil respectively. However, review of revenue records from Agricultural Mechanization Services (AMS) and hire of conference facilities/Agricultural Training Center (ATC) revealed that revenue was being deposited in a local bank account, under the account name of Bungoma County Mechanization Centre, which was not among the four (4) designated revenue collection bank accounts for the Receiver of Revenue. No evidence was provided to confirm that the bank account was reported to the Controller of Budget and the Auditor-general and that authority was provided for the opening of the said bank account whose signatories were not provided for audit.	Revenue amounting to Kshs. 1,135,278 generated by AMC was disclosed in the County Executive Financial Statements for the period ending 30th June, 2024. The matching expenditure from AMC operations was reported by the County Executive Financial Statements. The AMC Bank account was reported to the Controller of Budget and the Auditor General as required. Mabanga Agricultural Training Centre is an institution inherited from the National Government in relation to devolved functions. The institution currently uses the National Governments Demonstration Farm Fund (DFF) Operations manual for Agricultural Training Centers-2011 in accordance to Section 8(2) of the County Governments Act, 2012. Meanwhile, the County Government has drafted legislation for Mabanga ATC.	CECM-Agriculture	Partially Resolved	

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status *(Resolved/ Not Resolved)*	Timeframe
	Further, the cash book and bank statements for Bungoma County Mechanization Centre bank account revealed that AMS generated revenue amounting to Kshs. 1,135,278 which was however not disclosed in the revenue statements. In addition, review of the bank statements for Bungoma County Mechanization Centre revealed direct expenditure of revenue collections at source amounting to Kshs. 1,417,551. In the circumstances, the accuracy and completeness of hire of county assets revenue amounting to Kshs. 40,000 could not be confirmed. In addition, the regularity and effectiveness in opening and managing the Bungoma County Mechanization Centre bank account could not be confirmed.				
6.	**Unconfirmed Arrears of Revenue** The statement of arrears of revenue reflects Cess and land rate arrears balances of Kshs. 65,857,330 and Kshs. 160,354,731 respectively, all totaling Kshs. 226,212,061 as at 30 June, 2024, and which has remained the same from the previous year's balance. However, no evidence was provided on efforts made by Management to collect the arrears. Further, the age analysis of the revenue arrears was not provided for audit review. In the circumstances, the accuracy, completeness and recoverability of revenue arrears amounting to Kshs. 226,212,061 could not be confirmed.	Management has taken note of the high default in Cess and Land Rates. The following measures have been instituted towards recovery of these arrears: i. Management has appointed a committee to develop the legal instruments, including the Regulations for Bungoma County Agricultural Produce Cess Act 2017. The Cess Regulations will enhance collections from cess products; ii. Submitted draft Valuation Roll for approval to the County Assembly; iii. Prepared and submitted a list of highest property tax defaulter to the Office of the County Attorney to pursue judicial litigation;	CECM - Finance and Economic Planning	Partially Resolved	

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status (Resolved/ Not Resolved)	Timeframe
		iv. Served demand notices and made correspondences with defaulters with regards to payment plans;			
7.	**Unconfirmed Balance Brought Forward** The statement of receipts and disbursements reflects balance brought forward at the beginning of the year of Kshs. 17,594,439. However, the statement reflects comparative balance due for disbursements for the year ended 30 June, 2023 amounting to Kshs. 127,815,249, resulting to unexplained variance of Kshs. 110,220,810. In the circumstances, the accuracy and completeness of balance brought forward at the beginning of the year of Kshs. 17,594,439 could not be confirmed.	The variance of Kshs. 110,220,810 was caused by elimination of opening balances of self-reporting entities from the Receiver of Revenue Statements. Level 4 and 5 hospitals are autonomous and prepare their own independent financial reports. The opening balances were transferred to the respective entity reports. The VTCs and dispensaries are entities which do not collect revenue but are facilitated to support their operations, hence reported under the County Executive Financial Statements. The variance of Kshs. 110,220,810 is provided below:	Accountant	Resolved	

Facility	Bal C/
1. Bumula Health Centre Dev Community	1,174,
2. Mt. Elgon District Health Services	361,
3. Kimilili Health Management Services	13,93
4. Health Care Services Webuye	10,322,
5. MOH Hospitals (Bungoma Referral)	48,007
6. Bokoli Sub-District Hospital	2,81
7. Med Sup Nait. Cost Sharing Account	4,47
8. Sirisia Sub-District Hospital CA MoE/ School Accounts	80
9. Chwele Sub-Distrcit Hospital - BGM	24
10. Cheptais Sub-Distrct Hospital	1,526

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status *(Resolved/ Not Resolved)*	Timeframe
		11. Cheptais Sub County Hospital Collection Account -			
		12. Mabanga Agricultural Training Centre KCB 13,013.50			
		13. Bungoma County Agriculture Mechanization Centre Equity 706,883.26			
		14. Chwele Sub County Hospital Collection account (Co-op. Bank) -600.00			
		15. MT. Elgon Sub County Hospital - Collection 1141782311800 2,150.01			
		16. Sirisia Sub County Hospital Revenue Collection -01141782311100 85,440.02			
		17. Naitiri Sub-District Hospital Collection Account (KES) -619.41			
		18. Sinoko Sub County Hospital Cooperative Bank 33,759.55			
		19. Sinoko Sub County Hospital KCB Bank 184,224.85			
		20. Bumula Sub County Hospital Collection Account -01141782311500 8,390.00			
		21. Bungoma HSSF(Consolidated) 13,765,239.34			
		22. Public Health Collection Account KCB 1156993393 395,830.15			
		23. Public Health Collection Account KCB 1225921872 3,173,820.00			
		24.Bungoma Vocational Training (Consolidated) 9,133,220			
		Total 110,220,810.21			
8.	**Budgetary Control and Performance** The statement of comparison of budget and actual amounts reflects own source revenue budget and actual amounts of Kshs. 868,201,471 and Kshs. 368,069,810 respectively, which results in under-collection of Kshs. 500,131,661 or 58% of the budget. Further, the disclosed budget performance contradicts County Governments Budget Implementation Review Reports for the financial year 2023/2024 by Controller of Budget which indicates actual own source revenue collections Kshs.	**i. Cause of Under-Performance** i. There has been legislative gap in revenue administration. ii. Inadequate market infrastructure iii. Inadequate human resources on revenue mobilisation **ii. Actions** **Measures to Enhance own Source Revenue Receipts** 1. The County Government has enacted the following revenue support	Director Revenue		

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status *(Resolved/ Not Resolved)*	Timeframe
	439,484,834. This results in an unreconciled and unexplained variance of Kshs. 71,415,024. In the circumstances, the under-collection of revenue affected the planned activities of the County Government and may have impacted negatively on service delivery to the public.	legislation to strengthen the existing legal framework. i. The Bungoma County Public Markets (Amendment) Act, 2023 ii. The Bungoma County Public Entertainment and Amenities Act, 2023 iii. The Bungoma County Inspectorate, Compliance and Enforcement Act, 2023 iv. The Bungoma County Co-operative Societies Act, 2023 v. The Bungoma County Weights and Measures Act, 2023 vi. The Bungoma County Finance Amendment Act, 2023 2. The County Government has further enacted additional bills to strengthen the own source revenue legal framework. The bills have been approved by the County Executive Committee for further legislative processing. They include: i. Bungoma County Livestock Sale Yard Bill, 2024 ii. Bungoma County Food Safety Co-ordination Bill, 2024 iii. Bungoma Agricultural Institutions Development Bill, 2024			

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status *(Resolved/ Not Resolved)*	Timeframe
		iv. Bungoma County Environmental Health and Sanitation Bill, 2024 v. Valuation Rolls for Bungoma and Webuye 3. The County Government has formed a committee of legal instruments to draft the regulations for existing county revenue administrative laws. 4. The County Executive committee member for Finance and Economic Planning has issued a Revenue Policy Statement and revenue guideline. Included in the measures are implementation of a cashless payments to minimize cash handling. This will further reduce revenue administrative cost. 5. The County Government has granted waivers on outstanding interest and penalties as an incentive to property rates defaulters. 6. The County Government has re-structured most of its revenue streams to stop pilferage and enhance collection efficiency. Restructuring of market entry fees underway. 7. The department has procured thirty-three motor cycles to			

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status *(Resolved/ Not Resolved)*	Timeframe
		enhance field revenue supervision. 8.The County Government has recruited thirty two (32) officers who were temporary staff into permanent establishment. The revenue reported as per the Controller of Budget Implementation Review Report of Kshs. 439,484,834 had not been fully reconciled. Management has since reconciled the actual collection as reported in the Financial Statements.			
9.	**Unresolved Prior Year Matters** In the previous year audit report, several issues were raised under Report on the Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the issues had not been resolved and Management did not provide satisfactory reasons for the delay in resolving the issues	The management is progressively addressing all unresolved prior year matters. Some the issues have been addressed and others partially addressed. **Status** — **2022/2023** Addressed — 2 Partially Addressed — 2 Not Addressed — 4 **Total issues Raised** — **8**	Director Revenue	Partially Addressed	6 months
10.	**Lack of Control on Use of Bungoma Automated Revenue Management System.** The County Government of Bungoma procured Bungoma Automated Revenue Management System (BARMS), which is a cashless revenue collection system for all revenue streams of the county from a consulting firm on 11 June, 2015 at cost of Kshs. 138,000,000. However, the contract agreement and	Management does not agree with the audit observation. The management has provided the contract agreement and operations manual for the system for Bungoma Automated Revenue Management System. The Revenue Department has a System Administrator who has full back-office access rights.	Director Revenue	Resolved	

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status *(Resolved/ Not Resolved)*	Timeframe
	operations manual for the system were not provided for audit review. Review of BARMS revealed that Receiver of Revenue could not operate the system, does not have back-office access rights and could not generate revenue reports from the system, thereby wholly relying on the Vendor to operate and to generate all the required reports, while the system users lack capacity to interrogate the integrity of the data provided. Further, all revenue collections are first transferred to BARMS where the Vendor afterwards transfers the money to designated bank accounts which could not be confirmed since Receiver of Revenue does not control and cannot interrogate its own system. In the circumstances, the efficiency and effectiveness of BARMS could not be confirmed.	The system has full report generation capability and all system users can generate revenue reports. Management is available for verification of this remotely since the system is web based. The vendor does not operate or generate revenue reports for users. The vendor does not transfer money to designated bank accounts from BARMS. Revenue collection is fully cashless and collections are made direct to mpesa and revenue collection accounts without human interface. This can be demonstrated to the auditor. Collected revenue is subsequently transferred to the County Revenue Fund within twenty four hours. The vendor has no role on the banking arrangements with the County Government.			
11.	**Failure to Operationalize Valuation Roll** The statement of receipts and disbursements reflects land rates and property rent amounting to Kshs. 23,198,375 and Kshs. 15,374,769 respectively. The County Government procured the services of a firm at a contract price of Kshs. 16,207,500 to develop a new valuation roll during the financial year 2014/2015. However, the evidence of operationalization of the new valuation roll during the year under review was not provided for audit review. The Valuation roll in use is a pre-2013 valuation roll. This was contrary to Regulation 63(1)(a) of the Public Finance Management (County Governments) Regulations, 2015 which states that an accounting officer and a receiver of revenue are personally responsible for ensuring that adequate safeguards exist and are applied for the prompt	The draft Valuation Roll has since been submitted to the County Assembly for further legislative process.	CECM-Lands and Urban Planning and Director Revenue	Not Resolved	1 year

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status *(Resolved/ Not Resolved)*	Timeframe
	collection and proper accounting for, all county Government revenue and other public moneys relating to their county departments or agencies. In the circumstances, the effectiveness of land rates and property rent collection management could not be confirmed. In addition, Management was in breach of the law.				
12.	**Under-pricing of Noise Control Permits** Review of the third schedule of Bungoma Finance Act, 2023 in respect to Environment, Water and Natural Resources indicates that noise control permits were priced at Kshs. 2,500. However, the receipts books and cash books indicate that noise control permits were paid at Kshs. 2,200 which is Kshs. 300 below the set price. In the circumstances, the effectiveness of revenue collection from noise control could not be confirmed.	At the time of uploading the Finance Act 2023 to BARMS, noise control permits fee was erroneously input with previous charge of Kshs. 2,200 instead of the approved charge of Kshs. 2,500. This was noted and corrected.	Director Revenue	Resolved	
13.	**Internal Control Weaknesses in Revenue Collection** **13.1 Non-Strategic Market Fees Collection.** Observation of collection of market fees revenue in Bungoma town, in October 2024 revealed that revenue collections by revenue officers starts at noon. No explanation was provided on why the market fees is not collected on time yet the revenue collectors are on full time job. Further, most of traders were operating along the streets in undesignated trading points. The mechanism on how fees were being collected on these areas was not explained. In addition, the basis of projection of market fees revenue could not be confirmed in absence of proper market structures and selling points.	Market days have different start times depending on location and the nature of merchandize. Management takes note of the fact that some of the traders are operating along the streets in undesignated trading points. This has been occasioned by the ongoing renovation works of the Municipal Market. Just like any other market stream, traders who operate along the street pay through the cashless module. Projection is made based on historical collections in the system. Management has taken the following measures to ensure all traders operating along the streets	Director Revenue	Partially Resolved	1 Year

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status *(Resolved/ Not Resolved)*	Timeframe
		and in undesignated trading points are relocated to enclosed and designated points: i. The County Government has demolished most of the illegal structures along the major streets; ii. Construction of bus park at Kanduyi is currently ongoing to accommodate more traders; Construction of a modern market is underway by the National Government in Bungoma town.			
	13.2 Weak Internal controls in the Collection of Revenue from Building Plans Approval Review of the internal controls put in place to account for revenue from construction of buildings plans approval revealed that only three officers were involved in the approval of the plans, namely the works officer, public health officer and physical planner. Minutes or reports of the approval process were not provided for audit review. Further, plans approval register maintained at lands office had several deficiencies, including failure to indicate the type of plan application, whether residential or commercial, the dates of application and approval, and amounts paid, the total number of applications received, the approved plans and the ones that were rejected.	The management has directed the responsible department to update the plan approval register and ensure its completeness at all times. The County has developed the Bungoma County Construction and Development Control Bill 2024 whose enactment will address the gaps in the plan approval process.	CECM-Land and Urban Planning	Not Resolved	1 year
	13.3 Failure to Maintain Buildings Inspection Register Review of inspection of buildings system revealed that the register for recording type of buildings inspected, size and period the inspection was carried out, details of building inspectors and inspection reports were not maintained. No	The management has directed the responsible department to update the building inspection register and ensure its completeness at all times. The County has developed the Bungoma County Construction and Development Control Bill, 2024 whose enactment will address the gaps in the building inspection process. The	CECM-Land and Urban Planning	Not Resolved	1 Year

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status *(Resolved/ Not Resolved)*	Timeframe
	evidence was provided to confirm whether a senior officer was involved in counter checking that all the inspected buildings were charged the correct rates.	rates charged are however based on the Finance Act, 2023. They are configured in the system to minimize under and over charges.			
	13.4 Uncollected Revenue from Motorcycle and Taxis During the year under review, the receiver of revenue did not disclose any revenue from the motor cycles and the taxis that on the daily basis were operating within the county of Bungoma. Further, receiver of revenue did not have data on motor cycles and taxis that operated in the major towns within the county. During the physical verification of the parking areas in Bungoma town on 12 September, 2024 it was observed that the County did not have designated operating areas for motor cycles, and there was no strategy on revenue collection from this crucial sector of the economy.	The Receiver of Revenue disclosed the motorcycle fees under Motorbike fee (Note number 5 of the Receiver of Revenue Financial Statements). The BARMS has sufficient data on motorcycle operating across the County. The data on motorcycles has been provided for verification. Management of motorcycles is done as per the Bungoma County Parking Management Act, 2017. The management has appointed a committee of legal instruments to develop Parking Regulations that will guide on designation of motorcycle parking and revenue collection from this sector.	Director Revenue	Partially Resolved	6 months
	13.5 Unmarked Parking slots in Bungoma Town Physical verification of parking slots on 12 September, 2024, in Bungoma town revealed that only two streets had designated/marked parking slots. Further, it was observed that in the absence of marked parking slots in the major towns of Bungoma County, motor vehicles, motor cycles and tuk-tuk were parked haphazardly hence occupying large spaces which were not commensurate with the amounts paid.	Management has commenced road markings at designated parking points.	Director Revenue	Partially Resolved	6 Months

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status *(Resolved/ Not Resolved)*	Timeframe
	13.6 Unregulated Issuance of County Parking Stickers Physical verification carried out on 12 September, 2024 in Bungoma town revealed that the Management had issued parking stickers for motor vehicles. However, the basis of issuing parking stickers and the list of persons that were issued with the stickers was not disclosed.	Management does not issue physical stickers to motor vehicles. All stickers are system generated and assigned to the specific vehicle by the system. This can be demonstrated to the auditor.	Director Revenue	Resolved	
	13.7 Unconfirmed Revenue from Matatus Sector A visit to bus park in Bungoma town on date 12 September, 2024 revealed that the matatus operating in Bungoma County were not bearing county revenue stickers. Thus, it was not possible to confirm if the matatus had paid the revenue due to the county government or not. Further, no data was provided on the matatus that operated within the Bungoma county territory and total revenue collected or collectable from the sector.	At the introduction of PSV stickers, the County experienced a lot of forgery of the physical stickers, which prompted immediate implementation of system generated non-physical stickers. Compliance verification is done through USSD Code *483*039# on any mobile devise. The system has a detailed register of all PSV operators within the County. Management again request audit team to re-verify this.	Director Revenue	Resolved	
	13.8 Inefficiencies in Revenue Collection Gadgets Physical verification of revenue collection in Bungoma town revealed that the County Government was using cashless mode of payments where revenue collectors used mobile phones issued by County Government and sometimes personal phones for revenue collection. No explanation was provided on why the County government had not invested in revenue collection gadgets, fully serialized to enable easy tracking and faster revenue payment process. Further, it was observed that on several cases, the mobile phones were slow in revenue collection processing, thus hampering optimal revenue collection.	The County Government has provided mobile devices specific for registration and verification purposes. The Revenue department has installed a real time application to support the process of registration and verification. Each user has a specific and unique login details to the application which is not transferable. When officers are on leave or exits service, the access rights are denied in the application. The County Government has allocated funds to acquire more revenue collection devises. The down time was occasioned by low internet connectivity from the internet provider. The	Director Revenue	Resolved	

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status *(Resolved/ Not Resolved)*	Timeframe
	In addition, analysis of the mobile phones reports used by the revenue collectors revealed that some could not indicate exactly when payment was made thus casting doubt on the reliability of the revenue system used by the County Government.	cashless report generated by mobile phone report indicates exactly when payment was made contrary to audit observation.			
	13.9 Failure to Prepare Progress Reports on Revenue Collection During the year under review, there was not documentary evidence provided for audit review, that the Management prepared monthly, quarterly and annual progress report indicating revenue performance against the budget. In absence of progress reports, revenue performance could not be reviewed by Management progressively to enhance and improve on revenue collection.	The management prepares Monthly, Quarterly, and Annual progress report indicating revenue performance against the budget. The annual revenue collection report has been prepared and submitted to the Office of the Auditor General. An audit report on the same has been done by the Auditor General with a qualified opinion.	Director Revenue	Resolved	
	13.10 Internal Control Weaknesses on Issue of Liquor Licenses It was observed that there was no board mandated with the vetting of the applications for liquor licenses and no explanation was provided on how the licensees were vetted. Further, although the licenses issued to operators were serialized, they were not issued sequentially. In addition, a register showing how the licenses were issued was not maintained and the licenses issued did not have counterfoils. In the circumstances, the effectiveness of internal controls on revenue collection could not be confirmed.	Liquor licenses are issued under the Bungoma County Alcoholic Drinks Control Act, 2015. The Act provides for establishment of the County Alcoholic Drinks Control Committee. Management has since established this committee to vet all liquor license applications. Management further states that the licenses issued to operators are all serialized and issued sequentially. Attached is a copy of the Liquor License. A register showing how the licenses were issued was maintained. The system has capability to produce duplicate licenses as opposed to counterfoil which ordinarily are generated in a manual environment.	Director Revenue	Resolved	

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status *(Resolved/ Not Resolved)*	Timeframe
14.	**Revenue Collection Information Communication Technology (ICT) Environment** Review of the revenue collection ICT environment revealed that the Receiver of Revenue did not have in place an ICT policy, security policy, environmental policy, ICT continuity plan and disaster recovery plans during the year under review. Further, there was no documentary evidence to confirm that the Receiver of Revenue had a strategic plan and an operational plan in place. In addition, the Receiver of Revenue directorate did not have alternative power supply hence hindering revenue collection and daily operations of the entity. In the circumstances, the effectiveness of the receiver of revenue's ICT environment could not be confirmed.	The County Executive has drafted an ICT Policy that has been approved by the County Executive. The policy has sections on security and ICT Continuity Plan. This policy will be implemented by all County entities including the Receiver of Revenue. The Receiver of Revenue commits to develop the environmental policy. The Receiver of Revenue has installed an alternative power supply to minimize service disruptions.	ICT Head	Resolved	

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Robert Simiyu

County Receiver of Revenue

Date 29th August, 2025

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Cpa Gregory Wafula

Head of Revenue Reporting

ICPAK M/No. 13658

Date 29th August, 2025

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

Classification Of Receipts	Balance as at The beginning of the current year (1st July 2024)	Arrears received during the Period.	Additions in arrears for the current Period to June, 2025	Total arrears as at June, 2025	Measures taken to recover the arrears	Assessment to the recoverability of arrears
(Indicate As Applicable)	A	B	C	D=A+(B)+C		
Cess	65,857,330	11,452,359	30,236,824	84,641,795		
Land rate	160,354,731	8,564,479	31,966,335	183,756,587		
Hospital Fees	141,633,226	141,633,226	358,551,600	358,551,600		
Total Arrears	**367,845,287**	**161,650,064**	**420,754,759**	**626,949,982**		

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Roberts Simiyu
County Receiver of Revenue
(Ref: PFM ACT section 165, 2(a)

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CPA Gregory Wafula
Head of Revenue
ICPAK M/No. 13658

Appendix 3: Ageing Analysis of Revenue in Arrears

Description (indicate as applicable)	Less than 1 year	Over 3 years	Total
Cess	30,236,824.21	54,404,971.00	84,641,795.21
Land rate	31,966,335.00	151,790,252.40	183,756,587.40
Hospital fees	358,551,599.65	-	358,551,599.65
Total (*agree to statement of arrears above*)	**420,754,758.86**	**206,195,223.40**	**626,949,982.26**

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

S/No	Name of person / organisation benefitting from waiver/ variation	Year in which waiver/ variation relates	Amount of variation/ waiver (fee or charge)	Reasons for waiver/ variation	The law in terms of which the variation/waiver was granted
1	Level 4 & 5 Facilities	2024/25	31,919,837.20		
2	Local Revenue	2024/25	7,375,404.30		

Date: 29th August 2025
Roberts Simiyu.
Accounting Officer

Appendix 5: Reconciliation of statement of Performance and statement of cashflow.

Reconciliation of performance vs cashflow statement					
		Receivables during the year			
Cosnolidated Revenues	Receipts	Opening Balances	Closing balances	Less: Waivers & exepmtions	Actual Receipts as per cashflow during the year
Local Revenue	469,110,385	226,212,061	(268,398,383)	(7,375,404)	419,548,659
Mabanga Amc & Atc	23,061,455				23,061,455
Vocational Training centre	23,452,690				23,452,690
Hospitals(Primary healthcare & Level 4 &5	1,209,772,322	141,633,226	(358,551,600)	(31,919,837)	960,934,112
					-
Total Amounts	**1,725,396,851**	**367,845,287**	**(626,949,982)**	**(39,295,242)**	**1,426,996,915**