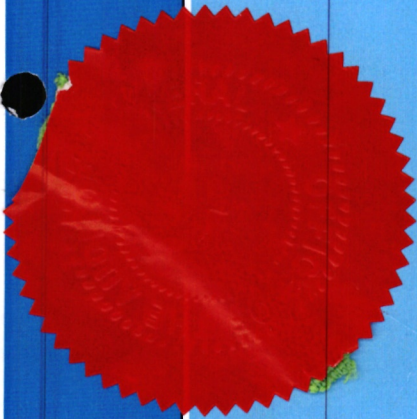


REPUBLIC OF KENYA



Enhancing Accountability



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REPORT

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CLERK AT THE TABLE	Innocent Nbaya

OF

THE AUDITOR-GENERAL

ON

**RECEIVER OF REVENUE -
REVENUE STATEMENTS**

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

COUNTY GOVERNMENT OF KISUMU





RECEIVER OF REVENUE
(County Government of Kisumu)

REVENUE STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022

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

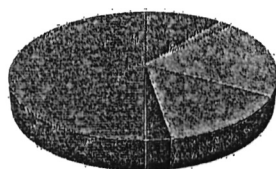
*Receiver Of Revenue
County Government Of Kisumu
Revenue Statements for the Period Ended 30th June 2022*

Under the category of structured revenue streams, the County Government collected KSh 442,465,955 as per the analysis below:

S.No	Revenue Stream	Amount
1	Land Rates	97,322,161
2	Rents	18,176,177
3	Trade license fees	174,027,421
4	Building Plans	3,861,110
5	Sign Board promotion	123,654,332
6	Commerce, Tourism, Trade and Heritage	1,376,270
7	Lands, Housing and Physical Planning	22,980,080
8	Education, Youth, Culture and Sports	162,204
9	Roads, Transport and Public Works	906,200
10	Total structured Revenue Streams	442,465,955

Table2: Structured Revenue Streams

Amount



- Land Rates
- Rents
- Trade license fees
- Building Plans
- Sign Board promotion
- Commerce, Tourism, Trade and Heritage
- Lands, Housing and Physical Planning
- Education, Youth, Culture and Sports
- Roads, Transport and Public Works
- Total Unstructured Revenue Streams

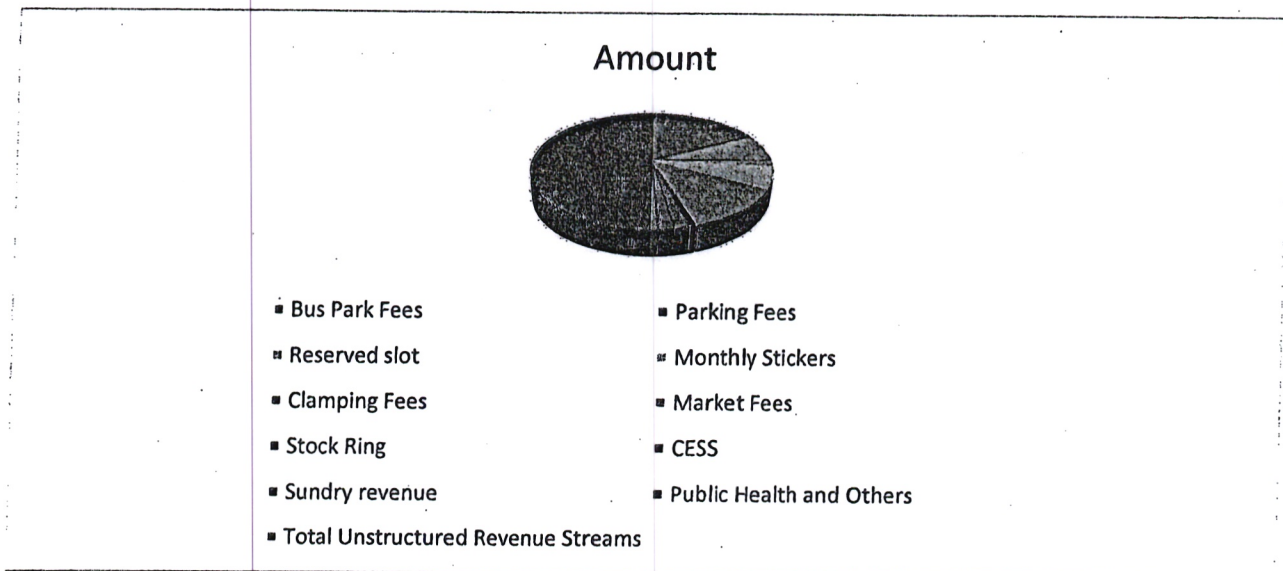
Piechart2: Structured Revenue Streams

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

Unstructured revenue streams category constitutes the various streams as per the below analysis:

S.No	Revenue Stream	Amount
1	Bus Park Fees	84,624,513
2	Parking Fees	38,190,316.00
3	Reserved slot	6,622,000.00
4	Monthly Stickers	30,381,862.00
5	Clamping Fees	218,001.00
6	Market Fees	59,712,910.00
7	Stock Ring	3,704,900.00
8	CESS	8,421,827.00
9	Sundry revenue	8,833,932.00
10	Public Health and Others	4,271,630.00
11	Total Unstructured Revenue Streams	244,981,891.00

Table 3: Unstructured Revenue Streams



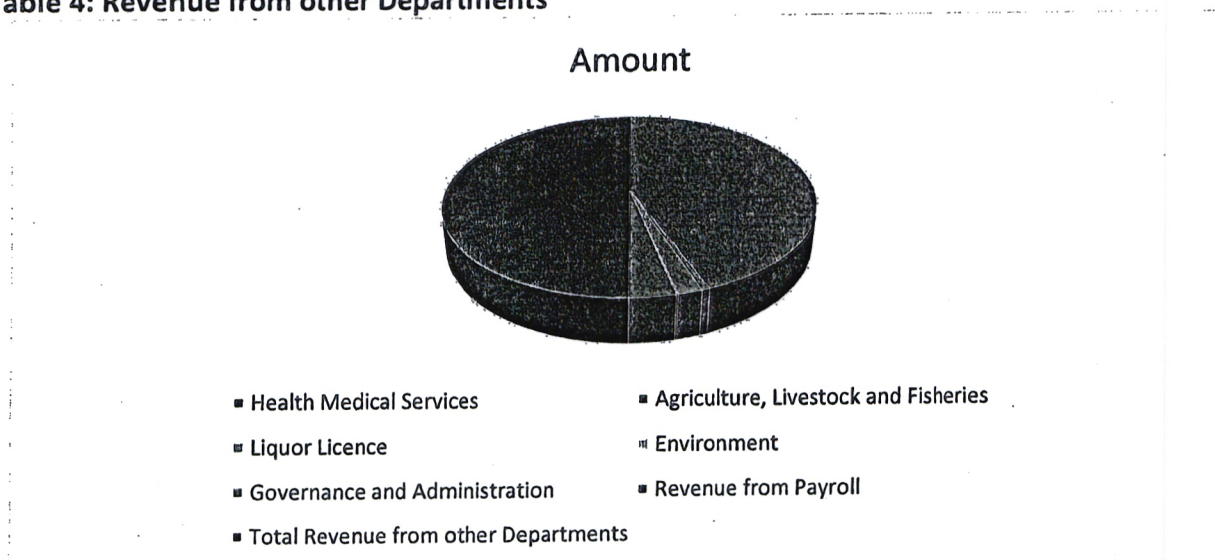
Pie chart 3: Unstructured Revenue Streams

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

Revenue from other departments represents amount collected from activities domiciled in other departments. These revenue streams are as outlined below:

S.No	Revenue Stream	Amount
1	Health Medical Services	452,052,685
2	Agriculture, Livestock and Fisheries	5,713,419
3	Liquor License	18,500,004
4	Environment	1,323,590
5	Governance and Administration	4,800
6	Revenue from Payroll	34,102,687
7	Total Revenue from other Departments	511,697,185

Table 4: Revenue from other Departments



Pie chart 4: Revenue from other Departments

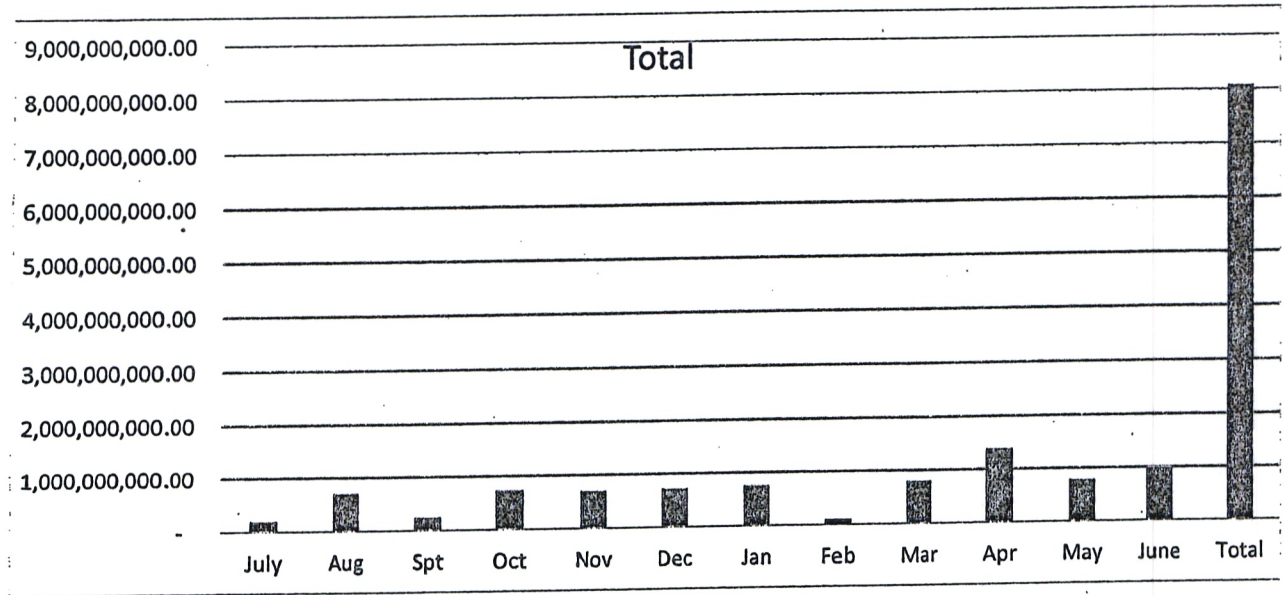
*Receiver Of Revenue
County Government Of Kisumu
Revenue Statements for the Period Ended 30th June 2022*

Over the period ending 30th June 2022, several disbursements were made to the County Revenue Fund account. The disbursements came from various sources over the four quarters as per the analysis below:

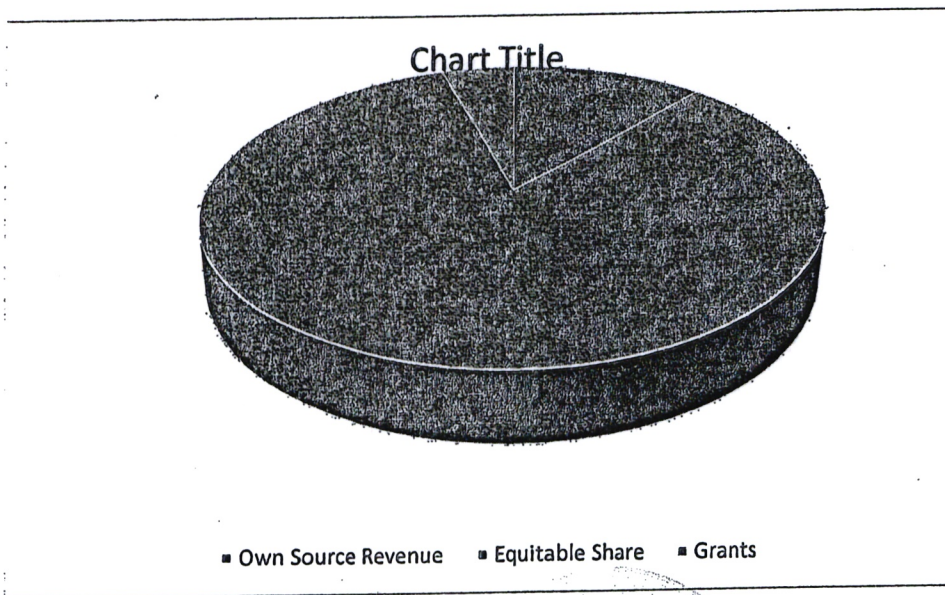
S.No	Month	Quarter	Own Source Revenue	Equitable Share	Grants	Total
1	July	1	108,439,127		82,682,844	191,121,971
2	Aug		54,433,031	642,091,139	-	696,524,170
3	Sept		139,486,919	68,221,835	31,676,176	239,384,930
4	Oct	2	44,965,939	682,221,835	-	727,187,774
5	Nov		50,166,991	642,091,139	2,500,000	694,758,130
6	Dec		36,782,222	682,221,835	499,000	719,503,057
7	Jan	3	109,327,709	642,091,139	-	751,418,848
8	Feb		93,526,118		-	93,526,118
9	Mar		118,015,338	682,221,835	-	800,237,173
10	Apr	4	78,324,428	1,324,312,974	-	1,402,637,402
11	May		57,145,570	722,352,532	-	779,498,102
12	June		58,073,123	682,221,835	245,808,106.30	986,103,064
13	Total		948,686,517	6,770,048,098	363,166,126.30	8,081,900,741
			12%	84%	4%	100%

Table 5: Disbursements to CRF

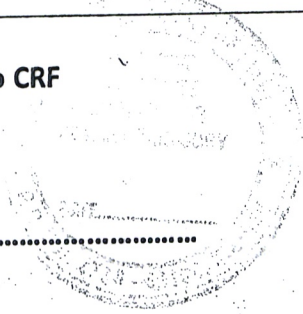
**Receiver Of Revenue
County Government Of Kisumu
Revenue Statements for the Period Ended 30th June 2022**



Graph 1: Monthly disbursements to CRF



Pie chart 5: Total disbursements to CRF



**GEORGE OKONG'O
CECM Finance & Economic Planning**

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

III. Management Discussion and Analysis

For the period ended 30th June 2022, the total Own Source Revenue collected in Kisumu County Government was Kshs 1,199,145,037. OSR constitutes three broad categories namely structured revenue streams, unstructured revenue streams and revenue from other departments. The performance of each of the three categories is as below:

S.No	Revenue Category	Amount
1	Structured Revenue	442,465,955
2	Unstructured Revenue	244,981,891
3	Revenue from other Departments	511,697,186
4	Total OSR	1,199,145,037

Table1: Total OSR

The below table and graph shows the performance on revenue collection against budgeted revenue for the fiscal year 2021-2022, 2020-2021 and 2019-2020. It also shows the performance of the same in percentages.

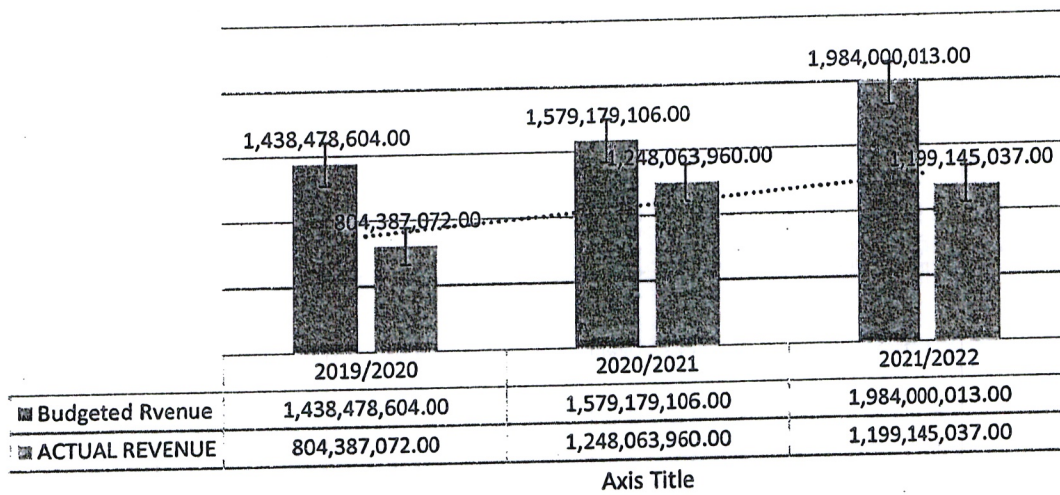
The receiver of revenue is in consultation with other stack holders in the department in finding measures to boost revenue collection from the current 60% - Kshs. 1,199,145,037 in the FY 2021/2022 to the budgeted Kshs. 1,762,226,587 in FY2 2022/2023.

FY	BUDGETED Kshs	ACTUALS Kshs.	PERFORMANCE %
2019/2020	1,438,478,604	804,387,072	56
2020/2021	1,579,179,106	1,248,063,960	79
2021/2022	1,984,000,013	1,199,145,037	60

Table1: Performance

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

BUDGETED REVENUE AGAINST ACTUALS



Axis Title

Budgeted Revenue
 ACTUAL REVENUE
 Linear (ACTUAL REVENUE)

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

Below we present the progress made in attaining the objectives of the CIDP (2017-2022) for County Government of Kisumu.

<i>ef</i>	<i>Objective as per IDP</i>	<i>Performance/Progress made up since the start of CIDP planning period up to date</i>	<i>Remarks (Explain the reasons for underperformance/ Over performance)</i>
1.	Increase own source revenue to Kshs 1,634,235,318.00	1,199,145,037	<ul style="list-style-type: none"> • <i>Restructuring of Central Business District (CBD)- this killed some parking slots e.g. Oginga Odinga Streets</i> • <i>Hard Economic Situations not favourable for small scale business thus, closure of several businesses.</i> • <i>Relocation of Kibuye Market to Stadium- this tampered with several business hence, reduction in revenue collections</i> • <i>Court cases on Valuation Roll hence Members / rates paper were restricted in payment</i>
2.	Equitable share to Kshs 8,897,026,908.00	7,384,048,098.00	
3.	Grants and donations Kshs 1,182,000,276.00	363,166,126.00	

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

Progress on attainment of Development Objectives from Annual Development Plan (Adopted from County Government of Kisumu's ADP).

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Department	Objective	Outcome	Indicator	Performance

V. Statement of Receiver of Revenue's responsibilities

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

The Receiver of Revenue is responsible for the preparation and presentation of the *receiver of revenue account*, which gives a true and fair view of the state of affairs of the *receiver of revenue* for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the statement of assets and liabilities of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

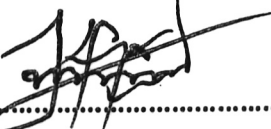
The Receiver of Revenue in charge accepts responsibility for the *County Government of Kisumu's receiver of revenue* accounts, which have been prepared on the Cash Basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the *County Government of Kisumu's receiver of revenue* account gives a true and fair view of the state of *County Government of Kisumu's receiver of revenue* transactions during the financial year ended June 30th, 2022, and of the *County Government of Kisumu's* statement of assets and liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the *receiver of revenue account* as well as the adequacy of the systems of internal financial control.

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

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

Approval of the Revenue Statements

The *revenue* statements were approved and signed by the Receiver of Revenue on 30th September 2022



.....

**Name – James Kungu
County Receiver/Director of Revenue**

REPUBLIC OF KENYA



Enhancing Accountability

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON RECEIVER OF REVENUE - REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022 - COUNTY GOVERNMENT OF KISUMU

PREAMBLE

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

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

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

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

REPORT ON THE REVENUE STATEMENTS

Disclaimer of Opinion

I have audited the accompanying revenue statements of Receiver of Revenue - County Government of Kisumu set out on pages 1 to 23, which comprise of the statement of financial assets and liabilities as at 30 June, 2022, and the statement of receipts and

disbursements, 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 do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. Inaccuracies in the Financial Statements

The following errors and omissions were noted in the revenue statements and the accompanying explanatory notes for the year ended 30 June, 2022;

- i. The statement of receipts and disbursements reflects comparative amount of Kshs.71,526,600 for the Public Health Services Fees. However, the corresponding Note 9 to the financial statements reflects an amount of Kshs.71,256,600 resulting to an unexplained variance of Kshs.270,000.
- ii. The statement of receipts and disbursement reflects comparative amount of Kshs.1,477,530 in respect of administration control fees and charges whereas Note 13 to the financial statements reflects an amount of Kshs.16,853,485 resulting to an unexplained variance of Kshs.15,375,955.
- iii. The statement of financial assets and liabilities reflects comparative bank balance of Kshs.80,114,322. However, the computed balance as per Note 18 to the financial statements totals Kshs.75,811,281 resulting in a variance of Kshs.4,303,041 which has not been explained or reconciled.
- iv. The statement of arrears of revenue as at 30 June, 2022 reflected total arrears of Kshs.660,519,560. However, Management did not provide an ageing analysis of the arrears as required by the Public Sector Accounting Standards Board reporting template. Further, the Management did not provided evidence of measures taken to recover the amount owed to the County Government.
- v. The statement of comparative budget and actual amounts reflects nil amounts on the final budget column whereas there are entries on the original budget column.
- vi. The statement of receipts and disbursements for the year ended 30 June, 2022 reflects balance brought forward at the beginning of the year of Kshs.80,444,167. However, the statement does not reflect the balance due for disbursement for the year ended 30 June, 2021 which should ideally be carried forward.

In addition, Note 3 to the financial statements reflects revenue of Kshs.174,027,421 which includes Kshs.158,905,829 in respect of trade licenses levied by City of Kisumu which uses the E-Citizen platform. However, confirmations of E-Citizen disbursements to the County Treasury amounted to Kshs.151,588,667 leaving an unsupported and unexplained amount of Kshs.7,317,162.

In the circumstances, the accuracy and validity of the revenue amounts reflected in the revenue statements for the financial year ended 30 June, 2022 could not be confirmed.

4. Unsupported Bank Balances

The statement of financial assets and liabilities reflects bank balance of Kshs.15,603,319 and as disclosed in Note 18 to the financial statements. However, the Management did not provide bank reconciliation statements and the respective cash books for audit review.

In the circumstances, the accuracy and existence of the reported bank balances of Kshs.15,603,319 could not be confirmed.

5. Unsupported Other Receipts Balances

The statement of assets and liabilities as at 30 June, 2022 reflects other receipts not through CRF balance of Kshs.315,107,339 which, as disclosed in Note 22 to the financial statements made up of NHIF capitation, health facilities revenue and liquor licenses Fees. However, no details or breakdown was provided to support the balance. Further, the amounts though reflected as an asset had no corresponding bank holding these amounts to facilitate transfer to CRF account.

In addition, the receipts of Kshs.315,107,339 includes Kshs.18,500,000 that had already been included in the statement of receipts and disbursements leading to double counting of revenue. The balance of Kshs.296,607,339 has not been reported in the receipts and therefore could not form part of the assets.

In the circumstances, the accuracy and validity of other receipts balance of Kshs.315,107,339 could not be confirmed.

6. Budgetary Control and Performance

The statement of comparative budget and actual amounts for the year under review reflects total budgeted County own revenue of Kshs.1,984,000,003 against actual receipts of Kshs.1,199,145,037 resulting to a budget shortfall of Kshs.784,854,975 or 39.55%. The County Management had budgeted to receive Kshs.9,149,000 in respect of bodaboda fee which did not collect any revenue during the year under review. Management has not explained why this revenue stream had no revenue collection.

The under realization of revenue of Kshs.784,854,975 or 39.55% may have negatively impacted on service delivery to the citizens of Kisumu County.

- vii. The statement comparative for receipts and disbursement does not reflect the balance of Kshs.80,444,167 shown as opening balance in the current year.

In the circumstances, the accuracy of the revenue statements for the year ended 30 June, 2022 could not be confirmed.

2. Variances between General Ledger and Financial Statements

The statement of receipts and disbursements for the year ended 30 June, 2022 reflects total County own source revenue of Kshs.1,199,145,028. However, a comparison of the statement and the ledgers for the period under review reflects different account balances in respect to some revenue streams resulting to unexplained and unreconciled variances as indicated below:

No.	Revenue Stream	Financial Statements (Kshs)	General Ledger (Kshs)	Variance (Kshs)
1.	Hospital Fees	452,052,685	339,482,489	112,570,196
2.	Single Business Permit	174,027,421	148,534,709	25,492,712
3.	Advertisement Fee	123,654,332	111,677,320	11,977,012
4.	Market Fees	59,712,919	48,403,556	11,403,556
5.	Property Rent	18,176,177	16,589,010	1,587,167

In the circumstances, the accuracy of the reported amounts for the five (5) revenue streams could not be confirmed.

3. Unsupported Revenue

The statement of receipts and disbursements includes an amount of Kshs.367,249,882 that were not supported by any documentation in respect of various revenue streams as indicated below:

No.	Revenue stream	Amount (Kshs)
1.	Cess	12,126,727
2.	Physical Planning and Development	26,841,190
3.	Parking Fees	159,818,700
4.	Administration Control Fees and Charges	18,500,000
5.	Land/Plot Rent	97,322,161
6.	Hire of County Assets	906,200
7.	Conservancy and Administration	1,323,590
8.	Miscellaneous Receipts	50,188,513
9.	Other Fines, Penalties and Forfeitures	222,801
Total		367,249,882

7. Waiver and Variations of Fees

During the year under review, Management granted a waiver of fees of Kshs.1,738,989 to eight (8) individuals and an amount of Kshs.43,600 was waived for three (3) persons living with disability. However, the Management did not provide any evidence of seeking authority from the County Treasury for five (5) individuals whose waiver amounted to Kshs.1,695,298. This is contrary to Section 159(1) of the Public Finance Management Act, 2012 which states that the County Executive Committee member for finance may waive a county tax, fee or charge imposed by the County Government and its entities in accordance with criteria prescribed in regulations.

8. Lack of Trial Balance

The trial balance for the Fund as at 30 June, 2022 was not provided for audit verification in support of the balances in the financial statements contrary to Paragraph 27 of the International Public Sector Accounting Standards (IPSAS) 1 which requires financial statements to present fairly the financial position, financial performance and cash flows of an entity.

In the circumstances, Management contravened Paragraph 27 of the International Public Sector Accounting Standards (IPSAS) 1 and thus the balances could not be confirmed.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

I do not express a conclusion on the lawfulness and effectiveness in the use of public resources as required by Article 229(6) of the Constitution. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

I do not express a conclusion on the effectiveness of internal controls, risk management and governance as required by Section 7(1)(a) of the Public Audit Act, 2015. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash

Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, my responsibility is to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them, and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. I also consider internal controls, risk management and governance processes and systems in order to give an assurance on the effectiveness of internal controls, risk management and governance in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance

with Article 229(7) of the Constitution. However, because of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources, and Internal Controls, Risk Management and Governance sections of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit conclusion.

I am independent of the Receiver of Revenue - County Government of Kisumu in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

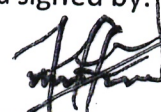
12 May, 2023

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

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

	Note	2021/22 Kshs	2020/21 Kshs
County Own Source Revenue			
Cess	1	12,126,727	15,132,613
Land/Poll Rate	2	97,322,161	131,977,762
Single/Business Permits	3	174,027,421	180,419,311
Property Rent	4	18,176,177	24,766,887
Parking Fees	5	159,818,700	188,575,320
Market Fees	6	59,712,919	67,223,506
Advertising	7	123,654,332	106,350,456
Hospital Fees	8	452,052,685	313,213,516
Public Health Service Fees	9	4,271,630	71,526,600
Physical Planning and Development	10	26,841,190	96,748,603
Hire Of County Assets	11	906,200	1,025,100
Conservancy and Administration	12	1,323,590	1,124,120
Administration Control Fees and Charges	13	18,500,000	1,477,530
Park Fees	14		15,375,955
Other fines, penalties and forfeitures	15	222,801	
Miscellaneous receipts (Depts)	16	50,188,513	33,126,681
Total County Own Source Revenue		1,199,145,028	1,248,063,960
Other Receipts			
Donations/Grants Not Received Through CRF	17	0.00	0.00
Total Other Receipts			
Total Receipts		1,199,145,037	1,248,063,960
Balance b/f at the beginning of the year		80,444,167	118,587
Disbursements To CRF		948,686,517	
Balance Due for Disbursement		330,902,677	

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 30th Sept 2022 and signed by:


.....

Name – James Kungu
County Receiver / Director of Revenue


.....

Name – Peter Kayila
Head of Revenue Reporting

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

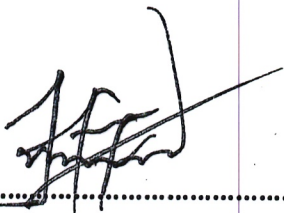
(Ref: PFM ACT section 165, 2(a))

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

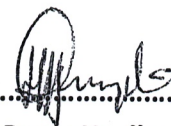
VIII. Statement of Financial Assets and Liabilities as At 30th June 2022

	Note	2021/22	2020/21
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances	18	15,603,319	80,114,322
Cash In Hand	19	192,029	
Other receipts not thro CRF (Health)	22	315,107,339	
Total Financial Assets		330,902,687	
Total Financial Assets		330,902,687	
Financial Liabilities			
Payables-Due to CRF		330,902,687	
Total Financial Liabilities		330,902,687	

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 30TH Sept 2022 and signed by:



.....
Name – James Kungu
County Receiver / Director of Revenue



.....
Name – Peter Kayila
Head of Revenue Reporting

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

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

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

Receipt	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Realization Difference	% Of Realization
	A	B	C=A+B	D	E=C-D	F=D/C %
County Own Source Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Cess	11,898,100	0	0	12,126,727	(228,627)	101%
Land/Poll Rate	623,603,994	0	0	97,322,161	526,281,833	16%%
Single/Business Permits	218,226,649	0	0	174,027,421	44,199,228	80%
Property Rent	42,613,319	0	0	18,176,177	24,437,142	42.6%
Parking Fees (Street and Bus parkings)	238,214,261	0	0	159,818,700	78,395,561	67%
Market Fees/s stock ring	98,172,790	0	0	59,712,910	38,459,880	60%
Advertising	92,672,500	0	0	123,654,332	(30,981,832)	133%
Hospital Fees	568,533,100	0	0	452,052,685	(116,480,415)	80%
Public Health Service Fees		0	0	4,271,630	(4,271,630)	0
Physical Planning and Development	33,210,000	0	0	26,841,190	6,368,810	81%
Hire Of County Assets	1,000,000	0	0	906,200	93,800	91%
Conservancy Administration		0	0	1,323,590	(1,323,590)	0
Administration Control Fees and Charges		0	0	18,500,000	(18,500,000)	0
Bodaboda	9,194,000	0	0		9,194,000	0
Park fees		00				0
Other Fines, Penalties, And Forfeiture Fees		0	0	222,801		0
Miscellaneous Receipts –Rev frm depts	46,706,300	0	0	50,188,513	(3,482,213)	107%
Total County Own Source Revenue	1,984,000,003	0	0	1,199,145,037	784,854,975	60%

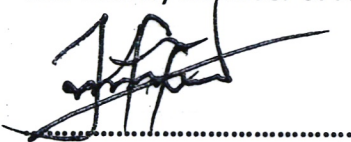
Receiver Of Revenue
County Government of Kisumu
Revenue Statements for the Period Ended 30th June 2022

Receipt	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Realization Difference	% Of Realization
	A	B	C=A+B	D	E=C-D	F=D/C %
Other Receipts		0	0	0	0	
Donations /Grants Not Received Through CRF						
Total Other Receipts						
Total Receipts	1,984,000,003	0	1,984,000,003	1,199,145,037	784,854,975	60%

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

- Restructuring of Central Business District (CBD)- this killed some parking slots e.g. Oginga Odinga Streets
- Hard Economic Situations not favourable for small scale business thus, closure of several businesses.
- Relocation of Kibuye Market to Stadium- this tampered with several business hence, reduction in revenue collections
- Court cases on Valuation Roll hence Members / rates paper were restricted in payment

The County Receiver of revenue's financial statements were approved on 30th Sept 2022 and signed by:



Name- James Kungu
County Receiver/Director of Revenue

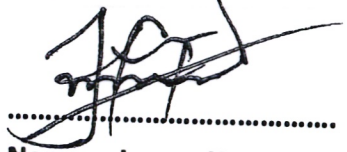


Name- Peter Kayila
Head of Revenue Reporting

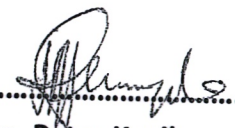
*Receiver Of Revenue
County Government of Kisumu
Revenue Statements for the Period Ended 30th June 2022*

X. Statement of Arrears of Revenue as at 30th June 2022

Classification Of Receipts (Indicate As Applicable)	Balance as at 1 st July 2021	Arrears received during the year	Additions in arrears for the current year to June 30, 2022	Total arrears as at 30 June 2022	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Cess						
Land/Poll Rate	657,852,268	0	2,667,292	660,519,560		
Single/Business Permits	0	0	0	0		
Rent Property	0	0	0	0		
Parking Fees	0	0	0	0		
Market Fees	0	0	0	0		
Advertising	0	0	0	0		
Hospital Fees	0	0	0	0		
Public Health Service Fees	0	0	0	0		
Physical Planning And Development	0	0	0	0		
Hire Of County Assets	0	0	0	0		
Conservancy Administration	0	0	0	0		
Administration Control Fees And Charges	0	0	0	0		
Park Fees	0	0	0	0		
Other Fines, Penalties, And Forfeiture Fees	0	0	0	0		
Miscellaneous	0	0	0	0		
Total Arrears	657,852,268	0	2,667,292	660,519,560		



.....
Name – James Kungu
County Receiver/ Director of Revenue
(Ref: PFM ACT section 165, 2(a))



.....
Name- Peter Kayila
Head of Revenue Reporting

XI. Notes to the Financial Statements

Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

The revenue statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and relevant legal framework of the County Government of *Kisumu*. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

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

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

2. Recognition of Receipts

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

3. Budget

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

4. Cash and cash equivalents

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

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

Notes to the Financial Statements (Continued)

5. Revenue in Arrears

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

6. Disbursements to CRF

The Receiver of Revenue has an arrangement for transfer of funds from its bank account to the CRF account. Total disbursements to the CRF are as a result of the transfer arrangement during the year. *(Include the receiver's actual policy on disbursements)*
YET TO BE DEVELOPED

7. Comparative Figures

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

8. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended June 30, 2022

Notes - to the Financial Statements (Continued)

1. Cess

Description	2021/22	2020/21
	Kshs	Kshs
Farm produce	8,421,827	15,132,613
Quarrying		
Livestock	3,704,900	
Fish farming		
Others (specify)		
Total	12,126,727	15,132,613

2. Land/Poll rates

Description	2021/22	2020/21
	Kshs	Kshs
Land rates	97,322,161	131,977,762
Land penalties and interest		
Arrears		
Total	97,322,161	131,977,762

3. Single /Business Permits

Description	2021/22	2020/21
	Kshs	Kshs
Business permit application fees	174,027,421	180,419,311
Annual Business permit fees		
Business permit penalties and interest		
Business permit fees arrears		
Total	174,027,421	180,419,311

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

Notes to the Financial Statements (continued)

4. Property Rent

Description	2021/22	2020/21
	Kshs	Kshs
County Housing	18,176,177	24,766,887
Plot Rent		
Tenancy Agreement		
Transfer of Property		
Stalls/kiosks rent		
Others (<i>Specify</i>)		
Total	18,176,177	24,766,887

5. Parking Fees

Description	2021/22	2020/21
	Kshs	Kshs
Street parking fees	38,190,316	188,575,320
Monthly toll/sticker fees	30,381,862	
Motorbike fees		
Registration fees		
Reserved parking	6,622,009	
Bus Park fees	84,624,513	
Others (<i>Specify</i>)		
Total	159,818,700	188,575,320

6. Market Fees

Description	2021/22	2020/21
	Kshs	Kshs
Market entry fees	59,712,910	67,223,506
Hawking fees		
Others (<i>Specify</i>)		
Total	59,712,910	67,223,506

Notes to the Financial Statements (Continued)

7. Advertising

Descriptions	2021/22	2020/21
	Kshs	Kshs
Branding		
Billboard advertising	123,654,332	106,350,456
Signage		
Roadshows		
Banners		
Posters		
Tent advertising		
Street pole/clock advertising		
others (Specify)		
Total	123,054,332	106,350,456

8. Hospital Fees

Description	2021/22	2020/21
	Kshs	Kshs
Level 5 hospitals	452,052,685	313,213,516
Level 4 hospitals		
Others (Specify)		
Total	452,052,685	313,213,516

9. Public Health Service Fees

Description	2021/22	2020/21
	Kshs	Kshs
Inspection of buildings/premises/Institutions	4,271,630	71,256,600
Inspection for issuance of hygiene license		
Vaccination: Yellow fever, Typhoid, etc		
Applications for medical examination		
Sanitation inspection for schools		
Public health permit		
Rodent Control/Fumigation		
Others (Specify)		
Total	4,271,630	71,256,600

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

Notes to the Financial Statements (Continued)

10. Physical Planning and Development

Description	2021/22 Kshs	2020/21 Kshs
Sale of County planning documents		
Land valuation and registration fees	22,980,080	96,748,603
Change / Renewal of user		
Building plans approval	3,861,110	
Signboards		
Occupational Permits		
Enforcement / Demolition		
Architectural designs by county officers		
Hoarding fees		
Others (Specify)		
Total	26,841,190	96,748,603

11. Hire Of County Assets

Description	2021/22 Kshs	2020/21 Kshs
Agricultural Mechanisation Services (AMS)		
Hire of Machines and Equipment	906,200	1,025,100
Hire of County Stadia		
Hire of County Halls		
Conference facilities/Agricultural Training Centers (ATC)		
Others (Specify)		
Total	906,200	1,025,100

Notes to the Financial Statement (Continued)

12. Conservancy Administration

Description	2021/22	2020/21
	Kshs	Kshs
Refuse disposal fees		
Dumpsite fees		
Sewerage fees		
Sale of seedlings		
Public cemetery		
Disposal of carcasses		
Noise control	1,323,590	1,124,120
Others (Specify)		
Total	1,323,590	1,124,120

13. Administration Control Fees and Charges

Description	2021/22	2020/21
	Kshs	Kshs
Weights and measures		
Fire Services		
Liquor licenses	18,500,000	16,853,485
Betting levy		
Others (Specify)		
Total	18,500,000	16,853,485

14. Park Fees

Description	2021/22	2020/21
	Kshs	Kshs
Lodge Tariffs and levies		
Park entry fees		
Filming and Photography fees		
Camping fees		
Balloon landing fees		
Others (Specify)		
Total		

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

Notes To the Financial Statements (Continued)

18. Bank Balances

Name of Bank, Account No. & currency	Amount in bank account currency	Exc. Rate (if in foreign currency)	2021/22	2020/21
			Kshs	Kshs
KCB - HEALTH A/C No 1155423712	Kshs.	-	89,014	0
KCB - REVENUE A/C No 114991705	Kshs.	-	13,908,855	72,224,115
KCB- MASENO ATC A/C No 1148451196	Kshs.	-	997	2,740,477
COOP – HEALTH A/C No. 01141766981100	Kshs.	-	139,600	
COOP – REVENUE A/C No 011417166976600	Kshs.	-	1,464,853	846,689
Total	Kshs.	-	15,603,319	80,114,322

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

Ref	Amount (Kshs)	Date subsequently transferred
Total		

19. Cash in hand

Description	2021/22	2020/21
	Kshs	Kshs
Cash Balance (Location)	192,029	329,845
Mobile Money- PAYBILLS BAL.	0	0
Others (Specify)		
Total	192,029	329,845

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

20. Payables- Due To CRF

Payables	2021/22	2020/21
	Kshs	Kshs
Balance b/f at the beginning of the year	80,444,167	
Amount collected during the year	1,199,145,037	1,248,063,960
Amounts disbursed to CRF during the year	948,686,517	
Balance c/d at the end of the year	330,902,688	

This relates to amounts yet to be disbursed to the exchequer at the end of the financial year. The amount should be supported by the bank balances as per note 16 above.

Notes To the Financial Statements (Continued)

21. Ageing Analysis of Revenue in Arrears

Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Cess	0	0	0	0	00
Land/poll rate	0	0	0	0	00
Single/business permits	0	0	0	0	00
Property rent	0	0	0	0	00
Parking fees	0	0	0	0	00
Market fees	0	0	0	0	00
Advertising	0	0	0	0	00
Hospital fees	0	0	0	0	00
Public health service fees	0	0	0	0	00
Physical planning and development	0	0	0	0	00
Hire of County Assets	0	0	0	0	00
Conservancy administration	0	0	0	0	00
Administration control fees and charges	0	0	0	0	00
Park fees	0	0	0	0	00
Other fines, penalties, and forfeiture fees	0	0	0	0	00
Miscellaneous receipts	0	0	0	0	00
Others (Specify)	0	0	0	0	00
Total (agree to statement of arrears)	00	00	00	00	00

22. Undisbursed To CRF

Kshs. 315,107,339

- NHIF Capitation Kshs 150,000,000
- Health facilities revenue (ring fenced) Kshs 146,607,339
- Liquor Licence fees Kshs. 18,500,000

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

XII. Appendices

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

S/No	Name of person / organisation benefitting from waiver/ variation	Year in which waiver/ variation relates	Amount of variation/ waiver (fee or charge)	Reasons for waiver/ variation	The law in terms of which the variation/waiver was granted
	Leonard Ogada Amollo	2021/2022	Kshs.79,289	Financial problem	Section 159 of PFM Act 2012
2	Linda Ochola Adolwa	2021/2022	Kshs. 24,363	Letter from CECM	Section 159 of PFM Act 2012
3	Hon.Dr. Oburu Odinga	2021/2022	Kshs.651,354	Letter from CECM	Section 159 of PFM Act 2012
4	Pius Joseph Odhiambo	2021/2022	Kshs. 195,151	Letter from CECM	Section 159 of PFM Act 2012
5	Denis Chege Ouma Osodo	2021/2022	Kshs. 745,141	Letter from CECM	Section 159 of PFM Act 2012
6	Charles Kasuku Owuor	2122/2022	Kshs. 10,050	Person with disability	Article 260 constitution 2010 section 2 act No.14 of 2003 article 260
7	Malachid D Apudo	2122/2022	Kshs.15,550	Person with disability	Article 260 constitution 2010 section 2 act No.14 of 2003 Article 260
8	Consolata Juma Alloys	2122/2022	Kshs.18,000	Person with disability	Article 260 constitution 2010 section 2 Act No.14 of 2003 article 260

(PFM ACT section 165 subsection 4, 5)

Sign and date Accounting Officer

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

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

Appendix 2: Progress on follow up of prior Year Auditor recommendations

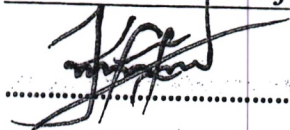
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
ISS 12	The Kisumu County Finance Act, 2022 correctly states the different amounts to be collected under different categories of issuing liquor licences within Kisumu City and other sub-counties. It had been reported that the County did not budget or report to have collected any revenues from this stream during the year.	The Kisumu County Alcoholic Drink act, 2014, gave the directorate of liquor power to manage the funds, (Subsection 5) "The receipts, earnings or accruals of the Fund and its balances at the close of each financial year shall not be paid into the County Revenue Fund, but shall be retained for the purposes of the Fund."	N/A	N/A

Guidance Notes:

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

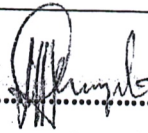
Receiver of Revenue
County Government of Kisumu
Revenue Statements for the Period Ended 30th June 2022



Name- James Kungu

County Receiver /Director of Revenue

Date



Name- Peter Kayila

Head of Revenue Reporting

Date

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

Appendix 3 - Reports Generated From IFMIS

The following Financial Reports generated from IFMIS should be generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. GOK Miscellaneous Receipts Register
- iii. FO30 (Bank reconciliations) for all bank accounts