REPUBLIC OF KENYA

OAG

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

RECEIVER OF REVENUE - REVENUE STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2024

COUNTY GOVERNMENT OF MIGORI

17 DEC 2024

RECEIVER OF REVENUE

County Government of Migori

REVENUE STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024

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

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1. Acronyms and glossary of terms

a) Acronyms

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

b) Glossary of terms

Comparative FY	Comparative Prior Financial Year
Fiduciary Management	The key management personnel who had financial responsibility

2. Key Entity Information and Management

(a) Background information

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

No.	Designation	Name
1.	CECM Finance and Economic Planning	Mr Maurice Otunga
2.	CO Finance and Economic Planning	Dr Achuora O. John
3.	Director Revenue	Maurice Oindo
4.	Head of Revenue Accountant	CPA Samuel Olal Wakine

Key Entity information and Management (continued)

(d) County Headquarters
P.O. Box 195-40400
Government Road
SUNA, KENYA

(e) Entity Contacts
Telephone: (254) 726319450/73
E-mail: Revenue@migori.go.ke
Website: www.migoricounty.go.ke

(f) Independent Auditor
Auditor - General
Office of the Auditor-General
Anniversary Towers, University Way
P. O. Box 30084
GPO 00100
Nairobi, Kenya

(g) Bankers
KCB Bank
Migori Branch
P.O BOX 54-40400

(h) Principal Legal Advisors
County Attorney
Migroi County Government
P.O. Box 195 -40400
Suna Kenya

3. Foreword by the CECM Finance and Economic Planning

It gives me pleasure to present the County Government of Migori Revenue statement for the financial year ending 30th June 2024. The financial statements present the financial performance of receiver of revenue for county government over the past twelve months.

The promulgation of the constitution of Kenya, 2010 under chapter 11 ushered Kenya into a new system of governance, replacing the centralised system with a devolved system of governance. The devolved system of Governance consists of the National Governance and 47 County Governments.

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 equitably 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 own generated revenues which is collected within the county. Our key local revenue sources for Migori County included, Rents and rates Single Business Permits, Cesses, market and bus park entry fees, Approval of plans, and Cattle auction fees among others.

The report show a decline in revenues collected but this was a result of not receiving revenues from the health sector after establishment of facility improvement fund where the revenues collected were retained in various facilities and used at source. In reality we improved our OSR by over 90 million.

C.E.C. MEMBER – FINANCE
MIGORI COUNTY
P O. Box 195-40400, SUNA-MIGORI
…………………… Date:…………………Sign:………………

CECM Finance and Economic Planning

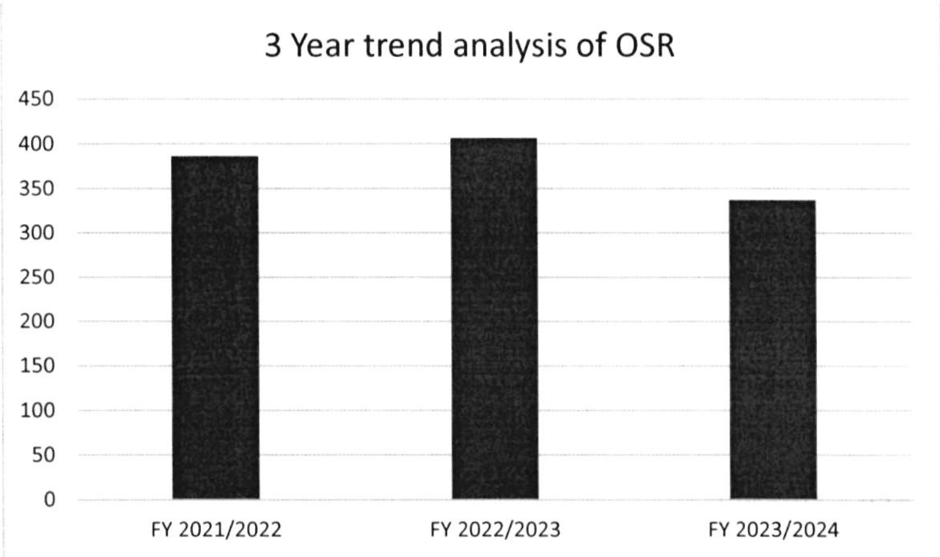
County Government of Migori

4. Management Discussion and Analysis

During the financial year 2023/2024, the County received **Kshs 337,154,048** from own source revenue compared to the previous year collection of **Kshs 406,364,908** representing a **Kshs 69,210,860** decrease. This was as result of not receiving health revenue following the establishment of Facility Improvement Fund, whereby revenue collected by the department of health was retained in various health facilities accounts and used at source.

Table 1. Revenue Analysis

FY 2021/2022	FY 2022/2023	FY 2023/2024
386,686,546	406,364,908	337,154,048



5. Statement of Receiver of Revenue's responsibilities

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

The Receiver of Revenue is responsible for the preparation and presentation of the *Receiver of Revenue Account*, which gives a true and fair view of the state of affairs of the *Receiver of Revenue* for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,(ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the statement of assets and liabilities of the 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 Migori 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 Migori County *Receiver of Revenue* account gives a true and fair view of the state of Migori County *Receiver of Revenue* transactions during the financial year ended June 30, 2024, and of the *County'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* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable). The Receiver of Revenue confirms that the revenue statements have been prepared in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the Revenue Statements

The Receiver of R*evenue* statements were approved and signed by the Receiver of Revenue on 27th September 2024.

MIGORI COUNTY REVENUE AUTHORITY
THE DIRECTOR
27 SEP 2024
Sign:..................

....

Name Maurice Oindo
County Receiver of Revenue

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website:www.oagkenya.go.ke

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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, 2024 - COUNTY GOVERNMENT OF MIGORI

PREAMBLE

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

A. Report on 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 the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and

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

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

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

REPORT ON THE REVENUE STATEMENTS

Qualified Opinion

I have audited the accompanying revenue statements of Receiver of Revenue - County Government of Migori set out on pages 1 to 19, which comprise the statement of financial assets and liabilities and statement of arrears of revenue as at 30 June, 2024, and the statement of receipts and disbursements and statement of comparison of budget versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the revenue statements present fairly, in all material respects, the financial position of the Receiver of Revenue - County Government of Migori as at 30 June, 2024, and of its revenue performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0. Unconfirmed Cash and Cash Equivalents Balance

The statement of financial assets and liabilities reflects cash balance of Kshs.2,848,145 as disclosed in Note 21 to the financial statements. However, review of records revealed that the balance represents amount borrowed by the County Executive of Migori which had not been returned and should instead be reported as receivables.

In the circumstances, the accuracy of cash balance of Kshs.2,848,145 could not be confirmed.

2.0. Long Outstanding Arrears

Note 23 on aging analysis of revenue in arrears reflects total revenue in arrears of Kshs.281,350,189 which includes arrears amounting to Kshs.80,602,351 that had remained uncollected for a period of more than two (2) years. Further, included in the latter amount, and as indicated in the demand letter dated 6 March, 2024, is an amount of Kshs.48,851,181 due from South Nyanza Sugar Company Limited, which relate to the period between 2016 and 2023.

In the circumstances, the recoverability and fair statement of the revenue arrears balance of Kshs.281,350,189 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 Migori Management 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 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 final receipts budget and actual on comparable basis amounts of Kshs.480,000,000 and Kshs.337,154,048 respectively, resulting in revenue under-collection of Kshs.142,845,952, or 30% of the budget.

The under-collection affected the affected planned activities and may have negatively impacted 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 matters described in the Basis for Qualified Opinion section of my report, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

According to the progress on follow up of prior year Auditor's recommendation section of the revenue statements, all but one prior year audit issues have since been resolved. However, Management has not provided evidence showing how these prior year audit issues were resolved. Further, one issue on budgetary control and performance remained unresolved with Management not providing satisfactory reasons for not resolving the matter.

Other Information

The Management is responsible for the Other Information set out on page iv to viii which comprises Key Entity Information and Management, Foreword by the 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 of the Receiver of Revenue - revenue statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the revenue statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing 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

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

REPORT ON 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. Information Communication Technology Internal Controls

Review of the County's Information Communication Technology (ICT) controls revealed that the County did not have an approved ICT security policy to ensure that data stored in its systems does not lose its integrity and is readily available when required, the ICT Policy provided for audit review was in draft form. The County has not put in place mechanisms to ensure that there is up-to-date security on all systems software.

In addition, the County did not document and approve processes to manage upgrades made to all financial and performance information system. This implies that changes to the financial system might occur without the completion of formal change request documentation. The County did not have a disaster recovery plan and had not implemented a backup and retention strategy, and did not have backups stored in a secure offsite storage facility.

Further, the County does not have a formally documented and approved user management standards and procedures. Further, examination of the system revealed that multiple users were granted rights and roles which were not necessary for their operations. In addition, six (6) users were granted administrative rights which were not necessary for their operations.

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

2. Revenue Management System

Review of the Revenue Management System revealed the following observations:

i. The vendor was still in control of the system and had administrative rights. This meant that the vendor could add, delete or alter records in the system.

ii. The vendor maintained three accounts in the system two of which were active at the time of audit, Management did not explain the roles of the two accounts.

iii. There were instances where the vendor made several transactions in the system. Management did not explain why the vendor was making transactions in the system even after the testing period had elapsed.

iv. There were several users with various rights and roles to the system even though they were not part of the Receiver of Revenue Management or Migori County Executive workforce. Management did not explain their roles clearly and which controls were in place to prevent unauthorized use of the system since the users had elevated privileges (admin rights) in the system.

v. The system was hosted by the vendor and all backups were maintained by the vendor.

vi. The domain for system was the .co.ke used by the public, instead of the recommended go.ke.

vii. Some of the users' details did not have the personnel number indicated, it was therefore not possible to determine if indeed they were employees of the County Executive of Migori.

viii. The entity did not have a Virtual Private Network (VPN). As a result, the system could be accessed by any computer from any network without any restrictions or checks. This is a serious security issue and there is a risk of the system being easily compromised.

ix. It was noted that three users had more than one account in the system. Management did not explain why one user would need to have multiple accounts.

x. It was also noted that all but six (6) users of the system were granted all the roles and rights in the system without regard to their specific areas of operation. This meant various sections of the system were not computerized as per the user roles but rather any user could undertake any of the roles in the system. This was a serious security lapse and may lead to revenue leakages.

xi. The Fund's computers were not protected by an antivirus.

In the circumstances, effectiveness of the revenue management system could not be confirmed.

3. Manual Revenue Collection Processes

During the year under review, the County used both the manual and electronic revenue collection systems. Official receipt books were issued from the central stores and received in the Revenue Department for distribution to the revenue collectors within the County. However, review of records revealed the following anomalies:

i. The counter receipt book register was not properly maintained as details of when the receipt books were returned, examined and audited were not posted;

ii. Collection control sheets used to account for the money collected through manual receipt books were not being maintained and sequentially filed to confirm which months had not been surrendered;

iii. There were no daily collection sheets signed by Sub-County revenue officers and supervisors;

iv. Cash survey was not performed; and

v. Summaries of daily collections of parking fees were not provided for audit.

In the circumstances, existence of effective revenue collecting processes could not be confirmed.

4. Other Internal Control Issues

Review of various reports generated from the Revenue Management System revealed that there was lack of a valuation roll for collection of land rates. The County updated valuation roll was not provided for audit review. Further, a register of designated parking lots that generated the reported revenue and evidence that the County had parking infrastructure with marked and secured parking areas in place were not provided for audit.

In the circumstances, Management has not instituted appropriate access controls needed to minimize breaches of information confidentiality, data integrity and loss of business continuity in line with Regulation 110 of the Public Finance Management (County Governments) Regulations, 2015.

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 as to whether effective processes and systems of internal control, 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 (Cash 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 County's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

Management is responsible for overseeing the County'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 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 financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 December, 2024

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

	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
County Own Source Revenue			
Cess	1	51,156,416	49,214,703
Land Rate	2	3,695,211	7,610,962
Single/Business Permits	3	94,073,380	70,762,200
Property Rent	4	10,063,955	25,000
Parking Fees	5	62,861424	47,269,296
Market Fees	6	77,335,839	55,524,115
Advertising	7	20,492,850	14,152,460
Hospital Fees	8	-	141,897,995
Public Health Service Fees	9	-	6,317,570
Physical Planning and Development	10	11,320,499	5,832,504
Hire Of County Assets	11	460,000	1,488,000
Conservancy Administration	12	-	-
Administration Control Fees and Charges	13	2,897,000	2,266,410
Proceeds from sale of assets	14	-	0
Park Fees	15	-	-
Other Fines, Penalties, And Forfeiture Fees	16	798,870	1,494,188
Miscellaneous receipts	17	1,998,604	2,509,505
Total County Own Source Revenue		**337,154,048**	**406,364,908**
Other Receipts			
Donations/Grants Not Received Through CRF	18	-	-
Total Other Receipts		-	-
Total Receipts		**337,154,048**	**406,364,908**
Balance b/f at the beginning of the year	22	53,466,000	107,531,327
Disbursements To CRF		(383,873,837)	(342,320,326)
Bank charges	19	(61,450)	(0)
Balance Due for Disbursement	22	**6,684,761**	**171,575,909**

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 27th September 2024 and signed by:

REVENUE THE DIRECTOR 27 SEP 2024 COUNTY AUTHORITY MIGORI Sign:..................

....
Name Maurice Oindo
County Receiver of Revenue
(Ref: PFM ACT section 165, 2(a)

MIGORI COUNTY GOVERNMENT 27 SEP 2024 SUNA ACCOUNTANT

....
Name Samuel Olal Wakine
Head of Revenue Reporting
ICPAK M/No 32309

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

	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances	**20**	3,836,616	163,356,957
Cash In Hand	**21**	2,848,145	8,218,952
Total Financial Assets		**6,684,761**	**171,575,909**
Total Financial Assets		**6,684,761**	**171,575,909**
Financial Liabilities			
Payables-Due to CRF	**22**	**6,684,761**	171,575,909
Total Financial Liabilities		**6,684,761**	**171,575,909**

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 27th September 2024 and signed by:

REVENUE AUTHORITY THE DIRECTOR 27 SEP 2024 Sign:

....
Name Maurice Ojindo
County Receiver of Revenue

COUNTY GOVERNMENT 27 SEP 2024 SUNA ACCOUNTANT

....
Name Samuel Olal Wakine
Head of Revenue Reporting
ICPAK M/No 32309

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

Receipt	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% Of Realization
	A	B	C=A+B	D	E=C-D	F=D/C %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
County Own Source Revenue						
Cess	77,400,000	-	77,400,000	51,156,416	26,243,584	66%
Land Rate	9,500,000	-	9,500,000	6,748,271	2,751,729	71%
Single/Business Permits	150,000,000	-	150,000,000	94,073,380	55,926,620	63%
Property Rent	16,125,000	-	16,125,000	7,010,895	9,114,105	44%
Parking Fees	75,000,000	-	75,000,000	62,861,424	12,138,576	84%
Market Fees	88,525,000	-	88,525,000	77,335,839	11,189,161	88%
Advertising	18,000,000	-	18,000,000	20,492,850	(2,492,850)	114 %
Physical Planning and Development	25,200,000	-	25,200,000	11,320,499	13,879,501	45%
Administration Control Fees and Charges	5,700,000	-	5,700,000	2,897,000	2,803,000	51%
Hire of County Assets	9,300,000		9,300,000	460,000	8,590,000	5%
Other Fines, Penalties, And Forfeiture Fees	2,000,000		2,000,000	798,870	1,201,130	40%
Miscellaneous Receipts	3,250,000	-	3,250,000	1,998,604	1,151,396	62%
Total County Own Source Revenue	**480,000,000**	-	**480,000,000**	**337,154,048**	**142,845,952**	**70.%**
Other Receipts	-	-	-	-	-	-
Donations /Grants Not Received Through CRF	-	-	-	-	-	-

Receipt	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% Of Realization
	A	B	C=A+B	D	E=C-D	F=D/C %
Total Other Receipts					-	
Total Receipts	**480,000,000**	**-**	**480,000,000**	**337,154,048**	**142,845,952**	**70.%**

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

Under Realization

(a) Evasion (e.g. by Boda Boda operators in some sub counties)
(b) Heavy rainfalls during the months of February and March (majorly affected market entry fees, Bus parks and parking fees)
(c) Political Interference (Maandamano)

Over realisation

(a) Revenue enhancement to ensure compliance by traders (all distributors)

The County Receiver of revenue's financial statements were approved on 27th September 2024 and signed by:

…………………………………	…………………………………
Name Maurice Oindo	**Name Samuel Olal Wakine**
County Receiver of Revenue	**Head of Revenue Reporting**
	ICPAK M/No 32309

MIGORI COUNTY REVENUE AUTHORITY
THE DIRECTOR
27 SEP 2024
Sign:……………

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

Classification Of Receipts (Indicate As Applicable)	Balance as at The beginning of the current year (1st July 2023) A	Arrears received during the year. B	Additions in arrears for the current year to June 30, 2024 C	Total arrears as at 30 June 2024 D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Cess (Sugar)	50,000,000	-	1,471,714	51,471,714	Legal action	High
Land rates	27,613,173	-	10,956,184.	38,569,357	Legal action	High
Single/Business Permits	81,438,610	(26,000)	61,719,150	143,131,760	Continuous enforcement and automation	High
Property Rent	-	-	-	-		
Parking Fees	-	-	-	-		
Market Fees	-	-	-	-		
Advertising	2,029,308	-	9,148,050	11,177,358	Continuous enforcement and automation	High
Tobacco Cess	37,000,000	-	-	37,000,000	Continuous enforcement and automation	High
Total Arrears	**198,081,091**	**(26,000)**	**83,295,098**	**281,350,189**		

The County Receiver of Revenue's financial statements were approved on 27th September 2024 and signed by:

……………………………………
Name: Maurice Oindo
County Receiver of Revenue

……………………………………
Name: Samwel Olaj Wakine
Head of Revenue Reporting
ICPAK M/NO: 32309

MIGORI COUNTY REVENUE AUTHORITY
THE DIRECTOR
27 SEP 2024
Sign:……………

MIGORI COUNTY GOVERNMENT
27 SEP 2024

11. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

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

2. Recognition of Receipts

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

3. Budget

The County Revenue budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by law. The original budget was approved by the County Assembly of Migori for the period 1st July 2023-1 to 30 June 2024 as required by law. There were *two* supplementary budgets passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

4. Cash and cash equivalents

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

5. Revenue in Arrears

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

6. Disbursements to CRF

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

7. Comparative Figures

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

8. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended June 30, 2024

12. Notes to the Financial Statements

1. Cess

Description	2023-2024	2022-2023
	Kshs	Kshs
Farm produce	32,702,574	39,586,973
Quarrying	18,031,722	9,290,455
Livestock	0	0
Fish farming	422,120	337,275
Others *(specify)*		
Cess		
Natural resources		
Total	**51,156,416**	**49,214,703**

2. Land rates

Description	2023-2024	2022-2023
	Kshs	Kshs
Land rates	3,695,211	7,610,962.
Land penalties and interest	-	0
Arrears	-	0
Total	**3,695,211**	**7,610,962**

3. Single /Business Permits

Description	2023-2024	2022-2023
	Kshs	Kshs
Business permit application fees	8,679,000	
Annual Business permit fees	65,122,780	58,135,200
Annual distribution permit fees	20,245,600	12,627,000
Business permit penalties and interest	-	-
Business permit fees arrears	26,000.00	-
Total	**94,073,380**	**70,762,200**

Notes to the Financial Statements (continued)

4. Property Rent

Description	2023-2024	2022-2023
	Kshs	Kshs
Stalls/kiosks rent/Plot Rents	9,848,605	0
TOL	185,350	-
Hire of Stadium	30,000	25,000
Others *(Specify)*	-	-
Total	**10,063,955**	**25,000**

5. Parking Fees

Description	2023-2024	2022-2023
	Kshs	Kshs
Street parking fees	9,742,936	-
Monthly toll/sticker fees	-	-
Motorbike fees	11,037,158	7,068,835.
Registration fees	-	-
Reserved parking	-	-
Bus Park fees	39,397,005	30,034,191
Taxi/Car	-	7,394,470
Border Entry/Exit	2,684,325	2,771,800
Total	**62,861,424**	**47,269,296**

6. Market Fees

Description	2023-2024	2022-2023
	Kshs	Kshs
Market entry fees	55,729,002	35,366,528
Hawking fees	-	-
Auction Fees	21,606,837	16,232,337
Kiosk Fees (under cast adjustment)		3,925,250
Others *(Specify)*	-	-
Total	**77,335,839**	**55,524,115**

Notes to the Financial Statements (Continued)

7. Advertising

Descriptions	**2023/2024**	**2022/2023**
	Kshs	**Kshs**
Branding	-	
Billboard advertising	20,492,850	14,152,460
Total	**20,492,850**	**14,152,460**

8. Hospital Fees

Description	**2023/2024**	**2022/2023**
	Kshs	**Kshs**
Level 5 hospitals	-	-
Level 4 hospitals	-	141,897,995
Others (*Specify*)	-	-
Total	-	141,897,995

9. Public Health Service Fees

Description	**2023/2024**	**2022/2023**
	Kshs	**Kshs**
Public health permit	-	6,317,570
Rodent Control/Fumigation	-	-
Others *(Specify)*	-	-
Total	-	**6,317,570**

Notes to the Financial Statements (Continued)

10. Physical Planning and Development

Description	2023/2024	2022/2023
	Kshs	Kshs
Sale of County planning documents	-	-
Land valuation and registration fees	-	-
Change / Renewal of user	-	-
Lands Building plans approval	4,711,099	5,671,544
Signboards	-	-
Works building and planning	6,538,400	-
Occupational Permits	-	-
Enforcement / Demolition	-	-
Architectural designs by county officers	-	-
Hoarding fees	-	-
Others (Specify) Survey	71,000	161,000
Total	**11,320,499**	**5,832,504**

11. Hire of County Assets

Description	2023/2024	2022/2023
	Kshs	Kshs
Agricultural Mechanisation Services (AMS)	-	213,000
Hire of Machines and Equipment	370,000	1,275,000
Hire of County Stadia	-	-
Hire of County Halls	-	-
Conference facilities/Agricultural Training Centers (ATC)	-	-
Others (*Bus hire*)	90,000	-
Total	**460,000**	**1,488,000**

Notes to the Financial Statement (Continued)

12. Conservancy Administration

Description	2023/2024	2022/2023
	Kshs	Kshs
Refuse disposal fees	-	-
Dumpsite fees	-	-
Sewerage fees	-	-
Sale of seedlings	-	-
Public cemetery	-	-
Disposal of carcasses	-	-
Noise control	-	-
Others *(Specify)*	-	-
Total	-	-

13. Administration Control Fees and Charges

Description	2023/2024	2022/2023
	Kshs	Kshs
Weights and measures	572,040	1,074,210
Fire Services	-	-
Liquor licenses	-	-
Others *(Specify) Fisheries/Cooperative Audit, Nema and Veterinary*	2,324,960	1,192,200
Total	**2,897,000**	**2,266,410**

14. Proceeds from sale of assets.

	2023/2024	2022/2023
	Kshs	Kshs
Receipts from Sale of Buildings	-	-
Receipts from Sale of Vehicles and Transport Equipment	-	-
Receipts from Sale of Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from Sale of Strategic Reserves Stocks	-	-
Receipts from Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	-	-

Notes to the Financial Statement (Continued)

15. Park Fees

Description	**2023/2024**	**2022/2023**
	Kshs	**Kshs**
Lodge Tariffs and levies	-	-
Park entry fees	-	-
Filming and Photography fees	-	-
Camping fees	-	-
Balloon landing fees	-	-
Others *(Specify)*	-	-
Total	-	-

16. Other Fines, Penalties and Forfeitures

Description	**2023/2024**	**2022/2023**
	Kshs	**Kshs**
Impounding Fees	-	-
Towing Fees	-	-
Others (*Specify) Penalties*	798,870	1,494,188
Total	**798,870**	**1,494,188**

17. Miscellaneous Receipts

Description	**2023/2024**	**2022/2023**
	Kshs	**Kshs**
Dividends	-	-
Interest	-	-
Commissions	-	-
Way Leave	271,200	-
Research and Library fee	396,570	-
Borehole Drilling	624,000	-
Transport on land	706,834	-
Others *(Specify)Search, Change of business names*	-	2,509,505
Total	**1,998,604**	**2,509,505**

Notes to the Financial Statement (Continued)

18. Donations And Grants Not Received Through CRF

Description	**2023/2024**	**2022/2023**
	Kshs	**Kshs**
Donations *(Specify Based on Source)*	-	-
Grants *(Specify Based on Source)*	-	-
Others *(Specify)*	-	-
Total	-	-

19. Bank Charges

Description	**2023/2024**	**2022/2023**
	Kshs	**Kshs**
Bank Charges & commissions	61,450	-
Total	**61,450**	-

20. Bank Balances

Name of Bank, Account No. & currency	**Amount**	**Exc. rate (if in foreign currency)**	**2023/2024**	**2022/2023**
			Kshs	**Kshs**
KCB Bank	-	-	2,816,639	20,510
Equity	-	-	1,019,977	48,979,892
Hospital Account (NHIF, Linda Mama	-	-	-	114,356,055
Total	-	-	**3,836,616**	**163,356,457**

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

Ref	**Amount (Kshs)**	***Date subsequently transferred***
Disbursement 1 KCB Balances Transferred to CRF	2,816,639	*02 July 2024*
Disbursement 2 Equity	1,019,977	*07 August 2024*
Total	**3,836,616**	

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

Notes to the Financial Statement (Continued)

21. Cash in hand

Description	**2023/2024**	**2022/2023**
	Kshs	**Kshs**
Cash Balance *Migori HQ*	2,848,145	8,218,952
Mobile Money	0	500
Others *(Specify)*	-	-
Total	**2.848,145**	**8,219,452**

Note cash in hand relates to monies held by the various dispensaries at the end of the financial year spent at source.

22. Payables- Due To CRF

Payables	**2023/2024**	**2022/2023**
	Kshs	**Kshs**
Balance b/f at the beginning of the year	**53,466,000**	**107,531,327**
Amount collected during the year	**337,154,048**	406,364,908
Amounts disbursed to CRF during the year	(383,873,837)	(342,320,326)
Bank Charges	(61,450)	0
Balance c/d at the end of the year	**6,684,761**	**171,575,909**

Balance brought forward at the beginning of the year has been amended to exclude an amount of ***Kshs 118,109,909*** *that was spent at source by various hospitals. This leaves us with a balance of* ***Kshs53, 466,000*** *that was disbursed to CRF on 9th October 2023.*

Notes to the Financial Statement (Continued)

23. Ageing Analysis of Revenue in Arrears

Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Cess	-	1,472,714	18,056,493	31,942,507	51,471,714
Land rates	3,983,006	3,983,000	8,085,490	22,517,861	38,569,357
Single/business permits	61,719,150	81,412,610	-	-	143,131,760
Property rent	-	-	-	-	-
Parking fees	-	-	-	-	-
Market fees	-	-	-	-	-
Advertising	9,148,050	2,029,308	-	-	11,177,358
Tobacco Cess	-	37,000,000	-	-	37,000,000
Public health service fees	-	-	-	-	-
Physical planning and development	-	-	-	-	-
Hire of County Assets	-	-	-	-	-
Conservancy administration	-	-	-	-	-
Administration control fees and charges	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-
Park fees	-	-	-	-	-
Other fines, penalties, and forfeiture fees	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-
Others *(Specify)*	-	-	-	-	-
Total *(agree to statement of arrears)*	74,850,206	125,897,632	26,141,983	**54,460,368**	**281,350,189**

13. Appendices

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

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

(PFM ACT section 165 subsection 4, 5)

Sign and date
Accounting Officer

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)***
1(i)	Revenue targets not set on the Revenue Management System to compare actual verses targets.	Targets have been set in the system for automated revenue streams	Not Resolved	FY 2024/2025
1(ii)	The system allows collection of revenue through M-pesa and cash. However, management did not provide for audit review M-pesa statement as evidence that the collections were deposited in CRF account	Statements was provided	Resolved	FY 2023/2024 Mpesa Statements provided
1(iii)	The system has not been enabled to capture all logs	The system logs are now visible in the system such as access logs, transactional logs, changes logs among others. Attached in the appendix is a sample of logs.	Resolved	FY 2022/2023 Annex 2 – Sample event logs
1(iv)	There is no power backup for the desktop computers used by the administrators and cashiers.	The management has bought a generator as a source of power back up and has procured UPS devices	Resolved	FY 2022/2023 Annex 3 – photo of generator

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)***
2	Spending of revenue at source by the health facilities.	It has been resolved on the establishment of facility improvement fund that allows the health facilities to collect revenue and spend at source	Resolved.	FY 2023/2024 FIF Act enacted
Budgetary control and performance	Statement of comparison budget and actual amounts for the year under ended 30th June 2023 reflect actual collection of Kshs 406,364,909 against an approved budget of Kshs 600,000,000 resulting in under collection of Kshs 193,635,091 (or 32%) of the budget	We have reviewed our overall target with and we intend to enhance revenue collection through automation of various revenue streams to surpass the target in the year under review and even in subsequent years	Not Resolved	ongoing

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Name Maurice Oindo

County Receiver of Revenue

Date

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Name: Samuel Olal Wakine

Head of Revenue Reporting

ICPAK M/No 32309

Date