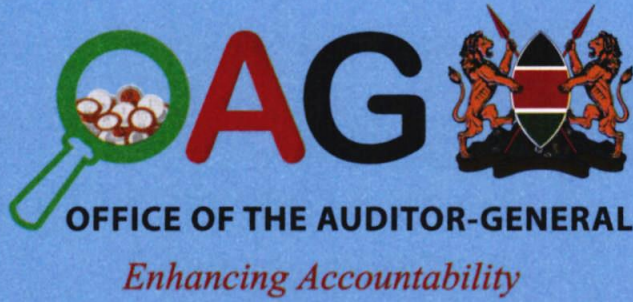
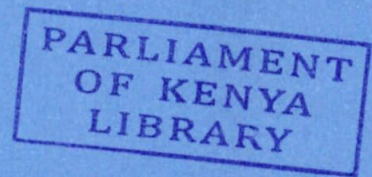


REPUBLIC OF KENYA



**REPORT**

**OF**



**THE AUDITOR-GENERAL**

**ON**

**RECEIVER OF REVENUE – REVENUE  
STATEMENTS**

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

**COUNTY GOVERNMENT OF KAKAMEGA**

PAPERS LAID	
DATE	6/6/2025
TABLED BY	Dep Majority Whip
COMMITTEE	
CLERK AT THE TABLE	Maalim



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**RECEIVER OF REVENUE**

**County Government of Kakamega**

**REVENUE STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2024**

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

Receiver Of Revenue  
County Government Of Kakamega  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024

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Revenue Statements for the Period Ended 30<sup>th</sup> June 2024

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**1. Acronyms and glossary of terms**

**a) Acronyms**

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

**b) Glossary of terms**

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

**Receiver Of Revenue  
County Government Of Kakamega  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024**

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**2. Key Entity Information and Management**

**(a) Background information**

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

The receiver of revenue is designated as a receiver on 17<sup>th</sup> October 2017 by the County Executive Committee member for Finance, in accordance with section 157 of the PFM Act.

The Kakamega County Revenue Agency was established through an Act of the County Assembly, referred to as the Kakamega County Revenue Administration and Management Act, 2017, which established a legal and institutional framework to provide for effective administration of revenue collected by the County Government; the collection, receipt and management of the revenue; provide responsibilities for the Kakamega County revenue Agency Fund, other public offices and entities involved in revenue collection and for connected purposes

The Kakamega County Revenue Agency (KCRA) Fund is established by and derives its authority and accountability from Kakamega County Revenue Administration and Management Act on 17<sup>th</sup> October 2017. The Fund is wholly owned by the County Government of Kakamega and is domiciled in Kenya.

**(b) Principal activities**

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

- i. Responsible for the administration and enforcement of revenue laws in the County;
- ii. Assessment and collection of and accounting for all rates,taxes,fees and other charges payable by or under any law in the County;
- iii. Collect and account for all County revenues;
- iv. Ensure that all monies raised or collected by or on behalf of the County are paid into the County Revenue Fund;
- v. Prepare reports on revenue collected and owing in accordance with the relevant laws and procedures;
- vi. Advise the County Government on all matters relating to the imposition, administration and enforcement of County revenue laws, assessment and collection of rates, taxes, fees, and other charges and penalties thereof in line with Article 209 of the Constitution;
- vii. Perform such other functions as may be provided for under any other county revenue law or as the Agency may deem necessary for the proper discharge of its mandate.

**Receiver Of Revenue  
County Government Of Kakamega  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024**

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**(c) Key Management Team**

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

SN	Name	Position
1	Dr.Lawrence Omuhaka	CECM Finance
2	Dr.Jeophita June Mwajuma	Chief officer Finance and Budget
3	ENG. Joseck Maloba	Chief Revenue Administrator/CEO
4	CPA Moureen Naliaka	Accountant
5	CPA Paul Wafula	Accountant
6	CHRP Jacklyne Othieno	Human Resources Officer
7	Truphena Matara	Planner
8	Gladys Atinya	Procurement Officer
9	Habibbah Litunya	ICT Officer

**(d) County Headquarters**

P.O. Box 36  
Sahajand Building  
Mumias Road  
Kakamega, KENYA

**(e) Entity Contacts**

**Telephone: (254) 705050506**  
**E-mail: [CEO-kcra@kakamega.go.ke](mailto:CEO-kcra@kakamega.go.ke)**  
**Website: [www.kcra.co.ke](http://www.kcra.co.ke)**

**(f) Independent Auditor**

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

**(g) Principal Legal Adviser**

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

**Receiver Of Revenue  
County Government Of Kakamega  
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**(h) Bankers**

1. KCB Bank Kenya Kakamega Branch
2. National Bank Kakamega Branch
3. Cooperative Bank Kakamega Branch
4. Equity Bank Kakamega Branch

**(i) County Attorney**

Office of the County Attorney,  
County Headquarters Annex, Room 112,  
P.O. Box 36-50100,  
KAKAMEGA, KENYA.  
Email. kakamegalegal@gmail.com  
County Government of Kakamega

**Receiver Of Revenue  
County Government Of Kakamega  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024**

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**3. Foreword By the CECM Finance and Economic Planning**

It is my pleasure to present the annual report on the performance of the Receiver of Revenue for the financial year under review. This report offers a comprehensive overview of the revenue collection efforts and performance within our county, highlighting key developments, challenges, and opportunities that shaped our fiscal landscape over the past year.

**\*Economic Outlook and Business Environment\***

The year under review presented a unique set of economic dynamics that influenced our revenue collection efforts. The general economic outlook was characterized by moderate growth, inflationary pressures, or slow recovery from a recession. These conditions, coupled with a fluctuating local business environment, significantly impacted our revenue collection trajectory.

On one hand, favourable government policies, increased investor confidence, or a rise in key local industries provided a boost to local businesses, subsequently driving an uptick in revenue from various sources. However, on the other hand, we faced significant impediments such as declining agricultural output, supply chain disruptions, or reduced consumer spending, which constrained our revenue potential.

**\*Revenue Performance Overview\***

During the year under review, the Receiver of Revenue collected a total of 1.34 Billion against a budgeted target of 2.2 Billion. The sources of revenue were diverse, with the main contributors being property rates, trade licenses, market fees, Cess among others.

While we celebrate areas of strong performance, we must also address the areas where revenue collection fell short of expectations. The underperformance can largely be linked to economic downturn, legislative changes, or systemic challenges within the collection framework.

To mitigate these challenges and enhance future performance, several measures have been put in place. These include enhancing compliance and enforcement mechanisms, leveraging technology for efficient collection, broadening the revenue base, etc. Additionally, we are continuously engaging with key stakeholders to create a conducive environment for business growth, which is essential for sustainable revenue generation.

**Receiver Of Revenue  
County Government Of Kakamega  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024**

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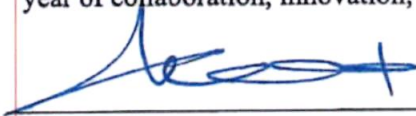
**\*Disbursements to the County Revenue Fund (CRF)\***

The total disbursements made to the County Revenue Fund (CRF) during the period amounted to **Ksh 779,583,000**, and the balance utilised as AIAs eg the facility improvement fund for the hospitals as such reflecting our commitment to ensuring that all revenues collected are promptly and efficiently directed towards their intended purposes. This has enabled the county government to continue delivering critical services and implementing key development projects that align with our strategic goals and the needs of our citizens.

**\*Conclusion\***

As we look ahead, the county government remains committed to implementing robust strategies that will optimize revenue collection and support sustainable economic growth. The lessons learned from the past year will guide our efforts to improve our systems, address the existing challenges, and seize new opportunities that will benefit the people of our county.

I take this opportunity to express my gratitude to all stakeholders, including the citizens, businesses, and partners, for their cooperation and support in our revenue collection efforts. We look forward to another year of collaboration, innovation, and growth.



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**Dr. Lawrence Omuhaka  
CECM Finance and Economic Planning  
County Government of Kakamega**

**Receiver Of Revenue  
County Government Of Kakamega  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024**

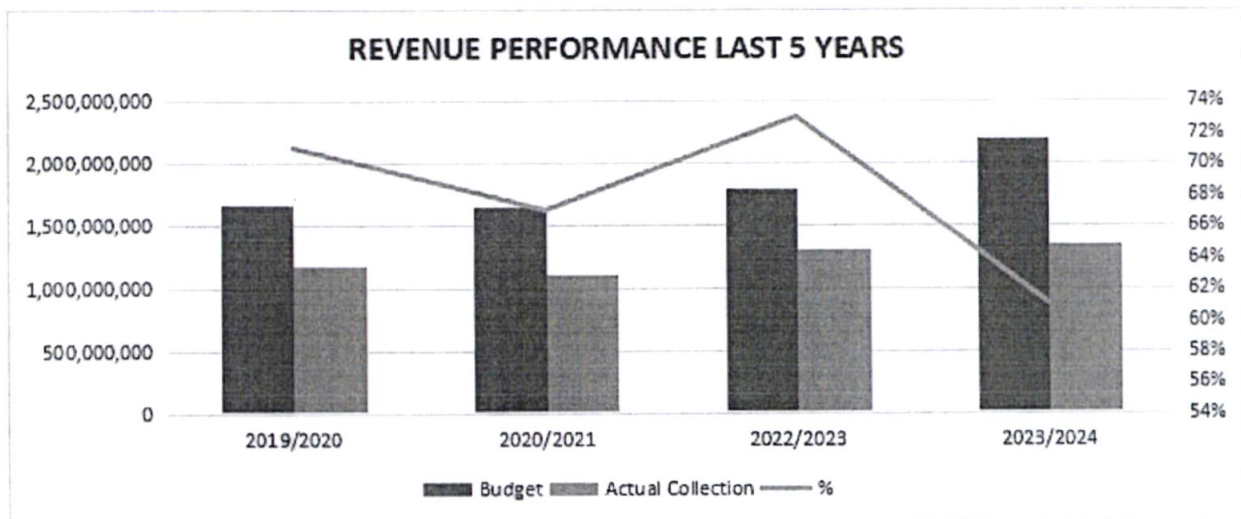
**4. Management Discussion and Analysis  
Operational and Financial Performance Overview**

Over the last three to five years, the operational and financial performance of the Receiver of Revenue has been shaped by both internal and external factors influencing our revenue collection strategies and outcomes. The following is an analysis of the key performance indicators, including budgeted versus actual revenue collections, and an examination of the challenges encountered and the mitigating measures employed to address these challenges.

**Revenue Collection Performance: A Five-Year Perspective**

In the past five years, our county has demonstrated steady efforts to enhance revenue collection from various sources. Below is a comparison of budgeted revenue versus actual collections over this period:

Year	Budget	Actual Collection	Variance	%
2019/2020	1,666,143,695	1,180,228,345	485,915,350	71%
2020/2021	1,656,000,000	1,111,110,150	544,889,850	67%
2022/2023	1,800,000,000	1,309,679,898	490,320,102	73%
2023/2024	2,200,000,000	1,349,689,046	850,310,954	61%



As illustrated in the table, revenue collection showed an overall upward trend in the initial years, primarily driven by improved compliance mechanisms, expansion of the revenue base, and the introduction of automated systems to capture revenues more efficiently. However, there were periods where actual collections fell short of budgeted targets.

**Receiver Of Revenue  
County Government Of Kakamega  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024**

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**Analysis of Revenue Sources**

Over the past five years, the main sources of revenue have remained consistent, with the bulk of collections derived from property rates, business permits, market fees, and service charges. The performance of these sources is as follows:

- **\*Land Rates\***: Contributed a steady Ksh 31,390,983 of total revenue, driven by ongoing property valuation and enforcement efforts. However, some collection challenges persisted due to disputes over property valuations and inadequate documentation.

- **\*Business Permits\***: An amount of Ksh 178,230,242 of the revenue collected was from Business permits. The introduction of e-permit systems led to an increase in compliance rates and faster processing times. However, small businesses struggled with compliance due to limited awareness and capacity issues.

- **\*Market Fees and Service Charges\***: These two categories contributed a combined Ksh. 23,198,928 of total revenue. Collection efforts were hampered by resistance from traders to new fee structures, but mitigation strategies such as stakeholder engagement and phased implementation helped address some of these concerns.

**Key Challenges in Revenue Collection**

The county's revenue collection efforts faced several challenges during the period under review:

1. **\*Economic Disruptions\***: The local economy faced multiple disruptions, including a decline in agricultural output due to adverse weather conditions, and fluctuations in the business environment caused by external factors such as inflation and global supply chain disruptions. These conditions affected businesses' ability to meet their revenue obligations.

2. **\*Compliance and Enforcement Issues\***: Low compliance levels, particularly in the informal sector, posed a significant challenge. Many small-scale businesses were either unaware of their obligations or deliberately avoided compliance due to perceived burdensome processes and costs.

3. **\*Technological Gaps\***: While the introduction of automation and E-Systems was intended to streamline revenue collection, the rollout encountered resistance due to limited digital literacy among stakeholders, inadequate infrastructure in some areas, and frequent system downtimes.

4. **\*Policy and Legislative Constraints\***: Some policy and legislative frameworks were outdated and did not reflect current economic realities, making enforcement difficult. Additionally, changes in national policies and intergovernmental fiscal relations affected local revenue streams.

**Mitigating Measures**

To address these challenges, the county government adopted several measures aimed at improving revenue collection performance:

**Receiver Of Revenue  
County Government Of Kakamega  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024**

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1. **\*Economic Stimulus and Support Programs\***: The county government introduced economic stimulus programs targeting key sectors such as agriculture and small-scale trade to revitalize the local economy. These programs were designed to enhance the capacity of businesses to meet their revenue obligations.

2. **\*Enhanced Compliance and Awareness Campaigns\***: The management embarked on a series of public awareness and education campaigns to promote compliance. Efforts included workshops, community engagements, and targeted outreach to the informal sector. Additionally, the county intensified enforcement measures through a combination of incentives for compliance and penalties for non-compliance.

3. **\*Technological Upgrades and Capacity Building\***: To overcome technological challenges, the county invested in upgrading its revenue management systems to enhance efficiency and reduce downtime. Furthermore, capacity-building initiatives were conducted for both county staff and stakeholders to improve digital literacy and acceptance of new systems.

4. **\*Policy Reforms and Legislative Updates\***: The county undertook a review of existing policies and regulations governing revenue collection to align them with current economic realities. This included revising fee structures, updating valuation rolls, and lobbying for supportive legislation at the national level to safeguard local revenue interests.

### **Conclusion**

Despite the challenges encountered, the Receiver of Revenue has made significant strides in improving operational efficiency and financial performance. The management remains committed to implementing innovative strategies and collaborating with stakeholders to overcome existing challenges, enhance revenue collection, and achieve fiscal sustainability. Moving forward, we aim to build on these efforts and create a more resilient and responsive revenue collection framework that can adapt to changing economic conditions and continue to support the county's developmental objectives.

**Receiver Of Revenue  
County Government Of Kakamega  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024**

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**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 Kakamega 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 Kakamega County receiver of revenue account gives a true and fair view of the state of entity's receiver of revenue transactions during the financial year ended June 30, 2024, and of the entity's statement of assets and liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the receiver of revenue account as well as the adequacy of the systems of internal financial control.

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

**Approval of the Revenue Statements**

The revenue statements were approved and signed by the Receiver of Revenue on ..... 2024



**ENG. Joseck Maloba  
County Receiver of Revenue**

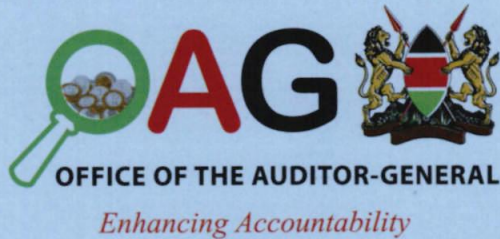
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**Receiver Of Revenue  
County Government Of Kakamega  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024**

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**6. Report of the Office of The Auditor General on the Kakamega County Receiver of Revenue  
for the year ended 30th June 2024**

# REPUBLIC OF KENYA



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

## REPORT OF THE AUDITOR-GENERAL ON RECEIVER OF REVENUE FOR THE YEAR ENDED 30 JUNE, 2024 - COUNTY GOVERNMENT OF KAKAMEGA

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### PREAMBLE

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

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

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 Kakamega set out on pages 1 to 23, which comprise of the statement of

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*Report of the Auditor-General on Receiver of Revenue for the year ended 30 June, 2024 - County Government of Kakamega*

financial assets and liabilities and statement of arrears of revenue as at 30 June, 2024 and the statement of receipts and disbursements and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the 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 Receiver of Revenue-County Government of Kakamega as at 30 June, 2024, and of its financial performance for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Poll/Land Rates Arrears**

The statement of arrears of revenue reflects land/poll rate arrears amounting to Kshs.2,435,499,723. However, the detailed ageing analysis indicating who are defaulters and the dates arrears arose was not provided for audit. In addition, there was no evidence that receiver of revenue made attempts in following up on the uncollected property rates.

In the circumstances, the accuracy, completeness and recoverability of the poll/land rates arrears amounting to Kshs.2,435,499,723 could not be confirmed.

#### **2. Unsupported Poll/Land Rates Revenue**

The statement of receipts and disbursements, and as disclosed in Note 2 to the financial statements reflects land rates amount of Kshs.31,390,983. However, the County did not maintain a valuation roll which captures records of all properties within Kakamega County thus it was not possible to identify the numbers, descriptions, locations, measurement and values of rated properties. Further, Management has no data on the plot location including the coordinates due to lack of a precise geospatial data for the properties. Therefore, the exact location, boundaries and extent of properties within the County are not clearly defined and documented thus compromising the accuracy and reliability of the records.

In the circumstances, the accuracy and completeness of the poll/land rates amount of Kshs.31,390,983 could not be confirmed.

#### **3. Unsupported Prior Year Adjustments**

The statement of receipts and disbursements for the year ended 30 June, 2024, reflects an amount of Kshs.28,400,623 in respect to prior year adjustments. However, no supporting documents were provided in support of the amount.

In the circumstances, the accuracy and completeness of the prior year adjustments amounting to Kshs.28,400,623 could not be confirmed.

#### **4. Unconfirmed Balance Due for Disbursement as at the End of the Period (Liquor) Appropriation in Aid**

The statement of receipts and disbursements for the year ended 30 June, 2024, reflects an amount of Kshs.20,064,142 in respect to balance due for disbursement as at the end of the period (liquor) Appropriation in Aid. However, no supporting documents were provided in support of the amount.

In the circumstances, the accuracy and completeness of the balance due for disbursement as at the end of the period (liquor) Appropriation in Aid amounting to Kshs.20,064,142 could not be confirmed.

#### **5. Inaccurate Disbursements to County Revenue Fund (CRF)**

The statement of receipts and disbursements reflects disbursements to CRF totaling Kshs.779,583,000. However, the statement of receipts and payments for the County Revenue Fund's financial statements reflects a corresponding receipt amounting to Kshs.761,783,000 in respect of own source revenue, resulting to unexplained variance of Kshs.17,800,000.

In the circumstances, the accuracy and completeness of the disbursements to CRF amounting Kshs.779,583,000 could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Receiver of Revenue - County Government of Kakamega Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

#### **Emphasis of Matter**

##### **Budgetary Control and Performance - Under Collection of Revenue**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis totaling Kshs.2,200,000,000 and Kshs.1,349,689,046 respectively, resulting to under collection of Kshs.850,310,954 or 39% of the budget. The shortfall in revenue collection may be an indicator of revenue leakages and inefficiencies in revenue collection system.

In the circumstances, the under collection of revenue affected implementation of the planned activities and may have impacted negatively on 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 judgment, are of most significance in the audit of the revenue statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

## **Other Matter**

### **Unresolved Prior Year Matters**

The audit report for the year ended 30 June, 2023 highlighted several unsatisfactory matters. However, the issues had not been resolved as at 30 June, 2024 and no satisfactory explanation was provided for the delay in resolving the issues.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Lack of a Valuation Roll**

The statement of receipts and disbursements, and as disclosed in Note 2 to the revenue statements reflects land rates amount of Kshs.31,390,983. However, the County did not maintain a valuation roll, which captures records of all properties within Kakamega County, including the numbers, descriptions, locations, measurements and values of rated properties. Thus, the basis for arriving at ratable amounts could not be confirmed. This was contrary to Regulation 63(1)(a) of the Public Finance Management (County Governments) Regulations, 2015 which states that an accounting officer and a receiver of revenue are personally responsible for ensuring that adequate safeguards exist and are applied for the prompt collection and proper accounting for, all county Government revenue and other public moneys relating to their county departments or agencies.

In the circumstances, the effectiveness of land rates collection management could not be confirmed. In addition, Management was in breach of the law.

#### **2. Non-remittance of Revenue Collected to the County Revenue Fund**

The statement of receipts and disbursements reflects an amount of Kshs.29,355,435 which was due for disbursement to the County Revenue Fund Account for the year ended 30 June, 2024. This was contrary to Regulation 81(2) of the Public Finance Management (County Governments) Regulations, 2015 which requires prompt disbursement to the County Revenue Fund Account.

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

### **3. Ineffective Management of County Housing Units**

The statement of receipts and disbursements, and as disclosed in Note 4 to the revenue statements reflects property rent amount of Kshs.9,370,965. Included in this amount is County Housing-House Rent amount of Kshs.594,637. However, the Receiver of Revenue does not maintain an updated housing units inventory. In the circumstances, it was not possible to confirm the total outstanding rent arrears, rent collections, and the occupation status of the units.

Further, during the year under review, the County had a budget of Kshs.1,060,174 for rent income from county owned houses against actual revenue collection of Kshs.594,637 resulting in under-collection by Kshs.465,537 or 44% of the budget. The County Government had a total of one hundred and forty-four (144) housing units and according to Kakamega County Finance Policy 2023, Second Schedule, the annual chargeable rent for the 144 houses should have been Kshs.16,320,000 which results in under-budgeting by an amount of Kshs.15,259,826 and thus representing possible income not collected from the housing units.

In the circumstances, the effectiveness of management of the county housing units could not be confirmed.

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

## **REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Internal Control Weaknesses in Information Communication Technology (ICT) Environment**

##### **1.1 Lack of Approved ICT Strategic Plan**

Review of ICT internal control environment of the Receiver of Revenue revealed that it does not have an approved ICT strategic plan and policy and has inadequate internal control policies for the implementation of revenue software and future ICT projects.

In the circumstances, the effectiveness of ICT control environment could not be confirmed.

## **1.2. Non-Integration of Revenue Collection System with Existing Systems**

Review of the revenue collection system revealed that the system has not been integrated with Check Health Information System (CHIS) and Integrated Financial Management Information System (IFMIS).

In absence of full integration of the systems, revenue collected could not be accounted for fully and could lead to leakages in revenue.

## **2. Failure to Demarcate Parking Spaces**

Physical verification of parking slots within the Central Business District of Kakamega town revealed that parking bays were not marked and demarcated. Further, business owners were paying for reserved parking space for a specific number of parking bays although there was no basis of confirming what constitutes a parking bay due to lack of marking and lack of parking inventory indicating the street, number of parking spaces, reserved parking and seasonal ticket holders.

In addition, there wasn't enough personnel manning parking alleys and physical inspection at Kenyatta Avenue, in Kakamega Town in September 2024 revealed that only one parking attendant was manning both sections of the road along Kenyatta Avenue where vehicles were parked without parking tickets.

It was also observed that there was inability to do real-time monitoring of GPS locations of vehicles by parking attendants using Sense Network revenue collection system.

In the circumstances, the effectiveness of parking fees management and collection could not be confirmed.

## **3. Internal Control Weaknesses in Collection of Revenue from Physical Planning and Development**

The statement of receipts and disbursements reflects physical planning and development revenue amounting to Kshs.30,485,141 and as disclosed in Note 10 to the revenue statements. However, the County Executive has only four (4) physical planners for the twelve (12) sub-counties which makes it difficult for the officers to plan for sub-counties comprehensively. As a result, buildings are set up without the requisite county approvals and National Government funded projects are not subjected through the approval process contrary to Section 57(1) of the Physical and Land Use Planning Act, 2019. This in turn undermines orderly physical land use development, proper execution and implementation of approved development plans and public health and safety standards. Further, revenue collection from physical planning and development is not optimized.

In addition, registers of documents submitted by applicants for development approval and registers for submitted certificates as per Section 62 (1) of the Physical and Land Use Planning Act, 2019 were not provided for audit review.

It was also noted that the enforcement notices and reports to ascertain whether the County Government had made efforts towards stopping developments that commenced without requisite approval or efforts made towards the collection of the statutory fees were provided for audit review.

In the circumstances, the effectiveness revenue collection management from Physical Planning and Development could not be confirmed.

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

### **Responsibilities of Management and those Charged with Governance**

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

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

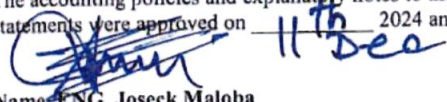
**23 December, 2024**


Receiver Of Revenue  
County Government Of Kakamega  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024

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

Description	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
<b>County Own Source Revenue</b>			
Cess	1	56,566,990	85,395,923
Land/Poll Rate	2	31,390,983	24,490,768
Single/Business Permits	3	178,230,242	170,248,245
Property Rent	4	9,370,965	11,142,534
Parking Fees	5	41,920,135	57,154,889
Market Fees	6	23,198,928	13,176,103
Advertising	7	63,812,579	48,408,453
Hospital Fees	8	522,077,511	437,034,978
Public Health Service Fees	9	26,288,834	21,784,450
Physical Planning and Development	10	30,485,141	23,516,806
Slaughter, stock sales and Veterinary services fees	11	11,199,909	14,858,987
Hire Of County Assets	12	4,373,427	5,453,568
Conservancy Administration	13	681,400	602,630
Administration Control Fees and Charges	14	25,728,931	21,404,525
Disposal of Assets	15	6,939,115	0
Other Fines, Penalties, And Forfeiture Fees	16	1,356,395	1,449,455
Miscellaneous receipts	17	8,108,873	22,227,857
Agricultural subsidized products	18	307,958,688	344,657,094
<b>Total County Own Source Revenue</b>		<b>1,349,689,046</b>	<b>1,303,007,265</b>
<b>Other Receipts</b>			
Donations/Grants Not Received Through CRF	19	0	25,861,709
<b>Total Other Receipts</b>		<b>0</b>	<b>25,861,709</b>
<b>Total Receipts received through CRF</b>		<b>1,349,689,046</b>	<b>1,328,868,974</b>
Balance b/f at the beginning of the year 2023/2024		83,651,495	50,552,970
Donations/Grants Not Received Through CRF	19	(25,861,709)	
Balance at the beginning of the year fy 2023/2024		<b>57,789,786</b>	
<b>Prior year adjustments</b>		(28,400,623)	
<b>Disbursement To CRF</b>	20	(779,583,000)	(1,295,770,449)
<b>Appropriation In Aid (Health services)</b>	21	(547,163,845)	0
<b>Appropriation In Aid (Liquor)</b>	21	(2,840,000)	0
Bank Charges	22	(71,788)	0
Balance due for disbursement as at the end of period (liquor)Appropriation in Aid	25	(20,064,142)	0
<b>Balance Due for Disbursement as at the end of the period CRF</b>		<b>29,355,435</b>	<b>83,651,495</b>

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 11<sup>th</sup> Dec 2024 and signed by:

  
Name: ENG. Joseck Maloba  
County Receiver of Revenue  
(Ref: PFM ACT section 165, 2(a))

  
Name: CPA Moureen Naliaka  
Head of Revenue Reporting  
ICPAK M/No 25789

**Receiver Of Revenue  
County Government Of Kakamega  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024**

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N/B: At the beginning of the year, the balance brought forward was ksh.83,651,495 as per the audited Financial Statements which included ksh.25,861,709 as per note 19 above. Ksh.25,861,709 was received directly at CRF since it was a donation informing that in order to get balances due to crf the amount has to be deducted from Ksh.83,651,495 resulting to ksh.57,789,786 which becomes the balance at the start of the fy 2023/2024.

**Prior year adjustments**

At the beginning of fy 2023/2024, Facility Improvement fund was established necessitating the revenues from hospitals and public health to be rein fenced. This resulted to their revenues not being disbursed to crf .It therefore guided KCRA to only disclose their collection .This further led to deduction of ksh.28,400,623 amount at the beginning of the year in order to remain with ksh.29,389,163 which relates to balances for cashless account ksh.1,804,990,, Kakamega main revenue collection account ksh.8,896,151.51, Fish and Poultry account ksh.-124, Liquor account KCB 17,842,024.5 NBK KSH.30,000 and farm input accounts KCB ksh.797.41 and Farm input coop ksh.815,323.80 whose balances are disbursed to CRF.

**Balance due for disbursement at end period liquor.**

This amount relates to balance at the end of fy2023/2024 for liquor accounts. At the end of fy 2023/2024 Liquor had regulations which approved them to rein fence their collection making them not to disburse to crf. This informed the separation from balance due to disbursement to crf by KCRA. Liquor was treated differently from hospitals since on 13<sup>th</sup> July 2023 ksh.17,800,000 was disbursed to crf from Liquor and on 25<sup>th</sup> June 2024, ksh.2,840,000 was disbursed to liquor's operation account as a startup for their autonomy.

**Appropriation in aid health services**


Hospitals had ksh.522,077,511 out of which ksh.978,500 relating to recross was directly deposited to revenue account resulting to ksh.521,099,011.55 whereas public health had Ksh.26,288,834 out of which 224,000 was directly deposited to main revenue collection account resulting to 26,064,834. Summation of the two gives us appropriation in aid for health ksh.547,163,845


Receiver Of Revenue  
 County Government Of Kakamega  
 Revenue Statements for the Period Ended 30<sup>th</sup> June 2024

8. Statement of Financial Assets and Liabilities As at 30<sup>th</sup> June 2024

Description	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances	23	49,419,577	57,484,899
Cash In Hand	24	0	304,837
<b>Total Financial Assets</b>		<b>49,419,577</b>	<b>57,789,736</b>
<b>Financial Liabilities</b>			
Payables-Due to CRF	25	29,355,435	57,789,736
Payables -Due to AIA (liquor)	25	20,064,142	
<b>Total Financial Liabilities</b>		<b>49,419,577</b>	<b>57,789,736</b>

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 11<sup>th</sup> Dec 2024 and signed by:

  
 Name ENG. Joseck Maloba  
 County Receiver of Revenue  
 (Ref: PFM ACT section 165, 2(a))

  
 Name CPA Moureen Naliaka  
 Head of Revenue Reporting  
 ICPAK M/No 25789

Receiver Of Revenue  
 County Government of Kakamega  
 Revenue Statements for the Period Ended 30<sup>th</sup> June 2024

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

Description	Original annual Target	Adjustments	Final Target	Actual Cumulative to date 30th June 2024	% Of realization of revenue
	A	B	C=A+B	D	F=D/C %
County Own Source Revenue	Kshs	Kshs	Kshs	Kshs	
Cess	119,497,219	0	119,497,219	56,566,990	47.34
Land/Poll Rate	85,041,266	0	85,041,266	31,390,983	36.91
Single/Business Permits	163,804,946	0	163,804,946	178,230,242	108.81
Property Rent	14,807,633	0	14,807,633	9,370,965	63.28
Parking Fees	94,904,071	0	94,904,071	41,920,135	44.17
Market Fees	22,352,090	0	22,352,090	23,198,928	103.79
Advertising	60,959,134	0	60,959,134	63,812,579	104.68
Hospital Fees	771,000,000	0	771,000,000	522,077,511	67.48
Public Health Service Fees	70,000,000	0	70,000,000	26,288,834	37.61
Physical Planning and Development	41,691,429	0	41,691,429	30,485,141	73.12
Livestock, Poultry and Fisheries fees	32,150,652	0	32,150,652	11,199,909	34.84
Hire Of County Assets	30,692,050	0	30,692,050	4,373,427	14.25

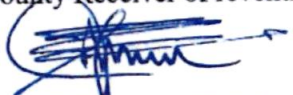
Receiver Of Revenue  
County Government of Kakamega  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024


Conservancy Administration	1,191,518	0	1,191,518	681,400	57.19
Administration Control Fees and Charges	146,892,992	0	146,892,992	25,728,931	17.52
Other Fines, Penalties, And Forfeiture Fees	220,000	0	220,000	1,356,395	616.54
Miscellaneous Receipts	17,587,500	0	17,587,500	8,108,873	46.11
Disposal of Assets	75,000,000	0	75,000,000	6,939,115	9.25
Agricultural subsidized products	278,207,500	0	278,207,500	307,958,688	110.69
CILOR	174,000,000	0	174,000,000	-	-
<b>Total County Own Source Revenue</b>	<b>2,200,000,000</b>	<b>0</b>	<b>2,200,000,000</b>	<b>1,349,689,046</b>	<b>61</b>
Other Receipts			-	-	-
Total Other Receipts			-	-	-
<b>Total Receipts</b>	<b>2,200,000,000</b>		<b>2,200,000,000</b>	<b>1,349,689,046</b>	<b>61</b>

(a) Any below 90% realisation of the revenue was attributed to leakages in few instances.

(b) Any over realisation above 90% was due to concerted efforts on enforcement, enhanced surveillance of cashless collection and introduction of facilities improvement fund.

The County Receiver of revenue's financial statements were approved on 11<sup>th</sup> Dec 2024 and signed by:


  
Name ENG. Joseck Maloba  
County Receiver of Revenue  
(Ref: PFM ACT section 165, 2(a))


  
Name CPA Moureen Naliaka  
Head of Revenue Reporting  
ICPAK M/No 25789

Receiver Of Revenue  
 County Government of Kakamega  
 Revenue Statements for the Period Ended 30<sup>th</sup> June 2024

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

Classification Of Receipts (Indicate As Applicable)	Balance as at 1 <sup>st</sup> July 2023	Arrears received during the period	Additions in arrears for the current period to June 30 <sup>th</sup> , 2024	Total arrears as at end of the period 30 <sup>th</sup> June	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Cess	0	(0)	0	0		
Land Rate	2,435,499,723	(0)	0	2,435,499,723	The County is in the process of updating valuation roll	The valuation roll will be in operational anytime in the year
Single/Business Permits	0	(0)	0	0		
Property Rent	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		
Park Fees	0	(0)	0	0		
Miscellaneous	0	(0)	0	0		
<b>Total Arrears</b>	<b>2,435,499,723</b>	<b>(0)</b>	<b>0</b>	<b>2,435,499,723</b>		

  
 Name ENG. Joseck Maloba  
 County Receiver of Revenue  
 (Ref: PFM ACT section 165, 2(a))

  
 Name CPA Moureen Naliaka  
 Head of Revenue Reporting  
 ICPAK M/No 25789

Receiver Of Revenue  
County Government of Kakamega  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024

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**11. Significant Accounting Policies**

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

**1. Statement of Compliance and Basis of Preparation**

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

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

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

**2. Recognition of Receipts**

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

**3. Budget**

The County Revenue budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by law. The original budget was approved by the County Assembly on 21/6/2023 for the period 1st July 2023 to 30 June 2024 as required by law. There was 3 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 Kakamega  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024**

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**5. Revenue in Arrears**

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

**6. Disbursements to CRF**

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

**7. Comparative Figures**

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

**8. Subsequent Events**

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

Receiver Of Revenue  
 County Government of Kakamega  
 Revenue Statements for the Period Ended 30<sup>th</sup> June 2024

12. Notes to the Financial Statements

1. Cess

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Farm produce(Maize)	12,199,676	23,934,563
Quarrying(Murram)	1,185,050	2,487,124
Cess on Factory(Sugar Factory)	43,182,264	58,974,236
<b>Total</b>	<b>56,566,990</b>	<b>85,395,923</b>

2. Land rates

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Land rates	31,390,983	24,490,768
Land penalties and interest	-	-
<b>Total</b>	<b>31,390,983</b>	<b>24,490,768</b>

3. Single /Business Permits

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Annual Business permit fees	178,230,242	170,248,245
<b>Total</b>	<b>178,230,242</b>	<b>170,248,245</b>

4. Property Rent

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
County Housing-House Rent)	594,637	2,749,999
Plot Rent- Ground Rent	646,778	608,976
Transfer of Property	262,760	185,670
Stalls/kiosks rent	7,437,450	6,458,159
Others -Public toilet)	429,340	1,139,730
<b>Total</b>	<b>9,370,965</b>	<b>11,142,534</b>

Receiver Of Revenue  
 County Government of Kakamega  
 Revenue Statements for the Period Ended 30<sup>th</sup> June 2024

**5. Parking Fees**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Street parking fees	9,837,654	12,916,252
Monthly toll/sticker fees(Bus Park)	29,373,674	40,918,352
Motorbike fees	2,552,421	3,212,000
Registration fees(Registration of Groups)	156,386	108,285
<b>Total</b>	<b>41,920,135</b>	<b>57,154,889</b>

**6. Market Fees**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Hawking fees	23,198,928	13,176,103
<b>Total</b>	<b>23,198,928</b>	<b>13,176,103</b>

**7. Advertising**

Descriptions	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Branding		
Billboard Advertising	63,812,579	48,408,453
Tent advertising	0	0
others	0	0
<b>Total</b>	<b>63,812,579</b>	<b>48,408,453</b>

**8. Hospital Fees**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Level 5 user fee hospitals	130,351,321	268,597,407
Level 4	104,127,012	
NHIF level 5	182,481,701	168,059,971
Nhif level 4	104,138,977	
Red cross	978,500	377,600
<b>Total</b>	<b>522,077,511</b>	<b>437,034,978</b>

Receiver Of Revenue  
County Government of Kakamega  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024

**9. Public Health Service Fees**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Inspection of buildings/premises/Institutions	0	0
Inspection for issuance of hygiene license	0	0
Vaccination: Yellow fever, Typhoid, etc	0	0
Applications for medical examination	0	0
Public health permit	26,288,834	21,784,450
<b>Total</b>	<b>26,288,834</b>	<b>21,784,450</b>

**10. Physical Planning and Development**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Building plans approval	29,750,061	23,045,518
Survey fees	735,080	471,288
<b>Total</b>	<b>30,485,141</b>	<b>23,516,806</b>

**11. Slaughter, stock sales and Veterinary services fees**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Slaughter fees	5,745,394	6,601,907
Stock sales	3,088,654	5,536,585
Veterinary Services	2,365,861	2,720,495
<b>Total</b>	<b>11,199,909</b>	<b>14,858,987</b>

**12. Hire Of County Assets**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Agricultural Mechanisation Services (AMS)	12,700	18,000
Hire of County Stadia-Bukhungu Stadia	1,094,940	1,338,000
Hire of County Halls-Social Halls	738,525	549,200
Conference facilities/Agricultural Training Centers -Bukura ATC	2,527,262	3,548,368
<b>Total</b>	<b>4,373,427</b>	<b>5,453,568</b>

Receiver Of Revenue  
 County Government of Kakamega  
 Revenue Statements for the Period Ended 30<sup>th</sup> June 2024

**13. Conservancy Administration**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Disposal of carcasses	0	30,250
Burial Fees	1,500	2,800
Noise control	674,900	569,580
Nursery	5,000	0
<b>Total</b>	<b>681,400</b>	<b>602,630</b>

**14. Administration Control Fees and Charges**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Weights and measures	856,570	590,050
Fire Services compliance	2,016,685	2,147,175
Liquor licenses	22,855,676	18,667,300
<b>Total</b>	<b>25,728,931</b>	<b>21,404,525</b>

**15. Proceeds from sale of assets.**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Disposal of vehicles	6,939,115	0
<b>Total</b>	<b>6,939,115</b>	<b>0</b>

**16. Other Fines, Penalties and Forfeitures**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Impounding Fees	1,356,395	1,449,455
<b>Total</b>	<b>1,356,395</b>	<b>1,449,455</b>

**17. Miscellaneous Receipts**

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Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Recoveries	1,795,893	2,145,530
Commissions	0	5,495,909
Direct credits(Others)	6,275,730	14,586,418
interest	37,250	0
<b>Total</b>	<b>8,108,873</b>	<b>22,227,857</b>

18. Agricultural subsidized products

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
<i>Farm input</i>	307,353,370	342,285,124
Fish and poultry subsidy	605,318	2,371,970
<b>Total</b>	<b>307,958,688</b>	<b>344,657,094</b>

19. Donations And Grants Not Received Through CRF

Description	FY 2023/'024	FY 2022/2023
	Kshs	Kshs
Donations ( <i>Specify Based on Source</i> )	-	25,861,709
<b>Total</b>	-	<b>25,861,709</b>

20. Disbursements to CRF

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Kakamega county Revenue Cashless account	420,800,000	
Kakamega county Revenue collection account	340,967,000	
Fish and poultry subsidy	16,000	
Alcoholic Drinks Control Fund account	17,800,000	
Other	0	1,295,770,499
<b>Total</b>	<b>779,583,000</b>	<b>1,295,770,499</b>

21. Appropriation in Aid

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Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
<b>HOSPITAL</b>	521,099,011	0
<b>Public Health</b>	26,064,834	0
<b>Liquor</b>	2,840,000	
<b>Total</b>	<b>550,003,845</b>	<b>0</b>

**22. Bank Charges**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Kakamega County Revenue Cashless account	9,030	0
Kakamega County Revenue collection account	30,566	0
Kakamega farm input account KCB bank	4,819	0
Kakamega farm input account coop bank	1,560	0
Alcoholic drinks control fund account National Bank	5,205	0
Alcoholic drinks control fund account KCB bank	18,354	0
Kakamega county Fish & poultry subsidy	2,254	0
<b>Total</b>	<b>71,788</b>	<b>0</b>

**23. Bank Balances**

Name of Bank, Account No. & currency	Amount in bank account currency	Exc. rate (if in foreign currency)	FY 2023/2024	FY 2022/2023
			Kshs	Kshs
Kakamega County Revenue collection Account	KCB,1141473194	-	18,129,799	8,398,139
Kakamega General Hospital	KCB,1152009575	-	-	2,480,145
Matunda Sub County Hospital	KCB,1152201298	-	-	44,186
Matungu Sub County Hospital	KCB,1151917613	-	-	218,380
Iguhu Sub County Hospital	KCB,1151916242	-	-	146,624
Malava Sub County Hospital	KCB,1152067672	-	-	409,880
Kakamega county cashless account	KCB,1256775940	-	9,781,494	1,805,590

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Likuyani Sub County Hospital	KCB,1152196057	-	-	175,005
Lumakanda Sub County Hospital	KCB,1151959294	-	-	139,021
Matete Sub County Hospital	KCB,1297961277	-	-	103,950
Navakholo Sub County Hospital	KCB,1151915580	-	-	139,761
Kwisero Sub County Hospital	KCB,1297961617	-	-	85,930
Kwisero Sub County Hospital NHIF	KCB,1297961080	-	-	795,868
Kwisero Sub County public health	KCB,1155031067		-	
Mautuma Sub County Hospital	KCB,1151960772	-	-	10,621
Makunga hospital revenue	KCB,1297961536	-	-	38,943
Mumias level 4 Sub County Hospital	KCB,1297961366	-	-	51,435
Butere Sub County Hospital hospital	KCB,1152025627	-	-	437,672
Manyala Sub County Hospital	KCB,1151913197	-	-	75,995
Public health shinyalu	KCB,1154393879			32,004
Public health malava	KCB,1154393399			22,630
Likuyani public health	KCB,1154215652			54,305
Public health mumias- east	KCB,1153146207			47,978
Khwisero public health	KCB,1155031067			21,653
Public health-butere	KCB,1157945880			18,752
Matungu public health	KCB,1154130371			42,379
Mumias west public health	KCB,1154896889			88,101
Navakholo public health	KCB,1154123057			9,252
Ikolomani public health	KCB,1155208617			15,853
Public health Lugari	KCB,1154305910			4,601
Manyala Sub County Hospital NHIF	KCB,1151913421			2,760
Likuyani Sub County Hospital NHIF	KCB,1152196227			5,651
Butere Sub County Hospital NHIF	KCB,1152025295			3,035
Kakamega County General Hospital NHIF	KCB,1152009362			14
Navakholo Sub County Hospital NHIF	KCB,1151915378			5,466
Shibwe Sub County Hospital NHIF	KCB,1151915807			5,306
Shibwe Sub County Hospital Revenue	KCB,1151915882			98,465
Lumakanda Sub County Hospital NHIF	KCB,1151958913			4,232
Matungu Sub County Hospital NHIF	KCB,1151917370			2,781
Mautuma Sub County Hospital NHIF	KCB,1151960357			3,638
Iguhu Sub County Hospital NHIF	KCB,1151916641			5,081
Nabongo Dispensary	KCB,1152985973			-1
Farm Inputs Collection Account KCB	KCB,1180391721		29,459	923
Kakamega County Poultry and Fisheries Subsidy Account	KCB,1273609670		586,940	728
Farm Input Fund Account	KCB,1240480695			4,756,826
Makunga Hospital NHIF	COOP,01141498801900			1,209,868
Malava Hospital Coop Account	COOP,1141631296000			16,808,124

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Farm Inputs Collection Account Cooperative	COOP,1141631600700		827,744	815,324
Lurambi Sub County Public Health	KCB,1314512617			-
Alcoholic Drinks Control Fund National Bank of Kenya NBK	NBK,1020110619200		144,829	17,842,025
Alcoholic Drinks KCB	KCB,1314618717		19,919,312	
<b>Total</b>			<b>49,419,577</b>	<b>57,484,899</b>

**24. Cash in Hand**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Cash Balance ( <i>Location</i> )	0	0
Mobile Money	0	304,837
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>304,837</b>

**25. Payables- Due To CRF**

Payables	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Balance b/f at the beginning of the year	29,389,163	50,552,970
Amount collected during the period	1,349,689,046	1,303,007,265
Amounts disbursed to CRF during the period	(779,583,000)	1,295,770,499)
Apropriation in Aid	(550,003,845)	
Bank charges	(71,788)	
<b>Balance c/d at end of period (liquor)</b>	<b>20,064,142</b>	
<b>Balance c/d at the end of the period due to CRF</b>	<b>29,355,435</b>	<b>57,789,786</b>

This relates to amounts yet to be disbursed to the exchequer at the end of the financial year. The amount should be supported by the bank balances as per note 19 above.

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26. Ageing Analysis of Revenue in Arrears

Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Land rate	27,509,871	24,024,199	26,777,556	2,357,188,098	2,435,499,723
Property Rent				2,070,000	2,070,000
<b>Total (agree to statement of arrears)</b>					<b>2,437,569,723</b>

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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 benefiting 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

The County Government through receiver of revenue did not advertise any waivers (PFM ACT section 165 subsection 4, 5)

  
 ENG. Joseck Maloba

Sign and date 11<sup>th</sup> Dec 2024  
 Accounting Officer

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**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)
Basis for Qualified Opinion				
1.	<p>Inaccurate Comparative Amount of Donations/Grants not received through CRF.</p> <p>The statements of receipts and disbursements reflects a comparative amount of Kshs. 43,553,015 in respect of donations/grants not received through CRF while the corresponding Note 19 to the revenue statements reflects a comparative amount of Kshs.32,017,452 resulting to unexplained variance of Kshs. 11,535,563.</p> <p>In the circumstances, the accuracy and completeness of the</p>	<p>The management has noted the auditors observation and done necessary adjustments for the notes and the receipts and disbursements to reflect same amounts.</p>	Not Resolved	immediately

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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)
	comparative amount of donations/grants not received through CRF of Kshs.43,553,015 could not be confirmed.			
2	<p>Inaccurate Balance Due For Disbursement</p> <p>The statement of receipts and disbursements reflects a balance of Kshs.83,651,495 in respect of balance due for disbursement. However, the statement of financial assets and liabilities and Note 24 to the revenue statements reflects a corresponding balance in respect of payables due to CRF of Kshs. 57,789,736 resulting to unexplained variance of Kshs. 25,861,759.</p> <p>In the circumstances, the accuracy and completeness of the</p>	<p>The management has noted the auditors observation and made necessary adjustments in financial statements and the correct position reported.</p>	Not Resolved	immediately

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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)
	balance due for disbursement of Kshs. 83,651,495 could not be confirmed.			
3	<p>Inaccurate Disbursements To County Revenue Fund</p> <p>The statement of receipts and disbursements reflects disbursements to CRF totalling to Kshs. 1,295,770,449. However, the statement of receipts and payments for the County Revenue Fund reflects a corresponding receipts totalling to Kshs. 1,309,633,895 in respect of own source revenue resulting to unexplained variance of Kshs. 13,863,446.</p> <p>In the circumstances, the accuracy and completeness of the disbursements to CRF</p>	<p>The difference relates to balances in respective collection accounts which form part of general reserves when opening new financial year.</p>	Not Resolved	immediately

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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)
	totalling to Kshs. 1,295,770,449 could not be confirmed.			
4	<p>Unsupported Land/Poll Rate Arrears</p> <p>The statement of arrears of revenue reflects land/poll rate arrears of Kshs. 2,435,499,723 as at 30<sup>th</sup> June 2023. However, an ageing analysis indicating the list of defaulters and the dates the arrears arose was not provided.</p> <p>In the circumstances, the accuracy and completeness of the land/poll rate arrears of Kshs.2,435,499,723 could not be confirmed.</p>	The management has since prepared the aging analysis and ready for review by the Auditor General.	Not Resolved	immediately
Emphasis of Matter	Budgetary Control and Performance	The management has noted the auditors observation and has taken necessary steps to	Not Resolved	immediately

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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)
	<p>The statement of comparison of budget and actual amounts reflects revenue targets and actual on comparable basis amounts of Kshs.1,800,000,000 and Kshs. 1,303,007,265 resulting in under-collection of Kshs. 496,992,735 or 28% of the target.</p> <p>The under-collection of revenue affected the planned activities and may have negatively impacted on service delivery to the public.</p>	ensure revenue is collected optimally in subsequent years.		

  
 Name: ENG. Joseck Maloba  
 County Receiver of Revenue

Date 11<sup>th</sup> Dec 2024

  
 Name CPA Moureen Naliaka  
 Head of Revenue Reporting  
 ICPAK M/No 25789  
 Date 11-12-2024

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