

REPUBLIC OF KENYA

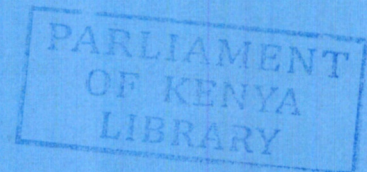


Enhancing Accountability

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REPORT

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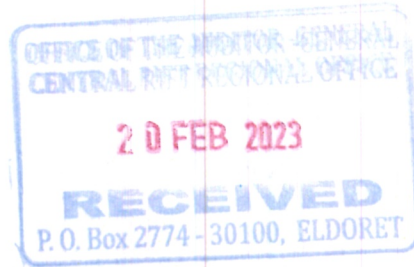
THE AUDITOR-GENERAL

ON

**RECEIVER OF REVENUE - REVENUE
STATEMENTS**

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

COUNTY GOVERNMENT OF NANDI



RECEIVER OF REVENUE
County Government of Nandi

REVENUE STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022

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

County Government of Nandi
Receiver Of Revenue
Annual Report and Financial Statements for the Financial Year ended 30th June, 2022.

County Government of Nandi
Receiver Of Revenue
Annual Report and Financial Statements for the Financial Year ended 30th June, 2022.

Table of Contents	Page
I. Key Entity Information and Management.....	iii
II. Foreword By the CECM Finance and Economic Planning.....	v
III. Management Discussion and Analysis	vi
IV. Statement of Performance against County Predetermined Objectives.....	x
V. Statement of Receiver of Revenue’s responsibilities.....	xiii
VI. Report of the Independent Auditors on the Nandi County Receiver of Revenue.....	xiv
VII. Statement of Receipts and Disbursements for the year ended 30th June 2022.....	1
VIII. Statement of Financial Assets and Liabilities As At 30 th June 2022.....	2
IX. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30 th June 2022	3
X. Statement of Arrears of Revenue As At 30th June 2022	4
XI. Notes to the Financial Statements	5
XII. Appendices.....	17

I. 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, who is responsible for the general policy and strategic direction of the of revenue. The receiver of revenue is designated as a receiver on receipts 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

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

- County Executive Committee Member for Finance – CPA Alfred Lagat
- Chief Officer, Finance – Mr Meshack Malakwen
- Chief Officers, in charge of departments collecting revenue ...
- Director, Revenue CPA Nicholas Biwott

(d) County Headquarters

County Government of Nandi
P.O. Box 802 – 30300,
Kapsabet, Kenya

(e) Entity Contacts

Telephone: (254) 053 525 2355
E-mail: info@nandi.go
Website: www.nandi.go.ke

County Government of Nandi
Receiver Of Revenue

Annual Report and Financial Statements for the Financial Year ended 30th June, 2022.

a) Independent Auditors

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

(f) Principal Legal Adviser

The County Attorney
P.O. Box 802 – 30300,
Kapsabet, Kenya.

(g) Bankers

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

2.Cooperative Bank
P.O. Box 19828 – 00100,
Nairobi, Kenya.

3. Equity Bank
P.O. Box 75104–00200,
Nairobi, Kenya,

4. KCB
P.O. Box 48400–00100,
GPO Nairobi,

II. Foreword By the CECM Finance and Economic Planning

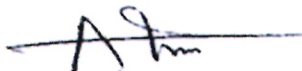
During the financial year ended 2022 there was tremendous improvement in revenue performance despite setbacks which were occasioned by political environment. Strategies were put in place to ensure that set targets were achieved with little deviation.

Our key local revenue sources for Nandi County includes Health and Sanitation, Vehicle Parking Fees, Business Permits, Kiborgok tea Estate proceeds, liquor licensing, House and stall Rents, Cess, Plot Rents, Agriculture, Market/Trade Centre fees, Slaughterhouses Administration cost, Sewerage and water, Cattle dips/veterinary and other small varied sources. managing county government budget constraints forms a major risk to our strategic plans.

The total local revenue collected during the financial year ended 2022 was Kshs.287,403,322 against a set target budget of Kshs.387,106,430 representing 70% performance. A disbursement to Nandi County Revenue Fund amounted to Kshs.299,639,827 including an opening balance figure of Kshs.19,974,896. The un remitted funds to the CRF was Kshs.7,738,391 as at the close of business on 30th June 2022.

Missed targets in local collections have been note with great concern since this would impact negatively on the general service delivery to the citizens of the county, critical measures have been put in place to gap the same during the subsequent financial years, and these measures included system upgrade among others.

In the financial year 2022-2023 I look forward to a more vibrant local revenue source.



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CECM Finance and Economic Planning
County Government of Nandi

County Government of Nandi
Receiver Of Revenue
Annual Report and Financial Statements for the Financial Year ended 30th June, 2022.

III. Management Discussion and Analysis

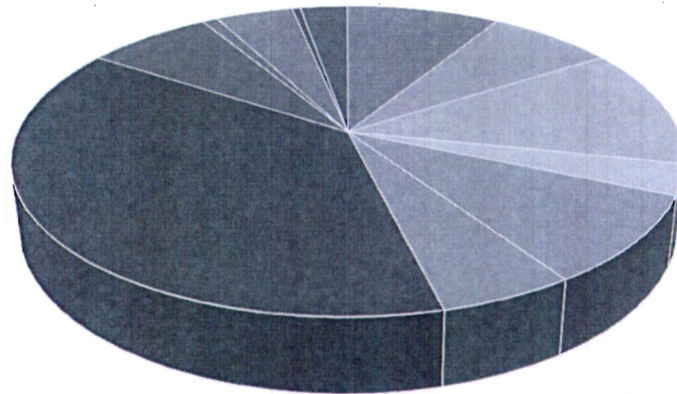
Revenue

In the year ended June 30,2022, the County had projected revenues of Kshs.387,106,430 from the fourteen revenue streams and an amount of Kshs.19,974,896 Was the opening balance.

Receipt	Original Budget
Cess	23,931,845.00
Land/Poll Rate	41,737,642.00
Single/Business Permits	43,954,440.00
Property Rent	8,623,652.00
Parking Fees	44,695,799.00
Market Fees	15,587,938.00
Health and sanitation	151,872,821.00
Hire Of County Assets	28,204,221.00
sewerage	2,410,466.00
Administration Control Fees and Charges	14,383,114.00
veterinary & slaughter	2,617,927.00
Miscellaneous Receipts	9,086,565.00
Total	387,106,430.00

I. A graphical representation of the revenue budget is as shown below:

1.0 Graph 1: Graphical Representation of the Budget



- | | | |
|---|--------------------------|---------------------------|
| ■ Cess | ■ Land/Poll Rate | ■ Single/Business Permits |
| ■ Property Rent | ■ Parking Fees | ■ Market Fees |
| ■ Health and sanitation | ■ Hire Of County Assets | ■ sewerage |
| ■ Administration Control Fees and Charges | ■ veterinary & slaughter | ■ Miscellaneous Receipts |

1.1 Figure 1: Nandi County revenue sources in FY 2021/2022

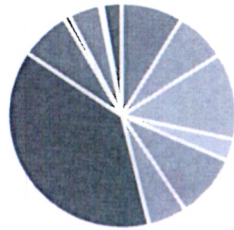
Health and sanitation continue to form the largest part of our revenue budget, contributing 25% towards our budget. Other revenue streams formed 75%. Out of the projected revenue, the County was able to realize **Kshs.287,403,322** in actual revenues, representing 70% performance. In the table below, we present an analysis of revenue performance during the year.

County Government of Nandi
Receiver Of Revenue
Annual Report and Financial Statements for the Financial Year ended 30th June, 2022.

Budget performance against actual amounts

Receipt	Original Budget	Actual On Comparable Basis
Cess	23,931,845.00	23,931,845.00
Land/Poll Rate	41,737,642.00	19,654,496.00
Single/Business Permits	43,954,440.00	33,886,516.00
Property Rent	8,623,652.00	8,623,652.00
Parking Fees	44,695,799.00	24,815,122.00
Market Fees	15,587,938.00	15,009,301.00
Health and sanitation	151,872,821.00	118,969,920.00
Hire Of County Assets	28,204,221.00	19,462,552.73
sewerage	2,410,466.00	2,410,466.00
Administration Control Fees and Charges	14,383,114.00	11,981,880.00
veterinary & slaughter	2,617,927.00	1,330,194.00
Miscellaneous Receipts	9,086,565.00	7,327,377.00
Total	387,106,430.00	287,403,321.73

Graph 2: Revenue Performance in FY 2021/2022



- Cess
- Single/Business Permits
- Parking Fees
- Health and sanitation
- sewerage
- veterinary & slaughter
- Land/Poll Rate
- Property Rent
- Market Fees
- Hire Of County Assets
- Administration Control Fees and Charges
- Miscellaneous Receipts

Sign

**CECM Finance and Economic Planning
County Government of Nandi**

IV. Statement of Performance against County Predetermined Objectives

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each County Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board, includes a statement of the County Government entity's performance against predetermined objectives.

I. Strategic development objectives

The County's 2018-2022 CIDP has identified seven key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's "Big Four", NIUPLAN, SDGs and the MTP III.

The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key development objectives of the Nandi County's 2018-2022 CIDP are to:

- 1) Provide quality physical infrastructure in the County
- 2) Provision of maternal and child health services.
- 3) Improved livestock breed.
- 4) Expansion of ECDE infrastructure.
- 5) Construction and upgrading of sports facilities within the county.
- 6) Establishment of resource centres at community level.
- 7) Increased access to safe and clean water

Progress on attainment of Strategic development objectives

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

Below we present the progress made in attaining the objectives of the CIDP (2021-2022) for Nandi County.

Health Services	To reduce incidences of child birth death	Reduction of child birth related complications	60% reduction of child birth death	In FY 21/22 we reduced incidences of child birth death from 26/1000 in FY 20/21 to 22/1000 in FY 2020/21
Agriculture	To Improve livestock breeds	Improvement of livestock breed	70% Improvement of livestock breed	In FY 21/22 we improved livestock breed by 45%
Sports, youth affairs and arts	To promote talent and training of youths through sports and youth programme.	More talents identified	75% talent identification	In FY 21/22 we identified new talents by 30%
Trade, investment and industrialization	To provide friendly business environment	More trading	73% business attraction	In FY 21/22 we attracted new businessmen and women by 32%
Finance and Economic Planning	To ensure prudent public finance management	More value for money	80% transparency in public funds	In FY 21/22 we ensured that there was over 50% transparency and accountability of public funds.
Tourism, Culture and Social Welfare	To promote culture through marketing programme.	More tourist	78% local tourist attraction	In FY 21/22 we attracted new local tourist by 14%
Land Environment & Natural Resources	To minimize and mitigate adverse environmental and social impact.	Pollution free environment	70% clean working environment	In FY 21/22 we ensured more clean working environment

County Government of Nandi

Receiver of Revenue

Annual Report and Financial Statements for the Financial Year Ended 30th June 2022.

Education, Research and Vocational Training	To provide, promote and coordinate quality education training and research.	Quality education for pre-school education	82% school turn out	In FY 21/22 we attracted more pre-school by 14%
Administration, Public Services and E – Government	Providing people centred, timely and user friendly human resources services to the general public	Reformed public service	79% public service	In FY 21/22 we increased public service satisfaction by 25%

V. Statement of Receiver of Revenue’s responsibilities

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

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

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

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

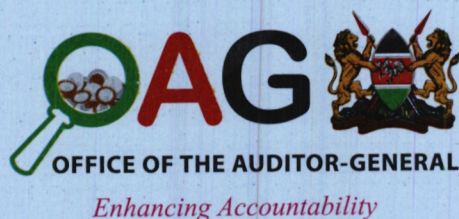
Approval of the Revenue Statements

The revenue statements were approved and signed by the Receiver of Revenue on... 15/02/2023 2023

.....
Name **Nicholas Biwott**
County **Receiver of Revenue**
ICPAK M/NO **15598**

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE REVENUE STATEMENTS

Adverse Opinion

I have audited the accompanying of revenue statements of Receiver of Revenue - County Government of Nandi set out on pages 1 to 20, which comprise of the statement of financial assets and liabilities as at 30 June, 2022, and the statement of receipts and

disbursements, statement of comparison of budget and actual amounts, and statement of arrears of revenue 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 discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Receiver of Revenue - County Government of Nandi as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Financial Management Act, 2012 and the Public Finance Management (County Governments) Regulations, 2015.

Basis for Adverse Opinion

1. Unsupported National Hospital Insurance Fund (NHIF) Receipts

The statement of receipts and disbursements for the year ended 30 June, 2022 reflects total County own source revenue amount of Kshs.287,403,322 which includes hospital fees collections amounting to Kshs.116,723,119 as detailed in Note 8 to the revenue statements. The amount includes receipts from NHIF of Kshs.99,851,065. However, records of claims made, reimbursements received, claims due, and claims rejected and explanations for rejections were not provided.

In the circumstances, the accuracy and completeness of the NHIF collections of Kshs.99,851,065 could not be confirmed.

2. Unsupported Kiborgok Fee

The statement of receipts and disbursement reflects total receipts of Kshs.287,403,322. The amount includes hire of County assets of Kshs,19,462,553 as disclosed in Note 11 to the revenue statements which includes Kiborgok Tea Farm proceeds amount of Kshs.11,594,502. However, review of documents revealed that the County had no records showing the volume of tea leaves picked in the entire financial year which could be independently verified against payments received.

In addition, revenue received for May and June, 2022 from a newly contracted factory was significantly higher than previous receipts from the outgoing managing factory.

In the circumstance, the accuracy and completeness of the Kiborgok fee of Kshs.11,594,502 could not be confirmed.

3. Non-Collection and Unsupported Arrears of Revenue

The statement of arrears of revenue reflects revenue arrears at the beginning of the year of Kshs.126,999,287, nil arrears received during the year, additions of Kshs.99,703,108 and total arrears as at the close of the year of Kshs.226,702,395. However, no records or documents were provided to support the opening balances of arrears of revenue and

the additions during the year and no explanations were provided for the failure to collect any amount on the arrears brought forward during the year.

In the circumstances, the accuracy, completeness and validity of arrears of revenue balance of Kshs.226,702,395 could not be confirmed.

4. Unconfirmed Own Generated Revenue from Sewer Fees Charges

The statement of receipts and disbursements for the year under review reflects total County own source revenue collections of Kshs.287,403,322. Review of the documents provided revealed that the records were maintained solely in a ledger book which had not been updated for over four years to capture the new connections over the years. Also, the County Executive did not maintain an electronic record of the customers connected to the sewer line charge out in the County.

In addition, the criteria for rates were inconsistently applied as some of the premises were misclassified, with hotels, bars and restaurants being classified as single and rental houses instead of hospitality and establishment as provided for under Section 6 of the Nandi County Finance Act, 2021.

Subsequently, there were different revenue collection methods for sewer fees including M-pesa pay bill, account deposit and use of Point of Sale (POS) machines and no centralized receipting records.

In the circumstances, it was not possible to determine whether all the revenue collected was receipted and accounted for.

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 Nandi 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 financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my Adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.287,403,322 and Kshs.387,106,430 respectively resulting to an under-collection of Kshs.99,703,108 or 26 % of the budget.

The underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Basis for Conclusion

Irregular Appointment of Receiver Revenue

The County Executive Committee member for finance did not appoint in writing, a receiver of County Government Revenue in accordance with Section 157(1) and (2) of the Public Finance Management Act, 2012.

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

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 financial 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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Basis for Conclusion

1. Unmonitored Street Parking Fees

The statement of receipts and disbursements reflects parking fees revenue amounting to Kshs.24,815,122 as disclosed in Note 5 to the revenue statements. However, Management did not maintain a register of the parking slots available within the Municipality.

Further, the reserved parking register that indicates the number of reserved parking slots within the County was not provided for review. Therefore, it was not possible to estimate how much revenue is expected to be realized from parking fees.

In the circumstance, the validity, efficiency and effectiveness of parking fees could not be confirmed.

2. Weak Internal Controls in Manual Revenue Collection System

Review of the documents provided revealed that there were different revenue collection methods for slaughter fees with the Kapsabet slaughterhouse using mpesa paybill as the preferred payment method and the Nandi Hills slaughterhouse making use of Point of Sale (POS). The streams did not have a centralized receipting record.

Additionally, whereas Mpesa paybill was in use in Kapsabet, clients made cash payments directly to the attendant who in turn deposited the money at the end of the day to the Mpesa paybill. Further, no receipts were issued to the clients at the slaughterhouse and therefore, it was not possible to determine whether all the revenue collected was accounted for.

This was contrary to Section 63(1)(a) and (b) of the Public Finance Management Act, 2012 which require 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 and that official receipts are issued for all moneys paid to County Government.

In the circumstance, the County Government risks losing revenue as the safeguards in existence are not adequate.

3. Weaknesses in the Automated Revenue Collection System

During the year under review, the County Executive made use of an Automated Revenue Collection System. Review of documents provided revealed that;

i. Ownership of Completed System

As at the time of audit in December, 2022, the County Government of Nandi did not have full ownership of the system as it was not possible to access the back end of the database without contacting the developer. Based on the contract, the developer was to deliver the system and install it not later than 6 weeks after commencement of the contract that was signed on 22 March, 2016.

In the circumstance, the over reliance on the developer long after the stated timeline exposes the data belonging to the County Government of Nandi to third parties leading to a risk of tampering with the data.

ii. System Logs

The system used in revenue collection has not been enabled to capture all logs other than transactions, there are no logs for system changes and administrators' activities. In addition, the system does not capture logs of account modification such as when an account is enabled or disabled and when access rights are modified and the person who has made the modifications. Also, the Developer has accounts in the system, whereby they can interfere with the program and therefore, it will not be possible to track trails of the activities.

Further, the Developers and the System Administrators can re-enable accounts of previous system users and use them to enhance unauthorized activities.

iii. Power Backup

There is no power backup for the desktop computers used by the administrators and the cashiers. Where power is off, when the developer is hosting the system, the transaction trail is lost and the transactions being executed by the cashiers or the administrators are interfered with.

Therefore, this may lead to loss of revenue because the affected collectors cannot perform their work

In the circumstance, the system is exposed to risks that would result from power loss.

iv. Segregation of Duties on the Revenue System

The accounts used by the Developers can grant or deny themselves user roles at will. It is at their own discretion to choose which roles to assign themselves and at what time. The Developers' account has been assigned all the possible roles in the Revenue Management System. Thus, there is a possibility of the Developer executing critical roles that require the approval of other entities, thus interfering with the integrity of the information in the system.

v. Procurement of the System Upgrade

The documentary evidence was not provided to confirm whether the procurement process for the system upgrade was competitive. The system developer was the same vendor who was taken up for the system upgrade despite the service being currently available from several suppliers and is in the market.

In the circumstance, the competitiveness of the price charged could not be confirmed.

vi. Handing Over of Revenue System

There was no handing over certificate provided by Management or an inspection and acceptance report by County Government of Nandi ICT Department for the revenue system.

In the circumstance, the County Government risk making payments for goods or services not delivered or which were not to specifications.

vii. Control of the Revenue Management System

The system is currently hosted and run by the Developer. Whereas the system was rolled out in March, 2016 the developer still has an account within the system. This account has been assigned the roles of administrator and all other possible system roles. In addition, the agreement between County Government of Nandi and the system vendor is not clear on the terms or charges for hosting services.

Also, the integrity of the systems' information cannot be guaranteed by County Government of Nandi because they have no control over the system, the Developers are the experts of the system and have unlimited access to the system which could be used for unlawful economic gain without being traced.

Further, the County Government of Nandi cannot give assurance of compliance with Section 37(1)(a) which states that Commercial use of data- a person shall not use, for commercial purposes, personal data obtained pursuant to the provisions of this Act unless the person—has sought and obtained express consent from a data subject and Section 41(1)(a) Data protection by design or by default every data controller or data processor shall implement appropriate technical and organisational measures which are designed—to implement the data protection principles in an effective manner of the Data Protection Act, 2019 because they are not in control of the system.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of 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 financial statements, Management is responsible for assessing the Receiver of Revenue's ability to confirm to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Receiver of Revenue or cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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


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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Receiver of Revenue to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 May, 2023

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

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

	Note	2021/22	2020/21
		Kshs	Kshs
County Own Source Revenue			
Cess	1	23,931,845	30,495,208
Land/Poll Rate	2	14,503,673	23,228,006
Single/Business Permits	3	33,886,516	47,173,887
Property Rent	4	8,623,652	10,282,200
Parking Fees	5	24,815,122	26,832,798
Market Fees	6	15,009,301	10,051,900
Advertising	7	5,384,840	-
Hospital Fees	8	116,723,119	104,345,556
Public Health Service Fees	9	2,246,801	-
Physical Planning and Development	10	5,150,823	-
Hire Of County Assets	11	19,462,553	7,497,898
Conservancy Administration	12	2,410,466	665,925
Administration Control Fees and Charges	13	11,981,880	11,780,110
Park Fees	14	441,133	-
Other Fines, Penalties, And Forfeiture Fees	15	713,990	-
Miscellaneous receipts	16	787,414	6,055,485
Total County Own Source Revenue		286,073,128	278,408,973
Other Receipts			
slaughter & veterinary fee	17	1,330,194	-
Total Other Receipts		1,330,194	-
Total Receipts		287,403,322	278,408,973
Balance b/f at the beginning of the year		19,974,896	7,749,823.00
Disbursements To CRF		299,639,827	266,183,900
Balance Due for Disbursement		7,738,391	19,974,896

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on15/02/.....2023 and signed by:

.....
Name: Nicholas Biwott
County Receiver of Revenue
ICPAK M/No 15598



.....
Name: Peter Tanui
Head of Revenue Reporting

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

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

	Nats	2021/22	2020/21
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances	18	7,718,451.00	19,947,726.00
Cash In Hand	19	19,940.00	27,170.00
Total Financial Assets		7,738,391.00	19,974,896.00
Total Financial Assets		7,738,391.00	19,974,896.00
Financial Liabilities			
Payables-Due to CRF	20	7,738,391.00	19,974,896.00
Total Financial Liabilities		7,738,391.00	19,974,896.00

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 ...15.02.23.....2023 and signed by:

.....
Name: Nicholas Biwott
County Receiver of Revenue
ICPAK M/No 15598



.....
Name: Peter Tanui
Head of Revenue Reporting

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

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

Receipt	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Realization Difference	% Of Realization
	A	B	C=A+B	D	E=C-D	F=D/C %
County Own Source Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Cess	23,931,845.00	-	23,931,845.00	23,931,845.00	-	100.00
Land/Poll Rate	41,737,642.00	-	41,737,642.00	19,654,496.00	22,083,146.00	47.09
Single/Business Permits	43,954,440.00	-	43,954,440.00	33,886,516.00	10,067,924.00	77.09
Property Rent	8,623,652.00	-	8,623,652.00	8,623,652.00	-	100.00
Parking Fees	44,695,799.00	-	44,695,799.00	24,815,122.00	19,880,677.00	55.52
Market Fees	15,587,938.00	-	15,587,938.00	15,009,301.00	578,637.00	96.29
Health and sanitation	151,872,821.00	-	151,872,821.00	118,969,920.27	32,902,900.73	78.34
Hire Of County Assets	28,204,221.00	-	28,204,221.00	19,462,552.73	8,741,668.27	69.01
Sewerage	2,410,466.00	-	2,410,466.00	2,410,466.00	-	100.00
Administration Control Fees and Charges	14,383,114.00	-	14,383,114.00	11,981,880.00	2,401,234.00	83.31
veterinary & slaughter	2,617,927.00	-	2,617,927.00	1,330,194.00	1,287,733.00	50.81
Miscellaneous Receipts	9,086,565.00	-	9,086,565.00	7,327,377.00	1,759,188.00	80.64
Total County Own Source Revenue	387,106,430.00	-	387,106,430.00	287,403,322.00	99,703,108.00	74.24
Other Receipts	-	-	-	-	-	-
Donations /Grants Not Received Through CRF	-	-	-	-	-	-
Total Other Receipts	-	-	-	-	-	-
Total Receipts	387,106,430.00	-	387,106,430.00	287,403,322.00	99,703,108.00	74.24

(a) The general under collection of 25.76% was generally attributed to political season which affected negatively most of the revenue streams.

The County Receiver of revenue's financial statements were approved on 15/02/2023 and signed by:

.....
Name: Nicholas Biwott
County Receiver of Revenue
ICPAK M/No 15598



.....
Name: Peter Tanui
Head of Revenue Reporting

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

X. Statement of Arrears of Revenue As At 30th June 2022

Classification Of Receipts (Indicate As Applicable)	Balance as at 1 st July 2021	Arrears received during the year	Additions in arrears for the current year to June 30, 2022	Total arrears as at 30 June 2022	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Cess	960,992	-	-	960,992	Settlement of litigations by tea sector players	Recover in the current year
Land/Poll Rate	26,166,633	-	22,083,146	48,249,779	Upgrade of revenue system and valuation rolls	Recover in the current year
Single/Business Permits	502,065	-	10,067,924	10,569,989	Upgrade of revenue system and upscaled enforcement	Not possible to ascertain if the business was in operational
Property Rent	(7,721,398)	-	-	7,721,398	Upgrade of revenue system	Recover in the current year
Parking Fees	8,555,249	-	19,880,677	28,435,926	Marking of parking lots and Upgrade of revenue system	Not possible to ascertain if the psv was in operational
Market Fees	7,605,755	-	578,637	8,184,392	Upgrade of revenue system	Not possible to ascertain if the clients was in operational
Health and sanitation	53,028,757	-	32,902,901	85,931,658	Upgrade of revenue system	Recover in the current year especially NHIF
Hire Of County Assets	4,508,601	-	8,741,668	13,250,269	Upgrade of revenue system and upscaled enforcement	coming into effect of the agriculture revolving fund Act
sewerage	1,999,584	-	-	1,999,584	Upgrade of revenue system and upscaled enforcement	Recover in the current year
Administration Control Fees and Charges	4,619,696	-	2,401,234	7,020,930	Upgrade of revenue system and upscaled enforcement	Not possible to ascertain if the business was in operational
veterinary & slaughter	8,574,742	-	1,287,733	9,862,475	Upgrade of revenue system	coming into effect of the agriculture revolving fund Act
Miscellaneous Receipts	18,198,611	-	1,759,188	19,957,799	Upgrade of revenue system	Not possible to ascertain if the business was in operational
Total Arrears	126,999,287	-	99,703,108	226,702,395		

.....
Name: Nicholas Biwott
County Receiver of Revenue
ICPAK M/No 15598

.....
Name: Peter Tanui
Head of Revenue Reporting

XI. Notes to the Financial Statements

Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

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

2. Recognition of Receipts

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

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 June 2021 for the period 1st July 2021 to 30 June 2022 as required by law. There was no 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.

Notes to the Financial Statements (Continued)

5. Revenue in Arrears

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

6. Disbursements to CRF

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

7. Comparative Figures

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

8. Subsequent Events

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

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

Notes To the Financial Statements (Continued)

1. Cess

Description	2021/22	2020/21
	Kshs	Kshs
Farm produce	23,551,035.00	10,550,386.00
murrum cess	155,500.00	-
log/timber/firewood	225,310.00	-
Others (<i>specify</i>)		19,944,822.00
Total	23,931,845.00	30,495,208.00

2. Land/Poll rates

Description	2021/22	2020/21
	Kshs	Kshs
Land rates	14,048,533.00	23,228,006.00
Land transfer fee	152,000.00	-
Land subdivision fee	20,800.00	-
Board fee	35,000.00	-
Survey fee	30,000.00	-
Land penalties and interest	340.00	-
Land clearance certificate	217,000.00	-
Total	14,503,673.00	23,228,006.00

3. Single /Business Permits

Description	2021/22	2020/21
	Kshs	Kshs
Business permit application fees	1,333,139.00	47,173,887.00
Undercharge fee on SBP	22,504.00	-
Annual Business permit fees	1,008,617.00	-
Reprint fee	105,813.00	-
Business permit penalties and interest	10,951.00	-
Business permit fees current year	31,405,492.00	-
Total	33,886,516.00	47,173,887.00

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

Notes to the Financial Statements (continued)

4. Property Rent

Description	2021/22 Kshs	2020/21 Kshs
County Housing	-	-
Plot Rent	1,485,873.00	1,489,527.00
Tenancy Agreement	-	-
Transfer of Property	-	-
Stalls/kiosks rent	7,137,779.00	8,792,673.00
Others (<i>Specify</i>)	-	-
Total	8,623,652.00	10,282,200.00

5. Parking Fees

Description	2021/22 Kshs	2020/21 Kshs
Street parking fees	5,938,720.00	26,832,798.00
Monthly toll/sticker fees	17,790,402.00	-
Motorbike fees	-	-
Registration fees	-	-
Reserved parking	1,086,000.00	-
Bus Park fees	-	-
Others (<i>Specify</i>)	-	-
Total	24,815,122.00	26,832,798.00

6. Market Fees

Description	2021/22 Kshs	2020/21 Kshs
Market entry fees	14,880,911.00	10,051,900.00
Hawking fees	128,390.00	-
Others (<i>Specify</i>)	-	-
Total	15,009,301.00	10,051,900.00

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

Notes to the Financial Statements (Continued)

7. Advertising

Descriptions	2021/22	2020/21
	Kshs	Kshs
Branding	2,633,040.00	-
Signage	417,770.00	-
Roadshows/banners/posters/billboard	1,403,180.00	-
Tent advertising	56,000.00	-
Sandwitch	30,050.00	-
Promotion	844,800.00	-
Street pole/clock advertising	-	-
others (<i>Specify</i>)	-	-
Total	5,384,840.00	-

8. Hospital Fees

Description	2021/22	2020/21
	Kshs	Kshs
Level 5 hospitals	11,093,366.00	104,345,556.00
Level 4 hospitals	3,671,298.00	-
Level 3 hospitals	2,107,390.00	-
NHIF	99,851,065.27	-
Others (<i>Specify</i>)	-	-
Total	116,723,119.27	104,345,556.00

9. Public Health Service Fees

Description	2021/22	2020/21
	Kshs	Kshs
Inspection of buildings/premises/Institutions	-	-
Inspection for issuance of hygiene license	-	-
Vaccination: Yellow fever, Typhoid, etc	-	-
Applications for medical examination	-	-
Sanitation inspection for schools	-	-
Public health permit	2,246,801.00	-
Rodent Control/Fumigation	-	-
Others (<i>Specify</i>)	-	-
Total	2,246,801.00	-

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

Notes to the Financial Statements (Continued)

10. Physical Planning and Development

Description	2021/22	2020/21
	Kshs	Kshs
Scrutiny	2,009,512.00	-
certificate of compliance	499,000.00	-
Change / Renewal of user	121,870.00	-
Building plans approval	150,700.00	-
Extension of user	124,380.00	-
Signboards	-	-
Application fee	3,000.00	-
PPA1/PLUPA/DC/2	88,000.00	-
PP2/PLUPA/DC/8	62,200.00	-
Structural approval fee	172,770.00	-
Circulation form	45,990.00	-
Occupational Permits	7,000.00	-
Regularization/Renovation	16,100.00	-
Site inspection /perimeter wall fee	22,000.00	-
Enforcement / Demolition	-	-
Approval of container	77,520.00	-
Architectural designs by county officers	-	-
Master plan	1,571,581.00	-
Approval of bts	161,700.00	-
Hoarding fees	17,500.00	-
Others (Specify)	-	-
Total	5,150,823	-

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

11. Hire Of County Assets

Description	2021/22	2020/21
	Kshs	Kshs
Agricultural Mechanisation Services (AMS)	610,754.00	2,369,601.00
Hire of Machines and Equipment	-	-
Hire of Exhauster	145,800.00	-
Hire of County Stadia	5,000.00	-
Hire of County Halls	-	-
Kiborgok fee	11,594,501.73	-
Conference facilities/Agricultural Training Centers (ATC)	7,106,497.00	5,128,297.00
Others (Specify)	-	-
Total	19,462,552.73	7,497,898.00

12. Conservancy Administration

Description	2021/22	2020/21
	Kshs	Kshs
Refuse disposal fees	-	-
Dumpsite fees	-	-
Sewerage fees	704,000.00	665,925.00
Sewerage connection fee	15,000.00	-
Conservancy	1,583,566.00	-
Sale of seedlings	-	-
Public cemetery	4,500.00	-
Disposal of carcasses	-	-
Noise control	103,400.00	-
Others (Specify)	-	-
Total	2,410,466.00	665,925.00

13. Administration Control Fees and Charges

Description	2021/22	2020/21
	Kshs	Kshs
Weights and measures	664,280.00	-
Fire Services	341,500.00	-
Liquor licenses	10,976,100.00	11,780,110.00
Betting levy	-	-
Others (Specify)	-	-
Total	11,981,880.00	11,780,110.00

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

Notes to the financial statements (continued)

14. Park Fees

Description	2021/22	2020/21
	Kshs	Kshs
Lodge Tariffs and levies	-	-
Park entry fees	441,133.00	-
Filming and Photography fees	-	-
Camping fees	-	-
Balloon landing fees	-	-
Others (<i>Specify</i>)	-	-
Total	441,133.00	-

Notes to the financial statements (continued)

15. Other Fines, Penalties and Forfeitures

Description	2021/22	2020/21
	Kshs	Kshs
Impounding Fees	92,830.00	-
Penalty/Wrong fee	2,070.00	-
Enforcement fee	175,900.00	-
Obstruction	96,500.00	-
Declamping	26,790.00	-
Parking default	314,000.00	-
Damage of County property	5,400.00	-
Towing Fees	500.00	-
Others (<i>Specify</i>)	-	-
Total	713,990.00	-

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

16. Miscellaneous Receipts

Description	2021/22	2020/21
	Kshs	Kshs
Refunds	522,815.00	-
Cooperative audit fee	217,140.00	-
Certificate of participation	3,600.00	-
Pool table inspection fee	26,140.00	-
Renovation of PSS	3,460.00	-
Abusive language	14,259.00	-
Others (Specify)	-	6,055,485.00
Total	787,414.00	6,055,485.00

17. Slaughter and Veterinary Fees

Description	2021/22	2020/21
	Kshs	Kshs
Sheep slaughter	102,710.00	-
Cattle slaughter	680,511.00	-
livestock movement	48,500.00	-
Meat Inspection	364,295.00	-
AI services	133,058.00	-
Vaccination	1,120.00	-
Others (Specify)	-	-
Total	1,330,194.00	-

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

Notes To the Financial Statements (Continued)

18. Bank Balances

Name of Bank, Account No. & currency	Amount in bank account currency	Exc. rate (if in foreign currency)	2021/22	2020/21
			Kshs	Kshs
NANDI COUNTY REVENUE FUND EQUITY 0490260871255	Kshs.	-	329,735	1,476,044
Nandi County NHIF Nandi Hills County Hospital 01141594316300	Kshs.	-	1,067,180	593,161
Nandi County Meteitei Sub County Hospital 01141594316300	Kshs.	-	121,460	24,220
Nandi county NHIF Kaptumo sub-District Hospital 01141594316400	Kshs.	-	545,201	770,576
Kapsabet District Hospital account 01141329212200	Kshs.	-	-	12,471,120
Chepterwai Sub-district account 01141329282900	Kshs.	-	60,720	5,680
KAIMOSI ATC REVENUE ACCOUNT Equity 0490280776278	Kshs.	-	4,148,677	3,753,680
Mpesa 299299	Kshs.	-	80,091	853,245
NBK	Kshs.	-	1,365,387	
Total	-	-	7,718,451.00	19,947,726.00

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

Ref	Amount (Kshs)	Date subsequently transferred
	-	-
Total	-	-

19. Cash in hand

Description	2021/22	2020/21
	Kshs	Kshs
Cash Balance (<i>Location</i>)	19,940.00	27,170.00
Mobile Money	-	-
Others (<i>Specify</i>)	-	-
Total	19,940.00	27,170.00

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

20. Payables- Due To CRF

Payables	2021/22	2020/21
	Kshs	Kshs
Balance b/f at the beginning of the year	19,974,896.00	7,749,823.00
Amount collected during the year	287,403,973.00	278,408,973.00
Amounts disbursed to CRF during the year	299,639,827.00	266,183,700.00
Balance c/d at the end of the year	7,738,391.00	19,974,896.00

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

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

Notes To the Financial Statements (Continued)

21. Ageing Analysis of Revenue in Arrears

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

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)
5.2.1	Budget of Own Generated Revenue	<ol style="list-style-type: none"> 1. Most businesses were closed as a result of covid-19 pandemic hence affecting the number of single business permits issued. 2. No sensitization was done to plot and land owners because of ministry of health protocols concerning Covid-19 neither was any waiver issued 3. PSVs were issued with restrictions to carry few passengers as a result of covid-19 i.e passengers from 14 to 7. Monthly parking stickers fees were waived by half. 4. Auctions are the leading source of income in markets. During the year under review, most auctions were closed due to foot mouth disease out break and most markets underperformed due to covid-19 constraints and restrictions 5. Miscellaneous income includes promotion fees, noise pollution fees, advertisement fees, Branding fees etc. All the above targets were not achieved due to low economic activity and disbandment of gatherings occasioned by covid-19 restrictions. 6. The suspension of tea cess collection due to the pending court case affected the total cess collected 	Resolved	April 2022
5.2.2	Kiborgok Tea Proceeds	<ol style="list-style-type: none"> 1. Section 4.1, sub section 4.1.1 states that the farmer(County) shall subcontract plucking services through the managing agent who in this case is Chebut Tea factory as stipulated in the contract agreement 2. Section 5.3 of the contract states that the 	Resolved	April 2022

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

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>farmer will be paid as per the factory's prevailing payment policies. Furthermore, the Directors are representing the farmers, and the County Government is listed as one of the farmers. The prices paid by KTDA are determined by the prevailing market prices which fluctuate from time to time due to demand and supply forces. The work of the Directors, just like any other board of management, only approves the prices arrived at in the auction</p> <p>3. The County appointed an officer, one Jackson Kemboi, vide a letter dated 6th January, 2021 to oversee the overall management of the farm which includes among other duties, record keeping and management of all farm activities like plucking, infilling, weeding etc. The farm records are attached herein</p>		
5.2.3	Liquor Licensing Fees	<p>1. The County Executive is in the process of preparing Regulations for the operationalization of the Act which includes the opening of the Alcoholic Drinks Liquor fund account to allow separation of liquor revenues from the other County collections hence enable preparation of the fund financial statements.</p> <p>2. It is true that the list of successful applicants was not gazzeted as provided in the Nandi county alcoholic drink act of 2014. Reference is hereby made to a petition of No 52 of 2016 in the high court of Kenya Nairobi at the constitutional and human rights division which challenged the constituionalism of the county gazette as herein</p>	Resolved	April 2022

Guidance Notes:

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

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



Name: Nicholas Biwott
County Receiver of Revenue
Date: 15/02/2023





Name: Peter Tanui
Head of Revenue Reporting
Date: 15/02/2023

Appendix 3 - Reports Generated From IFMIS

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

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