

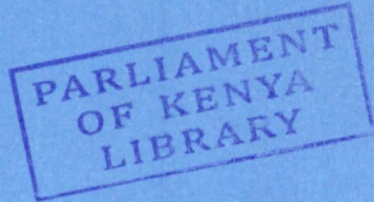
REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF



THE AUDITOR-GENERAL

ON

| | |
|--------------------|-----------------|
| PAPERS LAID | |
| DATE | 26.02.2025 |
| TABLED BY | MAJORITY LEADER |
| COMMITTEE | |
| CLERK AT THE TABLE | BELINDA |

RECEIVER OF REVENUE – REVENUE STATEMENTS

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

COUNTY GOVERNMENT OF BUNGOMA

COUNTY GOVERNMENT OF BUNGOMA



COUNTY EXECUTIVE COMMITTEE MEMBER
MINISTRY OF FINANCE AND ECONOMIC PLANNING

Telephone: 0728-039039
E-mail: countytreasury@bungoma.go.ke

Municipal Building
P.O Box 437- 50200
BUNGOMA.

Our Ref: CG/BGM/FIN/CA/Report/VOL.5/ 47

Date: 27th Sept., 2024

THE AUDITOR GENERAL
ANNIVERSARY TOWERS,
UNIVERSITY WAY
P.O.BOX 30084-0100
NAIROBI.



Dear Madam,

RE: SUBMISSION OF BUNGOMA COUNTY RECEIVER OF REVENUE STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2024

In accordance to Section 165 of the Public Finance Management Act, 2012, find herein

the County Government of Bungoma Receiver of Revenue Statements for the Financial Year Ended June 30, 2024

COUNTY GOVERNMENT OF BUNGOMA
COUNTY EXECUTIVE COMMITTEE
27 SEP 2024
CPA Chrispinus Barasa
FINANCE AND ECONOMIC PLANNING
P.O. BOX 437-50200 BUNGOMA

CECM, FINANCE AND ECONOMIC PLANNING

Copy to: The Principal Secretary,
National Treasury
NAIROBI

Controller of Budget,
NAIROBI

The CEO,
Commission on Revenue Allocation,
NAIROBI





**RECEIVER OF REVENUE
County Government of Bungoma**

**REVENUE STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024**

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

**Receiver Of Revenue
County Government Of Bungoma
Revenue Statements for the Period Ended 30th June 2024.**

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***Receiver Of Revenue
County Government Of Bungoma
Revenue Statements for the Period Ended 30th June 2024.***

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 |
| ATC | Agricultural Training Centre |
| AMC | Agricultural Mechanization Centre |

b) Glossary of terms

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

2. Key Entity Information and Management

(a) Background information

The Receiver of revenue is under the County Department of Finance and Economic Planning.

At the County Executive Committee level, the County Executive Committee Member represents the receiver of revenue for Finance and Economic Planning, who is responsible for the general policy and strategic direction of the Receiver of revenue. The County Executive Committee Member, Finance and Economic Planning designated the Receiver of revenue as a receiver on 13th July 2020 in accordance with section 157 of the PFM Act, 2012.

(b) Principal activities

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

(c) Key Management Team

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

- CPA Chrispinus Barasa - CEC, Finance and Economic Planning
- Mr Robert Simiyu – Chief Officer Finance
- Andrew Wamukoya- Chief Officer Economic Planning
- Dr. Magrina Mayama- Chief Officer Health and Sanitation
- Mr. Stephen Makhanu – Chief Officer Tourism and Environment
- Mrs. Dinah Waswa – Chief officer, Agriculture
- Mr. Makhandia – Chief officer, Livestock and Fisheries
- Edward Makhandia - Chief officer Roads and Public Works
- Mr. Reuben Wambwa – Chief Officer Trade and Energy
- George Kombo – Chief Officer Lands and Physical Planning
- Mr. Fwamba Rashid – Chief Officer Housing
- Moses Walekhwa – Ag. Director Revenue

(d) Department 's Headquarters

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

(e) Department 's Contacts

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

Receiver Of Revenue
County Government Of Bungoma
Revenue Statements for the Period Ended 30th June 2024.

(f) Independent Auditors

Auditor General
Kenya National Audit Office
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

(h) Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank,
P.O. Box 201-50200
Bungoma.
3. Equity Bank Ltd,
P. O. Box 2450-50200,
Bungoma.
4. Co-operative Bank of Kenya Ltd,
P.O. Box 1964-50200,
Bungoma.
5. National Bank of Kenya,
P.O. Box 25-50200,
Bungoma.
6. Safaricom PLC,
Moi Avenue, Moghe Plaza Ground floor
Bungoma.

(i) County Attorney

Bungoma Municipal Building,
P.o. Box 437-50200.
Bungoma, Kenya.

**Receiver Of Revenue
County Government Of Bungoma
Revenue Statements for the Period Ended 30th June 2024.**

3. Foreword By the CECM Finance and Economic Planning

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

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

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

Financial Performance

a) Receipts

In the year ended 30 June 2024, the County had projected to collect both local revenue of Kshs, 868,201,471 representing 6% of the funding to the county Budget of ksh 15,243,651,077.

During the year, the county collected ksh 368,069,810, out of which, the local revenue amounted to ksh 368,069,810 representing 42% of budgeted amount of ksh 868,201,471. Out of the collected amount, ksh 383,998,952 was transmitted to County Revenue Fund. In addition, Appropriation in Aid majorly is from Level 4 & 5 who currently are doing their own financial statements thus the exclusion during the year.

Below is the summaries table:

| Description of Revenue | Budget Amount | Actual Receipt | % Absorption |
|------------------------|--------------------|--------------------|--------------|
| Local Revenue | 868,201,471 | 368,069,810 | 42% |
| Total | 868,201,471 | 368,069,810 | 42% |

In view of this, specific measures have been proposed by the county to enhance revenue generation and collection. These include:

- The Department of Finance and Economic planning shall, in collaboration with the County Assembly, fast track on the completion of relevant pieces of legislation to inform administration of various fees and charges.
- The Directorate of Revenue shall closely monitor payments from other Government bodies and agencies to ensure that due taxes, rates and fees are paid.
- Collaboration between the Ministries, Departments and Agencies (MDAs), National Government, private sector, civil society and the general public for enhancement of the local revenue.

Receiver Of Revenue
County Government Of Bungoma
Revenue Statements for the Period Ended 30th June 2024.

- Continuous performance appraisal for revenue collectors to monitor variations between collections and targets, this will bolster revenue from market fees and related streams;
- Proper and prompt accounting and reporting by receivers of revenue as per Section 157 (2) of PFMA, 2012.
- Utilization of services of the Office of county attorney to assist in revenue enforcement through legal processes.
- Collaboration with the Law courts administration in setting up an express special court on County Revenue matters.
- Enhancing the BARMS system modules to 100% cashless payments on all revenue streams to avert challenges associated with cash handling.

National and County economic outlook,

- National Government revenues continue to form the largest part of the County Government budget, contributing 91% while locally generated revenues constitute 9% of the budget.
- The country experienced economic resilience and growth of 6.0% which is expected to be maintained in the medium term. This growth outlook will be supported by a broad-based private sector growth, strong performance of the services sector and recoveries in agriculture, while the public sector consolidates.
- The country's inflation is expected to be maintained at 6.7%. Interest and exchange rates are expected to remain stable, and this will be safeguarded over the medium term.



.....
CPA Chrispinus Barasa
ICPAK NO. 19812.
CEC Member – Finance and Economic Planning
County Government of Bungoma

*Receiver Of Revenue
County Government Of Bungoma
Revenue Statements for the Period Ended 30th June 2024.*

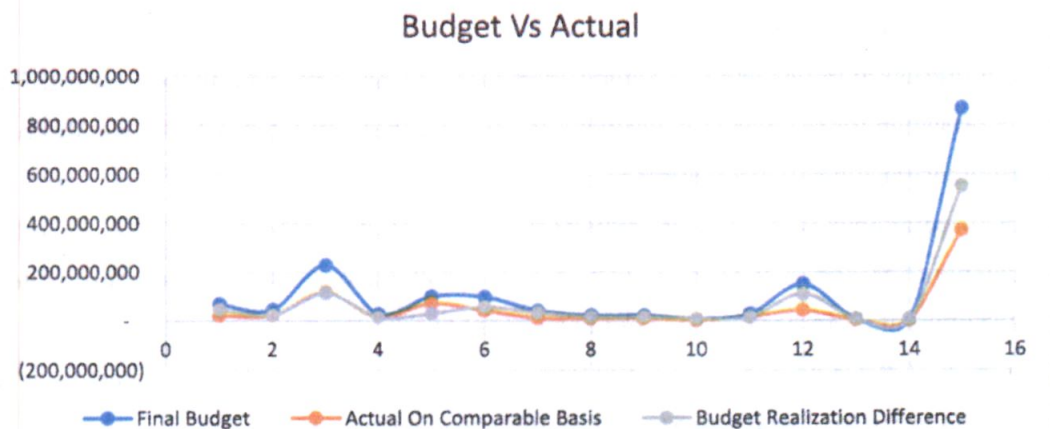
4. Management Discussion and Analysis

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

Operation of the fund.

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

The county collected an actual amount of Ksh. 368,069,810 for the year ended June, 2024 against Ksh.347.667,231.50 reported for the financial year 2022/23 representing a marginal growth of 0.4% in revenues generated. The County had projected to collect Ksh. **868,201,471** from own revenue sources for the financial year 2023/24. This indicates that 42% was attained.



Revenue Collection Challenges

Revenue enhancement effort has been hampered by a myriad of challenges, key among them highlighted below:

- I. Significant relevant pieces of legislation to support revenue collection and administration are yet to be enacted. These include the following bills:
 - a) Bungoma County Public Entertainment and Amenities Bill
 - b) Bungoma County Public Health and Sanitation Bill
 - c) Bungoma County Outdoor Advertisement and Signage Bill
 - d) Bungoma County Public Markets Bill
 - e) Bungoma County Property Development and Control Bill
 - f) Bungoma County Animal Control and Welfare Bill
 - g) Bungoma County Revenue Administration Bill
 - h) Bungoma County Rating Bill
 - i) Bungoma County Valuation Roll for Kimilili, Webuye and Bungoma
 - j) Bungoma County Fire and Disaster Management Bill
 - k) Bungoma County Housing Policy
- II. There was unprecedented resistance to pay taxes from obligated business people, major cases being the boda boda operators. Despite numerous stakeholder meetings, compliance has remained poor.
- III. The poor state of market support infrastructure including auction rings, sanitation facilities and slaughterhouses posed a challenge in enforcing collection as several incidences of resistance were reported on county markets.
- IV. There is a limitation in undertaking revenue supervision arising from mobility constraints. The few vehicles assigned for revenue enhancement are old and frequently breakdown, significantly affecting supervision and collection efforts.
- V. Motivation programmes for revenue collectors were not implemented. These included reimbursements of transport to revenue collectors traversing across county markets to collect revenue. Trainings and promotions have not been possible.
- VI. The directorate of Revenue has grappled with a significant number of casual collectors who have received no salary during the financial year and still collected revenue.
- VII. Increasing number of carwash and private parking yards within county major towns has considerably reduced the number of vehicles on street parking spaces. Town streets have equally for some time not been properly marked for parking

REVENUE RAISING MEASURES

In order achieve a sustained growth in revenue collection; the County Government will undertake a combination of both Revenue administrative and system reforms as follows;

- i. To enhance revenue collection, the County Government will fast track completion of relevant pieces of legislation to inform administration of various fees and charges. These include eight revenue administrative bills, Housing Policy, and two municipality valuation rolls
- ii. Enhancing the BARMS system modules to 100% cashless payments on all revenue streams to avert challenges associated with cash handling.
- iii. Continuous weekly performance appraisal for all revenue collectors across all collection points to monitor variations between collections and targets. this enhance collections from market fees and related streams
- iv. The receivers and collectors of revenue are duly appointed pursuant to 157 (2) of PFMA, 2012 to ensure proper and prompt accounting and reporting of revenues from all devolved units.
- v. In line with the County Executive order No.1 of 2022, Revenue collection has been decentralized to the ward level with clear mapping of revenue points that will enhance maximum revenue collection. Revenue officers at the ward level now reports administratively to the Ward administrator
- vi. Utilize the Office of county attorney to enforce collections from defaulters through legal processes. Further to this, plans are underway to facilitate collaboration with the Law courts administration in setting up an express special court on County Revenue matters.
- vii. Introduce tax incentives including tax holidays to resident registered traders on county markets in accordance to Section 159 (1) of the Public Finance Management Act, 2012 and Article 210 of the Constitution of Kenya 2010. The
- viii. Implementation of various tax incentives including waivers and negotiated flexible plans for property tax defaulters. A cabinet approval to grant waivers on property penalties and interests with a target of enhancing collection over the waiver period will be sought
- ix. Undertake continuous on-job trainings for revenue staff in their relevant fields and tax payer education and sensitization.
- x. Improve Officers' mobility by acquiring more vehicles for revenue enhancement and ensuring routine repairs and maintenance of existing vehicles and motorbikes.

Receiver Of Revenue
County Government Of Bungoma
Revenue Statements for the Period Ended 30th June 2024.

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 June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the statement of assets and liabilities of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Receiver of Revenue in charge accepts responsibility for the Bungoma county 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 Bungoma county receiver of revenue account gives a true and fair view of the state of Bungoma county receiver of revenue transactions during the financial year ended June 30, 2023, and of the Bungoma county 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 Bungoma County has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable). The Receiver of Revenue confirms that the revenue statements have been prepared in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

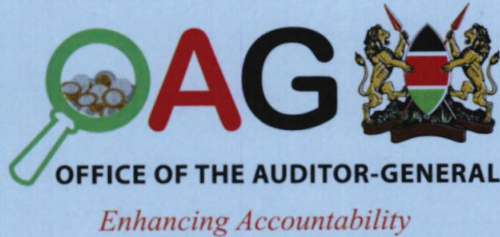
Approval of the Revenue Statements

The Bungoma County Government revenue statements were approved and signed by the Receiver of Revenue on 27th June 2024.



.....
Name: Robert Simiyu.
County Receiver of Revenue

REPUBLIC OF KENYA



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

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 BUNGOMA

PREAMBLE

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

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

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

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

REPORT ON THE REVENUE STATEMENTS

Qualified Opinion

I have audited the accompanying revenue statements of Receiver of Revenue-County Government of Bungoma set out on pages 1 to 18, which comprise the statement of financial assets and liabilities and statement of arrears of revenue as at 30 June, 2024 and the statement of receipts and disbursements, 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 Bungoma as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

Basis for Qualified Opinion

1. Unreconciled Variances Between Revenue Statements and Supporting Schedules

The statement of receipts and disbursements reflects own source revenue totaling Kshs.368,069,810. However, various revenue streams balances are at variance with the supporting schedules balances as detailed below:

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

The resultant variances have not been explained or reconciled.

In the circumstances, the accuracy and completeness of the respective own source revenue balances could not be confirmed.

2. Unsupported Revenue Balances

2.1 Conservancy Administration Revenue

The statements of receipts and disbursements indicates revenue from conservancy administration amounting to Kshs.14,029,112 and as disclosed in Note 12 to the revenue statements, which further comprises revenue from refuse disposal fees, public cemetery and noise control amounting to Kshs.13,892,012, Kshs.84,500 and Kshs.52,600 respectively. However, refuse disposal fees amounting to Kshs.13,892,012 was

supported by a cash book balance of Kshs.15,576,410 which results in an unreconciled variance of Kshs.1,684,398. In addition, the supporting schedules for revenues from public cemetery and Noise control were not provided for audit review.

In the circumstances, the accuracy and completeness of revenue from conservancy administration amounting to Kshs.14,029,112 could not be confirmed.

2.2 Market Fees Revenue

The statement of receipts and disbursements indicates market fees amounting to Kshs.41,735,125 and as disclosed in Note 6 to the revenue statements. However, the supporting schedule for the revenue was not provided for audit review and could not be generated in Bungoma Automated Revenue Management System (BARMS).

In the circumstances, the accuracy and completeness of market fees amounting to Kshs.41,735,125 could not be confirmed.

2.3 Revenue from County Housing

The statement of receipts and disbursements indicates property rent amounting to Kshs.15,374,769 and as disclosed under Note 4 to the revenue statements. Included in property rent is revenue from county housing which was collected from county houses amounting to Kshs.8,075,432. However, the revenue was supported by a schedule amounting to Kshs.2,428,150, resulting in an unexplained variance of Kshs.5,647,282. In addition, the supporting schedule for each category of housing and how much was generated for each specific revenue sub-stream was not provided for audit review.

In the circumstances, the accuracy and completeness of revenue from county housing amounting to Kshs.8,075,432 could not be confirmed.

2.4 Stalls/Kiosks Rent

The statement of receipts and disbursements indicates property rent amounting to Kshs.15,374,769 and as disclosed under Note 4 to the revenue statements, which includes stalls/kiosks rent amounting to Kshs.2,400,072. However, the tenancy agreements and the list of all rented properties were not provided for audit review.

In the circumstances, the accuracy and completeness of revenue from stalls/kiosks amounting to Kshs.2,400,072 could not be confirmed.

2.5 Advertising

The statement of receipts and disbursements indicates adverting revenue amounting to Kshs.9,385,390 and as disclosed under Note 7 to the revenue statements, which comprises branding and billboard advertising amounts of Kshs.4,122,630 and Kshs.5,262,760, respectively. However, the applications, approvals and basis of billing were not provided for audit review. Further, the mapping details on the areas where the advertisement, branding and billboards are placed were not provided for audit review.

In the circumstances, the accuracy and completeness of advertising revenue amounting to Kshs.9,385,390 could not be confirmed.

3. Failure to Provide Revenue Collection Accounts Bank Statements

The statement of receipts and disbursements reflects own source revenue totaling Kshs.368,069,810. During the year under review, the receiver of revenue operated four (4) bank accounts and M-pesa pay bill number through which revenue was collected. However, the bank statements from Kenya commercial bank, National Bank of Kenya, Equity Bank, Cooperative Bank and M-pesa Pay bill were not provided for audit review.

In the circumstances, the accuracy and completeness of own source revenue amounting to Kshs.368,069,810 could not be confirmed.

4. Unaccounted for Revenue from Public Health Services

The statement of receipts and disbursements reflects Public Health Services Fees amounting to Kshs.6,970,851. However, review of revenue records from Public Health Services Fees from nine (9) sub-counties of Bungoma County revealed that revenue was not banked in four (4) Receiver of Revenue bank accounts. No explanation was provided on why revenue was not banked in the designated revenue collection accounts and the ownership status of the bank account the revenue was being banked.

In the circumstances, the accuracy and completeness of revenue from Public Health Services fees amounting to Kshs.6,970,851 could not be confirmed.

5. Unaccounted for Revenue from Agricultural Mechanization Services

The statement of receipts and disbursements reflects hire of county assets revenue amounting to Kshs.40,000, which as disclosed in Note 11 to the revenue statements includes revenue from hire of county stadium, Agricultural Mechanization Services (AMS) and conference facilities/Agricultural Training Centre (ATC) amounting to Kshs.40,000, Kshs.Nil and Kshs.Nil respectively.

However, review of revenue records from Agricultural Mechanization Services (AMS) and hire of conference facilities/Agricultural Training Center (ATC) revealed that revenue was being deposited in a local bank account, under the account name of Bungoma County Mechanization Centre, which was not among the four (4) designated revenue collection bank accounts for the Receiver of Revenue. No evidence was provided to confirm that the bank account was reported to the Controller of Budget and the Auditor-general and that authority was provided for the opening of the said bank account whose signatories were not provided for audit.

Further, the cash book and bank statements for Bungoma County Mechanization Centre bank account revealed that AMS generated revenue amounting to Kshs.1,135,278 which was however not disclosed in the revenue statements.

In addition, review of the bank statements for Bungoma County Mechanization Centre revealed direct expenditure of revenue collections at source amounting to Kshs.1,417,551.

In the circumstances, the accuracy and completeness of hire of county assets revenue amounting to Kshs.40,000 could not be confirmed. In addition, the regularity and

effectiveness in opening and managing the Bungoma County Mechanization Centre bank account could not be confirmed.

6. Unconfirmed Arrears of Revenue

The statement of arrears of revenue reflects Cess and land rate arrears balances of Kshs.65,857,330 and Kshs.160,354,731 respectively, all totaling Kshs.226,212,061 as at 30 June, 2024, and which has remained the same from the previous year's balance. However, no evidence was provided on efforts made by Management to collect the arrears. Further, the age analysis of the revenue arrears was not provided for audit review.

In the circumstances, the accuracy, completeness and recoverability of revenue arrears amounting to Kshs.226,212,061 could not be confirmed.

7. Unconfirmed Balance Brought Forward

The statement of receipts and disbursements reflects balance brought forward at the beginning of the year of Kshs.17,594,439. However, the statement reflects comparative balance due for disbursements for the year ended 30 June, 2023 amounting to Kshs.127,815,249, resulting to unexplained variance of Kshs.110,220,810.

In the circumstances, the accuracy and completeness of balance brought forward at the beginning of the year of Kshs.17,594,439 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects own source revenue budget and actual amounts of Kshs.868,201,471 and Kshs.368,069,810 respectively, which results in under-collection of Kshs.500,131,661 or 58% of the budget.

Further, the disclosed budget performance contradicts County Governments Budget Implementation Review Reports for the financial year 2023/2024 by Controller of Budget which indicates actual own source revenue collections Kshs.439,484,834. This results in an unreconciled and unexplained variance of Kshs.71,415,024.

In the circumstances, the under-collection of revenue affected the planned activities of the County Government and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the previous year audit report, several issues were raised under Report on the Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the issues had not been resolved and Management did not provide satisfactory reasons for the delay in resolving the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of Control on Use of Bungoma Automated Revenue Management System

The County Government of Bungoma procured Bungoma Automated Revenue Management System (BARMS), which is a cashless revenue collection system for all revenue streams of the county from a consulting firm on 11 June, 2015 at cost of Kshs.138,000,000. However, the contract agreement and operations manual for the system were not provided for audit review.

Review of BARMS revealed that Receiver of Revenue could not operate the system, does not have back-office access rights and could not generate revenue reports from the system, thereby wholly relying on the Vendor to operate and to generate all the required reports, while the system users lack capacity to interrogate the integrity of the data provided. Further, all revenue collections are first transferred to BARMS where the Vendor afterwards transfers the money to designated bank accounts which could not be confirmed since Receiver of Revenue does not control and cannot interrogate its own system.

In the circumstances, the efficiency and effectiveness of BARMS could not be confirmed.

2. Failure to Operationalize Valuation Roll

The statement of receipts and disbursements reflects land rates and property rent amounting to Kshs.23,198,375 and Kshs.15,374,769 respectively. The County Government procured the services of a firm at a contract price of Kshs.16,207,500 to develop a new valuation roll during the financial year 2014/2015. However, the evidence of operationalization of the new valuation roll during the year under review was not provided for audit review. The Valuation roll in use is a pre-2013 valuation roll. This was contrary to Regulation 63(1)(a) of the Public Finance Management (County Governments) Regulations, 2015 which states that an accounting officer and a receiver of revenue are personally responsible for ensuring that adequate safeguards exist and are applied for the prompt collection and proper accounting for, all county Government revenue and other public moneys relating to their county departments or agencies.

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

3. Underpricing of Noise Control Permits

Review of the third schedule of Bungoma Finance Act, 2023 in respect to Environment, Water and Natural Resources indicates that noise control permits were priced at Kshs.2,500. However, the receipts books and cash books indicate that noise control permits were paid at Kshs.2,200 which is Kshs.300 below the set price.

In the circumstances, the effectiveness of revenue collection from noise control could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAI) 4000. The ⁵Standard 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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Internal Control Weaknesses in Revenue Collection

Review of the revenue collection control environment revealed the following weaknesses:

1.1 Non-Strategic Market Fees Collection

Observation of collection of market fees revenue in Bungoma town, in October 2024 revealed that revenue collections by revenue officers starts at noon. No explanation was provided on why the market fees is not collected on time yet the revenue collectors are on full time job.

Further, most of traders were operating along the streets in undesignated trading points. The mechanism on how fees were being collected on these areas was not explained. In addition, the basis of projection of market fees revenue could not be confirmed in absence of proper market structures and selling points.

1.2. Weak Internal Controls in the Collection of Revenue from Building Plans Approval

Review of the internal controls put in place to account for revenue from construction of buildings plans approval revealed that only three officers were involved in the approval of the plans, namely the works officer, public health officer and physical planner. Minutes or reports of the approval process were not provided for audit review. Further, plans approval register maintained at lands office had several deficiencies, including failure to indicate the type of plan application, whether residential or commercial, the dates of application and approval, and amounts paid, the total number of applications received, the approved plans and the ones that were rejected.

1.3. Failure to Maintain Buildings Inspection Register

Review of inspection of buildings system revealed that the register for recording type of buildings inspected, size and period the inspection was carried out, details of building inspectors and inspection reports were not maintained. No evidence was provided to confirm whether a senior officer was involved in counter checking that all the inspected buildings were charged the correct rates.

1.4. Uncollected Revenue from Motorcycle and Taxis

During the year under review, the receiver of revenue did not disclose any revenue from the motor cycles and the taxis that, on the daily basis were operating within the county of Bungoma. Further, receiver of revenue did not have data on motor cycles and taxis that operated in the major towns within the county.

During the physical verification of the parking areas in Bungoma town on 12 September, 2024 it was observed that the County did not have designated operating areas for motor cycles, and there was no strategy on revenue collection from this crucial sector of the economy.

1.5. Unmarked Parking slots in Bungoma Town

Physical verification of parking slots on 12 September, 2024, in Bungoma town revealed that only two streets had designated/marked parking slots. Further, it was observed that in the absence of marked parking slots in the major towns of Bungoma County, motor vehicles, motor cycles and tuk-tuk were parked haphazardly hence occupying large spaces which were not commensurate with the amounts paid.

1.6. Unregulated Issuance of County Parking Stickers

Physical verification carried out on 12 September, 2024 in Bungoma town revealed that the Management had issued parking stickers for motor vehicles. However, the basis of issuing parking stickers and the list of persons that were issued with the stickers was not disclosed.

1.7. Unconfirmed Revenue from Matatus Sector

A visit to bus park in Bungoma town on date 12 September, 2024 revealed that the matatus operating in Bungoma County were not bearing county revenue stickers. Thus, it was not possible to confirm if the matatus had paid the revenue due to the county government or not. Further, no data was provided on the matatus that operated within the Bungoma county territory and total revenue collected or collectable from the sector.

1.8. Inefficiencies in Revenue Collection Gadgets

Physical verification of revenue collection in Bungoma town revealed that the County Government was using cashless mode of payments where revenue collectors used mobile phones issued by County Government and sometimes personal phones for revenue collection. No explanation was provided on why the County government had not invested in revenue collection gadgets, fully serialized to enable easy tracking and faster revenue payment process.

Further, it was observed that on several cases, the mobile phones were slow in revenue collection processing, thus hampering optimal revenue collection.

In addition, analysis of the mobile phones reports used by the revenue collectors revealed that some could not indicate exactly when payment was made thus casting doubt on the reliability of the revenue system used by the County Government.

1.9. Failure to Prepare Progress Reports on Revenue Collection

During the year under review, there was not documentary evidence provided for audit review, that the Management prepared monthly, quarterly and annual progress report indicating revenue performance against the budget. In absence of progress reports, revenue performance could not be reviewed by Management progressively to enhance and improve on revenue collection.

1.10. Internal Control Weaknesses on Issue of Liquor Licenses

It was observed that there was no board mandated with the vetting of the applications for liquor licenses and no explanation was provided on how the licensees were vetted. Further, although the licenses issued to operators were serialized, they were not issued sequentially. In addition, a register showing how the licenses were issued was not maintained and the licenses issued did not have counterfoils.

In the circumstances, the effectiveness of internal controls on revenue collection could not be confirmed.

2. Revenue Collection Information Communication Technology (ICT) Environment

Review of the revenue collection ICT environment revealed that the Receiver of Revenue did not have in place an ICT policy, security policy, environmental policy, ICT continuity plan and disaster recovery plans during the year under review. Further, there was no documentary evidence to confirm that the Receiver of Revenue had a strategic plan and an operational plan in place.

In addition, the Receiver of Revenue Directorate did not have alternative power supply hence hindering revenue collection and daily operations of the entity.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 the Management and those Charged with Governance

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

In preparing the revenue statements, Management is responsible for assessing the 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

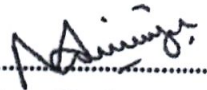
23 December, 2024

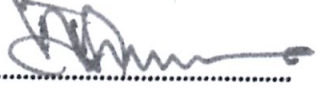
*Receiver Of Revenue
County Government Of Bungoma
Revenue Statements for the Period Ended 30th June 2024.*

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

| | Note | 2023-2024 | 2022-2023 |
|---|------|----------------------|----------------------|
| | | ksh | ksh |
| County Own Source Revenue | | | |
| Cess | 1 | 21,274,695 | 44,527,950 |
| Land/Poll Rate | 2 | 23,198,375 | 32,765,835 |
| Single/Business Permits | 3 | 115,605,431 | 83,885,437 |
| Property Rent | 4 | 15,374,769 | 9,216,325 |
| Parking Fees | 5 | 70,686,786 | 68,468,694 |
| Market Fees | 6 | 41,735,125 | 35,591,980 |
| Advertising | 7 | 9,385,390 | 12,591,331 |
| Hospital Fees | 8 | - | 743,911,772 |
| Public Health Service Fees | 9 | 6,970,851 | 2,606,150 |
| Physical Planning and Development | 10 | 7,823,492 | 12,830,622 |
| Hire Of County Assets | 11 | 40,000 | 19,457,432 |
| Conservancy Administration | 12 | 14,029,112 | 4,234,184 |
| Administration Control Fees and Charges | 13 | 40,693,046 | 21,773,732 |
| Other Fines, Penalties, And Forfeiture Fees | 14 | 724,300 | 376,070 |
| Miscellaneous receipts | 15 | 528,439 | 18,592,429 |
| Total County Own Source Revenue | | 368,069,810 | 1,110,829,943 |
| Other Receipts | | | |
| Transfers From County Government | 16 | - | 49,317,037 |
| Total Other Receipts | | - | 49,317,037 |
| Total Receipts | | 368,069,810 | 1,160,146,980 |
| Balance b/f at the beginning of the year | | 17,594,439 | 150,289,753 |
| Disbursements To CRF | | (383,998,952) | (330,427,054) |
| Expenditure By Facilities collection AIA | 17 | (156,460) | (852,194,429) |
| Balance Due for Disbursement | | 1,508,837 | 127,815,249 |

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 27/9 2024 and signed by:


.....
Robert Simiyu
County Receiver of Revenue

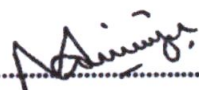

.....
Moses Walekhwa
Head of Revenue Reporting

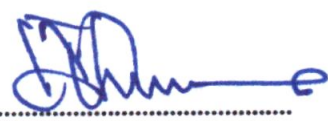
**Receiver Of Revenue
County Government Of Bungoma
Revenue Statements for the Period Ended 30th June 2024.**

8. Statement of Financial Assets and Liabilities As at 30th June 2023

| | Note | 2023-2024 ksh | 2022-2023 ksh |
|------------------------------------|------|------------------|--------------------|
| Financial Assets | | | |
| Cash And Cash Equivalents | | | |
| Bank Balances | 18 | 1,508,837 | 126,836,649 |
| Cash In Hand | 19 | - | 978,600 |
| Total Financial Assets | | 1,508,837 | 127,815,249 |
| Total Financial Assets | | | |
| Financial Liabilities | | | |
| Payables-Due to CRF | 20 | 1,508,837 | 127,815,249 |
| Total Financial Liabilities | | 1,508,837 | 127,815,249 |

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 27/9/2024 and signed by:


.....
Robert Simiyu
County Receiver of Revenue



.....
Moses Walekhwa
Head of Revenue Reporting


Receiver Of Revenue
County Government Of Bungoma
Revenue Statements for the Period Ended 30th June 2024

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

| 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 | 70,192,478 | | 70,192,478 | 21,274,695 | 48,917,783 | 30% |
| Land/Poll Rate | 47,500,495 | | 47,500,495 | 23,198,375 | 24,302,120 | 49% |
| Single/Business Permits | 228,921,263 | | 228,921,263 | 115,605,431 | 113,315,832 | 51% |
| Property Rent | 30,569,789 | | 30,569,789 | 15,374,769 | 15,195,020 | 50% |
| Parking Fees | 101,517,423 | | 101,517,423 | 70,686,786 | 30,830,637 | 70% |
| Market Fees | 98,427,988 | | 98,427,988 | 41,735,125 | 56,692,863 | 42% |
| Advertising | 42,967,742 | | 42,967,742 | 9,385,390 | 33,582,352 | 22% |
| Hospital Fees | | | - | - | - | 0% |
| Public Health Service Fees | 23,076,730 | | 23,076,730 | 6,970,851 | 16,105,879 | 30% |
| Physical Planning and Development | 23,608,481 | | 23,608,481 | 7,823,492 | 15,784,989 | 33% |
| Hire Of County Assets | 9,073,724 | | 9,073,724 | 40,000 | 9,033,724 | 0% |
| Conservancy Administration | 30,100,000.00 | | 30,100,000 | 14,029,112 | 16,070,888 | 47% |
| Administration Control Fees and Charges | 200,413,596 | (50,499,998) | 149,913,598 | 40,693,046 | 109,220,552 | 27% |
| Other Fines, Penalties, And Forfeiture | 6,793,200 | | 6,793,200 | 724,300 | 6,068,900 | 11% |
| Miscellaneous Receipts | 5,538,560 | | 5,538,560 | 528,439 | 5,010,121 | 10% |
| Total Receipts | 918,701,469 | (50,499,998) | 868,201,471 | 368,069,810 | 550,631,659 | 42% |

The County Receiver of revenue's financial statements were approved on 27/7/2024 and signed by:

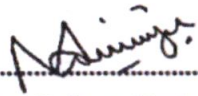

 Robert Simiyu
 County Receiver of Revenue


 Moses Walekhwa
 Head of Revenue Reporting

*Receiver Of Revenue,
County Government Of Bungoma
Revenue Statements for the Period Ended 30th June 2024*

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

| Classification Of Receipts | Balance as at The beginning of the current year (1 st July 2023) | Arrears received during the year. | Additions in arrears for the current year to June 30, 2024 | Total arrears as at 30 June 2024 | Measures taken to recover the arrears | Assessment to the recoverability of arrears |
|----------------------------|---|-----------------------------------|--|----------------------------------|---------------------------------------|---|
| | A | B | C | D=A+(B)+C | | |
| Cess | 65,857,330 | | | 65,857,330 | | |
| Land rate | 160,354,731 | | | 160,354,731 | | |
| Total Arrears | 226,212,061 | - | - | 226,212,061 | | |



Name: Robert Simiyu
County Receiver of Revenue



Name: Moses Walekhwa.
Head of Revenue Reporting
ICPAK M/No:

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 Bungoma. 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 Bungoma county Receiver of revenue. 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 *Bungoma county Receiver of revenue*.

2. Recognition of Receipts

The entity recognises all receipts from the various sources when the Bungoma county Receiver of revenue has received the related cash.

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 County Assembly approved the original budget on 30th May 2023 for the period 1st July 2023-2024 to 30 June 2024 as required by law. There were two 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 liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include revenue collection accounts held at Commercial banks.

5. Revenue in Arrears

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

6. Disbursements to CRF

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

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 Bungoma
Revenue Statements for the Period Ended 30th June 2024*

12. Notes to the Financial Statements

1. Cess

| Description | 2023-2024 | 2022-2023 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Farm produce(Agricultural Cess) | 21,138,245 | 44,308,350 |
| Natural Resources Sand, Ballast,Murram Cess | | 209,850 |
| Fish farming | 136,450 | - |
| Timber cess | | 9,750 |
| Total | 21,274,695 | 44,527,950 |

2. Land rates

| Description | 2023-2024 | 2022-2023 |
|-----------------------------|-------------------|-------------------|
| | Kshs | Kshs |
| Land rates(Area Rates) | 16,278,290 | 26,728,668 |
| Land penalties and interest | 3,022,440 | 884,948 |
| Arrears | 3,897,645 | 5,152,219 |
| Total | 23,198,375 | 32,765,835 |

3. Single /Business Permits

| Description | 2023-2024 | 2022-2023 |
|---|--------------------|-------------------|
| | Kshs | Kshs |
| Business permit application fees | 5,418,400 | 3,247,896 |
| Annual Business permit fees(single Business Permit) | 85,410,151 | 72,597,745 |
| Business permit penalties and interest(Accrued Penalties for Single Business Permit) | 2,530,250 | 2,381,825 |
| Business permit renewal fees (Renewal of SBP) | 13,910,130 | 3,579,191 |
| Single Business permit Advertisement fees | 8,336,500 | 1,993,020 |
| Application Form | | 84,260 |
| Duplicate Permit | | 1,500 |
| Total | 115,605,431 | 83,885,437 |

4. Property Rent

| Description | 2023-2024 | 2022-2023 |
|---------------------------------------|-------------------|------------------|
| | Kshs | Kshs |
| County Housing | 8,075,432 | 6,414,072 |
| Ground Rent Arrears | 4,131,235 | 1,675,696 |
| Plot Rent/ Ground Rent | | 155,657 |
| Plot Transfer | | 138,000 |
| Property rates- other charges Arrears | | 500 |
| Transfer of Property | 198,000 | 55,000 |
| Stalls/kiosks rent | 2,400,072 | 616,500 |
| Change of User | 70,530 | |
| Consent to charge | 115,000 | 30,000 |
| Clearance certificate | 267,000 | 109,900 |
| Extension of lease | 102,000 | 4,000 |
| Survey fees \$ Beacon search | 15,500 | 17,000 |
| Total | 15,374,769 | 9,216,325 |

**Receiver Of Revenue
County Government Of Bungoma
Revenue Statements for the Period Ended 30th June 2024**

Notes to the Financial Statements (Continued)

5. Parking Fees

| Description | 2023-2024 | 2022-2023 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Street parking fees | 3,811,110 | 3,589,000 |
| Monthly toll/sticker fees/Bus park(consolidated County Bus park sticker) | 59,090,676 | 59,336,273 |
| Motorbike fees(annual BodaBoda stickers Penalties) | 3,226,500 | 2,035,848 |
| Registration fees(Sacco Stickers) | 613,500 | 226,600 |
| Reserved parking(Parking fee) | 3,945,000 | 3,201,823 |
| Monthly Stickers Penalties | | 79,150 |
| Total | 70,686,786 | 68,468,694 |

6. Market Fees

| Description | 2023-2024 | 2022-2023 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Market entry fees(MKT FEES) | 36,158,420 | 30,106,045 |
| Livestock movement permit | 5,487,705 | 2,439,315 |
| Hawking fees | 2,200 | |
| Pulping | 86,800 | |
| Charges for Carriers/ Loaders With Commodities | | 246,060 |
| Fees for Market Premises | | 32,660 |
| Charges for Auction Ring-Market Fees Bill | | 2,767,900 |
| Total | 41,735,125 | 35,591,980 |

7. Advertising

| Descriptions | 2023-2024 | 2022-2023 |
|-----------------------|------------------|-------------------|
| | Kshs | Kshs |
| Branding | 4,122,630 | 6,991,291 |
| Billboard advertising | 5,262,760 | 2,221,500 |
| Outdoor Advertisement | | 3,378,540 |
| Total | 9,385,390 | 12,591,331 |

8. Hospital Fees

| Description | 2023-2024 | 2022-2023 |
|---------------------------------------|------------------|--------------------|
| | Kshs | Kshs |
| Level 5 & 4 hospitals | | 639,244,204 |
| Level 3 hospitals | | 87,221,737 |
| Public Health fees | | 188,341 |
| Vocational Training Centres(Vtc) fees | | 17,257,490 |
| Total | - | 743,911,772 |

- a. *The Hospitals prepare their own set of financial statement and they have been excluded the current year.*

*Receiver Of Revenue
County Government Of Bungoma
Revenue Statements for the Period Ended 30th June 2024*

Notes to the Financial Statements (Continued)

9. Public Health Service Fees

| Description | 2023-2024 | 2022-2023 |
|---|------------------|------------------|
| | Kshs | Kshs |
| Inspection of buildings/premises/Institutions | | 42,080 |
| Inspection for issuance of hygiene license | 1,636,151 | 6,600 |
| Applications for medical examination | | 550 |
| Public health permit | 2,425,950 | 3,350 |
| Public Health- property Development | | 4,550 |
| Slaughter fee | 2,908,750 | 914,140 |
| Slaughter House Fees. | | 523,430 |
| Food Drugs and Chemical substance License | | 1,111,450 |
| Total | 6,970,851 | 2,606,150 |

10. Physical Planning and Development

| Description | 2023-2024 | 2022-2023 |
|---|------------------|-------------------|
| | Kshs | Kshs |
| Building plans approval(Plan approval application) | 7,596,392 | 12,270,492 |
| Building Inspection | | 535,130 |
| Occupational Permits | 217,000 | |
| Physical Planning | 10,100 | 25,000 |
| Total | 7,823,492 | 12,830,622 |

11. Hire Of County Assets

| Description | 2023-2024 | 2022-2023 |
|---|---------------|-------------------|
| | Kshs | Kshs |
| Agricultural Mechanisation Services (AMS) | | 3,895,010 |
| Hire of County Stadium | 40,000 | 4,000 |
| Conference facilities/Agricultural Training Centers (ATC) | | 15,558,422 |
| Total | 40,000 | 19,457,432 |

12. Conservancy Administration

| Description | 2023-2024 | 2022-2023 |
|----------------------|-------------------|------------------|
| | Kshs | Kshs |
| Refuse disposal fees | 13,892,012 | 150,200 |
| Public cemetery | 84,500 | 15,000 |
| Noise control | 52,600 | 13,200 |
| SBP Conservancy | | 4,055,784 |
| Total | 14,029,112 | 4,234,184 |

*Receiver Of Revenue
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Notes to the Financial Statements (Continued)

13. Administration Control Fees and Charges

| Description | 2023-2024 | 2022-2023 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Weights and measures | 267,480 | 5,910 |
| Fire Services(SBP Fire Compliance) | 22,498,135 | 17,628,288 |
| Liquor licenses(Alcoholic Drinks License) | 7,555,100 | 4,127,034 |
| Hoarding fees | | 10,000 |
| Payroll Products | 10,372,331 | |
| Change of Business Location | | 2,500 |
| Total | 40,693,046 | 21,773,732 |

14. Other Fines, Penalties and Forfeitures

| Description | 2023-2024 | 2022-2023 |
|--------------------|------------------|------------------|
| | Kshs | Kshs |
| Impounding Fees | 724,300 | 369,570 |
| Towing Fees | | 3,500 |
| Audit fee | | 3,000 |
| Total | 724,300 | 376,070 |

15. Miscellaneous Receipts

| Description | 2023-2024 | 2022-2023 |
|--|------------------|-------------------|
| | Kshs | Kshs |
| crop Development | | 900 |
| Stock Movement | | 1,099,403 |
| Miscelleneous Income | - | 700 |
| Overpayment Recovery/ Refund for overpayment | 522,229 | 35,953 |
| Other charges | - | 204,966 |
| Cooperative | 6,209 | 17,250,507 |
| Consolidated AIA | | |
| Total | 528,439 | 18,592,429 |

16. Transfers from County Government.

Receiver Of Revenue
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| Description | 2023-2024 | 2022-2023 |
|---|-----------|-------------------|
| | Kshs | Kshs |
| Conference facilities/Agricultural Training Centers (ATC) | | 8,529,200 |
| Level 3 hospitals(Dispensaries) | | 9,852,562 |
| Vocational Training Centres(polythenic Fees) | | 30,935,275 |
| Total | - | 49,317,037 |

Notes to the Financial Statements (Continued)

17. Bank Charges

| Description | 2023-2024 | 2022-2023 |
|----------------------------|----------------|----------------|
| | Kshs | Kshs |
| Bank Charges & commissions | 169,500 | 143,738 |
| Total | 169,500 | 143,738 |

18. Bank Balances.

Receiver Of Revenue
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Revenue Statements for the Period Ended 30th June 2024

| Name of Bank, Account No. & currency | Amount in bank account currency | Exc. rate (if in foreign currency) | 2023-2024 | 2022-2023 |
|---|---------------------------------|------------------------------------|------------------|--------------------|
| | | | Kshs | Kshs |
| Kenya Commercial Bank 1177737930 | KES | | 867,101 | 2,614,502 |
| National Bank of Kenya 100113676000 | KES | | 600 | 7,594,887 |
| Cooperative bank of Kenya 01141669167100 | KES | | 583,386 | 5,235,493 |
| Equity Bank 0480261006908 | KES | | 57,750 | 1,170,957 |
| 4. Bumula Health Centre Dev Community | KES | FIF | | 1,174,499.20 |
| 5. Mt. Elgon District Health Services | KES | FIF | | 361,699.02 |
| 6. Kimilili Health Management Services | KES | FIF | | 13,937,651.17 |
| 7. Health Care Services Webuye | KES | FIF | | 10,322,904.25 |
| 8. MOH Hospitals(Bungoma Referral) | KES | FIF | | 48,007,461.74 |
| 9. Bokoli Sub-District Hospital | KES | FIF | | 2,813,162.15 |
| 10. Med Sup Nait. Cost Sharing Account | KES | FIF | | 4,471,156.40 |
| 11. Sirisia Sub-District Hospital CA MoE/ School Accounts | KES | FIF | | 80,741.03 |
| 12. Chwele Sub-District Hospital - BGM | KES | FIF | | 24,619.93 |
| 13. Cheptais Sub-District Hospital | KES | FIF | | 1,526,164.05 |
| 14. Cheptais Sub County Hospital Collection Account | KES | FIF | | - |
| 16. Mabanga Agricultural Training Centre KCB | KES | FIF | | 13,013.50 |
| 17. Bungoma County Agriculture Mechanization Centre Equity | KES | FIF | | 706,883.26 |
| 18. Chwele Sub County Hospital Collection account (Co-op. Ba | KES | FIF | | - 600.00 |
| 22. .MT. Elgon Sub County Hospital - Collection 1141782311800 | KES | FIF | | 2,150.01 |
| 23. Sirisia Sub County Hospital Revenue Collection -01141782311 | KES | FIF | | 85,440.02 |
| 24. Naitiri Sub-District Hospital Collection Account(KES) | KES | FIF | | - 619.41 |
| 25. Sinoko Sub County Hospital cooperative Bank | KES | FIF | | 33,759.55 |
| 26. Sinoko Sub County Hospital kcb Bank | KES | FIF | | 184,224.85 |
| 21. Bumula Sub County Hospital Collection Account -011417823 | KES | FIF | | 8,390.00 |
| 15. Bungoma HSSF(Consolidated) | KES | FIF | | 13,765,239.34 |
| 19. Public Health Collection Account KCB 1156993393 | KES | FIF | | 395,830.15 |
| 20. Public Health Collection Account KCB 1225921872 | KES | FIF | | 3,173,820.00 |
| 19. Bungoma Vocational Training(Consolidated) | KES | Fund | | 9,133,220 |
| Total | | | 1,508,837 | 126,836,649 |

Notes to the Financial Statement (Continued)

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

| Ref | Amount (Kshs) | Date subsequently transferred |
|-------------------------------|---------------|-------------------------------|
| Disbursement 1(kcb) | | |
| Disbursement 2(National Bank) | | |
| Disbursement 3(Cooperative) | 802,785 | 2-Jul-24 |

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| | | |
|------------------------|----------------|----------|
| Disbursement 4(Equity) | 63,955 | 2-Jul-24 |
| Disbursement 5(kcb) | | |
| Total | 866,740 | |

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

19. Cash in hand.

| Description | 2023-2024 | 2022-2023 |
|-----------------------------|-----------|----------------|
| | Kshs | Kshs |
| Mobile Money(Revenue Mpesa) | - | 978,600 |
| Total | - | 978,600 |

20. Payables- Due To CRF.

| Payables | 2023-2024 | 2022-2023 |
|---|------------------|--------------------|
| | Kshs | Kshs |
| Balance b/f at the beginning of the year | 127,815,249 | 150,190,650 |
| Adjustment on self reporting Entities. | (110,220,810) | 99,103 |
| Amount collected during the year | 368,069,810 | 1,160,146,980 |
| Amounts disbursed to CRF during the year | (383,998,952) | (330,427,054) |
| Expenditure By Facilities collection AIA | | (852,050,691) |
| Bank Charges | (156,460) | (143,738) |
| Balance c/d at the end of the year | 1,508,837 | 127,815,249 |

Notes to the Financial Statement (Continued)

21. Ageing Analysis of Revenue in Arrears

| Description (indicate as applicable) | Less than | Between | Between | Over 3 years |
|--|-----------|-----------|--------------------|--------------|
| | 1 year | 1-2 years | 2-3 years | |
| Cess | | | 65,857,330 | |
| Land/poll rate | | | 160,354,731 | |
| Total (agree to statement of arrears) | - | - | 226,212,061 | - |

Receiver Of Revenue
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22. Appendices

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

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

| Ref. No. | Issue / Observations from Auditor | Management comments | Status: | Timeframe: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|-----------------------------------|-----------------|--------------------------------------|--|--|--|---|-----------|-----------|-----------|----------------------|-----------|--------------|-----------|---|--|--|--|-------------------------|------------|------------|---------|----------------------|--------|--------------|--------|---|--------------|--------|-------|---------|-----------------------|---------|-------------------------|---------|------------------------|------|--------------|----------------|--|----------|
| REPORT OF THE OFFICE OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF COUNTY REVENUE FUND OF THE FINANCIAL YEAR 2021-2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| REPORT ON THE RECEIVER OF REVENUE STATEMENTS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Basis for Qualified Opinion | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | <p>Cash and Cash Equivalents</p> <p>The statement of financial assets and liabilities reflects a cash and cash equivalents balance of Kshs.150, 190,650 in respect of bank balances as disclosed in Note 17 to the revenue statement. However, review of the financial records revealed that the County Government of Bungoma operated an M-Pesa utility account with the Safaricom Mpesa services through ZUENAH account which reflected a balance of Kshs.169,565 at the end of the year and which has not been disclosed in the revenue statement. Further, certificates of bank balance have not supported the bank balances reflected in Note 17. In addition, out of the 28 revenue bank accounts, bank reconciliation statements for 24 bank accounts with balances totalling Kshs.98,173,025 were not provided for audit review.</p> | <p>The Certificates of Bank Balances, Bank Reconciliation, bank statements and extracts of cashbooks are attached.</p> <p>The County operates an Mpesa utility account 337890 for revenue collection. ZUENAH was a county officer who was account agent operating the utility account. The role was to access m-pesa statements and facilitate sweeping of M-pesa collections to county revenue collection A/C No.01141669167100 held at Co-operative bank.</p> <p>M-pesa utility account balance of ksk.169,565 was swept on 30th June, 2022.</p> | | Partially Resolved | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | <p>Variance Between the BARMS System Records and the Financial Statements</p> <p>Included in the statement of receipts and disbursements, and as disclosed in Notes 1-16 to the revenue statement are amounts totalling Kshs.54,481,778 relating to four (4) revenue streams :public health services fees, physical planning and development fees, conservancy administration fees and administration control fees and charges fees whose balances are at variance with the balances reflected by the BARMS system as detailed below:</p> <table border="1"> <thead> <tr> <th>Revenue Stream</th> <th>Balance as per Financial Statements(Kshs)</th> <th>Balance in the BARMS System(Kshs)</th> <th>Variance (Kshs)</th> </tr> </thead> <tbody> <tr> <td colspan="4">1. Public Health Service Fees</td> </tr> <tr> <td>Inspection of Buildings/Premises/Institutions</td> <td>1,927,842</td> <td>1,912,150</td> <td>15,692.00</td> </tr> <tr> <td>Public Health Permit</td> <td>3,612,790</td> <td>Not provided</td> <td>3,612,790</td> </tr> <tr> <td colspan="4">2. Physical Planning and Development</td> </tr> <tr> <td>Building Plans Approval</td> <td>11,464,386</td> <td>10,656,663</td> <td>807,723</td> </tr> <tr> <td>Occupational Permits</td> <td>19,000</td> <td>Not provided</td> <td>19,000</td> </tr> </tbody> </table> | Revenue Stream | Balance as per Financial Statements(Kshs) | Balance in the BARMS System(Kshs) | Variance (Kshs) | 1. Public Health Service Fees | | | | Inspection of Buildings/Premises/Institutions | 1,927,842 | 1,912,150 | 15,692.00 | Public Health Permit | 3,612,790 | Not provided | 3,612,790 | 2. Physical Planning and Development | | | | Building Plans Approval | 11,464,386 | 10,656,663 | 807,723 | Occupational Permits | 19,000 | Not provided | 19,000 | <p>The total collection reported in BARMS for the FY 2021/22 was Ksh. 352,548,030. The amount of own source revenue reported in the Financial Statements was Ksh. 351,772,175. The difference between BARMS and FS was Ksh. 775,855. This amount was held in cash at the close of the Financial Year. Financial statements were based on revenue received in the bank. The amounts held in cash was as follows:</p> <table border="1"> <thead> <tr> <th>Bank/Account</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Mpesa</td> <td>169,565</td> </tr> <tr> <td>Kenya Commercial Bank</td> <td>380,981</td> </tr> <tr> <td>Equity Bank (K) Limited</td> <td>108,360</td> </tr> <tr> <td>National Bank of Kenya</td> <td>7150</td> </tr> <tr> <td>TOTAL</td> <td>666,056</td> </tr> </tbody> </table> | Bank/Account | Amount | Mpesa | 169,565 | Kenya Commercial Bank | 380,981 | Equity Bank (K) Limited | 108,360 | National Bank of Kenya | 7150 | TOTAL | 666,056 | | Resolved |
| Revenue Stream | Balance as per Financial Statements(Kshs) | Balance in the BARMS System(Kshs) | Variance (Kshs) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. Public Health Service Fees | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Inspection of Buildings/Premises/Institutions | 1,927,842 | 1,912,150 | 15,692.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public Health Permit | 3,612,790 | Not provided | 3,612,790 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. Physical Planning and Development | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building Plans Approval | 11,464,386 | 10,656,663 | 807,723 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Occupational Permits | 19,000 | Not provided | 19,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bank/Account | Amount | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mpesa | 169,565 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Kenya Commercial Bank | 380,981 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equity Bank (K) Limited | 108,360 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| National Bank of Kenya | 7150 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | 666,056 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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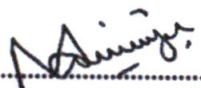
| Ref. No. | Issue / Observations from Auditor | Management comments | | Status: | Timeframe: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---------------------|---|--------------|--------------------|--------------------------------------|--|--|--|----------------------|------------|--------------|------------|-----------------|--------|--------|--------|---------------|--------|--------|--------|---|--|--|--|----------------------|---------|--------------|---------|---------------|------------|--------------|------------|-----------------|-----------|-----------|---------|--|--|--|
| | <table border="1"> <tr> <td>Physical Planning</td> <td>4,825</td> <td>Not provided</td> <td>4,825</td> </tr> <tr> <td colspan="4">3. Conservancy Administration</td> </tr> <tr> <td>Refuse Disposal Fees</td> <td>11,749,805</td> <td>Not provided</td> <td>11,749,805</td> </tr> <tr> <td>Public Cemetery</td> <td>63,000</td> <td>39,000</td> <td>24,000</td> </tr> <tr> <td>Noise Control</td> <td>39,600</td> <td>17,600</td> <td>22,000</td> </tr> <tr> <td colspan="4">4. Administration Control Fees and Charges</td> </tr> <tr> <td>Weights and Measures</td> <td>288,040</td> <td>Not provided</td> <td>288,040</td> </tr> <tr> <td>Fire Services</td> <td>19,375,490</td> <td>Not provided</td> <td>19,375,490</td> </tr> <tr> <td>Liquor Licenses</td> <td>5,937,000</td> <td>5,945,000</td> <td>(8,000)</td> </tr> </table> <p>Further, the BARMS system's revenue reports on occupational permits, physical planning, refuse disposal fees, weights and measures and fire services revenue sources but the reports were not provided for review. In the circumstances, the accuracy and completeness of the County own source revenue amounts totalling Kshs.54, 481,778 could not be confirmed.</p> | Physical Planning | 4,825 | Not provided | 4,825 | 3. Conservancy Administration | | | | Refuse Disposal Fees | 11,749,805 | Not provided | 11,749,805 | Public Cemetery | 63,000 | 39,000 | 24,000 | Noise Control | 39,600 | 17,600 | 22,000 | 4. Administration Control Fees and Charges | | | | Weights and Measures | 288,040 | Not provided | 288,040 | Fire Services | 19,375,490 | Not provided | 19,375,490 | Liquor Licenses | 5,937,000 | 5,945,000 | (8,000) | | | |
| Physical Planning | 4,825 | Not provided | 4,825 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. Conservancy Administration | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Refuse Disposal Fees | 11,749,805 | Not provided | 11,749,805 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public Cemetery | 63,000 | 39,000 | 24,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Noise Control | 39,600 | 17,600 | 22,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. Administration Control Fees and Charges | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Weights and Measures | 288,040 | Not provided | 288,040 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fire Services | 19,375,490 | Not provided | 19,375,490 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Liquor Licenses | 5,937,000 | 5,945,000 | (8,000) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | <p>Unsupported Own Source Revenue Balances The statement of receipts and disbursements reflects an amount of Kshs.1,105,347,052 in respect of total County own source revenue for the year ended 30 June, 2022 which, as disclosed in Notes 1-15 to the statement of receipts and disbursements, relates to fifteen (15) revenue streams. However, the revenue balance was not supported with documents including ledgers and summary of banking details. In the circumstances, the accuracy and completeness of the County own source revenue amount of Kshs.1,105,347,052 could not be confirmed.</p> | | <p>The ledgers and a full disclosure report of County Own Source Revenue amounts of Kshs.1,105,347,052 will be provided.</p> | | Partially Resolved | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other Matters | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | <p>budgetary Control and Performance Statement of comparison of budget and actual amounts reflects a receipts budget and actual on comparable basis amounts of Kshs.1,488,336,493 and Kshs.1,158,647,039 respectively, resulting to under-collection of Kshs.329,689,454 or 22% of the budget. The under-collection of revenue affected the planned activities and may have impacted negatively on service delivery to the public.</p> | | <p>The county collects most of its revenue from structured streams. The peak season for structured streams is between January and June. However, this was affected by electioneering activities. The County Government has made deliberate strategic decisions including devolving revenue collection to the wards. This will be supported with clear baseline data to increase the tax base and enhance own source revenue.</p> <p>In the FY 2022/23, the economy was recovering from the covid 2019 pandemic. Night curfews restricted public gathering and</p> | | Partially Resolved | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

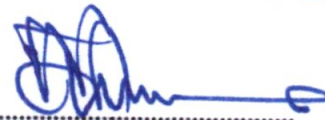
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| Ref. No. | Issue / Observations from Auditor | Management comments | Status: | Timeframe: |
|--|--|--|---------|--------------------|
| | | closure of hospitality and social points significantly affected business operations. | | |
| REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES | | | | |
| 5 | <p>Non-Remittance of Collected Revenue to County Revenue Fund The statement of receipts and disbursements reflects an amount of Kshs.1,105,347,052 in respect to County own generated receipts as disclosed in Notes 1-15 to the revenue statement. However, review of the collection bank accounts and the M-pesa statements revealed that Kshs.255,557,499 was collected during the year but not transferred to the County Revenue Fund Account as required by Regulation 81(2) of the Public Finance Management (County Governments) Regulations, 2015. In the circumstances, Management was in breach of the law.</p> | <p>As at closure of the Financial Year Ending 30th June 2022, own source revenue not transferred to CRF was ksh 496,492. The County Government issued written instructions to the banks operating collection accounts to sweep to the County Revenue Fund by 30th June, 2022.</p> <p>The county will take the necessary administrative decisions to collecting banks when such instances happen in future.</p> | | Resolved |
| 6 | <p>Revenue Spent at Source The statement of receipts and disbursement reflects County own source revenue totalling to Kshs.1,105,347,052. Included in this amount is hospital fees collected totalling to Kshs.728,618,782. However, the entire amount was utilized at source contrary to Regulation 63(4) of the Public Finance Management (County Governments) Regulations, 2015. In the circumstances, Management was in breach of the law.</p> | <p>The County Government enacted Health Services Act 2019. The act allows county health facilities to operate with their own funds. Attached is a copy of the Act. Further to the above, facilities have been directed to bank all their collections in a special purpose account at the Central Bank of Kenya. Attached is a letter from the CEC Finance to the Department of Health and Sanitation</p> | | Resolved |
| 7 | <p>Out-Dated Valuation Roll Management has not updated the County's valuation roll since 2005 to determine the amount to be paid as rates to the County Government. Further, the absence of an integrated database between the County and National Governments makes it difficult for sharing of information, which compromises enforcement. This is contrary to Section 3 of Valuation for Rating Act, Cap 266, 1984 (Revised 2012) which states that every local authority shall from time to time, but at least once in every ten years or such longer period as the Minister may approve, cause a valuation to be made of every ratable property within the area of the local authority in respect of which a rate on the value of land is, or is to be imposed, and the values to be entered in a valuation roll. In the circumstances, Management was in breach of the law.</p> | <p>The County has a draft Valuation Roll for Bungoma and Webuye Municipalities. The drafts have been submitted to the County Assembly for further legislative process. Attached is a forwarding letter of the draft valuation roll to the County Assembly. Soft copy is available for review by audit.</p> | | Partially Resolved |
| 8 | <p>Balance Due for Disbursement The statements of receipts and disbursements reflects a balance due for disbursement amount of Kshs.150,190,650. However, this is net of an amount of Kshs.825,869,214 incurred by facilities, contrary to Regulation 63 of the Public Finance Management (County Governments) Regulations,</p> | <p>The County has Health Services Act that authorizes Health Facilities to operate with their own funds. Attached is a copy of the Act. Further to the above, facilities have been</p> | | Resolved |

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County Government Of Bungoma
Revenue Statements for the Period Ended 30th June 2024**

| Ref. No. | Issue / Observations from Auditor | Management comments | Status: | Timeframe: |
|----------|---|---|---------|------------|
| | 2015 Paragraph (4) which states that all public moneys collected by a Receiver of Revenue or collector of revenue or collected and retained by a County Government entity, shall be paid into the designated bank accounts of the County Government and shall not be used by any public officer in any manner between the time of their receipts and payment into the bank except as provided by law. In the circumstances, Management was in breach of the law. | directed to bank all their collections in a special purpose account at the Central Bank of Kenya. Attached is a letter from the CEC Finance and Economic Planning to the Department of Health and Sanitation | | |


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Robert Simiyu
County Receiver of Revenue


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Moses Walekhwa
Head of Revenue Reporting