

REPUBLIC OF KENYA



116

PARLIAMENT OF KENYA LIBRARY REPORT

OF

THE AUDITOR-GENERAL

ON

RECEIVER OF REVENUE –
REVENUE STATEMENTS

PAPERS LAID	
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FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF KISUMU

211

Revised 30th June 2025



RECEIVER OF REVENUE
(County Government of Kisumu)

**AMENDED
REVENUE STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

**Transitional IPSAS Statements/Prepared in accordance with Accrual Basis of Accounting
Method under the International Public Sector Accounting Standards (IPSAS)**

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*Receiver Of Revenue
County Government Of Kisumu
Revenue Statements for the Period Ended 30th June 2025*

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1. Acronyms and Definition of Key Terms

a) Acronyms

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

b) Key terms

Comparative FY Comparative Prior Financial Year

Fiduciary Management The key management personnel who had financial responsibility.

(Entity to insert all the relevant acronyms and key terms used in the annual report and financial statements)

2. Key Entity Information and Management

[Customise the details in this section to suit your entity]

(a) Background information

The *receiver of revenue* is under the Department of Finance. At the County Executive Committee level, the *receiver of revenue* is represented by the County Executive committee member for Finance, who is responsible for the general policy and strategic direction of the *receiver of revenue*. The *receiver of revenue* is designated as a receiver on xxx by the County Executive Committee member for Finance, in accordance with section 157 of the PFM Act.

(b) Principal activities

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

(c) Key Management Team

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

- County Executive Committee Member for Finance -
- Chief Officer, Finance ...
- Chief Officers, in charge of departments collecting revenue ...
- Director, Revenue...
- Head of Revenue Reporting...

No.	Designation	Name
1.	CEC member –Finance	GEORGE OMONDI OKONG'O
2.	Chief Officer Finance	MARTIN OKODE
3.	Ag: Chief Officer – Revenue Board	PHILIP ADUNDO
4.	Director Revenue(Receiver of Revenue)	CPA NANDI DAVID
5.	Head of Revenue Reporting	GEORGE OCHIENG OGELLO

Key Entity information and Management (continued)

(d) County Headquarters

P.O. Box 2738 40100
 Prosperity Building
 Kisumu - KENYA

(e) Entity Contacts

E-mail: treasury@kisumu.go.ke
Website: www.kisumu.go.ke

(f) Independent Auditor

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

(g) Bankers (include all collection banks)

Kenya Commercial Bank
Box 17-40100
Kisumu Kenya

Cooperative Bank of Kenya
Box 1511-40100
Kisumu – Kenya

Central Bank of Kenya
P.O. Box 4-40100
Kisumu - Kenya

(h) Principal Legal Adviser

1. The Attorney General State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya
2. County Attorney
P.O. Box 2738
Kisumu County

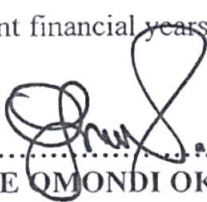
3. Foreword By the CECM Finance and Economic Planning

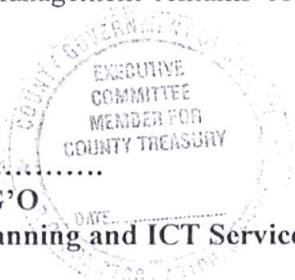
The financial period reported herein was guided by the approved annual budget estimates of Own Source Revenue of **KES 3,804,073,100** which was informed by improved revenue collection infrastructure e.g. new revenue collection system (Integrated Revenue Management System), adequate staffing, and organized markets among others.

In addition, out of the projected revenue of **KES 3,804,073,100**, KCRB managed to collect **KES 2,769 462,361** which is composed of: Structured Streams **KES 556,771,756** unstructured Streams of **KES 249,011,117** FIF **KES 1,942,066,436** held in Health Facilities bank accounts and Liquor collections of **KES 21,613,051** as at 30th, June 2025.

Because of the tough economic times prevailing in the country, most businesses experienced low turnover in their operations. This affected cash flows hence fees and charges collected during the period were on downward trend. Also, the litigation on Valuation Roll negatively affected collection of Land rates fees. It is because of these factors that KCRB did not meet its revenue collection target of **KES 3,804,073,100**.

Despite all these challenges, Management remains committed to realizing their revenue collection targets in subsequent financial years.


.....
GEORGE OMONDI OKONG'O
CECM Finance, Economic Planning and ICT Services



4. Management Discussion and Analysis

The entity's operational and financial performance

During the Financial Year 2024-2025, KCRB projected to collect **KES 3,804,073,100** as part of the Kisumu County Resource envelope, which requires that besides equitable share, and grants, all Counties, Kisumu County included must raise local revenue.

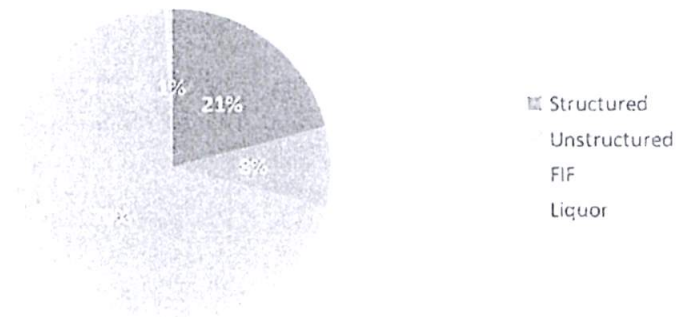
Further, to realize the **KES 3,804,073,100**, Management disintegrated the Budgeted revenue to include; Main revenue sources at **KES 2,628,686,154**, Revenue from departments at **KES 243,264,946**. Included in this budget is Facility Improvement Fund (FIF) of **KES 932,122,000** is not swiped to CRF as it is maintained by Health facilities for their routine activities. The budgeted figure also includes an element of collections from Liquor of **KES 40,000,000**, which is collected and used at source by the Liquor Directorate.

During the Financial Year, the management earned **KES 2,769,462,361**, which is composed of Main revenue streams ... Structured **KES 556,771,756** Unstructured **KES 249,011,117** FIF ... **KES 1,942,066,436** and Liquor **KES 21,613,051**

S.No	Revenue Category	Amount
1	STRUCTURED	556,771,757
2	UNSTRUCTURED	249,011,117
3	FIF	1,942,066,436
4	LIQUOR	21,613,051
	Total OSR	2,769,462,361

Table 1: Total OSR for Financial Year 2024-2025

Chart of Total OSR for Financial Year 2024-2025



Sign.....
 Name. CPA. NINDI DAVID
 County Receiver of Revenue

5. Statement of the 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, 2025. 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 Accrual Basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and the relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the *Kisumu County's receiver of revenue* account gives a true and fair view of the state of the *Kisumu County's receiver of revenue* transactions during the financial year ended June 30, 2025, and of the *Kisumu County's* statement of assets and liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the *Receiver of Revenue account* as well as the adequacy of the systems of internal financial control.

The Receiver of Revenue confirms that the *Kisumu 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 *revenue* statements were approved and signed by the Receiver of Revenue on 24. of 9. 2025


.....
Name.. NAMSII DAVID
County Receiver of Revenue

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON RECEIVER OF REVENUE-REVENUE STATEMENT FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF KISUMU

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the 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 transitional IPSAS revenue statements of Receiver of Revenue-County Government of Kisumu set out on pages 1 to 27, which comprise

of the statement of financial position as at 30 June, 2025 and the statement of revenue and disbursements, statement of cash flows, 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 transitional IPSAS revenue statements present fairly, in all material respects, the financial position of Receiver of Revenue - County Government of Kisumu at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the County Governments Act, 2012, the Public Finance Management Act 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Non-Compliance with Transitional IPSAS Reporting Template

The cover page to the annual report and financial statements indicates "Transitional IPSAS financial statements/ Prepared in accordance with accrual basis of accounting method under international public sector accounting standards (IPSAS). This is indicative of Management failure to choose the method adopted to prepare the financial statements. Further, under Note 2 to Financial Statements on Statement of Compliance and Basis of Preparation of the financial statements, Management having taken advantage of the transitional provisions under IPSAS 33 have not indicated the elements of the financial statements that have not been recognized and the steps being taken towards full compliance with IPSAS Accrual.

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS reporting framework.

2. Property Rent

The statement of revenue and disbursements reflect an amount of Kshs.6,183,882 in respect of property rent as disclosed in Note 17 to the revenue statements. However, review of available records revealed the following unsatisfactory matters:

2.1. Stalls/kiosks and Plot Rent

Note 17 to the revenue statements reflect revenue from rent of county kiosks and stalls amount of Kshs.14,100. Details of stalls owned by the County Government and tenancy agreements were not provided for audit review and verification. The revenue collected from stalls appears to be very low given that in Kisumu town center, there are quite a number of markets like Chichwa, Maendeleo, Uhuru and others in the sub-counties which have stalls for lease.

In addition, Kisumu County government reported plot rent of Kshs.1,239,944. However, the plots register and details of plots that generated plot rent were not provided for audit review.

2.2. Under Collection of Revenue from Rent / Lease of County Houses

Note 17 to the financial statement reflects revenue from rent of County houses amount of Kshs.4,929,838. Review of the records revealed that the County owned several houses in different locations within the County. The reported revenue from County houses of Kshs.4,929,823 is far much below the expected revenue of Kshs.23,421,600 as detailed in Kisumu County Finance Act, 2024. In addition, it was noted that the houses were fully occupied in the year under review.

2.3. Un-explained Property Rent Under Collection.

Revenue from property rent declined by Kshs.14,263,589 from an amount of Kshs.20,447,471 reported in the prior year 2023-2024 to current year's Kshs.6,183,882 representing Seventy percent (70%) decrease in revenue whose cause was not explained.

In the circumstances, the accuracy and completeness of property rent amount of Kshs.6,183,882 could not be confirmed.

3. Receivables from Exchange Transactions

The statement of financial position reflects Kshs.282,394,873 in respect of receivables from exchange transactions as disclosed in Note 33 to the financial statement. However, Management did not provide supporting documents including invoices raised, detailed ledger and ageing analysis report of balances.

In the circumstances, the accuracy, completeness and recoverability of receivable from exchange transaction of Kshs.282,394,873 could not be confirmed

4. Understatement of Other Fines, Penalties and Forfeiture Fees

The statement of revenue and disbursements and as disclosed in Note 11 reflects an amount of Kshs.225,722. However, review of revenue collection records revealed that an amount of Kshs.421,720 as having been collected during the year under review resulting in an understatement of revenue by Kshs.195,998. The understatement may have been attributed to failure to record all collections, delays in banking, and weak reconciliation controls between revenue registers and the general ledger resulting to loss of revenue.

In the circumstances, the revenue from other fines, penalties and forfeiture fees is under stated.

5. Overstatement of Administration Control Fees and Charges

The statement of revenue and disbursements and as disclosed in Note 10 reflects administration control fees and charges amounting to Kshs.28,841,721. Included in this amount is liquor licenses fees of Kshs.21,613,051, which differs from the amount

recorded in the Kisumu County Alcoholic Drinks Control Fund annual report and financial statements for the year of Kshs.21,477,948 reported as revenue resulting to a variance of Kshs.135,103.

In the circumstances, the accuracy and completeness of administration control fees the amount of Kshs.28,841,721 could not be confirmed.

6. Unsupported Revenue-Physical Planning and Development

The statement of revenue and disbursements revenue from physical planning and development of Kshs.32,640,000 as disclosed in Note13 to the financial statement. However, review of records from building plan approvals transactions revealed that revenue amounting to Kshs.1,805,700 could not be confirmed because management failed to provide key supporting documentation, including copies of approved building plans (both architectural and structural drawings), official receipts, permits, and minutes of the technical committee approving the building plans.

In the circumstances, the completeness and accuracy of the revenue relating to physical planning and development of Kshs.32,640,000 could not be confirmed.

7. Variances in Amounts Reported by Receiver of Revenue and Individual Hospitals

The statement of revenue and disbursements reflects an amount of Kshs.1,942,066,436 in respect to revenue from twenty three (23) hospitals spread out in the County. However, revenue returns from hospitals revealed an amount of Kshs.1,615,547,957 resulting in a variance of Kshs.326,518,479. This could be indicative of the hospitals under declaring on the amounts collected in their respective Facility Improvement Fund.

In the circumstances, the accuracy and completeness of revenue amount from hospitals of Kshs.1,942,066,436 could not be confirmed.

8. Variances in Revenue Collection

Review of revenue collection (own source revenue) for the County revealed that invoices from Integrated Revenue Management System (IRMIS) shows significant variances between unpaid and paid invoices across revenue streams. The analysis showed that total unpaid invoices amounted to Kshs.15,117,076,658 and paid invoices amounted to Kshs.631,407,013 or (5%), representing variance of Kshs.(14,485,669,645) or 95% of would-be own source revenue. Major arrears of unpaid invoices included;

- (i) Markets - (Kshs.7.675 billion),
- (ii) Land Rates- (Kshs.5.102 billion),
- (iii) Stock Ring -(Kshs.2.055 billion) and
- (iv) Clamping, -(Kshs.117.55 million)

It was further observed that cess income dropped from Kshs.51,280,480 to Kshs.27,361,215, a drop of Kshs.23,919,265. This was a decline of 47%. No reason

was given for such decrease. Other streams of revenue that dropped sharply include Market fees, from Kshs.60,670,888 to Kshs.56,411,988, advertising from Kshs.170,957,831 to Kshs.146,191,570 or a drop of Kshs.24,766,261. Miscellaneous revenue also dropped from a high of Kshs.23,666,396 in the previous year, to Kshs.132,350. No reason was provided for the significant drop in revenue.

The disparities raise concerns over completeness, accuracy, and collectability of billed revenue, as well as weaknesses in enforcement and overall revenue management controls.

In the circumstances, the effectiveness of controls over the integrated system could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Receiver of Revenue - County Government of Kisumu 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

Budget Control and Performance

The statement of comparison of budget and actual amounts reflects total County own source revenue budget and actual amounts on comparable basis of Kshs.3,804,073,100 and Kshs.2,769,462,360 respectively resulting to under collection of Kshs.1,034,610,747 or 27% of the budget.

In the circumstances, the shortfall in collection of County own source revenue affected implementation of planned activities and programs and may have impacted negatively on service delivery to the residents of Kisumu County.

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 effect of 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 prior year's audit report, several issues were raised under the Report on Revenue statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and

Governance, respectively. Review of the status during audit of the Receiver of Revenue - County Government of Siaya in 2024/2025 revealed that the following ten (10) issues remained unresolved as at 30 June, 2025.

S/ No	Financial Year	Matter
1.	2023/2024	Inaccuracies in the revenue statements
2.	2023/2024	Unsupported other receipts not collected through the County Revenue Fund (CRF)
3.	2023/2024	Weaknesses in Cash Management
4.	2023/2024	Unsupported own source of revenue
5.	2023/2024	Unbanked own source revenue
6.	2023/2024	Failure to automate liquor revenue collection
7.	2023/2024	Unsupported Revenue Arrears
8.	2023/2024	Long outstanding arrears of revenue
9.	2023/2024	Failure to disburse collected revenue
10.	2023/2024	Budgetary control and performance

Other Information

The Management is responsible for the Other Information set out on page ii to vii which comprise of Key Entity Information and Management, Foreword by the CECM Finance and Economic Planning, Management Discussion and Analysis and the Statement of Receiver of Revenue Responsibilities. The Other Information does not include the revenue statements and my audit report thereon.

In connection with my audit on the Receiver of Revenue -County Government of Kisumu my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the revenue statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the revenue statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

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. Non-Collection of Late payment Penalties on Single Business Permits

The statement of revenue and disbursements includes single business permits totalling Kshs.238,540,672 as disclosed in Note 8 to the revenue statements . Analysis of the single business permit revenue indicates 68% of the revenue translating Kshs.162,989,544 was collected between January, 2025 to June, 2025. The revenue collected after 31st March, 2025 should have attracted 5% penalty for late payment which translates to Kshs.3,777,556. However, Management reported a nil balance in respect of penalties. This implies, the County did not enforce penalty for late payment of trade licence. This is contrary to Sec 234 of Kisumu County Finance Act, 2024 under schedule for trade license fees that requires 5% charges for penalty for late payment of trade licence after 31st March.

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

2. Failure to Issue Official Permits for Approved Building Plans

During the year under review, the County did not issue official permits for approved building plans. This is contrary to Sec 62 of the Physical and Land Use Planning Act 2022, that requires the County Executive Committee member to maintain a register of development permission and shall enter the details of each applicant for development permission, whether or not development permission was granted to that applicant and the details of the proposed project for which development permission has been applied for. Further, management indicated that the revenue system in use had not been configured to generate permits for approved building plans, even where the requisite fees had been fully paid. It is expected that official permits issued to successful applicants may be used by enforcement unit during site visit to confirm that all buildings constructed in the County have the proper approvals.

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

3. Outdated Valuation Roll

A valuation roll is a legally mandated register of rateable properties within the county, detailing ownership, location, tenure, acreage, and assigned value. The Management of Receiver of Revenue County Government of Kisumu does not maintain an approved and updated valuation roll contrary to the provisions of the Valuation for Rating Act (Cap. 266) and the National Rating Act, 2024, which require counties to update valuation rolls at least every five years. Failure to have an up dated and approved valuation roll translates to loss of revenue since the county cannot accurately assess property rates, leading to significant unrealized revenue potential undermining fairness and transparency in revenue collection.

In the circumstances, the following risks may be realised;

- i. The outdated valuation roll may not reflect current market values, leading to undervaluation of properties and significant loss of potential revenue from property rates.

- ii. Property owners are taxed based on obsolete values, resulting in unfair and inconsistent tax burdens across similar properties.
- iii. The failure to update the valuation roll violates statutory obligations, exposing the county to legal and regulatory sanctions.

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

4. Non-Automation of Public Health Service Fees Revenue

The statement of revenue and disbursements reflects public health service fees of Kshs.9,417,385 as disclosed in Note 12 to the revenue statements . The information provided indicated that the Management has not automated Public Health Services Fees Revenue Stream. They rely on manual method which is prone to abuse and may have contributed to the shortfall in revenue collection. Further, manual collection of revenue using miscellaneous receipts posed a risk of revenue leakages and misstatements in financial reporting. Failure to automate the revenue collection was contrary to Regulation 22(1)(a&b) of the Public Finance Management (County Governments) Regulations, 2015 which provides that an Accounting Officers shall, in accordance with Article 226(2) of the Constitution and section 149(1) of the Act, be accountable to the County Assembly for responsibilities of Accounting Officers for ensuring the most effective means of achieving desired program outcomes are used and for maintaining effective systems of internal control and the measures taken to ensure that they are effective.

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

5. Failure to Appoint County Receiver of Revenue

The Kisumu County Government does not have a duly appointed Receiver of Revenue. This is in breach of Section 157(1) of the Public Finance Management Act, 2012 which states that, the County Executive Committee member for finance shall in writing designate persons to be responsible for collecting, receiving and accounting for such county government revenue as the County Executive Committee member for finance may specify in their letters of designation. The current holder of the office is on an acting capacity and is therefore not substantially appointed.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for

Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Weaknesses in the Management of Advertisements

The statement of revenue and disbursements and as disclosed in Note 18 to the revenue statements reflects revenue from advertisements of Kshs.146,191,570. Review of various documents including the ledgers, system reports and reports from the department revealed the below anomalies;

Decline in the collected revenue from last year: In the prior year, a total amount of Kshs.170,957,830 was reported as receipts from advertisements while in the current year under review a total amount of Kshs.146,191,570 was reported for the same component, translating to a decline in the amounts by Kshs.25,533,067 (15%). No explanation was provided on the drop in the revenue collected amount.

The receiver of revenue collected revenue from various components including; branding, billboards, advertising, signages, roadshows, banners, posters, handbills/fliers and street pole/clock advertising. In the revenue statements it was however noted that the advertisements revenue was lumped together and as such it is not possible to confirm the performance of the individual sub components under advertisements. The reporting on revenue was not in conformity with the template that was issued by public sector accounting standards board. Further, it was noted that for advertisements, the County does not issue licenses or permits to customers once they make payment.

It was noted that some customers continue to engage in outdoor advertising without paying the relevant fees/charges. Review of a report of non-compliant customers shows that some customers have failed to pay for the services for several months totalling to Kshs.5,737,397 yet they are still benefiting from the service.

In the circumstances, the effectiveness of internal controls over revenues collection and banking could not be confirmed.

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 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 (Accrual 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 continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

Those charged with governance are responsible for overseeing the Kisumu County Receiver of Revenue 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 revenue 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 revenue 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 IFPP 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 revenue 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 consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gatirunga, CBS
AUDITOR-GENERAL

Nairobi

17 December, 2025

*Receiver Of Revenue
County Government Of xx
Revenue Statements for the Period Ended 30th June 20xx*

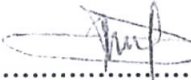
7. Statement of Revenue and Disbursements for the year ended 30th June 2025


	Note	30 TH JUNE 2025
		Kshs
Revenue from non-exchange transactions		
Cess	6	27,361,215
Land Rates	7	133,215,633
Single/Business Permits	8	238,540,672
Conservancy Administration	9	34,652,735
Administration Control Fees and Charges	10	28,841,721
Other Fines, Penalties, And Forfeiture Fees	11	225,722
Public Health Service Fees	12	9,417,385
Physical Planning and Development	13	32,640,000
Donations/Grants Not Received Through CRF	14	0
Total Revenue from non-exchange transactions		504,895,082
Revenue from exchange transactions		
Parking Fees	15	113,548,551
Market Fees	16	56,411,988
Property Rent	17	6,183,882
Advertising	18	146,191,570
Hospital Fees	19	1,932,649,051
Hire of County Assets	20	5,398,536
Sale of assets	21	0
Park Fees	22	4,051,350.00
Miscellaneous receipts	23	132,350.00
Total Revenue from exchange transactions		2,264,567,278
Total Revenues (a)		2,769,462,361
Disbursements		
Disbursements To CRF	24	(777,043,332)
Disbursements to another County Fund,(FIF 1,942,066,436- & LIQUOR-21,613,051)	25	(1,963,679,487)
Bank charges	26	(218,745)
Waivers and exemptions	27	(0.00)
Bad debts written off	28	(0.00)
Provision for bad debts	29	(0.00)

*Receiver Of Revenue
County Government Of Kisumu
Revenue Statements for the Period Ended 30th June 2025*

Total Disbursements and other charges (b)		(2,740,941,564)
Other gains/(losses)		
Gain/Loss on foreign exchange transactions	30	0.00
Increase/Decrease in Dues to County Revenue Fund		28,520,797

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on _____ 2025 and signed by:

.....

Name **NANDI DAVID**
County Receiver of Revenue
(Ref: PFM ACT section 165, 2(a))

.....

Name **GEORGE OGELLO**
Head of Revenue Reporting
ICPAK M/No **ASSR/A983**

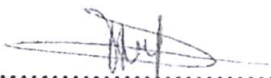
(Paragraph 79 of IPSAS 33 allows for the election by an entity to present one statement of financial performance, one statement of cash flow, one statement of net assets, and the statement of financial position and an opening statement of financial position at the time of adoption of the accrual basis of accounting. In preparing this financial reporting template, this election has been made, therefore, there are no comparatives in the first year of transition.)


Receiver Of Revenue
 County Government Of Kisumu
 Revenue Statements for the Period Ended 30th June 2025

8. Statement of Financial Position as at 30th June 2025

	Note	Period as at 30 th June 2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Current Assets			
Cash and Cash Equivalents	31	5,558,261.98	2,467,429.97
Receivables from non-Exchange transactions	32	22,962,535.06	0.00
Receivables from Exchange transactions	33	282,394,873.00	0.00
Total Current Assets		310,915,670.04	2,467,429.97
Total Assets		310,915,670.04	2,467,429.97
Financial Liabilities			
Payables-Due to CRF	34	310,915,670.04	2,467,429.97
Revenue Received in Advance	35	0.00	0.00
Total Financial Liabilities		310,915,670.04	2,467,429.97

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 24/9 2025 and signed by:


 Name NANDI ISMAIL
 County Receiver of Revenue


 Name GEORGE OGELLO
 Head of Revenue Reporting
 ICPAK M/No ASR02/14983

*Receiver Of Revenue
County Government Of Kisumu
Revenue Statements for the Period Ended 30th June 2025*

9. Statement of Cash Flows for the Year Ended 2025

	Note	As at 30 th June 2025
		Kshs
Operating Activities		
Receipts		
Cess		27,361,215
Land Rate		131,323,983
Single/Business Permits		238,540,672
Conservancy Administration		11,690,200
Administration Control Fees and Charges		28,841,721
Other Fines, Penalties, And Forfeiture Fees		225,722
Public Health Service Fees		9,417,385
Physical Planning and Development		32,639,999
Donations/Grants Not Received Through CRF		0
Parking Fees		113,548,551
Market Fees		56,411,988
Property Rent		6,183,882
Advertising		145,589,539
Hospital Fees		1,650,254,178
Hire of County Assets		5,398,536
Sale of assets		0
Park Fees		4,051,350
Miscellaneous receipts		132,350
Total Receipts		2,461,637,523
Payments		
Disbursements To CRF		(777,043,332)
Bank charges		(218,745)
Disbursement to another County Fund,(FIF 1,659,671,563- & LIQUOR- 21,613,051)		(1,681,284,614)
Total Payments		(2,458,546,691)
Net Cash from operating Activities		3,090,832
Cash and Cash Equivalent as at 1 st July 2024	31	2,467,430
Cash and Cash Equivalent as at 30th June 2025	31	5,558,262

Receiver Of Revenue
 County Government Of Kisumu
 Revenue Statements for the Period Ended 30th June 2025

10. Statement of Comparison of Budget vs Actual Amounts for Year Ended 30th June 2025

Receipts	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% of Realization
	A	B	C=A+B	D	E=C-D	F=D/C %
County Own Source Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Cess	27,139,013	0	27,139,013	27,361,214	-222,201	101%
Land Rate	581,000,000	0	581,000,000	133,215,633	447,784,367	23%
Single/Business Permits	564,951,097	0	564,951,097	238,540,672	326,410,425	42%
Parking Fees	612,751,150	0	612,751,150	113,548,551	499,202,599	19%
Market Fees	355,000,000	0	355,000,000	56,411,988	298,588,012	16%
Property Rent	63,844,894	0	63,844,894	6,183,882	57,661,012	10%
Advertising	400,000,000	0	400,000,000	146,191,570	253,808,429	37%
Hospital Fees	926,122,000	0	926,122,000	1,932,649,051	-1,006,527,051	209%
Public Health Service Fees	6,000,000	0	6,000,000	9,417,385	-3,417,385	157%
Physical Planning and Development	163,944,340	0	163,944,340	32,639,999	131,304,340	20%
Hire of County Assets	8,720,600	0	8,720,600	5,398,536	3,322,064	62%
Conservancy Administration	2,500,000	0	2,500,000	34,652,721	32,152,721	1386%
Administration Control Fees and Charges	40,000,000	0	40,000,000	28,841,721	11,158,279	72%
Proceeds from sale of assets	0	0	0	0	0	0
Park Fees	2,000,000	0	2,000,000	4,051,350	-2,051,350	203%
Other Fines, Penalties, and Forfeiture Fees	20,000,000	0	20,000,000	225,722	19,774,278	1%
Miscellaneous Receipts	30,100,000	0	30,100,000	132,350	29,967,650	0%
Total County Own Source Revenue	3,804,073,100	0	3,804,073,100	2,769,462,360	1,034,610,747	73%
Other Receipts						
Donations /Grants Not Received Through CRF	0	0	0	0	0	0

Receiver Of Revenue
County Government Of Kisumu
Revenue Statements for the Period Ended 30th June 2025

Receipts	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% of Realization
	A	B	C=A+B	D	E=C-D	F=D/C %
Total Other Receipts	0	0	0	0	0	0
Total Receipts	0	0	0	0	0	0

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

- (a) Land rates under realisation is due to lack of updated valuation roll and uncleaned tax register of parcel owners.
- (b) SBP- under realisation is due to enforcement challenges, lack of updated tax register and proper mapping.
- (c) Parking fees under realisation could be due to unrealistic target and lack of sufficient enforcement.
- (d) Market fees is due to unrealistic target setting and enforcement challenges
- (e) Property rent due to long standing tenancy agreement disputes and non-compliance.
- (f) Advertisements declined due to non-compliance by the taxpayers
- (g) Hospital fees and public health improved due to FIF act and increase in service delivery in the facilities
- (h) Physical planning and development declined due to cartels of inspectorate's officer not properly enforcing compliance.
- (i) Conservancy administration improved due to enhance push for water sewer line to pay their bills in time

(Explain whether the changes between the original and final are as a result of reallocations within the budget or other causes as per IPSAS 24. A reconciliation should be presented where the actual on comparable basis does not tie with the underlying primary financial statements.)

The County Receiver of Revenue's financial statements were approved on _____ 2025 and signed by:

.....
Name **WAND DAVID**
County Receiver of Revenue

.....
Name **George OGBEHO**
Head of Revenue Reporting
ICPAK M/No **ASRZ 14983**

11. Notes to the Financial Statements

1. General Information

Kisumu County Receiver of Revenue was appointed by the CEC member of Finance of xxx County Government in accordance with section 157 of the PFM Act. The Entity's principal activity is xxx as outlined in the appointment letter and section 157 of the PFM Act.

2. 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) Accrual Basis of Accounting and relevant legal framework of the County Government *Kisumu*. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/year financial statements are transitional financial statements and the following elements of the financial statements have not been recognized as the entity has taken advantage of the transition provisions outlined in IPSAS 33. (entity to state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual).

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

The Financial statements were authorized for issue by the Accounting Officer on 11th July 2025

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 2024, it is applicable in Kenya from 1st July 2024)

i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

There were no new and amended standards issued in the financial year.

ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 45-Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has</p>

Receiver Of Revenue
County Government Of Kisumu
Revenue Statements for the Period Ended 30th June 2025

Standard	Effective date and impact:
	<p>clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 50:</p>	<p><i>Applicable 1st January 2027</i></p>

*Receiver Of Revenue
County Government Of Kisumu
Revenue Statements for the Period Ended 30th June 2025*

Standard	Effective date and impact:
Exploration For & Evaluation of Mineral Resources	<p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii) Early adoption of standards

The Entity did not early-adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on the entity's financial statements.)*

4. Significant Accounting Policies

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

i) Revenue from non-exchange transactions

Fees, taxes, fines and charges

The *Receiver of Revenue* recognizes revenues from fees, taxes, fines and charges when the event occurs and the asset recognition criteria is met. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

ii) Revenue from exchange transactions

Rendering of services

The *Receiver of Revenue* recognizes revenue from the rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Entity.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

iii) Budget

The County Revenue budget is developed on cash basis. The budget has 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 August for the period 1st July 2024 to 30 June 2025. There was *one* number of supplementary budgets passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

The *Kisumu County* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

iv) 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)

Summary of Significant Accounting Policies (Continued)

v) Revenue in Arrears

Revenue in arrears relate to revenue earned and is yet to be received or collected by the receiver of revenue. These arrears are presented as receivables from exchange and non- exchange transactions in the statement of financial position. These receivables are assessed for impairment on a continuous basis. The details of these arrears are presented as an appendix to the financial statements under the statement of arrears as required under the PFM Act, 2012 Section 165 (2) (b).

vi) 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. Its done weekly

vii) Payables due to CRF

These relate to amounts yet to be disbursed to the County Revenue Fund at the end of the period. The amount also includes monies that are yet to be collected by the receiver of revenue at the end of the reporting period.

viii) Comparative Figures

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

ix) 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, 2025

Notes to the financial statements

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Kisumu County* financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

State all significant judgements, estimates and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 0. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

(include provisions applicable to your organization, e.g., provision for bad debts and how management estimates these provisions).

Receiver Of Revenue
 County Government Of Kisumu
 Revenue Statements for the Period Ended 30th June 2025

Notes to the Financial Statements

6. Cess

Description	As at 30 TH June 2025
	Kshs
Farm produce	27,361,215
Total	27,361,215

7. Land rates

Description	As at 30 TH June 2025
	Kshs
Land rates	133,215,633
Total	133,215,633

8. Single /Business Permits

Description	As at 30 TH June 2025
	Kshs
Business permit application fees	0.00
Annual Business permit fees	238,540,672
Total	238,540,672

Receiver Of Revenue
 County Government Of Kisumu
 Revenue Statements for the Period Ended 30th June 2025

Notes to the Financial Statements (continued)

9. Conservancy Administration

Description	As at 30 th June 2025
	Kshs
Refuse disposal fees	
Dumpsite fees	
Sewerage fees	34,562,535
Sale of seedlings	
Public cemetery	
Disposal of carcasses	
Noise control	70,400.00
Others (<i>Tree Cutting</i>)	19,800.00
Total	34,652,735

10. Administration Control Fees and Charges

Description	As at 30 th June 2025
	Kshs
Weights and measures	1,545,550
Fire Services	5,011,740
Liquor licenses	21,613,051
Betting levy	609,500
Others (<i>Sacco</i>)	61,880
Total	28,841,721

11. Other Fines, Penalties and Forfeitures

Description	As at 30 th June 2025
	Kshs
Impounding Fees	225,722
Towing Fees	
Others (<i>Specify</i>)	
Total	225,722

Notes to the Financial Statements (continued)

12. Public Health Service Fees

Description	Insert Ast at 30 th June 2025
	Kshs
Public health permit	9,417,385
Total	9,417,385

13. Physical Planning and Development

Description	As at 30 th June 2025
	Kshs
Building plans approval	31,846,149
Survey	793,851
Total	32,640,000

Notes to the Financial Statements (continued)

14. Donations and Grants Not Received Through CRF

Description	As at 30 th June 2025
	Kshs
Donations <i>(Specify Based on Source)</i>	0.00
Grants <i>(Specify Based on Source)</i>	0.00
Others <i>(Specify)</i>	0.00
Total	0.00

15. Parking Fees

Description	As at 30 th June 2025
	Kshs
Street parking fees	54,183,921
Monthly toll/sticker fees	922,500
Reserved parking	6,200,000
Bus Park fees	52,192,730
Others <i>(Clamping)</i>	49,400
Total	113,548,551

16. Market Fees

Description	As at 30 th June 2025
	Kshs
Market entry fees	53,223,896
Livestock movement permit	38,481
Others <i>(Stock ring)</i>	3,149,611
Total	56,411,988

Receiver Of Revenue
 County Government Of Kisumu
 Revenue Statements for the Period Ended 30th June 2025

Notes to the Financial Statements (continued)

17. Property Rent

Description	As at 30 TH June 2025
	Kshs
County Housing	4,929,838
Plot Rent	1,239,944
Stalls/kiosks rent	14,100
Others (<i>Specify</i>)	
Total	6,183,882.00

18. Advertising

Descriptions	Insert As at 30 TH June 2025
	Kshs
Branding	
Billboard advertising	146,191,570
Total	146,191,570

19. Hospital Fees

Description	As at 30 TH June 2025
	Kshs
Level 5 hospitals	1,932,649,051
Level 4 hospitals	
Others (<i>Specify</i>)	
Total	1,932,649,051

Receiver Of Revenue
 County Government Of Kisumu
 Revenue Statements for the Period Ended 30th June 2025

Notes to the Financial Statements (continued)

20. Hire Of County Assets

Description	As at 30 TH June 2025
	Kshs
Agricultural Mechanisation Services (AMS)	3,108,095
Hire of County Stadia	2,117,600
Hire of County Halls	24,000
Others (<i>Library</i>)	148,841.00
Total	5,398,536.00

21. Sale of assets.

	As at 30 TH June 2025
	Kshs
Receipts from Sale of Buildings	0.00
Receipts from Sale of Vehicles and Transport Equipment	0.00
Receipts from Sale of Plant Machinery and Equipment	0.00
Receipts from Sale of Certified Seeds and Breeding Stock	0.00
Receipts from Sale of Strategic Reserves Stocks	0.00
Receipts from Sale of Inventories, Stocks and Commodities	0.00
Disposal and Sales of Non-Produced Assets	0.00
Total	0.00

22. Park Fees

Description	As at 30 TH June 2025
	Kshs
Park entry fees	4,051,350.00
Total	4,051,350.00

Receiver Of Revenue
 County Government Of Kisumu
 Revenue Statements for the Period Ended 30th June 2025

Notes to the Financial Statements (continued)

23. Miscellaneous Revenues

Description	As at 30 TH June 2025
	Kshs
Others (<i>Specify</i>)	132,350.00
Total	132,350.00

24. Disbursements to CRF

Description	Period ended Sep/Dec/March/June 2025
	Kshs
Quarter 1	96,705,629.50
Quarter 2	113,977,943.00
Quarter 3	348,421,531.25
Quarter 4	217,938,228.25
Total	777,043,332.00

25. Disbursement to another County Fund

Description	Period ended Sep/Dec/March/June 2025
	Kshs
Quarter 1	175,180,874.00
Quarter 2	306,752,286.00
Quarter 3	529,876,514.50
Quarter 4	951,869,812.50
Total	1,963,679,487.00

Receiver Of Revenue
 County Government Of Kisumu
 Revenue Statements for the Period Ended 30th June 2025

Notes to the Financial Statements (continued)

26. Bank Charges

Description	As at 30 TH June 2025
	Kshs
Bank Charges & commissions	218,745.20
Total	218,745.20

27. Waivers and Exemptions

Description	As at 30 TH June 2025
	Kshs
Penalties	0.00
Interest	0.00
Others (<i>Specify</i>)	0.00
Total	0.00

28. Bad debts written off.

Description	As at 30 TH June 2025
	Kshs
Bad debts written off (<i>Specify revenue stream</i>)	0.00
Total	0.00

29. Provision for bad debts

Description	As at 30 TH June 2025
	Kshs
Provision for bad debts (<i>Specify revenue stream</i>)	0.00
Total	0.00

Receiver Of Revenue
County Government Of Kisumu
Revenue Statements for the Period Ended 30th June 2025

Notes to the Financial Statements (continued)

30. Gain/Loss on Foreign Exchange Transactions

Description	As at 30 TH June 2025
	Kshs
Gain or loss on foreign exchange transactions	0.00
Gain or loss on balances in foreign exchanges	0.00
Total	0.00

31. Cash and Cash Equivalents

Name of Bank, Account No. & currency	Amount	Exc. rate (if in foreign currency)	Financial Year 30 th June 2025	Opening Statement 1 st July 2024
			Kshs	Kshs
KCB – REVENUE A/C No: 114991705	1,512,912.01	0.00	1,512,912.01	2,467,408.51
COOP REVENUE A/C No: 011417166976600	60,000.97	0.00	60,000.97	21.97
PAYBILL 425542	3,985,349.00	0.00	3,985,349.00	0.00
COOP COLLECTION A/C No. 000011236602	0.00	0.00	0.00	0.00
Cash at Hand	0.00	0.00	0.00	0.00
Total	5,558,261.98		5,558,261.98	2,467,430.48

32. Receivables for non-exchange transactions

Description	FY 30 th June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Receivables		
<i>Conservancy Fee</i>	22,962,535.06	0.00
<i>Land Rates</i>	1.00	0.00
<i>Single Business Permit</i>	1.00	
<i>Property Rent</i>	1.00	
<i>Plot Rent</i>	1.00	
Sub total	22,962,535.06	
Less impairment Allowance	0.00	0.00
Total Current Receivables	22,962,535.06	0.00

(Provide brief explanation on current receivables)

*Receiver Of Revenue
County Government Of Kisumu
Revenue Statements for the Period Ended 30th June 2025*

Ageing analysis for Receivables from Non-exchange transactions

Description	As at 30 th June 2025		Opening Statement 1 st July 2024	
	Current FY	% of the total	Opening Balance	% of the total
	Kshs		Kshs	
Less than 1 year	22,962,535.06	100%	0.00	%
Between 1- 2 years	0.00	%	xxx	%
Between 2-3 years	0.00	%	xxx	%
Over 3 years	0.00	%	xxx	%
Total (a+b)	22,962,535.06	%	xxx	%

Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Impairment allowance/ provision	Insert Current FY
	Kshs
At the beginning of the year	xxx
Additional provisions during the year	xxx
Recovered during the year	(xxx)
Written off during the year	(xxx)
At the end of the year	xxx

33. Receivables from exchange transactions

Description	End statement as at 30 th June 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Total receivables		
<i>Hospital Fees</i>	282,394,873.00	0.00
Advertisement	1.00	0.00
Plan Approval	1.00	
Less: impairment allowance	(0.00)	(0.00)
Total receivables	282,394,873.00	0.00

*Receiver Of Revenue
County Government Of Kisumu
Revenue Statements for the Period Ended 30th June 2025*

Ageing analysis for total receivables in exchange transactions

Description	Insert Current FY		Insert Comparative FY	
	Current FY	% of the total	Comparative FY	% of the total
	Kshs		Kshs	
Less than 1 year	282,394,873.00	100%	0.00	%
Between 1- 2 years	0.00	%	0.00	%
Between 2-3 years	0.00	%	0.00	%
Over 3 years	0.00	%	0.00	%
Total (a+b)	282,394,873.00		0.00	

Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/ provision	Insert Current FY
	Kshs
At the beginning of the year	xxx
Additional provisions during the year	xxx
Recovered during the year	(xxx)
Written off during the year	(xxx)
At the end of the year	xxx

34. Payables- Due To CRF

Payables	As at 30 TH June 2025	Opening Statement 1 st July 20xx
	Kshs	Kshs
Amount collected yet to be disbursed to CRF	5,558,261.98	2,467,430.00
Amount billed and yet to be collected for disbursement to CRF/FIF	305,357,408.06	0.00
Total Due to CRF	310,915,670.04	2,467,430.00

Receiver Of Revenue
 County Government Of Kisumu
 Revenue Statements for the Period Ended 30th June 2025

Movement Disclosure on Dues to CRF

Description	Amount
	Kshs
Opening Dues to CRF	2,467,430.00
Increase/Decrease in Dues to CRF	310,915,670.04
Closing Dues to CRF	310,915,670.04

35. Revenue received in advance

Description	Period ended 2025	Opening Statement 1st July 2024
	Kshs	Kshs
<i>Specify</i>	0.00	0.00
Total	0.00	0.00

12. Appendices

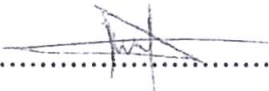
Appendix 1: Progress on follow up of prior Year Auditor Recommendations.

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

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)

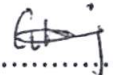
Guidance Notes:

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

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Name **NTHANDI DAVID**
 County Receiver of Revenue

Date **24/09/2025**

.....



Name **GEORGE OGELLO**
 Head of Revenue Reporting
 ICPAK M/No **18802 14983**

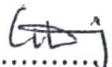
Date **24/09/2025**

Receiver Of Revenue
 County Government Of Kisumu
 Revenue Statements for the Period Ended 30th June 2025

Appendix 2: Statement of Arrears of Revenue As at 30th June 20xx

Classification Of Receipts (Indicate As Applicable)	Balance as at The beginning of the current year (1 st July 2024) A	Arrears received during the year. B	Additions in arrears for the current year to June 30, 2025 C	Total arrears as at 30 June 2025 D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Cess	xxx	(xxx)	xxx	xxx	e.g., the Governor has waived interest and penalties	
Land rate	xxx	(xxx)	xxx	xxx		
Single/Business Permits	xxx	(xxx)	xxx	xxx		
Property Rent	xxx	(xxx)	xxx	xxx		
Parking Fees	xxx	(xxx)	xxx	xxx		
Market Fees	xxx	(xxx)	xxx	xxx		
Advertising	xxx	(xxx)	xxx	xxx		
Hospital Fees	xxx	(xxx)	282,394,873.00	282,394,873.00		
Public Health Service Fees	xxx	(xxx)	xxx	xxx		
Physical Planning and Development	xxx	(xxx)	xxx	xxx		
Hire Of County Assets	xxx	(xxx)	xxx	xxx		
Conservancy Administration	xxx	(xxx)	22,962,535.06	22,962,535.06		
Administration Control Fees and Charges	xxx	(xxx)	xxx	xxx		
Park Fees	xxx	(xxx)	xxx	xxx		
Other Fines, Penalties, And Forfeiture Fees	xxx	(xxx)	xxx	xxx		
Miscellaneous	xxx	(xxx)	xxx	xxx		
Total Arrears	xxx	(xxx)	305,357,408.06	305,357,408.06		


.....
Name **NAIMI BWALO**
County Receiver of Revenue


.....
Name **GEORGE OGELLO**
Head of Revenue Reporting
ICPAK M/No **ASSEC/4983**

(Total arrears as at the end of the year should be the total of receivables from exchange and non- exchange transactions)

Receiver Of Revenue
 County Government Of Kisumu
 Revenue Statements for the Period Ended 30th June 2025

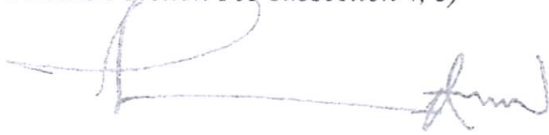
Appendix 3: Ageing Analysis of Revenue in Arrears

Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Cess	xxx	xxx	xxx	xxx	xxx
Land rate	xxx	xxx	xxx	xxx	xxx
Single/business permits	xxx	xxx	xxx	xxx	xxx
Property rent	xxx	xxx	xxx	xxx	xxx
Parking fees	xxx	xxx	xxx	xxx	xxx
Market fees	xxx	xxx	xxx	xxx	xxx
Advertising	xxx	xxx	xxx	xxx	xxx
Hospital fees	282,394,873.00	xxx	xxx	xxx	282,394,873.00
Public health service fees	xxx	xxx	xxx	xxx	xxx
Physical planning and development	xxx	xxx	xxx	xxx	xxx
Hire of County Assets	xxx	xxx	xxx	xxx	xxx
Conservancy administration	22,962,535.06	xxx	xxx	xxx	22,962,535.06
Administration control fees and charges	xxx	xxx	xxx	xxx	xxx
Proceeds from sale of assets	xxx	xxx	xxx	xxx	xxx
Park fees	xxx	xxx	xxx	xxx	xxx
Other fines, penalties, and forfeiture fees	xxx	xxx	xxx	xxx	xxx
Miscellaneous receipts	xxx	xxx	xxx	xxx	xxx
Others (Specify)	xxx	xxx	xxx	xxx	xxx
Total (agree to statement of arrears above)	305,357,408.06	xxx	xxx	xxx	305,357,408.06

Appendix 4: A Report of Waivers and Variations of Fees or charges granted by the Receiver of Revenue during the year.

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

(PFM ACT section 165 subsection 4, 5)



Sign and date
Accounting Officer