

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

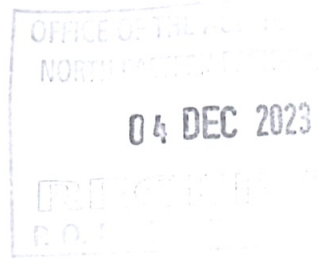
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**RECEIVER OF REVENUE-REVENUE
STATEMENTS**

**FOR THE YEAR ENDED
30 JUNE, 2023**

COUNTY GOVERNMENT OF GARISSA

PAPERS LAID	
DATE	29/02/2024
TABLED BY	MAJORITY LEADER
COMMITTEE	FINANCE & BUDGET
CLERK AT THE TABLE	POLYCARP



Revised 30th June 2023



**RECEIVER OF REVENUE
COUNTY GOVERNMENT OF GARISSA
REVENUE STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023**

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

*Receiver Of Revenue
County Government of Garissa
Revenue Statements for the Period Ended 30th June 2023*

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*Receiver Of Revenue
County Government of Garissa
Revenue Statements for the Period Ended 30th June 2023*

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1. Acronyms and glossary of terms

a) Acronyms

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

b) Glossary of terms

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

2. Key Entity Information and Management

(a) Background information

The receiver of revenue is under the Department of Revenue and resource mobilization. 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 appointment 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 Garissa day-to-day management of revenue is under the following:

- County Executive Committee Member for Finance – Hon Abass Ismail Khaar
- Chief Officer, Finance -Aden Harun Abdi
- Director, Revenue- Yusuf Mohamed Abdi
- Head of Revenue Reporting...

Key Entity information and Management (continued)

(d) County Headquarters

P.O. Box563-70100
Garissa County offices
Lamu Road
Garissa, Kenya

(e) Entity Contacts

Telephone: (254) 2123865575
E-mail: info@garissa.go.ke
Website: <http://garissa.go.ke>

(f) Independent Auditors

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

3. Foreword by the CECM Finance and Economic Planning

For the period starting 1st July 2022 and ending 30th June, 2023, total revenue

Collections were ksh78,741,423. Main revenue streams are bridge cess, livestock fees, parking fees, public health, single business permit, building plan approval fees, market fees, land rate and rent. Balance b/f was Kshs 575,659.81

Kshs 82,017,141/= was transferred to County Revenue Fund account at CBK including the balance brought forward.

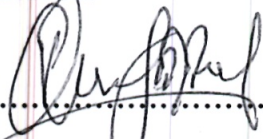
In the said period, there was improvement of revenue collection compared to the previous year although we have not hit our target due to different factors such as:-

- Lack of automated revenue system
- Cyclic severe drought
- Central market fire
- Lack of enough personnel and general unwillingness by public to pay cesses.
- Conflicts among the people involved in gem sum

Several measures have been put in place to maximise revenue collection in Garissa county including; -

- Broadening of tax base
- Plans are under way to hire more staffs
- We have held successful talks with all department that aids in revenue collection for better coordination

Public participation meetings and publication of the same for public education on their role in the revenue collection.



.....
Hon Abass Ismail Khaar

CECM Finance and Economic Planning

County Government of Garissa

*Receiver Of Revenue
County Government Of Garissa
Revenue Statements for the Period Ended 30th June 2023*

4. Management Discussion and Analysis

The Department of revenue management is mandated under sections 157(1) of the PFM act 2012 to be the collectors and receivers of revenue. The receiver of revenue is required under section 157(2) of the PMF act to ensure that all revenues for which the receiver of revenue is responsible over is collected, recovered and accounted through the established revenue accounts dictated by section 109(1) of the PFM act. The county revenue account and the M-pesa paybill number here below are the only lawful monies collection avenues.

- KCBA/C: **1140761625**
- M-pesapaybill: **209118**

Tabular presentation of the last 5 annual financial performances by revenue department: -

YEAR	TOTAL COLLECTION(KSHS)	TARGETS(KSHS)	% REALIZED
2017/2018	86,687,562.95	250,000,000	34.6%
2018/2019	112,446,781.00	250,000,000	44.97%
2019/2020	108,098,258.50	150,000,000	72.06%
2020/2021	96,012,664.00	150,000,000	64.08%
2021/2022	67,420,262.00	150,000,000	44.94%
2022/2023	78,741,423.00	130,000,000	60.5%

During the financial year under discussion the county managed to collect ksh78,741,423. Main revenue streams are bridge cess, livestock fees, parking fees, public health, single business permit, building plan approval fees, market fees, land rate and rent. Balance b/f was Kshs 575,659.81. Kshs 82,017,141/= was transferred to County Revenue Fund account at CBK including the balance brought forward.

In the said period, there was improvement of revenue collection compared to the previous year. although we have hit our target due to different factors such as:-

- Lack of automated revenue system
- Cyclic severe drought
- Central market fire
- Lack of enough personnel and general unwillingness by public to pay cesses.

Several measures have been put in place to maximise revenue collection in Garissa county including: -

- Broadening of tax base

*Receiver Of Revenue
County Government Of Garissa
Revenue Statements for the Period Ended 30th June 2023*

- Plans are under way to hire more staffs
- We have held successful talks with all department that aids in revenue collection for better coordination.

5. Statement of Receiver of Revenue’s responsibilities

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

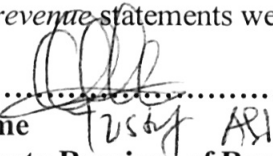
The Receiver of Revenue is responsible for the preparation and presentation of the *receiver of revenue account*, which gives a true and fair view of the state of affairs of the *receiver of revenue* for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (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 *entity’s receiver of revenue* accounts, which have been prepared on the Cash Basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the *entity’s receiver of revenue* account gives a true and fair view of the state of *entity’s receiver of revenue* transactions during the financial year ended June 30, 2023, and of the *entity’s* statement of assets and liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the *receiver of revenue account* as well as the adequacy of the systems of internal financial control.

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

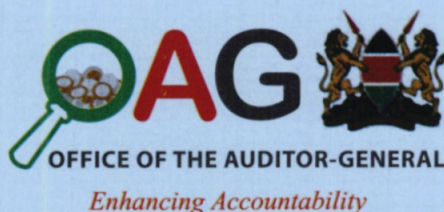
Approval of the Revenue Statements

The ~~revenue~~ statements were approved and signed by the Receiver of Revenue on 29th September 2023

.....
Name 
County Receiver of Revenue

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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-REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2023-COUNTY GOVERNMENT OF GARISSA

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying revenue statements of Receiver of Revenue-County Government set out on pages 1 to 18, which comprise of the statement of financial assets and liabilities as at 30 June, 2023, and the statement of receipts and disbursements and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the revenue statements present fairly, in all material respects, the financial position of the Receiver of Revenue-County Government of Garissa as at 30 June, 2023, and of its financial performance for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Revenue

Disclosed in the statement of receipts and disbursements for the year ended 30 June, 2023, is the County Own Source of Revenue from fifteen (15) revenue streams amounting to Kshs.78,741,423 as summarized: -

Own Revenue Source	Amount (Kshs.)
Cess	23,081,746
Land/Poll Rate/ rent	3,937,740
Single/Business Permits	10,252,230
Parking Fees	886,650
Market Fees	10,011,102
Advertising	375,700
Hospital Fees- Medical Certificates	0
Public Health	463,920
Physical Planning and Development	1,258,000
Hire of County Assets	14,000
Way Leaves	808,968
Slaughter House	1,790,160
Veterinary Department	1,862,590
Natural Resource Exploitation	23,847,762

Own Revenue Source	Amount (Kshs.)
Fire Certificate	125,000
Water Bowser	25,855
Total	78,741,423

The Management provided monthly schedules to support the reported receipts. However, primary revenue records such as daily and weekly revenue registers indicating actual transactions of revenue collections such as revenue source, date and amount which are linked to monthly schedules were not availed for audit review. As a result, the audit trail for the monthly schedules balances could not be confirmed.

In the circumstances, the accuracy and completeness of own generated revenue amounting to Kshs.78,741,423 could not be confirmed.

2. Unaccounted for Hospital Fees

During the year under review, the Receiver of Revenue budgeted to collect an amount of Kshs.69,840,000 from Hospital fees but instead collected Nil. The Hospital Management gave explanation that the hospitals collected revenue amounting to Kshs.61,072,841 and spent at source. This was contrary to Section (109)(2)(b) of the public Finance Management Act, 2012 which states that the County Treasury for each County Government shall ensure that all money raised or received by or on behalf of the county government is paid into the County Revenue Fund.

In the circumstances, the accuracy and completeness of the statement of receipts and disbursements for the year ended 30 June, 2023 could not be confirmed.

3. Transfers to County Revenue Fund (CRF)

The statement of receipts and disbursements reflects disbursement to CRF amounting to Kshs.82,592,800 while the CRF financial statements reflects receipts from receiver of revenue amounting to Kshs.81,999,052. The difference of Kshs.593,748 has not been explained or reconciled. Further, the statement of receipts and disbursements reflects balance brought forward of Kshs.3,851,377 while the comparative show that all the collected funds were transferred to the CRF during the year.

In the circumstances, the accuracy of the statements of receipts and disbursements for the year ended 30 June, 2023 could not be confirmed.

4. Bank Balances

The statement of financial assets and liabilities reflects a bank balance of Kshs.575,659. However, the statement of receipts and disbursements shows a nil balance of receipts as all the receipts and brought forward balances were transferred to the CRF. No explanation has been provided for the anomaly.

In the circumstances, the accuracy and completeness of bank balance of Kshs.575,659 as at 30 June, 2023 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 Garissa Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Under Collection of Own Generated Revenue

The statement of comparison of budget and actual amounts reflects that the Receiver of Revenue budgeted to collect own generated revenue amounting to Kshs.130,000,000. However, the total own generated revenue collected during the year was Kshs.78,741,423 resulting to a shortfall of Kshs.51,258,577 representing 39.4% of the budgeted amount. Review of revenue records provided for audit revealed that a total of Kshs.61,072,841 was collected as hospital fees. However, the revenue collected was not remitted to the County Revenue Fund resulting to a nil disclosure in the statements of comparison of budget and actual amounts for the year ended 30 June, 2023. The Management attributed the under-collection of revenue to non-remittance of revenue from the Level 5 Hospital.

In the circumstances, the under collection implies unrealistic revenue targets or failure to put in place measures to collect the budgeted revenue.

2. Unresolved Prior Year Audit Matters

In the audit of the previous year, 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 Management has not resolved the issues or explained the failure to adhere to the provisions of the Public Sector Accounting Standards Board Template and The National Treasury Circular AG No.3/88/Vol.II(27) of 9 May,2023.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in 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

Collection of Revenue without a Finance Act

During the year under review, the Receiver of Revenue collected revenue amounting to Kshs.78,741,423 from own source revenue. It was however noted that the County Finance Bill submitted to the County Assembly setting out the revenue raising measures by the County Government was not approved by the County Assembly. This was contrary to Section 133 of the Public Finance Management Act, 2012 which provides that, not later than ninety (90) days after passing the Appropriation Bill, the County Assembly shall consider and approve the Finance Bill with or without amendments.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter 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

Weak Revenue Collection System Controls

Review of revenue records revealed that the Receiver of Revenue was collecting revenue manually using miscellaneous receipts contrary to requirements of Regulation 63(1) of

the Public Finance Management (County Governments) Regulations, 2015 which states that the accounting officer and a receiver of revenue are personally responsible for ensuring 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, controls on revenue collection and the reliability of the revenue collection system 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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the 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

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

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

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

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Receiver of Revenue's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Receiver of Revenue to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Receiver of Revenue to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

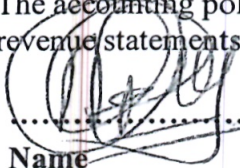
18 December, 2023

**Receiver Of Revenue
County Government Of Garissa
Revenue Statements for the Period Ended 30th June 2023**

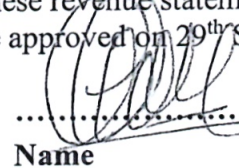
7. Statement of Receipts and Disbursements for the year ended 30th June 2023

	Note	2022/23	2021/22
		Kshs	Kshs
County Own Source Revenue			
Cess	1	23,081,746	8,670,420
Land/Poll Rate	2	3,937,740	3,105,191
Single/Business Permits	3	10,252,230	8,187,233
Property Rent	4	0	315,500
Parking Fees	5	886,650	1,235,060
Market Fees	6	10,011,102	6,206,082
Advertising	7	375,700	1,544,500
Hospital Fees	8	0	918,110
Public Health Service Fees	9	463,920	2,359,435
Physical Planning and Development	10	1,258,000	1,436,300
Hire Of County Assets	11	14,000	430,856
Way leave fees	12	808,968	836,300
Slaughter house	13	1,790,160	1,035,000
Veterinary department	14	1,862,590	275,500
Natural resources exploitation	15	23,847,762	30,841,775
Fire certificate	16	125,000	41,000
Water bowser	17	25,855	0
Total County Own Source Revenue		78,741,423	67,420,262
Other Receipts			
Donations/Grants Not Received Through CRF	17	0	0
Total Other Receipts		0	0
Total Receipts		78,741,423	67,420,262
Balance b/f at the beginning of the year		3,851,377	3,977,238
Disbursements To CRF		82,592,800	71,397,500

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 29th September 2023 and signed by:


.....
Name

County Receiver of Revenue
(Ref: PFM ACT section 165, 2(a))


.....
Name

Head of Revenue Reporting
ICPAK M/No

*Receiver Of Revenue
County Government Of Garissa
Revenue Statements for the Period Ended 30th June 2023*

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

	Note	2022/23	2021/22
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances	18	575,659	3,851,377.51
Cash In Hand	19	0	0
Total Financial Assets		575,659	3,851,377.51
Total Financial Assets			0
Financial Liabilities			
Payables-Due to CRF	20	575,659	3,851,377.51
Total Financial Liabilities		0	0
Net Financial Position		575659	3,851,377.51

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 29TH September _____ 2023 and signed by:



.....
Name Yusuf Adh
County Receiver of Revenue



.....
Name Tracy Adh
Head of Revenue Reporting
ICPAK M/No

*Receiver of Revenue
County Government Of Garissa
Revenue Statements for the Period Ended 30th June 2023*

9. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30th June 2023

Receipt	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% Of Realization
	A	B	C=A+B	D	E=C-D	F=D/C %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
County Own Source Revenue						
Cess	17,760,000	-	17,760,000	23,081,746	-5,321,746	129%
Land/Poll Rate	15,800,000	-	15,800,000	3,937,740	11,862,260	26%
Single/Business Permits	14,600,000	-	14,600,000	10,252,230	4,347,770	70%
Property Rent	2,000,000	-	2,000,000	0	2,000,000	0%
Parking Fees	2,000,000	-	2,000,000	886,650	1,113,350	44%
Market Fees	11,000,000	-	11,000,000	10,011,102	988,898	91%
Advertising	1,000,000	-	1,000,000	375,700	624,300	38%
Hospital Fees	49,840,000	-	49,840,000	0	69,840,000	0%
Public Health Service Fees	9,800,000	-	9,800,000	463,920	9,336,080	5%
Physical Planning and Development	0	-	0	1,258,000	-1,258,000	-
Hire Of County Assets	0	-	0	14,000	-14,000	-
Way leave fees	200,000	-	200,000	808,968	-608,968	404%
Slaughter house		-		1,790,160	-1,790,160	-
Vertinary department	2,000,000	-	2,000,000	1,862,590	137,410	93%
Natural resources exploitation	2,000,000	-	2,000,000	23,847,762	-21,847,762	1192%
Fire certificate	1,000,000	-	1,000,000	125,000	875,000	13%
Water bowser	500000	-	500000	25,855	474,145	5%
Refuse collection	500,000	-	500,000		500,000	0%
Water vendors		-				-
Total County Own Source Revenue	130,000,000	-	130,000,000	78,741,423	51,258,577	60.58%

Receiver of Revenue
County Government of Garissa
Revenue Statements for the Period Ended 30th June 2023


Receipt	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% Of Realization
	A	B	C=A+B	D	E=C-D	F=D/C %
Other Receipts		0				
Donations /Grants Not Received Through CRF	0	0	0	0	0	0
Total Other Receipts	130,000,000	0	130,000,000	78,741,423	51,258,577	60.5%
Total Receipts	130,000,000	0	130,000,000	78,741,423	51,258,577	60.5%

Reasons for under/over realisation

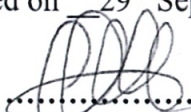
- (a) Over estimation in budget projections
- (b) Change in cost sharing fund from hospitals regulation
- (c) General economic crisis affecting the whole nation
- (d) Drought in the region led to low revenue collection from livestock cess

There was over realisation in revenue collection in natural resource sector due to discovery of gypsum in the region

The County Receiver of revenue's financial statements were approved on 29th September _____ 2023 and signed by:



Name *Trusty Abd*
 County Receiver of Revenue




Name *Trusty Abd*
 Head of Revenue Reporting
 ICPAK M/No 29047

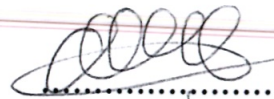
Receiver of Revenue
 County Government of Garissa
 Revenue Statements for the Period Ended 30th June 2023

10. Statement of Arrears of Revenue As at 30th June 2023

Classification Of Receipts (Indicate As Applicable)	Balance as at The beginning of the current year (1 st July 2023) A	Arrears received during the year. B	Additions in arrears for the current year to June 30, 2023 C	Total arrears as at 30 June 2023 D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Cess	0	0	0	0	e.g., the Governor has waived interest and penalties	
Land rate	0	0	0	0		
Single/Business Permits	0	0	0	0		
Property Rent	0	0	0	0		
Parking Fees	0	0	0	0		
Market Fees	0	0	0	0		
Advertising	0	0	0	0		
Hospital Fees	0	0	0	0		
Public Health Service Fees	0	0	0	0		
Physical Planning and Development	0	0	0	0		
Hire Of County Assets	0	0	0	0		
Conservancy Administration	0	0	0	0		
Administration Control Fees and Charges	0	0	0	0		
Park Fees	0	0	0	0		
Other Fines, Penalties, And Forfeiture Fees	0	0	0	0		
Miscellaneous	0	0	0	0		
Total Arrears	0	0	0	0		

Receiver of Revenue
County Government of Garissa
Revenue Statements for the Period Ended 30th June 2023


.....
Name **Trusty Adu**
County Receiver of Revenue
(Ref: PFM ACT section 165, 2(a))


.....
Name **Trusty Adu**
Head of Revenue Reporting
ICPAK M/No 29047

An ageing analysis of revenue in arrears has been shown on note 23 of these financial statements.

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 *Garissa*. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

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

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

2. Recognition of Receipts

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

3. Budget

The County Revenue budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by law. The original budget was approved by the County Assembly on xxx for the period 1st July 2022 to 30 June 2023 as required by law. There was 2 number of supplementary budgets passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

4. Cash and cash equivalents

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

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, 2023

12. Notes to the Financial Statements

1. Cess

Description	2022/23	2021/22
	Kshs	Kshs
Vegetable entry fees at the bridge	2,351,608	777,900
Timber bridge	225,000	141,800
Livestock	15,897,538	6,357,900
Sale of Trees-Seedlings-Firewood-Flowers-Produce, etc. Miraa	4,607,600	1,392,820
Total	23,081,746	8,670,420

2. Land rates

Description	2022/23	2021/22
	Kshs	Kshs
Land rates 3937740	3,937,740	3,105,190
Land penalties and interest		
Arrears		
Total	3,937,740	3,105,190

3. Single /Business Permits

Description	2022/23	2021/22
	Kshs	Kshs
Business permit application fees	-	-
Annual Business permit fees	10,252,230	8,187,233
Business permit penalties and interest		
Business permit fees arrears		
Total	10,252,230	8,187,233

Receiver of Revenue
County Government of Garissa
Revenue Statements for the Period Ended 30th June 2023

Notes to the Financial Statements (continued)

4. Property Rent

Description	2022/23	2021/22
	Kshs	Kshs
County Housing	0	0
Plot Rent		351,500
Tenancy Agreement		
Transfer of Property		
Stalls/kiosks rent		
Others (<i>Specify</i>)		
Total	0	351,500

5. Parking Fees

Description	2022/23	2021/22
	Kshs	Kshs
Street parking fees	886,650	1,235,060
Monthly toll/sticker fees		
Motorbike fees		
Registration fees		
Reserved parking		
Bus Park fees		
Others (<i>Specify</i>)		
Total	886,650	1,235,060

6. Market Fees

Description	2022/23	2021/22
	Kshs	Kshs
Market entry fees	9,332,182	5,274,582
Hawking fees	214,120	650,000
Others (<i>Specify</i>)	464,500	281,500
Total	10,011,102	6,206,082

Receiver of Revenue
County Government of Garissa
Revenue Statements for the Period Ended 30th June 2023

Notes to the Financial Statements (Continued)

7. Advertising

Descriptions	2022/23	2021/22
	Kshs	Kshs
Branding	375,700	1,544,500
Billboard advertising		
Signage		
Roadshows		
Banners		
Posters		
Tent advertising		
Street pole/clock advertising		
others (<i>Specify</i>)		
Total	375,700	1,544,500

8. Hospital Fees

Description	2022/23	2021/22
	Kshs	Kshs
Level 5 hospitals	0	918,110
Level 4 hospitals		
Others (<i>Specify</i>)		
Total	0	918,110

9. Public Health Service Fees

Description	2022/23	2021/22
	Kshs	Kshs
Inspection of buildings/premises/Institutions		
Inspection for issuance of hygiene license		
Vaccination: Yellow fever, Typhoid, etc		
Applications for medical examination		
Sanitation inspection for schools		
Public health permit	463,920	2,359,435
Rodent Control/Fumigation		
Others (<i>Specify</i>)		
Total	463,920	2,359,435

Notes to the Financial Statements (Continued)

10. Physical Planning and Development

Description	2022/23	2021/22
	Kshs	Kshs
Sale of County planning documents		
Land valuation and registration fees		
Change / Renewal of user		
Building plans approval	1,258,000	1,436,300
Signboards		
Occupational Permits		
Enforcement / Demolition		
Architectural designs by county officers		
Hoarding fees		
Others (Specify)		
Total	1,258,000	1,436,300

11. Hire of County Assets

Description	2022/23	2021/22
	Kshs	Kshs
Agricultural Mechanisation Services (AMS)		387,856
Hire of Machines and Equipment		
Hire of County Stadia		
Hire of County Halls		
Conference facilities/Agricultural Training Centers (ATC)	14,000	43,000
Others (Specify)		
Total	14,000	430,856

*Receiver of Revenue
County Government of Garissa
Revenue Statements for the Period Ended 30th June 2023*

Notes to the Financial Statement (Continued)

12. Way leave fees

Description	2022/23	2021/22
	Kshs	Kshs
Way leave fees	808,968	836,300
Total	808,968	836,300

13. Slaughter House Administration

	2022/23	2021/22
	Kshs	Kshs
Slaughter House Inspection Fees	1,560,160	257,500
Slaughtering Fee	230,000	-
Total	1,790,160	257,500

14. Veterinary departments

Description	2022/23	2021/22
	Kshs	Kshs
Other Health and Sanitation Revenue	1,862,590	257,500
Total	1,862,590	257,500

15. Natural resource exploitation

Description	2022/23	2021/22
	Kshs	Kshs
Sand, Gravel, and Ballast Extraction Fees	3,303,662	
Mineral Extraction Royalties (Cement, Gypsum, etc.)	19,452,700	30,841,775
Sales of Flowers, Plants, Firewood, Produce, etc.	1,091,400	
Total	23,847,762	30,841,775

16. Fire Certificate

Description	2022/23	2021/22
	Kshs	Kshs
Fire services	125,000	41,000
Total	125,000	41,000

Receiver of Revenue
County Government of Garissa
Revenue Statements for the Period Ended 30th June 2023

Notes to the Financial Statement (Continued)

17. Water bowser

Description	2022/23	2021/22
	Kshs	Kshs
Water bowser	25,855	0
Total	25,855	0

18. Bank Balances

Name of Bank, Account No. & currency	Amount	Exc. rate (if in foreign currency)	2022/23	2021/22
			Kshs	Kshs
Kenya Commercial Bank, Account No.1140761625			575,659	3,851.377
Total			575,659	3,851,377

18 (a) Balance carried forward as at 30th June 2023 and subsequently transferred

Ref	Amount (Kshs)	Date subsequently transferred
	575,659	1 July 2023
Total	575,659	

19. Cash in hand

Description	2022/23	2021/22
	Kshs	Kshs
Cash Balance (<i>Location</i>)	0	0
Mobile Money	0	0
Others (<i>Specify</i>)	0	0
Total	0	0

Receiver of Revenue
County Government of Garissa
Revenue Statements for the Period Ended 30th June 2023

Notes to the Financial Statement (Continued)

20. Payables- Due To CRF

Payables	2022/23	2021/22
	Kshs	Kshs
Balance b/f at the beginning of the year	3,851,377	3,977,238
Amount collected during the year	78,741,423	67,420,262
Amounts disbursed to CRF during the year	82,592,800	71,397,500
Balance c/d at the end of the year	575,659	3,851,377

Notes to the Financial Statement (Continued)

21. Ageing Analysis of Revenue in Arrears


Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Cess	0	0	0	0	0
Land rate	0	0	0	0	0
Single/business permits	0	0	0	0	0
Property rent	0	0	0	0	0
Parking fees	0	0	0	0	0
Market fees	0	0	0	0	0
Advertising	0	0	0	0	0
Hospital fees	0	0	0	0	0
Public health service fees	0	0	0	0	0
Physical planning and development	0	0	0	0	0
Hire of County Assets	0	0	0	0	0
Conservancy administration	0	0	0	0	0
Administration control fees and charges	0	0	0	0	0
Proceeds from sale of assets	0	0	0	0	0
Park fees	0	0	0	0	0
Other fines, penalties, and forfeiture fees	0	0	0	0	0
Miscellaneous receipts	0	0	0	0	0
Others (<i>Specify</i>)	0	0	0	0	0
Total (agree to statement of arrears)	0	0	0	0	0

22. Appendices

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

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

(PFM ACT section 165 subsection 4, 5)

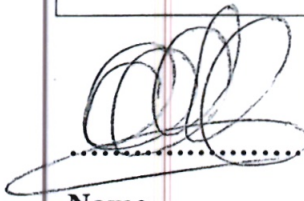

 Sign and date
 Accounting Officer 29/07/2023

*Receiver of Revenue
 County Government Of Garissa
 Revenue Statements for the Period Ended 30th June 2023*

Appendix 2: Progress on follow up of prior Year Auditor Recommendations.

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

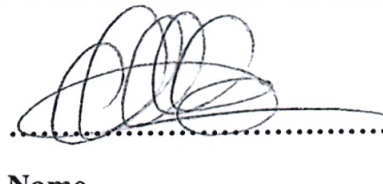
Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)



.....

Name
County Receiver of Revenue

Date



.....

Name
Head of Revenue Reporting
ICPAK M/No

Date