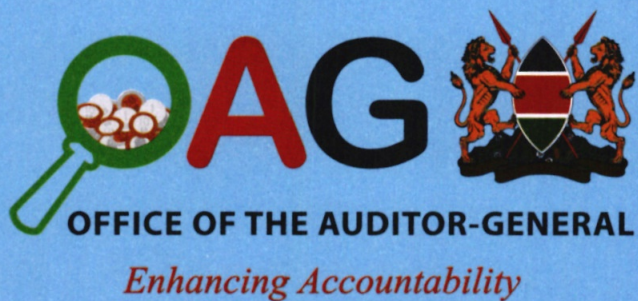


REPUBLIC OF KENYA



PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY REVENUE FUND

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

COUNTY GOVERNMENT OF SIAYA

PAPERS LAID	
DATE	12/08/2024
TABLED BY	MAJORITY LEADER
COMMITTEE	FINANCE
CLERK AT THE TABLE	CHEROP



OFFICE OF THE AUDITOR GENERAL
ERIKOITENI
★ 28 NOV 2023 ★
P. O. BOX 1188, KISUMU



COUNTY REVENUE FUND

County Government of Siaya

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2023

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

County Government of Siaya
County Revenue Fund
For the financial year ended 30th June 2023

	Page No.
Table of contents	
1. Acronyms and glossary of terms	ii
2. Key Entity Information and Management.....	iii
3. Statement by the CECM Finance	v
4. Management Discussion and Analysis.....	vii
5. Overview of the County Revenue Fund Operations	viii
6. Statement of Management Responsibility.....	ix
7. Report of the Independent Auditor on the County Revenue Fund of County Government of Siaya for the Year ended 30 th June 2023.....	x
8. Statement of Receipts and Payments for the year ended 30 th June 2023.	1
9. Statement of Comparison of Budget Actual Amounts for the year ended 30 th June, 2023.....	2
10. Significant Accounting Policies	3
11. Notes to the Financial Statements.....	5
12. Annexes.....	10

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
Kshs	Kenya Shillings

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

Article 207 of the Constitution of Kenya provides for the establishment of the County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government.

b) Key Management Team

The County Revenue Funds day-to-day management is under the following key organs:

No.	Designation	Name
1.	CECM Finance and Economic planning	Hon. CPA. Benedict Abonyo Omollo
2.	C.O Finance	Mr. Jacktone Ouma Odinga
3.	Director -Finance	CPA, Christine Okoth
4.	Head of Accounting Services	CPA, Geoffrey Ochieng

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CECM Finance and Economic Planning	Hon. CPA. Benedict Abonyo Omollo
2.	Accounting Officer in charge of Finance	Mr. Jacktone Ouma Odinga
3.	Director Finance	CPA, Christine Okoth
4.	Head of Accounting Services	CPA, Geoffrey Ochieng

d) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies at the County for the year ended 30th June 2023 were:

No.	Designation	Fiduciary Activity
1.	Siaya County Assembly	Overall oversight of County operations
2.	Public Accounts and Investments Committee	Interrogation of FY 2021/2022 OAG reports
3.	Finance Committee	Preparation of Finance bill and review of Quarterly Financial Reports
4.	Budget and Appropriations Committee	Preparation of Appropriation bill
5.	Controller of Budget	Authorization of withdrawals from CRF
6.	Office of the Auditor General	Audit of Financial statements for FY 2021/2022

e) County Headquarters

P.O. Box 803 - 40600
Siaya County Headquarters,
Siaya, Kenya.

f) County Contacts

Telephone: (254) 792 631 619
E-mail: info@siaya.go.ke
Website: www.siaya.go.ke

g) County Bankers

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

h) Independent Auditor

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
NAIROBI, KENYA

i) Principal Legal Adviser

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

j) County Attorney

P.O. Box 803 - 40600
Siaya County Headquarters,
Siaya, Kenya

3. Statement by the CECM Finance

It is my pleasure to present the County Government of Siaya financial statements for the year ended 30th June 2023. The financial statements present the financial performance of the Siaya County Revenue Fund over the past year.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments.

a. Financing of the County Governments

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

The County also finances its operations through own generated revenues. These are revenues collected within the County. They key local revenue sources for Siaya County included business permits, land rates, business plan approval, plot rents, cesses and various other administrative charges.

The County continues to explore new and innovative ways of increasing its local revenue collections. Some of the steps that the County has taken towards improving its revenue collections include:

- 1) Automation of revenue collection system – the County is currently in the process of sourcing for competent firm to undertake full automation of its revenue collection.
- 2) Consultancy on revenue potential – the County has engaged its staff through a centralized committee to study the County revenue potential and advise the County on new streams of revenue and ways of enhancing the current streams to achieve their full potential.

b. Financial Performance

i. Revenue

In the year ended 30th June 2023 the County had projected revenues of Kshs. 8,602,864,673 consisting of Kshs. 700,998,234.00 from own sources and Kshs. 6,966,507,531 from Equitable share Kshs. 238,315,780.00 from conditional Grants and Kshs. 697,043,128 as balance brought forward.

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

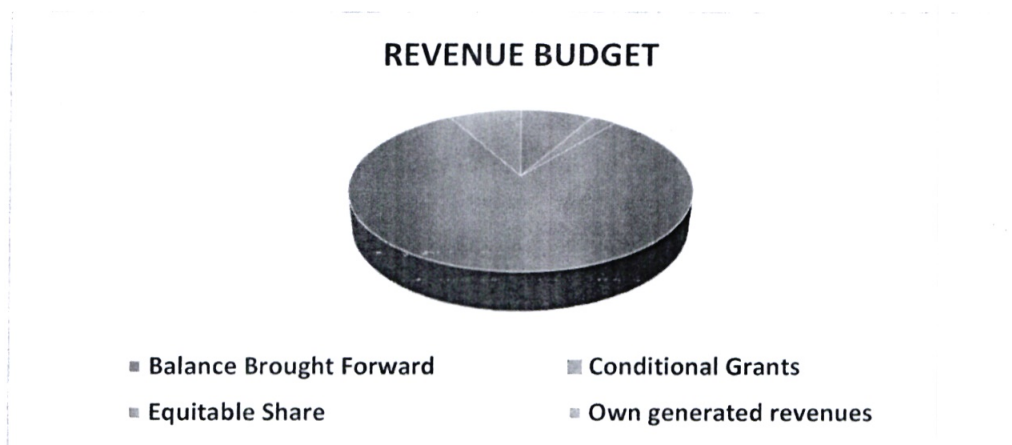


Figure 1: Siaya County revenue sources in FY2022/2023

CARA revenues consisting of equitable shares and Conditional grants continue to form the largest part of our revenue budget, contributing 84 % towards our budget whereas own generated revenues and Balance brought forward formed 8% and 8% of our budget respectively.

Out of the projected revenue, the County was able to realize Kshs. 8,147,688,652.84 in actual revenues, representing 95% performance. This good performance was as a result of high realization of CARA revenues. It should be noted however that during the year, own generated revenue realised was 72%. In the table below, we present an analysis of revenue performance during the year.

Table 1: Revenue performance in FY 2022/2023

Revenue classification	Revenue budget (Kshs)	Actual (Kshs)	Realization (%)
Balance Brought Forward	697,043,128.00		
CARA	7,204,823,311	7,651,505,616.85	89%
Own generated revenues	700,998,234	496,183,035.99	6%
Total	8,602,864,673.00	8,147,688,652.84	95%

CECM Finance and Economic Planning

County Government of Siaya

4. Management Discussion and Analysis

Table 2: RECEIPTS FOR THE LAST FIVE YEARS

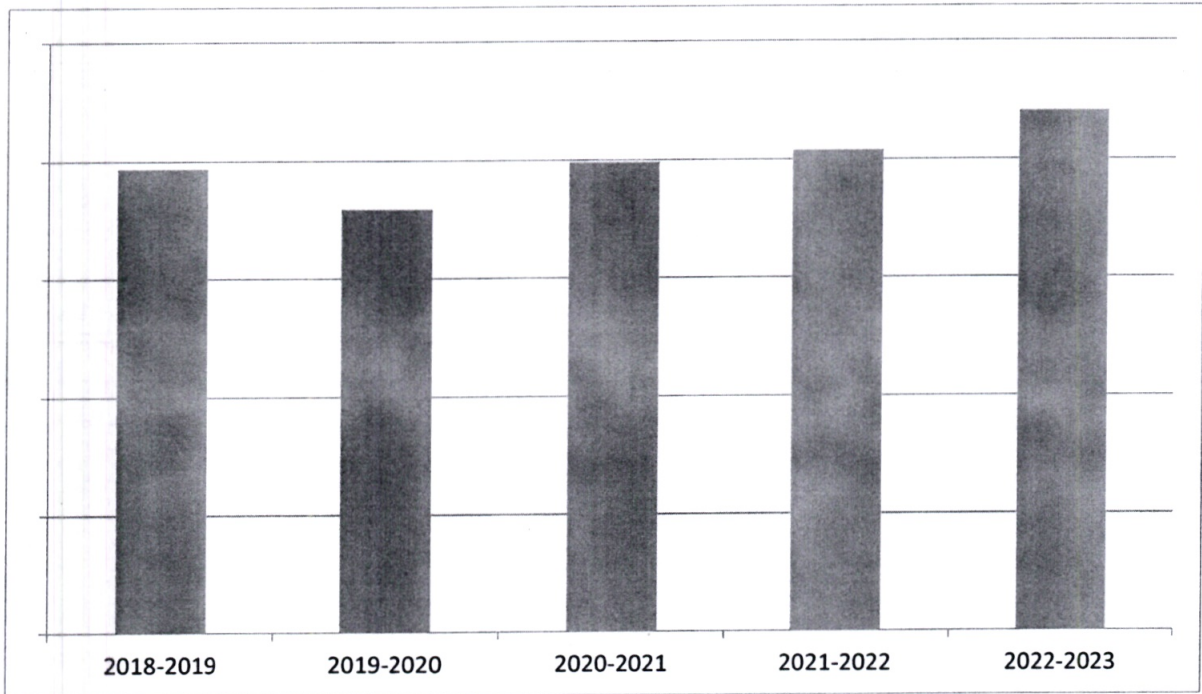


Figure 2: Receipts for the last 5 years

- In the financial year 2019-2020 there were late disbursements that were not reported during that year which were later recognized in the year 2020-2021. This resulted into a decrease in receipts reported in the financial 2019-2020 and an increase in receipts for the financial year 2020-2021.
- In the financial year 2020-2021 there was an increases on own source revenue by 29% from there previous year 2019-2020 resulting into an increase in receipts during that year.
- In the financial year 2021-2022 there was an increases on own source revenue by 14% from there previous year 2020-2021 resulting into an increase in receipts during that year
- Amendment of Division revenue bill resulted into an increase in CARA for counties, Siaya county being one of the counties experienced an increase in CARA allocation thus an increase in receipts for the year.
- In the financial year 2022-2023 the county realized 108% of exchequer releases. This was because of a brought forward receipt for FY 2021-2022 received during the reporting period.

5. Overview of the County Revenue Fund Operations

Background

Article 207 of the Constitution of Kenya provides for the establishment of a County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government. As outlined under Section 109 of the Public Finance Management (PFM) Act, 2012 the County Treasury is responsible for administration of the County Revenue Fund. The County Revenue Fund is maintained as the County Exchequer Account at the Central Bank of Kenya.

Receipts into the County Revenue Fund

County Government revenue is received through appointed County Receiver of Revenue by the County Executive Committee Member for finance to the County Treasury pursuant to Section 157 (1) of the PFM Act 2012. Receipts include Exchequer releases, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Revenue Fund Account.


Transfers from the County Revenue Fund

The withdrawal of funds from the County Revenue Fund is authorized by the County Appropriation Act. The County Treasury is required to seek the Controller of Budget's approval for withdrawal of funds from the County Revenue Fund to the County Executive and County Assembly bank accounts. These entities are responsible for the administration of their respective approved budgets.

Financial Reporting requirements

The Accounting Officer for the County Revenue Fund is required to prepare and submit the financial statements to the Auditor-General and a copy to the Controller of Budget, and the Commission on Revenue Allocation.

This statement therefore covers the operations of the County Exchequer Account for the financial year ended 30th June 2023.



.....

**CEC Member – Finance and Economic Planning
County Government of Siaya**

6. Statement of Management Responsibility

Article 207 of the Constitution, Sections 109 and 167 of the Public Finance Management Act, 2012 requires a County Revenue Fund established by the Constitution, an Act of Parliament or county legislation to prepare financial statements for the Fund for each financial year in a form prescribed by the Public Sector Accounting Standards Board and submit to the Auditor General and a copy to the Commission on Revenue Allocation and the Controller of Budget.

The Accounting Officer at the County Treasury is responsible for the preparation and presentation of the County Revenue Fund financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year 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 financial position of the County Revenue Fund; (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 County Revenue Fund; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, 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). The Accounting Officer is of the opinion that the County Revenue Fund's financial statements give a true and fair view of the state of the County Revenue Fund's transactions during the financial year ended *June 30, 2023*, and of its financial position as at that date.

The Accounting Officer further confirms the completeness of the accounting records maintained for the County Revenue Fund which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control. The Accounting Officer confirms that the County Revenue Fund has complied fully with applicable Government Regulations and the terms of external financing covenants. Further, Accounting Officer confirms that the County Revenue Fund's Financial Statements have been prepared in a form that complies with relevant Accounting Standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the Financial Statements

The County Revenue Fund's financial statements were approved and signed on _____ 2023.

Signature _____

Name _____

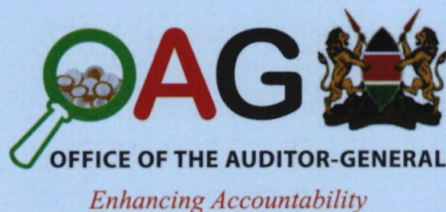
Chief Officer Finance /Accounting Officer
County Government of Siaya

County Government of Siaya
County Revenue Fund
For the financial year ended 30th June 2023

7. Report of the Independent Auditor on the County Revenue Fund of County Government of Siaya for the Year ended 30th June 2023

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 COUNTY REVENUE FUND FOR THE YEAR ENDED 30 JUNE, 2023 – COUNTY GOVERNMENT OF SIAYA

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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Siaya County Revenue Fund set out on pages 1 to 12, which comprise of the statement of receipts and payments and statement of comparison of budget and actual amounts for the year ended 30 June, 2023, and a summary of significant accounting policies and other explanatory information in

Report of the Auditor-General on County Revenue Fund for the year ended 30 June, 2023 – County Government of Siaya

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, the financial statements present fairly, in all material respects, the financial performance of Siaya County Revenue Fund as at 30 June, 2023 in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, 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

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of 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 financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to 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 Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Fund 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 Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL


Nairobi

27 February, 2024

County Government of Siaya
 County Revenue Fund
 For the financial year ended 30th June 2023

8. Statement of Receipts and Payments for the Year Ended 30th June 2023.

		FY 2022/2023	FY 2021/2022
	Notes	Kshs.	Kshs.
RECEIPTS			
Exchequer releases	1	7,523,828,135.00	6,901,502,676
Transfers from Other Government Entities	2	127,677,481.85	386,927,760
County Own Generated Revenues	3	215,553,285.05	164,513,308
Return to CRF issues	4	663,736.25	
TOTAL RECEIPTS		7,867,722,638.15	7,452,943,744
PAYMENTS			
Transfers to County Executive	5	6,388,024,849.00	6,907,883,903
Transfers to County Assembly	6	1,066,513,106.00	889,110,940
Other Transfers			
Total Payments		7,454,537,955.00	7,796,994,843
Net increase (decrease) in cash for the year		413,184,683.15	-344,051,098
Add Opening fund balance b/f	7	383,169,902.00	727,221,000.40
Closing Fund balance for the period	7	796,354,585.15	383,169,902.00



Name: Jacktone Ouma Odinga
Chief Officer - Finance
ICPAK Member No.....
Date.....



Name: Geoffrey Ochieng
Director Accounting Services
ICPAK Member No.....16035
Date: 20/11/2023

9. Statement of Comparison of Budget and Actual Amounts for the Year Ended 30th June, 2023.

Receipt/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realization Difference	% of Realization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS						
Balance Brought Forward	697,043,128.00		697,043,128.00			
Exchequer releases	6,966,507,531.00		6,966,507,531.00	7,523,828,135.00	-557,320,604	108.00
Transfers from Other Government Entities	571,390,521.00	(333,074,741.00)	238,315,780.00	127,677,481.85	110,638,298	53.57
County Own Generated Revenues	580,998,234.00	120,000,000.00	700,998,234.00	215,553,285.05	485,444,949	30.75
Return to CRF issues				663,736.25		
TOTAL	8,815,939,414.00	-213,074,741.00	8,602,864,673.00	7,867,722,638.15	38,762,643.10	91.45
PAYMENTS						
Transfers to County Executive	7,143,781,782.00	138,925,259	7,282,707,041.00	6,388,024,849	894,682,192	87.71
Transfers to County Assembly	1,672,157,632.00	(352,000,000.00)	1,320,157,632.00	1,066,513,106	253,644,526	80.79
					0	
TOTAL	8,815,939,414.00	-213,074,741.00	8,602,864,673.00	7,454,537,955.00	1,148,326,718	86.65

Notes: Exchequer Releases

Exchequer releases of Kshs.7,523,828,135 included an exchequer of Kshs.557,320,604 that was meant for FY 2021-2022 but was received in July 2023

Notes: Transfers from Other Government Entities

Transfers from Other Government Entities of Kshs. 238,315,780 consist of *Kshs. 12,206,100, Kshs. 110,628,298.00, Kshs. 75,368,050.00, Kshs. 9,337,829.00, Kshs 22,000,0000.00 and 2,339,915 from DANIDA, Leasing of Medical Equipment, KCSAP, ASDSP, FLOCAP and KUSP respectively.*

Notes: County Own Generated Revenue

The County had Own generated revenue of Kshs. 496,183,035.99 representing 71% of the expected own source revenue for the period. Out of the Kshs.496,183,035, Kshs.215,553,285.05 was transferred to the CRF while Kshs. 280,629,750.94 utilized as AIA.

10. Significant Accounting Policies

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the Cash-Basis of accounting, as prescribed by the PSASB and Section 167 of the PFM Act 2012.

The Financial Statements are presented in Kenya Shillings, which is the functional and reporting currency of the Fund, all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

b) Reporting entity

This report relates to financial operations of the County Revenue Fund domiciled at the County Treasury and bank account maintained at Central Bank of Kenya.

c) Receipts

Receipts include funds deposited in the County Revenue Fund pursuant to Article 207 of the Constitution of Kenya and Section 109 of the PFM Act 2012.

The receipts collected include Exchequer releases, own source revenue, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Exchequer Account.

Transfers from the exchequer and own source revenue are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

d) Payments

Payments are based on the County Government Appropriation Act. The exchequer requests are received by County Treasury, which rationalizes the requests based on the available balance, consolidates the requests and forwards them to Controller of Budget (COB) for approval. Once the approval of COB is obtained, the funds are released to the County Assembly and County Executive operational accounts appropriately.

Significant Accounting Policies (Continued)

e) Fund Balances

Fund balances comprise bank balances in County Exchequer Account held at Central Bank of Kenya.

f) Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation or *There were no restrictions on cash during the year. (Entity to indicate the amount of funds restricted for use or relating to conditional allocations.)*

County Government of Siaya
 County Revenue Fund
 For the financial year ended 30th June 2023

11. Notes to the Financial Statements

1. Exchequer releases

The following is an analysis by revenue type of the receipts collected in the County Revenue Fund:

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Equitable Share (a)	7,523,828,135.00	6,901,502,676.00
Level 5 hospitals (b)		
Others (Specify) (c)		
Total (d=a+b+c)	7,523,828,135.00	6,901,502,676.00

2. Transfers from other government agencies**

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
Proceeds from Domestic and foreign grants received through exchequer		
Road Maintenance Fuel Levy		87,257,707.00
DANIDA - Universal Healthcare in Devolved Units Programme	18,631,688.00	6,416,438.00
World Bank – THUSCP		75,727,981.00
National Agricultural & Rural Inclusive Growth Project (NARIGP)		
Kenya Devolution Support Programme		
Youth Polytechnic support grant		
Abolishment of user fees in health centres and dispensaries		
(IDA) World Bank Credit-financing Locally led Climate Programme(FFLoCA)	22,000,000.00	
Kenya Urban Support Programme	2,339,914.85	
Agriculture Sector Development Support Project (ASDSP)	9,337,829.00	11,872,947.00
Kenya Climate Smart Agriculture Project (KCSAP)	75,368,050.00	205,652,687.00
TOTAL	127,677,481.85	386,927,760.00

County Government of Siaya
 County Revenue Fund
 For the financial year ended 30th June 2023

3. Own Source Revenue

Description	FY 2022-2023	FY 2021-2022
	KShs	KShs
RECEIPTS		
Business Permits / Cesses	69,593,029.00	59,808,201.00
Plot Rates	2,445,248.00	3,743,905.00
Plot Rents	7,444,085.25	10,861,170.00
Ground Rents	134,700.00	549,700.00
Kiosk/Stall Rents	6,572,865.30	2,811,562.00
Other miscellaneous revenues	28,039,066.70	1,694,755.00
Transfers fees	452,630.00	67,580.00
Donations		
Sand cess	981,909.00	1,839,574.00
Other revenues from financial assets loans		
Market/Trade Centre fees	33,760,650.00	37,452,522.00
Bus Park	9,136,589.00	11,582,898.00
Parking fee	5,565,383.00	6,221,253.00
Boda Boda		-
Housing/house rent	919,179.45	11,500.00
Sugar cess	3,117,743.30	1,207,212.98
Fish Cess	2,927,245.00	2,554,059.00
Plan Approval(Engineers)	3,011,061.00	3,229,591.00
Sale of Fertilizer	10,882,008.00	
Plan Approval (Physical Planning)	4,176,167.00	4,692,550.00
Weights and measures	780,010.00	764,810.00
Trade Incomes	148,560.00	199,430.00
Public Health Services	5,568,700.00	
Hospital revenue		
Linda Mama		
NHIF/Capitation		
Environment and Conservancy Administration(NEMA)	199,100.00	151,960.00
Slaughter Houses Administration Fee	729,060.00	562,640.00
Vetenary Services	3,492,221.00	3,766,780.00
Advertisement charges	4,763,700.00	5,598,650.00
External Service Fees (Hall Hire)	4,000.00	-
Liquor Licence	1,971,000.00	644,675.00
Fire Inpection fee	73,300.00	93,030.00
Agricultural Income		4,700.00

County Government of Siaya
 County Revenue Fund
 For the financial year ended 30th June 2023

Cattle Auction	3,621,830.00	3,036,450.00
Tractor Hire	4,101,850.00	119,330.00
Burial fee	1,000.00	10,000.00
Clearance Certificate	271,000.00	200,000.00
Site Fee		3,000.00
Survey Fee	650,395.00	826,600.00
Private Estate Fee	4,000.00	4,000.00
Impounding Fee	14,000.00	199,220.00
Other Receipts Not Classified Elsewhere(Private Estate)		-
TOTAL	215,553,285.00	164,513,308.00

4. Return to CRF Issues

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Recurrent Account (<i>County Executive</i>)	663,736.25	
Development Account (<i>County Executive</i>)		
Recurrent Account (<i>County Assembly</i>)		
Development Account (<i>County Assembly</i>)		
Total	663,736.25	

5. Transfers to County Executive

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Recurrent Account	4,507,450,988.00	4,202,930,257.38
Development Account	1,426,206,721.00	2,243,499,980.12
Emergency Fund	70,000,000.00	80,000,000.00
Recurrent Executive - Bursary	75,000,000.00	150,000,000.00
Agr Sector Dev Support Prgm (ASDSP)	19,088,076.00	19,872,947.00
Primary Health care	13,690,688.00	
DANIDA	6,588,000.00	
Youth Polytechnic	22,000,000.00	
Kenya Urban Support Prgm (KUSP)	2,339,915.00	13,069,989.00
FFLoca	11,000,000.00	
Fuel Levy Fund		62,785,347.00
Universal Health Care	75,727,981.00	3,637,125.00
Kenya Climate Smart Agr.Project	158,932,480.00	132,088,257.00
Total	6,388,024,849.00	6,907,883,903

County Government of Siaya
 County Revenue Fund
 For the financial year ended 30th June 2023

6. Transfers to County Assembly

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Recurrent Account	850,887,464	758,500,401
Development Account	215,625,642	130,610,539
Special purpose accounts		
Others (<i>Specify</i>)		
Total	1,066,513,106	889,110,940

7. Fund balance

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
County Exchequer Account - (<i>CBK Account number 1000171464</i>)	796,354,585.15	383,169,902.05
Total	796,354,585.15	383,169,902.05

Notes to the Financial Statements (Continued)

8. Disclosure of Balances in Revenue Collection Accounts

County Government Own source revenue is recognized in the financial statements when it has been swiped to CRF. Revenue collection account balances are disclosed as at the end of the reporting period as below.

Name Of Bank, Account No. & Currency	Amount in bank account currency*	Ex. rate (if in foreign currency)	FY 2022-2023	FY 2021-2022
			Kshs	Kshs
Siaya County Revenue Account-KCB-A/C-1140748904			1,104,394	1,792,443.00

12. Annexes

Annex 1: Progress on follow up of Auditor's 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)
1.1	The statement of receipts and payments reflects an amount of Kshs. 164,513,308 in respect of County own generated revenue as disclosed in Note 4 to the financial statement. However the financial statement of the county executive of siaya and the receiver of revenue statement for the year ended 30 th June 2022 both reflects County own generated revenue of Kshs.446,379,626. The variance of Kshs.281,866,318 had not been explained or reconciled	<p><i>We note your findings and wish to state as follows;</i></p> <p><i>i. That pursuant to County health Services Act, 2019 and County Treasury Circular on Facility Improvement Fund, Kshs. 281,866,318 was revenue collected and utilized by the health facilities. Thus it was Appropriations-In –Aid (AIA) Whereas the receipt (Own Source Revenue) of Kshs. 281,866,318 was treated in our books as AIA, it was budgeted as revenue (Hospital, PublicHealth, Linda mama andNHIF capitation) hence therecognition and disclosure in our financial statements.</i></p> <p><i>ii. The revenue of Kshs.164,513,308 consists of Own Source Revenue</i></p>	To be discussed at the Siaya County Assembly	

County Government of Siaya
 County Revenue Fund
 For the financial year ended 30th June 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p><i>excluding Hospital, Public Health, Linda mama and NHIF capitation revenues (AIA) that were collected and transferred to the County Revenue Fund Account. The same were receipted, receipt vouchers prepared and posted in County Revenue Fund Cashbook.</i></p>		
1.2	<p>The statement of receipts of payments reflects an amounts of Kshs. 6,901,502,676.00, Kshs. 299,670,053.00 and Kshs. 87,257,707.0 relating Exchequer Releases, proceeds from domestic and foreign grants and transfers from other government entities respectively. However , no documentary evidence was provided to support the balance. In the circumstances the completeness and accuracy of the reported amounts could not be confirmed</p>	<p><i>We note your observation and wish to state that the amount of Kshs. 6,901,502,676 being exchequer releases, Kshs. 299,670,053 being proceeds from domestic and foreign grants and Kshs. 87,257,707 being fuel levy were received in the CRF account, receipted, receipt vouchers prepared and posted in cashbooks.</i></p>	To be discussed at the Siaya County Assembly	
2	<p>The statement of receipts of payments reflects an opening fund bbalance brought forward of Kshs.727,221,000. However Note7 to the financial statement reflects a balance of Kshs.383,169,902 resulting to an unexplained and</p>	<p><i>We note your observation and wish to state that the opening balance is supported by the bank reconciliation statement as at 30th June 2021, cashbook extract as at 30th June 2021 and</i></p>	To be discussed at the Siaya County Assembly	

County Government of Siaya
 County Revenue Fund
 For the financial year ended 30th June 2023

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)
	unreconciled variance of Kshs.344,051,098. Further , no documentary evidence was provided to support the balance. In the circumstances the accuracy and completeness to the balance could not be confirmed	<i>bank statement balance as at 30th June 2021.</i>		
3	The statement of Receipts and Payments reflects an amount of Kshs.87, 257,707.00 in respect of transfers from other government entities and as disclosed under Note 3.to the Financial Statement it relates to amounts from the Road Maintenance Levy Fund. However, the amount has not been reflected in the Financial Statements of The County Executive. In the circumstance the completeness and completeness of the reported balance cannot be confirmed	<i>We note your observation and wish to state that the Kshs.87,257,707.00 is Road Maintenance Levy Fund and the same was reported in the Financial statements for County Executive. This Amount is disclosed in note 2 of the Siaya County Executive Financial Statement</i>		

.....
Name Jactone Ouma Odinga
Chief Officer Finance
ICPAK Member No
Date

County Government of Siaya
 County Revenue Fund
 For the financial year ended 30th June 2023

Annex 2 . Analysis Of Receipts from The National Treasury Exchequer Releases

Period (2022/2023)	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Cumulative current year (Kshs.)
Equitable Share	1,149,473,744.00	1,706,794,344.00	1,149,473,743.00	3,518,086,304.00	7,523,828,135.00
Level 5 Hospitals					
DANIDA - Universal Healthcare in Devolved Units Programme				18,631,688.00	18,631,688.00
World Bank – THUSCP					-
National Agricultural & Rural Inclusive Growth Project (NARIGP)					-
Kenya Devolution Support Programme					-
Youth Polytechnic support grant					-
Abolishment of user fees in health centres and dispensaries					-
Kenya Urban Support Programme				2,339,914.85	2,339,914.85
Agriculture Sector Development Support Project (ASDSP)			9,337,829.00		9,337,829.00
FLloCap			11,000,000.00	11,000,000.00	22,000,000.00
Kenya Climate Smart Agriculture Project (KCSAP)			75,368,050.00		75,368,050.00
Water and Sanitation Development Project					-
Total (As per note 2)					-
Grand Total (A+B)	1,149,473,744.00	1,706,794,344.00	1,245,179,622.00	3,550,057,906.85	7,651,505,616.85

County Government of Siaya
 County Revenue Fund
 For the financial year ended 30th June 2023

Annex 3. Analysis Of Receipts from Own Source Revenue per Quarter

Period 2022-2023	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
SINGLE BUSINESS PERMITS	3,864,665.00	4,571,250.00	28,318,527.00	32,838,587.00	69,593,029.00
MARKET FEES	7,641,017.00	6,900,505.00	9,324,362.00	9,894,766.00	33,760,650.00
BODA BODA	-	-	-	-	-
WEIGHTS & MEASURES	88,480.00	180,340.00	302,350.00	208,840.00	780,010.00
TRADE INCOME (Audit fee)	4,620.00	9,240.00	41,580.00	93,120.00	148,560.00
ADVERTISEMENT CHARGES	-	263,700.00	-	4,500,000.00	4,763,700.00
LIQUOR LICENSING				1,971,000.00	1,971,000.00
BUS PARK	1,164,235.00	2,101,978.00	2,386,430.00	3,483,946.00	9,136,589.00
PLAN APPROVAL (Engineers)	468,319.00	374,492.00	1,240,892.00	927,358.00	3,011,061.00
GRADER	-	-	-	-	-
FIRE INSPECTION	36,600.00	-	36,700.00	-	73,300.00
PARKING	703,520.00	1,476,840.00	1,542,690.00	1,842,333.00	5,565,383.00
COUNTY HALL HIRE	-	2,000.00	1,000.00	1,000.00	4,000.00
FISH CESS	258,420.00	542,810.00	1,157,902.00	968,113.00	2,927,245.00
SLAUGHTER FEES	136,860.00	260,420.00	175,010.00	156,770.00	729,060.00
CILOR	-	-	-	-	-
SUGAR CESS	452,728.75	-	1,403,699.00	1,261,315.55	3,117,743.30
AGRICULTURE INCOME (Fisherman Licence)	-	-	-	-	-
VETERINARY SERVICES	713,250.00	1,060,371.00	948,820.00	769,780.00	3,492,221.00
CATTLE AUCTION	503,700.00	782,820.00	1,131,810.00	1,203,500.00	3,621,830.00
TRACTOR HIRE SERVICES (T.H.S) Private Tractors	-	-	3,925,350.00	176,500.00	4,101,850.00
SALES OF SEED	-	-	-	-	-
SALES OF FERTILIZER	-	-	1,383,950.00	9,498,058.00	10,882,008.00
PLAN APPROVAL (Physiscal Planning)	757,746.00	412,039.00	1,644,894.00	1,361,488.00	4,176,167.00

County Government of Siaya
 County Revenue Fund
 For the financial year ended 30th June 2023

TRANSFER FEE	-	62,030.00	289,000.00	101,600.00	452,630.00
PLOT RATES	-	826,946.00	841,289.00	777,013.00	2,445,248.00
PLOT RENT	1,525,919.25	920,775.00	2,606,981.00	2,390,410.00	7,444,085.25
GROUND RENT	-	-	46,500.00	88,200.00	134,700.00
HOUSE RENT	-	43,360.00	90,180.00	785,639.45	919,179.45
KIOSK/STALL RENT	57,460.00	991,924.00	2,670,755.30	2,852,726.00	6,572,865.30
BURIAL FEE & SYNAGE	-	-	-	1,000.00	1,000.00
CLEARANCE CERTIFICATE	-	60,000.00	123,000.00	88,000.00	271,000.00
SITE FEE	-	-	-	-	-
SURVEY FEE	108,000.00	114,000.00	243,560.00	184,835.00	650,395.00
PRIVATE ESTATE FEE	-	-	4,000.00	-	4,000.00
HOSPITAL REVENUE					-
PUBLIC HEALTH	733,200.00	558,600.00	2,243,700.00	2,033,200.00	5,568,700.00
LINDA MAMA					-
NHIF/CAPITATION					-
NEMA (Noise Permit)	22,000.00	74,800.00	63,800.00	38,500.00	199,100.00
SAND CESS/QUARRY	125,690.00	162,370.00	417,447.00	276,402.00	981,909.00
MISC.	27,640,103.70	398,963.00	-	-	28,039,066.70
SCHOOL FEE	-	-	-	-	-
IMPOUNDING FEE	-	5,000.00	1,000.00	8,000.00	14,000.00
Total	47,006,533.70	23,157,573.00	64,607,178.30	80,782,000.00	215,553,285.00

County Government of Siaya
 County Revenue Fund
 For the financial year ended 30th June 2023

Annex 4: Analysis of Transfers from the County Revenue Fund

Period -2023	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive -Rec	715,628,273.00	1,428,431,462.00	644,149,158.00	1,794,242,095.00	4,582,450,988.00
County Executive -Dev	-	263,779,284.00	119,154,688.00	1,043,272,749.00	1,426,206,721.00
County Assembly -Rec	43,759,177.00	283,163,370.00	124,004,048.00	399,960,869.00	850,887,464.00
County Assembly -Dev	24,861,700.00	50,083,912.00	36,838,755.00	103,841,275.00	215,625,642.00
Special Purpose A/c (Specify)	160,708,849.00	43,338,247.00	84,705,879.00	90,614,165.00	379,367,140.00
Total	944,957,999.00	2,068,796,275.00	1,008,852,528.00	3,431,931,153.00	7,454,537,955.00

