

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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OF KENYA  
LIBRARY

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**RECEIVER OF REVENUE – REVENUE  
STATEMENTS**

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

**COUNTY GOVERNMENT OF HOMA BAY**

PAPERS LAID	
DATE	20/3/2024
TABLED BY	Sen. Kinjira
COMMITTEE	_____
CLERK AT THE TABLE	Polycarp





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# COUNTY GOVERNMENT OF HOMABAY

## RECEIVER OF REVENUE

### Revenue Statements

For The Financial Year Ended  
30<sup>th</sup> June 2023

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

Receiver Of Revenue  
County Government Of Homa Bay  
Revenue Statements for the Year Ended 30<sup>th</sup> June 2023

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Receiver Of Revenue  
County Government Of Homa Bay  
Revenue Statements for the Year Ended 30<sup>th</sup> 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
CECM	County Executive Committee Member
CRA	Commission Of Revenue Allocation
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 responsibility	The key management personnel who had financial

## 2. Key Entity Information and Management

### (a) Background information

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

### (b) Principal activities

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

### (c) Key Management

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

- County Executive Committee Member for Finance
- The County Revenue Board
- Chief Officer, Finance
- Director Revenue

### (d) County Headquarters

P.O BOX 469-40300  
HOMA BAY, KENYA

### (e) Entity Contacts

Telephone: (254) 2038617565/55  
E-mail: [governorofficeHomaBaycounty.go.ke](mailto:governorofficeHomaBaycounty.go.ke)  
Website: [www.Homa Bay.go.ke](http://www.Homa Bay.go.ke)



**(f) Independent Auditors**

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

**(g) Principal Legal Adviser**

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

**(h) Bankers *(include all collection banks)***

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
  
2. Kenya Commercial Bank Ltd  
Kencom House,  
Moi Avenue,  
P.O Box 48400-00100  
Nairobi, Kenya.

**(i) County Attorney**

Homa Bay County Attorney  
Homa Bay County Governor's office  
P.O BOX 469-40300  
HOMA BAY, KENYA

### 3. Foreword By the CECM Finance and Economic Planning



Dear Stakeholders,

It is my pleasure to present the Homa Bay County Receiver of Revenue financial statements for the year ended 30<sup>th</sup> June 2023. The financial statements present the financial performance of the county Government over the past one 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.

#### 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 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 CRA and approved by Parliament in accordance with Article 217 of the Constitution.

The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue sources for Homa Bay County included business permits, bus park fees, market dues, cesses, health revenues 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 the following:

- The County has embarked on a paperless Revenue Service Delivery through the automation of its Revenue and Management Systems. Unstructured revenue which includes parking, market fees and cattle auction is now fully automated.



Receiver Of Revenue  
County Government Of Homa Bay  
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- County has also gone cashless in all revenue streams. All payments in these streams are done via M-Pesa Paybill and direct Bank Deposits. As a result, there has been an increase in prompt Supervision and follow-ups as well as reduced pilferages.
- Moreover, formation and operationalization of the Homa Bay County Revenue Board through an act of the County Assembly has strengthened legal and administrative frameworks for the County OSR operations. The Board has also helped to identify opportunities for optimizing County's revenues.



.....  
Hon. Solomon Obiero  
CEC-M Finance And Economic Planning  
Homa Bay County Government.



#### 4. Management Discussion and Analysis

In the financial year under review, Kshs. 859,454,023.85 was generated as total revenues for the County. Ksh. 626,646,994 of the total collections was realized from health facilities while ksh 232,807,029.85 were collections from other ordinary revenue streams.

The above total represents 105% of the revised estimates III of Ksh 818,315,811 and a great improvement compared to Ksh 311,995,474 realized in the FY 2021/22. This has been occasioned by the following:

1. Formation and operationalization of the Homa Bay County Revenue Board through an act of the County Assembly. The Revenue Board in consultation with the management of the County has helped to strengthen legal and administrative frameworks for the County OSR.
2. Enactment of the Homa Bay County Finance Act 2023 that provides for appropriate taxation, imposition of fees and charges for services and other revenue raising measures.
3. Automation of the County revenue collection processes. This has been a great step by the management through the procurement of an automated revenue collection solution. As a result, the County Government is able to well manage the revenue sources by identifying and classifying them for prompt reporting and informed decision making.
4. Recruitment and training of more revenue staff by the County Management has seen an improvement in revenue administration and human resource systems. As a result there is efficiency in enforcing revenue collection.

The following table indicates the performance of the various revenue streams for the FY 2022/23.



Receiver Of Revenue  
 County Government Of Homa Bay  
 Revenue Statements for the Year Ended 30<sup>th</sup> June 2023

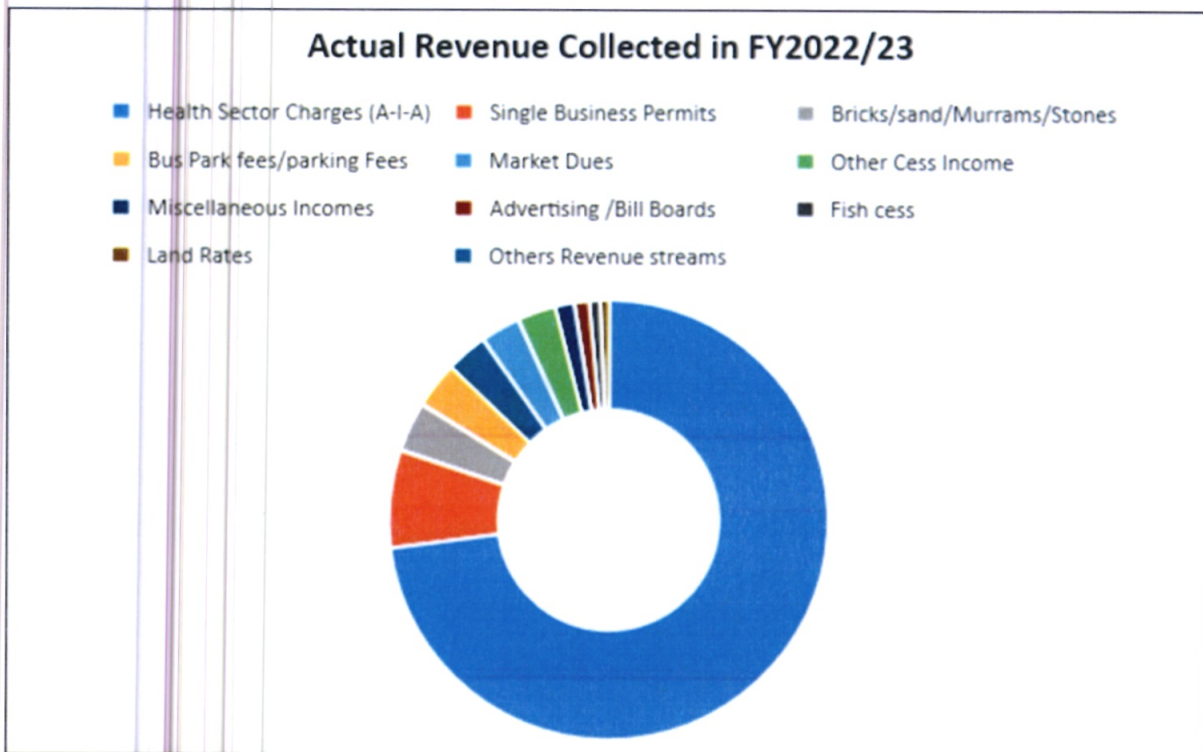


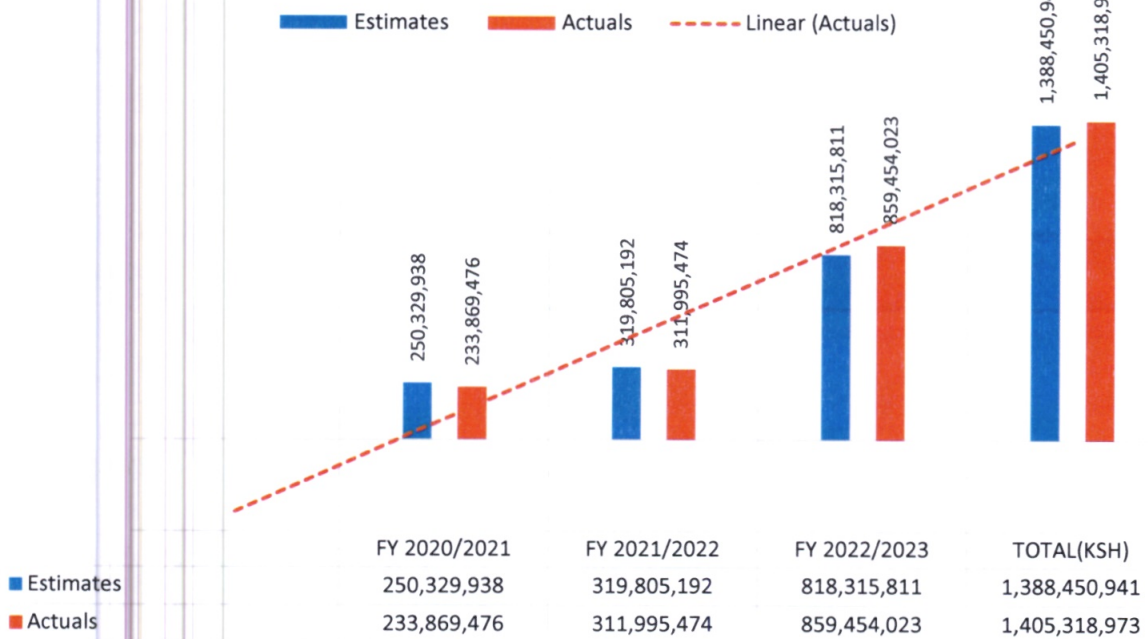
Table Analysis

Revenue Streams	FY2022/23
Health Sector Charges (A-I-A)	626,646,994
Single Business Permits	61,770,496
Bricks/sand/Murrams/Stones	31,579,853
Bus Park fees/parking Fees	29,359,416
Market Dues	24,955,898
Sugar cess	24,331,008
Miscellaneous Incomes	12,143,630
Advertising /Billboards	9,313,232
Fish cess	7,004,275
Land Rates	5,996,073
Others Revenue streams	26,353,148

Receiver Of Revenue  
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An analysis of the yearly revenue trend for the past three financial years is as shown in the following table.

**FY 2020/21 - 2022/23 TREND ANALYSIS**





#### 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.

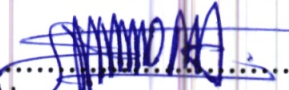


Receiver Of Revenue  
County Government Of Homa Bay  
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Approval of the Revenue Statements

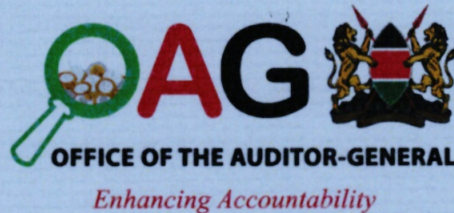
The *revenue* statements were approved and signed by the Receiver of Revenue on 27<sup>TH</sup> NOV

  
.....  
Name  
County Receiver of Revenue



# REPUBLIC OF KENYA

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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON RECEIVER OF REVENUE - REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2023 - COUNTY GOVERNMENT OF HOMA BAY

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of Receiver of Revenue-Revenue Statements set out on pages 1 to 14, which comprise the statement of 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, the financial statements present fairly, in all material respects, the financial position of the Receiver of Revenue - Revenue Statements for the year ended 30 June, 2023 as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

### **Basis for Opinion**

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget vs actual amounts reflects actual revenue collected during the year of Kshs.859,454,023 against an approved budget of Kshs.818,315,811 resulting to over-collection of Kshs.41,138,212 or 5% of the budget. However, revenue collection targets for three (3) revenue streams were not achieved.

My opinion is however, not modified in respect of this matter.

### **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.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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



## **Basis for Conclusion**

### **1. Delayed Finalization of the Valuation Roll for Homabay Municipality**

During the year under review, Management of Homa Bay County Government engaged a local consultant towards preparation of valuation roll for Homabay Municipality at a contract sum of Kshs.20,515,760. The contract commenced on 15 May, 2023 with an initial expected completion date of 31 August, 2023. The terms of contract specified that thirty-percent (30%) of the contract sum, equivalent to Kshs.6,154,728 be paid upon submission of inception report and the balance of (70%) in various specified percentages throughout the implementation of the project, the final being upon submission and presentation of the draft valuation roll.

Review of records at the time of audit in the month of November, 2023 revealed that the consultant had delivered an inception report and had not been paid the full 30% of the contract sum amounting to Kshs.6,154,728. In addition, apart from presentation of inception report, the other three (3) milestones namely; delivery of status report and scheduling of ratable land, preparation of draft report and tabling of adoption of draft valuation roll report on or before 31 October, 2023 had not been achieved.

In the circumstances, the revenue generation potential of the County could not be achieved.

### **2. Spending of Revenue at Source by Health Facilities**

The statement of receipts and disbursements reflects hospital fees of Kshs.626,646,994 as disclosed in Note 8 to the financial statements. However, review of revenue reports revealed that revenue amounting to Kshs.394,183,495 was spent at source. This is contrary to Section 109(2) of the Public Finance Management Act, 2012 which provides 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 circumstance, 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 procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.



## **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit so as to obtain assurance as to whether effective processes and systems of internal control, risk management and overall governance was maintained 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 such 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 Receiver of Revenue'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 dissolve the Receiver of Revenue 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 Receiver of Revenue's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

## **Auditor-General's Responsibilities for the Audit**

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 controls in order to give an assurance on the effectiveness of internal control, 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 controls 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 policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Receiver of Revenue's ability to 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 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 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 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


15 January, 2024


Receiver Of Revenue  
 County Government Of Homa Bay  
 Revenue Statements for the Year Ended 30<sup>th</sup> June 2023

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

County Own Source Revenue	Note	2022/2023	2021/22
		Kshs.	Kshs.
Cess	1	63,295,046	43,155,615
Land Rates	2	5,996,073	1,837,658
Single/Business Permits	3	64,744,620	36,482,274
Property Rent	4	10,378,806	8,357,405
Parking Fees	5	31,251,276	21,453,194
Market Fees	6	30,705,122	26,086,667
Advertising and Billboards	7	9,313,233	2,233,450
Health Sector Charges AIA	8	626,646,994	163,162,574
Veterinary service fees	9	263,725	109,910
Physical Planning and Development	10	2,836,944	1,545,143
Hire Of County Assets	11	307,250	-
Conservancy Administration	12	1,210,245	147,080
Administration Control Fees and Charges	13	361,060	191,370
Landing Fees	14	53,285	43,210
Miscellaneous receipts	15	12,143,630	7,233,133
<b>Total County Own Source Revenue</b>		<b>859,454,023</b>	<b>311,995,474</b>
Balance b/f at the beginning of the year		1,593,587	9,752,178
prior year adjustments		-	(1,440,044)
Disbursements To CRF		(461,496,551)	(156,991,500)
less: AIA Health		(391,776,443)	163,162,574
less bank charges		(194,435)	
<b>Balance Due for Disbursement</b>		<b>7,580,182</b>	<b>1,593,587</b>

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 27<sup>th</sup> NOV and signed by:

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

  
 Name CPA Okello Sit  
 Head of Revenue Reporting  
 ICPAK M/No 30278

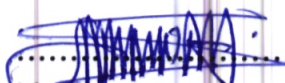



Receiver Of Revenue  
 County Government Of Homa Bay  
 Revenue Statements for the Year Ended 30<sup>th</sup> June 2023

7. Statement of Financial Assets and Liabilities As at 30<sup>th</sup> June 2023

Financial Assets	Note	2022/2023	2021/2022
Cash And Cash Equivalents		Kshs	Kshs
Bank Balances	16	7,580,182.15	1,593,578
<b>Total Financial Assets</b>		<b>7,580,182.15</b>	<b>1,593,578</b>
<b>Financial Liabilities</b>			
Payables-Due to CRF	17	7,580,182.15	1,593,578
<b>Total Financial Liabilities</b>		<b>7,580,182.15</b>	<b>1,593,578</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 27<sup>th</sup> NOV 2023 and signed by:

  
 Name .....  
 County Receiver of Revenue

  
 Name C/A O'kello Sita  
 Head of Revenue Reporting  
 ICPAK M/No 30278




8. Statement of Comparison of budget vs Actual Amounts for the Year Ended 30<sup>th</sup> June 2023


Receipt	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Realization Difference	% Of Realization
	A	B	C=A+B	D	E=C-D	F=D/C %
<b>County Own Source Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
Cess	36,111,521	27,425,609	63,537,130	63,295,046	242,084	99.62%
Land/Poll Rate	2,148,777	4,065,762	6,214,539	5,996,073	218,466	96.48%
Single/Business Permits	48,636,182	13,842,118	62,478,300	64,744,620	(2,266,320)	103.63%
Property Rent	15,984,611	(6,185,965)	9,798,646	10,378,806	(580,160)	105.92%
Parking Fees	27,522,110	2,204,886	29,726,996	31,251,276	(1,524,280)	105.13%
Market Fees	34,829,928	(4,713,194)	30,116,734	30,705,122	(588,388)	101.95%
Advertising	985,750	8,171,086	9,156,836	9,313,233	(156,397)	101.71%
Hospital Fees	-	595,691,578	595,691,578	626,646,994	(30,955,416)	105.20%
Public Health and veterinary Service Fees	273,845	(43,870)	229,975	263,725	(33,750)	114.68%
Physical Planning and Development	2,115,002	660,342	2,775,344	2,836,944	(61,600)	102.22%
Hire Of County Assets	9,906,440	(9,445,690)	460,750	307,250	153,500	66.68%
Conservancy Administration	4,332,782	(3,132,352)	1,200,430	1,210,245	(9,815)	100.82%
Administration Control Fees and Charges	585,600	(245,290)	340,310	361,060	(20,750)	106.10%
Miscellaneous Receipts	7,648,204	(1,059,961)	6,588,243	12,143,630	(5,555,387)	184.32%
<b>Total Receipts</b>	<b>191,080,752</b>	<b>627,235,059</b>	<b>818,315,811</b>	<b>859,454,023</b>	<b>(41,138,212)</b>	<b>105.03%</b>

**COMMENTARY ON SIGNIFICANT UNDER REALISATION (BELOW 90% OF REALISATION) AND ANY OVER REALISATION**

- (a) The Hire of County Assets category was under realised with a 66 per cent realisation since most of the County Assets had been grounded during the financial year.
- (b) All the other categories as indicated above were over realised due to the following:
1. Formation and operationalization of the Homa Bay County Revenue Board through an act of the County Assembly. The Revenue Board in consultation with the management of the County has helped to strengthen legal and administrative frameworks for the County OSR.
  2. Recruitment of more revenue collection staff and posting them in areas where there was a deficit in terms of human resource.
  3. Capacity building of the revenue enforcement and inspectorate teams thus increased work output that enhanced revenue collection.
  4. Implementation of the cashless revenue collection system that greatly reduced revenue leakages.
  5. Implementation of County Revenue Days by the management that sensitized the general public on the need to pay revenue.

The County Receiver of revenue's financial statements were approved on 27<sup>TH</sup> NOV 2023 and signed by:

  
.....  
Name  
County Receiver of Revenue

  
.....  
Name C/A O'Kello Sita  
Head of Revenue Reporting  
ICPAK M/No 30278



**9. Statement of Arrears of Revenue as at 30th June 2023**

<b>Classification Of Receipts (Indicate As Applicable)</b>	<b>Balance as at The beginning of the current year (1<sup>st</sup> July 2022) A</b>	<b>Arrears received during the year. B</b>	<b>Additions in arrears for the current year to June 30, 2023 C</b>	<b>Total arrears as at 30 June 2023 D=A+(B)+C</b>	<b>Measures taken to recover the arrears</b>	<b>Assessment to the recoverability of arrears</b>
Cess	-	-	1,243,561	1,243,561	Invoice issued to the firm	recoverable
Land rate	-	-	2,014,693	2,014,693	Revenue enforcement team tasked to follow up.	
Single/Business Permits	-	-	1,108,500	1,108,500	Revenue enforcement team tasked to follow up.	
Property Rent	-	-	385,800	385,800	Enforcement to be done on a monthly basis	
Parking Fees	-	-	100,000	100,000	Invoice already issued.	
<b>Total Arrears</b>	-	-	<b><u>4,466,754</u></b>	<b><u>4,466,754</u></b>		

## 10. Significant Accounting Policies

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

### 1. Statement of Compliance and Basis of Preparation

The revenue statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and relevant legal framework of the County Government of Homa Bay. 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 15<sup>th</sup> June for the period 1st July 2022 to 30 June 2023 as required by law. There was three 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. (Include the receiver's actual policy on disbursements)

**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

Receiver Of Revenue  
 County Government Of Homa Bay  
 Revenue Statements for the Year Ended 30<sup>th</sup> June 2023

9. Notes to the Financial Statements

1. Cess

Description	2022/23	2021/22
	Kshs	Kshs
fish Cess	7,004,275	6,830,580
livestock movement fees	379,910	357,609
other cess	24,331,008.00	18,606,064
Quarrying	31,579,853.00	17,361,363
<b>Total</b>	<b>63,295,046.00</b>	<b>43,155,615</b>

2. Land Rates

Description	2022/23	2021/22
	Kshs	Kshs
land rates	5,996,073	1,837,658
<b>Total</b>	<b>5,996,073</b>	<b>1,837,658</b>

3. Single Business Permit

Description	2022/23	2021/22
	Kshs	Kshs
single business permit	61,770,496	35,170,824
finest and penalties	2,974,124	1,311,450
<b>totals</b>	<b>64,744,620</b>	<b>36,482,274</b>

4. Property Rent

Description	2022/23	2021/22
	Kshs	Kshs
Kiosk Rent	4,614,290	2,938,798
other(ground rent)	2,444,825	3,556,769
Housing Fees	1,582,609	499,489
tenancy agreement	1,598,552	1,282,959
transfer of property	138,530	79,390
<b>Total</b>	<b>10,378,806</b>	<b>8,357,405</b>



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**5. Parking fees**

Description	2022/23	2021/22
	Kshs	Kshs
Bus park/Parking fees	29,359,416	20,911,643
motor bike fees	1,838,575	498,341
<b>Total</b>	<b>31,197,991</b>	<b>21,409,984</b>

**6. Market fees**

Description	2022/23	2021/22
	Kshs	Kshs
market entry fees	24,955,898	21,939,427
slaughter house fees	1,686,094	729,259
stock auction fees	4,063,130	3,417,981
<b>Total</b>	<b>30,705,122</b>	<b>26,086,667</b>

**7. Advertising and Billboards**

Descriptions	2022/23	2021/22
	Kshs	Kshs
billboard advertising	9,313,233	2,233,450
<b>Total</b>	<b>9,313,233</b>	<b>2,233,450</b>

**8. Health Sector Charges AIA**

Description	2022/23	2021/22
	Kshs	Kshs
Level 4 hospitals	626,646,994	163,162,574
<b>Total</b>	<b>626,646,994</b>	<b>163,162,574</b>

**9. Veterinary Service Fee**

Description	2022/23	2021/22
	Kshs	Kshs
Veterinary charges	263,725	109,910
<b>Total</b>	<b>263,725</b>	<b>109,910</b>

Receiver Of Revenue  
 County Government Of Homa Bay  
 Revenue Statements for the Year Ended 30<sup>th</sup> June 2023

**10. Physical planning and Development**

Description	2022/23	2021/22
	Kshs	Kshs
Approval plans/Transfers/Certificates	2,449,634	1,505,643
Site Value Rates	4,090	39,500
Search and clearing certificates	23,600	-
survey/ sub division fee	359,620	-
<b>Total</b>	<b>2,836,944</b>	<b>1,545,143</b>

**11.Hire of County Assets**

Description	2022/23	2021/22
	Kshs	Kshs
Hire of tractors	121,250	-
hire of machines and equipments	186,000	-
<b>Total</b>	<b>307,250</b>	<b>-</b>

**12. Conservancy Administration**

Description	2022/23	2021/22
	Kshs	Kshs
Noise Pollution Fees	193,490	147,080
Conservancy fee	144,060	-
liquor licencing	350,500	-
water charges	20,885	-
Weights and measures	501,310	-
<b>Total</b>	<b>1,210,245</b>	<b>147,080</b>

**13. Administration Control Fees and Charges**

Description	2022/23	2021/22
	Kshs	Kshs
fire services	361,060	191,370
<b>Total</b>	<b>361,060</b>	<b>191,370</b>



Receiver Of Revenue  
 County Government Of Homa Bay  
 Revenue Statements for the Year Ended 30<sup>th</sup> June 2023

14. Landing fees

Description	2022/23	2021/22
	Kshs	Kshs
Landing fees	53,285	43,210
<b>Total</b>	<b>53,285</b>	<b>43,210</b>

15. Miscellaneous Receipts

Description	2022/23	2021/22
	Kshs	Kshs
others	12,143,630	7,233,133
<b>Total</b>	<b>12,143,630</b>	<b>7,233,133</b>

16. Bank Balances

Name of Bank, Account No. & currency	2022/2023	2022/2021
	Kshs	Kshs
Homa Bay County KCB –Revenue A/c no 1140763555	7,580,182.15	1,593,578
<b>Total</b>	<b>7,580,182.15</b>	<b>1,593,578</b>

16(a) Balance carried forward as at 30<sup>th</sup> June 2023 and subsequently transferred

Ref	Amount (Kshs)	Date subsequently transferred
Disbursement 1	7,580,182.15	7 <sup>th</sup> Sept 2023
Disbursement 2		
<b>Total</b>	<b>7,580,182.15</b>	

Receiver Of Revenue  
 County Government Of Homa Bay  
 Revenue Statements for the Year Ended 30<sup>th</sup> June 2023

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17. Payables- Due To CRF

Payables	2022/23	2021/22
	Kshs	Kshs
Balance b/f at the beginning of the year	1,593,587.15	9,752,178.00
Amount collected during the year	467,483,146	148,832,909.2
Amounts disbursed to CRF during the year	461,496,551	156,991,500.00
Balance c/d at the end of the year	7,580,182.15	1,593,587.15

  
 Name  
 County Receiver of Revenue

Date 27<sup>th</sup> NOV. 2023

  
 Name CPA Okello Sita  
 Head of Revenue Reporting

ICPAK M/No 30278

Date



**Notes to the Financial Statement (Continued)**

**18. Ageing Analysis of Revenue in Arrears**

<b>Description (indicate as applicable)</b>	<b>Less than 1 year</b>	<b>Between 1-2 years</b>	<b>Between 2-3 years</b>	<b>Over 3 years</b>	<b>Total</b>
Cess	1,243,561	-	-	-	1,243,561
Land rate	2,014,693	-	-	-	2,014,693
Single/business permits	1,108,500	-	-	-	1,108,500
Property rent	385,800	-	-	-	385,800
Parking fees	100,000	-	-	-	100,000
<b>Total</b>	<b>4,466,754</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,466,754</b>

**Appendix 19: 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.

<b>Ref No.</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status:</b>	<b>Timeframe:</b>
1.	The revenue statements were not compliant with the Annual Revenue Reporting Template for County Receivers of Revenue (June, 2022), issued by the Public Sector Accounting Standards Board.	Template issued by the Public Sector Accounting Standards Board complied with while preparing the current year's statement	Resolved	
2.	Variances between Statement of Receipts and Ledger Balances	Cases of unexplained and unreconciled variances addressed in the current statements	Resolved	
3.	Rents and Rates Collected through Outdated Valuation Roll	An updated valuation roll is being developed	Not resolved	By 31 <sup>st</sup> January 2024
4.	The integrity and reliability of the revenue automation system could not be confirmed	A new revenue collection and management system has been procured	resolved	