

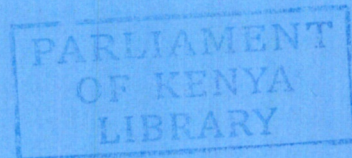
REPUBLIC OF KENYA



Enhancing Accountability

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REPORT



OF

THE AUDITOR-GENERAL

ON

RECEIVER OF REVENUE

**FOR THE YEAR ENDED
30 JUNE, 2022**

COUNTY GOVERNMENT OF MACHAKOS



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
MACHAKOS HUB.
20 MAR 2023
RECEIVED



RECEIVER OF REVENUE
(County Government of Machakos)

REVENUE STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022

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

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I. 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* was designated as a receiver on 20th July, 2018 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 Machakos day-to-day management of revenue is under the following:

No.	Designation	Name
1.	County Executive Committee Member- Finance, Revenue and Economic Planning	Hon. Onesmus Kuyu
2.	Accounting Officer – Finance	Mr. Collins Adipo
3.	Accounting Officer -Revenue Management	Mr. Collins Adipo
4.	Accounting Officer – Economic Planning	Mr. Tobias Mutuku
5.	Ag.Head of Accounting Services	Mr. Daniel Mutula
6.	Ag. Chief Internal Auditor	Mr. Benjamin Nyika
7.	Director of Budget	Ms. Stella Miriti

(d) County Headquarters

Town Hall Building
Off Machakos Nairobi Highway
P.O. Box 1996-90100
Machakos, KENYA

(e) Entity Contacts

Telephone: (254) 4420246

E-mail: machakostreasury@machakosgovernment.co.ke

Website: www.machakosgovernment.co.ke

*Receiver of Revenue
County Government Of Machakos
Revenue Statements for the Period Ended 30th June 2022*

(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

Kenya Commercial Bank
Machakos Branch

Co-operative Bank of Kenya
Machakos Branch

Family Bank of Kenya
Machakos Branch

II. Foreword by the CECM Finance and Economic Planning

It is my pleasure to present the Machakos County Government Revenue Statements for the year ended 30th June 2022, which are in line with the Public Finance Management (PFM) Act, 2012. The Act requires final revenue accounts to be prepared, published, publicized and submitted to the County Assembly, Office of the Auditor General, the National Treasury, the Controller of Budget and Commission for Revenue Allocation within a period of three months after the end of each Financial Year.

Attached are the Revenue Statements which have been prepared in line with the requirements of the PFM Act 2012, which present a true and fair view of state of affairs of the County Government of Machakos for the year ended 30th June, 2022.

County Governments' Financing

In accordance with Article 202 of the Constitution of Kenya, the revenue raised nationally shall be shared equitably among the National Government and the County Governments. The County Governments equitable share of revenue raised nationally is determined every year through the County Allocation of Revenue Act. The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution of Kenya, 2010.

Moreover, the County Government of Machakos also finances its operations through Own Source Revenue (OSR) and has endeavoured to enhance the existing revenue sources as well as exploring new revenue sources. The county is keen on improving its revenue collection through enhanced enforcement, strict supervision and revenue automation. Revenue statements reports sources, projections and actuals of own source revenues.

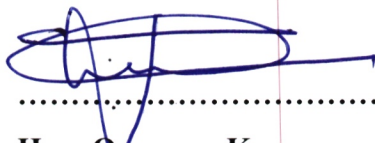
A. Financial Performance

i. Revenue

During FY 2021/2022, the County Government of Machakos projected to collect Kshs. 1,682,894,197 from Own source Revenue. However, the management collected an actual amount of Ksh.1, 118,461,753 (66.46%) of the total budgeted revenue. The shortfall of 564,432,444 (33.54%) was occasioned by disruptions of businesses during electioneering period, drought and change in governing policies both nationally and locally. The Department of Finance and Revenue collection has managed

*Receiver of Revenue
County Government Of Machakos
Revenue Statements for the Period Ended 30th June 2022*

to disburse all revenue collected from the thirteen (13) revenue streams to County Revenue Fund within seven working (7) days.



.....
Hon. Onesmus Kuyu

CECM Finance and Economic Planning

County Government of Machakos

III. Management Discussion and Analysis

The County Government of Machakos has made significant efforts in realization of revenue targets set during the last three financial years. This involved automation of revenue collection systems, timely reporting and adequate staffing of revenue department. An analysis of financial performances of the receiver of Revenue for the last three years has been summarised below;

Financial Performance

Financial Performance of the Receiver of Revenue for three (3) Years				
Financial year	Budgeted(A)	Actual(B)	Budget Realization Difference(C=A-B)	% Of Realization (B/A*100)
2019/2020	1,160,776,900	1,376,171,810	(215,394,910)	118%
2020/2021	1,299,758,630	1,296,364,668	3,393,962	99.7%
2021/2022	1,682,894,197	1,118,461,753	564,432,444	66%

During the FY 2019/2020, 2020/2021, 2021/2022, the Department of Revenue Collection realized an actual amounts of Ksh. 1,376,171,810, Ksh.1,296,364,668 and Ksh.1,118,461,753 against revenue budgeted amounts of Ksh. 1,160,776,900, Ksh.1,299,758,630 and Ksh. 1,682,894,197 respectively.

However, the shortfall during FY 2021/2022 was occasioned by the Covid-19 pandemic ripple effects on businesses, high rates of inflation, drought and General Elections Campaigns.

In conclusion, the current management has formed ICT taskforce mandated to recommend various strategies of enhancing revenue such as digitization of revenue collection, mapping of all business within the county and rolling out land roll registry.

IV. Statement of Performance against County Predetermined Objectives

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each County Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board, includes a statement of the county government entity's performance against predetermined objectives.

Strategic development objectives

The County's 2021-2022 CIDP has identified seven (7) key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's "Big Four", NIUPLAN, SDGs and the MTP III. The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key development objectives of the Machakos County's 2023-2027 CIDP are to;

- Agriculture & Food Security
- Adequate water supply through construction of dams and drilling of boreholes
- Improvement of Infrastructure
- Promotion of Business & Tourism
- Safeguarding the Environment
- Promote ECDE Education
- Strategic Partnership

V. 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, 2022. 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, 2022, and of the *entity's* statement of assets and liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the *receiver of revenue account* as well as the adequacy of the systems of internal financial control.

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

Approval of the Revenue Statements

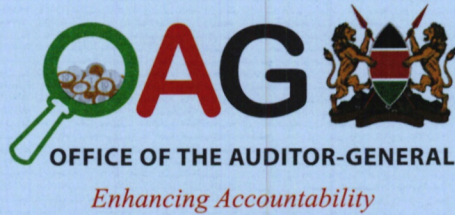
The revenue statements were approved and signed by the Receiver of Revenue on 17/03/2023

.....


Collins Adipo
County Receiver of Revenue

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON RECEIVER OF REVENUE – REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022 - COUNTY GOVERNMENT OF MACHAKOS

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 REVENUE STATEMENTS

Qualified Opinion

I have audited the accompanying revenue statements of Receiver of Revenue - Revenue Statements set out on pages 12 to 33, which comprise of the statement of financial assets and liabilities as at 30 June, 2022, and the statement of receipts and disbursements, the statement of arrears of revenue and statement of comparison of budget and actual

Report of the Auditor-General on Receiver of Revenue – Revenue Statements for the year ended 30 June, 2022 - County Government of Machakos

amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations, which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the revenue statements present fairly, in all material respects, the financial position of Receiver of Revenue – Revenue Statements as at 30 June, 2022, and its financial performance for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

Basis for Qualified Opinion

1. Misstatement of Bank Balance

The statement of financial assets and liabilities reflects zero bank balances. A review of the various revenue collection bank accounts' statements revealed bank balances of Kshs.21,832,354 and Kshs.35,677,070 as at 1 July, 2021 and 30 June, 2022 respectively. The balances are however, not disclosed in the statement of financial assets and liabilities. In addition, the bank balance for Machakos Internal Revenue Account of Kshs.20,608,766 as at 30 June, 2022 has not been incorporated in the own generated revenue for the year.

In the circumstances, the accuracy and fair statement of the reported nil bank balance as at 30 June, 2022 could not be confirmed.

2. Unconfirmed Opening Balances

The statement of receipts and disbursements reflects comparative balances for the receipt and disbursement items. However, the financial statements were being prepared for the first time with no comparative balances having been audited in the past.

In the circumstances, the accuracy and completeness of the receipts and disbursements amounts could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional 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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipt budget and actual on comparable basis of Kshs.1,682,894,197 and Kshs.1,118,461,753 respectively resulting to under-collection of Kshs.564,432,444 or 34% of the approved budget. The statement also reflects variances between the budget and actual amounts exceeding 10%, which have not been explained.

The under collection of the budgeted revenue impacted negatively on the planned activities and service delivery to the residents of Machakos.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Late Submission of the Revenue Statements

The Receiver of Revenue - County Government of Machakos financial statements were submitted to the Office of the Auditor-General on 1 February, 2023 which was four months after the stipulated deadline of 30 September, 2022.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 to obtain assurance about whether effective

processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of the 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 controls, risk management and governance.

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

Management is also responsible for the submission of the 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 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.

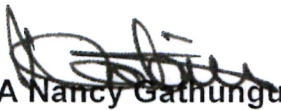
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 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 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.



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

19 April, 2023

Receiver of Revenue
 County Government Of Machakos
 Revenue Statements for the Period Ended 30th June 2022

VII Statement of Receipts and Disbursements for the year ended 30th June 2022

	Note	2021/22	2020/21
		Kshs	Kshs
County Own Source Revenue			
Cess	1	186,071,914	281,148,393
Land/Poll Rate	2	169,415,389	247,858,234
Single/Business Permits	3	279,702,729	253,563,665
Property Rent	4	5,041,911	9,508,486
Parking Fees	5	128,516,663	101,325,994
Market Fees	6	7,249,032	10,344,412
Advertising	7	43,302,031	34,613,425
Hospital Fees	8	-	-
Public Health Service Fees	9	38,809,908	54,398,112
Physical Planning and Development	10	151,442,559	193,755,825
Hire Of County Assets	11	66,200	58,263
Conservancy Administration	12	28,861,227	30,667,226
Administration Control Fees and Charges	13	76,906,093	78,707,333
Park Fees	14	3,076,096	415,300
Other Fines, Penalties, And Forfeiture Fees	15	-	-
Miscellaneous receipts	16	-	-
Total County Own Source Revenue		1,118,461,753	1,296,364,668
Other Receipts			
Donations/Grants Not Received Through CRF	17	-	-
Total Other Receipts		-	-
Total Receipts		1,118,461,753	1,296,364,668

Receiver of Revenue
County Government Of Machakos
Revenue Statements for the Period Ended 30th June 2022

	Note	2021/22 Kshs	2020/21 Kshs
Balance b/f at the beginning of the year		-	-
Disbursements To CRF		(1,118,461,753)	(1,296,364,668)
Balance Due for Disbursement		-	-

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 17/03/2023 and signed by:



.....
Collins Adipo
County Receiver of Revenue

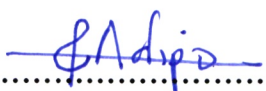


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Samuel Ngila
Head of Revenue Reporting
ICPAK M/N. 21289


VII. Statement of Financial Assets and Liabilities as At 30th June 2022

	Note	2021/22	2020/21
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances	18	-	-
Cash In Hand	19		
Total Financial Assets		-	-
Total Financial Assets		-	-
Financial Liabilities			
Payables-Due to CRF	20	-	-
Total Financial Liabilities		-	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. Machakos County financial statements were approved on 17/03/2023 2023 and signed by:



Collins Adipo
 County Receiver of Revenue



Samuel Ngila
 Head of Revenue Reporting
 ICPAK M/No. 21289

*Receiver of Revenue
County Government of Machakos
Revenue Statements for the Period Ended 30th June 2022*

IX .Statement of Comparison of budget vs Actual Amounts for the Period Ended 30th June 2022

Receipt	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Realization Difference	% Of Realization
	A	B	C=A+B	D	E=C-D	F=D/C %
County Own Source Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Cess	560,527,854		560,527,854	186,071,914	374,455,940	33%
Land/Poll Rate	281,228,089		281,228,089	169,415,389	111,812,700	60%
Single/Business Permits	204,412,052		204,412,052	279,702,729	75,290,677	136%
Property Rent	18,106,623		18,106,623	5,041,911	13,064,712	28%
Parking Fees	138,228,135		138,228,135	128,516,663	9,711,472	93%
Market Fees	13,309,300		13,309,300	7,249,032	6,060,268	54%
Advertising	39,602,712		39,602,712	43,302,031	3,699,320	109%
Hospital Fees			-	-	-	-
Public Health Service Fees	90,398,542		90,398,542	38,809,908	51,588,634	43%
Physical Planning and Development	206,117,710		206,117,710	151,442,559	54,675,151	73%
Hire Of County Assets					-	

*Receiver of Revenue
County Government of Machakos
Revenue Statements for the Period Ended 30th June 2022*

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 %
	53,367		53,367	66,200	12,833	124%
Conservancy Administration	34,420,503		34,420,503	28,861,227	5,559,276	84%
Administration Control Fees and Charges	95,773,104		95,773,104	76,906,093	18,867,011	80%
Park Fees	716,207		716,207	3,076,096	2,359,889	429.0%
Other Fines, Penalties, And Forfeiture Fees			-	-	-	-
Miscellaneous Receipts			-	-	-	-
Total County Own Source Revenue	1,682,894,197		1,682,894,197	1,118,461,753	564,432,444	66%
Other Receipts	-	-	-	-	-	-
Donations /Grants Not Received Through CRF	-	-	-	-	-	-
Total Other Receipts	-	-	-	-	-	-
Total Receipts	1,682,894,197		1,682,894,197	1,118,461,753	564,432,444	66%

Receiver of Revenue
County Government of Machakos
Revenue Statements for the Period Ended 30th June 2022

Machakos County Receiver of revenue's financial statements were approved on 17/03/ 2023 and signed by:



.....
Collins Adipo
County Receiver of Revenue

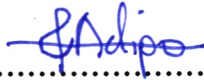


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Samuel Ngila
Head of Revenue Reporting
ICPAK M/No. 21289

*Receiver of Revenue
County Government of Machakos
Revenue Statements for the Period Ended 30th June 2022*

X. Statement of Arrears of Revenue as At 30th June 2022

Classification Of Receipts (Indicate As Applicable)	Balance as at 1st July 2021	Arrears received during the year	Additions in arrears for the current year to June 30, 2022	Total arrears as at 30 June 2022	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Cess	-	(-)	-	-		
Land/Poll Rate	-	(-)	-	-		
Single/Business Permits	-	(-)	-	-		
Property Rent	-	(-)	-	-		
Parking Fees	-	(-)	-	-		
Market Fees	-	(-)	-	-		
Advertising	-	(-)	-	-		
Hospital Fees	-	(-)	-	-		
Public Health Service Fees	-	(-)	-	-		
Physical Planning And Development	-	(-)	-	-		
Hire Of County Assets	-	(-)	-	-		
Conservancy Administration	-	(-)	-	-		
Administration Control Fees And Charges	-	(-)	-	-		
Park Fees	-	(-)	-	-		
Other Fines, Penalties, And Forfeiture Fees	-	(-)	-	-		
Miscellaneous	-	(-)	-	-		
Total Arrears	=	(-)	=	=		



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An ageing analysis of revenue in arrears has been shown on note 21 of these financial statements.

XI. Notes to the Financial Statements

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 *Machakos*. 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 *County Government of Machakos*. 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 *County Government of Machakos*.

2. Recognition of Receipts

The *County Government of Machakos* recognises all receipts from the various sources when the related cash has been received by the *County Government of Machakos*.

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 15th June 2021 for the period 1st July 2021 to 30 June 2022 as required by law. There was two number of supplementary budgets passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

4. Cash and cash equivalents

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

Notes to the Financial Statements (Continued)

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. Sweeping to County Revenue Fund are done on Monthly basis.

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, 2022

Notes to the Financial Statements (Continued)

1. Cess

Description	2021/22	2020/21
	Kshs	Kshs
Farm produce	7,358,762	15,334,465
Quarrying	146,802,687	230,712,604
Livestock	12,502,064	8,556,254
Fish farming	-	-
Others (Sand)	19,408,401	26,545,070
Total	186,071,914	281,148,393

2. Land/Poll rates

Description	2021/22	2020/21
	Kshs	Kshs
Land rates	169,415,389	247,858,234
Land penalties and interest	-	-
Arrears	-	-
Total	169,415,389	247,858,234

3. Single /Business Permits

Description	2021/22	2020/21
	Kshs	Kshs
Business permit application fees	-	-
Annual Business permit fees	279,702,729	253,563,665
Business permit penalties and interest	-	-
Business permit fees arrears	-	-
Total	279,702,729	253,563,665

Notes to the Financial Statements (continued)

4. Property Rent

Description	2021/22	2020/21
	Kshs	Kshs
County Housing	860,962	1,388,750
Plot Rent	3,242,039	4,886,747
Tenancy Agreement	84,000	300,000
Transfer of Property	-	-
Stalls/kiosks rent	796,369	2,784,850
Others (<i>Interests & Penalties on plots & stall rent</i>)	58,541	148,139
Total	5,041,911	9,508,486

5. Parking Fees

Description	2021/22	2020/21
	Kshs	Kshs
Street parking fees	13,999,740	19,782,064
Monthly toll/sticker fees	-	-
Motorbike fees	-	-
Registration fees	3,414,930	4,658,735
Reserved parking	-	-
Bus Park fees	111,101,993	76,885,195
Others (<i>Specify</i>)	-	-
Total	128,516,663	101,325,994

6. Market Fees

Description	2021/22	2020/21
	Kshs	Kshs
Market entry fees	7,249,032	10,344,412

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 County Government of Machakos
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Hawking fees		
Others (<i>Specify</i>)		
Total	7,249,032	10,344,412

7. Advertising

Description	2021/22	2020/21
	Kshs	Kshs
Branding		
Billboard advertising	43,302,031	34,613,425
Signage		
Roadshows		
Banners		
Posters		
Tent advertising		
Street pole/clock advertising		
others (<i>Specify</i>)		
Total	43,302,031	34,613,425

8. Hospital Fees

Description	2021/22	2020/21
	Kshs	Kshs
Level 5 hospitals	-	-
Level 4 hospitals	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

9. Public Health Service Fees

Description	2021/22	2020/21
	Kshs	Kshs
Inspection of buildings/premises/Institutions		
Inspection for issuance of hygiene license		
Vaccination: Yellow fever, Typhoid, etc		
Applications for medical examination		
Sanitation inspection for schools		

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Description	2021/22	2020/21
	Kshs	Kshs
Public health permit	38,809,908	54,398,112
Rodent Control/Fumigation		
Others (Specify)		
Total	38,809,908	54,398,112

10. Physical Planning and Development

Description	2021/22	2020/21
	Kshs	Kshs
Sale of County planning documents		
Land valuation and registration fees		
Change / Renewal of user		
Building plans approval	147,655,443	187,858,385
Signboards		
Occupational Permits		
Enforcement / Demolition	3,787,116	5,897,440
Architectural designs by county officers		
Hoarding fees		
Others (Specify)		
Total	151,442,559	193,755,825

11. Hire Of County Assets

Description	2021/22	2020/21
	Kshs	Kshs
Agricultural Mechanisation Services (AMS)		
Hire of Machines and Equipment		
Hire of County Stadia		
Hire of County Halls		
Conference facilities/Agricultural Training Centers (ATC)	66,200	58,263
Others (Specify)		

Total	66,200	58,263
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12. Conservancy Administration

Description	2021/22	2020/21
	Kshs	Kshs
Refuse disposal fees	28,320,120	30,431,751
Dumpsite fees		
Sewerage fees		
Sale of seedlings		
Public cemetery		
Disposal of carcasses		
Noise control	541,107	235,475
Others (<i>Specify</i>)		
Total	28,861,227	30,667,226

13. Administration Control Fees and Charges

Description	2021/22	2020/21
	Kshs	Kshs
Weights and measures	263,750	1,614,456
Fire Services	14,145,202	22,706,735
Liquor licenses	61,556,386	53,906,756
Betting levy		
Others (<i>social services and Salary Advances & Miscellaneous</i>)	940,755	479,386
Total	76,906,093	78,707,333

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14. Park Fees

Description	2021/22	2020/21
	Kshs	Kshs
Lodge Tariffs and levies		
Park entry fees		
Filming and Photography fees	3,076,096	415,300
Camping fees		
Balloon landing fees		
Others (<i>Specify</i>)		
Total	3,076,096	415,300

15. Other Fines, Penalties and Forfeitures

Description	2021/22	2020/21
	Kshs	Kshs
Impounding Fees	-	-
Towing Fees	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

16. Miscellaneous Receipts

Description	2021/22	2020/21
	Kshs	Kshs
Dividends	-	-
Interest	-	-
Commissions	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

17. Donations And Grants Not Received Through CRF

Description	2021/22	2020/21
	Kshs	Kshs
Donations (<i>Specify Based on Source</i>)	-	-

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Grants (<i>Specify Based on Source</i>)	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

18. Bank Balances

Name of Bank, Account No. & currency	Amount in bank account currency	Exc. rate (if in foreign currency)	2021/22	2020/21
			Kshs	Kshs
<i>Machakos County Internal Revenue Account, Co-operative bank, Account No. 01141655622700, Ksh.</i>	-	-	-	-
<i>Machakos County Revenue Account, KCB, Account No. 1140764594, Ksh.</i>	-	-	-	-
<i>Machakos County Revenue Account, Family Bank, Account No. 073000035792, Ksh.</i>	-	-	-	-
<i>Machakos County Revenue Account, Cooperative Bank, Account No. 01141549052000, Ksh.</i>	-	-	-	-
<i>Machakos County Main Revenue Account, cooperative bank, Account. 0114550377700</i>	-	-	-	-
Total	-	-	-	-

18 (a) Balance carried forward as at 30th June 2022 and subsequently transferred

Ref	Amount (Kshs)	Date subsequently transferred
	-	1 July 2022
Total	-	

19. Cash in hand

Description	2021/22	2020/21
	Kshs	Kshs
Cash Balance (<i>Location</i>)	-	-
Mobile Money	-	-

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Others (Specify)	-	-
Total	-	-

20. Payables- Due To CRF

Payables	2021/22	2020/21
	Kshs	Kshs
Balance b/f at the beginning of the year	-	-
Amount collected during the year	1,118,461,753	1,296,364,668
Amounts disbursed to CRF during the year	(1,118,461,753)	(1,296,364,668)
Balance c/d at the end of the year	-	-

This relates to amounts yet to be disbursed to the exchequer at the end of the financial year. The amount should be supported by the bank balances as per note 16 above.

21. Ageing Analysis of Revenue in Arrears

Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Cess	-	-	-	-	-
Land/poll rate	-	-	-	-	-
Single/business permits	-	-	-	-	-
Property rent	-	-	-	-	-
Parking fees	-	-	-	-	-
Market fees	-	-	-	-	-
Advertising	-	-	-	-	-
Hospital fees	-	-	-	-	-
Public health service fees	-	-	-	-	-
Physical planning and development	-	-	-	-	-
Hire of County Assets	-	-	-	-	-
Conservancy administration	-	-	-	-	-
Administration control fees and	-	-	-	-	-

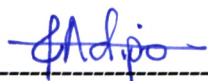
Receiver of Revenue
 County Government of Machakos
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Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
charges					
Park fees	-	-	-	-	-
Other fines, penalties, and forfeiture fees	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-
Others (<i>Specify</i>)	-	-	-	-	-
Total (agree to statement of arrears)	-	-	-	-	-

XII. Appendices

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

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



Collins Adipo
 Chief Officer-Revenue Management

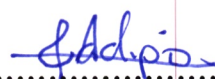
Appendix 2: Progress on follow up of prior Year Auditor recommendations

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

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

Guidance Notes:

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



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 County Receiver of Revenue



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