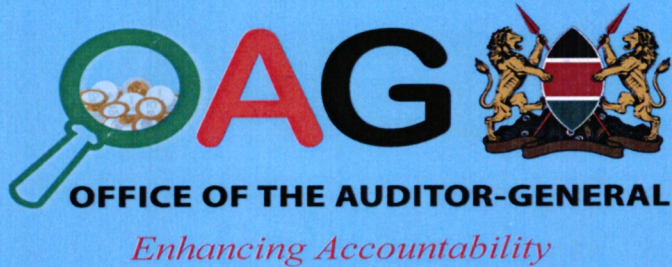
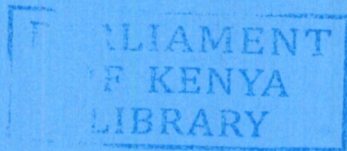


REPUBLIC OF KENYA



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COMMITTEE	←
CLERK AT THE TABLE	Ms. NARITA KIBWONDO

**REPORT**



**OF**

**THE AUDITOR-GENERAL**

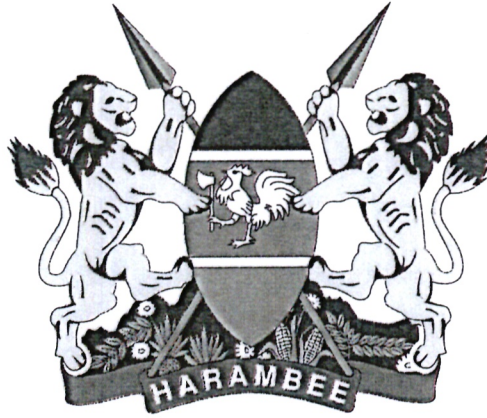
**ON**

**RECEIVER OF REVENUE – REVENUE  
STATEMENTS**

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

**COUNTY GOVERNMENT OF NAROK**





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## **RECEIVER OF REVENUE**

*(County Government of Narok)*

### **REVENUE STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2022**

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

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<b>Table of Contents</b>	<b>Page</b>
I. Key Receiver of Revenue County Government of Narok Information and Management .....	ii
II. Foreword By the CECM Finance and Economic Planning .....	v
III. Management Discussion and Analysis.....	vi
IV. Statement of Performance against County Predetermined Objectives .....	vii
V. Statement of Receiver of Revenue’s responsibilities .....	xii
VI. Report of the Auditor General on the Narok Receiver of Revenue .....	xiii
VII. Statement of Receipts and Disbursements for the year ended 30th June 2022.....	1
VIII. Statement of Financial Assets and Liabilities As At 30 <sup>th</sup> June 2022 .....	2
IX. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30th June 2022 .....	3
X. Notes to the Financial Statements .....	5

**I. Key Receiver of Revenue County Government of Narok Information and Management**

Narok County is constituted as per the Constitution of Kenya, 2010. It is charged with the responsibility of providing a variety of services to residents within its area of jurisdiction. These include the services that were hitherto provided by the defunct Town Council of Narok, defunct County Council of Narok and defunct County Council of Trans Mara. It also provides the services that were transferred from the National Government. The county is headed by the Governor, who is responsible for the general policy and strategic direction of the County Government of Narok.

The Governor is supported by the Executive Committee in carrying out the mandate as in the Constitution. The County Executive Committee Member for Finance and Economic Planning is in charge of the County Treasury. One of the functions of the CEC – Finance is ensuring proper Public Finance management practices are in place, Budgeting and budgetary control as well as financial reporting for the County Government entities as well as at the County level.

**(a) Background information**

The *receiver of revenue* is under the Department of Finance, Economic Planning, ICT and E-Government. At the County Executive Committee level, the *receiver of revenue* is represented by the County Executive committee member for Finance, who is responsible for the general policy and strategic direction of the *receiver of revenue*.

**(b) Principal activities**

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

**(c) Key Management**

The County Government of Narok's day-to-day management of revenue is under the following:

*Receiver Of Revenue  
County Government Of Narok  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2022*

---

No.	Designation	Name
1.	CEC, Finance and Economic Planning	Mr. Julius Momposhi Tompo Ole Sasai
2	Accounting Officer-Finance and Economic Planning	Mr. Simon Peter Kurraru
3	Accounting Officer-Health and Sanitation	Mrs Sahara Abraham Aden
4	Accounting Officer-Lands, Physical Planning and Urban Development	Mrs. Eunice Salau
5	Accounting Officer- Tourism	Mr. Linus Nairimo
6	Director, Revenue	CPA Moses Minchil
7	Head of Revenue Reporting	Judy Leboo

**(d) County Headquarters**

P.O. Box 898-20500  
Mau-Narok Road  
Narok, KENYA

**(e) Receiver of Revenue County Government of Narok Contacts**

Telephone: (020-268 8929/03)  
E-mail: [finance@narok.go.ke](mailto:finance@narok.go.ke)  
Website: [www.narok.go.ke](http://www.narok.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- 00200  
Nairobi, Kenya

**(h) Bankers**

Kenya Commercial Bank  
Narok Branch  
P. O Box 406-20500  
Narok, Kenya

Cooperative Bank Of Kenya  
Narok Branch  
P. O. Box 632-20500  
Narok



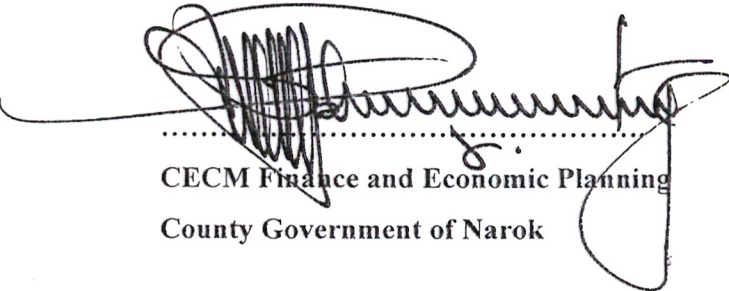
**II. Foreword By the CECM Finance and Economic Planning**

It is my pleasure to present the County Government of Narok financial statements for the year ended 30th June 2022. The financial statements present the financial performance of the County Government over the past year, a statement of Assets and Liabilities as well as the statement of cash flows.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralised system with a devolved system of governance. The devolved system of governance consists of the National Government and forty seven County Governments. The county Government of Narok is one of the forty seven devolved units.

The revenue statements have been prepared in accordance with the provisions of the Public Finance Management Act 2012 Section 163 and the cash basis accounting under the Public Sector Standards, (IPSAS). The county government is in the verge of recovery from the effects of Covid-19 Pandemic which affected business operations and revenue collection however, it has streamlined revenue collection processes and will continually do so in order to maximize revenue collection and enhance accountability.

I wish to extend my appreciation to the Executive Committee and the entire staff of the County for their support and cooperation in various ways.

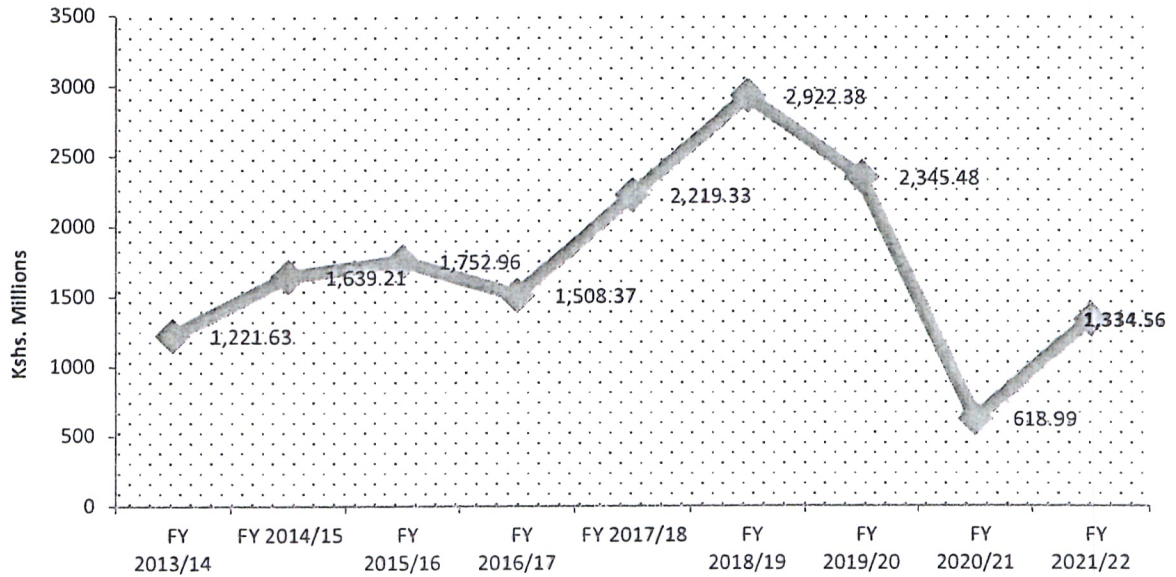


.....  
CECM Finance and Economic Planning  
County Government of Narok

**III. Management Discussion and Analysis**

In FY 2021/22, the County generated a total of Kshs. 1,334,563,666 as own-source revenue. This amount represented an increase of 116 per cent compared to Kshs 618,992,783 realised during a similar period in FY 2020/21 and was 44.02 per cent of the annual target.

Below is a graph showing the annual trends in own source collection over the years.



#### **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 Receiver of Revenue County Government of Narok in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board, includes a statement of the county government Receiver of Revenue County Government of Narok's performance against predetermined objectives.

##### **Strategic development objectives (*Adopted from Narok County- Customize as per specific county,***

The County's 2018-2022 CIDP identified six key strategic development objectives. Broadly, these objectives were 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 in the Narok County's 2018-2022 CIDP are to:

- (i) Attain economic empowerment through value-adding production, food security, and resource-based industrialization, sustainable environment and land management;
- (ii) Improve the management, rebranding and marketing of Maasai Mara Game Reserve, diversifying tourism products and upgrading Narok town to a resort city;
- (iii) Achieve social wellbeing by improving healthcare, education and social welfare;
- (iv) Increase access to water in both rural and urban areas beyond present levels in a sustainable way for socio-economic development;
- (v) Provide land resources, infrastructure and frameworks for physical planning, housing and urban development in Narok County;

(vi) Build strong, high quality and resilient infrastructure and legal framework in support of economic empowerment, social development, tourism promotion, urban development & water resource management;

Below we present the progress made in attaining the objectives of the CIDP (2018-2022) for Narok County.

Ref	Objective as per CIDP	Performance/Progress made up since 2018 up to date	Remarks (Explain the reasons underperformance/ Overperformance)
	Attain economic empowerment through value-adding production, food security, and resource-based industrialization, sustainable environment and land management.	<ul style="list-style-type: none"> <li>• The county is supporting 5 value chains namely Cow Milk, beef, Irish potatoes, tomatoe, Kienyeji Poultry</li> <li>• The beneficiary groups have been federated into common interest Groups and producer organizations for economic of scale and market access</li> </ul>	Effort has led to increased productivity and profitability The project is moving towards establishment of Saving and credit co-operative societies (SACCO)
	Improve the management, rebranding and marketing of Maasai Mara Game Reserve, diversifying tourism products and upgrading Narok town to a resort city	<ul style="list-style-type: none"> <li>• The county has been running a marketing and branding program through Reuters</li> <li>• The upgrading of Narok town into a resort city is progressively being achieved through a multisectoral approach including;</li> <li>• Narok Town has been conferred a Municipal status, board institution and structures put in place</li> <li>• Narok County Hospital is being upgraded into a referral hospital – currently at 84% level of completion</li> <li>• Tarmacking of roads within the Municipality is at about 90% complete</li> <li>• Streetlighting projects in all urban centres</li> </ul>	The onset of COVID 19 affected the turn around time

*Receiver Of Revenue  
County Government Of Narok  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2022*

Ref	Objective as per CIDP	Performance/Progress made up since 2018 up to date	Remarks (Explain the reasons underperformance/ Overperformance)
		<ul style="list-style-type: none"> <li>• Land reforms to attract investments</li> </ul>	
	Achieve social wellbeing by improving healthcare, education and social welfare	<ul style="list-style-type: none"> <li>• Four Subcounty Health Facilities have been upgraded</li> <li>• The county Referral Hospital is near completion</li> <li>• The works on COVID 19 isolation centre was completed in FY 2021/2022</li> </ul>	The onset of COVID 19 affected the turnaround time
	Increase access to water in both rural and urban areas beyond present levels in a sustainable way for socio-economic development	<ul style="list-style-type: none"> <li>• 4 major dams have been completed</li> <li>• 2 major completion waterpans</li> <li>• 1 Water distribution system installed</li> </ul>	The delay in the enactment of the County Government Additional Conditional Grant 2022 caused a delay in the release of the grants thereby affecting the operationalization of some of the projects
	Provide land resources, infrastructure and frameworks for physical planning, housing and urban development in Narok County	<ul style="list-style-type: none"> <li>• Digitization of lands records initiated and currently ongoing</li> <li>• 10km of tarmac roads constructed in Narok Municipality</li> <li>• Narok Bus park constructed. Currently at 80% level of completion</li> <li>• The process of preparation of the Spatial plan</li> </ul>	The project has stopped due to delay in disbursement of funds by partners
	Build strong, high quality and resilient infrastructure and legal framework as enablers	<ul style="list-style-type: none"> <li>• 500km of county roads, graded</li> <li>• N/Enkare and Lolgorian Markets completed</li> <li>• Monitoring and evaluation policy completed and approved</li> <li>• Gender policy developed and approved</li> <li>• FGM Policy developed and approved</li> </ul>	Delay in disbursement of funds affected the project completion time

**Progress on Attainment of Development Objectives from Annual Development Plan**

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

<b>Department</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Agriculture, Livestock and Fisheries	Attain economic empowerment through value-adding production, food security, and resource-based industrialization, sustainable environment and land management.	Increased productivity and profitability	% increase farm productivity % growth in savings in select group of farmers	Attained a 106% increase in yield of Irish potatoes in some sampled farms Some dairy farmers achieved an increase in milk production by 150% Realised a growth of 20% in saving by co-operatives in some select wards
Public Works, Roads & Transport	To develop and maintain roads and storm water drainage to global standards	Increased efficient transportation of people, goods and services	% Of motorable and passable roads within the city	In FY 21/22 we increased bitumen roads by 5%
Health and Sanitation	To reduce incidences of preventable illnesses and mortality at the County level	Reduction in morbidity and mortality	Rate of response to emergency cases evacuation	90% of emergency cases responded to on time
	Modernization of selected public hospital facilities	Increased access to specialised curative diagnostic interventions	% Increase of access to specialised diagnostic services	4 sub-county hospital upgraded, and 1 county hospital is being upgraded to a referral hospital. The outcome will best be measured in FY 2022/2023 as the facilities become fully operational
	To reduce incidences of preventable illnesses and mortality at the County level	Reduction of Child mortality	% Increase in immunization coverage	The county increase immunization coverage by 2% in FY 2021/2022

**Receiver Of Revenue**  
**County Government Of Narok**  
**Revenue Statements for the Period Ended 30<sup>th</sup> June 2022**

<b>Department</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Water, Environment and Natural Resource	Increase access to clean safe drinking water	Increase in households with access to watering point located within 3 km from their residences	Proportion of households with to functioning watering points located within 3 km from their residences	An increase by 5% of households with to functioning watering points located within 3 km from their residences
Land Housing, Physical Planning and Urban Development	Provide land resources, infrastructure and frameworks for physical planning, housing and urban development in Narok County	Simplification in land transaction	Level of digitization of land records	Automation is ongoing with some of the records fully digitized.

*N/B: Data and information provided here should be verifiable against the ADP*

**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 Receiver of Revenue County Government of Narok, (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 Receiver of Revenue County Government of Narok, (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 *Receiver of Revenue County Government of Narok’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 *Receiver of Revenue County Government of Narok’s receiver of revenue* account gives a true and fair view of the state of *Receiver of Revenue County Government of Narok’s receiver of revenue* transactions during the financial year ended June 30, 2022, and of the *Receiver of Revenue County Government of Narok’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 *Receiver of Revenue County Government of Narok* 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 20<sup>th</sup> September 2022

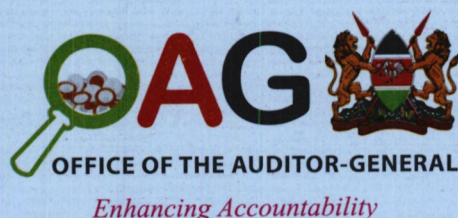


.....  
**Name: CPA Moses Minchil**  
**County Receiver of Revenue**



# REPUBLIC OF KENYA

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Anniversary Towers  
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NAIROBI

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

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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 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**

#### **Adverse Opinion**

I have audited the accompanying revenue statements of Receiver of Revenue – Revenue Statements set out on pages 1 to 12, which comprise the statement of financial assets and liabilities as at 30 June, 2022, and the statement of receipts and disbursements,

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

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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the revenue statements do not present fairly, the financial position of Receiver of Revenue – Revenue Statements as at 30 June, 2022 and of its financial performance for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012.

## **Basis for Adverse Opinion**

### **1. Inaccuracies in the Financial Statements**

The statement of receipts and disbursements reflects opening balance due for disbursement brought forward of Kshs.63,302,723 that differs with the recomputed amount of Kshs.170,579,770 resulting to unexplained variance of Kshs.107,277,047. The statements also reflects hospital fees of Kshs.33,787,126 that differed with the revenue collection agent balance of Kshs.34,148,826 resulting to unexplained variance of Kshs.361,700.

Further, the statement of financial assets and liabilities reflects total financial assets of Kshs.99,081,859 against total financial liabilities of Kshs.177,914,851 resulting to unfunded liabilities of Kshs. 78,832,993.

In the circumstances, the accuracy and completeness of the revenue statements for the year ended 30 June, 2022 could not be confirmed.

### **2. Unsupported County Own Source Revenue**

The statement of receipts and disbursements reflects total County own source revenue of Kshs.1,334,563,666. Of the amount, receipts totalling to Kshs.101,620,679 were unsupported by way of relevant accounting documentation as detailed below:

<b>No.</b>	<b>Revenue Category</b>	<b>Amount (Kshs.)</b>	<b>Missing Documentation</b>
1	Parking Fees	7,941,182	Number of receipt books, register of parking bays, collection control sheets, cashbooks
2	Public Health Service Fees	4,516,802	List of health service facilities, rate applied and banking's
3	Hospital Fees	33,787,126	List of the sub-county hospitals that charge and collect hospital fees, receipt vouchers, cashbooks, banking slips and collection control sheets.
4	Market Entry Fees	13,448,198	Register of all markets in the County, receipt book numbers issued to collect revenue, collection control sheets and cashbooks

No.	Revenue Category	Amount (Kshs.)	Missing Documentation
5	Conservancy Administration	1,821,000	Register of cemetery burials, collection control sheets and cashbooks.
6	Property Rent	3,339,319	Register of County houses, tenancy agreements, payroll by-products or receipts, bank pay-in slips.
7	Single Business Permit	31,218,171	Listing of businesses by categorized of size, location and nature. Register of permits booklets by serial numbers.
8	Physical Planning and Development	5,548,881	approved plans register, building plans inspection register, building plans certificate register and change of user register/documents
	<b>Total</b>	<b>101,620,679</b>	

In the circumstances, the accuracy and completeness of the county own source revenue balance of Kshs.101,620,679 for the year ended 30 June, 2022 could not be confirmed.

### 3. Unsupported Park Entry Fees

The statement of receipts and disbursement reflect park fees of Kshs.1,073,556,700 out of which Kshs.995,370,590 were in respect of collections from Maasai Mara National Game Reserve. The County Government contracted an external firm to collect revenue at the nine entry points of the park. A verification visit on 11 November, 2022 revealed that tickets issued for entry into the Park specify the nationality of the guest, age (adult or child), type of vehicle, number of days to spend in the Park and denomination of currency paid (shillings or dollars). However, receipts from the park were not supported with daily or periodic reports showing the number, age and nationality of guests who entered the Park, revenue collections against bank deposits and revenue collection bank statements.

In the circumstances, the accuracy and completeness of the park fees of Kshs.1,073,556,700 for the year ended 30 June, 2022 could not be confirmed.

### 4. Unreconciled Bank Balances

The statement of financial assets and liabilities reflects bank balance of Kshs.99,081,859 out of which Kshs.92,104,148 is held at Narok County Revenue Collection bank account which differed from the cashbook balance of Kshs.19,743,970 resulting in unexplained variance of Kshs.72,360,178. Further, the bank balance also includes Kshs.6,977,711 held in three bank accounts but whose cash books and bank reconciliation statements were not provided for audit. Another four revenue collection bank accounts with a balance of Kshs.3,429,389 were also omitted from the reported bank balance.

In the circumstances, the accuracy and fair statement of the reported bank balances of Kshs.99,081,859 as at 30 June, 2022 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 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 adverse opinion.

### **Key Audit Matters**

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

### **Other Matter**

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

The summary statement of comparison of budget and actual amounts reflects total receipts budget of Kshs.2,374,550,000 against actual receipts of Kshs.1,334,563,666 resulting to an overall under-collection of Kshs.1,039,986,334 or 44% of the budget.

The under-collection of the budgeted receipts is an indication that some activities and projects in the annual plan were not implemented by the Receiver of Revenue. This is likely to have negative effects in delivery of services to the public. There is therefore, need for the Management to re-look at mechanisms to optimise revenue collection and enhance service delivery to the residents.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **Errors in Annual Report and Revenue Statements**

The statement of Arrears of Revenue as at 30 June, 2022 and Appendices have been omitted in the table of contents and the financial statements. Further, Appendix I on reports generated from Integrated Financial Management Information System (IFMIS) comprising of the trial balance, Government of Kenya (GoK) miscellaneous receipts register and F30 (Bank reconciliations for all bank accounts) have been omitted from the financial statements.

Under the circumstances, the revenue statements as presented do not conform to International Public Sector Accounting Standards disclosure requirements and Kenya Accounting Standard Board Format.

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 because of the significance of the matters discussed in the Basis for Adverse Opinion I confirm that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 Receiver of Revenue's ability 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 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 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 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**

**30 March, 2023**

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

*Receiver Of Revenue  
County Government Of Narok  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2022*

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

	Note	2021/22	2020/21
		Kshs	Kshs
<b>County Own Source Revenue</b>			
Cess	1	94,220,833	152,769,615
Land/Poll Rate	2	40,500,206	24,362,960
Single/Business Permits	3	31,185,571	39,165,333
Property Rent	4	3,339,319	14,315,230
Parking Fees	5	7,941,182	13,272,300
Market Fees	6	13,448,198	5,991,212
Advertising	7	552,200	3,757,000
Hospital Fees	8	33,787,126	27,199,426
Public Health Service Fees	9	4,516,802	1,136,400
Physical Planning and Development	10	5,548,881	7,190,189
Conservancy Administration	11	1,821,000	4,404,600
Administration Control Fees and Charges	12	907,440	396,200
Park Fees	13	1,073,556,700	327,440,249
Other Fines, Penalties, And Forfeiture Fees	14	84,000	216,600
Miscellaneous receipts	15	23,154,208	3,927,969
<b>Total County Own Source Revenue</b>		<b>1,334,563,666</b>	<b>625,545,283</b>
<b>Total Receipts</b>		<b>1,334,563,666</b>	<b>625,545,283</b>
Balance b/f at the beginning of the year		63,302,723	53,638,523
<b>Disbursements To CRF</b>		<b>1,219,951,537</b>	<b>508,604,036</b>
<b>Balance Due for Disbursement</b>		<b>177,914,852</b>	<b>63,302,723</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 20<sup>th</sup> September 2022 and signed by:



Name: CPA Moses Minchil  
County Receiver of Revenue  
ICPAK M/No 11576  
(Ref: PFM ACT section 165, 2(a))



Name: Judy Leboo  
Head of Revenue Reporting



*Receiver Of Revenue  
County Government Of Narok  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2022*

**VIII. Statement of Financial Assets and Liabilities As At 30<sup>th</sup> June 2022**

	Note	2021/22	2020/21
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances	17	99,081,859	63,302,723
<b>Total Financial Assets</b>		<b>99,081,859</b>	<b>63,302,723</b>
<b>Total Financial Assets</b>		<b>99,081,859</b>	<b>63,302,723</b>
<b>Financial Liabilities</b>			
Payables-Due to CRF	19	177,914,851	63,302,723
<b>Total Financial Liabilities</b>		<b>177,914,851</b>	<b>63,302,723</b>
<i>Balance in Health</i>		<i>78,832,992</i>	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Receiver of Revenue County Government of Narok financial statements were approved on 20<sup>th</sup> September 2022 and signed by:



**Name: CPA Moses Minchil**  
**County Receiver of Revenue**  
**ICPAK M/No 11576**



**Name: Judy Leboo**  
**Head of Revenue Reporting**

*Receiver Of Revenue  
County Government Of Narok  
Revenue Statements for the Period Ended 30<sup>th</sup> 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	258,748,853	(175,271,199)	83,477,654	94,220,833	(10,743,179)	113%
Land/Poll Rate	121,694,789	(72,198,247)	49,496,542	40,500,206	8,996,336	82%
Single/Business Permits	125,945,860	(98,483,963)	27,461,897	31,185,571	(3,756,274)	114%
Property Rent	41,866,413	(39,621,344)	2,245,069	3,339,319	(1,094,250)	149%
Parking Fees	100,000,000	(92,608,748)	7,391,252	7,941,182	(549,930)	107%
Market Fees	63,706,989	(50,381,705)	13,325,284	13,448,198	(122,914)	101%
Advertising	7,554,140	(7,375,292)	178,848	552,200	(373,352)	309%
Hospital Fees	40,449,423	(3,052,022)	37,397,401	33,787,126	3,429,425	91%
Public Health Service Fees	4,941,923	(820,415)	4,121,508	4,516,802	(395,294)	110%
Physical Planning and Development	43,842,157	(37,043,398)	6,798,759	5,548,881	1,056,378	84%
Hire Of County Assets	8,372,104	(8,372,104)	-	-	-	0%
Conservancy Administration	5,075,077	(3,815,061)	1,260,016	1,821,000	(560,984)	145%
Administration Control Fees and Charges	6,833,436	(5,530,164)	1,303,272	907,440	395,832	70%
Park Fees	1,508,560,000	599,476,062	2,108,036,062	1,073,556,700	1,034,479,363	51%
Other Fines, Penalties, And Forfeiture Fees	4,274,847	(4,190,847)	84,000	84,000	(0)	100%
Miscellaneous Receipts	32,683,990	(20,835,383)	11,848,607	23,154,208	(10,898,651)	192%
<b>Total County Own Source Revenue</b>	<b>2,374,550,000</b>		<b>2,374,550,000</b>	<b>1,334,563,666</b>	<b>1,039,986,334</b>	<b>56%</b>
<b>Other Receipts</b>						
Donations /Grants Not Received Through CRF			-		-	0%
<b>Total Other Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>0%</b>
<b>Total Receipts</b>	<b>2,374,550,000</b>	<b>-</b>	<b>2,374,550,000</b>	<b>1,334,563,666</b>	<b>1,039,986,334</b>	<b>56%</b>

The County Receiver of revenue's financial statements were approved on 20<sup>th</sup> September 2022 and signed by:



**Name: CPA Moses Minchil**  
**County Receiver of Revenue**  
**ICPAK M/No 11576**



**Name: Judy Leboo**  
**Head of Revenue Reporting**

**X. 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 Narok. 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 *Receiver of Revenue County Government of Narok*. 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 *Receiver of Revenue County Government of Narok*.

**2. Recognition of Receipts**

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

**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 30<sup>th</sup> June 2021 for the period 1st July 2021 to 30 June 2022 as required by law. There was 2 number of supplementary budgets passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

**4. Cash and cash equivalents**

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

**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. This is normally done upon request.

**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	61,944,359	105,322,767
Quarrying	18,807,286	27,983,168
Livestock	11,998,988	17,703,685
Slaughter fees	1,470,200	1,759,995
Hides & skins cess & Banda		
<b>Total</b>	<b>94,220,833</b>	<b>152,769,615</b>

**2. Land/Poll rates**

Description	2021/22	2020/21
	Kshs	Kshs
Land rates	40,500,206	20,818,749
Land penalties and interest	-	-
Arrears	-	3,544,211
<b>Total</b>	<b>40,500,206</b>	<b>24,362,960</b>

**3. Single /Business Permits**

Description	2021/22	2020/21
	Kshs	Kshs
Business permit application fees		39,800
Annual Business permit fees	31,218,171	39,125,533
Business permit penalties and interest		
Business permit fees arrears		
<b>Total</b>	<b>31,218,171</b>	<b>39,165,333</b>

Notes to the Financial Statements (continued)

4. Property Rent

Description	2021/22	2020/21
	Kshs	Kshs
County Housing	2,961,319	13,307,976
Plot Rent	48,000	-
Transfer of Property	330,000	1,007,254
Stalls/kiosks rent		
<b>Total</b>	<b>3,339,319</b>	<b>14,315,230</b>

5. Parking Fees

Description	2021/22	2020/21
	Kshs	Kshs
Street parking fees	2,487,837	6,633,950
Bus Park fees	5,453,345	6,638,350
<b>Total</b>	<b>7,941,182</b>	<b>13,272,300</b>

6. Market Fees

Description	2021/22	2020/21
	Kshs	Kshs
Market entry fees	13,448,198	5,991,212
<b>Total</b>	<b>13,448,198</b>	<b>5,991,212</b>

Notes to the Financial Statements (Continued)

7. Advertising

Descriptions	2021/22	2020/21
	Kshs	Kshs
Signage	552,200	3,757,000
<b>Total</b>	<b>552,200</b>	<b>3,757,000</b>

8. Hospital Fees

Description	2021/22	2020/21
	Kshs	Kshs
Hospital Revenue	33,787,126	27,199,426
<b>Total</b>	<b>33,787,126</b>	<b>27,199,426</b>

9. Public Health Service Fees

Description	2021/22	2020/21
	Kshs	Kshs
Inspection of buildings/premises/Institutions		
Vaccination: Yellow fever, Typhoid, etc	4,516,802	1,136,400
<b>Total</b>	<b>4,516,802</b>	<b>1,136,400</b>



Notes to the Financial Statements (Continued)

10. Physical Planning and Development

Description	2021/22	2020/21
	Kshs	Kshs
Change / Renewal of user	3,080,425	236,669
Building plans approval	2,468,456	6,953,520
Other property charges		
<b>Total</b>	<b>5,548,881</b>	<b>7,190,189</b>

11. Conservancy Administration

Description	2021/22	2020/21
	Kshs	Kshs
Refuse disposal fees	1,821,000	4,404,600
Sale of seedlings		
Public cemetery		
<b>Total</b>	<b>1,821,000</b>	<b>4,404,600</b>

12. Administration Control Fees and Charges

Description	2021/22	2020/21
	Kshs	Kshs
Weights and measures	907,440	396,200
<b>Total</b>	<b>907,440</b>	<b>396,200</b>

13. Park Fees

Description	2021/22	2020/21
	Kshs	Kshs
Lodge Tariffs and levies	34,770,037	26,705,230
Park entry fees	995,370,590	266,400,815
Filming and Photography fees	14,280,000	7,100,000
Camping fees		
Balloon landing fees	4,506,900	1,788,000
Serena Levies	24,629,173	25,446,204
<b>Total</b>	<b>1,073,556,700</b>	<b>327,440,249</b>

Notes to the financial statements (continued)

**14. Other Fines, Penalties and Forfeitures**

Description	2021/22	2020/21
	Kshs	Kshs
Impounding Fees	84,000	216,600
Towing Fees		
Others ( <i>Specify</i> )		
<b>Total</b>	<b>84,000</b>	<b>216,600</b>

**15. Miscellaneous Receipts**

Description	2021/22	2020/21
	Kshs	Kshs
Miscellaneous Income	23,154,208	3,927,969
<b>Total</b>	<b>23,154,208</b>	<b>3,927,969</b>

Notes To the Financial Statements (Continued)

16. 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
Narok county revenue Collection Account-Coop 010141338976600	(600)	1	(600)	(624)
Narok county revenue Collection Account-KCB 1140091263	92,104,148	1	92,104,148	60,124,891
Narok county revenue Collection Account-USD-KCB 1143225325	0	118	54	2,798,670
Narok County Debt Collection A/c KCB 1180435494	6,978,257	1	6,978,257	379,787
<b>Total</b>	<b>99,081,806</b>		<b>99,081,859</b>	<b>63,302,723</b>

16 (a) Balance carried forward as at 30<sup>th</sup> June 2022 and subsequently transferred

Ref	Amount (Kshs)	Date subsequently transferred
	99,081,806	July 2022
<b>Total</b>	<b>99,081,806</b>	

17. Payables- Due To CRF

Payables	2021/22	2020/21
	Kshs	Kshs
Balance b/f at the beginning of the year	63,302,723	
Amount collected during the year	1,334,563,666	625,545,283
Amounts disbursed to CRF during the year	(1,219,951,537)	(508,604,036)
<b>Balance c/d at the end of the year</b>	<b>177,914,851</b>	<b>63,302,723</b>

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. The difference of 78,832,992 relates to revenue collected in Health.

**Appendices**

**Appendix 1 - Reports Generated From IFMIS**

The following Financial Reports generated from IFMIS should be generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. GOK Miscellaneous Receipts Register
- iii. FO30 (Bank reconciliations) for all bank accounts