



COUNTY GOVERNMENT OF MANDERA



RECEIVER OF REVENUE

REVENUE STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024**

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

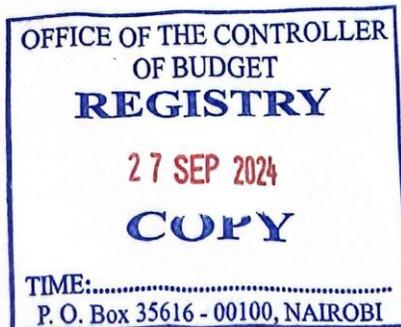


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1. Acronyms and glossary of terms

a) Acronyms

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

b) Glossary of terms

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

2. Key Entity Information and Management

Mandera County is constituted as per the constitution of Kenya and is headed by the County Governor, who is responsible for the general policy and strategic direction of the County. The governor is supported by the county executive committee in carrying out the mandate as stipulated 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 CECM for Finance is financial reporting at the county level.

Vision

To be a regionally competitive and self- reliant county

Mission

To strategically position ourselves as a county guided by innovative competitiveness in order to achieve progressive, wealthy, healthy, cohesive and secure county.

Motto

A county with unlimited opportunities and endless possibilities

Core Values

- Integrity
- Innovativeness
- Professionalism
- Team work
- Equity
- Transparency
- Accountability
- Respect for rule of law

(a) Background information

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

(b) Principal activities

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

(c) Key Management Team

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

No.	Name	Designation
1.	Ibrahim Mohamed Adan	CEC, Finance, Economic Planning and ICT
2.	Abdikadir Mohamed Tache	Chief Officer, Accounting and Financial Services
3.	Ibrahim Nurrow Issack	Chief Officer, Revenue Services
4.	Abdirizack Ibrahim Hassan	Director, Revenue Services

(d) Mandera County Headquarters

P.O. Box 13-70300
County Headquarters Building
Mandera-Isiolo Road
Mandera, KENYA

(e) County Government of Mandera's Receiver of Revenue

Contacts

Telephone: (+254) 722466499
E-mail: info@mandera.go.ke
Website: www.mandera go.ke

(f) Independent Auditor

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

(g) Principal Legal Adviser

The County Attorney
County Headquarters
P.O. Box 13-70300
MANDERA, KENYA

(h) Bankers

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

2. Kenya Commercial Bank
Mandera Branch.
P.O. Box 275-70300

MANDERA, KENYA.

3. Equity Bank of Kenya
Mandera Branch.
P.O Box 75104
MANDERA, KENYA

4. National Bank of Kenya
Mandera Branch.
P.O Box 379-70300
MANDERA, KENYA

(i) County Attorney

The County Attorney

County Headquarters

P.O. Box 13-70300

MANDERA, KENYA

3. Foreword By the CECM Finance and Economic Planning

It's my pleasure to present the Mandera County Receiver of Revenue Financial Statements for the financial year ended 30th June, 2024 in compliance with the relevant Public Finance Management regulations.

During the year under review, Mandera County budgeted to raise Kshs. 330,533,846. The County's revenue sources included Cess collections, Land/Poll Rates, Single/Business Permits, Property Rent, Parking Fees, Market Fees, Hospital Fees, Public Health Service Fees, Physical Planning and Development, and Hire of County Assets.

The County encountered numerous challenges such as recurring droughts that affected livestock and farm production, insecurity threats from Alshabaab militants that made some targeted revenue collection spots inaccessible, border closure between Kenya and Somalia that limited movement of goods and trading activities in the region amongst other limiting factors. These challenges hindered revenue collection efforts by weakening the county's economic conditions and the citizen's ability to pay levies. Accordingly, the total revenue collected was Kshs. 169,040,486 against a collection of Kshs. 123,310,531 attained in the financial year 2022/2023. The collection includes Kshs. 10,765 that was balance as at the end of financial year 2023/2024. In total Kshs. 168,989,984 was disbursed to the Mandera County Revenue Fund account to be utilized in implementation of planned programmes.

To enforce more revenue collections in the financial year 2024/2025 and subsequent financial periods appropriate mechanisms will be put in place by the receiver of revenue.

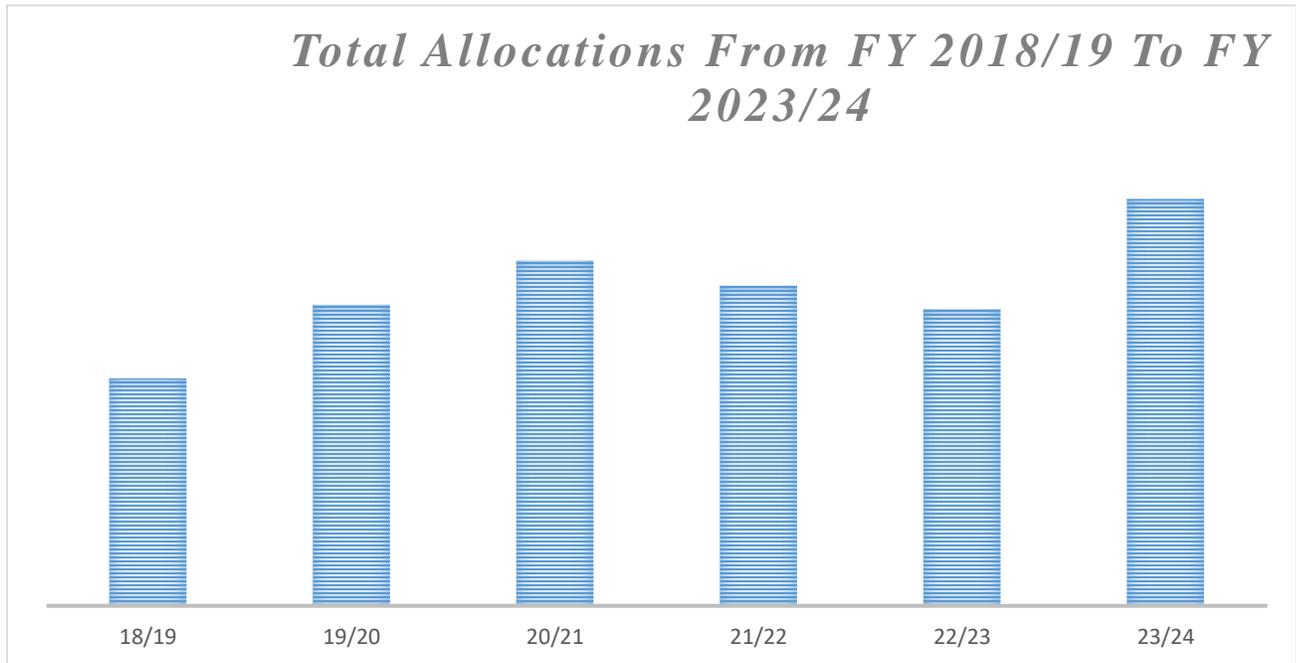


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CECM Finance and Economic Planning
County Government of Mandera

3. Management Discussion and Analysis

Financial and Operational Performance Analysis

Mandera County Receiver of Revenue has been making upward progressive improvements in revenue collection during the successive five financial years save for the financial year 2021/2022 and 2022/2023 which recorded a drop in collection as highlighted in the table below.



The CROR's financial performance for the year 2023/2024 encountered numerous challenges such as recurring droughts in the County, frequent border closures between the three countries of Kenya, Somalia and Ethiopia; insecurity threats from Al-Shabaab militants, closure of quarries, the adverse impact of the coronavirus and locust reinvasion and related challenges that threatened to obstruct the CROR's performance.

During the 2023/2024 financial year, the main local revenue sources covered Cess collections, Land/Poll Rates, Single/Business Permits, Property Rent, Parking Fees, Market Fees, Hospital Fees, Public Health Service Fees, Physical Planning and Development, Administration and Control Fees (tender fees) and Hire of County Assets. The total revenue realized was Kshs. 169,072,559 against the budgeted amount of Kshs. 330,533,846. The revenues were disbursed to the Mandera County Revenue Fund Account as required by the Public Finance Management laws and utilized to undertake planned government programmes.

The CROR collections were as tabulated in the table below:

County Own Source Revenue	Total Collections
Cess	39,829,650
Land/Poll Rate	42,610,819
Single/Business Permits	15,716,074
Property Rent	24,325,931
Parking Fees	867,665
Market Fees	566,340
Hospital Fees	25,903,057
Public Health Service Fees	2,987,849
Physical Planning and Development	264,001
Hire Of County Assets	364,000
Administration Control Fees and Charges	15,637,173
Total County Own Source Revenue	169,072,559

As indicated by the above diagram, the biggest portion of revenue attained were from the following streams; Lands/Plot rates, Cess collections, Hospital fees, Property rents, Administration and Control Fees (tender fees) and Single Business Permits while the worst performing streams were Physical Planning and Development, Hire of County Assets and Market Fees.

Statutory requirements

During the financial year, the Fund satisfactorily met all its statutory requirements.

Risks

The major risks facing the CROR include the following:

Technology risks: Emerging possible risk of cyber-attacks and Slow connectivity to core IT system. This will greatly hamper the success of our automated systems. The system will be protected by firewalls and investment in other IT security features.

Reputational risks: Poor collection and delayed disbursement of revenue by the CROR. The CROR will reinforce its compliance efforts to be safe from this risk.

Operational risks: Highlighted internal audit/regulatory issues.

Compliance risks: Litigation by stakeholders.

Financial risks: Delay in funding

Receiver Of Revenue
County Government of Mandera
Revenue Statements for the Period Ended 30th June 2024

6. Report of the Independent Auditor on the xx Receiver of Revenue for the year ended 30th June 2025

***Receiver Of Revenue
County Government of Mandera
Revenue Statements for the Period Ended 30th June 2024***

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Revenue Statements for the Period Ended 30th June 2024**

7. Statement of Receipts and Disbursements for the year ended 30th June 2024

	Note	FY 2023/24 Kshs	FY 2022/23 Kshs
County Own Source Revenue			
Cess	1	39,829,650	29,928,380
Land Rate	2	42,578,746	23,922,170
Single/Business Permits	3	15,716,074	11,808,102
Property Rent	4	24,325,931	23,809,570
Parking Fees	5	867,665	1,558,005
Market Fees	6	566,340	189,895
Hospital Fees	7	25,903,057	27,534,403
Public Health Service Fees	8	2,987,849	476,322
Physical Planning and Development	9	264,001	3,972,684
Hire Of County Assets	10	364,000	30,000
Administration Control Fees and Charges	11	15,637,173	81,000
Total County Own Source Revenue		169,040,486	123,310,531
Other Receipts		-	-
Total Receipts		169,040,486	123,310,531
Balance b/f at the beginning of the year		-	-
Disbursements To CRF		168,989,984	123,268,177
Bank charges	12	39,737	42,354
Balance Due for Disbursement		10,765	-

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 24/09/2024 and signed by:


 Name: Ibrahim Issack Nurrow
 County Receiver of Revenue


 Name: Ahmed Adan Mohamed
 Head of Revenue Reporting
 ICPAK M/No 24402

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County Government of Mandera
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5. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30th June 2024

Receipt	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% Of Realization
	A	B	C=A+B	D	E=C-D	F=D/C %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
County Own Source Revenue						
Cess	84,115,943	(6,000,000)	78,115,943	39,829,650	38,286,293	51%
Land Rate	71,055,477	-	71,055,477	42,610,819	28,444,658	60%
Single/Business Permits	35,232,729	-	35,232,729	15,716,074	19,516,655	45%
Property Rent	71,960,702	-	71,960,702	24,325,931	47,634,770	34%
Parking Fees	3,069,313	-	3,069,313	867,665	2,201,648	28%
Market Fees	2,314,519	-	2,314,519	566,340	1,748,179	50%
Hospital Fees	51,785,008	-	51,785,008	25,903,057	25,881,951	49%
Public Health Service Fees	6,138,958	-	6,138,958	2,987,849	3,151,109	6%
Physical Planning and Development	4,507,780	-	4,507,780	264,001	4,243,779	20%
Hire Of County Assets	1,850,193	-	1,850,193	364,000	1,486,193	50%
Administration Control Fees and Charges	4,503,226	-	4,503,226	15,637,173	(11,133,94)	347%
Total County Own Source Revenue	336,533,846	(6,000,000)	330,533,846	169,072,559	161,461,287	51%
Other Receipts	-	-	-			

The increase in collection was as a result of the following measures put in place

Enhanced collection of Administration Control Fees and Charges (tender fees), robust collection of land rates in the whole County, single business permit collection was enhanced. Also, we identified Mandera Municipality and Elwak Municipality as receivers of revenue where they were operating in some streams hence better collection.

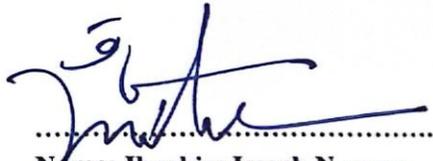
Still there were some problems like insecurity related issues caused by Alshabaab in major parts of the County. Closure of the Kenya-Somalia border as well as the Kenya-Ethiopia border due to insecurity related challenges.

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Still there were some problems like insecurity related issues caused by Alshabaab in major parts of the County. Closure of the Kenya-Somalia border as well as the Kenya-Ethiopia border due to insecurity related challenges.

The County Receiver of Revenue's financial statements were approved on 24/09/, 2024 and signed by:



.....
**Name: Ibrahim Issack Nurrow
County Receiver of Revenue**



.....
**Name: Ahmed Adan Mohamed
Head of Revenue Reporting
ICPAK M/No 24402**

**Receiver Of Revenue
County Government of Mandera
Revenue Statements for the Period Ended 30th June 2024**

**Receiver Of Revenue
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10. Statement of Arrears of Revenue As at 30th June 2024

Classification Of Receipts	Balance as at The beginning of the current year (1st July 2023) A	Arrears received during the year. B	Additions in arrears for the current year to June 30, 2024 C	Total arrears as at 30 June 2024 D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Total Arrears	-	-	-	-	-	-

There were no arrears of revenue as at 30 June 2024.


.....
Name: Ibrahim Issack Nurrow
County Receiver of Revenue


.....
Name: Ahmed Adan Mohamed
Head of Revenue Reporting
ICPAK M/No 24402

6. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

The revenue statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and relevant legal framework of the County Government of Mandera receiver of revenue. 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. The accounting policies adopted have been consistently applied to all the years presented.

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

2. Recognition of Receipts

The receiver of revenue recognises all receipts from the various sources when the related cash has been received by the receiver of revenue.

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 within the timelines for the period 1st July 2023 to 30 June 2024 as required by law. There was a supplementary budget passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

4. Cash and cash equivalents

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

5. Revenue in Arrears

This relates to revenue earned and is yet to be received or collected by the receiver of revenue. These arrears are disclosed under the statement of arrears as required under the PFM Act, 2012 Section 165 (2) (b) which is a memorandum statement.

6. Disbursements to CRF

The Receiver of Revenue has an arrangement for transfer of funds from its bank account to the CRF account. Total disbursements to the CRF are as a result of the transfer arrangement during the year.

7. Comparative Figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

8. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended June 30, 2024

7. Notes to the Financial Statements

1. Cess

Description	2023/24	2022/23
	Kshs	Kshs
Farm produce	2,263,184	1,106,559
Quarrying	1,106,400	1,027,900
Livestock	11,484,844	9,561,123
Miraa movement	6,205,400	6,658,820
Barriers	13,809,823	4,633,063
Slaughter fees and charges	3,611,771	6,162,515
Income from water	891,137	778,400
Total	39,372,559	29,928,380

2. Land rates

Description	2023/24	2022/23
	Kshs	Kshs
Land rates	42,610,819	23,922,170
Total	42,610,819	23,922,170

3. Single /Business Permits

Description	2023/24	2022/23
	Kshs	Kshs
Annual Business permit fees	15,716,074	11,808,102
Total	15,716,074	11,808,102

4. Property Rent

Description	2023/24	2022/23
	Kshs	Kshs
County Housing	507,190	960,500
Transfer of Property	16,401,101	15,802,550
Stalls/kiosks rent	7,417,640	7,046,520
Total	24,325,931	23,809,570

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5. Parking Fees

Description	2023/24	2022/23
	Kshs	Kshs
Street parking fees	867,665	1,558,005
Total	867,665	1,558,005

6. Market Fees

Description	2023/24	2022/23
	Kshs	Kshs
Market entry fees	566,340	189,895
Total	566,340	189,895

7. Hospital Fees

Description	2023/24	2022/23
	Kshs	Kshs
Level 4 hospitals	25,903,057	27,534,403
Total	25,903,057	27,534,403

8. Public Health Service Fees

Description	2023/24	2022/23
	Kshs	Kshs
Public health permit	2,987,849	476,322
Total	2,987,849	476,322

9. Physical Planning and Development

Description	2023/24	2022/23
	Kshs	Kshs
Building plans approval	264,001	3,972,684
Total	264,001	3,972,684

10. Hire Of County Assets

Description	2023/24	2022/23
	Kshs	Kshs
Agricultural Mechanisation Services (AMS)	364,000	30,000
Total	364,000	30,000

*Receiver Of Revenue
County Government of Mandera
Revenue Statements for the Period Ended 30th June 2024*

11. Administration Control Fees and Charges

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Others (<i>Tender Fees</i>)	15,637,173	81,000
Total	15,637,173	81,000

12. Bank Charges

Description	Insert Current FY	Insert Previous FY
	Kshs	Kshs
Bank Charges & commissions	71,811	42,354
Total	71,811	42,354

13. Bank Balances

Name of Bank, Account No. & currency	Amount	Exc. rate (if in foreign currency)	2023/24	2022/23
			Kshs	Kshs
KCB,1140759469, Kshs.	-	-	8	-
National Bank of Kenya, 01042097914300, Kshs.	-	-	5,002	-
Equity Bank, 1000260858505, Kshs.	-	-	564	-
Mandera Municipality, National Bank, 7700522510, Kshs.	-	-	5,130	-
Mandera Municipality, Equity Bank, 1000284926514, Kshs.	-	-	61	-
Elwak Municipality, National Bank, 7716422650, Kshs.	-	-	0	-
Total	-	-	10,765	-

*Receiver Of Revenue
County Government of Mandera
Revenue Statements for the Period Ended 30th June 2024*

14. Payables- Due To CRF

Payables	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Balance b/f at the beginning of the year	-	-
Amount collected during the year	169,000,749	123,268,177
Amounts disbursed to CRF during the year	(168,989,984)	(123,268,177)
Balance c/d at the end of the year	10,765	-

15. Ageing Analysis of Revenue in Arrears

There were no Arrears of Revenue as at 30th June 2024.

Receiver Of Revenue
County Government of Mandera
Revenue Statements for the Period Ended 30th June 2024



13. Appendices

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

There were no Waivers and Variations of Fees or charges granted by the Receiver of Revenue during the year.

(PFM ACT section 165 subsection 4, 5)

Sign and date
Accounting Officer

24/07/2024

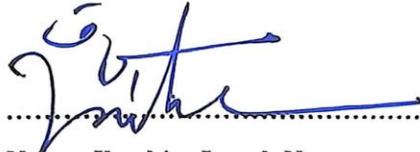
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Appendix 2: Progress on follow up of prior Year Auditor Recommendations.

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 the Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0 Revenue Under Collection.	The shortfall in revenue collection.	The issue is yet to be discussed in the Senate and the County Assembly but has been addressed internally.	Not resolved.	30 June 2025.
1.1 Non-Compliance with IPSAS 23 on Revenue Recognition and Reporting	Delayed Revenue Recognition.	The issue is yet to be discussed in the Senate and the County Assembly but has been addressed internally.	Not resolved.	30 June 2025.



Name: Ibrahim Issack Nurrow
 County Receiver of Revenue

Date: 24/09/2024



Name: Ahmed Adan Mohamed
 Head of Revenue Reporting

ICPAK M/No 24402

Date: 24/09/2024