

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

COUNTY REVENUE FUND

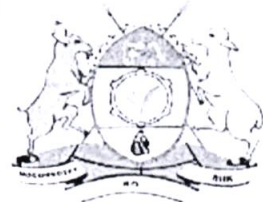
**FOR THE YEAR ENDED
30 JUNE, 2024**

COUNTY GOVERNMENT OF KERICHO



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COUNTY GOVERNMENT OF KERICHO

COUNTY REVENUE FUND

County Government of Kericho

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th June 2024

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

County Government of Kericho
County Revenue Fund
For the financial year ended 30th June 2024

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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
Kshs	Kenya Shillings

b) glossary of terms

2022/2023	Comparative Prior Financial Year
Fiduciary Management	The key management personnel who had financial responsibility

2. Key Entity Information and Management

a) Background information

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

b) Key Management Team

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

No.	Designation	Name
1.	CECM Finance and Economic planning	Hon. Jackson Rop
2.	Chief Officer Finance	CPA George Kirer
3.	Dep. Director Accounting Services/Finance	CPA Fernandes Korir

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CECM Finance and Economic Planning	Hon. Jackson Rop
2.	Accounting Officer in charge of Finance	CPA George Kirer
3.	Dep. Director Accounting Services/Finance	CPA Fernandes Korir

d) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies at the County for the year ended 30th June 2024 were:

- a. The public and other stakeholders through Public Participation play a significant role and greatly influence decision making and ultimately improving the governance process.
- b. The Commission on Revenue Allocation which makes recommendations on budget ceilings concerning the financing of programmes and the Controller of Budget oversees the implementation of the budgeted programmes.
- c. County Budget and Economic Forum, which presents the ideal opportunity to strengthen the engagement between the County Government and the County residents.
- d. Finance and Investments sub-committee of the County Executive deliberates and sets agenda on fiduciary matters to be presented to the County Executive Committee.

- e. The County Executive Committee is in charge of ensuring all programmes are run smoothly and there is value for money. The committee also approves the budget to be submitted to the County Assembly.
- f. The Budget and Appropriation Committee reviews the budget estimates submitted by County Executive and proposes the same for adoption or rejection of the same to the full house of the County Assembly.
- g. Internal Audit unit and Audit Committee undertake periodic reviews of expenditures and make recommendations on improprieties noted.
- h. DANIDA Internal Auditors under the Health Services Department review usage of health sector funding that is received as conditional grant.
- i. The County Treasury receives and consolidates all financial and non-financial information from all the departments and entities of the County Government.
- j. Independent offices set by law which are the Office of the Auditor General and the Controller of Budget for review of programmes to ensure there is no wastage and Value for Money is achieved.
- k. County Assembly Public Accounts and Investment Committee reviews all audit reports submitted by the County Executive.

e) County Headquarters

P.O. Box 112 20200
County Headquarters Building
Kericho - Nakuru Highway
Kericho, KENYA

f) County Contacts

Telephone :(254:(254) 052-21100
E-mail: info@kericho.go.ke
Website: www.kericho.go.ke

g) County Bankers

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

h) Independent Auditor

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

i) Principal Legal Adviser

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

3. Statement by the CECM Finance

It is my pleasure to present the County Government of Kericho County Executive financial statements for the financial year ended 30th June 2024. The financial statements present the financial performance of the County Government for the year under review. The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments. Financing of the County Governments under Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

In year under review, total receipts to the County Revenue Fund were Ksh. 6,166,879,532 from Equitable Share, Ksh. 425,082,978 for other government entity transfers and Ksh. 568,420,500 from own source revenue making a total of Ksh. 7,160,383,010. A total of Ksh. 7,158,470,598 were transferred for expenditure in both County Executive and Assembly leaving a balance of Ksh. 17,289,360.

The key local revenue sources for Kericho County included business permits, land rates, business plan approval fees, advertising fees, cess and other various administrative charges. The County Government continues to explore new and innovative ways of increasing its local revenue collections. Some of the steps among others that the County has taken towards improving its revenue collections include automation of revenue collection system.

And as I conclude, I would like to appreciate the National Treasury for their continued Support.

..... (Sign)

CECM Finance and Economic Planning
County Government of KERICHO

4. Management Discussion and Analysis

Over the years, equitable share continues to form the largest part of our revenue budget, contributing upto 86%. Our own generated revenues formed 7.94% of our budget. Out of the projected revenue of Ksh. 8,484,768,032, the County was able to realize Kshs 7,175,759,958 in actual revenues, representing 85% performance. The 15% difference is a representation of payables carried forward to the financial year 2024/2025

	2020/2021	2021/2022	2022/2023	2023/2024	Current Year %
Equitable Share	5,843,223,000	5,916,211,733	6,945,118,115	6,166,879,532	86.12
Transfers from Other Government Agencies	707,835,484	231,244,026	179,423,861	425,082,978	5.94
Other Grants	162,252,168	-	-	0.00	0.00
Own Source Revenue	595,976,653	562,828,005	477,246,120	568,420,500	7.94
Total				7,160,383,010	100

Chart Title



As noted above, own source revenue has remained at below average as per CRA 2022 report on Revenue Potential for counties of Kenyan Shillings 2.1 billion. The county is therefore putting in place some measures to improve on the current situation. These include:

- Thorough field visits, to ensure compliance on payment of taxes
- Detect and register unregistered business owners
- Make information available to citizens on matters taxes by making used of public participation
- Capacity building to officers in the sector

5. Overview of the County Revenue Fund Operations

Background

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

Receipts into the County Revenue Fund

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

Transfers from the County Revenue Fund

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

Financial Reporting requirements

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

This statement therefore covers the operations of the County Exchequer Account for the financial year ended 30th June 2024.


.....
CEC Member – Finance and Economic Planning
County Government of Kericho

6. Statement of Management Responsibility

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

The Accounting Officer at the County Treasury is responsible for the preparation and presentation of the County Revenue Fund financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Revenue Fund; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the County Revenue Fund; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, which have been prepared on the Cash Basis Method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the County Revenue Fund's financial statements give a true and fair view of the state of the County Revenue Fund's transactions during the financial year ended 30th June 2024, and of its financial position as at that date.

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

Approval of the Financial Statements

The County Revenue Fund's financial statements were approved and signed on 30th September 2024.

Signature  _____

Name CPA George Kirer

**Chief Officer Finance /Accounting Officer
County Government of Kericho**

REPUBLIC OF KENYA

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Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON COUNTY REVENUE FUND FOR THE YEAR ENDED 30 JUNE, 2024- COUNTY GOVERNMENT OF KERICHO

PREAMBLE

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

- A. Report on 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 the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A qualified opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Revenue Fund- County Government of Kericho set out on pages 1 to 10 which comprise the statement of receipts and payments for the year ended 30 June, 2024 and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Revenue Fund - County Government of Kericho as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Variance Between Reported Amount and Supporting Schedules-Own Source Revenue

The statement of receipts and payments reflects own source revenue amounting to Kshs.568,420,500 as disclosed in Note 6 to the financial statements. The amount includes hospital fees and miscellaneous revenues from hospitals amounting to Kshs.181,715,212 and Kshs.23,768,777 respectively. However, schedules in support of amounts of Kshs.181,715,212 and Kshs.23,768,777 were not provided for audit review.

In the circumstances, the accuracy and completeness of the amount of Kshs.205,483,989 included in own source revenue could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounting to Kshs.8,484,768,032 and Kshs.7,175,759,958, respectively, resulting to an under-funding of Kshs.1,309,008,074 or 15% of the budget. Similarly, the statement reflects final budgeted payments and actual on comparable basis amounts of Kshs.8,484,768,032 and Kshs.7,158,470,598, respectively, resulting to an under-absorption of Kshs.1,326,297,434 or 16% of the budget.

The under-funding and under-absorption adversely affected the planned activities of Kericho County Government and delivery of services to the residents of the County.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Prior Year Matters

As disclosed under the Progress on Follow up of Auditor's Recommendations section of the financial statements, all the prior year audit issues are indicated as resolved as at 30 June, 2024. However, Management has not provided evidence on how the issues were resolved.

Other Information

The Management is responsible for the other information set out on page iii to ix which comprise of Key Entity Information and Management, Statement by the CECM Finance, Management Discussion and Analysis, Overview of the County Revenue Fund Operations and Statement of Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the County Revenue Fund- County Government of Kericho financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material

misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON 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 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 controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial comply with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 December, 2024

8. Statement of Receipts and Payments for the Year Ended 30th June 2024.

		2023/24	2022/23
	Notes	Kshs.	Kshs.
Receipts			
Exchequer releases	1	6,166,879,532	6,945,118,115
Transfers from other government agencies	2	425,082,978	179,423,861
Other grants	3	-	-
Proceeds from Domestic Borrowing	4	-	-
Proceeds from Foreign Borrowing	5	-	-
Own Source Revenue	6	568,420,500	477,246,120
Return to CRF issues	7	8,804,912	164,228
Total Receipts		7,169,187,922	7,601,952,324.00
Payments			
Transfers to County Executive	8	6,338,316,857	6,681,961,783
Transfers to County Assembly	9	820,153,741	914,130,822
Other Transfers	10	0	0
Total Payments		7,158,470,598	7,596,092,605
Net increase/ (decrease) in cash for the year		10,717,324	5,859,719
Add Opening fund balance b/f	11	6,572,036	712,317
Closing Fund balance for the year	11	17,289,360	6,572,036

.....
 Name CPA George Kirer
 Chief Officer - Finance
 ICPAK Member No. 9499
 Date: 30.09.2024

.....
 Name CPA Fernandes Korir
 Dep. Director Accounting Services
 ICPAK Member No. 13966
 Date: 30th SEP 2024

9. Statement of Comparison of Budget Actual Amounts for the Year Ended 30th June, 2024.

Receipt/Payments	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 %
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Receipts						
Exchequer releases	6,703,129,925	-	6,703,129,925	6,166,879,532	536,250,393	92%
Transfers from other government agencies	437,080,938	181,837,387	618,918,325	425,082,978	193,835,347	69%
Other conditional grants	100,000,000	(19,083,767)	80,916,233	-	80,916,233	0%
Own Source Revenue	1,273,421,600	(206,995,000)	1,066,426,600	568,420,500	498,006,100	53%
Return to CRF issues	-	-	-	8,804,912	(8,804,912)	-43%
Insurance Compensation	-	-	-	-	-	
Fund Balance B/F	392,000,044	(376,623,095)	15,376,949.00	6,572,036	8,804,913	43%
Total Receipts	8,905,632,507	-420,864,475	8,484,768,032	7,175,759,958	1,309,008,074	85%
Payments						
Transfers to County Executive	7,944,841,314	(340,197,026)	7,604,644,288	6,338,316,857	1,266,327,431	83%
Transfers to County Assembly	960,791,194	(80,667,450)	880,123,744	820,153,741	59,970,003	93%
Total Payments	8,905,632,508	-420,864,476	8,484,768,032	7,158,470,598	1,326,297,434	84%
Balance				17,289,360		

Note:

1. Fund balances in the financial year budgeted were Ksh. 15,376,949 comprising of returns to CRF as at June 2023 of Ksh. 8,804,912 and CRF balances as at 30th June 2023 of Ksh. 6,572,036.

10. Significant Accounting Policies

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

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

c) Receipts

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

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

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

d) Payments

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

Significant Accounting Policies (Continued)

e) Fund Balances

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

f) Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation or There were no restrictions on cash during the year.

11. Notes to the Financial Statements

1. Exchequer releases

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

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Equitable Share (a)	6,166,879,532	6,945,118,115
Total	6,166,879,532	6,945,118,115

2. Transfers from other government agencies**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health	-	-
World Bank Kenya Climate Smart Agriculture (KCSAP) - State Department of Crop Development	-	72,680,579
DANIDA Grant -Primary Health care in devolved context -Ministry of Health	9,817,500	5,960,625
SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development	1,527,779	9,250,013
IDA World Bank National Agricultural Value Chain Development Project (NAVCDP) -State Department of Crop Development	199,344,800	67,192,729
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA)I CCIS Grant State Department of	214,392,899	22,000,000
Kenya Urban Support Programme Phase 2 UDG	-	2,339,915
Total	425,082,978	179,423,861

** These include other government grants released through other government entities such as the National Government MDAs.

3. Other grants**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Donor 1 (Specify)	-	-
Donor 2 (Specify)	-	-
Donor 3 (Specify)	-	-

County Government of Kericho
 County Revenue Fund
 For the financial year ended 30th June 2024

Others (Specify)	-	-
	-	-

** These are funds received from development partners directly to the CRF.

4. Proceeds from Domestic borrowing.

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Borrowing within General Government	-	-
Borrowing from Monetary Authorities (Central Bank)	-	-
Other Domestic Depository Corporations (Commercial Banks)	-	-
Borrowing from Other Domestic Financial Institutions	-	-
Borrowing from Other Domestic Creditors	-	-
Domestic Currency and Domestic Deposits	-	-
Others (Specify)	-	-
Total	-	-

(Give a brief description of the nature and sources of borrowings including any assets pledged as security and the legal authority to borrow)

Notes to the Financial Statements (Continued)

5. Proceeds from Foreign Borrowing

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Foreign Borrowing – Drawdowns Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
Others (Specify)	-	-
Total	-	-

(Where a note is not applicable, it should be removed, and notes renumbered)

6. Own Source Revenue

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Cess	18,568,151.00	7,465,662
Land Rate	110,759,375.00	92,673,207
Single/Business Permits	161,206,631.00	65,370,907

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House Rent	10,344,723.00	7,212,429
Vehicle Parking Fees	24,782,558.00	30,583,202
Market Fees	15,880,747.00	18,981,805
Advertising	10,851,542.00	19,192,163
Hospital Fees	181,715,212.00	196,807,815
Public Health Service Fees	1,113,995.00	4,027,100
Physical Planning and Development	1,574,406.00	7,752,520
Hire Of County Assets	110,000.00	300,000
Conservancy Administration	46,629.00	7,458,000
Administration Control Fees and Charges	5,587,329.00	12,243,310
Proceeds from Insurance Compensation	-	5,678,000
Library	110,425.00	
Profits and Dividends	2,000,000.00	1,500,000
Miscellaneous Revenues from Hospitals	23,768,777.00	-
Total	568,420,500.00	477,246,120

Notes to the Financial Statements (Continued)

7. Return to CRF Issues

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Recurrent Account (<i>County Executive</i>)	7,885,625.70	27,319
Development Account (<i>County Executive</i>)	897,759.30	34,968
Recurrent Account (<i>County Assembly</i>)	21,527.05	13,287
Development Account (<i>County Assembly</i>)	0.40	88,654
Total	8,804,912.45	164,228

These were balances that remained in the operational accounts at the close of FY

8. Transfers to County Executive

Description	2023/2024	2022/2023
		Kshs.
Recurrent Account	4,276,955,231	4,154,584,926
Development Account	1,328,521,934	1,773,952,484
Special purpose Accounts- DANIDA	17,467,500	12,081,625
Special purpose Accounts- ASDSP II SIDA Grant	1,527,779	9,250,013
Special purpose Accounts- Youth Polytechnics Grant	22,000,000	10,999,998
Special purpose Accounts-KUSP UDG	-	2,339,915
Special purpose Accounts-KDSP	-	-
Special purpose Accounts-World Bank UHC Grant	-	75,443,658
Special purpose Accounts-KACSP	-	126,184,585
Bursary Fund	-	167,428,831
Special purpose Accounts- RMLF	-	-
Special Purpose Account- CAIP	35,000,000	-
Special purpose Accounts- User Fee	-	18,048,789
Special purpose Accounts- Health Operations	185,437,496	211,454,230
Special Purpose A/c NAVCDP	199,344,800	67,192,729
Special Purpose A/C FLOCCA	272,062,117	53,000,000
Total	6,338,316,857.00	6,681,961,783

(Explain as per County Appropriation Act. These amounts should tally with corresponding receipts by the County Executive)

Notes to the Financial Statements (Continued)

9. Transfers to County Assembly

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Recurrent Account	808,820,473.00	906,278,468
Development Account	11,333,268.00	7,852,354
Total	820,153,741	914,130,822

10. Other Transfers

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Agency Notices	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

11. Fund balance

Description	2023/2024	2022/2023
	Kshs.	Kshs.
County Exchequer Account - (CBK Account number 1000171677)	17,289,361	6,572,036
Total	17,289,361	6,572,036

12. Annexes


Annex 1: Progress on follow up of Auditor’s Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.1.	Misstatement of the financial statements.	Audit looked at bank statement balances. The reconciled opening and closing balances were adopted in preparation of the years financial statement	Resolved	
4.2	Unsupported return to CRF issues	These were balance for both Recurrent and Development operational accounts for County Assembly and Executive. Bank Balances for close of period to proof debits and credits have been provided for review. (Bank statements for both Assembly and Exec Rec and Dev and the County Revenue Fund statement)	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/ County Treasury.

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CPA George Kirer
Chief Officer Finance

Date

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

Period 20xx	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Equitable Share	1,675,782,482	1,106,016,438	1,106,016,437	2,279,064,175	6,166,879,532
Level 5 Hospitals	-	-	-	-	-
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	9,817,500.00	9,817,500
National Value Chain Development Project (NAVCDP)	-	-	185,266,366.70	14,078,433.00	199,344,799.7
Financing Locally Led Climate Change Action(FloCA)	-	-	-	214,392,899.00	214,392,899
Agriculture Sector Development Support Project (ASDSP)	-	500,000	1,027,779.00	-	1,527,779
Total	1,675,782,482.00	1,106,516,438.00	1,292,310,582.70	2,517,353,007.00	6,591,962,509.70

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Annex 4: Analysis of Transfers from the County Revenue Fund

Period -20xx	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive -Rec	592,472,005	1,017,888,957	1,178,799,164.00	1,487,795,105.00	4,276,955,231
County Executive -Dev	-	222,962,216	211,472,227.00	894,087,491.00	1,328,521,934
County Assembly -Rec	188,700,000	306,000,000	136,922,650.00	141,636,684.00	773,259,334
County Assembly -Dev	-	-	-	11,333,268.00	11,333,268
Special Purpose A/c Hospital Operations	-	78,764,596.00	47,080,176.00	59,592,724.00	185,437,496
Agriculture Sector Development Support Project (ASDSP)	-	-	-	1,527,779.00	1,527,779
Grants to polytechnics	-	-	-	22,000,000.00	22,000,000
County Aggregation and Industrial Parks	-	-	-	35,000,000.00	35,000,000
Primary Healthcare (DANIDA)	-	-	-	17,467,500.00	17,467,500
Kericho County Climate Change Account	-	-	-	272,062,117.00	272,062,117
Kericho County National Value Chain (NavCDP)	-	-	-	199,344,800.00	199,344,800
Total	781,172,005	1,625,615,769	1,574,274,217	3,141,847,468	7,122,909,459