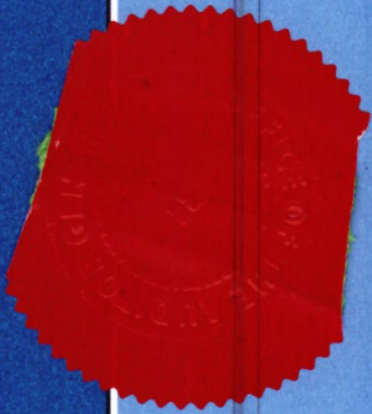


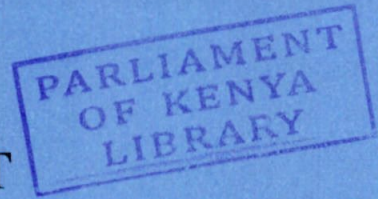
REPUBLIC OF KENYA



*Enhancing Accountability*



PAPERS LAID	
DATE	5/3/2025
TABLED BY	Majority leader
COMMITTEE	
CLERK AT THE TABLE	Angela



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**RECEIVER OF REVENUE**

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

**COUNTY GOVERNMENT OF MURANG'A**

Revised 30<sup>th</sup> June 2024



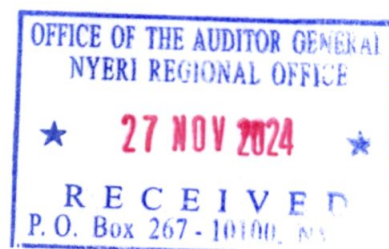
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**RECEIVER OF REVENUE**  
*(County Government of Murang'a)*

**REVENUE STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2024**

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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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*Receiver Of Revenue  
County Government of Murang'a  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024*

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**Table of Contents  
Page**

1. Acronyms and glossary of terms .....	iii
2. Key Entity Information and Management .....	iv
3. Foreword By the CECM Finance and Economic Planning .....	vi
4. Management Discussion and Analysis .....	vii
5. Statement of Receiver of Revenue's responsibilities .....	ix
6. Report of the Independent Auditor on the Murang'a County Receiver of Revenue for the year ended 30 <sup>th</sup> June 2024 .....	xi
7. Statement of Receipts and Disbursements for the year ended 30th June 2024 .....	1
8. Statement of Financial Assets and Liabilities As at 30 <sup>th</sup> June 2024 .....	2
9. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30 <sup>th</sup> June 2024 .....	3
10. Statement of Arrears of Revenue as at 30th June 2024 .....	5
11. Significant Accounting Policies .....	7
12. Notes to the Financial Statements .....	9
13. Appendices .....	18

**Receiver Of Revenue  
County Government of Murang'a  
Revenue Statements for the Period Ended 30<sup>th</sup> 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
FIF	Facilities Improvement Financing
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

*(Entity to insert all the relevant acronyms and key terms used in the annual report and financial statements)*

## **2. Key Entity Information and Management**

### **(a) Background information**

The Receiver of revenue is under the Department of Finance and Economic Planning. At the County Executive Committee level, the Receiver of revenue is represented by the County Executive committee member for Finance and Economic Planning, who is responsible for the general policy and strategic direction of the receiver of revenue. The Receiver of revenue was designated as a Receiver on 12<sup>th</sup> May 2023 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 Murang'a day-to-day management of revenue is under the following:

- County Executive Committee Member for Finance and Economic Planning – Prof Kiarie Mwaura
- Chief Officer, Finance and Economic Planning – Mr Peter G Kahora
- Chief Officer, in charge of Department collecting Revenue – Ms Judy N Mbaru
- Director, Revenue – Mr Thomas W Gakahu

**Key Entity information and Management (continued)**

**(d) County Headquarters**

P.O. Box 52 - 10200  
Fort Hall  
County HQ Murang'a  
Town, KENYA

**(e) Entity Contacts**

Telephone: : (254) 2030271  
E-mail: [info@Murang'a.go.ke](mailto:info@Murang'a.go.ke)  
Website: [www.Murang'a.go.ke](http://www.Murang'a.go.ke)

**(f) Independent Auditor**

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

**(g) Principal Legal Adviser**

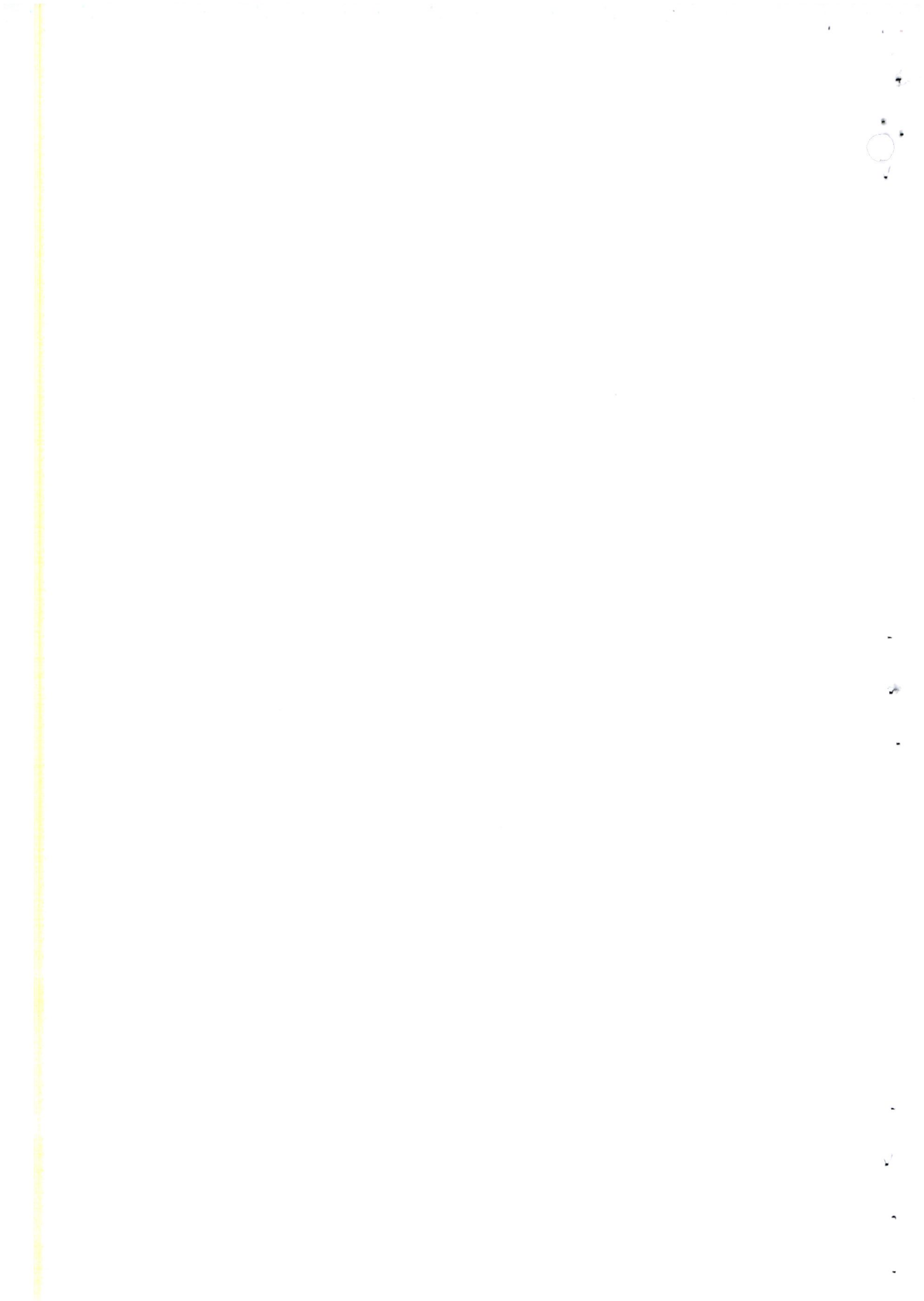
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
NAIROBI, KENYA

**(h) Bankers**

- i. Kenya Commercial Bank - Murang'a
- ii. Equity Bank – Murang'a
- iii. Family Bank - Murang'a
- iv. Co-operative Bank - Murang'a

**(i) County Attorney**

Mr James Kamau Thuku



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

The financial year 2023-2024 marks the 2<sup>nd</sup> year of the new government in office. Although there was general economic recession within the country, the County government made a spirited effort to scale up the own source revenue in all the streams. This led to increase in majority of the revenue streams. The impact of revenue automation on all revenue streams was clearly visible which led to an increase on own source revenue collected during the financial year, from Kshs 682,310,169 collected in the previous year to Kshs 1,116,795,731. This translates to an increase of 63.7%. Revenue is divided into several streams, however there are six main revenue streams namely Single Business Permits, Hospital fee, Land rate and Plot rent, Cess, Barter Market and Bus Park. The six Streams Combined generates about 70% of the County's total revenue.

The Automation exercise, mapping of revenue streams, setting of targets jointly with the revenue staff coupled with staff motivation has greatly enhanced revenue mobilization. The County Government was able to meet its budget for the year.

It is worth noting that the County Government implemented the FIF Act no 14 of 2023 that allows the health facilities to retain the revenue collected for the purpose of improvement of the health facilities. In this regard only a portion of the Hospital revenue that had been collected before the act was disbursed to the CRF. However, in the general performance of the County the entire OSR was reported for the purpose of analysing the County performance vis a vis the Budget and previous years' performance.

The County Government will continually explore on new sources of revenue as well as enhance efficiency in collection, in order to maximize its collection which will go a long way in meeting the County budget.



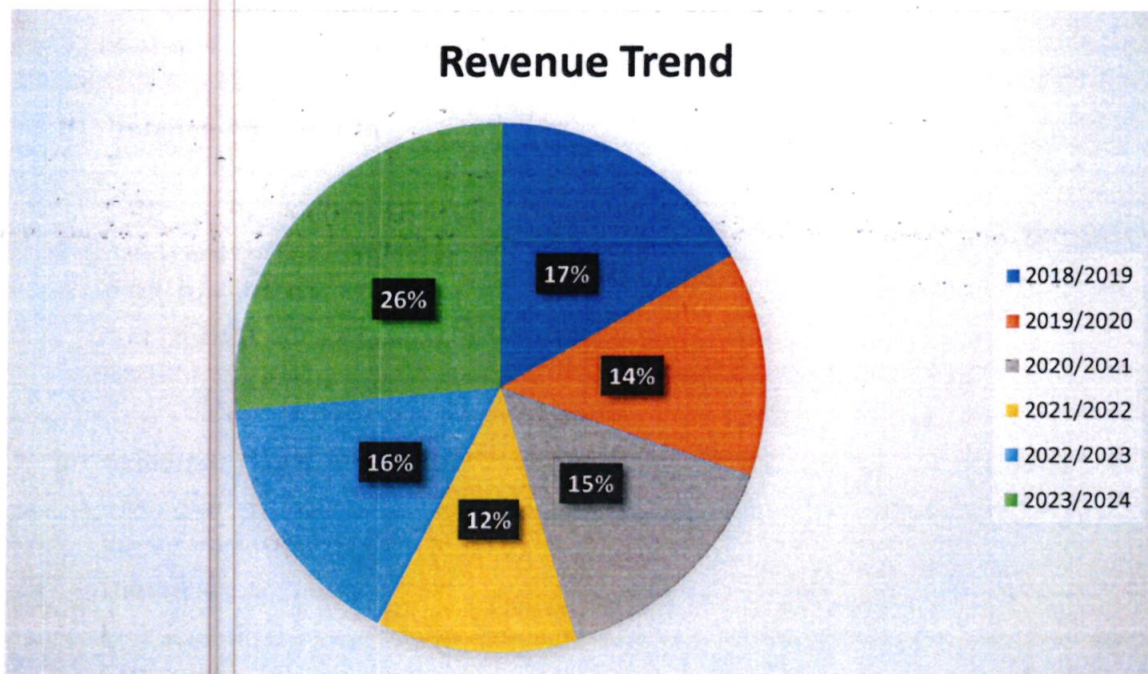
.....  
**Prof Kiarie Mwaura**  
**CECM Finance and Economic Planning**  
**County Government of Murang'a**

**Receiver Of Revenue  
County Government of Murang'a  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024**

**4. Management Discussion and Analysis**

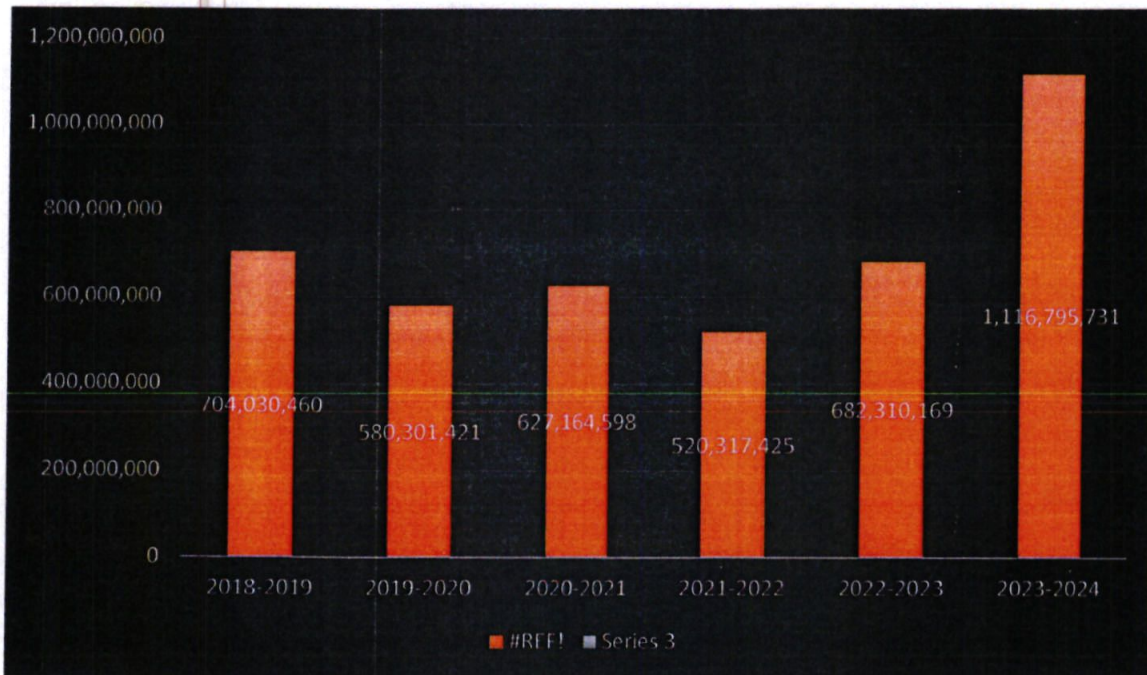
Performance of Receiver of Revenue has been assessed as steady save for the interruptions of operations that were brought about by the effects of the covid-19 pandemic and political situation. The receiver of revenue mobilized revenue from a series of revenue streams that are narrowed down to twenty-three in number. Among these revenue streams, there are six main revenue streams namely Single Business Permits, Hospital fee, Land rate and Plot rent, Cess, Barter Market and Bus Park. The six Streams Combined generated 70% of the County's total revenue.

YEAR	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
TARGET						
ACTUAL AMOUNT	704,030,460	580,301,421	627,164,598	520,317,425	682,310,169	1,116,795,731



**Receiver Of Revenue  
County Government of Murang'a  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024**

**REVENUE TREND IN FIVE YEARS**



As observed in the trend analysis above, the decline in revenue between financial years 2019 – 2020 was occasioned by the Covid -19 Pandemic that resulted to general economic meltdown, witnessed across the country. The following financial year, 2020-2021 as the Covid -19 restrictions were eased, there was improved collection of 8%. However as we crossed to the next financial year, 2021 -2022 which was the Country’s election year, the political wave greatly affected the revenue mobilization both current and aspiring politicians incited members of the public against paying the requisite fees, the political tension coupled with the global economic crisis, as manifested by the skyrocketed fuel prices and high cost of living resulted to a decline in revenue by 17%.

In the following year, 2022-2023 there was a remarkable increase in revenue collection due to automation of the revenue collection that eliminated manual cash collection. This resulted to a 31% increase in own source revenue.

During the last financial year there was a tremendous increase in own source revenue that saw growth of 69% compared to the previous year. This saw revenue hitting a one billion mark, which has been attributed to full automation of all revenue streams. The County government is in the process of putting in place full-automated systems in lands department, which are expected to enhance further the revenue collection especially in land rates and plot rent.

*Receiver Of Revenue  
County Government of Murang'a  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024*

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**5. Statement of Receiver of Revenue's responsibilities**

Section 165 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, a receiver of revenue for a county government shall prepare an account in respect of the revenue collected, received and recovered by the receiver during that financial year.

The Receiver of Revenue is responsible for the preparation and presentation of the receiver of revenue account, which gives a true and fair view of the state of affairs of the receiver of revenue for and as at the end of the financial year (period) ended on June 30, 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 statement of assets and liabilities of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Receiver of Revenue in charge accepts responsibility for the Murang'a County'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 Murang'a County's receiver of revenue account gives a true and fair view of the state of Murang'a County's receiver of revenue transactions during the financial year ended June 30, 2024, and of the Murang'a County'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 Murang'a County 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 2024

.....  
  
Name **Judy N Mbaru**  
County Receiver of Revenue

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



*Enhancing Accountability*

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

## **REPORT OF THE AUDITOR-GENERAL ON RECEIVER OF REVENUE FOR THE YEAR ENDED 30 JUNE, 2024 – COUNTY GOVERNMENT OF MURANG'A**

---

### **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 REVENUE STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying revenue statements of Receiver of Revenue-County Government of Murang'a set out on pages 1 to 20, which comprise the statement of financial assets and liabilities and statement of arrears of revenue as at 30 June, 2024 and the statement of receipts and disbursements and statement of comparison of budget

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*Report of the Auditor-General on Receiver of Revenue for the year ended 30 June, 2024 - County Government of Murang'a*

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 matters described in the Basis for Qualified Opinion section of my report, the revenue statements present fairly, in all material respects, the financial position of Receiver of Revenue Statements - County Government of Murang'a as at 30 June, 2024 and of its financial performance for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the County Governments Act, 2012 and the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

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

The statement of receipts and disbursements and as disclosed in Note 8 to the financial statements reflects Kshs.68,375,673 in respect to hospital fees. However, the statement of comparison of budget versus actual amounts reflects actual on comparable basis amount of Kshs.382,537,843 in respect to hospital fees resulting to unexplained and unreconciled variances of Kshs.314,162,170.

In the circumstances, the accuracy and completeness of the amount of Kshs.68,375,673 for hospital fees could not be confirmed.

### **2. Variance between Receiver of Revenue Financial Statements Balance and the County Revenue Fund Financial Statements**

The statement of receipts and disbursements reflects Kshs.801,085,046 in respect of disbursements to County Revenue Fund (CRF). However, the County Revenue Fund financial statements balance reflects Kshs.788,500,651 resulting to an unexplained and unreconciled variance of kshs.12,584,395.

In the circumstances, the accuracy and completeness of disbursements to County Revenue Fund balance of Kshs. 801,085,046 could not be confirmed.

### **3. Long Outstanding Land Rates**

The statement of arrears of revenue reflects total outstanding revenue of Kshs.45,155,154 in respect of land rates/ plot rent and dormant plot arrears. However, as disclosed in Note 23 to the revenue statements, the balance includes revenue arrears of Kshs.44,622,267 relating to the financial year 2022/2023 and earlier years. Management did not demonstrate adequate measures to recover the arrears.

In the circumstances, the accuracy, completeness and recoverability of revenue arrears totaling to Kshs. 45,155,154 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Receiver of Revenue - County Government of Murang'a 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.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. 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**

#### **Unresolved Prior Year Matters**

In the audit report of the previous year, issues were raised under the Report on Financial Statements and Report of Lawfulness and Effectiveness in Use of Public Resources. However, the matters remain unresolved as at 30 June, 2023.

### **Other Information**

The Management is responsible for the Other Information set out on page iv to ix which comprise of Key Entity Information and Management, Foreword by the CECM Finance and Economic Planning, Management Discussion and Analysis and Statement of Receiver of Revenue 's responsibilities.

The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Receiver of Revenue- County Government of Murang'a revenue 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, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm

that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **Lack of an Updated Valuation Roll**

During the year under review, the County did not have an updated valuation roll which maps out property owners and the annual rates that each should pay. The Management used a valuation roll inherited from the defunct Municipal Council of Murang'a. This is contrary to Regulation 63(1)(a) of the Public Finance Management (County Governments) Regulations, 2015 which states that an Accounting Officer and a receiver of revenue are personally responsible for ensuring that adequate safeguards exist and are applied for the prompt collection and proper accounting for, all County Government revenue and other public moneys relating to their county departments or agencies.

In the circumstances, the County was denied the opportunity to raise more revenue from land rates and land rent. In addition, the Management was in breach of the law.

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 overall governance were not effective.

#### **Basis for Conclusion**

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

#### **Responsibilities of the 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Receiver of Revenue's ability 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 statements 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 Revenue's Statements 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 IFPP 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-generalresponsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

Nairobi


30 December, 2024


*Receiver Of Revenue  
County Government of Murang'a  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024*

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

	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
<b>County Own Source Revenue</b>			
Cess	1	77,825,443	72,703,641
Land Rate	2	0	0
Single/Business Permits	3	245,137,491	214,814,773
Property Rent	4	90,835,486	53,204,735
Parking Fees	5	63,156,518	46,920,561
Market Fees	6	44,502,858	35,172,310
Advertising	7	12,677,576	4,293,552
Hospital Fees	8	68,375,673	124,611,367
Public Health Service Fees	9	3,552,291	5,959,574
Physical Planning and Development	10	69,124,425	43,852,969
Hire Of County Assets	11	0	0
Conservancy Administration	12	0	1,117,107
Administration Control Fees and Charges	13	99,133,766	55,908,832
Proceeds from sale of assets	14	0	0
Livestock Related Fees	15	19,673,690	19,276,921
Other Fines, Penalties, And Forfeiture Fees	16	2,711,590	3,235,088
Miscellaneous receipts	17	5,926,753	1,238,741
<b>Total County Own Source Revenue</b>		<b>802,633,560</b>	<b>682,310,169</b>
<b>Other Receipts</b>			
Donations/Grants Not Received Through CRF	18	0	0
<b>Total Other Receipts</b>		<b>0</b>	<b>0</b>
<b>Total Receipts</b>		<b>802,633,560</b>	<b>682,310,169</b>
Balance b/f at the beginning of the year		81,500	<b>2,263,600</b>
<b>Disbursements To CRF</b>		(801,085,046)	(684,492,269)
Bank charges	19	(113,307)	(105,600)
<b>Balance Due for Disbursement</b>		<b>1,516,707</b>	<b>81,500</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 2024 and signed by:

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

  
.....  
Name Thomas W Gakahu  
Head of Revenue Reporting  
ICPAK M/No 7484

Receiver Of Revenue  
 County Government of Murang'a  
 Revenue Statements for the Period Ended 30<sup>th</sup> June 2024

8. Statement of Financial Assets and Liabilities as at 30<sup>th</sup> June 2024

	Note	Insert Comparative FY 2023/2024 Kshs	Insert Comparative FY 2022/2023 Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances	20	1,516,707	81,500
Cash In Hand	21	0	0
<b>Total Financial Assets</b>		<b>1,516,707</b>	<b>81,500</b>
<b>Total Financial Assets</b>		<b>1,516,707</b>	<b>81,500</b>
<b>Financial Liabilities</b>			
Payables-Due to CRF	22	1,516,707	81,500
<b>Total Financial Liabilities</b>		<b>1,516,707</b>	<b>81,500</b>

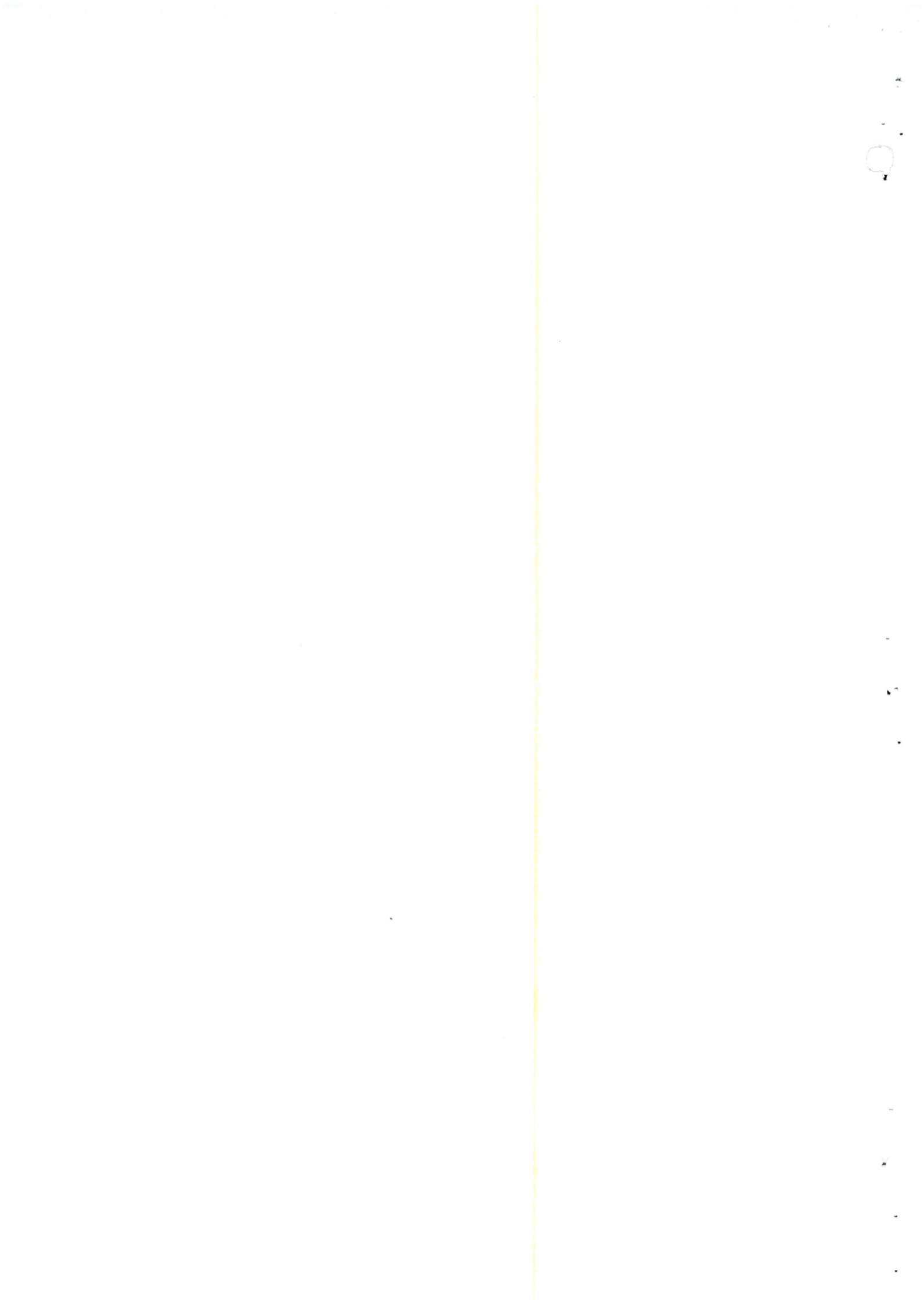
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 20th September 2024 and signed by:

.....  
 Name Judy N Mbaru  
 County Receiver of Revenue

.....  
 Name Thomas W Gakahu  
 Head of Revenue Reporting  
 ICPAK M/No 7484

9. Statement of Comparison of budget vs Actual Amounts for the Period Ended 30<sup>th</sup> 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
<b>County Own Source Revenue</b>						
Cess	72,525,841	0	72,525,841	77,825,443	-5,299,602	107.31%
Land Rate	0	0	0	0	0	0.00%
Single/Business Permits	253,199,941	0	253,199,941	245,137,491	8,062,450	96.82%
Property Rent	74,145,395	0	74,145,395	90,835,486	-16,690,091	122.51%
Parking Fees	52,823,956	0	52,823,956	63,156,518	-10,332,562	119.56%
Market Fees	49,993,200	0	49,993,200	44,502,858	5,490,342	89.02%
Advertising	11,743,944	0	11,743,944	12,677,576	-933,632	107.95%
Hospital Fees	306,117,719	0	306,117,719	382,537,843	-76,420,124	124.96%
Public Health Service Fees	9,270,588	0	9,270,588	3,552,291	5,718,297	38.32%
Physical Planning and Development	142,137,335	0	142,137,335	69,124,425	73,012,910	48.63%
Hire Of County Assets	0	0	0	0	0	0.00%
Conservancy Administration	0	0	0	0	0	0.00%
Administration Control Fees and Charges	98,621,817	0	98,621,817	99,133,766	-511,949	100.52%
Proceeds from sale of assets	0	0	0	0	0	0.00%
Veterinary Services	35,329,555	0	35,329,555	19,673,690	15,655,865	55.69%
Other Fines, Penalties, And Forfeiture Fees	4,766,200	0	4,766,200	2,711,590	2,054,610	56.89%
Miscellaneous Receipts	4,324,509	0	4,324,509	5,926,753	-1,602,244	137.05%
<b>Total County Own Source Revenue</b>	<b>1,115,000,000</b>	<b>0</b>	<b>1,115,000,000</b>	<b>1,116,795,730</b>	<b>-1,795,730</b>	<b>100.16%</b>
<b>Other Receipts</b>						




**Receiver Of Revenue**  
**County Government of Murang'a**  
**Revenue Statements for the Period Ended 30<sup>th</sup> 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 %
Donations /Grants Not Received Through CRF	0	0	0	0	0	0
<b>Total Other Receipts</b>	0	0	0	0	0	0
<b>Total Receipts</b>	<b>1,115,000,000</b>	<b>0</b>	<b>1,115,000,000</b>	<b>1,116,795,730</b>	<b>-1,795,730</b>	<b>100.16%</b>

[Provide below a commentary on significant under realisation (below 90% of realisation) and any over realisation]

- (a) Under collection in some of the revenue streams were occasioned by over projection as can be seen from previous years' actuals
- (b) In the middle of the financial year, the Government of Kenya passed the FIF Act that allowed the Hospitals to retain and spend revenue collected at the facility. In this regard only Kshs 68,375,673 collected at the Hospitals was swept to CRF and hence it's the amount recognized as note 8 in the Statement of Receipts and Disbursements. The rest was retained as per FIF Act and will be Accounted at the Health facilities.
- (c) Over collection in the revenue streams was as a result of improved controls and stakeholder engagements in sensitizing them on the importance of payment of taxes.

The County Receiver of revenue's financial statements were approved on 20<sup>th</sup> September 2024 and signed by:

  
 .....  
**Name Judy N Mbaru**  
**County Receiver of Revenue**

  
 .....  
**Name Thomas W Gakahu**  
**Head of Revenue Reporting**  
**ICPAK M/No 7484**

10. Statement of Arrears of Revenue as at 30th June 2024

Classification Of Receipts (Indicate As Applicable)	Balance as at The beginning of the current year (1 <sup>st</sup> 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 recoverabili ty of arrears
Cess	0	(0)	0	0	e.g., the Governor has waived interest and penalties	
Land rate	0	(0)	0	0		
Single/Business Permits	0	(0)	0	0		
Property Rent	54,358,876	(22,753,865)	13,550,143	45,155,154	Continually issued demand notices to the debtors	
Parking Fees	0	(0)	0	0		
Market Fees	0	(0)	0	0		
Advertising	0	(0)	0	0		
Hospital Fees	0	(0)	0	0		
Public Health Service Fees	0	(0)	0	0		
Physical Planning and Development	0	(0)	0	0		
Hire Of County Assets	0	(0)	0	0		
Conservancy Administration	0	(0)	0	0		
Administration Control Fees and Charges	0	(0)	0	0		
Park Fees	0	(0)	0	0		
Other Fines, Penalties, Forfeiture Fees	0	(0)	0	0		
Miscellaneous	0	(0)	0	0		
<b>Total Arrears</b>	<b>54,358,876</b>	<b>(22,753,865)</b>	<b>13,550,143</b>	<b>45,155,154</b>		



.....  
Name: ~~Judy N Mbaru~~  
County Receiver of Revenue  
(Ref: PFM ACT section 165, 2(a))



.....  
Name Thomas W Gakahu  
Head of Revenue Reporting  
ICPAK M/No 7484

*An ageing analysis of revenue in arrears has been shown on note 23 of these financial statements.*

## **11. 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 Murang'a. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the County Government of Murang'a. The accounting policies adopted have been consistently applied to all the years presented.

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

### **2. Recognition of Receipts**

The County Government of Murang'a, recognises all receipts from the various sources when the related cash has been received by the County.

### **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 27<sup>th</sup> June 2023, for the period 1st July 2023 to 30 June 2024 as required by law. There was one 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. During the year there was no cash on hand. Bank account balances included revenue collection accounts held at Commercial banks. At the close of the financial year there was an amount of Kshs 314,146 held at KCB bank and Kshs 200,500 at Equity bank.

**Receiver Of Revenue**  
**County Government of Murang'a**  
**Revenue Statements for the Period Ended 30<sup>th</sup> June 2024**

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**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. In the year under review, the amount outstanding is plot rent that had not been received by the close of the financial year

**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. *(The Receiver of Revenue policy on disbursement of Revenue is sweeping to the CRF at least once every week)*. During the year all revenue was disbursed to the CRF except part of the revenue from the Hospitals that was retained after implementation of FIF Act no 14 of 2023.

**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.

*Receiver Of Revenue  
County Government of Murang'a  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024*

**12. Notes to the Financial Statements**

**1. Cess**

<b>Description</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Farm produce	0	0
Quarrying	70,358,271	40,059,246
Livestock	0	0
Fish farming	0	0
Others ( <i>Timber, Rafts, agricultural products and poles</i> )	7,467,172	32,644,395
<b>Total</b>	<b>77,825,443</b>	<b>72,703,641</b>

**2. Land rates**

<b>Description</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Land rates	0	0
Land penalties and interest	0	0
Arrears	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**3. Single /Business Permits**

<b>Description</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Business permit application fees	11,673,214	10,094,340
Annual Business permit fees	233,464,277	204,720,433
Business permit penalties and interest	0	0
Business permit fees arrears	0	0
<b>Total</b>	<b>245,137,491</b>	<b>214,814,773</b>

*Receiver Of Revenue  
County Government of Murang'a  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024*

**Notes to the Financial Statements (continued)**

**4. Property Rent**

<b>Description</b>	<b>2023/2024</b>	<b>2022/23</b>
	<b>Kshs</b>	<b>Kshs</b>
County Housing	2,666,272	0
Plot Rent	86,969,184	50,447,179
Tenancy Agreement	0	0
Transfer of Property	0	0
Stalls/kiosks rent	1,200,030	2,757,556
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>90,835,486</b>	<b>53,204,735</b>

**5. Parking Fees**

<b>Description</b>	<b>2023/2024</b>	<b>2022/23</b>
	<b>Kshs</b>	<b>Kshs</b>
Street parking fees	19,707,970	15,908,355
Monthly toll/sticker fees	0	0
Motorbike fees	7,900,398	1,041,139
Registration fees	0	0
Reserved parking	0	0
Bus Park fees	35,548,150	29,971,067
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>63,156,518</b>	<b>46,920,561</b>

**6. Market Fees**

<b>Description</b>	<b>2023/2024</b>	<b>2022/23</b>
	<b>Kshs</b>	<b>Kshs</b>
Market entry fees	44,502,858	35,172,310
Hawking fees	0	0
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>44,502,858</b>	<b>35,172,310</b>

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

**7. Advertising**

<b>Descriptions</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Branding	0	0

**Receiver Of Revenue**  
**County Government of Murang'a**  
**Revenue Statements for the Period Ended 30<sup>th</sup> June 2024**

Billboard advertising	12,677,576	4,293,552
Signage	0	0
Roadshows	0	0
Banners	0	0
Posters	0	0
Tent advertising	0	0
Street pole/clock advertising	0	0
others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>12,677,576</b>	<b>4,293,552</b>

**8. Hospital Fees**

<b>Description</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Level 5 hospitals	0	0
Level 4 hospitals	68,375,673	123,750,039
Others ( <i>Specify</i> )	0	861,328
<b>Total</b>	<b>68,375,673</b>	<b>124,611,367</b>

**9. Public Health Service Fees**

<b>Description</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Inspection of buildings/premises/Institutions	0	0
Inspection for issuance of hygiene license	0	0
Vaccination: Yellow fever, Typhoid, etc	0	0
Applications for medical examination	0	0
Sanitation inspection for schools	0	0
Public health permit	3,552,291	5,959,574
Rodent Control/Fumigation	0	0
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>3,552,291</b>	<b>5,959,574</b>

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

**10. Physical Planning and Development**

<b>Description</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Sale of County planning documents	0	0
Land valuation and registration fees	0	0
Change / Renewal of user	8,023,055	2,577,113

**Receiver Of Revenue**  
**County Government of Murang'a**  
**Revenue Statements for the Period Ended 30<sup>th</sup> June 2024**

Building plans approval	44,533,496	20,387,791
Signboards	0	0
Occupational Permits	0	0
Sub division/ Transfer of ownership	15,445,114	3,858,376
Architectural designs by county officers	0	0
Hoarding fees	0	0
Others (Specify)	1,122,760.00	17,029,689
<b>Total</b>	<b>69,124,425</b>	<b>43,852,969</b>

**11. Hire Of County Assets**

Description	2023/2024	2022/2023
	Kshs	Kshs
Agricultural Mechanisation Services (AMS)	0	0
Hire of Machines and Equipment	0	0
Hire of County Stadia	0	0
Hire of County Halls	0	0
Conference facilities/Agricultural Training Centers (ATC)	0	0
Others (Specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

*Receiver Of Revenue  
County Government of Murang'a  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024*

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

**12. Conservancy Administration**

Description	2023/2024	2022/2023
	Kshs	Kshs
Refuse disposal fees	0	1,117,107
Dumpsite fees	0	0
Sewerage fees	0	0
Sale of seedlings	0	0
Public cemetery	0	0
Disposal of carcasses	0	0
Noise control	0	0
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>1,117,107</b>

**13. Administration Control Fees and Charges**

Description	2023/2024	2022/2023
	Kshs	Kshs
Weights and measures	300,900	429,615
Fire Services	1,373,000	772,003
Liquor licenses	97,459,866	54,707,214
Betting levy	0	0
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>99,133,766</b>	<b>55,908,832</b>

**14. Proceeds from sale of assets.**

	2023/2024	2022/2023
	Kshs	Kshs
Receipts from Sale of Buildings	0	0
Receipts from Sale of Vehicles and Transport Equipment	0	0
Receipts from Sale of Plant Machinery and Equipment	0	0
Receipts from Sale of Certified Seeds and Breeding Stock	0	0
Receipts from Sale of Strategic Reserves Stocks	0	0
Receipts from Sale of Inventories, Stocks and Commodities	0	0
Disposal and Sales of Non-Produced Assets	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**Receiver Of Revenue**  
**County Government of Murang'a**  
**Revenue Statements for the Period Ended 30<sup>th</sup> June 2024**

**15. Livestock Related Fees**

Description	2023/2024	2022/2023
	Kshs	Kshs
Meat inspection, Vaccination and AI	19,673,690	19,276,921
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>19,673,690</b>	<b>19,673,690</b>

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

Description	2023/2024	2022/2023
	Kshs	Kshs
Impounding Fees	2,711,590	1,446,447
Towing Fees	0	0
Others ( <i>Specify</i> )	0	1,788,639
<b>Total</b>	<b>2,711,590</b>	<b>3,235,086</b>

**17. Miscellaneous Receipts**

Description	2023/2024	2022/2023
	Kshs	Kshs
Mariira Farm	25,030	-
Other Revenues	4,912,408	-
Sale of forms	0	471,066
Education & Polytechnic	0	5,350
Self Help Group	757,085	636,214
Cooperative Audit	232,230	126,111
<b>Total</b>	<b>5,926,753</b>	<b>1,238,741</b>

**Receiver Of Revenue  
County Government of Murang'a  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024**

**18. Donations And Grants Not Received Through CRF**

Description	2023/2024	2022/2023
	Kshs	Kshs
Donations (Specify Based on Source)	0	0
Grants (Specify Based on Source)	0	0
Others (Specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**19. Bank Charges**

Description	2023/2024	2022/2023
	Kshs	Kshs
Bank Charges & commissions	113,307	0
<b>Total</b>	<b>113,307</b>	<b>0</b>

**20. Bank Balances**

Name of Bank, Account No. & currency	Amount	Exc. rate (if in foreign currency)	FY 2023/2024	FY 2022/2023
			Kshs	Kshs
KCB-Murang'a Municipal Revenue Collection A/C No.1140745859			4,425	4,400
Equity-Murang'a C. Revenue A/C 0220273464893			200,500	27,100
Family-Murang'a County Revenue Collection A/C 006000031309			0	0
Co-Op Bank- Murang'a County Revenue Collection A/C 01141574897400			1,311,782	50,000
<b>Total</b>			<b>1,516,707</b>	<b>81,500</b>

**20 (a) Balance carried forward as at 30<sup>th</sup> June 2024 and subsequently transferred**

Ref	Amount (Kshs)	Date subsequently transferred
Disbursement 1	1,516,707	1 July 2024
Disbursement 2	0	
<b>Total</b>	<b>1,516,707</b>	

(This is a disclosure note indicating how the cash balance as at the end of the year has been subsequently disbursed to the CRF)

*Receiver Of Revenue  
County Government of Murang'a  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2024*

**21. Cash in hand**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Cash Balance ( <i>Location</i> )	0	0
Mobile Money	0	0
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>00</b>	<b>00</b>

**22. Payables- Due To CRF**

Payables	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Balance b/f at the beginning of the year	<b>81,500</b>	<b>2,263,600</b>
Amount collected during the year	802,633,560	<b>682,310,169</b>
Amounts disbursed to CRF during the year	(801,085,046)	(684,492,269)
<b>Balance c/d at the end of the year</b>	<b>1,516,707</b>	<b>81,500</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 19 above.*

23. Ageing Analysis of Revenue in Arrears

Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Cess	0	0	0	0	0
Land rate	0	0	0	0	0
Single/business permits	0	0	0	0	0
Property rent	532,887	9,839,858	8,784,159	25,998,250	45,155,154
Parking fees	0	0	0	0	0
Market fees	0	0	0	0	0
Advertising	0	0	0	0	0
Hospital fees	0	0	0	0	0
Public health service fees	0	0	0	0	0
Physical planning and development	0	0	0	0	0
Hire of County Assets	0	0	0	0	0
Conservancy administration	0	0	0	0	0
Administration control fees and charges	0	0	0	0	0
Proceeds from sale of assets	0	0	0	0	0
Park fees	0	0	0	0	0
Other fines, penalties, and forfeiture fees	0	0	0	0	0
Miscellaneous receipts	0	0	0	0	0
Others (Specify)	0	0	0	0	0
<b>Total (agree to statement of arrears)</b>	<b>532,887</b>	<b>9,839,858</b>	<b>8,784,159</b>	<b>25,998,250</b>	<b>45,155,154</b>

13. Appendices

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

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

(PFM ACT section 165 subsection 4, 5)

*D. G. Mwangi*  
 Sign and date  
 Accounting Officer

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	Unsupported Financial Statement adjustment	The variance of Kshs 129,683 has been reconciled as it was a posting error	Resolved	
1.2	Variance between ROR Balance and CRF Balance	The variance of 2,231,650 was cash in the bank that was later disbursed to CRF after FY end.	Resolved	
2	Long outstanding arrears of Revenue	This was due to some unverified plots whose records were inherited from defunct local authorities. They have since been expunged from records as they are considered as non-existent.	Partly resolved	June 2025
1.	Irregular waivers at Murang'a level 4 Hospital	Management has developed a waiver policy to guide on the same.	Resolved	
2	Lack of Official Appointment of Revenue Collectors	Receiver of Revenue has issued official Appointment letters to Revenue Officers at Sub County	Resolved	
3	Lack of updated Valuation roll	Management is in the process of developing a valuation roll	Not Resolved	December 2025

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management.

(iii) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

*Judy N Mbaru*  
.....

**Name: Judy N Mbaru**

**County Receiver of Revenue**

**Date**

*Thomas W Gakahu*  
.....

**Name: Thomas W Gakahu**

**Head of Revenue Reporting**

**ICPAK M/No 7484**

**Date**

