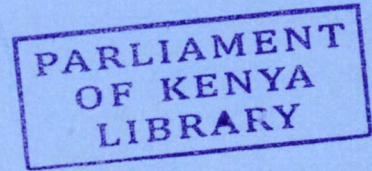


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

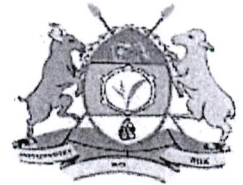
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COUNTY REVENUE FUND

**FOR THE YEAR ENDED
30 JUNE, 2025**

COUNTY GOVERNMENT OF KERICHO

⑧



COUNTY GOVERNMENT OF KERICHO

COUNTY REVENUE FUND
County Government of Kericho
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025

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



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1. Acronyms and Definition of Key Terms

a. Acronyms

<i>ADP</i>	<i>Annual Development Plan</i>
<i>AIE</i>	<i>Authority to Incur Expenditure</i>
<i>CA</i>	<i>County Assembly</i>
<i>CARA</i>	<i>County Allocation of Revenue Act</i>
<i>CBK</i>	<i>Central Bank of Kenya</i>
<i>CECM</i>	<i>County Executive Committee Member</i>
<i>CE</i>	<i>County Executive</i>
<i>CG</i>	<i>County Government</i>
<i>CIDP</i>	<i>County Integrated Development Plan</i>
<i>COG</i>	<i>Council of Governors</i>
<i>CRA</i>	<i>Commission on Revenue Allocation</i>
<i>CRF</i>	<i>County Revenue Fund</i>
<i>CT</i>	<i>County Treasury</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>MCA</i>	<i>Member of County Assembly</i>
<i>OAG</i>	<i>Office of the Auditor General</i>
<i>OCOB</i>	<i>Office of the Controller of Budget</i>
<i>OSR</i>	<i>Own Source Revenue</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>NT</i>	<i>National Treasury</i>
<i>WB</i>	<i>World Bank</i>
<i>KRB</i>	<i>Kenya Roads Board</i>
<i>Kshs</i>	<i>Kenya Shillings</i>
<i>FY</i>	<i>Financial Year</i>

b. Definition of Key Terms

Fiduciary Management: *The key management personnel who had financial responsibility*

(This list is an indication of acronyms and key terms; the County should include all from the annual report and financial statements.)

1. 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 2025 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

Fiduciary oversight of the County Revenue Fund (CRF) is central to ensuring that public resources are utilized efficiently, effectively, and in accordance with the law. The County Government of Kericho has instituted a robust framework for financial governance, transparency, and accountability, guided by the provisions of the Public Finance Management (PFM) Act, 2012, and applicable IPSAS standards.

1. Oversight by the County Treasury

The County Treasury is mandated to manage the County Revenue Fund in line with Section 109 of the PFM Act. Its responsibilities include:

- a) Safeguarding the integrity of revenue collection, banking, and expenditure processes.
- b) Maintaining proper accounting records.
- c) Ensuring timely preparation and submission of financial statements.
- d) Facilitating internal controls and risk management systems.

2. Role of the Controller of Budget

All withdrawals from the CRF are subject to approval by the Controller of Budget, as required by Article 207 of the Constitution. This oversight ensures:

- a) Funds are used strictly for purposes approved by the County Assembly.
- b) Expenditures remain within budgeted limits and adhere to fiscal responsibility principles.

3. County Assembly Oversight

The County Assembly, through its Public Accounts and Budget & Appropriations Committees, plays a critical role in:

- a) Approving annual budgets and supplementary estimates.
- b) Reviewing the Auditor-General's reports and follow-up actions.
- c) Holding accounting officers accountable for financial and non-financial performance.

4. Auditor-General Review

The Office of the Auditor-General independently audits the CRF financial statements annually, assessing:

- a) Compliance with laws and regulations.
 - b) Efficiency of internal control systems.
 - c) Value for money in program implementation.
- Findings and recommendations are tabled before the County Assembly for deliberation and implementation.

5. Internal Audit Function

An internal audit unit, under the County Treasury, conducts continuous audits and reports to the Chief Officer for Finance and the Audit Committee. The internal audit provides assurance on:

- a) Risk management.
- b) Governance processes.
- c) Control environment within departments utilizing CRF allocations.

6. Audit Committee

In line with the PFM Regulations, the County has established an independent Audit Committee to:

- a) Oversee financial reporting processes.
- b) Monitor the implementation of internal and external audit recommendations.
- c) Review risk management frameworks and internal controls.

7. Fiduciary Risk Management

The County continuously identifies and mitigates fiduciary risks through:

- a) Capacity building for accounting officers and finance staff.
- b) Implementation of Integrated Financial Management Information System (IFMIS).
- c) Regular financial reporting and reconciliation.
- d) Compliance monitoring with procurement and public finance laws.

8. Transparency and Public Participation

The County ensures transparency and public oversight through:

- a) Publishing of quarterly and annual financial reports.
- b) Open budget hearings and community forums during budget preparation and review.
- c) Engagement with civil society and development partners on accountability matters.

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

2. Statement by the CECM Finance

Overview of National and County Economic Outlook

During the reporting period ending 30th June 2025, the national economy continued to recover gradually, driven by growth in agriculture, manufacturing, and service sectors. However, challenges such as inflationary pressures, high debt servicing costs, and climate-related risks—including prolonged droughts and irregular rainfall patterns—continued to affect revenue mobilization and service delivery.

At the county level, the economy of Kericho remained heavily reliant on agriculture, particularly tea production, dairy farming, and horticulture. The performance of these sectors directly influenced local own-source revenue performance and household income. The County Government undertook targeted measures to cushion key economic sectors, improve market access, and stimulate rural economic activity

County Revenue Mobilization Measures

To enhance revenue generation and collection, the County implemented the following strategic interventions:

- **Automation of Revenue Collection:** The County enhanced its digital revenue management system, including integration with mobile payment platforms and point-of-sale (POS) systems to improve efficiency and transparency.
- **Expansion of Revenue Base:** Identification and registration of new revenue sources such as unlicensed businesses, under-assessed properties, and dormant cess points.
- **Enforcement and Compliance:** Strengthened enforcement units and collaborated with local administrators to increase compliance and reduce revenue leakages.
- **Public Sensitization:** Conducted awareness campaigns to educate residents on the importance of paying fees, rates, and levies:
- **Legislative Framework:** Amended key revenue-related bylaws to reflect market conditions and address legal loopholes **7,875,875,539**

Revenue Performance Analysis

Revenue Category	Approved Estimates (Kshs)	Actual Collections (Kshs)	Performance (%)	Remarks
Equitable Share	7,498,907,899	7,274,716,308	97%	Fully disbursed by National Treasury
Own Source Revenue	576,244,311	421,541,161	73%	Underperformance due to low compliance in land rates, market fees, and parking revenue
Conditional Grants & Donor Funds	1,238,824,923	179,618,069	14%	Delay in disbursement of donor funds and implementation bottlenecks
Total Revenue	9,313,977,133	7,875,875,538	85%	Overall performance was strong, with notable gaps in OSR

Key Reasons for Over/Under Collection

Underperformance in Own Source Revenue: Due to reduced economic activity in small markets, litigation on property rates, and resistance to increased license fees.

Conditional Grants: Delays in project implementation and pending agreements with development partners affected absorption rates.

Equitable Share: Received in full as per allocation schedule

Disbursements from the County Revenue Fund

Category	Amount Disbursed (Kshs)
Recurrent Expenditure	4,395,729,664
Development Expenditure	2,057,545,673
Transfers to C.A, County Entities (Funds, Boards)	1,437,938,635
Total Disbursements	7,891,213,972

Funds from the CRF were disbursed in accordance with the approved County Appropriation Act and budget ceilings provided in the County Fiscal Strategy Paper (CFSP). Disbursements prioritized salaries and wages, health services, ECDE, water infrastructure, and pending bills for development projects.

Conclusion and Commitment

The County Government remains committed to prudent financial management and enhancing its own-source revenue capacity. Through improved automation, enforcement, and economic recovery strategies, we expect better revenue performance in the next fiscal year. We also reaffirm our commitment to transparency, value-for-money service delivery, and effective implementation of county priorities as outlined in the CIDP and ADP.

.....

Hon. Jackson Rop

CECM Finance and Economic Planning - County Government of Kericho

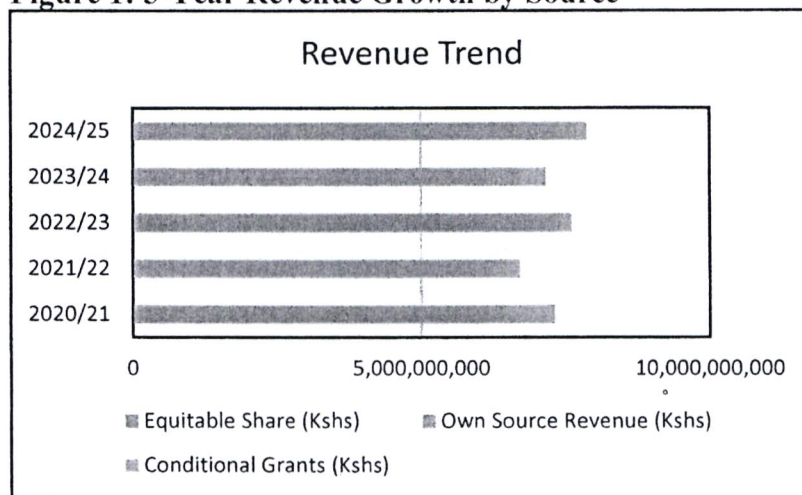
4. Management Discussion and Analysis

This section presents an analysis of the County Revenue Fund's (CRF) financial and operational performance over the five-year period from FY 2020/21 to FY 2024/25. It highlights key revenue and expenditure trends, budget performance, operational improvements, and notable fiscal risks. The analysis aims to enhance the transparency and understandability of the financial statements for decision-makers and stakeholders.

4.1. Revenue Performance Trends (FY 2020/21 – FY 2024/25)

Financial Year	Equitable Share (Kshs)	Own Source Revenue (Kshs)	Conditional Grants (Kshs)	Total Revenue (Kshs)
2020/21	5,843,223,000	595,976,653	870,087,652	7,309,287,305
2021/22	5,916,211,733	562,828,005	231,244,026	6,710,283,764
2022/23	6,945,118,115	477,246,120	179,423,861	7,601,788,096
2023/24	6,166,879,532	568,420,500	425,082,978	7,160,383,010
2024/25	7,274,716,308	421,541,161	179,548,846	7,875,806,315

Figure 1: 5-Year Revenue Growth by Source



a) Equitable Share.

The equitable share from the National Treasury remains the dominant source of funding, contributing between **81% and 92%** of total revenue annually. It increased from **Kshs 5.84 billion in FY 2020/21** to **Kshs 6.77 billion in FY 2024/25**, demonstrating a relatively stable and reliable flow of funds that underpins county operations and development activities.

b) Own Source Revenue (OSR).

Performance in local revenue mobilization has been inconsistent and declining, dropping from **Kshs 595.98 million in FY 2020/21** to **Kshs 421.54 million in FY 2024/25**, representing a **29% reduction over five years**. This signals the need to enhance administrative capacity, automate

revenue streams, broaden the revenue base, and reduce leakages. OSR's share of total revenue declined from 8.2% to 5.7% in the same period.

c) Conditional Grants.

Conditional grants, including donor and GoK-program-based funds, have exhibited significant volatility. After peaking at **Kshs 870.1 million in FY 2020/21**, grants declined to **Kshs 179.5 million in FY 2024/25**, reflecting a shift in funding modalities and the phasing out of some development partner-supported programs. This instability has affected the planning and implementation of targeted service delivery programs, particularly in the health and infrastructure sectors.

Key Issues and Recommendations.

Declining OSR Performance: The downward trend in own revenue generation is a concern. There is urgent need to enhance enforcement, digitize revenue collection, and expand the tax base through legislative reforms and public-private partnerships.

Volatility of Conditional Grants: The County should strengthen program-based budgeting and donor coordination frameworks to mitigate shocks from unpredictable grant disbursements.

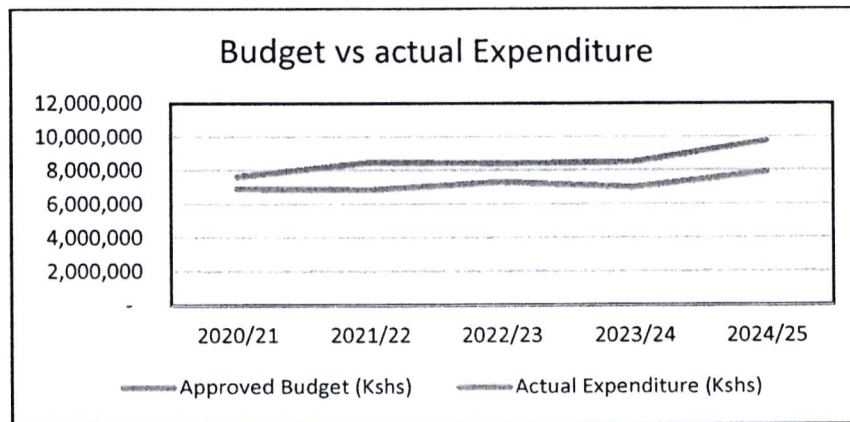
Over-Reliance on National Transfers: With over 90% of revenue coming from the equitable share, the County is highly vulnerable to fiscal policy shifts at the national level. A diversification strategy is essential.

4.2 Expenditure and Budget Performance.

The table below shows the approved budget and actual expenditure over the last five years.

Financial Year	Approved Budget (Kshs'000)	Actual Expenditure (Kshs'000)	Absorption Rate (%)
2020/21	7,620,299	6,901,109	90.56%
2021/22	8,452,343	6,850,613	81.05%
2022/23	8,407,888	7,279,176	86.58%
2023/24	8,484,831	6,981,550	82.28%
2024/25	9,756,939	7,875,806	80.72%

Figure 3: Budget vs Actual Expenditure Over Five Years



Key Highlights

a) Budget Expansion vs. Expenditure Growth

Over the five-year period, the approved budget expanded by **27.9%**, from Kshs 7.62 billion in FY 2020/21 to Kshs 9.3 billion in FY 2024/25. However, actual expenditure grew at a slower rate of **14.1%**, indicating a gap between planned and realized spending.

c) Absorption Rate Analysis

The highest absorption rate was recorded in 2020/21 (90.56%), signaling a high level of fiscal execution. A gradual decline is observed, with FY 2024/25 posting the lowest rate at 80.81%, below the optimal threshold of 85%. The five-year average absorption rate is approximately 84.26%, indicating moderate efficiency in fund utilization.

d) Implications of Under-Absorption

- Project implementation delays.
- Procurement bottlenecks.
- Capacity constraints in departments.
- Delayed disbursement from the National Treasury or internal cash flow issues

Strategic Implications and Recommendations

Observation	Implication	Strategic Recommendation
Declining absorption rates	Undermines delivery of planned services/projects	Enforce quarterly performance reviews and project tracking mechanisms
Growing budget with modest spending	Indicates overestimation or planning inefficiencies	Align resource allocation to realistic departmental absorption capacity

Recurrent under-expenditure	Risk of service disruption and accumulation of pending bills	Strengthen financial planning and execution capacity at department level
Late disbursements and weak cash planning	Contributes to end-year spending rush and inefficiencies	Improve cash flow forecasting and inter-departmental coordination

4.6. Fiscal Risks and Mitigation Measures

Risk Area	Impact	Mitigation Strategy
Revenue Shortfalls	Budget deficits, delayed development	Automation, enforcement, broadening tax base
Donor/Grant Disbursement Delays	Project implementation delays	Strengthened MOU follow-up & reporting
Wage Pressure	Crowding out development	Payroll audit, staff rationalization
Climate Risks	Lower agricultural revenue	Investment in irrigation, diversification

4.7. Forward Outlook

The County Government remains focused on:

- Enhancing own-source revenue to reduce overreliance on national transfers.
- Improving budget credibility through realistic forecasting.
- Leveraging partnerships to finance high-impact infrastructure projects.
- Strengthening accountability frameworks for improved service delivery.

3. 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 2025.


.....
Hon. Jackson Rop

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

4. 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, 2025. 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.

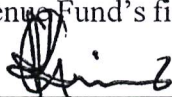
The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, which have been prepared on the Cash Basis Method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting 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. 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 _____ 2025.

Signature _____



Name CPA Dr. George Kirer (PhD)

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

REPUBLIC OF KENYA



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

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, 2025 - 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 19 which comprise of the statement of

Report of the Auditor-General on County Revenue Fund for the year ended 30 June, 2025 - County Government of Kericho

financial position as at 30 June, 2025 and the statement of financial performance, statement of changes net assets, statement of cash flows 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 matters 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, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Opening Balances

The statement of financial position reflects total assets and total liabilities opening balances of Kshs.553,834,744 and Kshs.536,545,384 respectively, resulting in net assets opening balance of Kshs.17,289,360. However, these balances were not supported by transition Project Co-ordination Committee report. The listing of the assets and liabilities was also not provided for audit review.

In the circumstances, the accuracy and completeness of the net assets opening balance of Kshs.17,289,360 could not be confirmed.

2. Inaccuracy of Non- Exchange Own Source Revenue

The statement of financial performance reflects non-exchange own source revenue amounting to Kshs.499,717,604. The amount includes single business permits revenue amounting to Kshs.142,265,590 as disclosed in Note 10 to the financial statements. However, the single business permits revenue differs with the supporting ledgers balance of Kshs.161,324,639 resulting to unexplained variance of Kshs.19,059,049.

In the circumstances, the accuracy and completeness of non-exchange own source revenue amounting to Kshs.142,265,590 could not be confirmed.

The audit was conducted in accordance with International Standards of 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 actual amounts reflects total receipts final budget against actual on comparable basis amounting to Kshs.9,313,977,134 and Kshs.7,875,875,539, respectively, resulting to a revenue shortfall of Kshs.1,438,101,595 or fifteen percent (15%) of the budget.

Further, the statement reflects total actual payments amounting to Kshs.7,891,213,972 against actual receipts of of Kshs.7,875,875,539 resulting to over absorption of funds of Kshs.15,338,434.

In addition, Management has not disclosed in the financial statements reasons for the material difference between the budgeted and actual amounts. This was contrary to Regulation 130(2)(c) of the Public Finance Management (County Governments) Regulations, 2015 which requires that an Accounting Officer provide footnotes to the annual financial statements explaining reasons for material differences between approved estimates and actual expenditure, or actual collection of Appropriation-in-Aid. The budget was also not balanced.

The underfunding affected the planned activities and may have impacted negatively on service delivery to the public. Similarly, the overabsorption is an indication of applying funds for purposes not approved.

My opinion is not modified in respect of this matter.

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 effects of the matter 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 Audit Matters

In the audit of the previous year, the (3) issues were raised under the Report on Financial Statements shown in the table below:

Number	Financial Year	Issue
1	2023/2024	Variances between reported amount and supporting schedules for own source revenue
2	2023/2024	Budgetary control and performance
3	2023/2024	Unresolved prior year matters

However, Management has not resolved the issues raised or given explanation for failure to do so.

Other Information

Management is responsible for the Other Information set out on page iii to xiii which comprise of Key Entity Information and Management, Statement of County Executive Committee Member Finance and Economic Planning, 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 Fund's 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 (Accrual 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 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 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 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 of 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

Report of the Auditor-General on County Revenue Fund for the year ended 30 June, 2025 - County Government of Kericho

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

21 November, 2025

2. Statement of Financial Performance for the year ended 30 June 2025

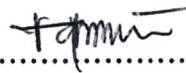
Description	Notes	Insert current FY Kshs.
Revenue from non-exchange transactions		
Exchequer releases	6	7,274,716,308
Transfers from other government agencies	7	205,231,363
Other grants	8	1
Return to CRF from County Entities	9	69,223
Non-Exchange Own Source Revenue	10	499,717,604
Revenue from exchange transactions		
Exchange Own Source Revenue	11	143,858,790
Total Revenue		8,123,593,289
Expenses		
Transfers to County Executive	12	6,958,060,211
Transfers to County Assembly	13	933,153,761
Other Transfers	14	-
Total Expenses		(7,891,213,972)
Surplus for the year		232,379,317



Name CPA Dr. George Kirer (PhD)

Chief Officer - Finance

Date: 29.8.25



Name...CPA Fernandes Korir

D. Director Accounting Services

ICPAK Member No...13966

Date: 29.08.25

County Government of Kericho
County Revenue Fund
Annual Report and Financial Statements For the financial year ended 30th June 2025

3. Statement of Financial Position as at 30th June 2025

Description	Note	2024/2025	Opening Statement 1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	15	1,206,940,342	17,289,360
Receivables from Non-Exchange Transactions	16	356,538,784	536,545,384
Receivables from Exchange Transactions	17	11,158,864	
Total Current Assets		1,574,637,990	553,834,744
Total Assets (A)		1,574,637,990	553,834,744
Liabilities			
Current Liabilities			
Accounts Payable	18	1,324,969,313	536,545,384
Total Current Liabilities			
Total Liabilities (B)		1,324,969,313	
Net Assets(A-B)		249,668,677	17,289,360
Represented by:			
Accumulated Surplus		249,668,677	17,289,360
Net Assets		249,668,677	17,289,360



.....
Nam CPA Dr. George Kirer (PhD)

Chief Officer - Finance

Date.....29.8.25.....



.....
Name...CPA Fernandes Korir

D. Director Accounting Services

ICPAK Member No...13966.....

Date:.....29.08.2025.....

4. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Accumulated Surplus
As at July 1, 2024	17,289,360
Surplus/ deficit for the Period	232,379,317
Additions during the Period	-
As at June 30, 2025	249,668,677

5. Statement of Cash Flows for the year ended 30 June 2025

		2024/2025
	Notes	Kshs
Cash flows from operating activities		
Receipts		
Exchequer releases		7,274,716,308
Transfers from other government agencies		59,568,948
Other grants		1
Return to CRF from County Entities		69,223
Revenue from Exchange Transactions		309,806,265
Revenue from Non- Exchange Transactions		111,734,896
Total receipts		7,755,895,641
Payments		
Transfers to County Executive (operating activities)		(5,792,783,800)
Transfers to County Assembly (operating activities)		(773,460,859)
Other transfers		
Total Payments		(6,566,244,659)
Net cash flows from/(used in) operating activities		1,189,650,982
Cash flows from investing activities		
Net cash flows from/(used in) investing activities		-
Cash flows from financing activities		
Net cash flows from from/(used in) financing Activities		-
Net increase/(decrease) in cash & Cash equivalents		1,189,650,982
Cash and cash equivalents at 1 July	15	17,289,360
Cash and cash equivalents at 30 June	15	1,206,940,342

6. Statement of Comparison of Budget Actual Amounts for the Year Ended 30th June, 2025.

Description	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	
Budget carryovers from the previous year*	-	536,250,393	536,250,393	536,250,393	-	536,250,393
Receipts		-				
Exchequer releases	6,962,657,506	-	6,962,657,506	6,738,465,915	224,191,591	97
Transfers from other government agencies	1,035,362,803	203,392,898	1,238,755,701	179,548,846	1,059,206,855	14
Other grants	-	-	-	1	(1)	
Return to CRF from County Entities	-	69,223	69,223	69,223	-	100
Own Source Revenue	573,742,933	2,501,378	576,244,311	421,541,161	154,703,150	73
Total Revenue	8,571,763,242	742,213,892	9,313,977,134	7,875,875,539	1,438,101,595	85
Payments						
Transfers to County Executive	7,637,016,447	695,958,464	8,332,974,911	6,958,060,211	1,374,914,700	84
Transfers to County Assembly	934,746,795	35,755,428	970,502,223	933,153,761	37,348,462	96
Other transfers	-	-	-	-	-	

County Government of Kericho
 County Revenue Fund

Annual Report and Financial Statements For the financial year ended 30th June 2025

Total Payments	8,571,763,242	731,713,892	9,303,477,134	7,891,213,972	1,412,263,162	85
Surplus				(15,338,434)		

7. Notes to the Financial Statements

1. General Information

The County Revenue Fund is established by and derives its authority and accountability from Article 207 of the Constitution of Kenya 2010. The Fund is wholly owned by the Kericho County Government and is domiciled in Kenya. The Fund's principal activity is to receive county revenues and transfer to operational accounts.

2. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Accrual-Basis IPSAS financial reporting under the Accrual-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 off to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented. The financial statements are prepared on accrual basis while the cashflow statement is prepared using the direct method.

These Financial Statements were authorized for issue by the Accounting officer on

Basis of preparation

Reporting entity

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

Revenues

Revenues 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.

Expenses

Expenses 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.

3. Adoption of New and Revised Standards**i) New and amended standards and interpretations in issue effective in the year ended 30 June 2025.**

There were no new and amended standards issued in the financial year.

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

Standard	Effective date and impact:
IPSAS 46 Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
IPSAS 47- Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
IPSAS 48- Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>State the expected impact of the standard to the Entity if relevant.</p>
IPSAS 50:	Applicable 1st January 2027

Standard	Effective date and impact:
Exploration For & Evaluation of Mineral Resources	<p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

4. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue Transfers

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

ii. Revenue from exchange transactions

Own Source Revenue

b) Budget information

The original budget for FY 2024/25 was approved by the County Assembly on 27th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded no additional appropriations in the 2024/25 budget following the governing body's approval. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

c) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Fund does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

The Fund classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit based on both the fund's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The Fund assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

Financial liabilities

Classification

The Fund classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

d) 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 amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year

e) Events after the reporting period

There were no material adjusting and non-adjusting events after the reporting period.

f) Currency

The financial statements are presented in Kenya Shillings (Kshs) are rounded off to the nearest shilling.

5. Significant judgments and sources of estimation uncertainty

The preparation of the Fund's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

State all judgements, estimates and assumptions made if any.

6. Exchequer releases

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

Description	2024/2025
	Kshs.
Equitable Share	7,274,716,308
Others (<i>Specify</i>)	-
Total	7,274,716,308

7. Transfers from other government agencies**

Description	2024/2025
	Kshs.
County Primary Healthcare	8,287,500
County National Value Chain Development prog.	79,383,098
Roads Maintenance Levy Fund	59,568,948
County Second Kenya Urban Support Programme	32,309,300
Climate Change Account (Part of opening CRF balances)	11,939,762
Climate Change Account (Part of opening CRF balances)	13,742,755
Total	205,231,363

8. Other grants**

Description	2024/2025
	Kshs.
Kenya Agricultural Support Development Programme	1
Total	1

9. Return to CRF from County Entities

Description	2024/2025
	Kshs.
Recurrent Account (<i>County Executive</i>)	14,325
Development Account (<i>County Executive</i>)	51,923
Recurrent Account (<i>County Assembly</i>)	2,974
Development Account (<i>County Assembly</i>)	-
Total	69,223

10. Non-Exchange Own Source Revenue

Description	2024/2025
	Kshs.
Cess	18,002,073
Land Rate	325,648,442
Single/Business Permits	142,265,590
Administration Control Fees and Charges	6,555,854
Public Health Service Fees	3,126,068
Physical Planning and Development	4,104,577
Conservancy Administration	15,000
Total	499,717,604

11. Exchange Own Source Revenue

Description	2024/2025
	Kshs.
Property Rent	24,526,200
Market Fees	11,517,754
Advertising	10,556,200
Hospital Fees	64,890,856

County Government of Kericho

County Revenue Fund

Annual Report and Financial Statements For the financial year ended 30th June 2025

Hire Of County Assets	24,000
Dividends Kabianga Tea Farm	500,000
Library Services	114,680
Vehicle Parking Fees	31,729,100
Total	143,858,790

12. Transfers to County Executive

Description	2024/2025
	Kshs.
County Executive -Recurrent	4,395,729,664
County Executive -Development	2,057,545,673
County Health Operations Account	68,928,324
County Health Promoters Account	52,282,800
County Kenya 2nd Devolution Support	10,116,976
Kenya Urban Support Programme	29,399,012
County Climate Change Fund	59,328,907
County Aggregation and Industrial Parks	40,395,559
County Primary Healthcare	17,467,500
County Aggregation and Industrial Parks	9,604,441
Executive Development- Education spa	40,999,999
County National Value Chain Development prog.	84,383,098
Roads Maintenance Levy Fund	59,568,958
County Second Kenya Urban Support Programme	32,309,300
Total	6,958,060,211

13. Transfers to County Assembly

Description	2024/2025
	Kshs.
Recurrent Account	880,239,028
Development Account	52,914,733
Total	933,153,761

14. Other Transfers

Description	Insert current FY
	Kshs.
Others (Specify)	-
Total	-

15. Cash and Cash equivalents

Description	2024/2025	Opening Statement 1st July 2024
	Kshs.	Kshs.
County Exchequer Account - 1000171677	1,206,940,342	17,289,360
Others (<i>Specify</i>)	-	
Total	1,206,940,342	17,289,360

16. Receivables from Non-Exchange Transactions

Description	2024/2025	Opening Statement 1st July 2024
	Kshs	Kshs
Receivables	145,662,415	536,545,384
Other non-exchange debtors (<i>Specify</i>)	210,876,369	-
Less: impairment allowance	-	-
Net receivables	356,538,784	536,545,384

17. Receivables from Exchange Transactions

Description	2024/2025	Opening Statement 1st July 2024
	Kshs	Kshs
Receivables from exchange transactions	11,158,864	294,991
Other debtors (exchange transactions)	-	
Less: impairment allowance	-	-
Total	11,158,864	294,991

18. Accounts Payable

Description	2024/2025	Opening Statement 1st July 2024
	Kshs	Kshs
Payables to County Executive	1,165,276,411	-
Payables to County Assembly	159,692,902	
Other transfers- Climate Change Account	-	-

County Government of Kericho

County Revenue Fund

Annual Report and Financial Statements For the financial year ended 30th June 2025

Total Accounts Payable	1,324,969,313	-
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Description	2024/2025	Opening Statement 1st July 2024
	Kshs	Kshs
Payables to County Executive	1,165,276,411	-
Payables to County Assembly	159,692,902	0
Other transfers- Climate Change Account	0	-
Total Accounts Payable	1,324,969,313	-

Notes to the financial statements

19. Disclosure of Balances in Revenue Collection Accounts

County Government Own source revenue is recognized in the financial statements when it has been swiped to CRF. Revenue collection account balances are disclosed as at the end of the reporting period as below.

Name Of Bank, Account No. & Currency	Amount in bank account currency*	Ex. rate (if in foreign currency)	Insert 2024/2025	Opening Statement 1st July 2024
	Kshs	Kshs	Kshs	Kshs
Kericho County- Revenue Collection Account	335,434.37	1	335,434	294,990
Total			335,434	294,990

(These balances should be reconciled by those reported by CRORs as balances due for disbursement to the CRF at the end of the reporting period.)

8. Appendices

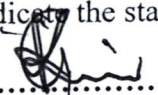
Appendix 1: Progress on follow up of Auditor’s Recommendations

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	Presentation and Accuracy of Financial Statements	The management acknowledges auditor’s observation. The errors noted have been corrected in the amended financial statements.	Resolved.	
4.2	Failure to reconcile Exchequer Releases	Management confirms that exchequer releases for the year under review is Ksh. 6,166,879,532 as per the County Revenue Fund bank statement and not Ksh. 5,913,233,879 as mentioned by the auditor	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.

.....

 Name CPA Dr. George Kirer (PhD)
 Chief Officer Finance
 ICPAK Member No 9499
 Date 15/11/25

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

Period 2024/2025	quarter 1 (kshs.)	quarter 2 (kshs.)	quarter 3 (kshs.)	quarter 4 (kshs.)	total (kshs.)
Equitable Share	1,106,016,437	2,226,697,311	1,111,846,876	2,830,155,684	7,274,716,308
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	8,287,500	8,287,500
County National Value Chain Development prog.	-	-	-	79,383,098	79,383,098
Roads Maintenance Levy Fund	-	-	-	59,568,948	59,568,948
County Second Kenya Urban Support Programme °	-	° -	-	32,309,300	° 32,309,300
Total	1,106,016,437	2,226,697,311	1,111,846,876	3,009,704,530	7,454,265,154

Appendix 3. Analysis Of Receipts from Own Source Revenue per Quarter

(a) Non-Exchange own source revenue

Period 20xx	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Cess	5,831,626	1,378,858	4,644,240	6,147,349	18,002,073
Land Rate	3,789,461	2,974,755	98,953,347	8,356,835	114,074,398
Single/Business Permits	12,651,499	5,194,758	78,813,450	41,681,703	138,341,410
Vehicle Parking Fees	7,808,883	5,431,623	9,885,016	8,603,578	31,642,739
Public Health Service Fees	395,375	83,400	988,110	1,659,183	3,126,068
Physical Planning and Development	400,925	1,770,767	723,304	1,209,581	4,104,577
Conservancy Administration	7,500		2,725	4,775	15,000
Dividends from Kabianga Tea Farm				500,000	500,000
Total	30,885,269	16,834,161	194,010,192	68,163,004	309,806,265

County Government of Kericho
 County Revenue Fund
 Annual Report and Financial Statements For the financial year ended 30th June 2025

(b) Exchange own source revenue

Period 2025	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Property Rent	3,406,135	2,085,541	3,481,110	9,102,766	18,075,552
Market Fees	2,159,081	3,125,390	2,614,507	3,618,776	11,517,754
Advertising	827,000	1,695,583	2,260,300	5,773,317	10,556,200
Hospital Fees	55,149,736	9,741,120		-	64,890,856
Hire Of County Assets.		10,000		14,000	24,000
Administration Control Fees and Charges	484,089	119,540	243,340	5,708,885	6,555,854
Library Services	900	42,915	16,570	54,295	114,680
	62,026,941	16,820,089	8,615,827	24,272,039	111,734,896

Appendix 4: Analysis of Transfers from the County Revenue Fund

Period -2025	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive -Rec	312,645,083	999,968,499	1,508,159,057	1,574,957,025	4,395,729,664
County Executive -Dev	140,709,635	477,188,263	387,284,889	1,052,362,886	2,057,545,673
County Assembly -Rec	72,381,599	247,774,377	252,855,508	307,227,544	880,239,028
County Assembly -Dev	-	13,990,575	15,861,469	23,062,689	52,914,733
County Health Operations Account	-	68,928,324	-	-	68,928,324
County Health Promoters Account	-	33,540,000	-	18,742,800	52,282,800
County Kenya 2nd Devolution Surpport	-	10,116,976	-	-	10,116,976
Kenya Urban Support Programme	15,000,000	-	14,399,012	-	29,399,012
County Climate Change Fund	11,000,000	-	28,178,407	20,150,500	59,328,907
County Aggregation and Industrial Parks	-	-	40,395,559	-	40,395,559
County Primary Healthcare	-	-	-	17,467,500	17,467,500
County Aggregation and Industrial Parks	-	-	-	9,604,441	9,604,441
Executive Development- Education spa	-	-	-	40,999,999	40,999,999
County National Value Chain Development prog.	-	-	-	84,383,098	84,383,098

County Government of Kericho
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Roads Maintenance Levy Fund				59,568,958	59,568,958
County Second Kenya Urban Support Programme				32,309,300	32,309,300
Total	551,736,317	1,851,507,014	2,247,133,901	3,240,836,740	7,891,213,972

