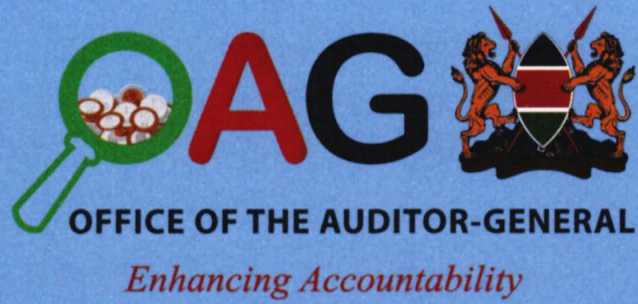
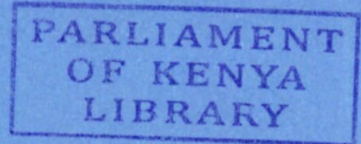


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

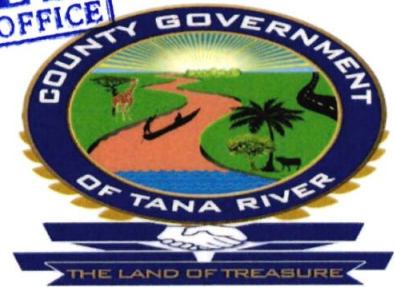
ON

COUNTY REVENUE FUND

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

COUNTY GOVERNMENT OF TANA RIVER

DATE	6/3/2025
TABLED BY	Dep Maj Whip
COMMITTEE	
CLERK AT THE TABLE	Maalim



COUNTY REVENUE FUND

County Government of Tana River

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

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

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

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1. Acronyms and glossary of terms

a) Acronyms

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

b) glossary of terms

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

2. Key Entity Information and Management

a) Background information

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

b) Key Management Team

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

No.	Designation	Name
1.	CECM Finance and Economic planning	CPA Brenda Mokaya
2.	County Chief Officer Finance	CPA Mariam Abdalla Bunu
3.	Principal Accountant	CPA Tolah Berhe Yonnah

c) Fiduciary Management

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

No.	Designation	Name
1.	CECM Finance and Economic Planning	CPA Brenda Mokaya
2.	Accounting Officer in charge of Finance	CPA Mariam Abdalla Bunu
3.	Principal Accountant	CPA Tolah Berhe Yonnah

d) Fiduciary Oversight Arrangements

A high-level description of the key fiduciary oversight arrangements covering;

- Audit and Finance committee activities
- Senate Committee Activities
- County Assembly
- Development partner oversight activities
- Controller of Budget
- Office of the Auditor General

e) County Headquarters

P.O. Box 29 - 70101

Trade House

Council Road

Hola, Kenya.

f) County Contacts

Telephone: (254) 73062600

E-mail: info@tanariver.go.ke

Website: www.tanariver.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 County Attorney

Council Road

P.O. Box 29-70101

Hola, Kenya.

j) County Attorney

P.O. Box 29 - 70101

Hola, Kenya.

3. Statement by the CECM Finance

It is my pleasure to present the Annual Report and Financial Statements of the Tana River County Executive for the year ended 30th June 2024. The report and statement present the true and fair view of the financial performance of the county over the past year.

The functions of the County Government of Tana River are as spelt out in the County Governments Act No. 17 of 2012. These include county legislation, exercise of executive functions, functions provided for in Article 186 and assigned in the Fourth Schedule of the Constitution, and establishing and staffing of its public service. The Constitution assigns several functions to the County Government including agriculture; county health services; control of air and noise pollution and other public nuisances and outdoor advertising; cultural activities, public entertainment and public amenities; county transport; animal control and welfare; trade development and regulation; county planning and development; pre-primary education, village polytechnics, home craft centres and childcare facilities; implementation of specific national government policies on natural resources and environmental conservation; county public works and services; firefighting services and disaster management; control of drugs and pornography; and ensuring and coordinating the participation of communities and locations in governance at the local level.

In the performance of its functions in the FY 2023/24, the County operated with a budget of Kshs. 8,869,497,864. The sources of revenue are varied with Kshs. 6,790,702,542 being Equitable share of revenue raised nationally, Kshs. 510,006,031 being conditional/unconditional allocations from National Government revenue, Kshs. 362,980,289 being conditional allocations from loans and grants from Development partners, Kshs. 96,630,600 being revenue from County's own sources, and Kshs. 1,109,178,403 being balances from the FY 2022/23.

The strategic interventions of the County are guided by the Third Generation County Integrated Development Plan, while those for the FY 2023/24 are in line with the 2023 CFSP. Accordingly, the County focused on decisive investments in the social sectors to reduce the cost of living at household level, decisive investment in sectors that will unlock economic and financial opportunities, completion of ongoing projects, and monitoring and evaluation of projects and programmes.


Key projects and programmes that were implemented in the FY 2023/24 include the following: commencement of the construction of the County Aggregation and Industrial Park (CAIP),

establishment of minor irrigation schemes, agricultural inputs subsidy programme, mapping of heritage sites across the County, procurement and distribution of furniture to 15 ECDE centres, employment of 102 ECDE teachers, completion of 3 modern ECDE centres, operationalization of 2 VTCs, tuition support to learners in secondary and tertiary institutions, and the implementation of the Greening Tana Program.

The County continues to implement several flagship projects key among them being the Eco-Villages Cluster program. The program picked momentum during the Nov, 2023 – Feb, 2024 floods when population in the floodplains moved to the clusters. This also necessitated the investments in the clusters including provision of administrative services, water supply, and construction of shelter.

The pursuit of the County’s strategic objectives is hindered by various factors. The alternating cycles of droughts and floods erode the investments in food security and physical infrastructure and disrupts the socio-economic activities of the county residents. The huge stock of pending bills exposes the County to litigation, erodes the confidence of contractors and suppliers in the County Government and constrains resources available for the rollout of new projects and programmes. The County is also over-reliant on external resources especially transfers from National Government. Delays in disbursements from the Exchequer contributes to the delays in initiation of projects and pending bills. Finally, the County is yet to strengthen her systems for tracking and reporting on results and provision of services. This has limited learning and compliance to statutory obligations on financial reporting.

To mitigate on the above-listed risks, the County has operationalized the Emergency Fund and the DRM Fund to cater for unforeseen needs for which there are no budgetary provisions. The County has stepped up optimizing administration of own-source revenue and linkages and partnerships with development partners to augment the transfers from National Government. The County Treasury shall spearhead efforts to implement the County M&E Policy and build the capacity of her officers on financial reporting. The migration to the accrual basis for accounting shall be instrumental in reducing the burden of pending bills.

.....

CECM Finance and Economic Planning
County Government of Tana River

4. Management Discussion and Analysis

It is my pleasure to present the county Government of Tana River Financial statement for the period ended 30th June, 2024. The financial statement presents the true and fair view of the financial performance of the county for the period ended 30th June, 2024.

The County Government of Tana River has a total budget of KShs. 8,869,497,865. The County Executive for the financial year 2023-2024 has a final budget of Kshs. 7,826,060,112 comprising of Kshs. 4,633,903,140 being recurrent expenditure and Kshs. 3,192,156,972 being development expenditure. On the other hand, the County Assembly has a total final budget of Kshs. 1,043,437,753 comprising of Kshs. 677,653,973 recurrent and Kshs. 365,783,780 development. During the period ended 30th June 2024, the County received Kshs. 6,685,468,272 with Equitable Share being Kshs. 6,247,446,338 which stands at 92%. The County budget execution, as per receipts from the external sources, stands at 75% while the own source revenue collection is at 96%. This is pictorially shown below:

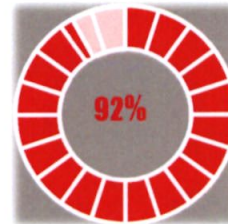
Budget Execution



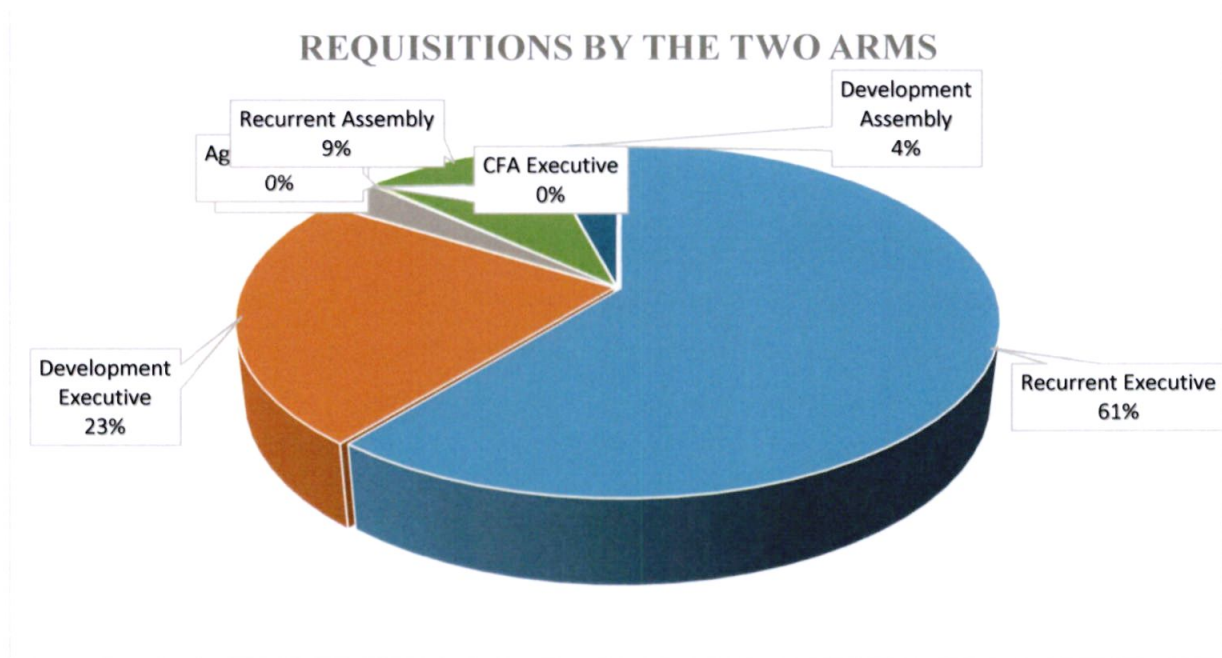
Own Source Revenue



Equitable Share



For the period ended 30th June 2024, the county executive withdrew Kshs. 6,447,528,844 from the County Revenue Fund for use in county operations. The exchequer requisitions of Kshs. 4,529,748,223 was for recurrent expenditure while Kshs. 1,917,780,621 was for development expenditure. The County Assembly requisition was Kshs. 969,683,040 with Kshs. 664,683,040 being recurrent and Kshs. 305,000,000 being development. This is as shown below:



I take this opportunity to thank H.E the Governor and the Deputy Governor for their support. I would also want to thank my colleagues, the county executive committee members in charge of the other departments who we have worked hand in hand to ensure that Tana River County achieves its mission.

I thank all staff in the entire county for their continued commitment and dedication through hard work in delivering services to people of Tana River County.

5. Overview of the County Revenue Fund Operations

Background

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

Receipts into the County Revenue Fund

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


Transfers from the County Revenue Fund

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

Financial Reporting requirements

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

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



.....

CEC Member – Finance and Economic Planning
County Government of Tana River

6. Statement of Management Responsibility

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

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

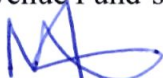
The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, which have been prepared on the Cash Basis Method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the County Revenue Fund's financial statements give a true and fair view of the state of the County Revenue Fund's transactions during the financial year ended June 30, 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 08/11/2024.

Signature _____



Name: Mariam Abdalla Bunu

County Chief Officer Finance

County Government of Tana River

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 COUNTY REVENUE FUND FOR THE YEAR ENDED 30 JUNE, 2024 - COUNTY GOVERNMENT OF TANA RIVER

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.
- 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 Tana River set out on pages 1 to 13, which comprise the statement of receipts and payments, statement of comparison of budget and actual amounts for the

Report of the Auditor-General on County Revenue Fund for the year ended 30 June, 2024 - County Government of Tana River

year then ended, 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 Tana River as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccurate Opening Fund Balance

The statement of receipts and payment reflects opening fund balance of Kshs.1,041,624,735. However, the supplementary budget provided for audit and the Controller of Budget report reflects a balance of Kshs.1,109,178,403 resulting to an unreconciled variance of Kshs.67,553,668.

In the circumstances, the accuracy and completeness of opening fund balance brought forward of Kshs.1,041,624,735 could not be confirmed.

2. Unsupported Other Grants

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects other grants amount of Kshs.350,000. However, the detailed schedule indicating source, nature of income and bank statement extract indicating date of deposit were not provided for audit.

In the circumstances, the accuracy and completeness of the other grants amount of Kshs.350,000 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget amount of Kshs.8,869,497,865 and an actual amount on comparable basis of Kshs.7,727,093,008, resulting to an underfunding of Kshs.1,142,404,858, or 13% of the

budget. Similarly, the Fund spent Kshs.7,417,211,884 against actual receipts of Kshs.7,727,093,008, resulting to an underutilization of Kshs.309,881,124, or 4% of the actual receipts.

In the circumstances, the underfunding and underutilization may have affected planned activities and could have negatively impacted service delivery to the public.

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 matters described in the Basis for Qualified Opinion section of my report, 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, several issues were raised under the Report on Financial Statements. However, several issues remained unresolved contrary to Section 149(2)(l) of the Public Finance Management Act, 2012 which require Accounting Officers designated for County Government entities to try to resolve any issues resulting from an audit that remain outstanding.

Other Information

The Management is responsible for the other information set out on page ii to x which comprise of Key Entity Information and Management, Statement by the County Executive Committee Member for Finance, Management Discussion and Analysis, Overview of the County Revenue Fund Operations and Statement of Management Responsibilities. 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.

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 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 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 for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

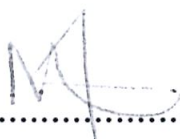
Nairobi

30 December, 2024

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

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

Receipt/Payments	Notes	Period Ended	2022 -2023
		June 2024	
		Kshs.	Kshs.
Receipts			
Exchequer releases	1	6,247,446,338	7,050,681,467
Transfers from other government agencies	2	344,186,700	222,227,697
Other grants	3	350,000	0
Proceeds from Domestic Borrowing	4	0	0
Proceeds from Foreign Borrowing	5	0	0
Own Source Revenue	6	92,568,521	59,173,171
Return to CRF issues	7	916,714	852,597
Total Receipts		6,685,468,272	7,332,934,932
Payments			
Transfers to County Executive	8	6,447,528,844	5,828,406,567
Transfers to County Assembly	9	969,683,040	997,412,490
Other Transfers	10	0	0
Total Payments		(7,417,211,884)	(6,825,819,057)
Net increase/ (decrease) in cash for the year		(731,743,612)	507,115,875
Add Opening fund balance b/f for the year 2023	11	1,041,624,735	534,508,860
Closing Fund balance for the year	11	309,881,123	1,041,624,735



Name: Mariam Abdalla Bunu

Chief Officer - Finance

ICPAK Member No: 20519

Date: 08/11/2024



Name: Cornelius Ongweko Wamukoya

Principal Accountant

ICPAK Member No.: 28087

Date: 08 NOV 2024

*County Government of Tana River
County Revenue Fund
For the financial year ended 30th June 2024*

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

Receipt/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realization Difference	% of Realization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	
Opening Fund Balance	1,108,392,010	0	1,108,392,010	1,041,624,735	66,767,275	94%
Exchequer Releases	6,790,702,542	0	6,790,702,542	6,247,446,338	543,256,204	92%
Transfers from other Government Agencies	362,980,289	0	362,980,289	344,186,700	18,793,590	95%
Other Conditional Grants	510,006,031	0	510,006,031	350,000	509,656,031	0%
Proceeds from Domestic Borrowing	0	0	0	0	0	0%
Proceeds from Foreign Borrowing	0	0	0	0	0	0%
Own Source Revenue	96,630,600	0	96,630,600	92,568,521	4,062,079	96%
Return to CRF issues	786,393	0	786,393	916,714	(130,321)	117%
Total Receipts	8,869,497,865	0	8,869,497,865	7,727,093,008	1,142,404,858	87%
Payments						
Transfers to County Executive	7,861,060,112	(35,000,000)	7,826,060,112	6,447,528,844	1,378,531,268	82%
Transfers to County Assembly	1,008,437,753	35,000,000	1,043,437,753	969,683,040	73,754,713	93%
Others	0	0	0	0	0	0%
Total Payments	(8,869,497,865)	(-)	(8,869,497,865)	(7,417,211,884)	(1,452,285,981)	84%
Balance	0	0	0	309,881,123	(309,881,123)	(0)

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

- (a) The return to CRF issues was under budgeted since it was done before the actual funds were transferred at the end of the Financial Year.
- (b) The County Executive could not transfer the whole amount since an Exchequer release of Kes. 543,256,204 was not transferred to the County by the end of the Financial Year.
- (c) The Other Conditional Grants was under absorbed due to delay in the approval of its legal framework by the National Assembly leading to delay in disbursement of funds.

10. Significant Accounting Policies

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

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

c) Receipts

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

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

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

d) Payments

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

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

Significant Accounting Policies (Continued)

e) Fund Balances

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

f) Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. There were no restrictions on cash during the year.

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

11. Notes to the Financial Statements

1. Exchequer Releases

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

Description	Period ended June 2024	2022 - 2023
	Kshs.	Kshs.
Equitable Share (a)	6,247,446,338	7,050,681,467
Level 5 hospitals (b)	0	0
Others (c)	0	0
Total (d=a+b+c)	6,247,446,338	7,050,681,467

2. Transfers from other Government Agencies

Description	Period ended June 2024	2022 - 2023
	Kshs.	Kshs.
User Fees Foregone -Ministry of Health	0	0
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health	0	0
World Bank Kenya Climate Smart Agriculture (KCSAP) - State Department of Crop Development	0	82,386,194
DANIDA Grant -Primary Health care in devolved context -Ministry of Health	10,683,750	18,733,153
SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development	500,000	10,012,439
World Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development	0	2,339,915
EU Grant (Instruments for Devolution Advice and Support- (IDEAS)-State Department of Devolution	0	19,563,267
IDA World Bank National Agricultural Value Chain Development Project (NAVCDP) -State Department of Crop Development	199,504,080	67,192,729
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA)1 CCIS Grant State Department of ..	133,498,870	22,000,000
Total	344,186,700	222,227,697

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

3. Other Grants

Description	Period ended	2022 - 2023
	June 2024	
	Kshs.	Kshs.
Unidentified Donor	350,000	0
Donor 2	0	0
Donor 3	0	0
Others	0	0
	350,000	0

4. Proceeds from Domestic Borrowing.

Description	Period ended	2022 - 2023
	June 2024	
	Kshs.	Kshs.
Borrowing within General Government	0	0
Borrowing from Monetary Authorities (Central Bank)	0	0
Other Domestic Depository Corporations (Commercial Banks)	0	0
Borrowing from Other Domestic Financial Institutions	0	0
Borrowing from Other Domestic Creditors	0	0
Domestic Currency and Domestic Deposits	0	0
Others	0	0
Total	0	0

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

Notes to the Financial Statements (Continued)

5. Proceeds from Foreign Borrowing

Description	Period ended June 2024	2022 - 2023
	Kshs.	Kshs.
Foreign Borrowing – Drawdowns Through Exchequer	0	0
Foreign Borrowing - Direct Payments	0	0
Foreign Currency and Foreign Deposits	0	0
Others	0	0
Total	0	0

6. Own Source Revenue

Description	Period ended June 2024	2022 - 2023
	Kshs.	Kshs.
Cess	19,817,000	11,396,670
Land Rates	11,332,966	4,073,330
Single Business Permits	22,435,200	17,172,670
Liquor Licences	2,866,000	0
Property Rent	608,000	1,585,000
Parking fees	1,545,900	1,490,000
Market fees	3,857,972	2,427,566
Public health service fees	3,785,117	3,382,020
Environment & Conservancy Administration	306,200	0
Administration control fees and charges	350,000	0
Slaughter Houses Administration	401,017	0
County's Natural Resources Exploitation	22,355,485	12,325,000
Technical Services	2,907,663	5,320,915
Total	92,568,521	59,173,171

7. Return to CRF Issues

Description	Period ended June 2024	2022 - 2023
	Kshs.	Kshs.
Recurrent Account (<i>County Executive</i>)	10,268	142,167
Development Account (<i>County Executive</i>)	776,124	703,161

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

Recurrent Account (<i>County Assembly</i>)	57,765	426
Development Account (<i>County Assembly</i>)	72,556	6,843
Others	0	0
Total	916,713	852,597

These are unspent amount in operational accounts at the end of the Financial Year.

*County Government of Tana River
County Revenue Fund
For the financial year ended 30th June 2024*

Notes to the Financial Statements (Continued)

8. Transfers to County Executive

Description	Period ended June 2024	2022 - 2023
	Kshs.	Kshs.
Recurrent Account	4,510,423,223	4,608,358,979
Development Account	1,717,776,542	1,014,223,159
Special Purpose Accounts	208,329,079	183,761,277
County Funds Accounts	11,000,000	0
Others	0	22,063,152
Total	6,447,528,844	5,828,406,567

9. Transfers to County Assembly

Description	Period ended June 2024	2022 - 2023
	Kshs.	Kshs.
Recurrent Account	664,683,040	727,314,112
Development Account	305,000,000	270,098,378
Special purpose accounts	0	0
Others	0	0
Total	969,683,040	997,412,490

10. Other Transfers

Description	Period ended June 2024	2022 - 2023
	Kshs.	Kshs.
Agency Notices	0	0
Others	0	0
Total	0	0

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

Notes to the Financial Statements (Continued)

11. Fund balance

Description	Period ended June 2024	2022 - 2023
	Kshs.	Kshs.
Tana River County Revenue Fund - 1000171332	309,881,123	1,041,624,735
Total	309,881,123	1,041,624,735

Notes to the Financial Statements (Continued)

12. 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.

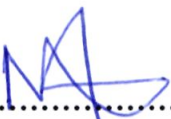
Name Of Bank, Account No. & Currency	Amount in bank account currency	Ex. rate (if in foreign currency)	Period ended June 2024	2022 - 2023
			Kshs	Kshs
KCB, Tana River County Gov't Revenue Collection, Account No. 1140754033, Kes.	25	1	25	6,012,709
Total	25		25	6,012,709

12. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Failure to conform to the disclosure in the revised template by PSASB.			
2	Unreconciled variances in receipts on transfers from other Government Agencies.			
3	Unreconciled Transfers to the County Assembly.	This was due to different treatment of the cut-off after the end of FY.		

.....

Name: Mariam Abdalla Bunu
Chief Officer Finance
Date: 08/11/2024

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

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

Period 2023-2024	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Equitable Share	577,209,716	1,663,722,122	1,697,675,636	2,308,838,864	6,247,446,338
DANIDA - Universal Healthcare in Devolved Units Programme	0	0	0	10,683,750	10,683,750
World Bank – THUSCP	0	0	0	0	0
IDA World Bank National Agricultural Value Chain Development Project (NAVCDP) -State Department of Crop Development	0	0	188,848,111	10,655,969	199,504,080
Agriculture Sector Development Support Project (ASDSP)	0	500,000	0	0	500,000
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA)1 CCIS Grant State Department of Environment and Climate Change.	0	0	0	133,498,870	133,498,870
Unidentified Donor	0	0	0	350,000	350,000
Total	577,209,716	1,664,222,122	1,886,523,747	2,464,027,453	6,591,983,038

County Government of Tana River
County Revenue Fund
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Annex 3. Analysis Of Receipts from Own Source Revenue per Quarter

Period 2024	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Cess	1,763,000	5,031,000	4,740,000	8,283,000	19,817,000
Land Rate	2,023,356	1,677,032	1,095,353	6,537,225	11,332,966
Single Business Permits	1,374,800	1,358,900	11,877,954	7,823,546	22,435,200
Liquor License	0	105,000	1,514,000	1,247,000	2,866,000
Property rent	76,000	156,000	40,000	336,000	608,000
Parking fees	100,000	603,200	286,700	556,000	1,545,900
Market fees	201,850	1,459,945	1,134,092	1,062,085	3,857,972
Public health service fees	352,685	1,091,892	1,306,520	1,034,020	3,785,117
Environment & Conservancy Administration	27,200	0	0	279,000	306,200
Administration control fees and charges	70,000	280,000	0	0	350,000
Slaughter Houses Administration	3,500	210,957	64,960	121,600	401,017
County's Natural Resources Exploitation	2,160,000	5,543,000	3,099,000	11,553,485	22,355,485
Technical Services	387,969	1,328,299	521,705	669,690	2,907,663
Total	8,540,360	18,845,226	25,680,284	39,502,651	92,568,521

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

Annex 4: Analysis of Transfers from the County Revenue Fund

Period -2023 - 2024	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive -Recurrent	530,965,791	1,226,783,301	1,100,340,390	1,652,333,741	4,510,423,223
County Executive -Development	88,156,139	282,500,668	370,862,950	976,256,785	1,717,776,542
County Assembly -Recurrent	113,000,000	207,905,124	104,777,917	238,999,999	664,683,040
County Assembly -Development	40,000,000	70,000,000	100,000,000	95,000,000	305,000,000
Special Purpose Accounts	0	0	500,000	207,829,079	208,329,079
County Funds Accounts	0	0	11,000,000	0	11,000,000
Total	772,121,930	1,787,189,093	1,687,481,257	3,170,419,604	7,417,211,884