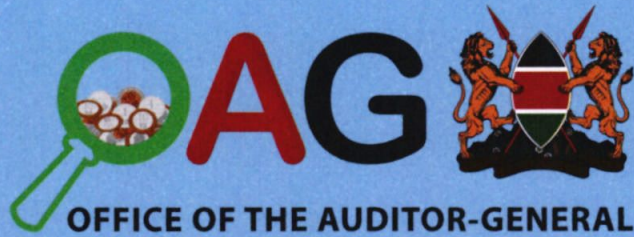


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**RECEIVER OF REVENUE – REVENUE  
STATEMENTS**

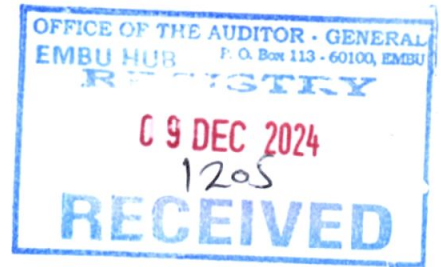
**FOR THE YEAR ENDED  
30 JUNE, 2024**

**COUNTY GOVERNMENT OF  
THARAKA-NITHI**

PARLIAMENT  
OF KENYA  
LIBRARY

DATE 27/2/2025  
TABLED BY Majority Whip  
COMMITTEE  
CLERK AT THE TABLE Angera

# REPUBLIC OF KENYA



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## COUNTY GOVERNMENT OF THARAKA NITHI



### RECEIVER OF REVENUE

### ANNUAL REVENUE STATEMENTS

### FOR THE FINANCIAL ENDED

### 30<sup>th</sup> JUNE, 2024

---

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

**Receiver of Revenue  
County Government of Tharaka Nithi  
Annual Revenue Statement for the Year Ended 30 June, 2024**

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**Contents**

1. ACRONYMS AND GLOSSARY OF TERMS .....	i
2. KEY ENTITY INFORMATION AND MANAGEMENT .....	ii
3. FOREWARD BY THE CEC MEMBER FINANCE AND ECONOMIC PLANNING .....	iv
4. MANAGEMENT DISCUSSION AND ANALYSIS .....	v
5. STATEMENT OF MANAGEMENT RESPONSIBILITIES.....	vi
6. REPORT OF INDEPENDENT AUDITOR ON THE REVENUE STATEMENTS FOR THE YEAR ENDED 30 <sup>th</sup> JUNE 2024.....	vii
7. STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED 30 <sup>th</sup> JUNE 2024 .....	1
8. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30 <sup>th</sup> JUNE 2024.....	2
9. STATEMENT OF COMPARISON OF BUDGET VS ACTUAL AMOUNTS FOR THE YEAR ENDED 30 <sup>th</sup> JUNE 2024.....	3
10. STATEMENT OF ARREARS OF REVENUE AS AT 30 <sup>th</sup> JUNE 2024.....	4
11. SIGNIFICANT ACCOUNTING POLICIES .....	5
12. NOTES TO THE FINANCIAL STATEMENTS .....	7
13. Appendices.....	13

**1. ACRONYMS AND GLOSSARY OF TERMS**

CA	County Assembly
B/F	Brought Forward
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

## **2. KEY ENTITY INFORMATION AND MANAGEMENT**

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

The **Receiver of Revenue** is under the Department of Revenue and Resource Mobilization. At the County Executive Committee level, the **Receiver of Revenue** is represented by the County Executive committee member for County Executive Committee Member Finance, Economic Planning and Revenue Mobilization who is responsible for the general policy and strategic direction of the *receiver of revenue*. The *receiver of revenue* was designated as a receiver on 04<sup>th</sup> April 2023 by the County Executive Committee member for Finance, in accordance with section 157 of the PFM Act, 2012.

### **(b) Principal Activities**

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

### **(c) Key Management**

The County Government of Tharaka Nithi day-to-day management is under the following key organs:

- County Executive Committee Member Finance, Economic Planning and Revenue Mobilization
- Chief Officer Revenue and Resource Mobilization
- Director Revenue
- Director Accounting Services

### **(d) Entity Headquarters**

County Headquarters Building  
Kathwana Town  
P.O. Box 10-60406  
**KATHWANA**

### **(e) County Executive Contacts**

Telephone: **1513**  
Email: [info@tharakanithi.go.ke](mailto:info@tharakanithi.go.ke)  
Website: [www.tharakanithicounty.go.ke](http://www.tharakanithicounty.go.ke)

### **(f) Independent Auditors**

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

### **(g) Principal Legal Adviser**

The County Attorney  
County Government Tharaka Nithi  
P.O. Box 10- 60406  
**KATHWANA**

### **(h) Entity Bankers**

**Receiver of Revenue**  
**County Government of Tharaka Nithi**  
**Annual Revenue Statement for the Year Ended 30 June, 2024**

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- i. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000 - 00200  
City Square  
**NAIROBI**
  
- ii. Co-operative Bank  
Chuka Branch  
P.O. Box 101 - 60400  
**CHUKA**
  
- iii. Trans Nation Sacco Society Limited  
Chuka Branch  
P.O. Box 15-60400  
**CHUKA**
  
- iv. Equity Bank  
Chuka Branch  
P.O. Box 213 - 60400  
**CHUKA**

**Receiver of Revenue  
County Government of Tharaka Nithi  
Annual Revenue Statement for the Year Ended 30 June, 2024**

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**3. FOREWARD BY THE CEC MEMBER FINANCE AND ECONOMIC PLANNING**

It is my pleasure to present the County Government of Tharaka Nithi – Receiver of Revenue Report and Financial Statements for the year ended **30<sup>th</sup> June 2024**. The Financial Statements present the financial performance of the Receiver of Revenue over the past three months.

During the year under review, the total own sources revenue amounted to Ksh. 417,346,034 against approved budget of Ksh. 450,570,000 translating to 93% performance level.

The amount remitted to County Revenue Fund (CRF) during the financial year amounted to Ksh. 448,844,478 which included balances brought forward from previous year of Ksh. 33,922,721. The amount yet to be remitted as at end of the year amount to Ksh. 2,295,409

The County Government Own Sources of Revenue recorded significant improvement from the previous year with and the recovery is expected to continue in the following year as more effort is made to achieve the set target. The County has instituted mechanism to seal off leakages of revenue and also persuading the public to honour their bills.

Finally, I take this opportunity to thank His Excellency Governor Muthomi Njuki, Members of County Assembly, county government of Tharaka Nithi employees and all stakeholders including tax payers for supporting the government in its execution of its mandate.

Thank you very much and God bless Tharaka Nithi County



Sign.....

**Lawrence K. Ileri Rweria**

**CECM – Finance, Economic Planning and Resource Mobilization**

**Receiver of Revenue  
County Government of Tharaka Nithi  
Annual Revenue Statement for the Year Ended 30 June, 2024**

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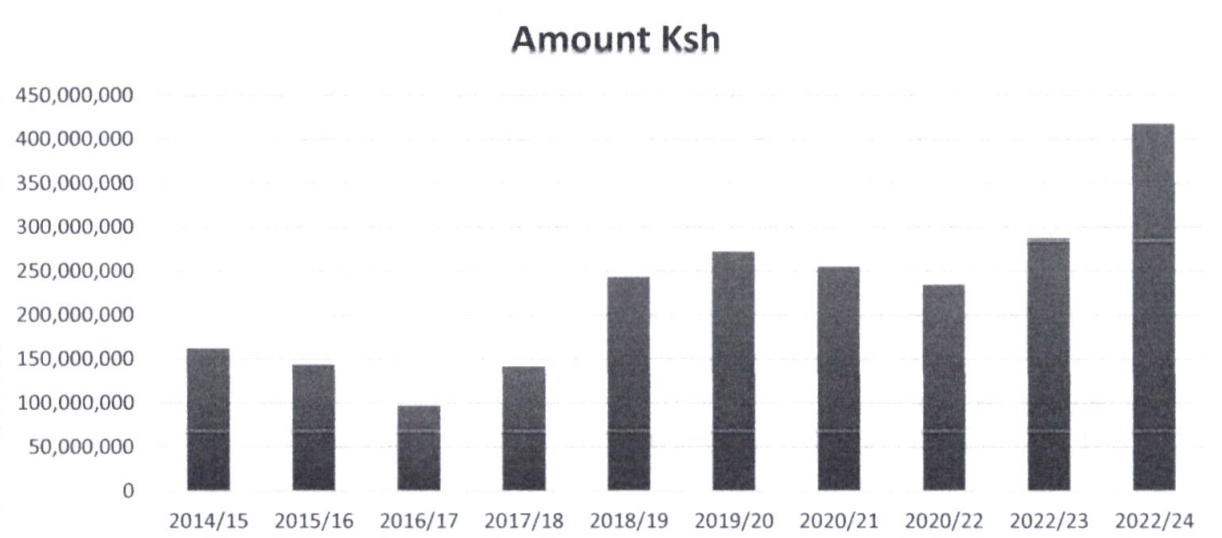
**4. MANAGEMENT DISCUSSION AND ANALYSIS**

County Government of Tharaka Receiver of Revenue, Revenue Statements for the year ended **30<sup>th</sup> June 2024**. The Statements present the financial performance of the County Government over the past six months.

The County finances its operations through own generated revenues. These are revenues collected within the County as approved under County Finance Act. The key own source revenue for Tharaka Nithi County included business permits, land rates, building plan approval, advertising fees, cess and various other administrative charges. The County continues to explore new and more innovative ways of increasing its own source of revenue collections.

During the period under review, the own sources of revenue amounted to Ksh. 417,346,034 (Ksh. 286,737,651 FY 2022/23). The Own Sources of revenue has continued to recorded significant recovery compared with previous years. The revenue increased by 65%


The chart below shows the performance on revenue over last nine years.



***Recommended Way Forward***

The county government will continue exploring more revenue streams and also enhance collection by enforcing and sealing any leakages

Thank you very much and God bless Tharaka Nithi County

  
Sign.....  
Moses Bundi  
**Receiver of Revenue**

## **5. STATEMENT OF MANAGEMENT RESPONSIBILITIES**

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

The Receiver of Revenue is responsible for the preparation and presentation of the Receiver of Revenue Account, which give a true and fair view of the state of affairs of the Receiver of Revenue for and as at **30<sup>th</sup> June, 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 entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Receiver of Revenue accepts responsibility for the County Government of Tharaka Nithi 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 Receiver of Revenue is of the opinion that the Receiver of Revenue Account give a true and fair view of the state of County Government's transactions during the year ended **30<sup>th</sup> June, 2024**, and of the County Government's Statement of Assets and Liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the Receiver of Revenue Accounts as well as the adequacy of the systems of internal financial control.

The Receiver of Revenue confirms that the County Government of Tharaka Nithi has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable). The Receiver of Revenue confirms that the 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 Revenue Statements were approved and signed by the Receiver of Revenue on **12<sup>th</sup> July 2024**



**Moses Bundi**  
**County Receiver of Revenue**

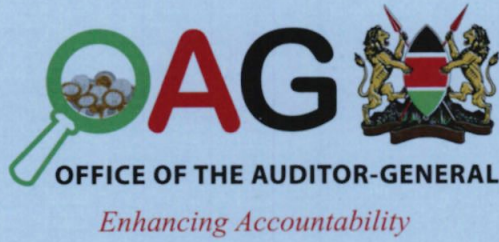
**Receiver of Revenue  
County Government of Tharaka Nithi  
Annual Revenue Statement for the Year Ended 30 June, 2024**

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**6. REPORT OF INDEPENDENT AUDITOR ON THE REVENUE STATEMENTS FOR THE  
YEAR ENDED 30<sup>th</sup> JUNE 2024**

The Report of the Auditor General on the County Government of Tharaka Nithi Receiver of Revenue Financial Statement will be published once the exercise is completed

# REPUBLIC OF KENYA



Telephone: +254-(20) 3214000  
Email: 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 RECEIVER OF REVENUE – REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2024 – COUNTY GOVERNMENT OF THARAKA-NITHI

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### 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 REVENUE STATEMENTS

#### Qualified Opinion

I have audited the accompanying revenue statements for Receiver of Revenue - County Government of Tharaka-Nithi set out on pages 1 to 22, which comprise of the statement

of financial assets and liabilities and statement of arrears of revenue as at 30 June, 2024 and the statement of receipts and disbursements and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the revenue statements present fairly, in all material respects, the financial position of Receiver of Revenue as at 30 June, 2024 - County Government of Tharaka-Nithi 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**

#### **Lack of a Valuation Roll for Collection of Plot Rent / Land Rates**

The statement of receipts and disbursements reflects plot rent / land rates amount of Kshs.5,952,449. However, the amount was not supported with updated valuation roll for all Sub-Counties detailing the plot owners, plot numbers, location, plot value, and land rates payable per year. Further, Management did not provide records of invoicing and detailed ledger to show the amount of land rates invoiced, amount received and outstanding balance as at 30 June, 2024. Further, the revenue in respect to land rates was not supported with a register of plots which generated property rent.

In the circumstances, the accuracy and completeness of plot rent / land rates amount of Kshs.5,952,449 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Tharaka-Nithi County Executive - Receiver of Revenue 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**

#### **1. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on comparable basis of Kshs.450,670,000 and Kshs.417,346,034 respectively resulting in a revenue shortfall of Kshs.33,323,966 or 7% of the approved budget.

The revenue shortfall of Kshs.33,323,966 may have affected planned development programs and activities and may have impacted negatively on service delivery to the public.

## **2. Outstanding Arrears of Revenue**

The statement of arrears of revenue reflects total arrears of revenue balance of Kshs.84,481,722 which was not recovered as at 30 June, 2024. However, Management has not demonstrated measures instituted to recover the outstanding arrears of revenue. In the circumstances, the recoverability of the total arrears of revenue balance of Kshs.84,481,722 could not be confirmed.

My opinion is not modified in respect of these matters.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Audit Issues**

In the report of the previous year, several issues were raised under Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Control, Risk Management and Governance. However, Management has not provided evidence of how the issues were resolved.

### **Other Information**

The Management is responsible for the other information set out on page ii to vi which comprise of Key Entity Information and Management, foreword by the CEC Member for Finance and Economic Planning and Management Discussion and Analysis. The Other Information does not include the revenue statements and my audit report thereon.

In connection with my audit on the receiver of revenue - revenue statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the revenue 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 revenue 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 revenue 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 revenue 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 revenue 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 revenue statements, Management is responsible for assessing the Receiver of Revenue's ability to continue 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 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 revenue statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the revenue 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 Receiver of Revenue'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 revenue 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 revenue 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 revenue 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**

**19 December, 2024**

Receiver of Revenue  
County Government of Tharaka Nithi  
Annual Revenue Statement for the Year Ended 30 June, 2024

7. STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED 30<sup>th</sup>  
JUNE 2024

		2023/2024	2022/2023
County Own Sources of Revenue	Note	Ksh	Ksh
Parking Fees	1	19,823,583	8,684,840
Plot Rent / Land Rates	2	5,952,449	2,789,883
Single Business Permit and Advertisement	3	99,490,434	69,084,571
Barter Market and Slaughter Fees	4	17,934,134	9,688,716
Rent / Lease County Houses and Stalls	5	2,741,160	2,892,341
Livestock and Agriculture Produce Cess	6	7,818,640	1,720,230
Natural Resources Excavation Cess	7	55,827,623	37,432,401
Hospital Fees	8	162,305,020	125,046,463
Property Fees	9	4,396,269	2,178,508
Technical Services (Building Plan Approval)	10	4,704,434	4,246,180
Administration Fees and Charges	11	247,059	1,737,626
Liquor License	12	22,614,311	14,558,000
Veterinary Services	13	6,717,364	5,963,438
Miscellaneous	14	6,773,554	714,454
<b>Total Receipts</b>		<b>417,346,034</b>	<b>286,737,651</b>
Balance B/f at the Beginning of the Year		33,922,721	10,821,176
Less: Bank Charges		(128,868)	(116,232)
<b>Disbursements To CRF</b>		<b>(448,844,478)</b>	<b>(263,519,874)</b>
<b>Balance Due for Disbursement</b>		<b>2,295,409</b>	<b>33,922,721</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the Financial Statements. The Revenue Statements were approved on **12<sup>th</sup> July 2024** and signed by:



Moses Bundi  
County Receiver of Revenue




CPA. E.K Nduati  
Director Accounting Services  
ICPAK Reg No.6720


Receiver of Revenue  
 County Government of Tharaka Nithi  
 Annual Revenue Statement for the Year Ended 30 June, 2024

8. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30<sup>th</sup> JUNE 2024

	Note	2023/2024	2022/2023
		Ksh	Ksh
<b>Financial Assets</b>			
<b>Cash and Cash Equivalents</b>			
Cash and Bank Balances	15	2,295,409	33,922,721
<b>Total Financial Assets</b>		<b>2,295,409</b>	<b>33,922,721</b>
<b>Financial Liabilities</b>			
Payables-Due to CRF	16	2,295,409	33,922,721
<b>Total Financial Liabilities</b>		<b>2,295,409</b>	<b>33,922,721</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. Tharaka Nithi County Receiver of Revenue Financial Statements were approved on **12<sup>th</sup> July 2024** and signed by:

  
 Moses Bundi  
 Receiver of Revenue

  
 CPA. Nduati E.K.  
 Director Accounting Services  
 ICPAK Reg.No.6720

Receiver of Revenue  
County Government of Tharaka Nithi  
Annual Revenue Statement for the Year Ended 30 June, 2024

9. STATEMENT OF COMPARISON OF BUDGET VS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2024

Receipts	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realisation Difference	% of Realisation
	A	B	c=a+b	d	e=c-d	f=d/c %
<b>County Own Source Revenue</b>	Ksh	Ksh	Ksh	Ksh	Ksh	
Parking Fees	25,000,000	-	25,000,000	19,823,583	(5,176,417)	79%
Plot Rents and Stand Premium	11,672,000	(3,000,000)	8,672,000	5,952,449	(2,719,551)	69%
Single Business Permit, Advertisement	70,000,000	-	70,000,000	99,490,434	29,490,434	142%
Barter Market / Slaughter Fees	24,000,000	3,000,000	27,000,000	17,934,134	(9,065,866)	66%
Rent / Lease County Houses and Stalls	5,000,000	-	5,000,000	2,741,160	(2,258,840)	55%
Livestock and Agriculture Produce Cess	500,000	2,000,000	2,500,000	7,818,640	5,318,640	313%
Natural Resources Excavation Cess	57,000,000	18,000,000	75,000,000	55,827,623	(19,172,377)	74%
Hospital Fees and Charges	122,800,000	27,000,000	149,800,000	162,305,020	12,505,020	108%
Property Fees (Transfer, Search)	12,150,000	(4,330,000)	7,820,000	4,396,269	(3,423,731)	56%
Technical Services and Plan Approvals	3,900,000	6,000,000	9,900,000	4,704,434	(5,195,566)	48%
Administration Fees and Charges	20,000,000	-	20,000,000	247,059	(19,752,941)	1%
Tourism (Mt. Kenya Lodge)	978,000	-	978,000	-	(978,000)	0%
Weights and Measures	300,000	-	300,000	-	(300,000)	0%
Liquor License	22,000,000	-	22,000,000	22,614,311	614,311	103%
Veterinary Services	8,600,000	-	8,600,000	6,717,364	(1,882,636)	78%
Co-operative Services	100,000	-	100,000	-	(100,000)	0%
Miscellaneous	16,000,000	2,000,000	18,000,000	6,773,554	(11,226,446)	38%
<b>Total</b>	<b>400,000,000</b>	<b>50,670,000</b>	<b>450,670,000</b>	<b>417,346,034</b>	<b>(33,323,966)</b>	<b>93%</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the Financial Statements.

Tharaka Nithi County Receiver of Revenue Financial Statements were approved on 12<sup>th</sup> July 2024 and signed by:



Moses Bundi  
Director Revenue



CPA. Nduati E.K  
Director Accounting Services  
ICPAK Reg. No. 6720

10. STATEMENT OF ARREARS OF REVENUE AS AT 30<sup>th</sup> JUNE 2024

Classification of Receipts	Balance as at 30 <sup>th</sup> June 2023	Arrears received during the Year	Additions in arrears During the Year	Total arrears as at 30 <sup>th</sup> June 2024	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Land / Plot Rent	53,853,394	5,952,449	10,882,970	58,783,915	Pubic sensitization and enforcement	High
Stall Rents	3,198,777	2,741,160	338,993	796,610		High
County Houses			1,214,200	1,214,200	Salary Deduction for County staff	High
National Hospital Insurance Fund (NHIF)			23,686,997	23,686,997	Pursue with NHIF	High
<b>Total</b>	<b>57,052,171</b>	<b>8,693,609</b>	<b>36,123,160</b>	<b>84,481,722</b>		

**Note:**

Only above four (4) revenue streams are accrued and cumulative. All other revenue streams are payable upon client seeking County services or operating levied business.

The ageing analysis of revenue in arrears has been shown on Note 18 of these Financial Statements

Tharaka Nithi County Receiver of Revenue Financial Statements and Explanation Notes were approved on **12<sup>th</sup> July 2024** and signed by:



Moses Bundi  
 Receiver of Revenue



CPA. Nduati E.K.  
 Director Accounting Services  
 ICPAK Reg. No. 6720

## **11. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of Compliance and Basis of Preparation**

The revenue statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and relevant legal framework of the County Government of Tharaka Nithi. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

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

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

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

The County Government of Tharaka Nithi recognises all receipts from the various sources when the related cash has been received by the County.

### **3. Budget**

The County Revenue budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by law. The original budget was approved by the County Assembly on **15<sup>th</sup> June 2023** for the period 01<sup>st</sup> July 2023 to 30<sup>th</sup> June 2024 as required by law. There have been two supplementary budget passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

### **4. Cash and cash equivalents**

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

*Significant Accounting Policies (Continued)*

**5. Revenue in Arrears**

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

**6. Disbursements to CRF**

The Receiver of Revenue has an arrangement for transfer of funds from its bank account to the CRF account on weekly basis. Total disbursements to the CRF are as a result of the transfer arrangement during the year amount to Ksh. 448,844,478 (FY 2022/23 Ksh. 263,519,874)

**7. Comparative Figures**

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

**8. Subsequent Events**

There have been no events subsequent to the period ended with a significant impact on the revenue statements for the year ended 30<sup>th</sup> June 2024

Receiver of Revenue  
 County Government of Tharaka Nithi  
 Quarterly Revenue Statement for the Period Ended 31 March, 2024

12. NOTES TO THE FINANCIAL STATEMENTS

1. Parking Fees

Description	2023/2024	2022/2023
	Ksh	Ksh
Vehicles Parking Fees	13,566,673	8,684,840
Street Parking	6,256,910	-
<b>Total</b>	<b>19,823,583</b>	<b>8,684,840</b>

2. Plot Rent

Description	2023/2024	2022/2023
	Ksh	Ksh
Plot Rent	5,952,449	2,789,883
<b>Total</b>	<b>5,952,449</b>	<b>2,789,883</b>

3. Single Business Permits

Description	2023/2024	2022/2023
	Ksh	Ksh
Single Business Permit	85,078,213	56,850,255
Advertisement and Promotion	14,412,221	12,234,316
<b>Total</b>	<b>99,490,434</b>	<b>69,084,571</b>

4. Barter Market Entrance and Slaughter Fee

Description	2023/2024	2022/2023
	Ksh	Ksh
Market entry fees	17,934,134	9,688,716
<b>Total</b>	<b>17,934,134</b>	<b>9,688,716</b>

5. Rent / Lease of County Houses and Stalls

Description	2023/2024	2022/2023
	Ksh	Ksh
Stalls/kiosks rent	2,741,160	2,892,341
<b>Total</b>	<b>2,741,160</b>	<b>2,892,341</b>

Receiver of Revenue  
 County Government of Tharaka Nithi  
 Annual Revenue Statement for the Year Ended 30 June, 2024

Notes to The Financial Statements (Continued)

6. Livestock and Agriculture Produce Cess

Description	2023/2024	2022/2023
	Ksh	Ksh
Agriculture Farm Produce	6,700,090	1,720,230
Livestock Sales	1,118,550	-
<b>Total</b>	<b>7,818,640</b>	<b>1,720,230</b>

7. Natural Resources Excavation Cess

Descriptions	2023/2024	2022/2023
	Ksh	Ksh
Stone, Murram and Sand Cess	55,827,623	37,432,401
<b>Total</b>	<b>55,827,623</b>	<b>37,432,401</b>

8. Hospital Fees

Description	2023/2024	2022/2023
	Ksh	Ksh
Hospital Service Fees	158,523,223	122,312,863
Public Health	3,781,797	2,733,600
<b>Total</b>	<b>162,305,020</b>	<b>125,046,463</b>

9. Property Fees

Description	2023/2024	2022/2023
	Ksh	Ksh
Application for Property Transfer	4,396,269	1,199,508
Minutes Search	-	979,000
<b>Total</b>	<b>4,396,269</b>	<b>2,178,508</b>

10. Technical Services Fees

Description	2023/2024	2022/2023
	Ksh	Ksh
Building Plans Approval	4,704,434	4,246,180
<b>Total</b>	<b>4,704,434</b>	<b>4,246,180</b>

Receiver of Revenue  
 County Government of Tharaka Nithi  
 Annual Revenue Statement for the Year Ended 30 June, 2024

Notes to the Financial Statements (Continued)

11. Administrative Fees and Charges

Description	2023/2024	2022/2023
	Ksh	Ksh
Fire Services		287,800
Fines and Penalties	64,850	373,936
Hire of County Equipment / Lorry		572,919
Other Administrative Fees and Charges	182,209	502,971
<b>Total</b>	<b>247,059</b>	<b>1,737,626</b>

12. Liquor Licenses

Descriptions	2023/2024	2022/2023
	Ksh	Ksh
Liquor licenses	22,614,311	14,558,000
<b>Total</b>	<b>22,614,311</b>	<b>14,558,000</b>

13. Veterinary A.I Services

Description	2023/2024	2022/2023
	Ksh	Ksh
Veterinary Services	6,717,364	5,963,438
<b>Total</b>	<b>6,717,364</b>	<b>5,963,438</b>

14. Miscellaneous Receipts

Description	2023/2024	2022/2023
	Ksh	Ksh
Disposal of Assets	6,516,695	-
Other Receipts	256,859	714,454
<b>Total</b>	<b>6,773,554</b>	<b>714,454</b>

**Receiver of Revenue**  
**County Government of Tharaka Nithi**  
**Annual Revenue Statement for the Year Ended 30 June, 2024**

*Notes to The Financial Statements (Continued)*

**15. Cash and Cash Equivalent**

<b>Name of Bank, Account No. &amp; currency</b>	<b>Account Number</b>	<b>30<sup>th</sup> June 24</b>	<b>30<sup>th</sup> Jun 23</b>
		<b>Ksh</b>	<b>Ksh</b>
Tharaka Nithi Revenue Acct. - Equity Bank	0210260871230	(346)	15,688,212
Tharaka Nithi Revenue Account - Trans Nation Sacco	68260800224701	189,919	777,309
Tharaka Nithi Revenue Account – Family Bank	054000015859	654,938	-
Tharaka Nithi FIF Revenue Account - Family Bank	054000011532	1,035,056	-
Chuka District Hospital Account - Family Bank	054000011533	2,123	13,843,617
Kibung’ a Sub District Hospital - Family Bank	054000011534	301	5,963
Tharaka South District Hospital - Family Bank	054000011535	6,198	2,135,767
Magutuni Hospital Account - Family Bank	054000011536	3,151	1,344,617
Tharaka Nithi Asset Disposal Deposit Acct- Co-operative Bank	01100003308001	999	-
Mpesa Balances	Various	147,880	21,586
Cash at Hand	Various	255,190	105,650
<b>Total</b>		<b>2,295,409</b>	<b>33,922,721</b>

Receiver of Revenue  
County Government of Tharaka Nithi  
Annual Revenue Statement for the Year Ended 30 June, 2024

Notes to The Financial Statements (Continued)

15(b) Details Cash at Hand and Mpesa Tills

	2023/2024	2023/2024	2022/2023	2022/2023
	Cash at Hand	Mpesa Balances	Cash at Hand	Mpesa Balances
Chogoria Town - 222899	18,680		2,300	-
Chuka General Hospital - 222887		81,389	-	8,397
Chuka Town - 222898	81,530		7,330	-
Chuka Sub County - 222889	13,980		9,540	1,750
Igamba Ngombe Sub County - 222892	99,060	2,600	5,800	4,430
Kibunga Sub District Hospital - 849776		220	-	-
Magutuni Hospital - 284104		3,616	-	995
Marimati Level Four Hospital - 671617		23,755	-	744
Marimati Town - 223231	1,000	300	14,150	90
Muthambi Sub County - 222893	3,630	-	-	-
Mwimbi Sub County - 222897	1,860	1,000	630	200
Physical Planning - 8013181			-	-
Public Health - 905896			-	-
Tharaka North Sub County - 222895	18,000	33,900	56,600	2,600
Tharaka South Sub County - 222894	17,450	1,100	9,300	2,380
Veterinary A.I. Services - 4101289			-	-
<b>Total Cash in Hand</b>	<b>255,190</b>	<b>147,880</b>	<b>105,650</b>	<b>21,586</b>

**Receiver of Revenue  
County Government of Tharaka Nithi  
Annual Revenue Statement for the Year Ended 30 June, 2024**

*Notes to The Financial Statements (Continued)*

**16. Payables- Due to CRF**

<b>Payables</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Ksh</b>	<b>Ksh</b>
Balance B/f at the beginning of the Year	33,922,721	10,821,178
Amount collected during the Year	417,346,034	286,737,649
Bank Charges	(128,868)	(116,232)
Amounts disbursed to CRF during the Year	(448,844,478)	(263,519,874)
<b>Balance C/d at the End of the Year</b>	<b>2,295,409</b>	<b>33,922,721</b>

*This relates to amounts yet to be disbursed to the County Revenue Fund at the end of the year.*

**17. Ageing Analysis of Revenue in Arrears**

<b>Description</b>	<b>Less than</b>	<b>Between</b>	<b>Over 3 years</b>	<b>Total</b>
	<b>1 year</b>	<b>1-3 years</b>		
Plot Rent	30,065,341	16,303,255	12,415,319	58,783,915
Stalls Rent	796,610			796,610
County Houses	1,214,200			1,214,200
National Hospital Insurance Fund	23,686,997			23,686,997
<b>Total</b>	<b>55,763,148</b>	<b>16,303,255</b>	<b>12,415,319</b>	<b>84,481,722</b>

Receiver of Revenue  
 County Government of Tharaka Nithi  
 Quarterly Revenue Statement for the Period Ended 31 March, 2024

13. Appendices

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

S/No	Name of person / organisation benefitting from waiver/ variation	Number of Patients waived	Year in which waiver/ variation relates	Amount of variation/ waiver (fee or charge)	Reasons for waiver/ variation	The law in terms of which the variation/waiver was granted
1	Gender Based Violence patients	7	2023/24	2,957	Affirmative Action	Public Health Act
2	Persons with Disabilities	104	2023/24	305,291	Affirmative Action	Public Health Act
3	Prisoners	57	2023/24	44,176	Inability to pay	Public Health Act
4	Children Under 5 years of age	123	2023/24	180,351	Government Policy	Children's Act
5	Adults and children over 5 years of age	109	2023/24	305,391	Inability to pay	Public Health Act
				<b>838,166</b>		

(PFM ACT section 165 subsection 4, 5)



12<sup>th</sup> July 2024

Igantious Mugambi  
 Chief Officer Revenue Mobilization

**Receiver of Revenue**  
**County Government of Tharaka Nithi**  
**Annual Revenue Statement for the Year Ended 30 June, 2024**

**Appendix II: PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor for the Financial Year 2022/2023

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1.0 Unsupported Revenue  1.1 Rent / Lease of County Houses and Stalls	<p>The statement of receipts and disbursements and as disclosed in Note 5 to the financial statements reflects an amount of Ksh. 2,892,341 in respect to rent/ lease of County houses and stalls. However, revenue cash book, daily, weekly or monthly revenue reports, tenancy agreements and monthly rental receipt books, banking slips and details of houses and stalls owned by the County Government were not provided for audit.</p> <p>Further, the statement of arrears of revenue in the financial statements reflects a balance of Ksh. 3,198,777 in respect to stalls rent arrears which was not recovered as at 30 June, 2023.</p> <p>In addition, the County collected only Ksh. 2,892,341 from County houses and stalls against an approved budget of Ksh. 4,700,420 representing only 62% revenue realization. The Management did not provide explanation to justify the under-performance of revenue collection.</p>	The Management takes note of the audit finding and hereby submit the necessary reports and support ledgers for audit review and verification.	Resolved	30 <sup>th</sup> September 2023

**Receiver of Revenue**  
**County Government of Tharaka Nithi**  
**Annual Revenue Statement for the Year Ended 30 June, 2024**

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1.2 Natural Resources Excavation Cess	<p>The statement of receipts and disbursements and as disclosed in Note 7 to the financial statements reflects natural resources excavation cess revenue of Ksh. 37,432,401. However, the Management did not provide detailed reports to show daily revenue collection from natural resources excavation cess, respective cess collection points/ stations, the categories of cess charged, approved fees and charges in respect to cess fee, invoices and receipts issued and daily banking analysis in respect to revenue collected from cess.</p> <p>In addition, the County collected only Ksh. 37,432,401 from natural resources cess against an approved budget of Ksh. 55,084,200 representing only 68% revenue realization. The Management did not provide explanation to justify the under-performance of revenue collection.</p>	The Management takes note of the audit finding and hereby submit the necessary reports and support ledgers for audit review and verification	Resolved	31 <sup>st</sup> December 2023
Miscellaneous Receipt	The statement of receipts and disbursements and as disclosed in the Note 15 to the financial statement reflects an amount of Ksh. 714,453 in respect to miscellaneous receipts. However, the balance was not supported with revenue cash books, monthly revenue reports and banking slips or Mpesa statements and revenue monitoring reports.	The Management takes note of the audit finding and hereby submit the necessary reports and support ledgers for audit review and verification	Resolved	31 <sup>st</sup> December 2023

**Receiver of Revenue**  
**County Government of Tharaka Nithi**  
**Annual Revenue Statement for the Year Ended 30 June, 2024**

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	In the circumstances, the accuracy and completeness of the receipts amounting to Ksh. 714,453 could not be confirmed.			
1.4 Parking Fee	<p>The statement of receipts and disbursements and as disclosed in Note 1 to the financial statements reflects parking fees receipts of Ksh. 8,684,840. However, the Management did not provide monthly revenue reports, banking slips and revenue cash book in respect to revenue from vehicle parking.</p> <p>The Ksh. 8,684,840 that was reported as annual collection for parking fees means that the County is only collecting an average of Ksh. 723,000 per month which may be low given the number of sub counties that are in the County and also given that the County had forecasted in the budget to collect Ksh. 19,900,390 which is more that 50% of the actual collection.</p>	The Management takes note of the audit finding and has submit the necessary reports and support ledgers for audit review and verification.	Resolved	31 <sup>st</sup> December 2023
1.5 Livestock and Agriculture Produce Cess	The statement of receipts and disbursements and as disclosed in Note 6 to the financial statements reflects an amount of Ksh. 1,720,230 in respect to livestock and agriculture produce cess. However, detailed reports showing revenue collection from livestock and agriculture produce cess, respective cess collection points/stations, the categories of cess charged, approved fees and	The Management takes note of the audit finding and hereby submit the necessary reports and support ledgers for audit review and verification.	Resolved	31 <sup>st</sup> December 2023

Receiver of Revenue  
 County Government of Tharaka Nithi  
 Annual Revenue Statement for the Year Ended 30 June, 2024

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)
	<p>charges in respect to cess fee, invoices and daily banking analysis in respect to revenue collected from cess were not provided for audit.</p> <p>In the circumstances, the accuracy and completeness of the receipts amount of Ksh. 1,720,230 could not be confirmed.</p>			
1.6 Property Fee	<p>The statement of receipts and disbursements reflects Ksh. 2,178,508 in respect to property rent. However, the amount was not supported with relevant records including revenue cash books, monthly revenue reports, tenancy agreements and monthly rental receipt books, banking slips and details of houses and stalls owned by the County.</p> <p>In addition, the County collected only Ksh. 2,178,508 from County houses and stalls against an approved budget of Ksh. 17,300,000 representing only 13% revenue realization. The Management did not provide explanation to justify the underperformance of revenue from market fees.</p> <p>In the circumstances, it was not possible to ascertain the accuracy and completeness of the receipts totaling Ksh. 2,178,508 could not be confirmed.</p>	The Management takes note of the audit finding and hereby submit the necessary reports and support ledgers for audit review and verification.	Not Resolved	31 <sup>st</sup> December 2023

**Revenue of Revenue**  
**County Government of Tharaka Nithi**  
**Annual Revenue Statement for the Year Ended 30 June, 2024**

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1.7 Technical Services Fees (Building Plan Approval)	<p>The statement of receipts and disbursements and as disclosed in Note 10 to the financial statements reflects an amount of Ksh. 4,246,180 in respect of technical services which represents revenue from building plans approval. However, the Management did not provide records showing the nature and the number of building plans approved, amount invoiced, approved fees and charges schedule used, receipts issued and banking analysis in respect to revenue from building plan approvals.</p> <p>Further, receipts from building plans approval declined by Ksh. 494,387 from an amount of Ksh. 4,740,567 reported in the financial year 2021/2022 to Ksh. 4,246,180 representing 12% decrease in revenue whose cause for the decline has not been explained</p> <p>In the circumstances, it has not been possible to confirm the accuracy and completeness of technical services fees totalling Ksh. 4,246,180 could not be confirmed.</p>	The Management takes note of the audit finding and hereby submit the necessary reports and support ledgers for audit review and verification.	Resolved	31 <sup>st</sup> December 2023
1.8 Unaccounted for Hospital Fees	The statement of receipts and payments and as disclosed on Note 8 to the Financial Statement reflects Ksh. 125,046,462 in respect to hospital fees. However, the Management did not provide monthly revenue reports, banking slips, revenue cash books, counter receipt book	The Management takes note of the audit finding and hereby submit the necessary reports and support ledgers for audit review and verification.	Not Resolved	30 <sup>th</sup> June 2023

Receiver of Revenue  
 County Government of Tharaka Nithi  
 Annual Revenue Statement for the Year Ended 30 June, 2024

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)
	<p>register (CRBR) for controlling receipt books issued and received and revenue control sheets in respect to receipts from hospital fees.</p> <p>In addition, monthly reconciliations of the revenue collected by the revenue officers and respective banking were not provided for audit review making it difficult to track the movement of cash from the cashiers to the County Revenue Fund account.</p>			
<b>Other Matter</b>				
Budgetary Control and Performance	The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on comparable basis of Ksh. 380,000,000 and Ksh. 286,737,650 respectively resulting to a revenue shortfall of Ksh. 93,262,350 or 25%	<p>The under realization of own sources of revenue which recorded 25% level of underperformance can be attributed to harsh economic condition in the country that prevailed during the year under review aggravated by drought that ravaged the country.</p> <p>The County however continues to undertake recovery measures that has seen the revenue</p>	Not Resolved	30 <sup>th</sup> June 2023

Receiver of Revenue  
 County Government of Tharaka Nithi  
 Annual Revenue Statement for the Year Ended 30 June, 2024


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)
		increase to the highest amount ever recorded in the past ten years		
<b>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</b>				
Delayed Transfer of Collected Revenue to County Revenue Fund Account	The statement of receipts and disbursements reflects Ksh. 286,737,650 in respect to total revenue received by the Receiver of Revenue during the year. In addition, there was bank and cash balance brought forward of Ksh. 10,821,177 resulting to total available balance of Ksh. 297,558,827. However, the Receiver of Revenue had disbursed only Ksh. 263,519,874 to County Revenue Fund leaving a balance of Ksh. 33,922,721 as at 30 <sup>th</sup> June 2023. It was not clear why the Receiver of Revenue failed to promptly disburse the amount received into the County Revenue Fund account contrary to Regulation 81(1) & (2) of the Public Finance Management (County Governments) Regulations, 2015 which states the Receiver of Revenue shall promptly deposit into the County Exchequer Account all receipts due to the County Revenue Fund and Receivers of Revenue should promptly pay the revenue received into the County Revenue Fund, as soon as possible and in any case not later than five (5) days after receipt thereof.	<p>The Management confirms holding an amount of Ksh. 33,922,791 in the revenue collection commercial bank accounts as at 30<sup>th</sup> June 2023.</p> <p>The delay was occasioned by system failure at revenue collection commercial bank which resulted to transfer failed on 30<sup>th</sup> June 2023. We confirm all the amounts were duly swept and reflected on County Revenue Account on the following business day on 4<sup>th</sup> July 2023.</p>	Resolved	31 <sup>st</sup> December 2023
<b>REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE</b>				

**Receiver of Revenue**  
**County Government of Tharaka Nithi**  
**Annual Revenue Statement for the Year Ended 30 June, 2024**


<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1. Risk Assessment on Revenue Management	During the year under review, the receiver of revenue collected a total of Ksh. 286,737,650 in respect to various sources of own revenue against budgeted receipt of Ksh. 380,000,00 resulting to under collection of Ksh. 93,262,350 which translates to 25% of the budgeted receipts. However, the management did not have a formal risk assessment policy on revenue. In addition, there was no evidence to confirm that, there were periodic risk assessments performed in relation to revenue so as to identify threats, assess vulnerability, and design automated systems that could help in revenue collection.	The Management shall develop the risk management policy to monitor the revenue collection and provide for mechanism to seal any loses of revenue.	Not Resolved	30 <sup>th</sup> June 2024
2. Lack of Approvals, Procedures and Guidelines on the Use of MPESA Pay Bills and Hospital Management Systems	As reported in the previous year, the County Executive operated Safaricom M-PESA pay bill numbers for revenue collection in hospitals. However, the Management did not provide the list of the pay bill numbers and respective approvals from the County Treasury in respect to their opening and operation. Further, the Management did not provide details of the users of the pay bill numbers and their access rights together with the approved guidelines on the use of the pay bill numbers.  In addition, the Management did not provide a monthly paybill statement and further there was no evidence of monthly reconciliations	Management has also submitted the Mpesa Statements for audit review reports and support ledgers for audit review and verification.  The Mpesa revenue collections are transferred to mother till which remits the revenue to commercial bank account held at Equity Bank. Tracking of transfers is done to	Not Resolved	30 <sup>th</sup> June 2023

**Receiver of Revenue**  
**County Government of Tharaka Nithi**  
**Annual Revenue Statement for the Year Ended 30 June, 2024**

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	<p>provided to facilitate an audit trail of the movement of the revenue collected from the pay bill number to the commercial bank and eventual transfer to the County Revenue Fund Account (CRF).</p> <p>Further, review of the Hospital Management Systems at the Chuka Level 5 Hospital revealed that cancellation or reversal of transactions in the system were done by the ICT Director. However, it was noted that requests for the approval and approvals of the same were done manually and no evidence was provided to justify the reversal or cancellations of the transactions. Also, the cancelled or reversed transactions could not be confirmed in the patient's statements</p>	<p>ensure all the amounts are properly received at the bank account.</p> <p>With regard to cancellation of transactions at Chuka hospital, this is done upon approval by the authorised person after verification of incorrect payment or refunds for lack of services or drugs paid for.</p>		

  
 Moses Bundi  
**Receiver of Revenue**

Date: 12<sup>th</sup> July 2024

  
 CPA Nduati E.K.  
**Director Accounting Services**  
 ICPAK Reg. No. 6720

Date: 12<sup>th</sup> April 2024