

REPUBLIC OF KENYA



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REPORT

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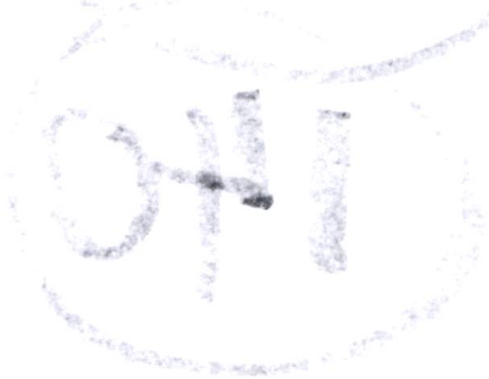
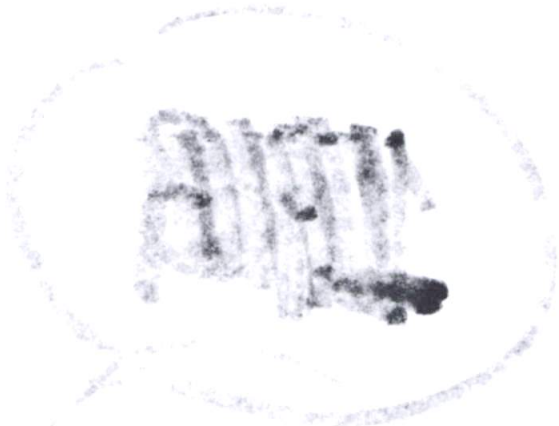
THE AUDITOR-GENERAL

|    |                    | PAPERS LAID     |
|----|--------------------|-----------------|
| ON | DATE               | 25/02/2026      |
|    | TABLED BY          | Majority leader |
|    | COMMITTEE          | —               |
|    | CLERK AT THE TABLE | Polygarp        |

COUNTY REVENUE FUND

FOR THE YEAR ENDED  
30 JUNE, 2025

COUNTY GOVERNMENT OF TANA RIVER





OFFICE OF THE AUDITOR GENERAL  
P. O. Box 81543 MOMBASA  
16 OCT 2025  
16961 KRO  
RECEIVED  
KILIFI REGIONAL OFFICE



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## COUNTY REVENUE FUND

*County Government of Tana River*

### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025

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

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*County Government of Tana River*  
*County Revenue Fund*  
*Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June 2025*

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**1. Acronyms and Definition of Key Terms**

**a. Acronyms**

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

**b. Definition of Key Terms**

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

## 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 30<sup>th</sup> June 2025 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

#### 1. Audit and Finance Committee Activities

- **Internal Audit:** Conducts routine audits to ensure compliance with financial regulations and internal controls.
- **Budget Review:** Evaluates budget proposals and expenditure reports before submission to the County Assembly.
- **Risk Management:** Assesses financial risks and recommends mitigation strategies.
- **Reporting:** Prepares financial statements and audit findings for review by external auditors and oversight bodies.

## **2. Parliamentary Committee Activities**

- **Public Accounts Committee (PAC):** Reviews Auditor General reports and investigates misuse of public funds.

## **3. County Assembly Oversight**

- **Legislative Approval:** Reviews and approves the County Fiscal Strategy Paper, Annual Development Plan, and budget estimates.
- **Monitoring Implementation:** Tracks budget execution and evaluates performance against planned objectives.
- **Public Participation:** Facilitates community input in budget-making and development planning processes.
- **Accountability Hearings:** Summons county officials to explain financial decisions and expenditures.

## **4. Development Partner Oversight Activities**

- **Project Audits:** Development partners often commission independent audits for donor-funded projects.
- **Performance Reviews:** Regular assessments of project milestones, financial disbursements, and impact.
- **Capacity Building:** Support for strengthening county financial systems and training staff in fiduciary best practices.
- **Joint Planning and Monitoring:** Collaborative frameworks for planning, budgeting, and evaluating funded programs.

Fiduciary Activities during the Financial Year ended 30<sup>th</sup> June 2025

During the financial year, the following fiduciary activities were undertaken:

- **Budget Formulation and Approval:** Led by the County Treasury, with input from stakeholders and oversight by the County Assembly.
- **Quarterly and Annual Reporting:** Preparation of financial reports submitted to the Auditor General and Parliament.
- **Audit Exercises:** Internal and external audits to assess compliance, detect irregularities, and recommend corrective actions.
- **Public Engagements:** Forums for citizen feedback on budget priorities and service delivery.
- **Monitoring and Evaluation:** Continuous tracking of financial performance and project implementation.

These arrangements collectively ensure transparency, accountability, and prudent use of public resources.

*County Government of Tana River*  
*County Revenue Fund*  
*Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June 2025*

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**e) County Headquarters**

P.O. Box 29 - 70101

Trade House

Council Road

**Hola, Kenya**

**f) County Executive Contacts**

Telephone: (254) 73062600

E-mail: [info@tanariver.go.ke](mailto:info@tanariver.go.ke)

Website: [www.tanariver.go.ke](http://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 Financial Statement for the County Revenue Fund for the period ended on June 30<sup>th</sup>, 2025. The financial statement presents the true and fair view of the financial performance of the County Revenue Fund over the past year.

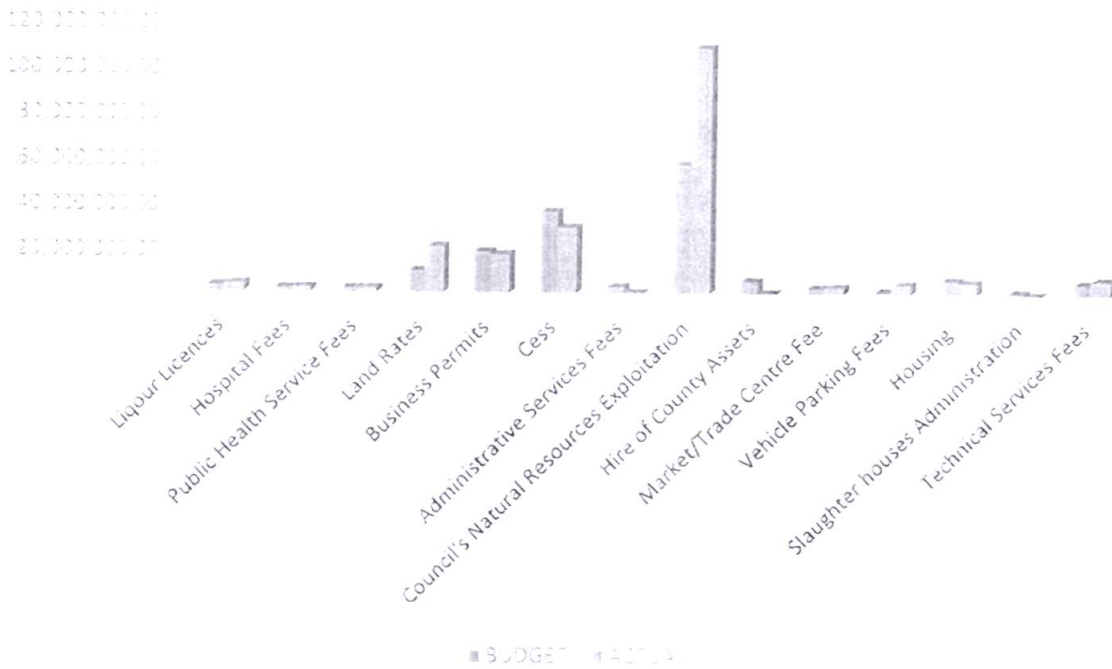
For the period ended 30<sup>th</sup> June, 2025, the County expected a revenue receipt of Kshs. 9,177,723,692 out which Kshs. 7,367,974,537 is Equitable Share. Out of the Equitable Share, the County only received a total of Kshs. 7,367,974,537 of which Kshs. 543,256,204 is meant for the previous financial year. This portrays the received 108% in terms of Shareable revenue from the National Treasury. This can be presented below:

**Equitable Share Received**



In the period of the financial year 2024-2025, the performance of the Own Source Revenue was excellent. The County projected to collect Kshs. 153,108,800 by the end of the financial year and managed to collect Kshs. 203,711,731 which translates to 133% over performance. All the revenue collected was disbursed to the County Revenue Fund except Kshs. 1,157,015. The main sources of revenue included cess from Natural resources transportation, agricultural produce, licensing fees, and property-related levies. This can be graphically represented as below:

OSR BUDGET VS ACTUAL



I take this opportunity to thank H.E the Governor and the entire County Executive Committee for offering leadership and support in formulating policies and in mobilizing County departments in support of mobilization and administration of revenue from County's own sources. I also thank the Receiver of Revenue for coordination of revenue administration.

.....  
**CECM Finance and Economic Planning**  
 County Government of Tana River

**4. Management Discussion and Analysis**

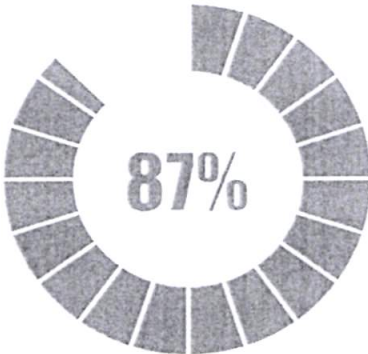
For the period ended 30th June 2025, the operational and financial performance was not undertaken as anticipated. This is due to the underfunding experienced by the County when it comes to issue of funding from development partners. The failure was occasioned by the delayed enactment of the County Allocation of Revenue Act (CARA). Nevertheless, the County was able to substantially pay the bills and undertake development projects.

The County has processed and paid Pending Bills which form the first charge at the beginning of the financial year. A total of Kshs. 881,424,123 was settled out of the total figure outstanding.

The County Government of Tana River has this time round able to have the 2024-2025 financial budget approved on time by the County Assembly of Tana River.

The County was able to at least to receive a total of Kshs. 7,752,604,985 which translates to 87% of the budget execution. The can pictorially be presented as below:

**Budget Execution**



## **5. Overview of the County Revenue Fund Operations**

### **a) 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.

### **b) Receipts into the County Revenue Fund**

County Government revenue is received through the 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. Revenue includes Exchequer releases, grants from development partners, proceeds from domestic and foreign borrowings, own source revenue, and other miscellaneous deposits in the County Revenue Fund Account.


### **c) 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 pursuant to Section 109 (6) of the PFM Act 2012. These entities are responsible for the administration of their respective approved budgets.

### **d) 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 30<sup>th</sup> June 2025.

  
.....  
**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, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Revenue Fund; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the County Revenue Fund; (v) Selecting and applying appropriate accounting policies; and (vi) 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 Accrual 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, 2025, 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, the 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 13/00/2025.

Signature \_\_\_\_\_



Name: Mariam Abdalla Bunu

**Chief Officer Finance /Accounting Officer**

**County Government of Tana River**

# REPUBLIC OF KENYA



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Anniversary Towers  
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P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON COUNTY REVENUE FUND FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF TANA RIVER**

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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; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of County Revenue Fund - County Government of Tana River set out on pages 1 to 19, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant

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

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, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Governments Act, 2012 and the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Variances between the Financial Statements and Supporting Schedules**

The statement of financial performance reflects total own source revenue amounting to Kshs.203,711,731 as disclosed in Notes 10 and 11 to the financial statements. However, four (4) revenue streams with amounts totalling Kshs.10,193,270 differed with their corresponding supporting schedules amount of Kshs.5,282,530 resulting to an unreconciled variance of Kshs.4,910,740 as tabulated below: -

| <b>Component</b>           | <b>Financial Statements Amount (Kshs)</b> | <b>Supporting Schedule Amount (Kshs)</b> | <b>Variance (Kshs)</b> |
|----------------------------|---|--|------------------------|
| Public Health Service Fees | 2,072,677                                 | 0  | 2,072,677              |
| Housing                    | 5,406,780                                 | 5,282,530                                | 124,250                |
| Hospital Fees              | 2,276,063                                 | 0  | 2,276,063              |
| Hire of County Assets      | 437,750                                   | 0  | 437,750                |
| <b>Total</b>               | <b>10,193,270</b>                         | <b>5,282,530</b>                         | <b>4,910,740</b>       |

In the circumstances, the accuracy and completeness of own source revenue amounting to Kshs.203,711,731 could not be confirmed.

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

The statement of financial performance reflects transfers to County Executive and County Assembly amounts of Kshs.6,231,592,138 and Kshs.896,862,157 respectively whereas the statement of comparison of budget and actual amounts reflects an amount of Kshs.4,611,651,028 and Kshs.866,080,189 respectively, resulting to an unreconciled variance of Kshs.1,619,941,110 and Kshs.30,781,968 respectively.

Further, the statement of financial performance reflects transfers to County Executive amounting to Kshs.6,231,592,138 as disclosed in Note 12 to the financial statements. However, Note 6 of the County Executive financial statements reflects receipts from

County Revenue Fund (CRF) on Development Revenue and Special Purpose Accounts that differ with the CRF Note 12 as tabulated below:

| <b>Description</b>       | <b>Note 12 of County Revenue Fund Financial Statements Amount (Kshs)</b> | <b>Note 6 of County Executive Financial Statements Amount (Kshs)</b> | <b>Variance Amount (Kshs)</b> |
|--------------------------|--|--|-------------------------------|
| Development Revenue      | 1,530,914,218  | 1,597,739,114  | -66,824,896                   |
| Special Purpose Accounts | 458,967,524  | 392,142,628  | 66,824,896                    |

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Revenue Fund - County Government of 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 and actual on comparable basis of Kshs.9,177,723,692 and Kshs.7,641,149,803 respectively resulting in underfunding of Kshs.1,536,573,889, or 17% of the budget. Similarly, the Fund disbursed an amount of Kshs.5,477,731,217 against actual receipts of Kshs.7,641,149,803, resulting in under disbursement of Kshs.2,163,418,586, or 28% of the receipts.

The underfunding and under disbursement may have affected planned activities and could have negatively impacted service delivery to the residents of Lamu County.

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 effect of 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 Matters**

In the prior year audit report, two issues were raised under the Report on Financial Statements. These were inaccurate fund balances and unsupported other grants. Review

of the status during audit of the Fund in 2024/2025 revealed that the matters remained unresolved as at 30 June, 2025.

### **Other Information**

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

In connection with my audit on the County Revenue Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

#### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

#### **Basis for Conclusion**

#### **Non-Compliance with Public Sector Accounting Standards Board Financial Reporting Requirements**

The financial statements submitted for audit did not comply with the Public Sector Accounting Standards Board Financial Reporting Requirements as the statement of cash flows does not have corresponding disclosure Notes to the financial statements.

In the circumstances, Management did not comply with the Public Sector Accounting Standards Board's financial reporting requirements.

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 (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 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 ISSAI 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**

**15 December, 2025**

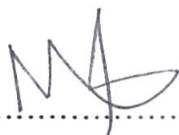
County Government of Tana River

County Revenue Fund

Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June 2025

8. Statement of Financial Performance for the Year ended 30 June 2025

| Description                                   | Notes | 2024 - 2025            |
|---|-------|------------------------|
|   |       | Kshs.                  |
| <b>Revenue from Non-exchange Transactions</b> |       |                        |
| Exchequer Releases                            | 6     | 7,367,974,537          |
| Transfers from other Government Agencies      | 7     | 180,914,812            |
| Other Grants                                  | 8     | 0                      |
| Return to CRF from County Entities            | 9     | 3,905                  |
| Non-Exchange Own Source Revenue               | 10    | 187,957,931            |
|   |       |                        |
| <b>Revenue from Exchange Transactions</b>     |       |                        |
| Exchange Own Source Revenue                   | 11    | 15,753,800             |
| <b>Total Revenue</b>                          |       | <b>7,752,604,985</b>   |
|   |       |                        |
| <b>Expenses</b>                               |       |                        |
| Transfers to County Executive                 | 12    | 6,231,592,138          |
| Transfers to County Assembly                  | 13    | 896,862,157            |
| Other Transfers                               | 14    | 0                      |
| <b>Total Expenses</b>                         |       | <b>(7,128,454,295)</b> |
| <b>Surplus for the Year</b>                   |       | <b>624,150,690</b>     |



Name: Mariam Abdalla Bunu

Chief Officer - Finance

Date: 13/10/25



Name: Tolah Berhe Yonnah

Principal Accountant

ICPAK Member No.: 4824

Date: 13-10-2025

County Government of Tana River

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Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June 2025

9. Statement of Financial Position as at 30<sup>th</sup> June 2025

| Description                                | Note | 2024 - 2025          | Opening Statement  |
|--|------|----------------------|--------------------|
|  |      | Kshs                 | 1st July 2024      |
| <b>Assets</b>                              |      |                      |                    |
| <b>Current Assets</b>                      |      |                      |                    |
| Cash and Cash Equivalents                  | 15   | 2,473,299,709        | 309,881,123        |
| Receivables from Non-Exchange Transactions | 16   | 111,455,182          | 0                  |
| Receivables from Exchange Transactions     | 17   | 0                    | 0                  |
| <b>Total Current Assets</b>                |      | <b>2,584,754,891</b> | <b>309,881,123</b> |
| <b>Total Assets (A)</b>                    |      | <b>2,584,754,891</b> | <b>309,881,123</b> |
| <b>Liabilities</b>                         |      |                      |                    |
| <b>Current Liabilities</b>                 |      |                      |                    |
| Accounts Payable                           | 18   | 1,650,723,078        | 0                  |
| <b>Total Current Liabilities</b>           |      | <b>1,650,723,078</b> | <b>0</b>           |
| <b>Total Liabilities (B)</b>               |      | <b>1,650,723,078</b> | <b>0</b>           |
| <b>Net Assets (A-B)</b>                    |      | <b>934,031,813</b>   | <b>309,881,123</b> |
| <b>Represented by:</b>                     |      |                      |                    |
| Accumulated Surplus                        |      | 934,031,813          | 309,881,123        |
| <b>Net Assets</b>                          |      | <b>934,031,813</b>   | <b>309,881,123</b> |



Name: Mariam Abdalla Bunu

Chief Officer - Finance

Date: 13/10/25



Name: Tolah Berhe Yonnah

Principal Accountant

ICPAK Member No.: 4824

Date: 13-10-2025

*County Government of Tana River*

*County Revenue Fund*

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

| <b>Description</b>              | <b>Accumulated Surplus</b> |
|---------------------------------|----------------------------|
| As at July 1, 2024              | 309,881,123                |
| Surplus/ Deficit for the Period | 624,150,690                |
| Additions During the Period     | 0                          |
| <b>As at June 30, 2025</b>      | <b>934,031,813</b>         |

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11. Statement of Cash Flows for the Year Ended 30 June 2025

|  |       | 2024 - 2025            |
|--|-------|------------------------|
|  | Notes | Kshs                   |
| <b>Cash flows from Operating Activities</b>                    |       |                        |
| <b>Receipts</b>  |       |                        |
| Exchequer Releases   |       | 7,367,974,537          |
| Transfers from other Government Agencies                       |       | 69,459,630             |
| Other Grants   |       | 0                      |
| Return to CRF from County Entities                             |       | 3,905                  |
| Own Source Revenue   |       | 203,711,731            |
| <b>Total Receipts</b>  |       | <b>7,641,149,803</b>   |
| <b>Payments</b>  |       |                        |
| Transfers to County Executive (Operating Activities)           |       | (4,611,651,028)        |
| Transfers to County Assembly (Operating Activities)            |       | (866,080,189)          |
| Other Transfers  |       | (0)                    |
| <b>Total Payments</b>  |       | <b>(5,477,731,217)</b> |
| <b>Net Cash flows from/(used in) Operating Activities</b>      |       | <b>2,163,418,586</b>   |
|  |       |                        |
| <b>Cash flows from Investing Activities</b>                    |       | <b>0</b>               |
| <b>Net Cash flows from/(used in) Investing Activities</b>      |       | <b>0</b>               |
|  |       |                        |
| <b>Cash flows from Financing Activities</b>                    |       | <b>0</b>               |
| <b>Net Cash flows from from/(used in) Financing Activities</b> |       | <b>0</b>               |
|  |       |                        |
| <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>  |       | <b>2,163,418,586</b>   |
| Cash and Cash Equivalents at 1 July 2024                       | 15    | 309,881,123            |
| <b>Cash and Cash Equivalents at 30 June 2025</b>               | 15    | <b>2,473,299,709</b>   |

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County Revenue Fund  
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12. Statement of Comparison of Budget Actual Amounts for the Year Ended 30<sup>th</sup> June, 2025.

| Description                              | Original Budget<br>a<br>Kshs | Adjustments<br>b<br>Kshs | Final Budget<br>c=a+b<br>Kshs | Actual on Comparable Basis<br>d<br>Kshs | Budget Realization Difference<br>e=c-d<br>Kshs | % of Realization<br>f=d/c % |
|--|------------------------------|--------------------------|-------------------------------|---|--|-----------------------------|
| Budget Carryovers from the Previous Year | 916,814,277                  | 39,064,480               | 955,878,757                   | 543,256,204                             | 412,622,553                                    | 57%                         |
| <b>Receipts</b>                          |                              |                          |                               |   |  |                             |
| Exchequer Releases                       | 7,040,540,708                | (215,822,373)            | 6,824,718,335                 | 6,824,718,333                           | 2  | 100%                        |
| Transfers from other Government Agencies | 316,030,672                  | 0                        | 316,030,672                   | 69,459,630                              | 246,571,042                                    | 22%                         |
| Other Grants                             | 763,106,534                  | (11,502,659)             | 751,603,875                   | 0                                       | 751,603,875                                    | 0%                          |
| Return to CRF from County Entities       | 176,383,253                  | 0                        | 176,383,253                   | 3,905                                   | 176,379,348                                    | 0%                          |
| Own Source Revenue                       | 96,630,600                   | 56,478,200               | 153,108,800                   | 203,711,731                             | (50,602,931)                                   | 133%                        |
| <b>Total Revenue</b>                     | <b>9,309,506,044</b>         | <b>(131,782,352)</b>     | <b>9,177,723,692</b>          | <b>7,641,149,803</b>                    | <b>1,536,573,889</b>                           | <b>83%</b>                  |
| <b>Payments</b>                          |                              |                          |                               |   |  |                             |
| Transfers to County Executive            | 8,302,107,375                | (4,125,428)              | 8,297,981,947                 | 4,611,651,028                           | 3,686,330,919                                  | 56%                         |
| Transfers to County Assembly             | 1,007,398,669                | (127,656,924)            | 879,741,745                   | 866,080,189                             | 13,661,556                                     | 98%                         |
| Other Transfers                          | 0                            | 0                        | 0                             | 0                                       | 0  | 0%                          |
| <b>Total Payments</b>                    | <b>(9,309,506,044)</b>       | <b>(131,782,352)</b>     | <b>(9,177,723,692)</b>        | <b>(5,477,731,217)</b>                  | <b>(3,699,992,475)</b>                         | <b>60%</b>                  |
| <b>Surplus/Deficit</b>                   | <b>0</b>                     | <b>0</b>                 | <b>0</b>                      | <b>2,163,418,586</b>                    | <b>(2,163,418,586)</b>                         |                             |

**Budget Notes**

1. The underperformance was due to delay in enactment of CARA by the National Parliament hence in delay of release of funds from Development Partners.

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Reconciliation table

|   | Description of Particulars   | Amount in Kshs       |
|---|--|----------------------|
|   | Actual Surplus Amounts as per the Statement of Budget                      | 2,163,418,586        |
| 1 | Basis Difference   | 0                    |
| 2 | Timing Differences   | 309,881,123          |
| 3 | Entity Differences   | 0                    |
| 4 | Classification Differences   | 0                    |
|   | <b>Closing Cash and Cash Equivalent as per the Statement of Cash flows</b> | <b>2,473,299,709</b> |

### **13. Notes to the Financial Statements**

#### **1. General Information**

The County Revenue Fund is established by and derives its authority and accountability from Article 207 of the Constitution of Kenya 2010. The Fund is wholly owned by the Tana River County Government and is domiciled in Kenya. The Fund's principal activity is to ensure that all money raised or received by or on behalf of the county government is paid into.

#### **2. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with Accrual-Basis IPSAS financial reporting under the Accrual-Basis of accounting, as prescribed by the PSASB and Section 167 of the PFM Act 2012. The Financial Statements are presented in Kenya Shillings, which is the functional and reporting currency of the Fund, all values are rounded off to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented. The financial statements are prepared on accrual basis while the cashflow statement is prepared using the direct method.

These Financial Statements were authorized for issue by the Accounting officer on 29<sup>th</sup> September 2025.

#### **Basis of Preparation**

##### **Reporting Entity**

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

##### **Revenues**

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

##### **Expenses**

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

3. Adoption of New and Revised Standards

i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

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

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

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

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| Standard  | Effective date and impact:  |
|---|---|
| IPSAS 50:<br>Exploration For<br>& Evaluation of<br>Mineral<br>Resources | <p><i>Applicable 1<sup>st</sup> January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"><li data-bbox="475 434 1450 501">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li><li data-bbox="475 501 1450 613">ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li><li data-bbox="475 613 1450 792">iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li></ol> |

*iii) Early adoption of standards*

The Entity did not early – adopt any new or amended standards in the financial year.

#### **4. Significant Accounting Policies**

##### **a) Revenue recognition**

##### **i. Revenue from non-exchange transactions**

###### **Revenue Transfers**

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

##### **ii. Revenue from exchange transactions**

###### **Own Source Revenue**

##### **b) Budget information**

The original budget for FY 2024/2025 was approved by the County Assembly on 7<sup>th</sup> August, 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Tana River County recorded additional appropriations of one on the 2024/25 budget following the governing body's approval. The Tana River County's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

##### **c) Financial instruments**

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

## **Financial assets**

### **Classification of financial assets**

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

### **Subsequent measurement**

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

### **Amortized cost**

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

### **Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

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

**Financial liabilities**

**Classification**

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

**d) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year

**e) Events after the reporting period**

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

**f) Currency**

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

**5. Significant judgments and sources of estimation uncertainty**

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

State all judgements, estimates and assumptions made if any.

*County Government of Tana River*

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**6. Exchequer Releases**

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

| <b>Description</b> | <b>2024 - 2025</b>   |
|--------------------|----------------------|
|                    | <b>Kshs.</b>         |
| Equitable Share    | 7,367,974,537        |
| Others             | 0                    |
| <b>Total</b>       | <b>7,367,974,537</b> |

**7. Transfers from Other Government Agencies**

| <b>Description</b>   | <b>2024 - 2025</b> |
|--|--------------------|
|  | <b>Kshs.</b>       |
| Road Maintenance Levy  | 69,459,630         |
| Development of Youth Polytechnics-State Department of TVETS  | 0                  |
| User Fees Foregone -Ministry of Health   | 0                  |
| World Bank - Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health                       | 0                  |
| World Bank-Kenya Urban Support Project(KUSP)-State Department of Devolution  | 32,309,300         |
| World Bank-Food Systems Resilience Project (FSRP)-State Department of Crop Development                               | 70,127,132         |
| DANIDA Grant-Primary Health Care in Devolved Context-Ministry of Health  | 9,018,750          |
| IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation, and Irrigation        | 0                  |
| SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development            | 0                  |
| (IDA) World Bank Credit-Financing locally Led Climate Programme (FLLoCA)I CCIS Grant State Department of Environment | 0                  |
| <b>Total</b>   | <b>180,914,812</b> |

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8. Other Grants

| Description  | 2024 - 2025 |
|--------------|-------------|
|              | Kshs.       |
| Donor 1      | 0           |
| Donor 2      | 0           |
| Donor 3      | 0           |
| Others       | 0           |
| <b>Total</b> | <b>0</b>    |

9. Return to CRF from County Entities

| Description                            | 2024 - 2025  |
|--|--------------|
|  | Kshs.        |
| Recurrent Account (County Executive)   | 1,005        |
| Development Account (County Executive) | 0            |
| Recurrent Account (County Assembly)    | 2,839        |
| Development Account (County Assembly)  | 61           |
| Others                                 | 0            |
| <b>Total</b>                           | <b>3,905</b> |

10. Non-Exchange Own Source Revenue

| Description                             | 2024 - 2025        |
|---|--------------------|
|   | Kshs.              |
| Cess                                    | 29,001,916         |
| Administrative Services Fees            | 442,250            |
| Single/Business Permits                 | 17,196,400         |
| Public Health Service Fees              | 2,072,677          |
| Land Rates                              | 20,675,727         |
| Technical Services Fees                 | 6,507,760          |
| County's Natural Resources Exploitation | 108,075,201        |
| Liquor Licences                         | 3,986,000          |
| Miscellaneous                           | 0                  |
| <b>Total</b>                            | <b>187,957,931</b> |

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**11. Exchange Own Source Revenue**

| <b>Description</b>           | <b>2024 - 2025</b> |
|------------------------------|--------------------|
|                              | <b>Kshs.</b>       |
| Vehicle Parking Fees         | 4,536,548          |
| Housing                      | 5,406,780          |
| Advertising                  | 0                  |
| Hospital Fees                | 2,276,063          |
| Hire of County Assets        | 437,750            |
| Proceeds from Sale of Assets | 0                  |
| Market/Trade Centre Fee      | 3,096,659          |
| Others                       | 0                  |
| <b>Total</b>                 | <b>15,753,800</b>  |

**12. Transfers to County Executive**

| <b>Description</b>       | <b>2024 - 2025</b>   |
|--------------------------|----------------------|
|                          | <b>Kshs.</b>         |
| Recurrent Account        | 4,241,710,396        |
| Development Account      | 1,530,914,218        |
| Special Purpose Accounts | 458,967,524          |
| Others                   | 0                    |
| <b>Total</b>             | <b>6,231,592,138</b> |

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13. Transfers to County Assembly

| Description              | 2024 - 2025        |
|--------------------------|--------------------|
|                          | Kshs.              |
| Recurrent Account        | 688,587,265        |
| Development Account      | 208,274,892        |
| Special Purpose Accounts | 0                  |
| Others                   | 0                  |
| <b>Total</b>             | <b>896,862,157</b> |

14. Other Transfers

| Description  | 2024 - 2025 |
|--------------|-------------|
|              | Kshs.       |
| Others       | 0           |
| <b>Total</b> | <b>0</b>    |

15. Cash and Cash equivalents

| Description                                 | 2024 - 2025          | Opening Statement 1st July 2024 |
|---|----------------------|---------------------------------|
|   | Kshs.                | Kshs.                           |
| Tana River County Revenue Fund - 1000171332 | 2,473,299,709        | 309,881,123                     |
| Others                                      | 0                    | 0                               |
| <b>Total</b>                                | <b>2,473,299,709</b> | <b>309,881,123</b>              |

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16. Receivables from Non-Exchange Transactions

| Description                | 2024 - 2025        | Opening Statement<br>1 <sup>st</sup> July 2024 |
|----------------------------|--------------------|--|
|                            | Kshs               | Kshs   |
| Receivables                | 111,455,182        | 0  |
| Other Non-exchange Debtors | 0                  | 0  |
| Less: Impairment Allowance | (0)                | (0)  |
| <b>Net Receivables</b>     | <b>111,455,182</b> | <b>0</b>                                       |

17. Receivables from Exchange Transactions

| Description                            | 2024 - 2025 | Opening Statement<br>1 <sup>st</sup> July 2025 |
|--|-------------|--|
|  | Kshs        | Kshs   |
| Receivables from Exchange Transactions | 0           | 0  |
| Other Debtors (Exchange Transactions)  | 0           | 0  |
| Less: Impairment Allowance             | (0)         | (0)  |
| <b>Total</b>                           | <b>0</b>    | <b>0</b>                                       |

18. Accounts Payable

| Description                   | 2024 - 2025          | Opening Statement<br>1 <sup>st</sup> July 2024 |
|-------------------------------|----------------------|--|
|                               | Kshs                 | Kshs   |
| Payables to County Executive  | 1,619,941,110        | 0  |
| Payables to County Assembly   | 30,781,968           | 0  |
| Other Transfers               | 0                    | 0  |
| <b>Total Accounts Payable</b> | <b>1,650,723,078</b> | <b>0</b>                                       |

*County Government of Tana River*

*County Revenue Fund*

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Notes to the financial statements

**19. Disclosure of Balances in Revenue Collection Accounts**

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

| <b>Name Of Bank, Account No. &amp; Currency</b>                               | <b>Amount in bank account currency*</b> | <b>Ex. rate (if in foreign currency)</b> | <b>2024 - 2025</b> | <b>Opening Statement 1<sup>st</sup> July 2024</b> |
|---|---|--|--------------------|---|
|   | <b>Kshs</b>                             | <b>Kshs</b>                              | <b>Kshs</b>        | <b>Kshs</b>                                       |
| KCB, Tana River County Gov't Revenue Collection, Account No. 1140754033, KES. | 70                                      | 1  | 70                 | 25  |
| Cash at Hand (MPesa)  | 1,156,945                               | 1  | 1,156,945          | 1,672,050   |
| <b>Total</b>  |   |  | <b>1,157,015</b>   | <b>1,672,075</b>                                  |

14. Appendices

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

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

| Reference No. | Issue / Observations from Auditor | Management comments  | Status:<br>(Resolved/ Not Resolved) | Timeframe: |
|---------------|-----------------------------------|--|-------------------------------------|------------|
| 1.            | Inaccurate Opening Fund Balance.  | The opening balance CRF of Kshs. 1,109,178,403 in the Auditor's computation is a budget figure and not actual figure. The actual audited opening fund balance, which should have been used in the computation, is Kshs. 1,041,624,735. The difference between the two figures is Kshs. 67,553,668 as a result of picking the wrong figure. | Resolved                            |            |
| 2.            | Unsupported Other Grants.         |  | Not Resolved                        |            |



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Name: Mariam Abdalla Bunu  
Chief Officer Finance  
ICPAK Member No.: 20519

Date: 13/10/25

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

| Period 2025  | Quarter 1<br>(KShs.) | Quarter 2<br>(KShs.) | Quarter 3<br>(KShs.) | Quarter 4<br>(KShs.) | Total<br>(KShs.)     |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Equitable Share  | 1,120,465,920        | 2,255,048,392        | 1,126,078,525        | 2,866,381,700        | 7,367,974,537        |
| Supplement for Construction of County Headquarters                   | 0                    | 0                    | 0                    | 0                    | 0                    |
| Road Maintenance Levy Fund (RMLF)                                    | 0                    | 0                    | 0                    | 69,459,630           | 69,459,630           |
| County Health Promoters (CHPs)                                       | 0                    | 0                    | 0                    | 0                    | 0                    |
| Allocations for Mineral Royalties                                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| DANIDA - Universal Healthcare in Devolved Units Programme            | 0                    | 0                    | 0                    | 9,018,750            | 9,018,750            |
| Kenya Urban Support Project (KUSP) - Urban Institutional Grant (UIG) | 0                    | 0                    | 0                    | 32,309,300           | 32,309,300           |
| Food Systems Resilience Project (FSRP)                               | 0                    | 0                    | 0                    | 70,127,132           | 70,127,132           |
| Kenya Devolution Support Programme (KDSP II)                         | 0                    | 0                    | 0                    | 0                    | 0                    |
| Others   | 0                    | 0                    | 0                    | 0                    | 0                    |
| <b>Total</b>   | <b>1,120,465,920</b> | <b>2,255,048,392</b> | <b>1,126,078,525</b> | <b>3,047,296,512</b> | <b>7,548,889,349</b> |

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**Appendix 3. Analysis of Receipts from Own Source Revenue per Quarter**

**(a) Non-Exchange Own Source Revenue**

| <b>Period 2025</b>                      | <b>Quarter 1<br/>(Kshs.)</b> | <b>Quarter 2<br/>(Kshs.)</b> | <b>Quarter 3<br/>(Kshs.)</b> | <b>Quarter 4<br/>(Kshs.)</b> | <b>Total<br/>(Kshs.)</b> |
|---|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------|
| Cess                                    | 7,276,000                    | 8,566,015                    | 8,877,191                    | 4,282,710                    | 29,001,916               |
| Administrative Services Fees            | 36,200                       | 20,300                       | 224,350                      | 161,400                      | 442,250                  |
| Single/Business Permits                 | 678,800                      | 296,400                      | 13,540,800                   | 2,680,400                    | 17,196,400               |
| Public Health Service Fees              | 435,700                      | 481,950                      | 792,200                      | 362,827                      | 2,072,677                |
| Land Rates                              | 48,100                       | 1,840,124                    | 17,560,755                   | 1,226,748                    | 20,675,727               |
| Technical Services Fees                 | 86,510                       | 270,350                      | 17,400                       | 6,133,500                    | 6,507,760                |
| County's Natural Resources Exploitation | 60,925,399                   | 31,686,302                   | 678,500                      | 14,785,000                   | 108,075,201              |
| Liquor Licences                         | 0                            | 16,000                       | 3,690,000                    | 280,000                      | 3,986,000                |
| Other Miscellaneous                     | 0                            | 0                            | 0                            | 0                            | 0                        |
| <b>Total</b>                            | <b>69,486,709</b>            | <b>43,177,441</b>            | <b>45,381,196</b>            | <b>29,912,585</b>            | <b>187,957,931</b>       |

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(b) Exchange Own Source Revenue

| Period 2025                  | Quarter 1<br>(Kshs.) | Quarter 2<br>(Kshs.) | Quarter 3<br>(Kshs.) | Quarter 4<br>(Kshs.) | Total<br>(Kshs.)  |
|------------------------------|----------------------|----------------------|----------------------|----------------------|-------------------|
| Property rent                | 0                    | 39,250               | 21,600               | 63,400               | 124,250           |
| Housing                      | 889,670              | 2,633,826            | 810,076              | 948,958              | 5,282,530         |
| Market fees                  | 1,048,426            | 809,683              | 501,814              | 736,736              | 3,096,659         |
| Vehicle Parking Fees         | 139,600              | 233,695              | 1,723,223            | 2,440,030            | 4,536,548         |
| Advertising                  | 0                    | 0                    | 0                    | 0                    | 0                 |
| Hospital fees                | 715,385              | 686,295              | 456,293              | 418,090              | 2,276,063         |
| Hire of County Assets        | 151,800              | 0                    | 23,500               | 262,450              | 437,750           |
| Proceeds from sale of assets | 0                    | 0                    | 0                    | 0                    | 0                 |
| Miscellaneous                | 0                    | 0                    | 0                    | 0                    | 0                 |
| <b>Total</b>                 | <b>2,944,881</b>     | <b>4,402,749</b>     | <b>3,536,506</b>     | <b>4,869,664</b>     | <b>15,753,800</b> |

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Appendix 4: Analysis of Transfers from the County Revenue Fund

| Period - 2025            | Quarter 1<br>(Kshs.) | Quarter 2<br>(Kshs.) | Quarter 3<br>(Kshs.) | Quarter 4<br>(Kshs.) | Total<br>(Kshs.)     |
|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| County Executive -Rec    | 338,166,130          | 1,292,903,161        | 1,218,431,031        | 1,392,210,074        | 4,241,710,396        |
| County Executive -Dev    | 0                    | 377,377,171          | 417,005,413          | 803,356,530          | 1,597,739,114        |
| County Assembly -Rec     | 94,756,774           | 213,057,475          | 193,098,599          | 187,674,417          | 688,587,265          |
| County Assembly -Dev     | 3,774,892            | 60,000,000           | 104,500,000          | 40,000,000           | 208,274,892          |
| Special Purpose Accounts | 144,182,620          | 4,995,000            | 4,995,000            | 237,970,008          | 392,142,628          |
| <b>Total</b>             | <b>580,880,416</b>   | <b>1,948,332,807</b> | <b>1,938,030,043</b> | <b>2,661,211,029</b> | <b>7,128,454,295</b> |