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REPORT

OF

THE AUDITOR-GENERAL

ON

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RECEIVER OF REVENUE- REVENUE
STATEMENTS

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF BOMET

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**RECEIVER OF REVENUE
COUNTY GOVERNMENT OF BOMET**

REVENUE STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

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

**Receiver of Revenue
County Government of Bomet
Revenue Statements for the Year Ended 30th June 2025**

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**Receiver of Revenue
County Government of Bomet
Revenue Statements for the Year Ended 30th June 2025**

1. Acronyms and Definition of Key Terms

a) Acronyms

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

b) Key terms

Comparative FY Comparative Prior Financial Year

Fiduciary Management The key management personnel who had financial responsibility.

**Receiver of Revenue
County Government of Bomet
Revenue Statements for the Year Ended 30th June 2025**

2. Key Entity Information and Management

(a) Background information

The Receiver of Revenue operates under the Department of Finance. At the County Executive Committee level, the Receiver of Revenue is represented by the County Executive Committee Member for Finance, who is responsible for setting the overall policy and strategic direction. The Receiver of Revenue is officially designated by the County Executive Committee Member for Finance, in accordance with Section 157 of the Public Finance Management (PFM) Act.

(b) Principal activities

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

(c) Key Management Team

The County Government of Bomet day-to-day management of revenue is under the following:

No.	Designation	Name
1.	CEC Member - Finance	Hon CPA Rosa Chepngetich
2.	Chief Officer – Finance	Milka Chepkoech Rono
3.	Director, Revenue	Dr. Richard Ronoh
4.	Head of Revenue Reporting	CPA Gilbert Langat

**Receiver of Revenue
County Government of Bomet
Revenue Statements for the Year Ended 30th June 2025**

Key Entity information and Management (continued)

(d) County Headquarters

Bomet County Government
P.O. Box 19-20400
Bomet.

(e) Entity Contacts
Telephone: (254) 0772 9911
E-mail:
info@bomet.go.ke Website
Website www.bomet.go.ke

(f) Independent Auditor

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

(g) Bankers

Kenya Commercial Bank, KCB
Telephone: (254) (254) - 522 2033
E-mail: info@kcbgroup.com.go.ke
Website: www.kcb.go.ke

(h) Principal Legal Adviser

Telephone: (254) 72 99 11 44
E-mail: info@bomet.go.ke
Website: www.bomet.go.ke

(i) County Attorney

Telephone: (254) 72 99 11 44
E-mail: info@bomet.go.ke
Website: www.bomet.go.ke

Receiver of Revenue
County Government of Bomet
Revenue Statements for the Year Ended 30th June 2025

3. Foreword by the CECM Finance and Economic Planning

The Bomet County Government, established under the framework of devolution as enshrined in Articles 6 and 174 of the Constitution of Kenya, operates in accordance with Article 176(1), which provides for the existence of county governments. Within the Department of Finance and Economic Planning, the Division of Revenue is tasked with the critical responsibility of collecting and managing local revenues on behalf of the county.

In the Financial Year **2024/2025**, Bomet County Government recorded a total local revenue collection of **Ksh 367,028,941**. This represents a notable increase of **53.92%** compared to the **Ksh 238,930,420** collected in the Financial Year **2023/2024**. Despite this growth, the amount collected constitutes **80.83%** of the projected revenue target for **FY 2024/2025**.

The leading revenue streams in the reported period were:

1. Hospital fees – Ksh 211 million
2. Property rent – Ksh 78.8 million
3. Business permits – Ksh 33.6 million

During the same financial year, a total of **Ksh 155,388,792** was transferred to the County Revenue Fund (CRF), while **Ksh 88,645** is yet to be disbursed to the CRF Fund account.

S/no	Revenue Source	Budget	Actual Collection
1	Conservancy administration	-	25,900
2	Cess	11,176,732	3,839,742
3	Land Rate	15,598,766	866,313
4	Single/Business Permits	66,850,000	33,633,845
5	Property Rent	81,050,869	78,816,304
6	Parking Fees	19,368,247	5,873,741
7	Market Fees	6,733,306	820,136
8	Advertising	3,898,160	3,308,891
9	Hospital Fees	167,178,000	211,612,307
10	Public Health Service Fees	8,540,000	1,067,935
11	Physical Planning and Development	4,745,050	145,390
12	Hire of County Assets	23,069,998	3,153,805
13	Administration Control Fees and Charges	20,361,302	12,462,448
14	Proceeds from sale of assets	21,770,000	8,701,409
15	Other Fines, Penalties and Forfeiture Fees	4,659,570	57,680
16	Miscellaneous receipts	-	2,643,094
	Totals	455,000,000	367,028,940

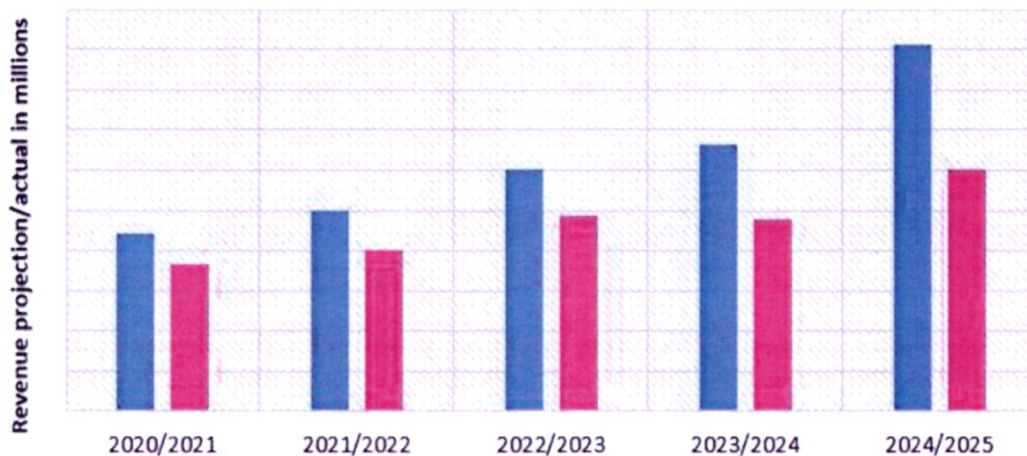
**Receiver of Revenue
County Government of Bomet
Revenue Statements for the Year Ended 30th June 2025**

Revenue Collection Trends over the Last Five Financial Years

Over the past five financial years, Bomet County has experienced a steady increase in budgeted revenue targets, reflecting the government's ambition to enhance local revenue mobilization. However, despite this upward trend in projections, actual revenue collections have consistently fallen short of the targets. For instance, in FY 2020/2021, the county collected **Ksh 183 million** against a target of **Ksh 221 million**, achieving **82.66%** of the target. By FY 2024/2025, although actual collections rose to **Ksh 367 million**, they represented **80.8%** of the **Ksh 455 million** target. This declining performance rate indicates persistent challenges in revenue collection, including overestimation of targets, economic fluctuations, and administrative inefficiencies. The growing gap between budgeted and actual revenue underscores the need for realistic forecasting, enhanced enforcement mechanisms, and improved revenue management systems.

Year	Target	Actual
2020/2021	221,421,954	183,008,302
2021/2022	250,000,000	201,501,510
2022/2023	300,000,000	244,066,652
2023/2024	332,041,830	238,980,420
2024/2025	455,750,925	367,028,941

Revenue projection vs actuals for the last five years



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COUNTY GOVERNMENT OF BOMET
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CECM - FINANCE & ECONOMIC PLANNING

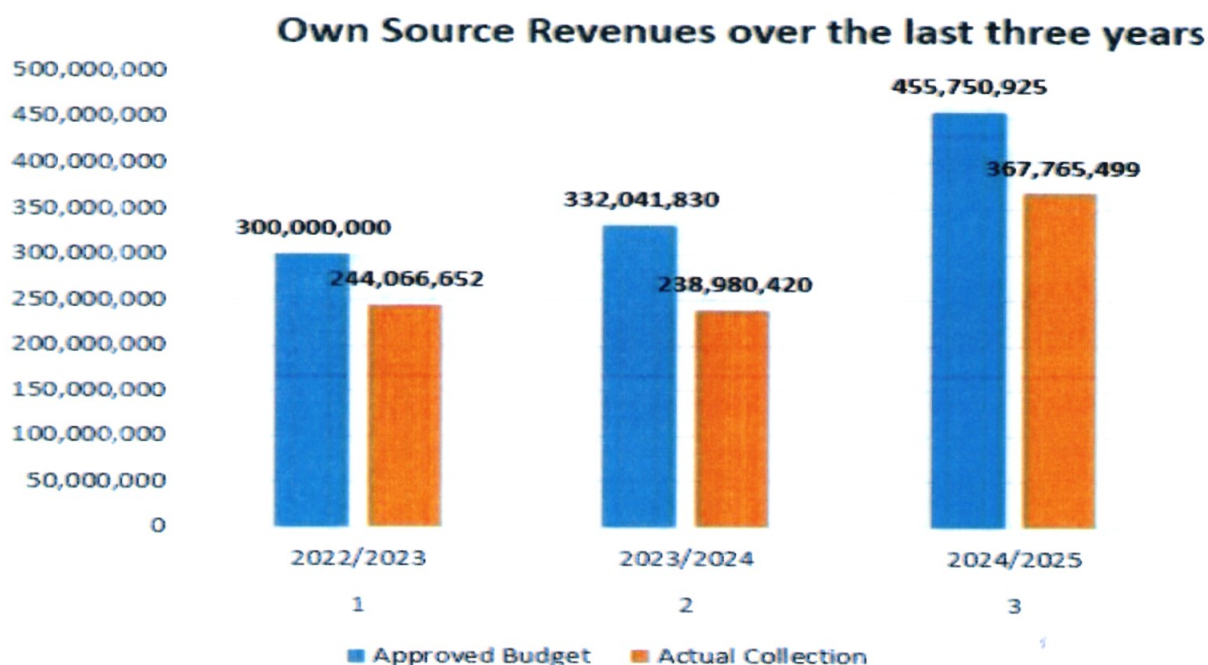
Receiver of Revenue
County Government of Bomet
Revenue Statements for the Year Ended 30th June 2025

4. Management Discussion and Analysis

In the Financial Year 2024/2025, the County Government of Bomet generated a total revenue of **Ksh 367,028,941**. This reflects a **53.92%** increase compared to the **Ksh 238,930,420** collected in the Financial Year **2023/2024**. The amount collected represents **80.82%** of the annual revenue target for the year under review.

The table below presents a summary of revenue collections over the past three financial years. **Fig 1.2 and 1.3 shows Approved budget against actual collections.**

S/no	FY	Approved Budget	Actual Collection
1	2022/2023	300,000,000	244,066,652
2	2023/2024	332,041,830	238,980,420
3	2024/2025	455,750,925	367,028,941



Report on Challenges and Mitigation Factors in Revenue Collection.

The Division of Revenue, a unit within the Department of Finance and Economic Planning, is mandated to collect revenue from various sources across the county. While revenue collection is carried out independently, its performance is significantly influenced by the prevailing economic conditions in the county.

During the Financial Year **2024/2025**, proceeds from the sale of tea at Embomos Tea Farm were severely impacted by fluctuating market prices set by the Kenya Tea Development Agency (KTDA). As a result, revenue from this source declined by **48%**, dropping from **Ksh 16 million** in **FY 2023/2024** to **Ksh 8.7 million** in **FY 2024/2025**.

Key Factors Affecting Revenue Performance

Several challenges contributed to the underperformance of revenue collection during the period under review:

- Lack of proper engagement between revenue clerks and the county government
- Inadequate and outdated taxpayer database
- Absence of a comprehensive legal framework to support enforcement
- Lack of a unified and reliable revenue collection system

Mitigation Measures

In response to these challenges, the County Government of Bomet has initiated several measures aimed at improving revenue collection. These include:

1. Improved field management of tea bushes at Embomos Tea Farm
2. Comprehensive mapping and data collection of all taxpayers
3. Integration of multiple revenue collection platforms into a single, reliable system


Conclusion

Despite the numerous challenges faced, the County Government of Bomet has made commendable efforts to address the issues affecting revenue collection. These interventions have led to notable improvements in several revenue streams. However, the agriculture sector experienced a significant decline in revenue due to the volatility of tea prices.

Moving forward, the county government remains committed to enhancing its revenue collection processes through the continued implementation of effective measures. Priority areas include:

1. Conducting county-wide taxpayer education campaigns to enhance compliance and awareness
2. Strengthening enforcement mechanisms within the county government
3. Investing in modern technology to boost efficiency and accountability in revenue collection.

Sign.....


Name.....
CPA THOMAS KOHIR


County Receiver of Revenue

Receiver of Revenue
County Government of Bomet
Revenue Statements for the Year Ended 30th June 2025

5. Statement of the Receiver of Revenue’s responsibilities

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

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


The Receiver of Revenue in charge accepts responsibility for the *Bomet County receiver of revenue* accounts, 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) and the relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the *Bomet County receiver of revenue* account gives a true and fair view of the state of the *Bomet County receiver of revenue* transactions during the financial year ended June 30, 2025, and of the *Bomet County* statement of assets and liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the *Receiver of Revenue account* as well as the adequacy of the systems of internal financial control.

The Receiver of Revenue confirms that the County Government of Bomet has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable). The Receiver of Revenue confirms that the revenue statements have been prepared in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the Revenue Statements

The *revenue* statements were approved and signed by the Receiver of Revenue on *31/08/2025* 2025

Name *CPA THOMAS KORIR*

County Receiver of Revenue *[Signature]*


REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON RECEIVER OF REVENUE- REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF BOMET

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Revenue Statements that considers whether the revenue 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 revenue statements;
- B. Report on the Lawfulness and Effectiveness in 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 the 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 Revenue 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 transitional IPSAS revenue statements of Receiver of Revenue - County Government of Bomet set out on pages 1 to 22, which comprise of the statement of financial position as at 30 June, 2025 and the statement of revenue and

Report of the Auditor-General on Receiver of Revenue - Revenue Statements for the year ended 30 June, 2025 - County Government of Bomet

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS revenue statements present fairly, in all material respects, the financial position of Receiver of Revenue - County Government of Bomet as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Unsupported Opening Balances

The statement of financial position reflects total assets opening balance of Kshs.533,936,152 and total liabilities opening balance of Kshs.533,936,152, resulting in Nil net assets. However, these balances were not supported by transition Project Co-ordination Committee report.

In the circumstance, the accuracy and completeness of total assets opening balance of Kshs.533,936,152 and total liabilities opening balance of Kshs.533,936,152 could not be confirmed.

2. Inaccuracy of Notes to the Revenue Statements

The revenue statements reflect Notes numbered 26 to 35. However, they do not align to the Notes to the revenue statements.

In the circumstance, the accuracy and completeness of Notes to the revenue statements could not be confirmed.

3. Inaccuracy of Disbursements to Another County Fund

The statement of revenue and disbursements and as disclosed in Note 25 to the revenue statements reflects disbursements to another County Fund amounting to Kshs.211,612,307. However, the amount differs with the recomputed disbursements amounting Kshs.210,794,530 resulting in unexplained variance of Kshs.817,777.

Further, review of records revealed that the amount was in respect of Hospital revenue spent at source. However, the approvals by the receiver of revenue, expenditure returns and the bank account statements in support of the revenue were not provided for audit review.

In the circumstances, the accuracy and completeness of disbursements to another County Fund amounting to Kshs.211,612,307 could not be confirmed.

4. Inaccuracy of Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents totalling Kshs.88,645. The amount includes Kenya Commercial bank account balance of Kshs.37,945 as disclosed in Note 26 to the revenue statements. However, the revenue collection bank balance differs with the Nil cashbook balance resulting in unexplained variance of Kshs.37,945.

Further, the amount includes M-pesa Pay bill account balance of Kshs.50,700. However, the cash book, account reconciliation statements and M-Pesa statements for a period of six (6) months between July and December 2024 were not provided for audit. Details of the authorizing officer responsible for overseeing and authorizing transactions for the pay bill account were also not provided for audit review.

In addition, statement reflects Cash and cash equivalent opening balance of Kshs.540,054. However, the amount differs with the prior year audited cash and cash equivalent totalling Kshs.74,029 resulting in unexplained variance of Kshs.466,025.

In the circumstances, the accuracy and completeness of cash and cash equivalents totalling Kshs.88,645 could not be confirmed.

5. Inaccuracy of Receivables from Non-Exchange Transactions

The statement of financial position reflects receivables from non-exchange transactions amounting to Kshs.670,873,265. However, the amount includes receivables totalling Kshs.528,142,962 which had remained outstanding for over one (1) year as disclosed in Note 27 to the revenue statements. However, no provision had been made for bad and doubtful debts. Management has also not made any efforts to collect these long outstanding receivables. This was contrary to Regulation 63(1) of Public Finance Management (County Governments) Regulations, 2015 which requires an accounting officer and a receiver of revenue to be personally responsible for ensuring that adequate safeguards exist and are applied for the prompt collection and proper accounting for, all County Government revenue and other public moneys relating to their County Departments or Agencies. Schedule of defaulters, land references numbers, invoices, and receivables ledgers were not provided for audit review.

In the circumstances, the accuracy and completeness of the receivables from non-exchange transactions totalling Kshs.670,873,265 could not be confirmed.

6. Inaccuracy of Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions totalling Kshs.59,716,282. However, the amount has been outstanding for more than one (1) year as disclosed in Note 28 to the revenue statements. However, no provision had been made for bad and doubtful debts. Management has also not made any efforts to

collect these long outstanding receivables. This was contrary to Regulation 63(1) of Public Finance Management (County Governments) Regulations, 2015 which requires an accounting officer and a receiver of revenue to be personally responsible for ensuring that adequate safeguards exist and are applied for the prompt collection and proper accounting for, all County Government revenue and other public moneys relating to their County Departments or Agencies.

Further, the amount includes outstanding property rent amounting to Kshs.5,500,000 as disclosed in Note 28 to the revenue statements. However, lease agreements, rent assessment/ valuation reports and records of rent arrears for the County's rented houses/ kiosks/ stalls in support of these receivables were not provided for audit review.

In addition, the amount includes Hospital fees totaling Kshs.54,216,282. However, detailed schedule indicating particulars of the patients, services rendered and amount owed by each was not provided for audit review.

In the circumstances, the accuracy, completeness and existence of receivables from exchange transactions totalling Kshs.59,716,282 could not be confirmed.

7. Inaccuracies in the Statement of Cash Flows

The statement of cash flows reflects total receipts amounting to Kshs.154,965,226. However, the amount differs with the total actual receipts on comparable basis amounting to Kshs.367,028,941 reflected in statement of comparison of budget and actual amounts resulting in unexplained variance of Kshs.212,063,715.

Further, the statement reflects Nil net cash flows from operating activities. However, the amount differs with the recomputed net cash flows from operating activities totalling Kshs.451,409 resulting in unexplained variance of Kshs.451,409.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

8. Unsupported County Own Generated Revenue

The statement of revenue and disbursements reflects total revenues amounting to Kshs.367,028,941. However, supporting schedules showing the collection points, revenue stream, name of payee, receipt number, amount paid and daily or monthly revenue collections control sheets were not provided for audit review.

Further, review of revenue records revealed that the primary source revenue documents such as official payment receipts, revenue registers, M-Pesa paybill transactions records, assessment records and reconciliations between system reports and bank statements to support the revenues received were not maintained. Instead, the revenue information was extracted from the bank statements, which did not provide sufficient detail for verifying individual transactions or ensuring traceability of each revenue stream.

In the circumstance, the accuracy and completeness of the county own generated revenue amounting to Kshs.367,028,941 could not be confirmed.

9. Unsupported Sale of Assets

The statement of revenue and disbursements and as disclosed in Note 21 to the revenue statements reflects sale of assets amounting to Kshs.8,701,409 in respect of receipts from sale of tea from Embomos Tea Farm. Review of records revealed that the Farm, which is fully owned by the County Government of Bomet sold its produce to the Kenya Tea Development Agency (KTDA). However, the contract agreement between the County Government and the Agency and purchaser statements indicating quantities delivered from the farm and quantities received at the factory were not provided for audit.

Further, physical verification carried out in July, 2025 and review of the ownership documents revealed that the County Government owns 252.5 acres of the land out of which 73 acres was under tea cultivation resulting in unutilized 179.5 acres of the farm. However, there was a dispute between Kenya Forest Service and the County Government regarding ownership of the land whose details and records were not provided for audit review. The ownership documents presented for audit revealed that the title of the farm was not in name of the County Government but instead was registered in the name of the defunct Bomet County Council. Management did not provide reasons why the title had not been transferred to the County Government. This was contrary to Regulation 132(1) of the of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer of a County Government entity to take full responsibility and ensure that proper control systems exist for assets and that preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse.

In the circumstances, the rights and obligations of the Emboros Tea Farm, and accuracy and completeness of the sales of assets receipt amounting to Kshs.8,701,409 could not be confirmed.

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

Under-Collection of County Own-Generated Revenue

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis amounts of Kshs.455,000,000 and Kshs.367,028,941

respectively resulting to under-collection of own source revenue amounting Kshs.87,971,059 or nineteen percent (19%) of the target.

The under-collection of revenue affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the 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 audit reports of the previous year, nine (9) issues were raised under the Report on Revenue Statements, Emphasis of Matter and Other Matter as shown in the table below:

Number	Financial Year	Audit Issue
		Qualified Opinion
1	2023-2024	Unsupported Cess
2	2023-2024	Inaccuracy of Property Rent
3	2023-2024	Unsupported Hospital Fees
4	2023-2024	Unsupported Public Health Service Fees
5	2023-2024	Inaccuracy of Disbursements to County Revenue Fund
6	2023-2024	Unsupported Bank Balances
7	2023-2024	Arrears in Revenue
		Emphasis of Matter
8	2023-2024	Budgetary Control and Performance
		Other Matter
9	2023-2024	Unresolved Prior Year Matters

However, Management had not resolved the issues or given any explanations for failure to implement the recommendations.

Other Information

Management is responsible for the Other Information set out on page iii to ix which comprise of Key Entity Information and Management, Forward by the County Executive Committee Member (CECM) Finance and Economic Planning, Management Discussion and Analysis, and Statement of Receiver of Revenue's Responsibility. The Other Information does not include the revenue statements and my audit report thereon.

In connection with my audit on the Receiver of Revenue'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 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 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 matters described in the Basis for Conclusion on the Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Lack of Valuation Roll

The statement of revenue and disbursements and as disclosed in Note 7 to the revenue statements reflects land rates amounting to Kshs.866,313. The land rates were based on the valuation used by the defunct County Council of Bomet .However, the valuation roll had not been updated . This was contrary to Section 30 (1) of the National Rating Act, 2024 which requires a County Government to cause preparation of a valuation roll to be undertaken in every five years on the rateable properties within the County.

In the circumstances, Management was in breach of the Law.

2. Use of Outdated Market Fees Rates

The statement of revenue and disbursements and as disclosed in Note 16 to the revenue statements reflects market fees amounting to Kshs.820,136. Review of records revealed that new rates for the market fees were approved through the Bomet County Finance Act, 2024. However, the Receiver of Revenue continued to collect market fees based on outdated rates which had expired in the financial year 2023/2024. The traders reportedly declined to comply with the new rates citing lack of public participation before implementation of the revised rates. This resulted in lost revenue of undetermined amount. No explanation or documentation was provided to justify the continued use of

the obsolete rates, and there was no evidence that efforts were made to transition to the new approved market fees.

In the circumstances, Management was in breach of the Law.

3. Lack of Official Appointment of Revenue Collectors

Review of records revealed that County employees collected and accounted for revenue without official appointments by the County Receiver of Revenue. This was contrary to Section 158(1) of the Public Finance Management Act, 2012 which states that a Receiver of Revenue for a County Government may authorize any public officer employed by that County Government or any of its entities to be a Collector of Revenue for the purpose of collecting revenue for that County Government and remitting it to the Receiver.

In the circumstances, Management was in breach of the Law.

4. Lack of Quarterly Revenue Statements

The statement of revenue and disbursements reflects revenues totalling Kshs.367,028,941 collected during the year under review. However, quarterly revenue statements were not prepared for submission to County Treasury, National Treasury and the Commission on Revenue Allocation. This was contrary to Section 158(3) of the Public Finance Management Act, 2012 which requires a Receiver of Revenue to prepare and provide quarterly revenue statements to the County Treasury with copies to the National Treasury and the Commission on Revenue Allocation.

In the circumstances, Management was in breach of the Law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the 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 THE 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, except for the effect of the matters described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Weakness of Controls in the Automation of the Revenue System

During the year under review, the Management migrated from an outsourced system to an inhouse developed County Revenue Collection System. However, there was no comprehensive project file documenting the project lifecycle including project initiation documents (proposal, feasibility study, and approvals); governance records (steering committee appointments, terms of references and procurement approvals); system design specifications (user requirements, architecture and integration); implementation documents (user acceptance testing results, migration records and training manuals); operational manuals and post-implementation records (evaluation reports, maintenance agreements, version control logs).

Further, data clean up during migration to the County revenue collection system was not done and the historical revenue data was not migrated. This led to a fragmented and loss of revenue history and significant inaccuracies in reporting and analysis.

In the circumstances, the effectiveness of internal controls of the revenue automation system could not be confirmed.

2. Failure to Fully Automate Revenue Collection

During the year under review, Management used both the manual and electronic methods of revenue collection. Review of records revealed that the County Government had sixteen (16) departments mapped in the Bomet County Revenue System comprising of thirty-three (33) main revenue streams which were further disaggregated into eighty-nine (89) sub-revenue streams. However, out of the thirty-three (33) revenue collection streams configured in the system, only fourteen (14) were fully operational, while nineteen (19) streams remained non-functional thereby resulting to continued collection of revenues manually.

In the circumstance, the efficiency and effectiveness of the revenue collection could not be confirmed.

3. Lack of Integration of Revenue Systems

Review of records revealed that revenue amounting to Kshs.155,715,043 collected through the County's Safaricom Paybill and bank accounts could not be traced to specific revenue streams since the transactions lacked adequate descriptions to indicate the nature of revenue. Further, the BometPay system did not have an integrated reconciliation mechanism to link collections from the two platforms to the respective revenue categories.

In addition, the revenue collection Pay bill account was not integrated with collection bank account maintained in a local commercial bank to ensure automatic and regular periodic transfer of funds but instead required human intervention which was prone to manipulation of records.

In the circumstances, effectiveness of internal controls on the revenue management systems could not be confirmed.

4. Weakness in Invoicing and Receipting in Bomet County Revenue System

Review of records and Bomet County Revenue System (BometPay) revealed the following anomalies:

- i. Comparison of invoices raised against corresponding receipts revealed that there were invoices totaling Kshs.389,665 with corresponding receipts of Kshs.41,195, resulting in an unexplained variance of Kshs.348,470. Similarly, receipts totalling Kshs.857,148 were received against invoices amounting to Kshs.719,550.31, resulting in an unexplained overpayment of Kshs.137,597.69.
- ii. Analysis of the system generated invoices revealed that the BometPay system allowed generation of duplicate invoice numbers. Further, there were instances where the system generated negative invoices amounting to Kshs.113,450.
- iii. One hundred and twenty-three (123) invoices with zero amounts were raised in the system. Payments received against these invoices casting doubt on the completeness of revenue reflected in the revenue statements.
- iv. The Receiver of Revenue had not implemented a standardized user-naming convention. There were instances where system users accessed the platform using personal email addresses or identification numbers instead of official County Government email accounts or unique staff identifiers.
- v. Management allowed system testing to be conducted directly within the live BometPay production environment and the system updates and modifications were implemented without prior testing in a separate testing environment.

In the circumstances, the effectiveness and efficiency of the revenue collection systems could not be confirmed.

5. Weak Controls over Hospital Fee Revenue Collection

The statement of receipts and disbursements reflects hospital fees and public health services fees amounting to Kshs.211,612,307 and Kshs.1,067,935 respectively. However, review of records revealed that the health facilities collected revenue through standalone systems or manual processes that were not integrated with the County's main revenue management system.

In the circumstances, the Receiver of Revenue was unable to obtain real-time information on hospital collections.

6. Failure to Map Businesses for Issuance of Single Business Permits

During the year under review, all businesses within the County's jurisdiction had not been mapped and included in a comprehensive register for monitoring and issuance of single

business permits. The register maintained was only being used or updated when the businessmen presented themselves for renewal or application of the licenses. Physical verification conducted in July, 2025 within Bomet Municipality revealed that several businesses operated without valid single business permits.

Further, review of records in respect of single business permit revealed that no receipts were issued upon payment but instead the Management relied on M-Pesa messages and bank message alerts without official acknowledgement through serially numbered receipts.

In the circumstances, the effectiveness of the controls on revenues from single business permits budgeting and monitoring of revenue collection could not be confirmed.

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 (Accrual 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 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 revenue 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 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 of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the revenue 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

26 November, 2025

*Receiver Of Revenue
County Government Of Bomet
Revenue Statements for the Year Ended 30th June 2025*

7. Statement of Revenue and Disbursements for the year ended 30th June 2025

	Note	FY 2024/25
		Kshs
Revenue from non-exchange transactions		
Cess	6	3,839,742.00
Land Rates	7	866,313
Single/Business Permits	8	33,633,845
Conservancy administration	9	25,900
Administration Control Fees and Charges	10	12,462,448
Other Fines, Penalties, And Forfeiture Fees	11	57,680
Public Health Service Fees	12	1,067,935
Physical Planning and Development	13	145,390
Total Revenue from non-exchange transactions		52,099,253
Revenue from exchange transactions		
Parking Fees	15	5,873,741
Market Fees	16	820,136
Property Rent	17	78,816,304
Advertising	18	3,308,891
Hospital Fees	19	211,612,307
Hire of County Assets	20	3,153,805
Sale of assets	21	8,701,409
Miscellaneous Receipts		2,643,094
Total Revenue from exchange transactions		314,929,687
Total Revenues (a)		367,028,941
Disbursements		
Disbursements To CRF	24	(155,388,792)
Disbursements to another County Fund	25	(211,612,307)
Bank charges	26	(27,843)
Waivers and exemptions	27	(-)
Bad debts written off	28	(-)

Receiver Of Revenue
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Revenue Statements for the Year Ended 30th June 2025

Provision for bad debts	29	(-)
Total Disbursements and other charges (b)		(367,028,941)
Other gains/(losses)		
Gain/Loss on foreign exchange transactions	30	-
Increase/Decrease in Dues to County Revenue Fund		-

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 8/11/ 2025 and signed by:



.....
Name **CPA THOMAS IKORIR.**
County Receiver of Revenue
(Ref: PFM ACT section 165, 2(a))




.....
Name **GILBERT LANTANI**
Head of Revenue Reporting
ICPAK M/No **21599**

*Receiver Of Revenue
County Government Of Bomet
Revenue Statements for the Year Ended 30th June 2025*


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

	Note	FY 2024/25	Opening Statement 1 st July 2024
		Kshs	Kshs
Current Assets			
Cash and Cash Equivalents	31	88,645	540,054
Receivables from non-Exchange transactions	32	670,873,265	506,315,658
Receivables from Exchange transactions	33	59,716,282	27,080,440
Total Current Assets			
Total Assets		730,678,192	533,936,152
Financial Liabilities			
Payables-Due to CRF	34	88,645	540,054
Payables due to CRF	35	730,589,547	533,396,098
Total Financial Liabilities		730,678,192	533,936,152

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 8/1/25 2025 and signed by:


 Name CPA THOMAS KORIR.
 County Receiver of Revenue




 Name GILBERT LOMAI
 Head of Revenue Reporting
 ICPAK M/No 25899

*Receiver Of Revenue
County Government Of Bomet
Revenue Statements for the Year Ended 30th June 2025*

9. Statement of Cash Flows for the Year Ended 2025

	Note	FY 2024/25
		Kshs
Operating Activities		
Receipts		
Cess		3,839,742
Land Rate		866,313
Single/Business Permits		33,633,845
Administration Control Fees and Charges		12,462,448
Other Fines, Penalties, And Forfeiture Fees		57,680
Public Health Service Fees		1,067,935
Physical Planning and Development		145,390
Parking Fees		5,873,741
Market Fees		820,136
Property Rent		78,816,304
Advertising		3,308,891
Hospital Fees		47,784
Hire of County Assets		3,153,805
Sale of assets		8,701,409
Conservancy administration		25,900
Miscellaneous receipts		2,143,902
Total Receipts		154,965,226
Payments		
Disbursements To CRF		(155,388,792)
Bank charges		(27,843)
Total Payments		(155,416,635)
Net Cash from operating Activities		
Cash and Cash Equivalent as at 1 st July 2024	31	540,054
Cash and Cash Equivalent as at 30th June 2025	31	88,645

*Receiver Of Revenue
County Government Of Bomet
Revenue Statements for the Year Ended 30th June 2025*

10. Statement of Comparison of Budget vs Actual Amounts for Year Ended 30th June 2025

Receipts	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% of Realization
	A	B	C=A+B	D	E=C-D	F=D/C %
County Own Source Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Cess	11,176,732	-	11,176,732	3,839,742	7,336,990	56%
Land Rate	15,598,766	-	15,598,766	866,313	14,732,453	26%
Single/Business Permits	66,850,000	-	66,850,000	33,633,845	33,216,155	44%
Parking Fees	19,368,247	-	19,368,247	5,873,741	13,494,506	42%
Market Fees	6,733,306	-	6,733,306	820,136	5,913,170	49%
Property Rent	81,050,869	-	81,050,869	78,816,304	2,234,565	96%
Advertising	3,898,160	-	3,898,160	3,308,891	589,269	79%
Hospital Fees (FIF)	167,178,000	-	167,178,000	211,612,307	-44,434,307	127%
Public Health Service Fees	8,540,000	-	8,540,000	1,067,935	7,472,065	11%
Physical Planning and Development	4,745,050	-	4,745,050	145,390	4,599,660	21%
Hire of County Assets	23,069,998	-	23,069,998	3,153,805	19,916,193	8%
Administration Control Fees and Charges	20,361,302	-	20,361,302	12,462,448	7,898,854	61%
Proceeds from sale of assets	21,770,000	-	21,770,000	8,701,409	13,068,591	40%
Other Fines, Penalties, and Forfeiture Fees	4,659,570	-	4,659,570	57,680.00	4,601,890	2%
Conservancy Administartion	-	-	-	25,900	-25,900	100
Total County Own Source Revenue	455,000,000	-	455,000,000	364,385,846	90,614,154	81%
Miscellaneous Receipts	-	-	-	2,643,094	-2,643,094	-
Total Receipts	455,000,000	-	455,000,000	367,028,941	87,971,059	81%


Receiver Of Revenue
County Government Of Bomet
Revenue Statements for the Year Ended 30th June 2025

Commentary on significant over/under realization (below 90% of realization) and any over realization

- (a) Cess-Collection of cess in quarries, livestock sales were affected by weather conditions.
- (b) Land Rates -Most of the rate payers did not honour demand notices that were given to them
- (c) Proceeds from sale of assets (team from Embomos)-
fluctuation of tea prices in the market affected the collections
- (d) Single Business permits.**
Limited enforcement capacity that is weak enforcement mechanisms reduce deterrence and allow non-compliance to thrive.
- (e) Hospital fees.**
Over performance is due to improved billing efficiency and expanded services covered by SHA.

The County Receiver of Revenue's financial statements were approved on 8/4/ 2025 and signed by:


.....
Name **CPA THOMAS KORIR**
County Receiver of Revenue



.....
Name **LEAH BHAT**
Head of Revenue Reporting
ICPAK M/No **21559**

**Receiver of Revenue
County Government of Bomet
Revenue Statements for the Year Ended 30th June 2025**

11. Notes to the Financial Statements

1. General Information

Bomet County Receiver of Revenue was appointed by the CEC member of Finance of Bomet County Government in accordance with section 157 of the PFM Act. The Entity's principal activity is as outlined in the appointment letter and section 157 of the PFM Act.

2. 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) Accrual Basis of Accounting and relevant legal framework of the County Government Bomet. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/year financial statements are transitional financial statements and the following elements of the financial statements have not been recognized as the entity has taken advantage of the transition provisions outlined in IPSAS 33. (entity to state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual).

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

The Financial statements were authorized for issue by the Accounting Officer on 28th August 2025

**Receiver of Revenue
County Government of Bomet
Revenue Statements for the Year Ended 30th June 2025**

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 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for</p>

Receiver of Revenue
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Standard	Effective date and impact:
	infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<p><i>Applicable 1st 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"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	<p><i>Applicable 1st 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>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st 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>

**Receiver of Revenue
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IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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.
Standard	Effective date and impact:
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

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

**Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies**

4. Significant Accounting Policies

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

i) Revenue from non-exchange transactions

Fees, taxes, fines and charges

The *Receiver of Revenue* recognizes revenues from fees, taxes, fines and charges when the event occurs and the asset recognition criteria is met. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

ii) Revenue from exchange transactions

Rendering of services

The *Receiver of Revenue* recognizes revenue from the rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Entity.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

**Receiver of Revenue
County Government of Bomet
Revenue Statements for the Year Ended 30th June 2025**

iii) Budget

The County Revenue budget is developed on cash basis. The budget has 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 May 2024 for the period 1st July 2024 to 30 June 2025. There was one number of supplementary budgets passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

The County Government of Bomet's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 7 of these financial statements.

iv) 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.

v) Revenue in Arrears

Revenue in arrears relate to revenue earned and is yet to be received or collected by the receiver of revenue. These arrears are presented as receivables from exchange and non- exchange transactions in the statement of financial position. These receivables are assessed for impairment on a continuous basis. The details of these arrears are presented as an appendix to the financial statements under the statement of arrears as required under the PFM Act, 2012 Section 165 (2) (b).

Receiver of Revenue
County Government of Bomet
Revenue Statements for the Year Ended 30th June 2025

vi) Disbursements to CRF

The Receiver of Revenue has an arrangement for transfer of funds from its bank account to the CRF account. Total disbursements to the CRF are as a result of the transfer arrangement during the year. This is done on weekly basis.

vii) Payables due to CRF

These relate to amounts yet to be disbursed to the County Revenue Fund at the end of the period. The amount also includes monies that are yet to be collected by the receiver of revenue at the end of the reporting period.

viii) Comparative Figures

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

ix) Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended June 30, 2025.

5. *Significant Judgments and Sources of Estimation Uncertainty*

The preparation of the *Entity'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.

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

Receiver of Revenue
County Government of Bomet
Revenue Statements for the Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

6. Cess

Description	FY 2024/25
	Kshs
Farm produce	3,007,814
Quarrying	379,401
Livestock	452,527
Total	3,839,742.00

7. Land rates

Description	FY 2024/25
	Kshs
Land rates	866,313.00
Total	866,313.00

8. Single /Business Permits

Description	FY 2024/25
	Kshs
Business permit application fees	752,475.00
Annual Business permit fees	32,881,370
Total	33,633,845

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9. Conservancy Administration

Description	FY 2024/25
	Kshs
Noise control	6,800
Refuse disposal fees	19,100
Total	25,900

10. Administration Control Fees and Charges

Description	FY 2024/25
	Kshs
Weights and measures	415,400
Slaughter Fee	351,046
Meat Inspection Fee	289,895
Movement Permit	110,010
Group Registration Fee	500
Library Service Fee	5,042
Liquor License	11,001,205
Liquor Application Fee	263,400
Audit fee	15,350
Devolved units	10,600
Total	12,462,448

11. Other Fines, Penalties and Forfeitures

Description	FY 2024/25
	Kshs
Impounding Fees	57,680.00
Total	57,680.00

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12. Public Health Service Fees

Description	FY 2024/25
	Kshs
Public health permit and issuance of hygiene license	985,920
Medical certificate	82,015
Total	1,067,935

13. Physical Planning and Development

Description	FY 2024/25
	Kshs
Building plans approval	145,390.00
Total	145,390.00

14. Donations and Grants Not Received Through CRF

Description	FY 2024/25
	Kshs
Donations	-
Grants	-
Total	-

15. Parking Fees

Description	FY 2024/25
	Kshs
Street parking fees	2,046,230
Reserved parking	597,650
Motorbike fees	5,250
Bus Park fees	3,224,611
Total	5,873,741

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16. Market Fees

Description	FY 2024/25
	Kshs
Market entry fees	820,136
Total	820,136

17. Property Rent

Description	FY 2024/25
	Kshs
County Housing	129,552
Tenancy Agreement	78,686,752
Total	78,816,304

18. Advertising

Descriptions	FY 2024/25
	Kshs
Branding	3,308,891
Total	3,308,891

19. Hospital Fees

Description	FY 2024/25
	Kshs
Level 5 hospitals	100,836,154
Level 4 hospitals	62,649,629
Dispensaries	48,126,524
Total	211,612,307

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20. Hire of County Assets

Description	FY 2024/25
	Kshs
Agricultural Mechanization Services (AMS)	27,000
Hire of Machines and Equipment	3,063,225
Hire of County Stadia	63,580
Total	3,153,805

21. Sale of assets.

	FY 2024/25
	Kshs
Receipts from Sale of Tea (Embomos Tea Farm)	8,701,409
Total	8,701,409

23. Miscellaneous Revenues

Description	FY 2024/25
	Kshs
Unreceipted revenue	2,643,094
Total	2,643,094

24. Disbursements to CRF

Description	FY 2024/25
	Kshs
Quarter 1	6,270,000
Quarter 2	20,130,000
Quarter 3	83,774,500
Quarter 4	45,214,292
Total	155,388,792

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25. Disbursement to another County Fund

Description	FY 2024/25
	Kshs
Quarter 1	13,317,126
Quarter 2	28,318,984
Quarter 3	48,126,525
Quarter 4	121,031,895
Total	211,612,307

26. Cash and Cash Equivalents

Name of Bank, Account No. & currency	Amount	Exc. rate (if in foreign currency)	FY 2024/25	Opening Statement 1 st July 2024
			Kshs	Kshs
Kenya Commercial Bank, 1143078756 ksh	37,975	-	37,975	437,666
M-pesa paybill business no 214444	50,670	-	50,670	102,388
Total	88,645	-	88,645	540,054

27. Receivables for non-exchange transactions

Description	FY 2024/25	Opening Statement 1 st July 2024
	Kshs	Kshs
Receivables		
Land rates	670,873,265	506,315,658
Sub total	670,873,265	506,315,658
Less impairment Allowance	-	-
Total Current Receivables	670,873,265	506,315,658

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Ageing analysis for Receivables from Non-exchange transactions

Description	FY2024/25		Opening Statement 1 st July 2024	
	Current FY	% of the total	Opening Balance	% of the total
	Kshs		Kshs	
Less than 1 year	142,730,303	19.54%	142,730,303	19.54%
Between 1- 2 years	48,161,198	14.01%	102,377,480	14.01%
Between 2-3 years	0	-	-	-
Over 3 years	479,981,764	66.45%	485,481,764	66.45%
Total (a+b)	670,873,265	100	730,589,547	100

28. Receivables from exchange transactions

Description	FY 2024-25	Opening Statement 1 st July 2024
	Kshs	Kshs
Total receivables		
Property rent	5,500,000	5,500,000
Hospital Fees	54,216,282	21,580,440
Less: impairment allowance	(-)	(-)
Total receivables	59,716,282	27,080,440

Ageing analysis for total receivables in exchange transactions

Description	FY 2024/25		FY 2024/25	
	Current FY	% of the total	Comparative FY	% of the total
	Kshs		Kshs	
Less than 1 year	-	-		
Between 1- 2 years	54,216,282	90.78%	54,216,282	90.78%

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Between 2-3 years	-	-		
Over 3 years	5,500,000	9%	5,500,000	9%
Total (a+b)	59,716,282	100%	59,716,282	100%

29. Payables- Due To CRF

Payables	FY 2024/25	Opening Statement 1st July 2024
	Kshs	
Amount collected yet to be disbursed to CRF	88,645	540,054
Amount billed and yet to be collected for disbursement to CRF	730,589,547	533,396,098
Total Due to CRF	730,678,192	533,936,152

Movement Disclosure on Dues to CRF

Description	Amount
	Kshs
Opening Dues to CRF	540,054
Decrease in Dues to CRF	(502,109)
Closing Dues to CRF	37,945

30. Revenue received in advance

Description	Period ended 2025	Opening Statement 1st July 2025
	Kshs	Kshs
	-	-
	-	-

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12. Appendices

Appendix 1: Progress on follow up of prior Year Auditor Recommendations.

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

Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Status: / Not Resolved	Timeframe: (Put a date when you expect the issue to be resolved)
1	Under-Collection of County Own-Generated Receipts	Strengthening enforcement laws, increasing capacity building and fully automation of all revenue streams	Not resolved	-
2	Unsupported County Own Generated Receipts	Done	Resolved	-
3	Long Outstanding Land Rate and Property Rents	Full automation is a work in progress	Not resolved	-

.....
 Name **CPA THOMAS KORIR**
 County Receiver of Revenue

Date



.....
 Name **KILBERI LANTAI**
 Head of Revenue Reporting
 ICPAK M/No **21549**
 Date **8/11/25**

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Appendix 2: Statement of Arrears of Revenue as at 30th June 2025

Classification Of Receipts (Indicate As Applicable)	Balance as at The beginning of the current year (1 st July 2024) A	Arrears received during the year. B	Additions in arrears for the current year to June 30, 2025 C	Total arrears as at 30 June 2025 D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Land rate	506,315,658	-	164,557,607	670,873,265	Demand notices have been issued to land rate payers. Furthermore revenue administration laws have been enacted.	Done
Property Rent	5,500,000	(18,098,017)	18,098,017	5,500,000	Kipsigis Highland has been issued with a demand notices	Ongoing
Hospital Fees	21,580,440	-	32,635,842	54,216,282	Claims have been made to SHA/SHIF	Ongoing
Total Arrears	<u>533,396,098</u>	<u>18,098,017</u>	<u>215,291,466</u>	<u>730,589,547</u>		

.....
 Name **CPA THOMAS KORIR.**
 County Receiver of Revenue
 (Ref: PFM ACT section 165, 2(a))



.....
 Name **KILESHI KARAI**
 Head of Revenue Reporting
 ICPAK M/No **21599**

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Appendix 3: Ageing Analysis of Revenue in Arrears

Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Cess					
Land rate	123,397,191	102,377,480	-	445,098,594	670,873,265
Single/business permits					
Property rent	-	-	-	5,500,000	5,500,000
Hospital fees	21,580,440	-	-	32,635,842	54,216,282
Total	144,977,631	102,377,480	-	483,234,436	730,589,541

Appendix 4: A Report of Waivers and Variations of Fees or charges granted by the Receiver of Revenue during the year.

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

(PFM ACT section 165 subsection 4, 5)


 ----- Sign
 and date Accounting Officer

