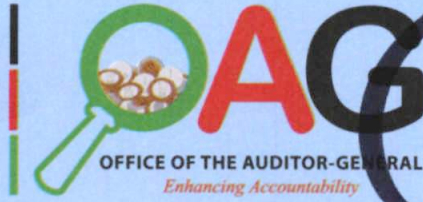


REPUBLIC OF KENYA



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OFFICE OF THE AUDITOR-GENERAL  
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# REPORT

OF

## THE AUDITOR-GENERAL

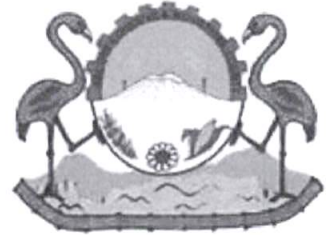
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## COUNTY REVENUE FUND

FOR THE YEAR ENDED  
30 JUNE, 2025

COUNTY GOVERNMENT OF NAKURU

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## COUNTY REVENUE FUND

*County Government of Nakuru*

## 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)

*County Government of Nakuru*  
*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

ADP	Annual Development Plan
AIE	Authority to Incur Expenditure
CA	County Assembly
CARA	County Allocation of Revenue Act
CBK	Central Bank of Kenya
CECM	County Executive Committee Member
CE	County Executive
CG	County Government
CHG	Community Health Promoters
CIDP	County Integrated Development Plan
COG	Council of Governors
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
CT	County Treasury
DANIDA	Danish International Development Agency
FFLoCA	Financing locally Led climate programme
IPSAS	International Public Sector Accounting Standards
FY	Financial Year
KDSP	Kenya Devolution Support Program
KeLCoP	Kenya Livestock Commercialization Project
KISIP II	Kenya Informal Settlement Improvement Project
KRB	Kenya Roads Board
Kshs	Kenya Shillings
KTDA	Kenya Tea Development Authority
KUSP	Kenya Urban Support Programme
MCA	Member of County Assembly
NAVCDP	National Agricultural Value Chain Development Project
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OSR	Own Source Revenue
PFM	Public Finance Management

County Government of Nakuru

County Revenue Fund

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

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PSASB Public Sector Accounting Standards Board

UDG Urban Development Grant

WB World Bank

**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	- Stephen Iribe Njogu

### c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CECM Finance and Economic Planning	- Stephen Iribe Njogu

### d) Fiduciary Oversight Arrangements

#### - *Audit and Finance committee activities*

The committee has been overseeing and monitoring financial reporting and related internal controls.

#### - *Senate Committee Activities*

The committee provides a forum for engagement between the County and the National executive. It serves as a channel of communication.

#### - *County Assembly*

Public Accounts and Investment Committee

The committee was formed to provide oversight on the County's finances. The committee held mandatory meetings during the year. Additionally, it also held extra sittings to deal with rising matters.

- ***Development partner oversight activities***

The partners have responsibility for the planning, implementation and quality assurance of the developments.

- ***Controller of Budget***

The office is established under Article 228 of the constitution to oversee and report on implementation of the budgets of both National and County Governments.

- ***Office of the Auditor General***

The office of the Auditor General has continually conducted independent audits in accordance with acceptable, professional and ethical standards and issued reports on the use of public resources.

**e) County Headquarters**

P.O. Box 2870-20100  
New Town Hall Building  
Moi Road  
Nakuru, Kenya

**f) County Executive Contacts**

Telephone: (051) 221-6472  
E-mail: [info@nakuru.go.ke](mailto:info@nakuru.go.ke)  
Website: [www.nakurucounty.go.ke](http://www.nakurucounty.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  
New Town Hall Building  
Moi Road  
P.O. Box 2870-20100  
Nakuru, Kenya



*County Government of Nakuru*

*County Revenue Fund*

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

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**j) County Attorney**

New Town Hall Building

Moi Road

P.O. Box 2870-20100

Nakuru, Kenya

### 3. Statement by the CECM Finance

I am pleased to present the financial statements of the County Revenue Fund for the County Government of Nakuru, covering the financial year ending on June 30, 2025. These financial statements give an overview of the County Government's financial performance during the period spanning from 1<sup>st</sup> July, 2024, to 30<sup>th</sup> June, 2025. In accordance with Article 202 of the Kenyan Constitution, revenue generated at the national level is required to be distributed equitably between the National Government and the County Governments. Additionally, County Governments can get allocations from the national government's portion of revenue. As such, County Governments may access additional financial resources based on the National Government's discretion, and this mechanism fosters a balanced and responsive fiscal framework. The equitable allocation of resources to the Counties is determined by the County Allocation of Revenue Act. The Commission on Revenue Allocation is responsible for ensuring equal distribution of financial resources to the Counties, a process that is subsequently ratified by Parliament, as stipulated in Article 217 of the Constitution.

The analysis below reveals the transfer to CRF for the financial year ending on June 30<sup>th</sup>, June 2025.

Exchequer	Kshs. 13,666,998,494
OSR transfer to CRF	Kshs. 1,781,520,886
Domestic and foreign grants	Kshs. 243,564,267

Out of the budgeted revenue, the County Revenue Fund received Kshs.15,692,367,410 indicating a 71% performance in revenue fund.

Revenue Classification	Budget Kshs	Actual Kshs
Exchequer Releases	13,666,997,646	13,666,998,494
OSR transfer to CRF	2,381,881,659	1,781,520,886
Domestic and Foreign Grants	2,020,455,846	243,564,267
Return to CRF issues	3,913,857,161	283,763
<b>Total</b>	<b>21,983,192,312</b>	<b>15,692,367,410</b>

**NOTE:** These figures excludes Facility Improvement Funds.

The budgeted amounts for domestic and foreign grants were Kshs. 2,020,455,846 and the actual amounts received in the CRF were Kshs. 243,564,267 with a short fall of Kshs. 1,776,891,579 as analysed here below.

Revenue Classification	Budget Kshs	Actual Kshs	Variance
Donor Grants (DANIDA) Supported Primary Health Care	16,136,250	-	16,136,250
Kenya Devolution Support Program (KDSP) II Level I	37,500,000	-	37,500,000
Kenya Livestock Commercialization Project (KeLCoP)	38,280,000	-	38,280,000

County Government of Nakuru

County Revenue Fund

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


NAVCDP-National Agricultural Value Chain Development Project	151,515,152	-	151,515,152
Kenya Urban Support Project (KUSP) - Urban Institutional Grant	35,000,000	-	35,000,000
Aggregated Industrial Parks Programme	52,631,579	52,631,579	-
Leasing of Medical Equipment			
20% County Allocation for mineral Royalties	1,562	-	1,562
KUSP UDG Interest Earned			
KTDA Tea Cess Revenue	66,876,079	-	66,876,079
Conditional Grant for the provision of fertilizer subsidy programme	234,883,209	-	234,883,209
Conditional Grant -Kenya Livestock value chain support project			
Equalisation Fund allocation (Soin Ward in Rongai)	6,435,119	-	6,435,119
Nutrition International fund	5,000,000	7,500,000	2,500,000
World Bank Grant Finance Locally-Led Climate Action Program, (FLLoCA) - County Climate Institution Support (CCIS) Level I	11,000,000	-	11,000,000
World Bank Grant Financing Locally-Led Climate Action (FLLoCA) Program – County Climate Resilience Investment Grant	188,211,085	-	188,211,085
Conditional Fund - World Bank - Kenya Informal Settlement Improvement Project II (KISIP II)	550,000,000	-	550,000,000
Conditional Allocation for Community Health Promoters (CHPs)	99,390,000	-	99,390,000
Conditional Grant - Road Maintenance Levy Fund	527,595,811	183,432,688	344,163,123
<b>Total</b>	<b>2,020,455,846</b>	<b>243,564,267</b>	<b>1,776,891,579</b>

**Equitable share funds for the year were disbursed to CRF as follows;**

	REFERENCE NO	AMOUNT
24/09/2024 Jul	FT24268KCHC8	1,155,441,099
17/10/2024 Aug	FT24291C41LF	1,087,473,975
14/11/2024 Sept	FT24319FM0JK	1,155,441,099
18/11/2024 Oct	FT243237LRHJ	1,087,473,975
16/12/2024 Top up	FT2435140SQ8	24,279,356
16/12/2024 Nov	FT243517M4PD	1,161,694,872
19/02/2025 Dec	FT25050RNQQ6	1,093,359,880
25/03/2025 Jan	FT250841JY5H	1,161,694,870
24/04/2025 Feb	FT25114HGNMJ	1,161,694,872
22/05/2025 March	FT2514241M6W	1,093,359,880
28/05/2025 April	FT25148F5696	1,230,029,864
20/06/2025 May	FT251718GRPB	1,161,694,872
26/06/2026 June	FT25177SY4GD	1,093,359,880
<b>Total</b>		<b>13,666,998,494</b>

**Disbursements made from the CRF**

During the period under review, Nakuru County requisitioned Kshs.15,593,236,618 from CRF of which the County executive received Kshs. 14,333,723,880 from the fund, while the County assembly requested Kshs. 1,259,512,738. The net increase in CRF account at the close of the year was Kshs.99,130,792. The balance in the CRF account at the close of the year was Kshs.2,876,721814.

Ref	Name	Position
	 Mr S. Iribe Njogu	Mr S. Iribe Njogu holds an Associate of Science from Kwame Nkruma University of Science & Technology in Business Administration He also holds a Diploma in Applied Biology from Mombasa Polytechnic University College. He is a former Managing Director at XPD Limited Accra. Former CEO Soft Ventures East African Limited; Nakuru, Nairobi, Kampala. He has over 10 years' experience in private sector. He is currently the CECM Finance and Economic Planning.

Sign .....  
**Stephen Iribe Njogu**  
**CECM Finance and Economic Planning**  
**County Government of Nakuru**

*County Government of Nakuru*

*County Revenue Fund*

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

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## 2. Management Discussion and Analysis

The Nakuru County Revenue Fund, initiated in 2013 under the provisions of the Kenyan Constitution of 2010, is subject to the stipulations outlined in Article 207 of the Constitution, along with Sections 109 and 167 of the Public Finance Management Act, 2012, which require the preparation of financial statements for the Fund for each fiscal year, as prescribed by the Public Sector Accounting Standards Board. These statements must then be submitted to the Auditor General, with a copy sent to the Commission on Revenue Allocation and the Controller of Budget. The fund has witnessed an increase in its financial inflow over the years, particularly for the last five years, where the fund receipts as equitable share were as analysed here below.

### Financial Year 2024-2025

	REFERENCE NO	AMOUNT
24/09/2024 Jul	FT24268KCHC8	1,155,441,099
17/10/2024 Aug	FT24291C41LF	1,087,473,975
14/11/2024 Sept	FT24319FM0JK	1,155,441,099
18/11/2024 Oct	FT243237LRHJ	1,087,473,975
16/12/2024 Top up	FT2435140SQ8	24,279,356
16/12/2024 Nov	FT243517M4PD	1,161,694,872
19/02/2025 Dec	FT25050RNQQ6	1,093,359,880
25/03/2025 Jan	FT250841JY5H	1,161,694,870
24/04/2025 Feb	FT25114HGNMJ	1,161,694,872
22/05/2025 March	FT2514241M6W	1,093,359,880
28/05/2025 April	FT25148F5696	1,230,029,864
20/06/2025 May	FT251718GRPB	1,161,694,872
26/06/2026 June	FT25177SY4GD	1,093,359,880
<b>Total</b>		<b>13,666,998,494</b>

### Financial Year 2023-2024

	EXCHEQUER ISSUES	REFERENCE NO.
28/07/2023 JULY	1,155,441,099.00	FT232096TRG5
25/10/2023 AUG	1,087,473,975.00	FT23298DLYZC
24/11/2023 SEPT	1,155,441,099.00	FT23328FGBFV
27/12/2023 OCT	1,087,473,975.00	FT2336199P18
25/01/2024 NOV	1,155,441,099.00	FT24025Q1QKX
20/02/2024 DEC	1,087,473,975.00	FT240512459F

County Government of Nakuru

County Revenue Fund

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

27/03/2024 JAN	1,155,441,098.00	FT24087JX5Q6
24/4/2024 FEB	1,155,441,098.00	FT24115ZB08H
24/5/2024 MAR	1,087,473,975.00	FT24145X3CD7
20/6/2024 APR	1,223,408,222.00	FT24172DJFSS
26/6/2024 MAY	1,155,441,099.00	FT24178DFPG3
26/7/2024 JUNE	1,087,473,979.00	FT24208P7BHB
<b>TOTAL</b>	<b>13,593,424,693</b>	

**Financial Year 2022-2023**

DATE	AMOUNT	REFERENCE NO.
27/09/2022	1,107,219,887.00	FT22270LFP9M
16/11/2022	1,042,089,306.00	FT22320BKP1L
29/11/2022	1,107,219,888.00	FT22333N45RH
25/01/2023	1,042,089,306.00	FT23025123B1
24/02/2023	1,107,219,887.00	FT23055SCQYX
24/03/2023	1,042,089,306.00	FT23083LTKJ0
20/04/2023	1,107,219,887.00	FT23110Z8YR8
26/04/2023	1,107,219,887.00	FT23116JBFXJ
25/05/2023	1,042,089,306.00	FT23145WRNP8
09/06/2023	1,172,350,469.00	FT23160QMZTH
20/06/2023	1,107,219,888.00	FT231716BG9P
26/06/2023	1,042,089,306.00	FT23177L9TTQ
	<b>13,026,116,323.00</b>	

**Financial Year 2021-2022**

Date	Amount	Reference number
25-08-2021	1,042,089,306.00	FT21237BD34K
23-09-2021	1,107,219,887.00	FT212660XS2C
19-10-2021	1,107,219,887.00	FT21292XDKYZ
10-12-2021	1,042,089,306.00	FT21344WKYMD
14-01-2022	1,107,219,887.00	FT220141L2X9
22-02-2022	1,042,089,306.00	FT2205358BYJ
07-04-2022	1,107,219,887.00	FT22097RWYZD
22-04-2022	1,107,219,888.00	FT221124YY59
13-05-2022	1,042,089,306.00	FT221133GS589
17-06-2022	1,172,350,469.00	FT2216846ZYW
27-06-2022	1,107,219,887.00	FT22178N6P4J
<b>Total</b>	<b>11,984,027,016.00</b>	
29-08-2022	1,042,089,307.00	FT22241704LG

**Financial Year 2020-2021**

<b>Date</b>	<b>Amount</b>	<b>Reference number</b>
13-10-2020	890,472,750	FT20287BTJWG
13-10-2020	838,092,000	FT20287BTJWG
19-01-2021	890,472,750	FT21019VVTW4
19-01-2021	838,092,000	FT21019VVTW4
19/03/2021	890,472,750	FT21078RYTGP
13/04/2021	838,092,000	FT21103MV2WQ
16/04/2021	890,472,750	FT2110608MCW
17/05/2021	890,472,750	FT21137C7XH4
23/06/2021	838,092,000	FT21174F3L87
23/06/2021	942,853,500	FT21174C84NS
30/06/2021	838,092,000	FT21181Q9D0G
02/07/2021	890,472,750	FT21183Q7SPX
<b>Total</b>	<b>10,476,150,000</b>	

## 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 Nakuru**

## **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 (*where applicable*). 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.

*County Government of Nakuru*

*County Revenue Fund*

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

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**Approval of the Financial Statements**

The County Revenue Fund's financial statements were approved and signed on 27<sup>th</sup> August 2025.

**Signature**  \_\_\_\_\_

**Name: Samwel Ndegwa**

**Chief Officer Finance /Accounting Officer**

**County Government of Nakuru**

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
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**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

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

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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 that 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 transitional IPSAS financial statements of County Revenue Fund - County Government of Nakuru Fund set out on pages 1 to 20, which comprise of the statements of financial position as at 30 June, 2025 and statement of

financial performance, statement of changes in net assets, statement of cash flows and the 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 County Revenue Fund - County Government of Nakuru 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 (including the transitional provisions permitted under IPSAS 33) and comply with the County Government Act, 2012, the Public Finance Management Act, 2012 and The National treasury and Economic Planning Circular No.3 of 14 April, 2025.

## **Basis for Conclusion**

### **1. Variance in Non-Exchange and Exchange Own Source Revenue**

The statement of financial performance reflects transfer from non-exchange own source revenue amount of Kshs.1,283,484,901 and exchange own-source revenue amount of Kshs.506,230,274 all totaling Kshs.1,789,715,175. However, the receiver of revenue – revenue statements reflect disbursements to County Revenue Fund (CRF) amount of Kshs.1,882,647,699 resulting to an unexplained and unreconciled variance of Kshs.92,932,524.

In the circumstances, the accuracy and completeness of the total non-exchange and exchange own source revenue amount of Kshs.1,789,715,175 for the financial year ended 30 June, 2025 could not be confirmed.

### **2. Variance in the Transfers to County Assembly**

The statement of financial performance reflects transfers to County Assembly amount of Kshs.1,259,512,738 as disclosed in Note 13 to the financial statements. However, the financial statements of the County Assembly indicate transfers from County Revenue Fund (CRF) amount of Kshs.1,342,828,080 resulting to an unexplained and unreconciled variance of Kshs.83,315,342.

In the circumstances, the accuracy and completeness of transfers to County Assembly amounting to Kshs.1,259,512,738 for the year ended 30 June, 2025 could the confirmed.

### **3. Unaccounted for Disbursements to Another County Fund**

The County Executive of Nakuru Receiver of Revenue - Revenue Statements under the statement of revenue and disbursements reflect disbursements to another County Fund amount of Kshs.1,960,729,790. However, the funds were not received in the County Revenue Fund (CRF) and the accountability for the funds has not been provided by way of financial statements of the recipient or beneficiary Fund. Further, Management has not

provided a detailed schedule indicating the particulars of the Fund to which the funds were disbursed.

In the circumstances, the regularity of the disbursements to another County Fund amount of Kshs.1,960,729,790 for the period ending 30 June, 2025 could not be confirmed.

#### **4. Non-Compliance with Transitional IPSAS Reporting Template**

The cover page to the annual report and financial statements indicates “Prepared in accordance with accrual basis of accounting method under international public sector accounting standards (IPSAS). This is indicative of Management failure to choose the method adopted to prepare the financial statements. Further, under Note 2 to Financial Statements on Statement of Compliance and Basis of Preparation of the financial statements, Management having taken advantage of the transitional provisions under IPSAS 33 have not indicated the elements of the financial statements that have not been recognized and the steps being taken towards full compliance with IPSAS Accrual.

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS reporting framework.

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 Nakuru 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 total revenue budget and actual on a comparable basis of Kshs.21,983,192,312 and Kshs.15,692,519,021 respectively resulting to under-funding of Kshs.6,290,673,291 or 29% of the budget. Similarly, the County made payments totaling to Kshs.12,752,910,679 against actual receipts of Kshs.15,692,519,021 resulting to an under-utilization of Kshs.2,939,608,342 or 19% of the actual receipts.

The under-funding and under-utilization 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. There were no key audit matters to communicate in my report.

## **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, an issue was raised under the Report on the Financial Statements. Review of the status during audit of the Fund in 2024/2025 revealed that the one (1) issue on variance in own source revenue amount remained unresolved.

### **Other Information**

The Management are responsible for the Other Information set out on page iv to xvii which comprise of Key Entity Information and Management, Statement by the CECM Finance and Economic planning, Management Discussion Analysis, Overview of the County Revenue Fund Operations and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and 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 ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**


**Nairobi**

**05 December, 2025**

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


Description	Notes	Insert current FY Kshs.
<b>Revenue from non-exchange transactions</b>		
Exchequer releases	6	13,666,998,494
Transfers from other government agencies	7	183,432,688
Other grants	8	60,131,579
Return to CRF	9	283,763
Non-Exchange Own Source Revenue	10	1,283,484,901
<b>Revenue from exchange transactions</b>		
Exchange Own Source Revenue	11	506,230,274
<b>Total Revenue</b>		<b>15,700,561,699</b>
<b>Expenses</b>		
Transfers to County Executive	12	14,333,723,880
Transfers to County Assembly	13	1,259,512,738
Other Transfers	14	-
<b>Total Expenses</b>		<b>15,593,236,618</b>
<b>Surplus for the year</b>		<b>107,325,082</b>

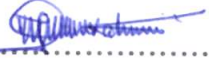
.....  
  
Name: Samwel Ndegwa  
Chief Officer - Finance

.....  
  
Name: CPA James Katiwa  
Director Accounting Services  
ICPAK Member No. 6084  
Date: 23<sup>rd</sup> October, 2025

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

Description	Note	FY 2024/2025	Opening Statement
		Kshs	1st July 2024 Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	15	5,437,147,846	2,497,539,503
Receivables from Non-Exchange Transactions	16	8,042,678	-
Receivables from Exchange Transactions	17	-	-
<b>Total Current Assets</b>		<b>5,445,190,524</b>	<b>2,497,539,503</b>
<b>Total Assets (A)</b>		<b>5,445,190,524</b>	<b>2,497,539,503</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	18	2,840,325,939	-
<b>Total Current Liabilities</b>		<b>2,840,325,939</b>	<b>-</b>
<b>Total Liabilities (B)</b>		<b>2,840,325,939</b>	<b>-</b>
<b>Net Assets(A-B)</b>		<b>2,604,864,585</b>	<b>2,497,539,503</b>
<b>Represented by:</b>			
Accumulated Surplus		2,604,864,585	2,497,539,503
<b>Net Assets</b>		<b>2,604,864,585</b>	<b>2,497,539,503</b>

.....  
  
 Name: Samwel Ndegwa  
 Chief Officer - Finance

.....  
  
 Name: CPA James Katiwa  
 Director Accounting Services  
 ICPAK Member No. 6084  
 Date: 23<sup>rd</sup> October, 2025

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

Description	As at July 1, 2024	Surplus/ deficit for the Period	Additions during the Period	As at June 30, 2025
Accumulated Surplus	2,497,539,503	107,325,082		2,604,864,585

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

		<i>FY 2024/2025</i>
	Notes	Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Exchequer releases		13,666,998,494
Transfers from other government agencies		183,432,688
Other grants		60,131,579
Return to CRF		283,763
Own Source Revenue		1,781,672,497
<b>Total receipts</b>		<b>15,692,519,021</b>
<b>Payments</b>		
Transfers to County Executive (operating activities)		(11,584,775,948)
Transfers to County Assembly (operating activities)		(1,168,134,731)
Other transfers		-
<b>Total Payments</b>		<b>(12,752,910,679)</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>2,939,608,342</b>
<b>Cash flows from investing activities</b>		
<b>Net cash flows from/(used in) investing activities</b>		
<b>Cash flows from financing activities</b>		
<b>Net cash flows from from/(used in) financing Activities</b>		
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>2,939,608,342</b>
Cash and cash equivalents at 1 July	15	2,497,539,503
<b>Cash and cash equivalents at 30 June</b>	15	<b>5,437,147,846</b>

County Government of Nakuru  
 County Revenue Fund  
 Annual Report and Financial Statements For the financial year ended 30<sup>th</sup> June 2025

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

Description	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Realization Difference e=c-d	% of Realiz- ation f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Revenue</b>						
Exchequer releases	14,133,795,185	(466,797,539)	13,666,997,646	13,666,998,494	(848)	100%
Opening balance re- appropriated	1,005,000,000	2,908,857,161	3,913,857,161		3,913,857,161	0%
Transfers from other government agencies	527,595,811	-	527,595,811	183,432,688	344,163,123	35%
Other grants	1,298,706,173	194,153,862	1,492,860,035	60,131,579	1,432,728,456	4%
Return to CRF		-	-	283,763	(283,763)	100%
Own Source Revenue	2,226,948,048	154,933,611	2,381,881,659	1,781,672,497	600,209,162	75%
<b>Total Revenue</b>	<b>19,192,045,217</b>	<b>2,791,147,095</b>	<b>21,983,192,312</b>	<b>15,692,519,021</b>	<b>6,290,673,291</b>	<b>71%</b>
<b>Expenses</b>						
Transfers to County Executive	17,771,823,459	2,868,540,773	20,640,364,232	11,584,775,948	9,055,588,285	56%
Transfers to County Assembly	1,420,221,758	(77,393,678)	1,342,828,080	1,168,134,731	174,693,349	87%
Other transfers	-	-	-	-	-	-
<b>Total Payments</b>	<b>19,192,045,217</b>	<b>2,791,147,095</b>	<b>21,983,192,312</b>	<b>12,752,910,679</b>	<b>9,230,281,633</b>	<b>58%</b>
<b>Surplus/Deficit</b>				<b>2,939,608,343</b>		

**Budget Notes**

1. 1. Transfers from other government agencies which is Kenya Roads Levy fund received Kshs.183,432,688 against a budget of Kshs.527,595,811.
  
1. 2. Most of other grants had not been received as at 30<sup>th</sup> June 2025. Kshs.60,131,579 was received against a budget of Kshs.1.492,860,035.
  
2. Changes between original and final budget is due to adjustment of carry-over amounts of Kshs.2,908,857,161 and supplemental appropriation.

### **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 County Government of Nakuru and is domiciled in Kenya. The Fund's principal activity is to receive all money raised by or on behalf of the County Government.

#### **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 18<sup>th</sup> August 2025.

#### **Basis of preparation**

##### **Reporting entity**

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

##### **Revenues**

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

##### **Expenses**

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

### 3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 46 Measurement	<p><b>Applicable 1<sup>st</sup> January 2025</b></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> <p><b>State the expected impact of the standard to the Entity if relevant</b></p>
IPSAS 47- Revenue	<p><b>Applicable 1<sup>st</sup> January 2026</b></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><b>State the expected impact of the standard to the Entity if relevant</b></p>
IPSAS 48- Transfer Expenses	<p><b>Applicable 1<sup>st</sup> January 2026</b></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><b>State the expected impact of the standard to the Entity if relevant</b></p>

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 25<sup>th</sup> June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of 1 on the 2024/25 budget following the governing body's approval. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

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

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The Fund does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* 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.

**Notes to the financial statements**

**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.

**Notes to the financial statements**

**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 xx*.

**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.

**Notes to the financial statements**

**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.

Notes to the financial statements

**6. Exchequer releases**

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

Description	Insert current FY Kshs.
Equitable Share	13,666,998,494
Others ( <i>Specify</i> )	-
<b>Total</b>	<b>13,666,998,494</b>

**7. Transfers from other government agencies\*\***

Description	Insert current FY Kshs.
Road Maintenance Levy	183,432,688
Development of Youth Polytechnics-State Department of TVETS	-
User Fees Foregone -Ministry of Health	-
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health	-
World Bank-NARIGP-State Department of Crop Development	-
World Bank Kenya Climate Smart Agriculture (KCSAP) -State Department of Crop Development	-
DANIDA Grant -Primary Health care in devolved context -Ministry of Health	-
IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation, and Irrigation	-
SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development	-
World Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development	-
UNFPA-9th County Programme Implementation -Ministry of Health	-
EU Grant (Instruments for Devolution Advice and Support- (IDEAS)-State Department of Devolution	-
KfW German Development Bank- Drought Resilience Programme in Northern Kenya (DRPNK)-Min. Water, Sanitation, and Irrigation	-
IDA World Bank National Agricultural Value Chain Development Project (NAVCDP) -State Department of Crop Development	-
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA)1 CCIS Grant State Department of .....	-
<b>Total</b>	<b>183,432,688</b>

\*\* These include other government grants released through other government entities such as the National Government MDAs.

## Notes to the financial statements

**8. Other grants\*\***

Description	Insert current FY Kshs.
Aggregated Industrial Parks Fund	52,631,579
Nutrition International Funds	7,500,000
Donor 3 ( <i>Specify</i> )	-
Others ( <i>Specify</i> )	-
<b>Total</b>	<b>60,131,579</b>

\*\* These are funds received from development partners directly to the CRF.

**9. Return to CRF**

Description	Insert current FY Kshs.
Recurrent Account ( <i>County Executive</i> )	283,763
Development Account ( <i>County Executive</i> )	-
Recurrent Account ( <i>County Assembly</i> )	-
Development Account ( <i>County Assembly</i> )	-
Others ( <i>Specify</i> )	-
<b>Total</b>	<b>283,763</b>

**10. Non-Exchange Own Source Revenue**

Description	Insert current FY Kshs.
Cess	323,154,468
Land Rates	254,953,534
Single/Business Permits	404,691,560
Conservancy Administration	16,000,380
Administration Control Fees and Charges	128,664,779
Other Fines, Penalties, And Forfeiture Fees	2,324,526
Public Health Service Fees	57,829,793
Physical Planning and Development	54,391,142
Others - Grants Not Received through CRF	41,474,718
<b>Total</b>	<b>1,283,484,901</b>

Notes to the financial statements

**11. Exchange Own Source Revenue**

Description	Insert current FY Kshs.
Property Rent	52,105,210
Parking Fees	246,854,347
Market Fees	23,428,132
Advertising	180,515,312
Hospital Fees	
Hire of County Assets	1,620,038
Sale of assets	-
Park Fees	644,000
Others ( <i>Specify</i> )Miscellaneous	1,063,235
<b>Total</b>	<b>506,230,274</b>

(The total of own source revenue should tally with disbursements from county receivers of revenue)

**12. Transfers to County Executive**

Description	Insert current FY Kshs.
Recurrent Account	10,867,692,499
Development Account	3,019,471,832
Special Purpose Accounts	446,559,549
Others ( <i>Specify</i> )	
<b>Total</b>	<b>14,333,723,880</b>

Notes to the financial statements

**13. Transfers to County Assembly**

Description	FY 2024/2025 Kshs.
Recurrent Account	1,160,158,999
Development Account	99,353,739
Special purpose accounts	
Others ( <i>Specify</i> )	
<b>Total</b>	<b>1,259,512,738</b>

These amounts do tally with receipts recorded by the County Assembly and been confirmed by both entities.

**14. Other Transfers**

Description	FY 2024/2025 Kshs.
Others ( <i>Specify</i> )	-
<b>Total</b>	<b>-</b>

(*Explain as per County Appropriation Act*)

**15. Cash and Cash equivalents**

Description	FY 2024/2025 Kshs.	Opening Statement 1st July 2024 Kshs.
County Exchequer Account - (CBK Account number 1000171607)	5,437,147,846	2,497,539,503
Others ( <i>Specify</i> )		
<b>Total</b>	<b>5,437,147,846</b>	<b>2,497,539,503</b>

## Notes to the financial statements

## 16. Receivables from Non-Exchange Transactions

Description	FY 2024/2025	Opening Statement 1st July 2024
	Kshs	Kshs
Receivables	8,042,678	-
Other non-exchange debtors ( <i>Specify</i> )	-	-
Less: impairment allowance	-	-
<b>Net receivables</b>	<b>8,042,678</b>	-

## 17. Receivables from Exchange Transactions

Description	FY 2024/2025	Opening Statement 1st July 2024
	Kshs	Kshs
Receivables from exchange transactions	-	-
Other debtors (exchange transactions)	-	-
Less: impairment allowance	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## 18. Accounts Payable

Description	Insert Current FY	Opening Statement 1st July 2024
	Kshs	Kshs
Payables to County Executive	2,748,947,932	
Payables to County Assembly	91,378,007	
<b>Total Accounts Payable</b>	<b>2,840,325,939</b>	

## Notes to the financial statements

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

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

Name Of Bank, Account No. & Currency	Amount in bank account currency*	Ex. rate (if in foreign currency)	Insert current FY	Opening Statement 1st July 20xx
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
KCB Bank Account number 1140746057	180,960			14,875
Cooperative Bank 1141521630800	944,938			30,909,963
Equity Bank 130261954816	16,745			1,361,850
ACCESS Bank 80130000007	-			276,870
Family Bank 18000053211	10,210			29,405
National Bank 1001065283400	1,828,042			6,090,068
Sidian Bank 01004710003256	4,756,573			-
Mpesa	305,210			-
<b>Total</b>	<b>8,042,678</b>			<b>38,683,031</b>

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

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. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p><b>Variance in Own Source Revenue Amount</b></p> <p>The statement of receipts and payments reflects own source revenue receipts amount of Kshs.1,923,461,777 that is at variance with the amount reflected in the statement of receipts and disbursements to County Revenue Fund from Receiver of Revenue amounting to Kshs.1,963,474,474 by Kshs.40,012,697. The variance has not been reconciled or explained. In the circumstances, the accuracy and completeness of own source revenue receipts of Kshs.1,923,461,777 could not be confirmed.</p>	<p>We agree with the Auditor’s finding that the statement of receipts and payments reflects own source revenue receipts amount of Kshs.1,923,461,777 that is at variance with the amount reflected in the statement of receipts and disbursements to County Revenue Fund from Receiver of Revenue amounting to Kshs.1,963,474,474 by Kshs.40,012,697. The reason for the variance is the time difference between when the Receiver of Revenue closed the cut-off for the period and when the financial statements period was closed.</p> <p>i. The receiver of Revenue statement was prepared between the period 1<sup>st</sup> July 2023 to 30<sup>th</sup> June 2024 while the County Revenue Fund Statements were prepared between the period of 28<sup>th</sup> July 2023 and 2<sup>nd</sup> August 2024.</p> <p>ii. The extension of the financial year end is</p>	Not Resolved	July 2025

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>due to the delay in the release of exchequer by the National treasury forcing the County beyond the stipulated 30<sup>th</sup> June as end of the financial year.</p> <p>Hon. Chair this issue of delay in release of disbursement to Counties is being addressed and we hope that we shall be able to close the financial year on 30<sup>th</sup> June of each year as stipulated by the law.</p>		

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- (iii) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National/ County Treasury.



.....  
**Name: CPA James Katiwa**  
**Director Accounting Services**  
**ICPAK Member No.6084**  
**Date 23<sup>rd</sup> October, 2025**

County Government of Nakuru  
County Revenue Fund

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

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

Period 2025	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Equitable Share	1,155,441,099	4,516,363,277	2,255,054,750	5,740,139,368	13,666,998,494
Level 5 Hospitals	-	-	-	-	-
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	-	-
World Bank – THUSCP	-	-	-	-	-
National Agricultural & Rural Inclusive Growth Project (NARIGP)	-	-	-	-	-
Kenya Devolution Support Programme	-	-	-	-	-
Youth Polytechnic support grant	-	-	-	-	-
Abolishment of user fees in health centres and dispensaries	-	-	-	-	-
Kenya Urban Support Programme	-	-	-	-	-
Agriculture Sector Development Support Project (ASDSP)	-	-	-	-	-
Kenya Climate Smart Agriculture Project (KCSAP)	-	-	-	-	-
Water and Sanitation Development Project	-	-	-	-	-
Others (Specify)					
Aggregated Industrial Parks Fund	52,631,579	-	-	-	52,631,579
Nutrition International	5,000,000	-	2,500,000	-	7,500,000
<b>Total</b>	<b>1,213,072,678</b>	<b>4,516,363,277</b>	<b>2,257,554,750</b>	<b>5,740,139,368</b>	<b>13,727,130,073</b>

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

**(a) Non-Exchange own source revenue**

Period 2025	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Cess	44,657,398	47,901,982	130,873,466	99,721,622	323,154,468
Land rate	35,156,459	37,710,752	103,029,907	79,056,416	254,953,534
Single/Business permits	55,952,174	60,017,380	163,974,061	124,747,945	404,691,560
Public health service fees	8,003,560	8,581,852	23,449,738	17,794,643	57,829,793
Physical planning and development	7,500,911	8,045,890	21,982,252	16,862,090	54,391,142
Conservancy administration	2,213,807	2,374,651	6,487,807	4,924,116	16,000,380
Administration control fees and charges	22,798,728	24,455,170	30,700,236	50,710,645	128,664,779
Park fees	-	-	-	-	-
Other fines, penalties, and forfeiture fees	321,621	344,988	942,545	715,373	2,324,526
Miscellaneous	-	-	-	-	-
Others ( <i>Specify</i> )				41,474,718	41,474,718
<b>Total</b>	<b>176,604,658</b>	<b>189,432,665</b>	<b>481,440,011</b>	<b>436,007,567</b>	<b>1,283,484,901</b>

County Government of Nakuru  
County Revenue Fund

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

(b) Exchange own source revenue

Period 2025	Quarter 1 (K.shs.)	Quarter 2 (K.shs.)	Quarter 3 (K.shs.)	Quarter 4 (K.shs.)	Total (K.shs.)
Property rent	7,209,258	7,733,047	21,127,531	16,035,374	52,105,210
Parking fees	34,149,504	36,630,636	100,078,913	75,995,294	246,854,347
Market fees	3,240,216	3,475,634	9,495,812	7,216,471	23,428,132
Advertising	24,976,033	26,790,667	73,195,040	55,553,572	180,515,312
Hospital fees	-	-	-	-	-
Hire of County Assets	224,148	240,433	656,890	498,567	1,620,038
Administration control fees and charges	-	-	-	-	-
Park fees	89,104	95,577	261,128	198,191	644,000
Proceeds from sale of assets	-	-	-	-	-
Other fines, penalties, and forfeiture fees	-	-	-	-	-
Miscellaneous	159,485	212,647	425,294	265,808.75	1,063,235
Others (Specify)					
<b>Total</b>	<b>70,047,747</b>	<b>75,178,642</b>	<b>205,240,608</b>	<b>155,763,277</b>	<b>506,230,274</b>

**Appendix 4: Analysis of Transfers from the County Revenue Fund**

Period -2025	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive -Rec	1,263,061,334	2,702,336,002	2,212,533,846	4,689,761,317	10,867,692,499
County Executive -Dev	-	280,977,400	160,276,994	2,578,217,438	3,019,471,832
County Assembly -Rec	140,416,689	329,222,365	335,573,094	354,946,851	1,160,158,999
County Assembly -Dev		4,192,200	76,865,943	18,295,596	99,353,739
Special Purpose A/c (Specify)					
Kenya informal Settlements improvement Project		75,000,000.00			75,000,000
Nutrition International Fund		5,000,000.00	2,500,000		7,500,000
Climate Change funds		94,105,543.00	11,000,000.00	108,207,177	213,312,720
Aggregated Industrial Parks Fund			116,631,579.00		116,631,579
primary Health Care			19,115,250.00		19,115,250
Kenya Devolution Support Programme				15,000,000	15,000,000
<b>Total</b>	<b>1,403,478,023</b>	<b>3,490,833,510</b>	<b>2,934,496,706</b>	<b>7,764,428,379</b>	<b>15,593,236,618</b>