

REPUBLIC OF KENYA



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REPORT

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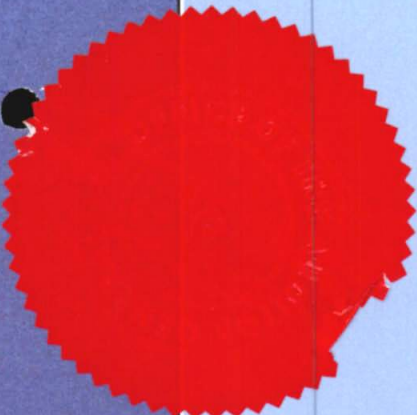
THE AUDITOR-GENERAL

ON

COUNTY REVENUE FUND

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF NAROK



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

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COUNTY REVENUE FUND

COUNTY GOVERNMENT OF NAROK

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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

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County Government of Narok
County Revenue Fund
Annual Report and Financial Statements For the financial year ended 30th June 2025

| | Page No. |
|---|----------|
| Table of contents..... | |
| 1. Acronyms and Definition of Key Terms | ii |
| 2. Key Entity Information and Management | iii |
| 3. Statement by the CECM Finance | vii |
| 4. Management Discussion and Analysis | viii |
| 5. Overview of the County Revenue Fund Operations | xi |
| 6. Statement of Management Responsibility | xii |
| 7. Report of the Independent Auditor for the Year ended 30 th June 2025 | xiii |
| 8. Statement of Financial Performance for the year ended 30 June 2025 | 1 |
| 9. Statement of Financial Position as at 30 th June 2025 | 2 |
| 10. Statement of Changes in Net Assets for the year ended 30 June 2025..... | 3 |
| 11. Statement of Cash Flows for the year ended 30 June 2025 | 4 |
| 12. Statement of Comparison of Budget Actual Amounts for the Year Ended 30 th June, 2025. | 5 |
| 13. Notes to the Financial Statements..... | 7 |
| 14. Appendices..... | 21 |

1. Acronyms and Definition of Key Terms

a. Acronyms

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

b. Definition of Key Terms

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

2. Key Entity Information and Management

a) Background information

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

b) Key Management Team

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

| No. | Designation | Name |
|-----|--------------------------------------|-------------------------------|
| 1. | CECM Finance and Economic planning | -Hon. David Parsalunye Muntet |
| 2. | C.O Finance | - CPA Peter Ntiamput Naingisa |
| 3. | Director Accounting Services/Finance | - CPA Walter Onkundi Chanua |

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 | -Hon. David Parsalunye Muntet |
| 2. | Accounting Officer in charge of Finance | - CPA Peter Ntiamput Naingisa |
| 3. | Director Accounting Services/Finance | - CPA Walter Onkundi Chanua |

d) Fiduciary Oversight Arrangements

The key fiduciary oversight arrangements at the County as of 30th June 2025 were:

Audit and Finance committee activities

This committee is responsible for overseeing the financial reporting and auditing processes of the County government of Narok to ensure their accuracy, integrity, and compliance with regulatory requirements. The key activities of Audit and Finance Committee are to Review the

County's Financial Statements to ensure they accurately reflect the true financial performance of the County Government and Overseeing audit process by reviewing internal audit reports and giving recommendations for strengthening of internal control systems to avert errors and fraud. In addition, the Committee Manages risks by identifying and assessing the risk profile of the County government of Narok and its entities and preparing risk management policy and implementation framework.

Senate Committee Activities

This committee play an important role in ensuring that county government is accountable and responsive to the needs of their citizens. This is done by providing oversight and guidance on county governance issues, the Senate committees help to ensure that the county government is able to effectively deliver services and promote economic growth and development. For, an instance, reviewing the County's budget to ensure that it is realistic and aligned with the County's needs and monitoring County's projects to ensure that public funds are utilized in a transparent and accountable manner.

County Assembly

The Narok County Assembly offers overall oversight of all the fiduciary functions of the County Government of Narok. The County Assembly is mandated to represent the public, prepare and pass legislations that are to ensure that there is satisfactory service delivery by the county executive and its entities. Further the Narok County Assembly provides oversight to ensure that the County Executive and its entities comply with the law and regulations in all its financial and non-financial operations.

Development partner oversight activities

The development partners are instrumental in providing funding and technical assistance to support development projects within the county. They require that the county has rigorous financial management and accounting procedures to ensure that funds are being used in a transparent and accountable manner. In addition, they conduct regular monitoring and evaluation activities to assess the progress of development projects within the County and ensure that they

are meeting their intended objectives. This may involve site visits, data analysis, and stakeholder consultations.

Controller of Budget

The office of the Controller of Budget (COB) in Kenya is critical to ensuring that public resources are managed in a responsible and accountable manner. This is done by providing oversight and guidance on public financial management, the COB helps to promote good governance and accountability in the management of public resources at the County Level. For an instance, through budget control, the COB ensures that the county budget is implemented in a manner that is consistent with the law and the approved budget estimates. This involves reviewing budgetary allocations and expenditures of the County to ensure that they are in line with the priorities set out in the budget.

Office of the Auditor General

Office of the Auditor General (OAG) is critical to ensuring that county's public resources are managed in a responsible and accountable manner. This is done by providing independent and objective audits of public accounts. The OAG helps to promote good governance, transparency, and accountability in the management of public resources. This includes auditing and reporting on the audit findings by providing an opinion as to whether the audited financial statement of the County presents a true and fair view in accordance with the applicable financial reporting framework.

e) County Headquarters

P.O. Box 898-20500

Mau-Narok Road

Narok, Kenya

f) County Executive Contacts

Telephone: 020-268 8929/03

E-mail: finance@narok.go.ke

Website: www.narok.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 Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112- 00200

j) County Attorney

Narok County Attorney
P.O. Box 898-20500
Mau-Narok Road, Narok

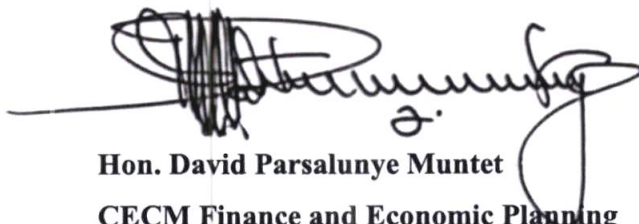
3. Statement by the CECM Finance

The County Government of Narok is part one of the 47 counties in the country. In line with the national Bottom-Up Transformation Agenda (BETA), the County Government endeavours to meet the requirements so as to foster growth at the grassroots. In this regard therefore, the county government of Narok has strived to maximize revenue collection without adversely affecting investment which may further affect economic development.

The county Revenue fund has always been replenished from the national government through the equitable share of revenue raised nationally as well as the conditional grants which are advanced by the development partners. The fund is also credited with revenue which the County Government of Narok collects from local own sources. Some of the key sources of revenue for Narok county are the Park entry fees paid by tourists visiting the Maasai Mara Game Reserve, Agricultural produce cesses, Single Business Permits, Land rates, livestock cesses and market fees. The revenues from tourism have continued to grow in the past one year.

The Narok County Executive Budget supplementary 2 for the FY 2024/25 was Kshs 17,537,524,596. The budget was composed of revenue and expenditure which were equal hence a balanced budget. Actual revenue realized was Kshs 9,977,563,666, Ksh 245,446,412 and Ksh 5,954,416,391 which consisted of transfers of equitable share from the National Government, Conditional Grants and own source revenue respectively. The controller of budget approved a disbursement Ksh 15,839,258,308 from the CRF during the reporting period. The amount comprised of Kshs.14,907,575,149 and Ksh.931,683,159 for executive and assembly respectively.

The County Government of Narok transferred Ksh 5,660,813,326 from the revenue collection accounts to the CRF.



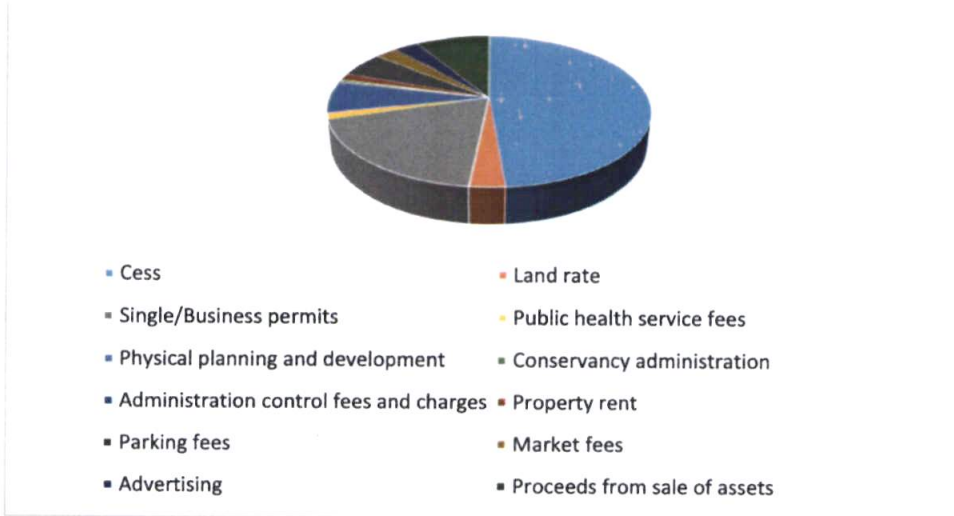
Hon. David Parsalunye Muntet
CECM Finance and Economic Planning
County Government of Narok

4. Management Discussion and Analysis

The county government of Narok has strived to maximize revenue collection without adversely affecting investments which may affect economic development. The efforts the County has put in place to enhance revenue collection include, continuous monitoring of revenue streams to ensure efficiency, automation and training of revenue officers.

The streams of revenue collected in the period ended 30th June 2025 other than the park fees are shown in the pie chart below.

Revenue Streams



Narok County Government was privileged to be among the few counties in Kenya earmarked for assessment by Tax Administration Diagnostic Assessment Tool (TADAT) in September 2024. After training, assessment and the release of assessment report, a secretariat was formed to develop Revenue Enhancement Action Plan (REAPs) focusing on the priority areas that need improvement (based on the TADAT performance assessment reports), the interventions to be implemented to achieve set revenue targets for different revenue streams, impact on revenue levels for each of the identified intervention, resources required to support the implementation of identified revenue improvement actions, responsibilities of other actors and officers, agreed timelines for different interventions, technical assistance. Revenue Enhancement Action plans (REAPs) were developed to cover the period between 2022- 2027; Among a few implemented revenue strategies implemented during the year were;

a) Full implementation County Finance policies and regulations Narok County Government Finance Act 2024/2025

Schedule one of the Finance Act, clearly states that, Maasai Mara National Reserve, Entry fee is a twelve (12) hours ticket applicable from 6.00am to 6.00pm, time of entry NOT withstanding. The enforcement of strict timeline to a great extent has enhanced revenue collected compared with previous periods.

b) Automation of other revenue outside Maasai Mara National Game Reserve.

The use of POS machines to automate the revenue collection process, eliminated manual receipt books used before, and reduced revenue loss. These machines are programmed to issue receipts for specific cess, fees and other charges, ensuring accuracy in revenue collection and classification. Narok pay currently generates real-time revenue reports.

c) Staff re- alignment

Aligned the revenue administration personnel to specific tax/revenue streams, especially in regions of high potentiality, such as Maasai Mara National Reserve, Narok and Kilgoris Municipalities, barriers and markets to ease identification, assessment, prioritization and mitigation of human capital risks.

d) Staff Capacity building

- a. Revenue staff were trained on what constitutes international best practice for a county revenue administration.
- b. Identified the relative strengths and weaknesses of the county revenue administration system during mapping of revenue streams.
- c. Improved county capacities for revenue projection, generation, collection, and reporting financial statements.

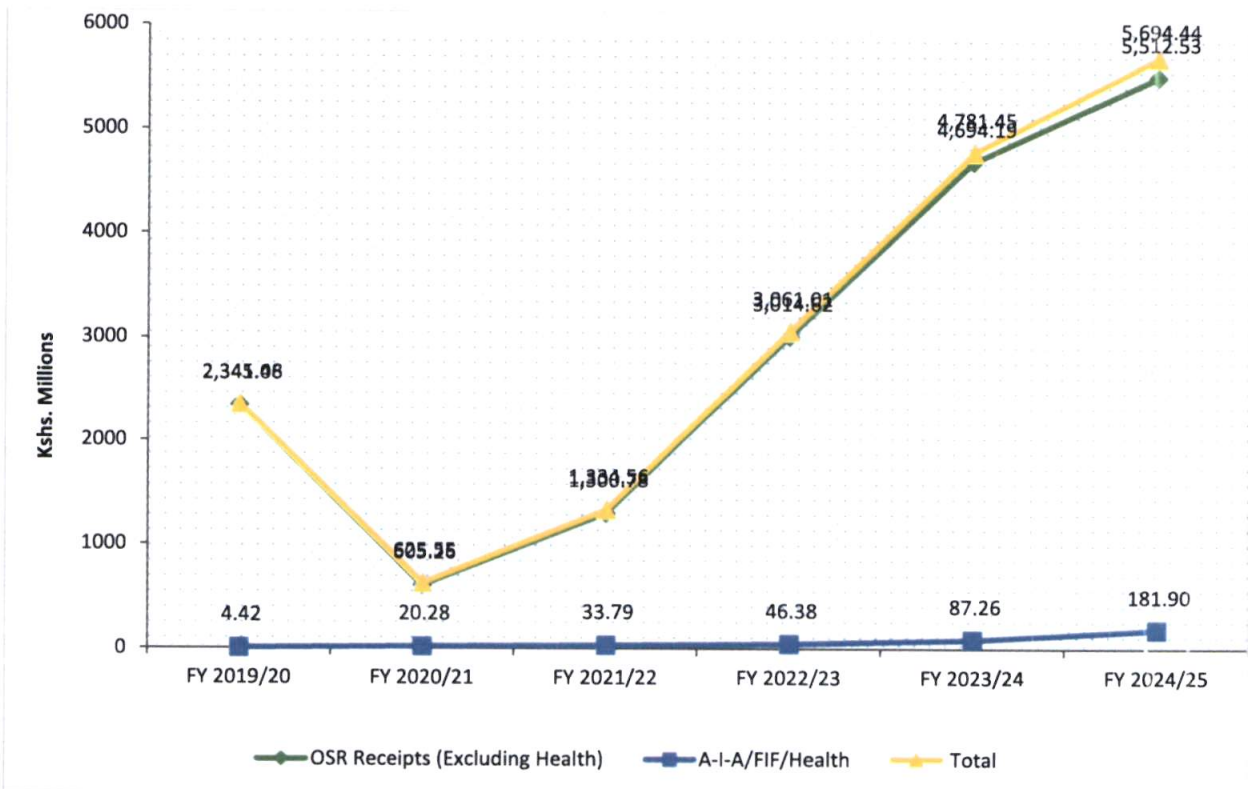
e) Acquisition of Narok County Revenue Office

Opening of a new office at Narok Town where all services for Narok County Government such as Single Business Licenses, Liquor Licenses, land rates and other special bills are processed and issued thus making it easier for Narok County citizens to access all services under one roof.

f) Employment of new staff

Recruitment of revenue clerks trained and deployed to different collection revenue points within the county. Revenue targets have been cascaded from the Directorate to Sub County Revenue Officers level to revenue collection clerks for individual set targets for the financial year.

Narok County Trend in Own-Source Revenue Collection from FY 2019/20 to FY 2024/25



The graph above shows the collection trend in own-source revenue from FY 2019/20 to FY 2024/25. From the graph, there is a steady increase in the collection of own source revenue with the highest collection being the period ended 30th June 2025.

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.

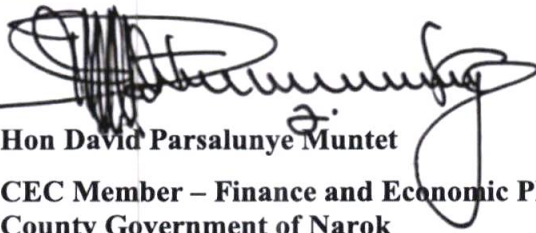
c) Transfers from the County Revenue Fund

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 30th June 2025.



Hon David Parsalunye Muntet
CEC Member – Finance and Economic Planning
County Government of Narok

6. Statement of Management Responsibility

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

The Accounting Officer at the County Treasury is responsible for the preparation and presentation of the County Revenue Fund financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on *June 30, 2025*. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Revenue Fund; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the County Revenue Fund; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, which have been prepared on the Accrual Basis Method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the County Revenue Fund's financial statements give a true and fair view of the state of the County Revenue Fund's transactions during the financial year ended *June 30, 2025*, and of its financial position as at that date.

The Accounting Officer further confirms the completeness of the accounting records maintained for the County Revenue Fund, which have been relied upon in the preparation of its financial statements, as well as the adequacy of the systems of internal financial control. The Accounting Officer confirms that the County Revenue Fund has complied fully with applicable Government Regulations and the terms of external financing covenants. Further, the Accounting Officer confirms that the County Revenue Fund's Financial Statements have been prepared in a form that complies with relevant Accounting Standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the Financial Statements

The County Revenue Fund's financial statements were approved and signed on 28th August 2025.



CPA Peter Ntiamput Naingisa
Chief Officer Finance /Accounting Officer
County Government of Narok

REPUBLIC OF KENYA

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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 NAROK

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 financial statements of County Revenue Fund - County Government of Narok set out on pages 1 to 22, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison

of budget and actual amounts for the year then ended and a summary of significant 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Revenue Fund - County Government of Narok 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.

Basis for Qualified Opinion

Unsupported Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.60,871,911 as disclosed in Note 16 to the financial statements. However, review of the cashbook provided revealed that as at the end of the financial year, the cash book balance was Kshs.59,884,372 resulting to an unexplained variance of Kshs.987,539.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.60,871,911 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Revenue Fund - County Government of Narok 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 amount reflects a final receipt budget and actual on comparable basis of Kshs.17,537,524,596 and Kshs.15,900,130,219 respectively resulting to under-funding of Kshs.1,637,394,377 or 9% of the budget.

The under-funding affected the planned activities and may have impacted negatively on service delivery to the residents of Narok County.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the prior year audit report, several issues were raised under the Report on the Financial Statements. Review of the status during audit of the Fund in 2024/2025 revealed that the variance in own source revenue amount and inaccurate and unreconciled receipts remained unresolved as at 30 June, 2025.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in

the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of 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 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 Gatirungu, CBS
AUDITOR-GENERAL

Nairobi

16 December, 2025

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

| | Notes | Period ended Jun 2025 |
|---|-------|-----------------------|
| | | Kshs. |
| Revenue from non-exchange transactions | | |
| Exchequer releases | 6 | 9,977,563,666 |
| Transfers from other government agencies | 7 | 245,446,412 |
| Other grants | 8 | - |
| Return to CRF | 9 | 987,539 |
| Miscellaneous receipts(withholding tax) | 10 | 2,266,419 |
| Non-Exchange Own Source Revenue | 11 | 266,506,420 |
| | | |
| Revenue from exchange transactions | | |
| Exchange Own Source Revenue | 12 | 5,394,306,906 |
| Total Revenue | | 15,887,077,362 |
| | | |
| Expenses | | |
| Transfers to County Executive | 13 | 14,907,575,149 |
| Transfers to County Assembly | 14 | 931,683,159 |
| Other Transfers | 15 | - |
| Total Expenses | | 15,839,258,308 |
| Surplus for the period | | 47,819,054 |



CPA Peter Naingisa
Chief Officer, Finance
ICPAK M/No: 29015
Date 28th August 2025



CPA Walter Chanua
Director Accounting Services
ICPAK M/No: 14877
Date 28th August 2025

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

| | Note | June 2025 | 1 st Position July 2024 |
|--|------|-------------------|------------------------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current Assets | | | |
| Cash and Cash equivalents | 15 | 60,871,911 | 13,052,857 |
| Receivables from Non-Exchange Transactions | 16 | - | - |
| Receivables from Exchange Transactions | 17 | - | - |
| Total Current Assets | | 60,871,911 | 13,052,857 |
| Total Assets (A) | | 60,871,911 | 13,052,857 |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | 18 | - | - |
| Total Current Liabilities | | - | - |
| Total Liabilities (B) | | - | - |
| Net Assets(A-B) | | 60,871,911 | 13,052,857 |
| Represented by: | | | |
| Accumulated Surplus | | 60,871,911 | 13,052,857 |
| Net Assets | | 60,871,911 | 13,052,857 |



CPA Peter Naingisa
Chief Officer, Finance
ICPAK M/No: 29015
Date 28th August 2025



CPA Walter Chanua
Director Accounting Services
ICPAK M/No: 14877
Date 28th August 2025

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

| | Accumulated Surplus |
|---|----------------------------|
| 1st July 2024 Opening Balance | 13,052,857 |
| Adjustment to recognize assets/liabilities | - |
| 1st July 2024 Opening Balance | 13,052,857 |
| Surplus/ deficit for the Period | 47,819,054 |
| As at June 30, 2025 | 60,871,911 |

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

| | | Period Ended June 2025 |
|--|-----------|------------------------------|
| | Notes | Kshs |
| Cash flows from operating activities | | |
| Receipts | | |
| Exchequer releases | | 9,977,563,666 |
| Transfers from other government agencies | | 245,446,412 |
| Other grants | | - |
| Return to CRF | | 987,539 |
| Miscellaneous receipts | | 2,266,419 |
| Own Source Revenue | | 5,660,813,326 |
| Total receipts | | 15,887,077,362 |
| Payments | | |
| Transfers to County Executive (operating activities) | | (14,907,575,149) |
| Transfers to County Assembly (operating activities) | | (931,683,159) |
| Other transfers | | - |
| Total Payments | | (15,839,258,308) |
| Net cash flows from/(used in) operating activities | | 47,819,054 |
| Net increase/(decrease) in cash & Cash Equivalent | | 47,819,054 |
| Cash and cash equivalents at 1 July | 15 | 13,052,857 |
| Cash and cash equivalents at the end of the period | 15 | 60,871,911 |

(PSASB has now prescribed the direct method of cashflow presentation for all entities under the IPSAS Accrual basis of accounting)

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

| Receipt/Payments | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Realization Difference | % of Realization |
|--|-----------------------|----------------------|-----------------------|----------------------------|-------------------------------|------------------|
| | a | b | c=(a+b) | d | e=(c-d) | f=d/c% |
| | Kshs | Kshs | Kshs | Kshs | Kshs | |
| Revenue | | | | | | |
| Exchequer releases | 9,531,074,923 | (289,214,404) | 9,241,860,519 | 9,977,563,666 | (735,703,147) | 108% |
| opening balance re-appropriated | | 817,640,914 | 817,640,914 | 13,052,857 | 804,588,057 | 0% |
| Transfers from other government agencies | 540,710,686 | (250,000,000) | 290,710,686 | 245,446,412 | 45,264,274 | 84% |
| Other grants | 586,752,472 | 524,560,006 | 1,111,312,478 | - | 1,111,312,478 | 0% |
| Return to CRF | - | - | - | 987,539 | (987,539) | 0% |
| Miscellaneous receipts(withholding tax) | - | - | - | 2,266,419 | | |
| Own Source Revenue | 5,024,000,000 | 1,052,000,000 | 6,076,000,000 | 5,660,813,326 | 415,186,674 | 93% |
| Total Revenue | 15,682,538,081 | 1,854,986,516 | 17,537,524,596 | 15,900,130,219 | 1,637,394,377 | 91% |
| | | | - | | | |

County Government of Narok
 County Revenue Fund
 Annual Report and Financial Statements For the financial year ended 30th June 2025

| | | | | | | |
|-------------------------------------|-----------------------|----------------------|-----------------------|-----------------------|----------------------|------------|
| Expenses | | | - | | | |
| Transfers to County Executive | 14,621,538,081 | 1,778,077,438 | 16,399,615,518 | 14,907,575,149 | 1,492,040,369 | 91% |
| Transfers to County Assembly | 1,061,000,000 | 76,909,078 | 1,137,909,078 | 931,683,159 | 206,225,919 | 82% |
| Other transfers | - | | - | - | - | 0% |
| Total Payments | 15,682,538,081 | 1,854,986,516 | 17,537,524,596 | 15,839,258,308 | 1,698,266,288 | 90% |
| Surplus/Deficit | - | - | - | 60,871,911 | (60,871,911) | |

Budget Notes

1. Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14).
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29).

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 Narok County Government and is domiciled in Kenya. The Fund's principal activity is to pay all money raised or received 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 28th August 2025

Basis of preparation

Reporting entity

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

Revenues

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

Expenses

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

3. Adoption of New and Revised Standards

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

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

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

| Standard | Effective date and impact: |
|--|---|
| IPSAS 46 Measurement | <p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol 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. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p> |
| 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> <p><i>State the expected impact of the standard to the Entity if relevant</i></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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p> |
| IPSAS 49: Retirement Benefit Plans | <p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> |

| Standard | Effective date and impact: |
|---|--|
| | <i>State the expected impact of the standard to the Entity if relevant.</i> |
| IPSAS 50: Exploration For & Evaluation of Mineral Resources | <p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> 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. <p><i>State the expected impact of the standard to the Entity if relevant</i></p> |

iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

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 26th 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 1,854,986,516 on the 2024/2025 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. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and

foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The Fund assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

Financial liabilities

Classification

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

d) Cash and cash equivalents

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

e) Events after the reporting period

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

f) Currency

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

5. Significant judgments and sources of estimation uncertainty

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

State all judgements, estimates and assumptions made if any.

6. Exchequer releases

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

| Description | Period ended. |
|------------------------|----------------------|
| | Jun-25 |
| | Kshs. |
| Equitable Share (a) | 9,977,563,666 |
| Level 5 hospitals (b) | - |
| Others (Specify) (c) | - |
| Total (d=a+b+c) | 9,977,563,666 |

7. Transfers from other government agencies**

| Description | Period ended |
|--|--------------------|
| | Jun-25 |
| | Kshs. |
| Road Maintenance Fuel Levy (RMFL) | 97,352,834 |
| IDA (World Bank) credit National Agricultural Value Chain Development Project (NAVCDP) | 85,188,002 |
| DANIDA Grant -Primary Health care in devolved context - Ministry of Health | 12,382,500 |
| Kenya Urban Support Programme (KUSP II) UIG | 32,309,300 |
| Financing Locally Led Climate Action (FLLoCA) Dev | 18,213,776 |
| 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-Emergency Locust Response Project (ILRP) State Department of Crop Development | - |
| (IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA)1 CCIS Grant State Department of | - |
| Total | 245,446,412 |

8. Other grants**

| Description | Period ended |
|----------------------------|--------------|
| | Jun-25 |
| | Kshs. |
| Donor 1 (<i>Specify</i>) | - |
| Donor 2 (<i>Specify</i>) | - |
| Others (<i>Specify</i>) | - |
| Total | - |

9. Return to CRF from County Entities

| Description | Period ended |
|---|----------------|
| | Jun-25 |
| | Kshs. |
| Recurrent Account (<i>County Executive</i>) | 62,398 |
| Development Account (<i>County Executive</i>) | 914,751 |
| Recurrent Account (<i>County Assembly</i>) | 10,389 |
| Development Account (<i>County Assembly</i>) | - |
| Others (<i>Specify</i>) | - |
| Total | 987,539 |

10. Miscellaneous receipts

| Description | Period ended |
|------------------------|------------------|
| | 25-Jun |
| | Kshs |
| Miscellaneous Receipts | 688,749 |
| Miscellaneous Receipts | 168,569 |
| Miscellaneous Receipts | 58,981 |
| Miscellaneous Receipts | 1,350,120 |
| Total | 2,266,419 |

11. Non-Exchange Own Source Revenue

| Description | Period ended |
|---|--------------------|
| | Jun-25 |
| | Kshs. |
| Cess | 164,249,056 |
| Land rate | 10,075,910 |
| Single/Business permits | 63,160,090 |
| Public health service fees | 4,307,213 |
| Physical planning and development | 22,772,652 |
| Conservancy administration | 1,123,298 |
| Administration control fees and charges | 818,201 |
| Others (<i>Specify</i>) | - |
| Total | 266,506,420 |

12. Exchange Own Source Revenue

| Description | Period ended. |
|---|----------------------|
| | Jun-25 |
| | Kshs. |
| Property rent | 4,809,863 |
| Parking fees | 17,961,552 |
| Market fees | 8,983,232 |
| Advertising | 9,851,451 |
| Hospital fees | - |
| Hire of County Assets | - |
| Administration control fees and charges | |
| Park fees | 5,312,140,699 |
| Proceeds from sale of assets | 29,740,926 |
| Other fines, penalties, and forfeiture fees | |
| Miscellaneous | 10,819,183 |
| Others (<i>Specify</i>) | |
| Total | 5,394,306,906 |

13. Transfers to County Executive

| Description | Period ended |
|---------------------------|-----------------------|
| | Jun-25 |
| | Kshs. |
| Recurrent Account | 10,704,803,380 |
| Development Account | 3,499,912,014 |
| Special Purpose Accounts | 702,859,755 |
| Others (<i>Specify</i>) | - |
| Total | 14,907,575,149 |

14. Transfers to County Assembly

| Description | Period ended |
|---------------------------|--------------------|
| | Jun-25 |
| | Kshs. |
| Recurrent Account | 931,683,159 |
| Development Account | - |
| Special purpose accounts | - |
| Others (<i>Specify</i>) | - |
| Total | 931,683,159 |

15. Other Transfers

| Description | Period ended |
|---------------------------|--------------|
| | Jun -25 |
| | Kshs. |
| Others (<i>Specify</i>) | 0 |
| Total | 0 |

16. Cash and Cash equivalents

| Description | Period ended. | |
|--|-------------------|---------------------------|
| | Jun-25 | 1 st July 2024 |
| | Kshs. | Kshs. |
| County Exchequer Account - (CBK Account number 1000171693) | 60,871,911 | 13,052,857 |
| Others (<i>Specify</i>) | | |
| Total | 60,871,911 | 13,052,857 |

17. Receivables from Non-Exchange Transactions

| | Period ended Jun-25 | 1 st July 2024 |
|---|------------------------|---------------------------|
| | Kshs | Kshs |
| Receivables | - | - |
| Other exchange debtors (<i>Specify</i>) | - | - |
| Less: impairment allowance | | |
| Net receivables | - | - |

18. Receivables from Exchange Transactions

| | Period ended Jun-25 | 1 st July 2024 |
|---|------------------------|---------------------------|
| | Kshs | Kshs |
| Other debtors (non-exchange transactions) | - | - |
| Less: impairment allowance | - | - |
| Total | - | - |

19. Accounts Payable

| Description | Period ended Jun-25 | 1 st July 2024 |
|-------------------------------|------------------------|---------------------------|
| | Kshs | Kshs |
| Payables to County Executive | - | - |
| Payables to County Assembly | - | - |
| Total Accounts Payable | - | - |

Notes to the financial statements**20. Disclosure of Balances in Revenue Collection Accounts**

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

| Name Of Bank, Account No. & Currency | Amount in bank account currency* | Ex. rate (if in foreign currency) | Period ended Jun-25 | Opening Statement |
|---|----------------------------------|------------------------------------|---------------------|-----------------------|
| | | | Kshs | 1st July 2024 Kshs |
| Narok County revenue Collection Account-Cooperative 010141338976600 | 425 | 1 | 426 | 425 |
| Narok County revenue Collection Account-KCB 1140091263 | 9,503,503 | 1 | 104,949,618 | 196,370,286 |
| Narok County revenue Collection Account-USD-KCB 1143225325 | 54,567 | 129 | 21,486 | 420,697 |
| Narok County Debt Collection A/c KCB 1180435494 | 23,016,637 | 1 | 1,332 | 9,926 |
| Equity - 0360297263193 | 496,863 | 1 | 664,213 | 203,859 |
| Total | | | 105,637,075 | 197,005,194 |

(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 | Inaccuracies in the Financial Statements | There was an error in casting the previous year's balance while reporting. The unexplained variance has been corrected. Attached is the amended County Revenue Fund. | Resolved | Done |
| 2 | Lack of a trial balance | The Trial balance of the CRF was prepared and has been submitted for audit review. Attached is a copy of the same. | Resolved | Done |
| 3 | Inconsistencies in Reporting Own Source Revenue | The inconsistencies in own source revenue is caused by the fact that in County Revenue Fund, the amount being recognized is what has been swept into the CRF account and it does not take into account balances in the revenue collection accounts at the end of the reporting period while that of the Controller of Budget Report recognizes the whole revenue figure collected by the county including other self-reporting units and closing balances in the revenue collection accounts. | Resolved | Done |
| 4 | Inaccurate and unreconciled receipts | The variance in the own source revenue is caused by the fact that in County Revenue Fund, the amount being recognized is what has been swept | Resolved | Done |

County Government of Narok
 County Revenue Fund
 Annual Report and Financial Statements For the financial year ended 30th June 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>into the CRF account while that of the Controller of Budget Report recognizes the whole revenue figure collected by the county including other self-reporting units.</p> <p>The other variance (Balance B/F) is as a result of the nature of the two reporting templates in that The Controller of Budget report recognizes the balance brought forward from the previous year as part of receipts while the CRF report recognizes the same as part of the requisitions that form transfers to the County Executive or to the County Assembly (payments in CRF).</p> <p>The return to CRF amounts in the CRF report represents the amounts left in the account as at the end of the financial reporting period which the Controller of Budget report will recognize as part of receipts in the next financial year.</p> | | |



Name CPA Peter Ntiamput Naingisa
Chief Officer Finance
ICPAK Member No 29015
Date 28th August 2025

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

| Period 2024-2025 | Quarter 1 (Kshs.) | Quarter 2 (Kshs.) | Quarter 3 (Kshs.) | Quarter 4 (Kshs.) | Total (Kshs.) |
|--|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------|
| Equitable Share | 1,517,385,693 | 3,053,688,990 | 1,524,907,149 | 3,881,581,834 | 9,977,563,666 |
| Road Maintenance Fuel Levy (RMFL) | 0 | 0 | 0 | 97,352,834 | 97,352,834 |
| IDA (World Bank) credit National Agricultural Value Chain Development Project (NAVCDP) | 0 | 0 | 0 | 85,188,002 | 85,188,002 |
| DANIDA Grant -Primary Health care in devolved context -Ministry of Health | 0 | 0 | 0 | 12,382,500 | 12,382,500 |
| Kenya Urban Support Programme (KUSP II) UIG | 0 | 0 | 0 | 32,309,300 | 32,309,300 |
| Financing Locally Led Climate Action (FLLoCA) Dev | 0 | 0 | 0 | 18,213,776 | 18,213,776 |
| Youth Polytechnic support grant | 0 | 0 | 0 | 0 | 0 |
| Abolishment of user fees in health centres and dispensaries | 0 | 0 | 0 | 0 | 0 |
| Kenya Urban Support Programme | 0 | 0 | 0 | 0 | 0 |
| Agriculture Sector Development Support Project (ASDSP) | 0 | 0 | 0 | 0 | 0 |
| Kenya Climate Smart Agriculture Project (KCSAP) | 0 | 0 | 0 | 0 | 0 |
| Water and Sanitation Development Project | 0 | 0 | 0 | 0 | 0 |
| Others (Specify) | 0 | 0 | 0 | 0 | 0 |
| Total | 1,517,385,693 | 3,053,688,990 | 1,524,907,149 | 4,127,028,246 | 10,223,010,078 |

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

(a) Non-Exchange own source revenue

| P+A204:F218period 2024-2025 | Quarter 1 (Kshs.) | Quarter 2 (Kshs.) | Quarter 3 (Kshs.) | Quarter 4 (Kshs.) | Total (Kshs.) |
|---|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------|
| Cess | 43,811,814 | 38,319,259 | 43,360,198 | 38,757,785 | 164,249,056 |
| Land rate | 4,387,992 | 1,379,322 | 2,381,655 | 1,926,941 | 10,075,910 |
| Single/Business permits | 3,943,149 | 872,016 | 35,930,721 | 22,414,204 | 63,160,090 |
| Public health service fees | 636,400 | 111,600 | 3,242,213 | 317,000 | 4,307,213 |
| Physical planning and development | 2,767,070 | 2,949,040 | 4,223,802 | 12,832,740 | 22,772,652 |
| Conservancy administration | 0 | 0 | 114,498 | 1,008,800 | 1,123,298 |
| Administration control fees and charges | 244,600 | 227,800 | 142,000 | 203,801 | 818,201 |
| Park fees | 0 | 0 | 0 | 0 | 0 |
| Other fines, penalties, and forfeiture fees | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | 0 | 0 | 0 | 0 | 0 |
| Others (<i>Specify</i>) | 0 | 0 | 0 | 0 | 0 |
| Total | 55,791,025 | 43,859,037 | 89,395,087 | 77,461,271 | 266,506,420 |

County Government of Narok
 County Revenue Fund
 Annual Report and Financial Statements For the financial year ended 30th June 2025

(b) Exchange own source revenue

| Period 2024-2025 | Quarter 1 (Kshs.) | Quarter 2 (Kshs.) | Quarter 3 (Kshs.) | Quarter 4 (Kshs.) | Total (Kshs.) |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Property rent | 1,405,810 | 1,168,553 | 1,029,450 | 1,206,050 | 4,809,863 |
| Parking fees | 3,937,650 | 3,906,000 | 5,681,852 | 4,436,050 | 17,961,552 |
| Market fees | 2,172,410 | 2,073,481 | 2,402,731 | 2,334,610 | 8,983,232 |
| Advertising | 1,358,600 | 733,100 | 5,502,451 | 2,257,300 | 9,851,451 |
| Hospital fees | 0 | 0 | 0 | 0 | 0 |
| Hire of County Assets | 0 | 0 | 0 | 0 | 0 |
| Administration control fees and charges | 0 | 0 | 0 | 0 | 0 |
| Park fees | 2,120,527,766 | 1,630,217,373 | 867,669,737 | 693,725,822 | 5,312,140,699 |
| Proceeds from sale of assets | 0 | 19,571,726 | 10,169,200 | 0 | 29,740,926 |
| Other fines, penalties, and forfeiture fees | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | 2,556,848 | 2,557,453 | 3,007,454 | 2,697,428 | 10,819,183 |
| Others (<i>Specify</i>) | 2,131,959,084 | 1,660,227,686 | 895,462,876 | 706,657,260 | 5,394,306,906 |

Appendix 4: Analysis of Transfers from the County Revenue Fund

| Period 2024-2025 | Quarter 1 (Kshs.) | Quarter 2 (Kshs.) | Quarter 3 (Kshs.) | Quarter 4 (Kshs.) | Total (Kshs.) |
|-------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------|
| County Executive -Rec | 1,879,477,683 | 4,455,596,602 | 1,710,144,966 | 2,659,584,129 | 10,704,803,380 |
| County Executive -Dev | 467,787,475 | 1,120,213,729 | 312,638,589 | 1,599,272,221 | 3,499,912,014 |
| County Assembly -Rec | 63,900,799 | 321,723,748 | 186,949,946 | 359,108,666 | 931,683,159 |
| County Assembly -Dev | 0 | 0 | 0 | 0 | 0 |
| Special Purpose A/c (Specify) | 69,665,000 | 79,881,638 | 131,813,441 | 421,499,676 | 702,859,755 |
| Total | 2,480,830,957 | 5,977,415,717 | 2,341,546,942 | 5,039,464,692 | 15,839,258,308 |