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REPORT

OF

THE AUDITOR-GENERAL

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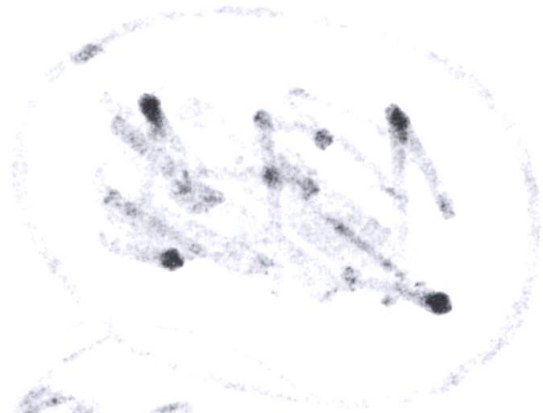
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COUNTY REVENUE FUND

FOR THE YEAR ENDED  
30 JUNE, 2025

COUNTY GOVERNMENT OF KILIFI







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**COUNTY REVENUE FUND**

*County Government of Kilifi*

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

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## **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	Yaye Ahmed Shosi
2.	C.O Finance	Hezekiah Nguma Mwarua
3.	Deputy Director Accounting Services	CPA Idris Hajj Diss

**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	Yaye Ahmed Shosi
2.	Accounting Officer in charge of Finance	Hezekiah Nguma Mwarua
3.	Deputy Director Accounting Services	CPA Idris Hajj Diss

**d) Fiduciary Oversight Arrangements**

The key fiduciary oversight bodies for the County for the year ended 30<sup>th</sup> June 2025 were:

- County Assembly of Kilifi
- Controller of Budget
- Office of the Auditor General
- Kilifi County Audit Committee
- The County Assembly of Kilifi Public Accounts Committee
- The County Assembly of Kilifi Budget and Appropriation Committee
- The County Assembly of Kilifi Economic planning and Trade Committee

**e) County Executive Headquarters**

County Government of Kilifi  
Governor's Office Building  
Bofa Road  
Kilifi, KENYA

**f) County Executive Contacts**

P. O. Box 519-80108, Kilifi  
Telephone: (254)  
E-mail: [info@kilifi.go.ke](mailto:info@kilifi.go.ke)  
Website: [www.kilifi.go.ke](http://www.kilifi.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 and Department of Justice  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
**NAIROBI, KENYA**

**j) County Attorney**

County Government of Kilifi  
P. O. Box 519-80108  
**KILIFI**

### 3. Statement by the CECM Finance

#### Preamble

It is with great pleasure that I present the County Revenue Fund financial statements for the year ended 30th June 2025 for the County Government of Kilifi. The financial statements present the Fund performance for the period of twelve months.

The financial statements have been prepared in accordance with section 164 of the Public Finance Management Act, 2012 which requires the accounting officer of a county government entity to prepare financial statements in respect of the entity in the formats to be prescribed by the Accounting Standards Board. These financial statements present a true and fair view of the state of affairs of the County Revenue Fund operations for the year ended 30th June 2025.

The County Revenue Fund is established in accordance with Section 109 of the Public Finance Management Act, 2012 which gives such authority to the County Government. This is also in accordance with Article 207 of the Constitution which requires each county government to establish a County Revenue Fund, into which shall be paid all money raised or received by or on behalf of the county government, except money reasonably excluded by an Act of Parliament.

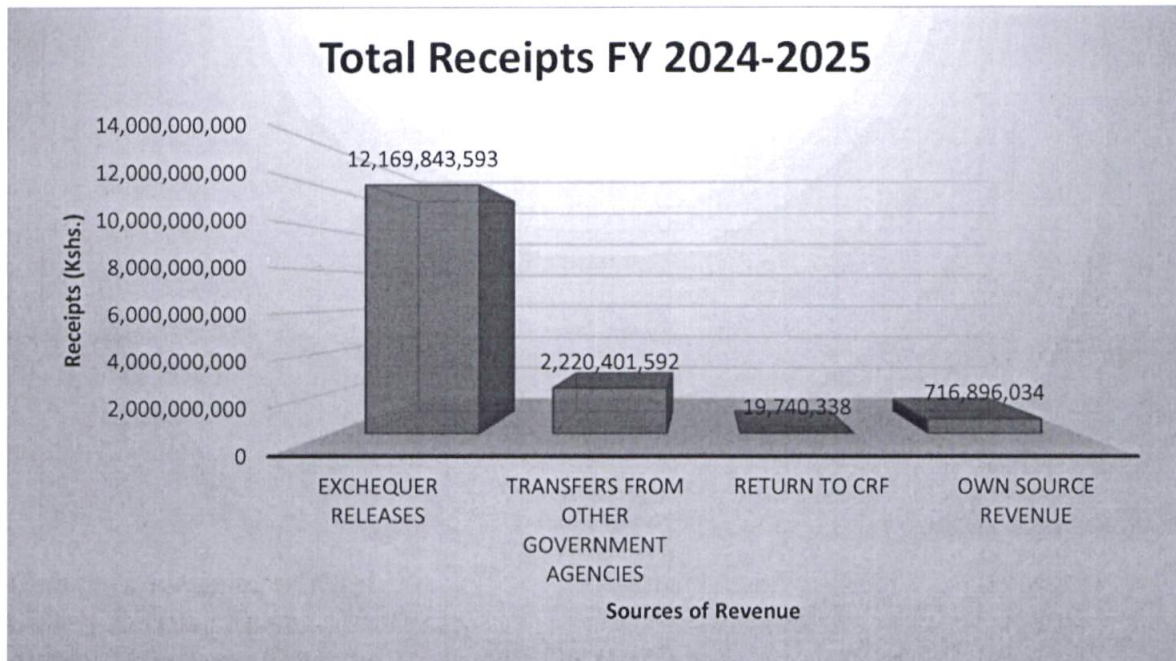
The disbursements from the Fund were done in accordance with the Public Finance Management Act, 2012 section 109 (6) which requires the County Treasury to obtain the written approval of the Controller of Budget before withdrawing money from the County Revenue Fund under the authority of an Act of the county assembly that appropriates money for a public purpose.

On 7th March 2024 the Cabinet approved the transition from cash basis of accounting to accrual basis of accounting with effect from 1st July 2024. In compliance with the requirements this is the 1st transitional accrual-based County Revenue Fund financial statements. The Public Sector Accounting Standards Board (PSASB) has elected that the entities will not produce comparative statements during the first year of transition. The financial statements have included an opening statement of financial position at the date of adoption of accrual basis International Public Sector Accounting Standards (IPSAS).

#### Receipts

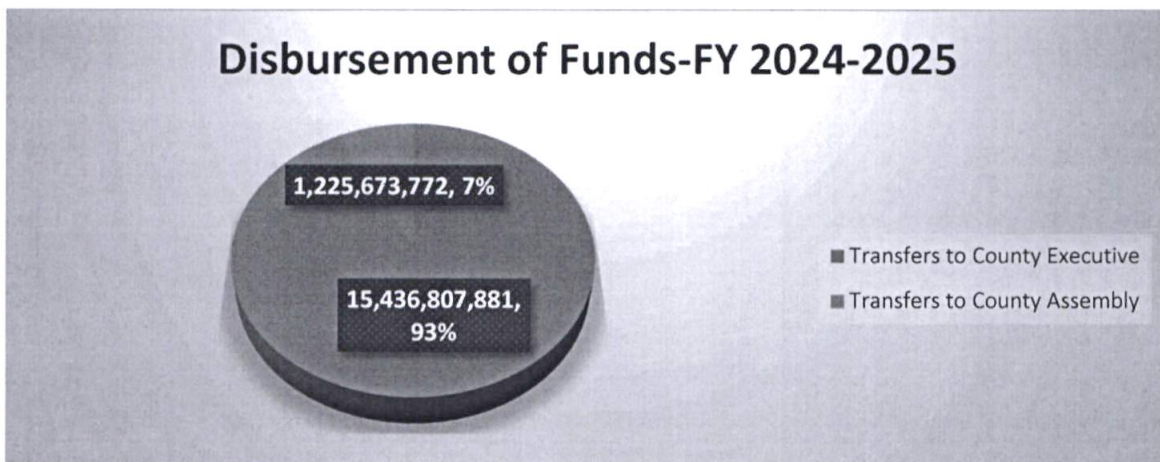
In the financial year ended 30th June 2025 the County Revenue Fund had an opening balance of Kshs. 522,440,362 and received Kshs. 15,298,090,830 during the year. The major source of revenue was the national treasury equitable share of Ksh. 12,169,843,593. The county also collected from its Own Revenue Sources Kshs.888,105,036.

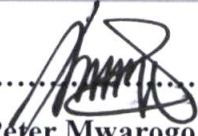
Other sources are as shown in the graph below.



#### Disbursements

A total amount of Kshs. **16,662,481,653** was disbursed from County Revenue Fund during the year ended 30th June 2025. The disbursements were Kshs. 15,436,807,881 and Kshs. 1,225,673,772 to County Executive, and County Assembly respectively. The County Executive had the largest share of 93% as shown in the pie chart below.



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 Peter Mwarogo

Ag. CECM Finance, Economic Planning and Resource Mobilization  
 County Government of Kilifi

#### 4. Management Discussion and Analysis

##### Operational and financial performance of the fund for the last four years

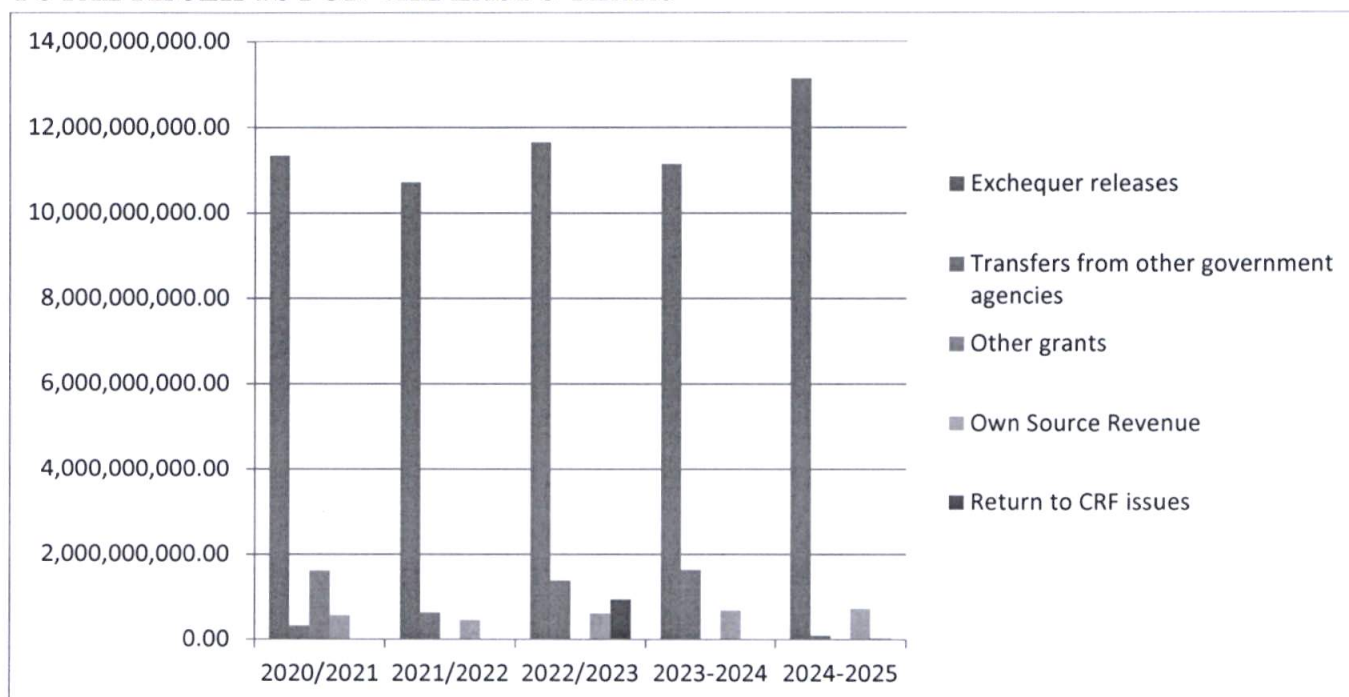
##### Receipts

The receipts have been growing on an upward trend from a total of Kshs. **13,826,145,897** in the FY 2020/2021 to Kshs**13,961,036,626** as shown in the table below. The equitable share for the FY 2024/2025 was Kshs.12,169,843,590 which was received in full plus Kshs.968,736,043 for the year 2023/2024 making a total equitable share received to be Kshs. 13,138,579,633.

Sources of Revenue	2020/2021	2021/2022	2022/2023	2023-2024	2024-2025
Exchequer releases	11,342,727,000	10,710,265,505	11,641,592,941	11,140,464,455	<b>13,138,579,633</b>
Transfers from other government agencies	316,014,399	621,056,522	1,379,001,830	1,629,381,654	<b>85,820,621</b>
Other grants	1,620,881,224	-	-	-	-
Own Source Revenue	545,762,443	448,863,843	603,675,375	675,738,934	<b>716,896,034</b>
Return to CRF issues	760,831	2,656,831	932,071,174	24,222	<b>19,740,338</b>
<b>Total Receipts</b>	<b>13,826,145,897</b>	<b>11,782,842,701</b>	<b>14,556,341,320</b>	<b>13,445,609,265</b>	<b>13,961,036,626</b>

The major source of revenue as shown in the graph below is the Exchequer release which contributed 82%, 91%, 80%, 83% and 94% of the total receipts in FY2020/2021, FY2021/2022, FY2022/2023, FY2023/2024 and FY 2024/2025 respectively.

### TOTAL RECEIPTS FOR THE LAST 5 YEARS



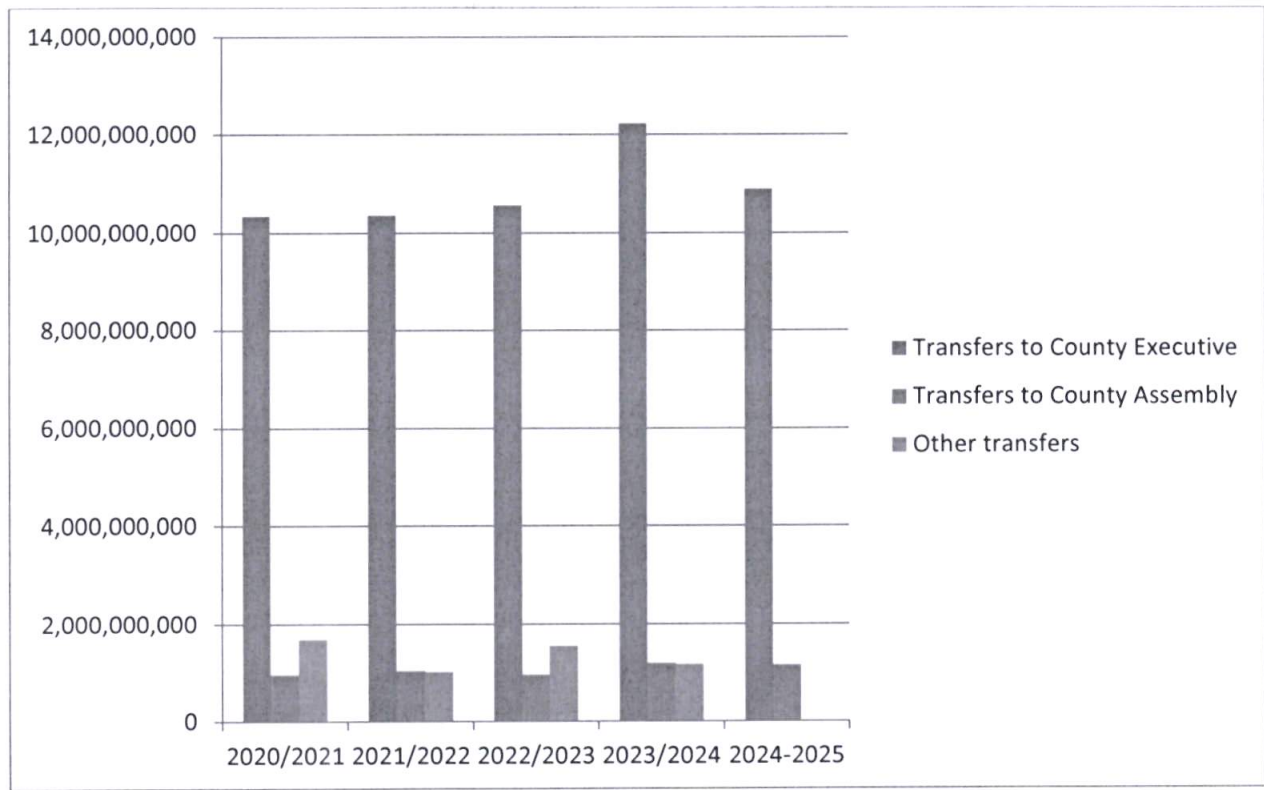
### Disbursements

The disbursements have been showing an upward trend from Kshs. **12,995,625,746** in the FY 2020/2021 to Kshs. 14,577,043,644 in the FY 2023/2024. It is important to note that the FY 2023/2024 figure of Kshs. 14,577,043,644 is inclusive of 2022/2023 late disbursement amount of Kshs. 931,327,436 on equitable share which was received in late July 2023. As shown in the table below the major disbursement went to the County Executive receiving 93%, 92%, 93% and 92% in the FY2020/2021, FY2021/2022, FY2022/2023 and FY2023/2024 respectively.

EXPENDITURE	2020/2021	2021/2022	2022/2023	2023/2024	2024-2025
Transfers to County Executive	10,339,175,853	10,354,877,888	10,562,774,495	12,220,525,145	10,896,392,886
Transfers to County Assembly	965,897,386	1,043,413,898	963,200,005	1,189,781,973	1,154,425,108
Other transfers	1,690,552,507	1,027,084,600	1,553,361,620	1,166,736,526	0
<b>Total Payments</b>	<b>12,995,625,746</b>	<b>12,425,376,386</b>	<b>13,079,336,120</b>	<b>14,577,043,644</b>	<b>12,050,817,994</b>

The graph below shows the disbursements comparison for the five financial years.

**EXPENDITURE PERFORMANCE FOR THE LAST 5 PERFORMANCE YEARS**



## 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.

  
.....  
**Peter Mwarogo**

**Ag. CEC Member – Finance and Economic Planning  
County Government of Kilifi**

## 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.

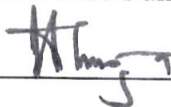
The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, which have been prepared on the Accrual Basis Method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting 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.

### Approval of the Financial Statements

The County Revenue Fund's financial statements were approved and signed on 27/11/2025.

Signature \_\_\_\_\_



**Hezekiah Nguma Mwarua**  
**Chief Officer Finance**  
**County Government of Kilifi**

# REPUBLIC OF KENYA

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NAIROBI

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

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### **PREAMBLE**

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting Standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

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

#### **Qualified Opinion**

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

significant 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 Kilifi as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Governments Act, 2012 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Adjustments in the Statement Changes in Net Assets**

The statement of changes in net assets reflects opening balance of Kshs.2,120,772,909 which includes adjustments to recognize assets/liabilities totalling Kshs.1,598,309,454. However, the details in support of the adjustments were not provided for audit review.

In the circumstances, the accuracy and completeness of the statement of changes in net assets opening balance of Kshs.2,120,772,909 as at 30 June, 2025 could not be confirmed.

#### **2. Unreconciled Variance in Receipts from Own Source Revenue**

Included in the revenue amount is revenue from exchange own source revenue totalling Kshs.888,105,306 all of which is in respect of exchange own source revenue as disclosed in Note 9 to the financial statements. However, the corresponding disbursements by the County Receiver of Revenue was Kshs.717,072,441 resulting to unexplained variance of Kshs.171,032,865. In addition, paragraph 4 on Management discussion and analysis set out on page vii indicates that Kshs.716,896,034 was realized in form of own source revenue resulting to unreconciled variance of Kshs.176,407.

In the circumstances, the accuracy and completeness of revenue from exchange own source revenue totalling to Kshs.888,105,306 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 Kilifi 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 budgeted revenue and actual on comparable basis of Kshs.21,895,384,355 and

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

Kshs.16,618,057,845 respectively resulting to under-collection of Kshs.5,277,326,510 or 24% of the budget.

The under-collection affected the planned activities and may have impacted negatively on service delivery to the residents of Kilifi 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 Matters**

In the prior year audit report, two (2) issues were raised under the Report on Financial Statements and one issue under Report on Lawfulness and Effectiveness in Use of Public Resources. These were inaccurate disbursements to County Revenue Fund, revenue collection accounts and late exchequer disbursements. Review of the status during audit of the Fund in 2024/2025 revealed that the matters remained unresolved as at 30 June, 2025.

### **Other Information**

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

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

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion

on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1. Irregular Expenditure from Revenue Collection Bank Account**

Note 17 to the financial statements, on disclosure of balances in revenue collection accounts reflects a bank balance of Kshs.419,891,900 in the cess collection account maintained at a local bank. At the beginning of the year, the balance in the account was Kshs.464,300,540 reflecting an expenditure of Kshs.44,408,640. However, the expenditure was not supported by payment vouchers or any authorization while the order by the high court was that the County Government to directly pay the plaintiff Kshs.3,969,015 being salaries payable to the over 218 employees per month.

As previously reported, Management indicated that the balance in the bank account was in control of a service provider previously contracted to collect cess and parking fees and which was subject to an active court case. The status regarding the progress of this court case was not provided. In addition, the service provider had not been providing the contracted services while the expenditure was not included as part of the County expenditure in the statement of financial performance. This was contrary to Regulation 111 of the Public Finance Management (County Governments) Regulations, 2015 which provides that where an Act of Parliament or a County legislation provides for some specific categories of expenditure to be a direct charge on the County Revenue Fund, such expenditures shall be included in the recurrent budget estimates of the County Government as part of the County Revenue Fund Services.

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

### **2. Revenue Not Included in the County Allocation of Revenue Act**

The statement of financial performance and as disclosed in Note 7 to the financial statements reflects transfers from other Government agencies totalling Kshs.2,220,401,592. Included in this revenue is an amount of Kshs.85,820,621 which relates to receipt of Roads Maintenance Fuel Levy Funds on 18 June, 2025. However, the receipt of fuel levy was not included in the County Allocation of Revenue Act, 2024. This was contrary to Section 138(3) of the Public Finance Management Act, 2012 which states that a County Government or County Government entity may receive a grant or donation from a development partner with the approval of the County Executive Committee Member for Finance and only as provided by this section allows a County Government or County Government entity to receive a grant or donation from development partner with the approval of County Executive Committee Member for Finance.

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

### **3. Failure to Acknowledge Revenue Receipts**

The statement of cash flows reflects receipts from own source revenue totalling Kshs.716,896,034. However, the amount transferred to the CRF was not

acknowledged by the County Treasury through issuance of receipts to the Receiver of Revenue. This was contrary to Regulation 81 (30 of the Public Finance Management (County Governments) Regulations, 2015 which provides that the County Treasury shall issue a receipt to a Receiver of Revenue to acknowledge the receipt of revenue thereof.

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

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

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

### Conclusion

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

### Basis for Conclusion

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

### Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards Accrual Basis and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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**

**15 December, 2025**

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

	Notes	2024/2025
		Kshs.
<b>Revenue from non-exchange transactions</b>		
Exchequer releases	6	12,169,843,593
Transfers from other government agencies	7	2,220,401,592
Return to CRF	8	19,740,338
Non-Exchange Own Source Revenue		-
<b>Revenue from exchange transactions</b>		
Exchange Own Source Revenue	9	888,105,306
<b>Total Revenue</b>		<b>15,298,090,830</b>
<b>Expenses</b>		
Transfers to County Executive	10	15,363,111,418
Transfers to County Assembly	11	1,225,673,772
Transfer to Climate change fund	12	73,696,463
<b>Total Expenses</b>		<b>16,662,481,653</b>
<b>Surplus for the period</b>		<b>(1,364,390,824)</b>




.....  
**Hezekiah Nguma Mwarua**  
Chief Officer Finance




.....  
**Bonaventure F.M. Mwakio**  
Director Accounting Services  
ICPAK M/No. 3346.

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

	Note	2024/2025	1 <sup>st</sup> Position July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	13	2,432,658,995	522,440,362
Receivables from Non-Exchange Transactions	14	2,134,580,971	968,736,040
Receivables from Exchange Transactions	15	756,095,084	629,596,507
<b>Total Current Assets</b>		<b>5,323,335,050</b>	<b>2,120,772,909</b>
<b>Total Assets (A)</b>		<b>5,323,335,050</b>	<b>2,120,772,909</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	16	4,611,663,660	
<b>Total Current Liabilities</b>		<b>4,611,663,660</b>	<b>-</b>
<b>Total Liabilities (B)</b>		<b>4,611,663,660</b>	<b>-</b>
<b>Net Assets(A-B)</b>		<b>711,671,390</b>	<b>2,120,772,909</b>
<b>Represented by:</b>			
Accumulated Surplus		711,671,390	2,120,772,909
<b>Net Assets</b>		<b>711,671,390</b>	<b>2,120,772,909</b>

  
 .....  
**Hezekiah Ngũma Mwarua**  
 Chief Officer Finance

  
 .....  
**Bonaventure F.M. Mwakio**  
 Director Accounting Services  
 ICPAK M/No. 3346.

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

<b>1st July 2024 Opening Balance</b>	<b>522,440,362</b>
<b>Adjustment to recognize assets/liabilities</b>	<b>1,598,309,454</b>
<b>cash in transit</b>	23,092.5
<b>1st July 2024 Opening Balance</b>	<b>2,120,772,909</b>
Surplus/ deficit for the Period	(1,364,441,395)
cash in transit	
ADJUSTMENTS FOR RAINDROPS SAL AND BANK CHARGES	(44,660,124)
<b>As at June 30, 2025</b>	<b>711,671,390</b>

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

		Period Ended June 2025
	Notes	Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Exchequer releases		13,138,579,633
Transfers from other government agencies		85,820,621
Other grants		-
Return to CRF		19,740,338
Own Source Revenue		716,896,034
<b>Total receipts</b>		<b>13,961,036,626</b>
<b>Payments</b>		
Transfers to County Executive (operating activities)		10,896,392,886
Transfers to County Assembly (operating activities)		1,154,425,108
Other transfers		
<b>Total Payments</b>		<b>12,050,817,994</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>1,910,218,632</b>
<b>Net increase/(decrease) in cash &amp; Cash Equivalent</b>		<b>1,910,218,632</b>
Cash and cash equivalents at 1 July	13	522,440,362
<b>Cash and cash equivalents at the end of the period</b>	13	<b>2,432,658,995</b>

**12. Statement of Comparison of Budget Actual Amounts for the Year Ended 30<sup>th</sup> 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	
<b>Revenue</b>						
budget carry-overs	968,736,040	-	968,736,040	968,736,040	-	100
Exchequer releases	12,554,603,733	(384,760,257)	12,169,843,476	12,169,843,476	-	100
opening balance re-appropriated	2,441,054,704	-	2,441,054,704	522,440,365	1,918,614,339	21
Transfers from other government agencies	850,051,330	1,155,933,494	2,005,984,824	85,820,621	1,920,164,203	4
Other grants	2,601,515,152	617,341,226	3,218,856,378	2,134,580,971	1,084,275,407	66
Return to CRF	19,740,338	-	19,740,338	19,740,338	-	100
Own Source Revenue	1,970,795,142	(899,626,547)	1,071,168,595	716,896,034	354,272,561	67
<b>Total Revenue</b>	<b>21,406,496,439</b>	<b>488,887,916</b>	<b>21,895,384,355</b>	<b>16,618,057,845</b>	<b>5,277,326,510</b>	<b>76</b>
					-	
<b>Expenses</b>			-		-	
Transfers to County Executive	20,049,410,954	579,145,412	20,628,556,366	15,436,807,881	5,191,748,485	75
Transfers to County Assembly	1,357,085,485	(90,257,496)	1,266,827,989	1,225,673,772	41,154,217	97
Other transfers			-		-	
<b>Total Payments</b>	<b>21,406,496,439</b>	<b>488,887,916</b>	<b>21,895,384,355</b>	<b>16,662,481,653</b>	<b>5,232,902,702</b>	<b>76</b>
<b>Surplus/Deficit</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>(44,423,808)</b>	<b>44,423,808</b>	

County Government of Kilifi

County Revenue Fund

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

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Reconcillation

	Operating	Financing	Investing	Total
Actual amounts on comparable basis presented in the budget and actual comparative statement	(44,423,808)			(44,423,808)
Basis difference				
Timing differences	2,477,082,803			2,477,082,803
Entity differences				
Classification differences		-		
<b>Actual in the statement of cashflows</b>	<b>2,432,658,995</b>	<b>-</b>	<b>-</b>	<b>2,432,658,995</b>

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

### **1. General Information**

The County Revenue Fund is established by and derives its authority and accountability from Article 207 of the Constitution of Kenya 2010. The Fund is wholly owned by the Kilifi County Government and is domiciled in Kenya.

### **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 28<sup>th</sup> 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	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The objective of this standard was to improve measurement guidance across IPSAS by: <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> The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> 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.
IPSAS 48- Transfer Expenses	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> 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.
IPSAS 49: Retirement Benefit Plans	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> 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.
IPSAS 50: Exploration For	<b><i>Applicable 1<sup>st</sup> January 2027</i></b> The objective of this Standard is to specify the financial reporting for the

Standard	Effective date and impact:
& Evaluation of Mineral Resources	exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

**iii) Early adoption of standards**

The Entity did not early – adopt any new or amended standards in the financial year 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 2024/25 was approved by the County Assembly on 04<sup>th</sup> July 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 reduced appropriations of Kshs. 899,626,547 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.

## **Financial assets**

### **Classification of financial assets**

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

### **Subsequent measurement**

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

### **Amortized cost**

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

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

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

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

**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	2024/2025
	Kshs.
Equitable Share (a)	12,169,843,593
<b>Total (d=a+b+c)</b>	<b>12,169,843,593</b>

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

Description	2024/2025
	Kshs.
Road Maintenance Levy	85,820,621
Kenya urban support programme	32,309,300
Kenya Informal Sector Improvement Project	517,190,432
DANIDA Grant -Primary Health care in devolved context -Ministry of Health	16,087,500
IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)- Min. Water, Sanitation, and Irrigation	1,551,889,682
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA) 1 CCIS Grant State Department of .....	17,104,057
<b>Total</b>	<b>2,220,401,592</b>

### 8. Return to CRF from County Entities

Description	2024/2025
	Kshs.
Recurrent Account ( <i>County Executive</i> )	654,549
Development Account ( <i>County Executive</i> )	1,771
Recurrent Account ( <i>County Assembly</i> )	25,826
KILIFI COUNTY WB AND DANIDA GRANT - 1000268492	19,057,500
DIAMOND TRUST BANK KENYA LIMITED-	692
<b>Total</b>	<b>19,740,338</b>

### 9. Exchange Own Source Revenue

Description	2024/2025
	Kshs.
Cess	325,334,109.00
Land Rates	250,902,064.92
Single/Business Permits	107,485,606.00
Hire of county assets	5,348,984.00
Billboards & Signage	32,999,753.00
Building Plan Approval and Inspection	49,704,982.32
Food Hygiene Fees	2,804,611.00
House Rent	13,770,787.65
Liquor Licence	12,154,000.00
Market Fees	25,821,697.14
Parking Fees	40,725,870.00
Plot Ground Rent	1,702,881.00
Refuse Collection	3,584,438.00
Rent / Stall Rents	2,805,173.10
Slaughterhouse and Livestock Sale Yards	2,677,242.00
Miscellaneous receipts	10,283,107.27
<b>Total</b>	<b>888,105,306</b>

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

**10. Transfers to County Executive**

Description	2024/2025
	Kshs.
Recurrent Account	8,812,655,139
Development Account	3,806,734,865
Water grant	1,987,806,682
Primary health care	67,815,000
KDSP	37,500,000
KUSP	32,309,300
Community health promoters	101,100,000
KISIP II	517,190,432
<b>Total</b>	<b>15,363,111,418</b>

**11. Transfers to County Assembly**

Description	2024/2025
	Kshs.
Recurrent Account	865,161,582
Development Account	360,512,190
<b>Total</b>	<b>1,225,673,772</b>

**12. Other Transfers**

Description	2024/2025
	Kshs.
Climate change	73,696,463
<b>Total</b>	<b>73,696,463</b>

**13. Cash and Cash equivalents**

Description	2024/2025	1 <sup>st</sup> July 2024
	Kshs.	Kshs.
County Exchequer Account - (CBK Account number xxx)	2,432,658,995	522,440,362
Others ( <i>Specify</i> )		
<b>Total</b>	<b>2,432,658,995</b>	<b>522,440,362</b>

**14. Receivables from Non-Exchange Transactions**

Description	2024/2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
Other exchange debtors ( <i>Specify</i> )	2,134,580,971	968,736,040
Less: impairment allowance		
<b>Net Receivables</b>	<b>2,134,580,971</b>	<b>968,736,040</b>

**15. Receivables from Exchange Transactions**

Description	2024/2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
Other debtors (exchange transactions)	755,895,584	629,573,414
Cash in transit	199,500	23,093
<b>Total</b>	<b>756,095,084</b>	<b>629,596,507</b>

**16. Accounts Payable**

Description	2024/2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
Payables to County Executive	4,540,414,996	
Payables to County Assembly	71,248,664	
<b>Total Accounts Payable</b>	<b>4,611,663,660</b>	<b>-</b>

**Notes to the financial statements****17. 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	2024--2025	Opening Statement 1st July 2024
Co-operative Main Revenue A/C No. 01141691026400	79,729,084	8,718,773
Kcb Revenue Collection A/C No. 1140769235	36,429,995	30,698
Kcb Parking A/C No. 1292544872	115,338	41,013
Kcb Cess A/C No 1292544562	1,713,816	1,757,905
Nbk Land Rates A/C No. 01001135200100	41,154	52,674
Ncba Payroll Commission A/C No. 4084390057	14,777,278	11,232,755
Atc Kcb A/C No. 1173577289	1,867	2,000
Co-operative Bank Lands and Housing A/C No. 01141779473400	25	25
Co-operative Bank Agriculture A/C No. 01141466268700	9,926	297,912
Absa A/C No. 2031340988	59,982,910	90,322
Sbm Cess A/C No. 0198094843001	419,891,900	464,300,540
Sbm Parking A/C No. 0198094843002	136,998,255	137,007,615
Sbm Savings A/C No. 0191094843003	5,957,366	5,648,747
PAYBILL	246,670	392,435
<b>Total</b>	<b>755,895,584</b>	<b>629,573,414</b>

**14. Appendices****Appendix 1: Progress on follow up of Auditor's Recommendations**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
<b>FY 2022-2023</b>				
27	Inaccurate Amount of Return to CRF Issues	Detailed explanations to observation given in the audit response	Resolved	N/A
28	Unsupported Balances in Revenue Collection Accounts	Detailed explanations to observation given in the audit response	Not resolved	2024-2025
29	Budgetary Control and Performance	Detailed explanations to observation given in the audit response	Resolved	N/A
30	Late Exchequer Disbursements	Detailed explanations to observation given in the audit response	Resolved	N/A
<b>FY 2023-2024</b>				
<b>Basis for Qualified Opinion</b>				
1.0	Inaccurate Disbursements to the County Revenue Fund	Detailed explanations to observation given in the audit response	Resolved	N/A
1. i	Unsupported and Inaccurate Disclosure of Balances in Revenue Collection Accounts	Detailed explanations to observation given in the audit response	Resolved	N/A

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)
2 ii	Unsupported Payments from Revenue Collection Accounts	Detailed explanations to observation given in the audit response	Not resolved	2025-2026
<b>Budgetary Control and Performance</b>				
	The statement of comparison of budget and actual amounts	Detailed explanations to observation given in the audit response	Not resolved	2025-2026
	Late Exchequer Disbursements	Detailed explanations to observation given in the audit response	Not resolved	2025-2026



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**Hezekiah Nguma Mwarua**  
**Chief Officer Finance**

Date *27/10/2025*

**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	1,029,281,928	4,021,203,046	2,008,024,194	5,111,334,425	12,698,843,593
Kenya Roads Board				85,820,621	85,820,621
<b>Total</b>	<b>1,029,281,928</b>	<b>4,021,203,046</b>	<b>2,008,024,194</b>	<b>6,165,891,086</b>	<b>12,255,664,214</b>

The below receipts for the financial year 2024/2025 were received on July 2025 making a total of receipts received for the financial year 2024/2025 to Kshs. 14,390,245,185

Period 2025	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
DANIDA - Universal Healthcare in Devolved Units Programme				16,087,500	16,087,500
Kenya Urban Support Programme				32,309,300	32,309,300
Kenya Climate Smart Agriculture Project (KCSAP)				17,104,057	17,104,057
Water and Sanitation Development Project				1,551,889,682	1,551,889,682
KISIP II				517,190,432	517,190,432
<b>Total</b>				<b>2,134,580,971</b>	<b>2,134,580,971</b>

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

**(a) Exchange own source revenue**

Period 2025	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	TOTAL (Kshs.)
Land Rates and other Land Revenue	30,596,928	16,129,450	80,632,951	123,542,736	250,902,065
Cess on natural resources	94,145,849	85,661,926	79,755,223	65,771,111	325,334,109
Business Permit	6,349,583	3,769,248	30,069,433	67,297,342	107,485,606
Parking fees	8,524,395	9,686,542	10,813,450	11,701,483	40,725,870
Market fees	3,723,800	1,883,736	4,027,827	16,186,334	25,821,697
Billboards & Signage	3,082,177	1,432,806	14,199,772	14,284,998	32,999,753
Building Plan approval and Inspection	15,205,960	11,565,388	14,135,964	8,797,669	49,704,982
Rent/Stall rents	972,401	779,551	833,801	219,420	2,805,173
Plot ground rent	700,110	243,756	703,477	55,539	1,702,881
House rent	2,237,231	618,650	3,326,895	7,588,013	13,770,788
Refuse Collection	237,850	279,000	2,677,800	389,788	3,584,438
Food Hygiene Fees	184,003	305,541	1,550,196	764,871	2,804,611
Liquor license	1,017,000	824,000	6,487,000	3,826,000	12,154,000
AMS \$ATCs	2,160,697	1,079,157	986,254	1,122,877	5,348,984
Slaughter House and Livestock sale Yards	170,680	384,670	1,113,242	1,008,650	2,677,242
Others	2,999,035	1,359,372	4,164,937	1,759,764	10,283,107
<b>TOTAL</b>	<b>172,307,699</b>	<b>136,002,792</b>	<b>255,478,221</b>	<b>324,316,594</b>	<b>888,105,306</b>

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

Period -20xx	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive -Rec	1,165,535,089	1,885,357,189	1,909,064,466	3,852,698,395	8,812,655,139
County Executive -Dev	-	1,170,880,943	496,826,217	2,139,027,705	3,806,734,865
County Assembly -Rec	102,157,709	271,059,316	284,831,059	207,113,498	865,161,582
County Assembly -Dev	-	75,139,970	106,501,978	178,870,242	360,512,190
water grant	-	435,917,000	-	1,551,889,682	1,987,806,682
primary health care	-	19,057,500	-	48,757,500	67,815,000
climate change grant	-	-	-	73,696,463	73,696,463
KDSP	-	-	37,500,000	-	37,500,000
KUSP	-	-	-	32,309,300	32,309,300
Community health promoters	-	-	60,675,000	40,425,000	101,100,000
KISIP II	-	-	-	517,190,432.00	517,190,432
<b>Total</b>	<b>1,267,692,798</b>	<b>3,857,411,918</b>	<b>2,895,398,720</b>	<b>8,641,978,217</b>	<b>16,662,481,653</b>