

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

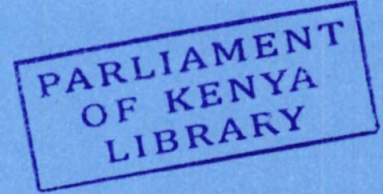
**THE AUDITOR-GENERAL**

**ON**

**COUNTY REVENUE FUND**

**FOR THE YEAR ENDED  
30 JUNE, 2024**

**COUNTY GOVERNMENT OF ISIOLO**



PAPERS LAID	
DATE	27/2/2025
TABLED BY	Majority Whip
COMMITTEE	
CLERK AT THE TABLE	Angela



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ISIOLO REGION OFFICE  
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## COUNTY REVENUE FUND

*County Government of Isiolo*

## ANNUAL REPORT AND FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024

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

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## 1. Acronyms and glossary of terms

### a) Acronyms

CA	County Assembly
COB	Controller of Budget
CRF	County Revenue Fund
FY	Financial Year
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OSR	Own Source Revenue
PFMA	Public Finance Management Act
PSASB	Public Sector Accounting Standards Board
ROR	Receiver of Revenue
Kshs	Kenya Shillings
CARA	County Allocation of Revenue Act
CBEF	County Budget and Economic Forum

### b) glossary of terms

Comparative FY	Comparative Prior Financial Year
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. Abdullahi J. Banticha
2.	C.O Finance	Habiba J. Galgalo
3.	Senior Accountant	Monica Nkirote

### c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CECM Finance and Economic Planning	Hon. Abdullahi J. Banticha
2.	Accounting Officer in charge of Finance	Habiba J. Galgalo
3.	Senior Accountant	Monica Nkirote

### d) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies at the County for the period ended 30<sup>th</sup> June 2024 were;

Public Accounts Committee

County Assembly Public Accounts and Public Investment Committees

County Assembly of Isiolo County

County Budget and Economic Forum (CBEF)

**e) County Headquarters**

County Government of Isiolo,  
P.O. Box 36-60300,  
Isiolo, KENYA.

**f) County Contacts**

Telephone: (+254) 733 227530  
E-mail: [info@isiolo.go.ke](mailto:info@isiolo.go.ke)  
Website: [www.isiolo.go.ke](http://www.isiolo.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 30084-00100  
NAIROBI, KENYA

**i) Principal Legal Adviser**

**(a)** The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

**(b) County Attorney**  
P.O. Bo 36-60300,  
Isiolo, Kenya.

### 3. Statement by the CECM Finance

"As the County Executive Committee Member for Finance, I am pleased to present the financial statement for the County Revenue Fund for the period ended 30<sup>th</sup> June 2024. This statement is intended to offer a comprehensive overview of the county's financial position, revenue performance, and expenditure trends."

#### Financing of the County Governments

The major source of budget financing is equitable share of revenue. Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue sources for Isiolo County included game park fees, business permits, land rates, business plan approval, advertising fees, cess and various other miscellaneous charges. The County continues to explore new and innovative ways of increasing its local revenue collections. The County is also intending to introduce automation in the collection in order to enhance efficiency in the collection.

#### Performance of the County Revenue Fund

##### Analysis of Revenues

The following is the summary of the County executive operation for the year 2023/2024.

**Table 1: Detailed Analysis of Revenue Realization**

Source of Revenue	Original Budget (Ksh)	Actual Cumulative Receipts (Ksh)	Level of Realization (%)
Equitable Share	4,899,041,209	4,507,117,912	92%
Local Own Sources	271,208,180	320,797,390	118%
Grant-Danida	7,738,500	-	0%
Grant-UNFPA	12,476,986	-	0%
Financing Locally led climate action			
World Bank	136,000,000	112,141,788	82%

County Government of Isiolo  
 County Revenue Fund  
 For the financial year ended 30<sup>th</sup> June 2024

Source of Revenue	Original Budget (Ksh)	Actual Cumulative Receipts (Ksh)	Level of Realization (%)
Sweden Agricultural Sector Development Support Programme (ASDSP)	18,446,882	16,258,238	88%
World bank - Emergency locust response	188,968,553	187,783,819	99%
Construction of Head quarters	60,000,000	-	0%
Transfer for Library Service	7,025,011	-	0%
B/f	117,905,059	117,905,059	100%
<b>Total</b>	<b>5,718,810,380</b>	<b>5,146,060,067</b>	<b>90%</b>



**Hon. Abdullahi J. Banticha**  
**CECM Finance and Economic Planning**  
**County Government of Isiolo**

#### 4. Management Discussion and Analysis

##### Operational Performance

The County's operations are structured in terms of departments which are headed by a County Executive Committee Member. During the year the public service department carried out a performance contracting workshop to enhance skills improvement for the County Chief officers, CECMs and other management staffs. Such workshops and induction trainings for the newly recruited staffs are all a part of enhancing a seamless service delivery and value congruence of all departments.

##### Financial performance

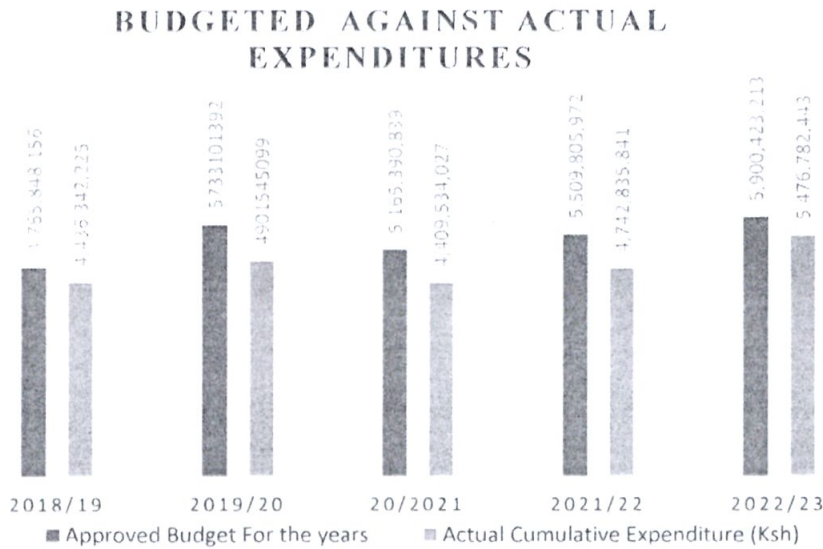
To enhance own-source revenue performance, the County has embarked on various reforms. In order to expand the tax revenue base, engaged in the upgrading infrastructure to improve tourisms revenues, and strengthening management and regulation of parking charges. To improve on compliance, there are ongoing efforts to automate revenue collection, train and improve the terms of service for revenue collectors, and sensitize the public and private sector on County governments' revenue generation programmes.

The following table illustrates the budgeted against Actual Cumulative Expenditure for the past five years.

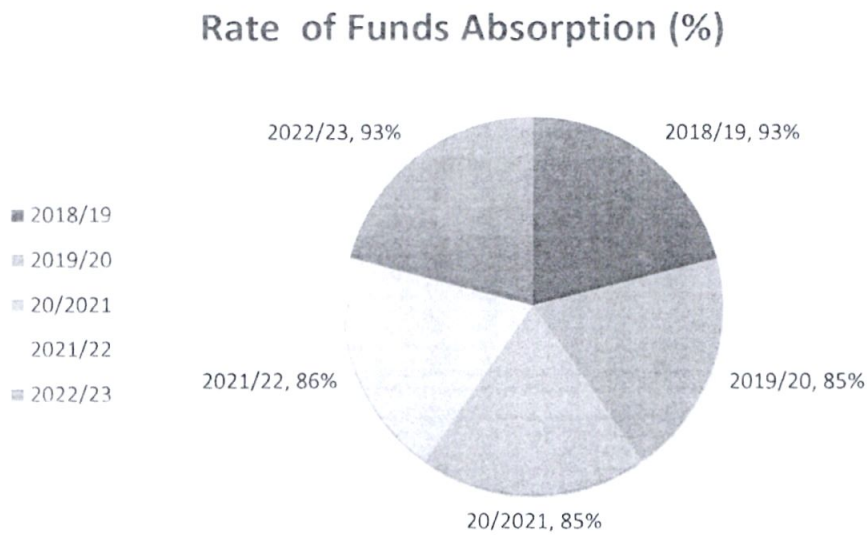
**Table 2: Budget Absorption Analysis**

Financial year	Approved Budget (Ksh)	Actual Cumulative Expenditure (Ksh)	Budget Absorption (%)
2018/2019	4,765,848,156	4,436,342,225	93%
2019/2020	5,733,101,392	4,901,545,099	85%
2020/2021	5,165,390,839	4,409,534,027	85%
2021/2022	5,509,805,972	4,742,835,841	86%
2022/2023	5,900,423,213	5,476,782,443	93%

The graph below presents the figures for the budgeted against Actual expenditures



The Chart below shows the Rate of Absorption from FY 2018/19 to 2022/23



From the above chart, the financial year 2018/19 had a budget absorption rate of 93%, that later dropped to an equal rate 85% through both FY 2019/20 and 2020/21. This was prevalent due to Covid -19 outbreak that hindered implementation of major projects as movement of people and materials was restrained, As the country and county eased to normalcy after Fy 2021/22 the absorption rose to 86% and eventually to a 93% in the Fy 2022/2023.

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

### **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.

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

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

### **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. These entities are responsible for the administration of their respective approved budgets.

### **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 2024.



**Hon. Abdullahi J. Banticha**

**CEC Member – Finance and Economic Planning  
County Government of Isiolo**

## 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, 2024. 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 (iv) 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 Cash 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, 2024, 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, 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 ----- 2024.

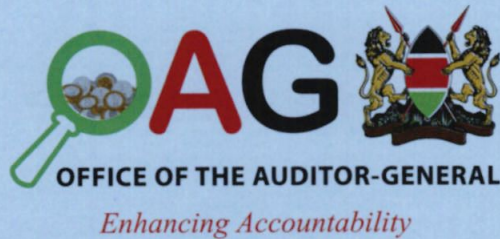


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HABIBA GALGALO JIRMA  
**Chief Officer Finance**  
County Government of Isiolo

# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON COUNTY REVENUE FUND FOR THE YEAR ENDED 30 JUNE, 2024 - COUNTY GOVERNMENT OF ISIOLO

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### PREAMBLE

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

- A. Report on the 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 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.
- 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.

An Unmodified Opinion is issued when the Auditor-General concludes that 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

#### Opinion

I have audited the accompanying financial statements of County Revenue Fund - County Government of Isiolo set out on pages 1 to 9, which comprise of the statement of receipts and payments, statement of comparison of budgets and actual amounts for the year ended 30 June, 2024 and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the

*Report of the Auditor-General on County Revenue Fund for the year ended 30 June, 2024 - County Government of Isiolo*

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, the financial statements present fairly, in all material respects, the financial position of County Revenue Fund - County Government of Isiolo as at 30 June, 2024 and of its financial performance and cashflows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Government Act, 2012.

### **Basis for Opinion**

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects Kshs.5,600,905,321 and Kshs.5,146,060,067 in respect of final receipt budget and actual receipts on comparable basis resulting into unrealized receipts amounting Kshs.454,845,254 or approximately 9% of the budget. Similarly, the Fund spent Kshs.5,131,977,632 against actual receipts of Kshs.5,146,060,067 resulting to under absorption of Kshs.14,082,435.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### **Other Information**

Management is responsible for the other information set out on page ii to x which comprise of Key Entity Information and Management, Management Discussion and Analysis, Overview of the County Revenue Fund Operations and 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 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.

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

### Conclusion

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

### Basis for Conclusion

#### Delayed Disbursement of Funds

The statement of receipts and payments and as disclosed in Note 1 to the financial statements reflect Kshs.4,507,117,912 in respect of Exchequer releases as allocations from The National Treasury in line with the County Allocation of Revenue Acts (CARA) 2023/2024.

The County Government of Isiolo received all the quarterly allocations from The National Treasury at a date later than the one provided as shown in the table below contrary to the Public Finance Management Act, 2012, Section 17(6) which states that The National Treasury shall, at the beginning of every quarter, and in any event not later than the fifteenth day from the commencement of the quarter, disburse monies to County Governments. However, there were delays in remittance of some of the quarter's issues as summarized below;

Allocation	Expected Date	Release Date	Amount (Kshs)
Quarter 1	15-Jul-23	28-Sep-23	1,224,760,303
Quarter 2	15-Oct-23	31-Jan-24	1,200,265,096
Quarter 3	15-Jan-24	23-May-24	1,224,760,302
Quarter 4	15-Apr-24	26-June-24	857,332,211
<b>TOTAL</b>			<b>4,507,117,912</b>

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 of the Auditor-General on County Revenue Fund for the year ended 30 June, 2024 - County Government of Isiolo*

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

## **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 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 (Cash Basis) and for maintaining effective internal control 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to dissolve the Fund or 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 for 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**

**20 December, 2024**

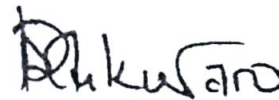
**8. Statement of Receipts and Payments for the Year Ended 30<sup>th</sup> June 2024.**

		FY 2023/2024	FY 2022/2023
	Notes	Kshs.	Kshs.
<b>Receipts</b>			
Exchequer releases	1	4,507,117,912	5,087,219,324
Transfers from other government agencies	2	316,183,845	371,267,417
Own Source Revenue	3	320,797,397	117,648,148
Return to CRF issues	4	1,960,920	85,298,298
<b>Total Receipts</b>		<b>5,146,060,067</b>	<b>5,661,433,186</b>
<b>Payments</b>			
Transfers to County Executive	5	4,522,730,268	5,142,904,066
Transfers to County Assembly	6	514,765,436	593,536,657
Other Transfers	6 (b)	94,481,928	
<b>Total Payments</b>		<b>5,131,977,632</b>	<b>5,736,440,723</b>
Net increase/ (decrease) in cash for the year		<b>14,082,435</b>	<b>(75,007,537)</b>
Add Opening fund balance b/f		15,738,656	90,746,192
<b>Closing Fund balance for the year</b>	7	<b>29,821,091</b>	<b>15,738,656</b>



CPA Habiba J Galgalo  
 Chief Officer - Finance

Date.....



CPA Monica Nkirote  
 Senior Accountant

ICPAK Member No 23115

Date.....

9. Statement of Comparison of Budget Actual Amounts for the Year Ended 30<sup>th</sup> June, 2024.

Receipt/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realization Difference	% of Realization
	<b>a</b>	<b>b</b>	<b>c=a+b</b>	<b>d</b>	<b>e=c-d</b>	<b>f=d/c %</b>
<b>Receipts</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
Exchequer releases	4,899,041,209	-	4,899,041,209	4,507,117,912	391,923,297	92%
Transfers from other government agencies	430,655,932	-	430,655,932	316,183,845	114,472,087	73%
Own Source Revenue	271,208,180	-	271,208,180	320,797,390	(49589210)	90%
Return to CRF issues	-	-	-	1,960,920	(1,960,920)	
<b>Total Receipts</b>	<b>5,600,905,321</b>	<b>-</b>	<b>5,600,905,321</b>	<b>5,146,060,067</b>	<b>454,845,254</b>	<b>91%</b>
<b>Payments</b>						
Transfers to County Executive	5,021,652,641	-	5,021,652,641	4,522,730,268	498,922,373	90%
Transfers to County Assembly	579,252,680	-	579,252,680	514,765,436	64,487,244	89%
Other payments				94,481,928	<b>(94,481,928)</b>	
<b>Total Payments</b>	<b>5,600,905,321</b>	<b>-</b>	<b>5,600,905,321</b>	<b>5,131,977,632</b>	<b>468,927,689</b>	<b>90%</b>
<b>Balance</b>				<b>14,082,435</b>		

A commentary on significant under realisation (below 90% of realisation)

- (a) 92% realisation on exchequer releases was due to delay in June 24 allocation by the National treasury
- (b) 73% realisation on Transfers from other government agencies was due to late approval from parent ministries
- (c) 90% realisation on own source revenue was due to lack of revenue automation and collection challenges

## **10. Significant Accounting Policies**

### **a) Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the Cash-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 to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

### **b) Reporting entity**

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

### **c) Receipts**

Receipts 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.

The receipts collected include Exchequer releases, own source revenue, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Exchequer Account.

Transfers from the exchequer and own source revenue are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

### **d) Payments**

Payments 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.

**Significant Accounting Policies (Continued)**

**e) Fund Balances**

Fund balances comprise bank balances in County Exchequer Account held at Central Bank of Kenya.

**f) Restriction on Cash**

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

There were no restrictions on cash during the year.

**11. Notes to the Financial Statements**

**1. Exchequer releases**

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

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Equitable Share (a)	4,507,117,912	5,087,219,324
<b>Total (d=a+b+c)</b>	<b>4,507,117,912</b>	<b>5,087,219,324</b>

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

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
World Bank Kenya Climate Smart Agriculture (KCSAP) - State Department of Crop Development	-	259,805,034
DANIDA Grant -Primary Health care in devolved context -Ministry of Health	-	4,698,375
SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development	16,258,238.00	3,000,000
Word Bank-Emergency Locust Response Project (ILRP) State Department of Crop Development	187,783,819.40	82,424,093
Word Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development	-	2,339,915
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA)1 CCIS Grant State Department of	112,141,788	22,000,000
<b>Total</b>	<b>316,183,845</b>	<b>374,267,417</b>

Notes to the Financial Statements (Continued)

3. Own Source Revenue

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Revenue Transfers to CRF	226,315,462	-
Other Transfers-Hospital	94,481,928	-
<b>Total</b>	<b>320,797,390</b>	<b>-</b>

4. Return to CRF Issues

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Recurrent Account ( <i>County Executive</i> )	804	3,546,745
Development Account ( <i>County Executive</i> )	44,688	81,603,494
Recurrent Account ( <i>County Assembly</i> )	2,678	2,319
Development Account ( <i>County Assembly</i> )	27,858	145,740
Others ( <i>Health Services Account</i> )	1,884,892	-
<b>Total</b>	<b>1,960,920</b>	<b>85,298,298</b>

Notes to the Financial Statements (Continued)

5. Transfers to County Executive

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Recurrent Account	3,210,716,935	3,829,868,019
Development Account	785,101,113	957,467,005
Special Purpose Accounts	526,912,220	355,569,042
<b>Total</b>	<b>4,522,730,268</b>	<b>1,316,865,915</b>

6. Transfers to County Assembly

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Recurrent Account	494,994,495	444,536,657
Development Account	19,770,941	149,000,000
<b>Total</b>	<b>514,765,436</b>	<b>593,536,657</b>

b). Other Transfers

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Hospital fees	94,481,928	-
<b>Total</b>	<b>94,481,928</b>	<b>-</b>

7. Fund balance

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
County Exchequer Account - (CBK Account number 1000171715)	29,821,091	15,738,656
<b>Total</b>	<b>29,821,091</b>	<b>15,738,656</b>

**Notes to the Financial Statements (Continued)**

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

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

<b>Name Of Bank, Account No. &amp; Currency</b>	<b>Amount in bank account currency*</b>	<b>Ex. rate (if in foreign currency)</b>	<b>FY 2023/2024</b>	<b>FY 2022/2023</b>
			<b>Kshs</b>	<b>Kshs</b>
National Bank	3,664,884	-	3,664,884	44,064,615
Cooperative Bank USD	-	130	-	138,978
Cooperative Bank Kes	61,941	-	61,941	499,390
Consolidated Bank Kes	13,256,231	-	13,256,231	9,408,486
Cash at Hand	-	-	-	-
<b>Total</b>			<b>16,983,056</b>	<b>56,240,911</b>

**12. Annexes**

**Annex 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)

**Guidance Notes:**

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



.....  
 CPA HABIBA GALGALO  
 Chief Officer Finance

Date.....

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

<b>Period 2023/2024</b>	<b>Quarter 1 (Kshs.)</b>	<b>Quarter 2 (Kshs.)</b>	<b>Quarter 3 (Kshs.)</b>	<b>Quarter 4 (Kshs.)</b>	<b>Total (Kshs.)</b>
Equitable Share	1,224,760,303	808,341,800	808,341,799	1,665,674,010	4,507,117,912
Agriculture Sector Development Support Project (ASDSP)	15,758,238	500,000	-	-	16,258,238
Emergency locust response project (World Bank)	-	-	-	187,783,819	187,783,819
Financing Locally Led Climate Action (FLLoCA)	-	-	-	112,141,788	112,141,788
<b>Total</b>	<b>1,240,518,541</b>	<b>808,841,800</b>	<b>808,341,799</b>	<b>1,965,599,617</b>	<b>4,823,301,757</b>

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

<b>Period 2023/2024</b>	<b>Quarter 1 (Kshs.)</b>	<b>Quarter 2 (Kshs.)</b>	<b>Quarter 3 (Kshs.)</b>	<b>Quarter 4 (Kshs.)</b>	<b>Total (Kshs.)</b>
Cess	6,646,640	9,941,749	4,697,771	6,010,965	27,297,125
Land rate	2,072,728	3,826,800	1,745,676	1,948,755	9,593,959
Single/Business permits	3,708,718	2,554,541	1,586,102	3,260,415	11,109,776
Parking fees	3,021,800	4,943,670	630,140	1,654,230	10,249,840
Market fees	1,679,610	617,673	815,902	884,276	3,997,461
Advertising	72,264	110,128	89,450	95,244	367,086
Public health service fees	1,526,145	1,285,500	415,360	637,240	3,864,245
Physical planning and development	118,930	74,090	94,702	23,605	311,327
Hire of County Assets	12,360	98,600	15,540	16,700	143,200
Park fees	70,374,408	35,124,392	13,478,205	39,694,838	158,671,843
Miscellaneous	220,135	154,600	79,454	255,411	709,600
<b>Total</b>	<b>89,453,738</b>	<b>58,731,743</b>	<b>23,648,302</b>	<b>54,481,679</b>	<b>226,315,462</b>

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

<b>Period -2023/2024</b>	<b>Quarter 1 (Kshs.)</b>	<b>Quarter 2 (Kshs.)</b>	<b>Quarter 3 (Kshs.)</b>	<b>Quarter 4 (Kshs.)</b>	<b>Total (Kshs.)</b>
County Executive -Rec	708,328,660	607,486,470	677,375,470	1,217,526,335	3,210,716,935
County Executive -Dev	118,685,129	164,686,829	127,800,164	373,928,991	785,101,113
County Assembly -Rec	74,310,486	98,810,486	126,424,718	195,448,805	494,994,495
County Assembly -Dev	-	-	-	19,770,941	19,770,941
Special Purpose A/c (Specify)	-	15,698,375	146,258,238	364,955,607	526,912,220
<b>Total</b>	<b>901,324,275</b>	<b>886,682,160</b>	<b>1,077,858,590</b>	<b>2,171,630,679</b>	<b>5,037,495,704</b>