

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

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OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**COUNTY REVENUE FUND**

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

**COUNTY GOVERNMENT OF LAIKIPIA**

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**COUNTY REVENUE FUND  
COUNTY GOVERNMENT OF LAIKIPIA**

**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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**I. ACRONYMS AND GLOSSARY OF TERMS**

|                      |   |
|----------------------|---|
| CA                   | County Assembly   |
| CE                   | County Executive  |
| CECM                 | County Executive Committee Member                             |
| CO                   | Chief officer   |
| COB                  | Controller of Budget  |
| CRF                  | County Revenue Fund   |
| DANIDA               | Danish International Development Agency                       |
| EU IDEAS             | European Union Instruments for Devolution Advice and Support  |
| FIF                  | Facility Improvement Fund                                     |
| FY                   | Financial Year  |
| IPSAS                | International Public Sector Accounting Standards              |
| KDSP                 | Kenya Devolution Support Programme                            |
| Kshs                 | Kenya Shillings   |
| KUIG                 | Kenya Urban Institution Grant                                 |
| LCG                  | laikipia County Government                                    |
| NT                   | National Treasury   |
| OSR                  | Own Source Revenue  |
| PFMA                 | Public Finance Management Act                                 |
| PSASB                | Public Sector Accounting Standards Board                      |
| ROR                  | Receiver of Revenue   |
| UNICEF               | United Nations Children's Fund                                |
| 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**

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

- CECM Finance and Economic planning
- C.O Finance
- Director Accounting Services

**c) Fiduciary Management**

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

| No. | Designation                             | Name               |
|-----|---|--------------------|
| 1.  | CECM Finance and Economic Planning      | Samuel. W. Gachigi |
| 2.  | Accounting Officer in charge of Finance | Daniel Ngumi       |
| 3.  | Director Accounting Services            | Mary Wachiuri      |

**d) Fiduciary Oversight Arrangements**

- County Assembly of Laikipia
- County Executive Committee
- Laikipia County Executive Audit Committee
- Senate Public Accounts Committee
- Office of the Controller of Budget.
- Office of the Auditor-General
- Development Partners Oversight

**e) County Headquarters**

P.O. Box 131 - 20321

County Headquarter

Government Road, Opposite DCC's Office

Rumuruti, Kenya

**f) County Contacts**

Telephone: +254 740031031

E-mail: reports.treasury@laikipia.go.ke

Website: www.laikipia.go.ke

**g) County Bankers**

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

**h) Independent Auditors**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

NAIROBI, KENYA

**i) Principal Legal Adviser**

**(a) The Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

**(b) County Legal Adviser**

P.O. Box 1271 - 10400

Interim County Headquarter Building

Kenyatta Avenue

Nanyuki, Kenya

### **3. STATEMENT BY THE CECM FINANCE**

I am pleased to present the annual financial statements for Laikipia County Revenue Fund for the financial year ended 30th June 2024. The preparation of these financial statements emphasize and demonstrate the commitment with which the Laikipia County government upholds its values and in line with the Kenyan Constitution 2010 and Public Finance Management Act (2012) of accountability, transparency, integrity, professionalism efficiency among others. The financial statements have been prepared in accordance with Article 207 of the Kenyan Constitution 2010 and Sections 109 and 167 of the PFM Act of 2012.

The purpose of the county Revenue Fund as envisioned by the Kenyan Constitution Article 207 and sec 109 of the PFM Act of 2012 is to receive all monies raised or received by or on behalf of the county government. The Law tasks the responsibility of administering the County Revenue Fund on behalf of the county Government to the County treasury of the executive arm of the county government. This provision has been strictly adhered to by the Laikipia County Government.

The County Revenue Fund held at the Central bank of Kenya being a critical fund of the county government as it holds the resources required for discharging the mandate of the county government and the County Assembly to its citizens is administered in strict adherence to the dictates of the law establishing it. This is achieved by ensuring funds withdrawn from it are in accordance with the County Appropriation Act in force during the financial year and that all withdrawals are authorised by the Controller of Budget.

During the FY 2023/24 there was a total realisation of kshs 5,964,277,272 consisting of cash receipts of Kshs 5,860,283,761 and Opening balances of Kshs 103,993,511. This represented 77% of budget realisation which was a reduction from the 93% realisation achieved in the FY 2022/23.

The below tables illustrate how the different revenue sources performed in the Financial year under review.

**Table 1: Detailed analysis of the revenue budget**

| Description   | Initial Budget for FY 2023/24 | FY 2023/24 Supplementary changes /adjustments | 2023/24 Approved Budget Estimates |
|---|-------------------------------|---|-----------------------------------|
|   | A                             | B   | C=A+B                             |
| <b>Equitable Share</b>  | <b>5,358,246,532</b>          | -   | <b>5,358,246,532</b>              |
| <b>County Own Source Revenue</b>  | <b>1,475,000,000</b>          | -   | <b>1,475,000,000</b>              |
| Hospital revenue  | 602,500,000                   |   | 602,500,000                       |
| Vocational training centres   | 30,000,000                    | -   | 30,000,000                        |
| Other local sources   | 842,500,000                   | -   | 842,500,000                       |
| <b>Domestic &amp; Foreign Grants &amp; transfers from other government agencies</b> | <b>413,430,985</b>            | <b>333,306,632</b>                            | <b>746,737,617</b>                |
| Medical leasing equipment   | -                             | -   | -                                 |
| Kenya Climate Smart Agriculture Project (KCSAP)                                     | 94,870,868                    | -   | 94,870,868                        |
| EU Led Ideas  | -                             | 10,119,996                                    | 10,119,996                        |
| Locally led Climate Action Program  | 11,000,000                    | 148,500,000                                   | 159,500,000                       |
| Agricultural Sector Development Support Programme (ASDSP) 2                         | 1,933,282                     | -   | 1,933,282                         |
| DANIDA Grant  | 7,623,000                     | -   | 7,623,000                         |
| UNICEF  | 10,000,000                    | (10,000,000)                                  | -                                 |
| Aggregated Industrial Park  | 100,000,000                   | -   | 100,000,000                       |
| provision of Fertilizer subsidy   | 66,899,161                    | -   | 66,899,161                        |
| Livestock Value Chain Support Project   | 28,647,360                    | -   | 28,647,360                        |
| De-risking & value Enhancement (Drive)  | 90,941,980                    | -   | 90,941,980                        |
| unconditional Allocations from Court fines  | 1,515,334                     | -   | 1,515,334                         |
| Equalization Fund   | -                             | 119,083,799                                   | 119,083,799                       |
| Kenya Food Systems Resilience Program (KFSRP)                                       | -                             | 50,000,000                                    | 50,000,000                        |
| Kenya Agriculture Business Development Program (KABDP)                              | -                             | 15,602,837                                    | 15,602,837                        |
| <b>Opening Balances</b>   | <b>-</b>                      | <b>119,173,977</b>                            | <b>119,173,977</b>                |
| Laikipia County Revenue Fund  | -                             | 103,993,511                                   | 103,993,511                       |
| Returns to CRF  | -                             | 180,466                                       | 180,466                           |
| Stimulus Fund balance (returns to CRF)  | -                             | 15,000,000                                    | 15,000,000                        |
| <b>Grand Total</b>  | <b>7,246,677,517</b>          | <b>452,480,609</b>                            | <b>7,699,158,126</b>              |

COUNTY GOVERNMENT OF LAIKIPIA

County Revenue Fund

Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June 2024

**Table 2: Detailed Analysis of Amounts Realised FY 2023/24**

| Description   | FY 2023/24 Approved Budget | Total amounts Realised in the FY 2023/24 | Amounts not realised FY 2023/24 |
|---|----------------------------|--|---------------------------------|
|   | A                          | B  | C = A-B                         |
| <b>Equitable Share</b>  | <b>5,358,246,532</b>       | <b>4,929,586,810</b>                     | <b>428,659,722</b>              |
| <b>County Own Source Revenue</b>  | <b>1,475,000,000</b>       | <b>790,349,527</b>                       | <b>684,650,473</b>              |
| Hospital revenue  | 602,500,000                | 257,975,196                              | 344,524,804                     |
| Vocational training centres   | 30,000,000                 | 16,296,000                               | 13,704,000                      |
| Other local sources   | 842,500,000                | 516,078,331                              | 326,421,669                     |
| <b>Domestic &amp; Foreign Grants &amp; transfers from other government agencies</b> | <b>746,737,617</b>         | <b>116,934,653</b>                       | <b>629,802,964</b>              |
| Kenya Climate Smart Agriculture Project (KCSAP)                                     | 94,870,868                 | -  | 94,870,868                      |
| EU Led ideas  | 10,119,996                 | -  | 10,119,996                      |
| Locally led Climate Action Program  | 159,500,000                | 104,249,746                              | 55,250,254                      |
| Agricultural Sector Development Support Programme (ASDSP) 2                         | 1,933,282                  | 3,308,407                                | (1,375,125)                     |
| DANIDA Grant  | 7,623,000                  | 7,623,000                                | -                               |
| Unicef  | -                          | 1,753,500                                | (1,753,500)                     |
| Aggregated Industrial Park  | 100,000,000                | -  | 100,000,000                     |
| provision of Fertilizer subsidy   | 66,899,161                 | -  | 66,899,161                      |
| Livestock Value Chain Support Project   | 28,647,360                 | -  | 28,647,360                      |
| DE risking & value Enhancement (Drive)  | 90,941,980                 | -  | 90,941,980                      |
| unconditional Allocations from Court fines  | 1,515,334                  | -  | 1,515,334                       |
| Equalization Fund   | 119,083,799                | -  | 119,083,799                     |
| Kenya Food Systems Resilience Program (KFSRP)                                       | 50,000,000                 | -  | 50,000,000                      |
| Kenya Agriculture Business Development Program (KABDP)                              | 15,602,837                 | -  | 15,602,837                      |
| <b>Opening Balances</b>   | <b>119,173,977</b>         | <b>127,406,282</b>                       | <b>(8,232,305)</b>              |
| Laikipia County Revenue Fund  | 103,993,511                | 103,993,511                              | -                               |
| Returns to CRF  | 180,466                    | 276,639                                  | (96,173)                        |
| Stimulus Fund balance (returns to CRF)  | 15,000,000                 | 23,136,132                               | (8,136,132)                     |
| <b>Grand Total</b>  | <b>7,699,158,126</b>       | <b>5,964,277,272</b>                     | <b>1,734,880,854</b>            |

The reduction in revenue realisation as compared to the FY 2022/23 was mainly attributed to;

- I. With the enactment of the FIF Act of 2023, County hospitals have been enabled to retain the revenue (Appropriations in Aid) they raise in the discharge of medical services to the public. The hospital revenue that previously up until the 1st half of the current FY 2023/24 was accounted for at the CRF level is now accounted for at the individual hospitals revenue accounts held in commercial banks. The hospital revenue realizable in the 2nd half of the current FY 2023/24(targeted in the Annual Approved Budget of FY 2023/24 to be 301 Million) is therefore not expected to be accounted for at the CRF
- II. Release of 92% of budgeted Equitable Share as compared to 100% in the previous FY 2022/23.
- III. Improvement in own source revenue collection by 9% from Kshs 902,354,455 in the FY 2021/22 to Kshs 980,163,461 in the FY 2022/23.

The County Executive with the legislative support of the County Assembly will continue to explore avenues of expanding the Laikipia County Government revenue basket through;

- I. Continuous revenue collection and administration reforms with the aim of enhancing compliance and sealing of revenue loopholes
- II. Sourcing for strategic partnerships and grants from development partners to finance identified County programs and projects.

Further breakdown and graphical illustration of budget realisation and utilisation is presented in the Management Discussion and Analysis in the next sectional report of this annual reports and financial statement.

**Future outlook**

In the FY 2024/25 Annual Approved Budget, Laikipia County Government intends to realise and utilise kshs 8,045,258,946. This is further illustrated below.

**Table 3; County revenue Budget FY 2024/25**

| Revenue Source                 | Amount               | % of total revenue |
|--------------------------------|----------------------|--------------------|
| Equitable Share                | 5,569,687,183        | 69%                |
| Own Source revenue             | 872,500,000          | 11%                |
| Appropriations in Aid          | 602,500,000          | 7%                 |
| conditional Grants             | 850,571,763          | 11%                |
| pending CAIP grant transfer    | 150,000,000          | 2%                 |
| <b>Total revenue Estimates</b> | <b>8,045,258,946</b> | <b>100%</b>        |

**Table 4; Transfers to County executive & County Assembly Budget FY 2024/25**

| Description                                   | Allocation (Kshs)    | % allocation |
|---|----------------------|--------------|
| County Executive                              | 6,816,091,946        | 85%          |
| County Assembly                               | 626,667,000          | 8%           |
| utilization of AIA (County Health facilities) | 602,500,000          | 7%           |
| <b>Total</b>                                  | <b>8,045,258,946</b> | <b>93%</b>   |

**Conclusion**

I wish to pass my sincere gratitude to H.E the Governor and the Deputy Governor for their stewardship of the county government during the period

My appreciation also goes to the County Assembly led by the Hon Speaker for their legislative and approval role of the annual and supplementary budgets and the Finance Act of the FY 2023/24

Thirdly, I wish to thank the County Executive Committee Members, the County Secretary, the Accounting Officers and the entire Laikipia County Executive staff for their dedication, hard work and teamwork which not only facilitated the successful collection of Own source revenue generated by the respective sectors, but also the prudent utilisation of funds transferred from the CRF during the Financial year under review.

Finally my special appreciation goes to the County Treasury units notably the Chief Officer Finance and the economic planning, Revenue, Budget supplies and accounting & financial Reporting teams for their economic planning, revenue collection, budget management, accounting & financial reporting roles during the period under review.




**Samuel. W. Gachigi**

**CECM Finance, Economic Planning and County Development  
County Government of Laikipia**

#### **4. MANAGEMENT DISCUSSION AND ANALYSIS**

County Revenue Fund is under this report treated as an entity itself for the purpose of preparing its report and financial statement. The purpose of this fund is to ensure that all funds relating to the county are channeled through it for the purpose of tracking and controlling expenditure out of the fund.

The various sources of funds for this fund are:

- i. National Government: Fund from the National Government includes equitable share and grants received through different ministries.
- ii. Foreign Donors: This includes Danida fund and European Union among others.
- iii. Domestic Donors: this refers to donations received from local organizations which changes from one financial period to the other.
- iv. World Bank: Grants from world bank are channeled through various government departments depending with programmes that are being funded
- v. County own Source of Revenue. This refers to revenues that are collected as fees and charges levied by county from different receivable activities.
- vi. Disposal of Assets: This is occasional revenue that is only realised when one of the county entities disposes off some of its old and unusable assets.

Withdrawals from this account for the purpose of expenditure are done through the office of the controller of budget which is aimed at ensuring that all expenditures are within the county budget.

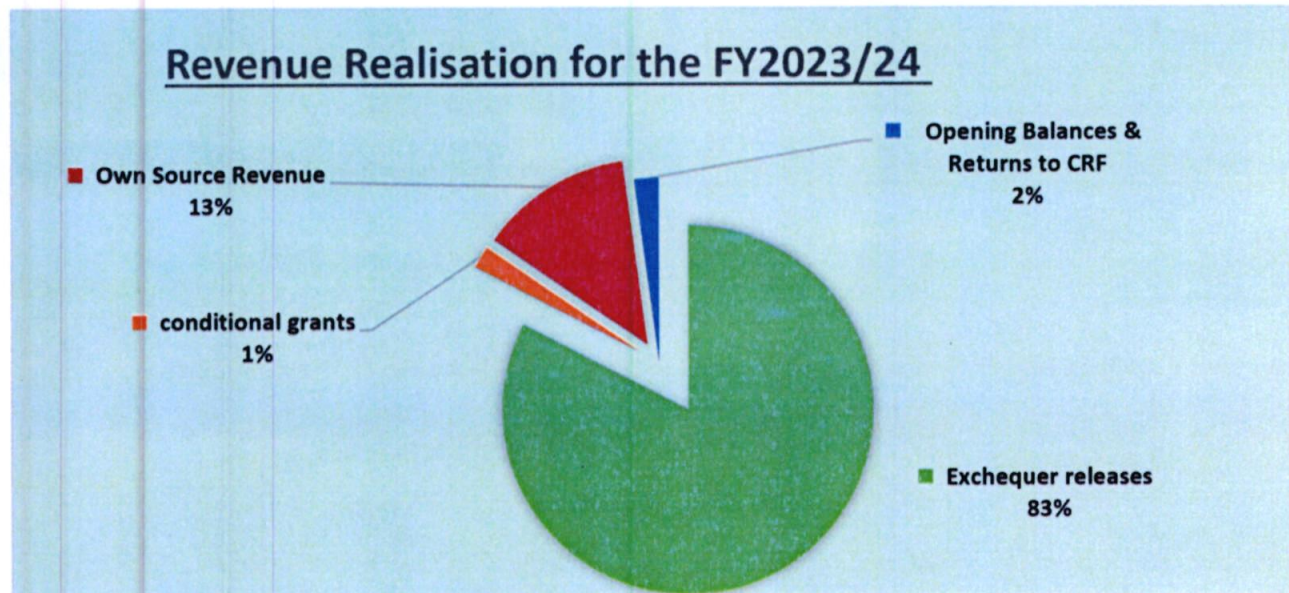
During the financial year ended 30<sup>th</sup> June, 2024, the Fund realised Kshs. 5,964,277,272 and disbursed Kshs. 5,948,541,769 to both Laikipia County Executive and Laikipia County Assembly.

#### **Receipts**

During the FY 2023/24 the Revenue Budget for Laikipia County was Kshs 7,699,158,126. The revenue realised amounted to Kshs 5,964,277,272 representing 77%. Equitable share posted 92%, own source revenue 54% while Transfers from other government agencies & other grants registered 16% realisation. The unrealised revenue of Kshs 1,734,880,854 (representing 23%) was attributed to undisbursed Equitable Share, partial release of grants, unrealised own source revenue as well as Revenue raised in county health facilities being retained and Accounted for (as AIA) at the individual facilities. More details of the reasons for under realisation of revenue are given below the statement of comparison Budget versus Actual. Below is a table to further illustrate the revenue performance within the FY 2023/24.

**Table 5: Detailed Analysis of the Amounts Realised FY 2023/24**

| Description                       | Amounts realised     | % Based on Total Realisation |
|-----------------------------------|----------------------|------------------------------|
| Exchequer releases                | 4,929,586,810        | 83%                          |
| conditional grants                | 116,934,653          | 2%                           |
| Own Source Revenue                | 790,349,527          | 13%                          |
| Opening Balances & Returns to CRF | 127,406,282          | 2%                           |
| <b>Total Receipts</b>             | <b>5,964,277,272</b> | <b>100%</b>                  |



**Comparative Receipts**

Below we present the comparative receipts from FY 2019/20 to FY 2023/24

**Table 6: Analysis of Comparative Exchequer releases from FY 2019/20 to FY 2023/24**

| Description                     | FY 2019/20           | FY 2020/21           | FY 2021/22           | FY 2022/23           | FY 2023/24           |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                 | Kshs.                | Kshs.                | Kshs.                | Kshs.                | Kshs.                |
| Equitable Share                 | 3,291,382,119        | 4,407,634,793        | 4,725,364,426        | 5,136,265,679        | 4,929,586,810        |
| <b>Total Exchequer Releases</b> | <b>3,291,382,119</b> | <b>4,407,634,793</b> | <b>4,725,364,426</b> | <b>5,136,265,679</b> | <b>4,929,586,810</b> |

**Table 7: Analysis of Comparative Conditional Grants & transfers from Other Government Agencies from FY 2019/20 to FY 2023/24**

| Description   | FY 2019/20  | FY 2020/21  | FY 2021/22 | FY 2022/23 | FY 2023/24  |
|---|-------------|-------------|------------|------------|-------------|
|   | Kshs.       | Kshs.       | Kshs.      | Kshs.      | Kshs.       |
| Locally led Climate Action Program  | -           | -           | -          | 22,000,000 | 104,249,746 |
| World Bank - Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health            | 25,549,880  | 86,415,378  | 28,389,361 | -          | -           |
| World Bank Kenya Climate Smart Agriculture (KCSAP) - State Department of Crop Development                 | 111,600,468 | 230,616,957 | 95,323,024 | 66,193,250 | -           |
| DANIDA Grant - Primary Health care in devolved context - Ministry of Health                               | 12,281,250  | 11,880,000  | 4,628,250  | 13,439,250 | 7,623,000   |
| SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development | 16,271,019  | 12,417,623  | 5,500,000  | 16,524,414 | 3,308,407   |
| Kenya Devolution Support Programme - 1 (KDSP)   | 30,000,000  | 45,000,000  | -          | -          | -           |
| Kenya Devolution Support Programme - 2 (KDSP)   | -           | 296,809,981 | -          | -          | -           |
| Kenya Urban Support Programme (KUSP)  | 35,761,940  | 27,955,677  | -          | 2,339,915  | -           |
| Kenya Urban Institution Grant (KUIG)  | 8,800,000   | -           | -          | -          | -           |
| UNICEF - Family Bank Ltd  | 2,696,779   | 4,692,898   | 11,797,412 | 4,929,300  | 1,753,500   |
| EU Grant (Instruments for Devolution Advice and Support) - Investments and Mortgages Bank Ltd             | -           | -           | 18,744,940 | -          | -           |
| LAPTRUST - Family Bank Ltd  | -           | -           | 1,499,400  | -          | -           |
| DANIDA - Covid-19 Grant   | 4,585,000   | -           | -          | -          | -           |
| Ministry of Health - Covid-19 Grant   | 91,344,000  | -           | -          | -          | -           |

COUNTY GOVERNMENT OF LAIKIPIA

County Revenue Fund

Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June 2024

|  |                    |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Roads Maintenance Levy Fund  | 118,589,624        | 143,385,638        | -                  | -                  | -                  |
| User fee Foregone Compensation   | 9,968,208          | 9,968,208          | -                  | -                  | -                  |
| Vocational Training Grant (Youth Polytechnics)                         | 31,908,298         | 18,319,894         | -                  | -                  | -                  |
| Medical Leasing Grant  | 131,914,894        | -                  | -                  | -                  | -                  |
| <b>Total Other Grants and Transfers from Other Government Agencies</b> | <b>631,271,360</b> | <b>887,462,254</b> | <b>165,882,387</b> | <b>125,426,129</b> | <b>116,934,653</b> |

**Table 8: Analysis of Comparative Returns to CRF & Opening Balances from FY 2019/20 to FY 2023/24**

| Description   | FY 2019/20       | FY 2020/21       | FY 2021/22        | FY 2022/23         | FY 2023/24         |
|---|------------------|------------------|-------------------|--------------------|--------------------|
|   | Kshs.            | Kshs.            | Kshs.             | Kshs.              | Kshs.              |
| Return to CRF Issues                                    | 2,958,156        | 1,989,102        | 759,602           | 44,931             | 23,412,771         |
| Opening Bank Balances                                   | -                | -                | 24,229,276        | 416,472,820        | 103,993,511        |
| <b>Total Opening bank balances &amp; returns to CRF</b> | <b>2,958,156</b> | <b>1,989,102</b> | <b>24,988,878</b> | <b>416,517,751</b> | <b>127,406,282</b> |

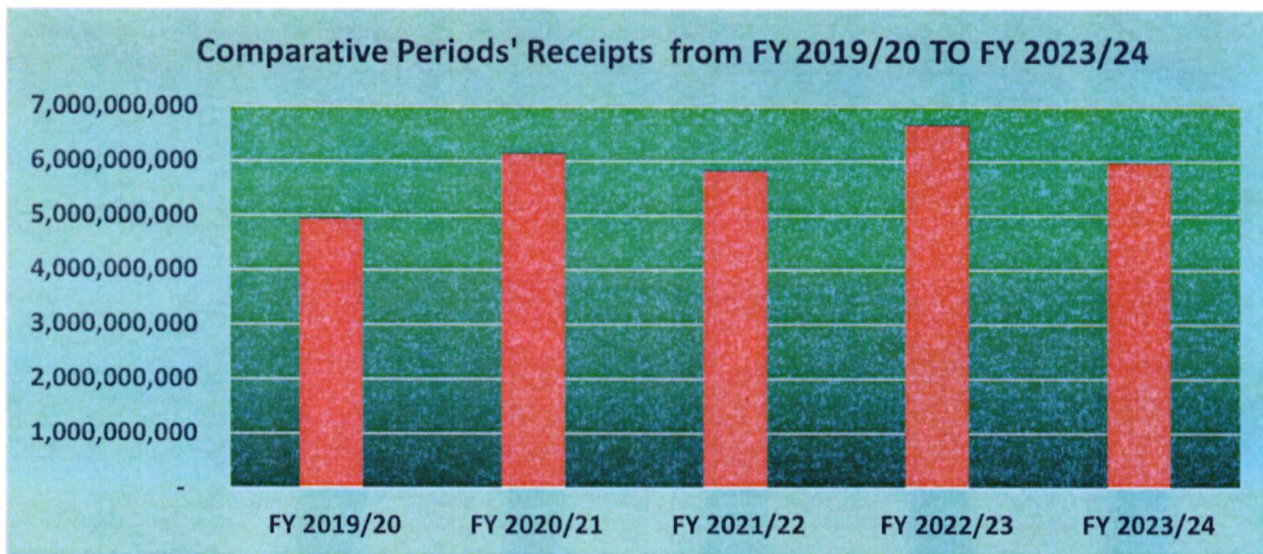
**Table 9: Analysis of Comparative Own Source Revenue from FY 2019/20 to FY 2023/24**

| Description                             | FY 2019/20  | FY 2020/21  | FY 2021/22  | FY 2022/23  | FY 2023/24  |
|---|-------------|-------------|-------------|-------------|-------------|
|   | Kshs.       | Kshs.       | Kshs.       | Kshs.       | Kshs.       |
| Land Rates                              | 77,665,428  | 96,012,156  | 46,390,622  | 74,410,569  | 56,022,755  |
| Business Permits                        | 80,219,744  | 99,990,009  | 76,072,888  | 86,497,179  | 89,298,867  |
| Cesses                                  | 22,919,615  | 31,832,627  | 34,741,517  | 31,615,184  | 71,322,170  |
| Property Rents                          | 1,668,870   | 3,587,829   | 1,045,754   | 1,286,012   | 9,325,602   |
| Other Local Levies                      | -           | -           | 584,270     | 29,290,086  | 42,546,953  |
| Administrative Services Fees            | 22,170,062  | 40,807,100  | 39,932,574  | 34,622,867  | 37,842,196  |
| County's Natural Resources Exploitation | 88,945,271  | 89,176,596  | 82,318,492  | 70,604,242  | 68,224,968  |
| Market/Trade Centre Fee                 | 9,289,806   | 14,883,907  | 9,494,210   | 8,011,696   | 11,825,589  |
| Vehicle Parking Fees                    | 63,888,809  | 67,501,057  | 69,343,987  | 67,284,227  | 71,404,394  |
| Housing                                 | 17,887,784  | 21,369,844  | 18,268,946  | 26,154,680  | 13,107,696  |
| Social Premises Use Charges             | 221,400     | 57,900      | 279,000     | 341,020     | 303,500     |
| Education Fees                          | 3,146,456   | 10,383,000  | 29,755,791  | 10,385,000  | 16,296,000  |
| Public Health Facilities Operations     | 281,139,964 | 283,746,032 | 411,963,986 | 475,888,673 | 257,975,196 |
| Slaughter Houses Administration         | 15,288,981  | 17,654,490  | 17,786,452  | 17,080,007  | 9,982,250   |
| Technical Services Fees                 | 42,254,323  | 51,582,792  | 55,581,896  | 41,366,775  | 29,865,856  |

|  |                    |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| External Services Fees   | 3,657,497          | 5,222,720          | 6,423,070          | 5,324,245          | 4,876,136          |
| Disposal Of Assets   | -                  | -                  | 2,371,000          |                    | 129,400            |
| Other miscellaneous receipts-Dis-infestation fees, salary recovery | 603,492            | 210,974            | -                  | 1,000              | -                  |
| Proceeds from Sale of Assets                                       | 5,200,000          | 6,377,600          | -                  | -                  | -                  |
| <b>Total Own Source Revenue</b>                                    | <b>736,167,502</b> | <b>840,396,633</b> | <b>902,354,455</b> | <b>980,163,461</b> | <b>790,349,527</b> |

**Table 10: Analysis of Total Comparative Receipts from FY 2018/19 to FY 2022/23**

| Details   | FY 2019/20           | FY 2020/21           | FY 2021/22           | FY 2022/23           | FY 2023/24           |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | Kshs.                | Kshs.                | Kshs.                | Kshs.                | Kshs.                |
| Exchequer releases  | 3,291,382,119        | 4,407,634,793        | 4,725,364,426        | 5,136,265,679        | 4,929,586,810        |
| Own Source Revenue  | 736,167,502          | 840,396,633          | 902,354,455          | 980,163,461          | 790,349,527          |
| Conditional Grants & Transfers from other government agencies | 631,271,360          | 887,462,254          | 165,882,387          | 125,426,129          | 116,934,653          |
| Opening Balances (return to CRF & CRF balances )              | 272,733,343          | 1,989,102            | 24,988,878           | 416,517,750          | 127,406,282          |
| <b>Total Receipts</b>   | <b>4,931,554,324</b> | <b>6,137,482,782</b> | <b>5,818,590,146</b> | <b>6,658,373,019</b> | <b>5,964,277,272</b> |



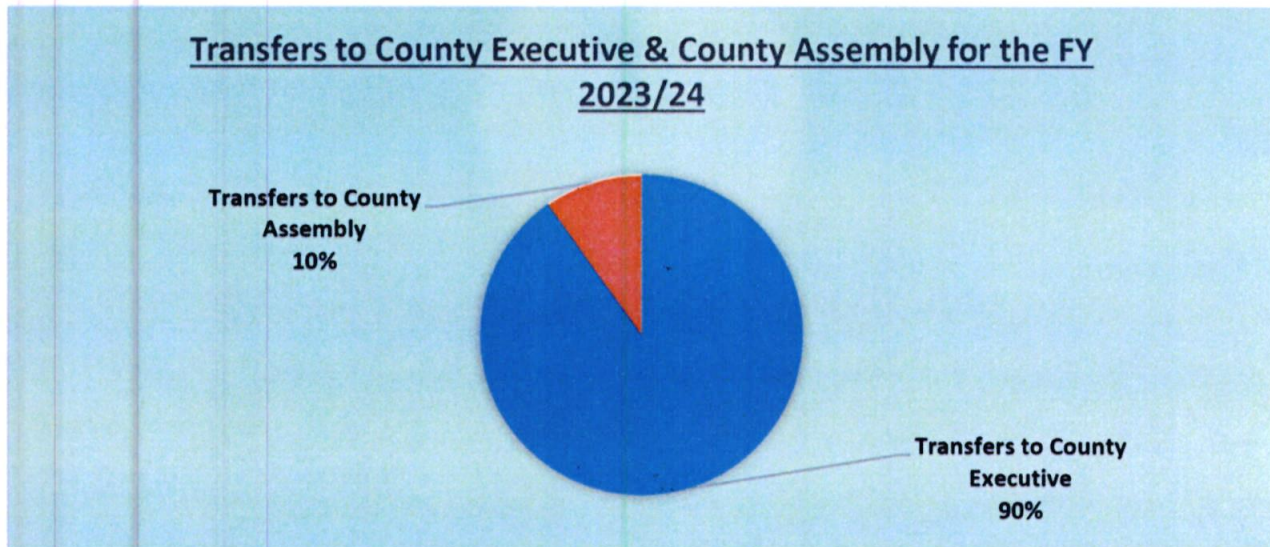
**Transfers to County Executive & Assembly**

The transfer to County Executive and County Assembly budget for the FY 2023/24 was Kshs 7,699,158,126. During the financial year, cumulative transfers of Kshs 5,948,541,769 were successfully

transferred to the County Executive (Kshs 5,363,059,747) and County Assembly (Kshs 585,482,022). Total transfers to County Executive stood at 76%. While total transfers to County Assembly stood at 91%

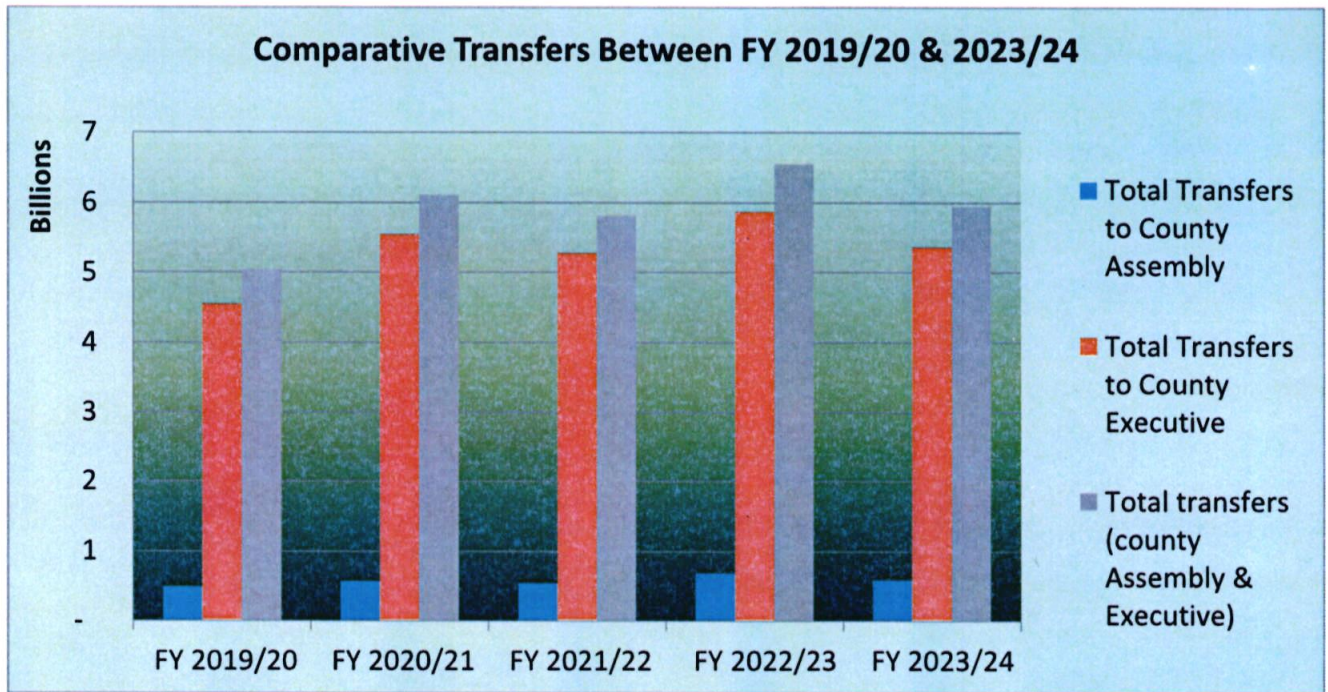
**Table 11: Analysis Transfers to County Executive and County Assembly for the FY 2023/24**

| Details                       | FY 2023/24           | Percentage Transfer |
|-------------------------------|----------------------|---------------------|
|                               | Kshs.                | %                   |
| Transfers to County Executive | 5,363,059,747        | 90%                 |
| Transfers to County Assembly  | 585,482,022          | 10%                 |
| <b>Total Payments</b>         | <b>5,948,541,769</b> | <b>100%</b>         |



**Table 12: Comparative Transfers to County Executive & County Assembly from FY 2019/20 to FY 2023/24.**

| Details  | FY 2019/20           | FY 2020/21           | FY 2021/22           | FY 2022/23           | FY 2023/24           |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | Kshs.                | Kshs.                | Kshs.                | Kshs.                | Kshs.                |
| Recurrent transfers to County Assembly                   | 445,025,200          | 491,322,336          | 501,308,712          | 656,570,651          | 521,628,505          |
| Development transfers to County Assembly                 | 47,861,163           | 76,270,441           | 36,436,563           | 30,858,230           | 63,853,517           |
| <b>Total Transfers to County Assembly</b>                | <b>492,886,363</b>   | <b>567,592,777</b>   | <b>537,745,275</b>   | <b>687,428,881</b>   | <b>585,482,022</b>   |
| Recurrent transfers to County Executive                  | 3,652,696,854        | 3,935,647,767        | 3,887,938,351        | 4,610,447,592        | 3,960,708,015        |
| Development Transfers to County Executive                | 895,431,189          | 1,608,456,447        | 1,387,334,953        | 1,256,503,035        | 1,402,351,732        |
| <b>Total Transfers to County Executive</b>               | <b>4,548,128,043</b> | <b>5,544,104,214</b> | <b>5,275,273,304</b> | <b>5,866,950,627</b> | <b>5,363,059,747</b> |
| <b>Total transfers (county Assembly &amp; Executive)</b> | <b>5,041,014,406</b> | <b>6,111,696,991</b> | <b>5,813,018,579</b> | <b>6,554,379,508</b> | <b>5,948,541,769</b> |



## 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. Other receipt includes 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.



**Daniel Ngumi**  
Chief Officer – Finance & County Treasury  
County Government of Laikipia

## 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 shall 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 of the County Government 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 Executive; (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, 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

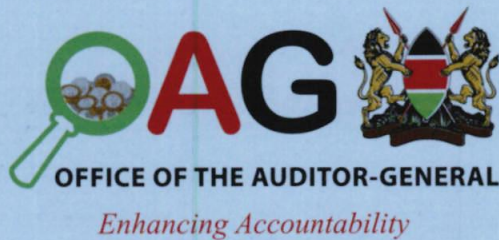
The County Revenue Fund's financial statements were approved and signed on 23<sup>rd</sup> September 2024.

  
\_\_\_\_\_  
**Washira Gachigi**  
**CECM Finance, Economic Planning and County Development**  
**County Government of Laikipia**



# REPUBLIC OF KENYA

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



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

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

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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.
- 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 aim to address the Auditor-General's statutory roles and responsibilities 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 the County Revenue Fund – County Government of Laikipia set out on pages 1 to 10, which comprise the statement

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

of receipts and payments 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 the County Revenue Fund – County Government of Laikipia as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Laikipia County Revenue Board Act, 2014 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Inaccuracies in Own Source Revenue**

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects own source revenue of Kshs.790,349,527. However, the Receiver of Revenue - County Government of Laikipia statement of receipts and disbursements reflects disbursements to County Revenue Fund totalling Kshs.792,103,028 resulting to an unexplained variance of Kshs.1,753,501.

In the circumstances, the accuracy and completeness of the own source revenue disbursed from Receiver of Revenue to County Revenue Fund could not be confirmed.

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 Laikipia 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 comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.7,699,158,126 and Kshs.5,964,277,272 respectively resulting to an underfunding of Kshs.1,734,880,854 or 23% of the budget. Similarly, the Fund disbursed Kshs.5,948,541,769 against an approved budget of Kshs.7,699,158,126 resulting to an under-disbursement of Kshs.1,750,616,357 or twenty three percent (23%) of the budget.

The underfunding and under disbursement 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 judgment, are of most significance in the audit of the financial statements. Except for 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 previous audit report, several issues were raised under Other Matter and Report on Lawfulness and Effectiveness in Use of Public Resources. However, although the Management has indicated that the issues have been resolved, the matters remained unresolved as the Senate and County Assembly have not met to deliberate on the same.

## **Other Information**

In connection with my audit on the County Government of Laikipia - County Revenue Fund 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 THE 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 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**

### **Late Exchequer Issues**

The statement of receipts and payments and as disclosed in Note 1 to the financial statements reflects Exchequer releases totaling Kshs.4,929,586,810. Included in this balance is an amount of Kshs.937,693,143 received by the County Government Revenue Fund from The National Treasury in the second half of the month of June, 2024. The late exchequer releases could have had adverse effect on the implementation of the planned activities and projects by the Management for the year ended 30 June, 2024. This was contrary to the International Public Sector Accounting Standards (Cash Basis) of Accounting and Regulation 97(1) of the Public Finance

Management (County Governments) Regulations, 2015 which states that the accounts of the County Government entities shall record transactions which take place during a financial year running from the 1st July to 30th June.

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 (Cash 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 to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable 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 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**

**24 December, 2024**

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

8. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE, 2024.

|  | Notes    | FY 2023/24<br>Kshs.    | FY 2022/23<br>Kshs.    |
|--|----------|------------------------|------------------------|
| <b>Receipts</b>                              |          |                        |                        |
| Exchequer releases                           | 1        | 4,929,586,810          | 5,547,166,932          |
| Transfers from other government agencies     | 2        | 115,181,153            | 120,496,829            |
| Other grants                                 | 3        | 1,753,500              | 4,929,300              |
| Own Source Revenue                           | 4        | 790,349,527            | 980,163,461            |
| Return to CRF issues                         | 5        | 23,412,771             | 44,931                 |
| <b>Total Receipts</b>                        |          | <b>5,860,283,761</b>   | <b>6,652,801,452</b>   |
| <b>Payments</b>                              |          |                        |                        |
| Transfers to County Executive                | 6        | (5,363,059,747)        | (5,866,950,627)        |
| Transfers to County Assembly                 | 7        | (585,482,022)          | (687,428,881)          |
| <b>Total Payments</b>                        |          | <b>(5,948,541,769)</b> | <b>(6,554,379,508)</b> |
| Net increase (decrease) in cash for the year |          | (88,258,008)           | 98,421,944             |
| Add Opening fund balance b/f                 | 8        | 103,993,511            | 5,571,567              |
| <b>Closing Fund balance for the period</b>   | <b>8</b> | <b>15,735,503</b>      | <b>103,993,511</b>     |

Chief Officer- Finance & County  
Treasury  
Daniel K. Ngumi  
ICPAK Number: 8207

Head of Accounting Services  
Mary W. Wachiuri  
ICPAK Number: 7055

Ag Asst. Director FRU  
Mishek M. Gacheru  
ICPAK Number: 26623

**9. STATEMENT OF COMPARISON OF BUDGET VS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2024.**

| Receipt/Payments              | Original Budget      | Adjustments        | Final Budget         | Actual on Comparable Basis | Budget Realisation Difference | % of Realisation |
|-------------------------------|----------------------|--------------------|----------------------|----------------------------|-------------------------------|------------------|
|                               | A                    | B                  | C=A+B                | D                          | E=C-D                         | F=D/C%           |
| <b>Receipts</b>               | Kshs.                | Kshs.              | Kshs.                | Kshs.                      | Kshs.                         |                  |
| Exchequer releases            | 5,358,246,532        | -                  | 5,358,246,532        | 4,929,586,810              | 428,659,722                   | 92%              |
| Conditional grants            | 413,430,985          | 333,306,632        | 746,737,617          | 116,934,653                | 629,802,964                   | 16%              |
| Own Source Revenue            | 1,475,000,000        |                    | 1,475,000,000        | 790,349,527                | 684,650,473                   | 54%              |
| Return to CRF issues          | -                    | 15,180,466         | 15,180,466           | 23,412,771                 | (8,232,305)                   | 154%             |
| Opening Balance CRF Balance   | -                    | 103,993,511        | 103,993,511          | 103,993,511                | -                             | 100%             |
| <b>Total Receipts</b>         | <b>7,246,677,517</b> | <b>452,480,609</b> | <b>7,699,158,126</b> | <b>5,964,277,272</b>       | <b>1,734,880,854</b>          | <b>77%</b>       |
| <b>Payments</b>               |                      |                    |                      |                            |                               |                  |
| Transfers to County Executive | 6,650,868,468        | 402,480,609        | 7,053,349,077        | 5,363,059,747              | 1,690,289,330                 | 76%              |
| Transfers to County Assembly  | 595,809,049          | 50,000,000         | 645,809,049          | 585,482,022                | 60,327,027                    | 91%              |
| <b>Total Payments</b>         | <b>7,246,677,517</b> | <b>452,480,609</b> | <b>7,699,158,126</b> | <b>5,948,541,769</b>       | <b>1,750,616,357</b>          | <b>77%</b>       |
| <b>Balance</b>                | -                    | -                  | -                    | <b>15,735,503</b>          | <b>(15,735,503)</b>           |                  |

*The changes between the original and final budget was due to a supplementary budget passed within the FY 2023/24*

**Under-realization of the revenue budget was due to:**

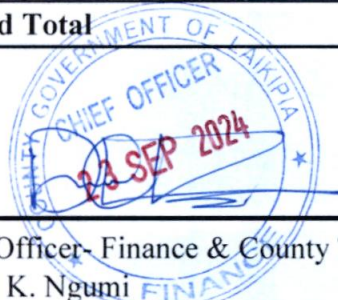
- Non-disbursement of Exchequer releases by the National Treasury amounting to Kshs 428,659,722
- Non-disbursement of conditional grants amounting to Kshs 629,802,964
- Under realisation in proceeds from own source revenue amounting to Kshs 684,650,473 was due to:
  - i Reduced commercial activities within trading centres caused by the subdued economic activity within the country.

**Under-utilization of the transfers' budget was due to;**

- Underutilisation of the transfers to County Assembly & County Executive was due to under realisation of revenue as explained above.

**RECONCILIATION OF RECEIPTS IN STATEMENT OF RECEIPTS AND PAYMENTS AGAINST STATEMENT OF COMPARISON BUDGET VS ACTUAL**

| Receipt   | Statement of Receipts and Payments | Statement of Comparison | Variiances           | Remarks              |
|---|------------------------------------|-------------------------|----------------------|----------------------|
|   | A                                  | B                       | C = A - B            |                      |
| Exchequer Releases  | 4,929,586,810                      | 4,929,586,810           | -                    |                      |
| <b>Total Exchequer Releases</b>                           | <b>4,929,586,810</b>               | <b>4,929,586,810</b>    | -                    |                      |
| Locally led Climate Action Program                        | 104,249,746                        | 104,249,746             | -                    |                      |
| Agricultural Sector Development Support Programme (ASDSP) | 3,308,407                          | 3,308,407               | -                    |                      |
| UNICEF  | 1,753,500                          | 1,753,500               | -                    |                      |
| DANIDA grant  | 7,623,000                          | 7,623,000               | -                    |                      |
| <b>Total conditional grants &amp; Transfers</b>           | <b>116,934,653</b>                 | <b>116,934,653</b>      | -                    |                      |
| Own Source Revenue  | 790,349,527                        | 790,349,527             | -                    |                      |
| Return to CRF issues                                      | 23,412,771                         | 23,412,771              | -                    |                      |
| Opening Balance CRF Balance                               | -                                  | 103,993,511             | (103,993,511)        | Opening Bank Balance |
| <b>Grand Total</b>  | <b>5,860,283,761</b>               | <b>5,964,277,272</b>    | <b>(103,993,511)</b> |                      |



Chief Officer- Finance & County Treasury  
 Daniel K. Ngumi  
 ICPAK Number: 8207



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Ag Asst. Director FRU  
 Mishek M. Gacheru  
 ICPAK Number: 26623

## **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 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.

County own source revenue is recognized as receipts when the funds are received in the County Exchequer Account.

### **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.

**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 other restrictions on cash during the year.

COUNTY GOVERNMENT OF LAIKIPIA

County Revenue Fund

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**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:

| Details           | FY 2023/24           | FY 2022/23           |
|-------------------|----------------------|----------------------|
|                   | Kshs.                | Kshs.                |
| Equitable Share   | 4,929,586,810        | 5,547,166,932        |
| Level 5 hospitals | -                    | -                    |
| <b>Total</b>      | <b>4,929,586,810</b> | <b>5,547,166,932</b> |

*This refers to equitable share released by the National Treasury.*

**2. TRANSFERS FROM OTHER GOVERNMENT AGENCIES**

| Details   | FY 2023/24         | FY 2022/23         |
|---|--------------------|--------------------|
|   | Kshs.              | Kshs.              |
| Locally led Climate Action Program  | 104,249,746        | 22,000,000         |
| World Bank Kenya Climate Smart Agriculture (KCSAP) -State Department of Crop Development                  | -                  | 66,193,250         |
| DANIDA Grant -Primary Health care in devolved context -Ministry of Health                                 | 7,623,000          | 13,439,250         |
| SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development | 3,308,407          | 16,524,414         |
| Kenya Urban Support Programme (KUSP)  | -                  | 2,339,915          |
| <b>Total</b>  | <b>115,181,153</b> | <b>120,496,829</b> |

*These include other government grants that do not pass through the Exchequer.*

**3. OTHER GRANTS**

| Details                  | FY 2023/24       | FY 2022/23       |
|--------------------------|------------------|------------------|
|                          | Kshs.            | Kshs.            |
| UNICEF - Family Bank Ltd | 1,753,500        | 4,929,300        |
|                          | <b>1,753,500</b> | <b>4,929,300</b> |

*These are funds received from development partners directly into CRF*

COUNTY GOVERNMENT OF LAIKIPIA

County Revenue Fund

Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June 2024

**4. OWN SOURCE REVENUE**

| Details   | FY 2023/24         | FY 2022/23         |
|---|--------------------|--------------------|
|   | Kshs.              | Kshs.              |
| Land Rates  | 56,022,755         | 74,410,569         |
| Business Permits  | 89,298,867         | 86,497,179         |
| Cesses  | 71,322,170         | 31,615,184         |
| Plot Rents  | 9,325,602          | 1,286,012          |
| Other Local Levies  | 42,546,953         | 29,290,086         |
| Administrative Services Fees                                      | 37,842,196         | 34,622,867         |
| County's Natural Resources Exploitation                           | 68,224,968         | 70,604,242         |
| Market/Trade Centre Fee   | 11,825,589         | 8,011,696          |
| Vehicle Parking Fees  | 71,404,394         | 67,284,227         |
| Housing   | 13,107,696         | 26,154,680         |
| Social Premises Use Charges                                       | 303,500            | 341,020            |
| Education Fees  | 16,296,000         | 10,385,000         |
| Public Health Facilities Operations                               | 257,975,196        | 475,888,673        |
| Slaughter Houses Administration                                   | 9,982,250          | 17,080,007         |
| Technical Services Fees   | 29,865,856         | 41,366,775         |
| External Services Fees  | 4,876,136          | 5,324,245          |
| Disposal Of Assets  | 129,400            | -                  |
| Other miscellaneous receipts-Disinfestation fees, salary recovery | -                  | 1,000              |
| <b>Total</b>  | <b>790,349,527</b> | <b>980,163,461</b> |

**5. RETURN TO CRF ISSUES**

| Details  | FY 2023/24        | FY 2022/23    |
|--|-------------------|---------------|
|  | Kshs.             | Kshs.         |
| County Executive - Development - 1000171162      | 105,033           | 10,264        |
| Laikipia County Recurrent Account- 1000171208    | 18,971            | 2,315         |
| Laikipia County Health FIF Account – 1000392959  | 42,544            | 27,938        |
| County Assembly - Development - 1000339691       | 2,380             | -             |
| County Assembly - Recurrent - 1000193786         | 11,539            | 4,414         |
| Transfer of unspent funds(Equity Salary Account) | 91,358            | -             |
| Transfer of unspent funds(ABSA Bank)             | 1,625             | -             |
| transfer from Economic Stimulus Fund             | 23,139,321        | -             |
| <b>Total</b>                                     | <b>23,412,771</b> | <b>44,931</b> |

COUNTY GOVERNMENT OF LAIKIPIA

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**6. TRANSFERS TO COUNTY EXECUTIVE**

| Details  | FY 2023/24             | FY 2022/23             |
|--|------------------------|------------------------|
|  | Kshs.                  | Kshs.                  |
| Laikipia County Recurrent Account- 1000171208  | (3,689,916,631)        | (4,273,089,376)        |
| Laikipia County Development Account – 1000171162                                     | (832,279,514)          | (648,022,476)          |
| Laikipia County Ideas-Led Account – 1000363312                                       | -                      | (2,500,000)            |
| Laikipia County Kenya Climate Smart Agriculture Project Account - 1000367717         | (4,000,000)            | (80,193,250)           |
| Laikipia County Agricultural Sector Development Support Program Account – 1000372087 | (2,433,282)            | (21,524,414)           |
| Laikipia County Health FIF Account – 1000392959                                      | (542,356,420)          | (771,353,882)          |
| Laikipia County Kenya Urban Support Program – 1000372141                             | -                      | 2,339,915              |
| Laikipia County Primary Health Care  | (7,623,000)            | (12,944,250)           |
| Laikipia County Climate Change Fund A/C – 1000546786                                 | (169,508,284)          | (22,000,000)           |
| Laikipia County Emergency Fund - 1000451181  | (39,442,616)           | (32,983,064)           |
| Laikipia County CAIP A/c   | (66,000,000)           | -                      |
| Laikipia County Food Systems Resilience program                                      | (9,500,000)            | -                      |
| <b>Total</b>   | <b>(5,363,059,747)</b> | <b>(5,866,950,627)</b> |

**7. TRANSFERS TO COUNTY ASSEMBLY**

| Details                                    | FY 2023/24           | FY 2022/23           |
|--|----------------------|----------------------|
|  | Kshs.                | Kshs.                |
| County Assembly - Recurrent - 1000193786   | (521,628,505)        | (423,027,083)        |
| County Assembly - Development – 1000339691 | (63,853,517)         | (264,401,798)        |
| <b>Total</b>                               | <b>(585,482,022)</b> | <b>(687,428,881)</b> |

**8. FUND BALANCE**

| Description  | FY 2023/24        | FY 2022/23         |
|--|-------------------|--------------------|
|  | Kshs.             | Kshs.              |
| Laikipia County Revenue Fund Account - CBK- 1000171626 | 15,735,503        | 103,993,511        |
| <b>Total</b>   | <b>15,735,503</b> | <b>103,993,511</b> |

*This refers to cash balance in the County Revenue Fund Account in the FY 2022/23 & 2021/22 respectively*

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**9. DISCLOSURE OF BALANCES IN REVENUE COLLECTION ACCOUNTS**

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

| Name of Bank, Account No. & currency    | Amount FY 2023/24 | Comparative<br>FY 2022/23 |
|---|-------------------|---------------------------|
|   | Kshs              | Kshs                      |
| Co-operative Bank A/c No.01141366378700 | 2,258,079         | 7,428,849                 |
| Family Bank A/c 064000063932            | 412               | 5,707,200                 |
| Cooperative A/C No. 01141366233700      | -                 | 223,400                   |
| Cooperative A/C No.01129369599800       | 3,929             | 3,933                     |
| Cooperative A/C No.01129368995000       | (440)             | 730                       |
| Cooperative A/C No.01129369635000       | 434               | 26,055                    |
| Cooperative A/C No. 01129369634800      | 6,868             | 15,010                    |
| Cooperative A/C No. 01129369622000      | 225               | 2,491                     |
| Cooperative A/C No. 01129369599900      | (702)             | 267                       |
| Cooperative A/C No. 01129369621700      | 233               | 2,795                     |
| Cooperative A/C No. 01129369602100      | 574               | 15,428                    |
| Cooperative A/C No. 01129368995100      | 519               | ( 507)                    |
| Cooperative A/C No. 01129369000000      | 281               | 163                       |
| K.C.B A/C No.1275712657                 | 61,965            | 14,680                    |
| K.C.B A/C No.1235093808                 | 4,171             | 1,025                     |
| K.C.B A/C No.1198115610                 | 204,833           | 648,762                   |
| K.C.B A/C No.1198224266                 | 2,606,358         | 1,661,029                 |
| K.C.B A/C No.1235093948                 | 5,261             | 1,821                     |
| K.C.B A/C No.1261696778                 | 885               | 400                       |
| FAMILY BANK A/C No.064000064783         | -                 | 108,530                   |
| FAMILY BANK A/C No.023000027049         | 5,010             | 1,073                     |
| FAMILY BANK A/C No. 023000027937        | -                 | 981                       |
| KCB A/C No.01102127183                  | -                 | ( 481)                    |
| Cooperative A/C No. no.01141501762300   | -                 | 700,833                   |
| <b>Total</b>                            | <b>5,158,895</b>  | <b>16,564,467</b>         |

**12. ANNEXES**

**ANNEX 1: PROGRESS ON FOLLOW- UP OF AUDITOR'S RECOMMENDATIONS**

There were no prior year's Auditor's recommendations on the County Revenue Fund Annual Reports & Financial Statements.



A circular official stamp from the County Government of Laikipia, Finance & County Treasury. The stamp contains the text "COUNTY GOVERNMENT OF LAIKIPIA" around the top edge and "FINANCE & COUNTY TREASURY" around the bottom edge. In the center, it says "CHIEF OFFICER". A red date stamp "23 SEP 2024" is placed over the center. A blue ink signature is written across the stamp.

.....  
Daniel Ngumi  
Chief Officer – Finance & County Treasury  
ICPAK No 8207

COUNTY GOVERNMENT OF LAIKIPIA

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Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June 2024

**ANNEX 2. ANALYSIS OF RECEIPTS FROM THE NATIONAL TREASURY EXCHEQUER RELEASES**

| Period (2023/24)  | Quarter 1            | Quarter 2          | Quarter 3          | Quarter 4            | Cumulative current year | Total prior year     |
|---|----------------------|--------------------|--------------------|----------------------|-------------------------|----------------------|
|   | (Kshs.)              | (Kshs.)            | (Kshs.)            | (Kshs.)              | (Kshs.)                 | (Kshs.)              |
| Equitable Share   | 1,339,561,633        | 884,110,678        | 884,110,678        | 1,821,803,821        | <b>4,929,586,810</b>    | <b>5,547,166,932</b> |
| Locally led Climate Action Program                        | -                    | -                  | 46,624,873         | 70,383,411           | 117,008,284             | 22,000,000           |
| DANIDA - Universal Healthcare in Devolved Units Programme | -                    | -                  | -                  | 7,623,000            | 7,623,000               | 13,439,250           |
| UNICEF  | -                    | 1,753,500          | -                  | -                    | 1,753,500               | 4,929,300            |
| Kenya Urban Support Programme                             | -                    | -                  | -                  | -                    | -                       | 2,339,915            |
| Agriculture Sector Development Support Project (ASDSP)    | 875,125              | 500,000            | 1,933,282          | -                    | 3,308,407               | 16,524,414           |
| Kenya Climate Smart Agriculture Project (KCSAP)           | -                    | -                  | -                  | -                    | -                       | 66,193,250           |
| <b>Total</b>  | <b>1,340,436,758</b> | <b>886,364,178</b> | <b>932,668,833</b> | <b>1,899,810,232</b> | <b>5,059,280,001</b>    | <b>5,672,593,061</b> |

COUNTY GOVERNMENT OF LAIKIPIA

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Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June 2024

**ANNEX 3: ANALYSIS OF TRANSFERS FROM THE COUNTY REVENUE FUND**

| Period (2023/24)  | Quarter 1            | Quarter 2            | Quarter 3            | Quarter 4            | Cumulative current year | Total prior year     |
|---|----------------------|----------------------|----------------------|----------------------|-------------------------|----------------------|
|   | (Kshs.)              | (Kshs.)              | (Kshs.)              | (Kshs.)              | (Kshs.)                 | (Kshs.)              |
| County Executive -Rec   | 711,664,828          | 620,676,406          | 1,019,184,600        | 1,338,390,797        | 3,689,916,631           | 4,273,089,376        |
| County Executive –Dev.  | 100,313,708          | 202,605,905          | 126,911,412          | 402,448,489          | 832,279,514             | 648,022,476          |
| County Assembly -Rec  | 83,380,407           | 104,389,248          | 182,412,947          | 151,445,904          | 521,628,505             | 656,570,651          |
| County Assembly –Dev.   | -                    | 1,447,459            | 10,816,446           | 51,589,612           | 63,853,517              | 30,858,230           |
| Laikipia County Agricultural Sector Development Support Program | 500,000              | -                    | -                    | 1,933,282            | 2,433,282               | 21,524,414           |
| Laikipia County Emergency Fund                                  | 6,479,325            | 4,491,500            | -                    | 28,471,791           | 39,442,616              | 32,983,064           |
| Laikipia County Health FIF                                      | 238,829,367          | 157,753,923          | 145,773,130          | -                    | 542,356,420             | 771,353,882          |
| Laikipia County Ideas-Led                                       | -                    | -                    | -                    | -                    | -                       | 2,500,000            |
| Laikipia County Climate Change Fund A/C                         | 30,000,000           | -                    | -                    | 139,508,284          | 169,508,284             | 22,000,000           |
| Laikipia County Kenya Climate Smart Agriculture Project         | 4,000,000            | -                    | -                    | -                    | 4,000,000               | 80,193,250           |
| Laikipia County urban Support Program                           | -                    | -                    | -                    | -                    | -                       | 2,339,915            |
| Laikipia County Primary Health Care                             | -                    | -                    | -                    | 7,623,000            | 7,623,000               | 12,944,250           |
| Laikipia County CAIP A/c  | -                    | -                    | 16,000,000           | 50,000,000           | 66,000,000              | -                    |
| Laikipia County Food Systems Resilience A/c                     | -                    | -                    | -                    | 9,500,000            | 9,500,000               | -                    |
| <b>Total</b>  | <b>1,175,167,635</b> | <b>1,091,364,441</b> | <b>1,501,098,534</b> | <b>2,180,911,159</b> | <b>5,948,541,769</b>    | <b>6,554,379,508</b> |

COUNTY GOVERNMENT OF LAIKIPIA

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**ANNEX 4. ANALYSIS OF RECEIPTS FROM OWN SOURCE REVENUE PER QUARTER**

| Description                             | Quarter 1 FY<br>2023/24 | Quarter 2 FY<br>2023/24 | Quarter 3 FY<br>2023/24 | Quarter 4 FY<br>2023/24 | Totals FY 2023/24  | Total Prior Year<br>FY 2022/23 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|--------------------|--------------------------------|
|   | (Kshs.)                 | (Kshs.)                 | (Kshs.)                 | (Kshs.)                 | (Kshs.)            | (Kshs.)                        |
| Land Rates                              | 2,720,286               | 3,412,767               | 32,063,526              | 17,826,176              | 56,022,755         | 74,410,569                     |
| Business Permits                        | 6,424,200               | 2,837,892               | 56,584,911              | 23,451,865              | 89,298,867         | 86,497,179                     |
| Cesses                                  | 8,966,710               | 11,251,271              | 28,248,659              | 22,855,530              | 71,322,170         | 31,615,184                     |
| Plot Rents                              | 46,180                  | 15,450                  | 9,263,972               | -                       | 9,325,602          | 1,286,012                      |
| Other Local Levies                      | 1,576,080               | 2,661,326               | 12,389,717              | 25,919,830              | 42,546,953         | 29,290,086                     |
| Administrative Services Fees            | 5,221,925               | 5,419,450               | 11,311,951              | 15,888,870              | 37,842,196         | 34,622,867                     |
| County's Natural Resources Exploitation | 18,166,085              | 18,715,836              | 11,484,021              | 19,859,026              | 68,224,968         | 70,604,242                     |
| Other Miscellaneous Revenues            | -                       | -                       | -                       | -                       | -                  | 1,000                          |
| Market/Trade Centre Fee                 | 2,919,095               | 2,986,922               | 3,164,013               | 2,755,559               | 11,825,589         | 8,011,696                      |
| Vehicle Parking Fees                    | 21,637,049              | 15,915,724              | 16,901,381              | 16,950,240              | 71,404,394         | 67,284,227                     |
| Housing                                 | 3,846,566               | 4,116,541               | -                       | 5,144,589               | 13,107,696         | 26,154,680                     |
| Social Premises Use Charges             | 45,000                  | 60,000                  | 131,200                 | 67,300                  | 303,500            | 341,020                        |
| Education Fees                          | 2,725,235               | 2,740,000               | 6,072,765               | 4,758,000               | 16,296,000         | 10,385,000                     |
| Public Health Facilities Operations     | 139,390,812             | 114,126,168             | 4,458,216               | -                       | 257,975,196        | 475,888,673                    |
| Slaughter Houses Administration         | 6,611,991               | 3,370,259               | -                       | -                       | 9,982,250          | 17,080,007                     |
| Technical Services Fees                 | 9,737,801               | 2,957,568               | 2,500,938               | 14,669,549              | 29,865,856         | 41,366,775                     |
| External Services Fees                  | 427,740                 | 4,448,396               | -                       | -                       | 4,876,136          | 5,324,245                      |
| Disposal Of Assets                      |                         |                         | 129,400                 | -                       | 129,400            | -                              |
| <b>Total</b>                            | <b>230,462,755</b>      | <b>195,035,569</b>      | <b>194,704,670</b>      | <b>170,146,533</b>      | <b>790,349,527</b> | <b>980,163,462</b>             |