

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

COUNTY REVENUE FUND

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

COUNTY GOVERNMENT OF KIRINYAGA

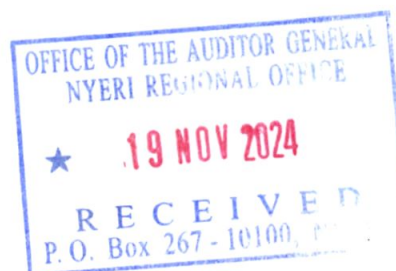


COUNTY REVENUE FUND

County Government of Kirinyaga

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

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



*County Government of Kirinyaga
County Revenue Fund
For the financial year ended 30th June 2024*

	Page No.
Table of contents.....	
1. Acronyms and glossary of terms.....	ii
2. Key Entity Information and Management.....	iv
3. Statement by the CECM Finance.....	vi
4. Management Discussion and Analysis.....	viii
5. Overview of the County Revenue Fund Operations	ix
6. Statement of Management Responsibility	x
7. Report of the Independent Auditor on the County Revenue Fund of County Government of Kirinyaga for the Year ended 30 th June 2024	xi
8. Statement of Receipts and Payments for the Year Ended 30 th June 2024.....	1
9. Statement of Comparison of Budget Actual Amounts for the Year Ended 30 th June, 2024.....	2
10. Significant Accounting Policies.....	4
11. Notes to the Financial Statements	6
12. Annexes.....	14

1. Acronyms and glossary of terms

a) Acronyms

ASDSP	Agriculture Sector Development Support Programme
CA	County Assembly
COB	Controller of Budget
CRF	County Revenue Fund
DANIDA	Danish International Development Agency
FLOCA	Financing Locally-Led Climate Action Program
FY	Financial Year
IPSAS	International Public Sector Accounting Standards
KDSP	Kenya Devolution Support program
KUSP	Kenya Urban Support Program
NARGIP	National Agricultural and Rural Inclusive Growth Project
NAVCDP	National Agricultural Value Chain Development Project
NT	National Treasury
OSR	Own Source Revenue
PFMA	Public Finance Management Act
PSASB	Public Sector Accounting Standards Board
ROR	Receiver of Revenue
THUSP	Transforming Health Services Universal Care project
Kshs	Kenya Shillings
<h3>b) glossary of terms</h3>	
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	-Jackline Wanjiku Njogu
2.	C.O Finance	- Edward Nyaga Njagi
3.	Director Accounting Services/Finance	-Zephaniah Ndung'u Kiongo

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	- Jackline Wanjiku Njogu
2.	Accounting Officer in charge of Finance	- Edward Nyaga Njagi
3.	Director Accounting Services/Finance	-Zephaniah Ndung'u Kiongo

d) Fiduciary Oversight Arrangements

The County Government of Kirinyaga consists of two Arms of Government with one mainly undertaking the oversight role namely the County Assembly of Kirinyaga. The activities are checked by the activities of several committees instituted mainly by the County Assembly. The Finance committee is mandated to ensure that the public resources in the county are applied prudently for the activities that were meant for in the County. Additionally, the members of the County Assembly are representatives of the region all over the County and consequently are able to verify the optimal resource management of the county.

The County has a functional Internal Audit Office which oversees the day-to-day financial management of the County. They assure sound internal controls are adhered to. There is an audit committee in place which has an oversight role on the county executive. They make their

independent recommendations based on internal and external audit reports. External audit is done by Office of Auditor General after the end of each financial year. The final external audit report is deliberated by the Senate, Public Account Committee and County Assembly Finance and Budget committee.

e) County Headquarters

P.O. Box 260 Kutus

Kutus Town, Nyangata ward, Mwea Sub County.

KIRINYAGA, KENYA.

f) County Contacts

Telephone: (254) 0720 803 286

E-mail: cofinance@kirinyaga.go.ke

Website: www.kirinyaga.go.ke

g) County Bankers

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

h) Independent Auditor

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

NAIROBI, KENYA

i) Principal Legal Adviser

The County Attorney

P.O. Box 260 Kutus.

Kutus Town, Nyangata ward, Mwea Sub County.

KIRINYAGA, KENYA.

3. Statement by the CECM Finance

The year under review registered a tremendous improvement in revenue collections peaking at Ksh 703,399,434 against the previous financial year collections of Ksh 551,873,167.

Major revenue collection milestones were realized in:

- Single Business Permits
- Property Rates
- Advertisement Charges
- Subletting Fees
- Conservancy Charges
- Liquor Licence Fees
- Public Health Charges
- Hospital/Medical Services Charges

The County deployed diverse strategies to realize these results as outlined hereunder:

1. Entrenching automation of entire revenue streams to eliminate leakages, evasion and promote efficiency, certainty and accountability.
2. Promotion and adoption of Revenue collection service as a central and core function in all County Departments spearheaded by H.E the Governor, the CECM's and Chief Officers of respective Departments.
3. Introduction of target based performances on Revenue Collections from all streams with a regular reporting, evaluation and monitoring from all collection centers and collaborations on field inspection with teams formed from all departments.
4. Restructuring of the Finance Department by introduction of a Chief Officer designate in line with Section 157 of the Public Finance Management Act (PFM Act) requirements for a Receiver of Revenue and further recruitment of Senior Sub-County Revenue Administrators to coordinate Revenue activities at the sub-counties and towns therein.
5. Publication through National newspapers of defaulters of property rates and proclamations thereof of County's intention to repossess all plots that had huge accumulated arrears and with owners not responding to County demand notices for payment of rates.

The County intends to continue with full automation of all revenue collections and have further introduced an e-citizen's public portal to facilitate the client's compliance and efficient response to the County's Revenue demand notices.

There is remarkable reduction of cash transactions involving collectors by introduction of multiple payment platforms for clients to pay directly to the County as follows:

- Direct Bank Credits with integration to our Revenue Management System to auto receipt to minimize client's movements and eliminate cash transactions.
- Mpesa (mobile money transfer) by use of the:
 - a. Paybill platform
 - b. An STK push facility
 - c. USSD Code

Going forward the County is on a good pedestal to entrench sustainable revenue collection systems and further explore and exploit other revenue potential sources to finance its activities budgeted from Own Source Revenue (OSR).



.....
Jackline Wanjiku Njogu
CECM Finance and Economic Planning
County Government of Kirinyaga

4. Management Discussion and Analysis

The Exchequer releases for the year 2023/2024 was Ksh 4,986,600,128 against a budget allocation of Ksh 5,420,217,528. This was a 92% allocation. Transfers from other government agencies namely DANIDA, County climate change resilience, NAVCDP, ASDSP, NARIGP and Sagana Industrial Park amounted to Ksh 371,118,354. The County of Kirinyaga own source revenue for the year was Ksh 703,399,434. Transfers made from the County Revenue Fund to the County Executive Recurrent account amounted to Ksh 4,017,846,758 and Ksh 697,578,453 to the County Executive Development account. Transfers made from the County Revenue Fund to the County Assembly Recurrent account amounted to Ksh 729,360,396 and Ksh 5,520,678 to the County Assembly Development account. Transfers made from the County Revenue Fund to other government agencies amounted to Ksh 641,179,820.

This was a net increase in cash of Ksh 92,300,659.

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 30th June 2024.



.....

Jackline Wanjiku Njogu
CEC Member – Finance and Economic Planning
County Government of Kirinyaga

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 30th, 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 30th, 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 (*where applicable*). 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

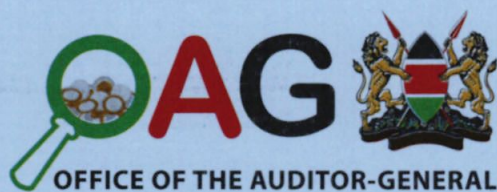
The County Revenue Fund's financial statements were approved and signed on 13/11 2024.

Signature 
Name Edward Nyaga Njagi

Chief Officer Accounting Services, Audit & Revenue
County Government of Kirinyaga

REPUBLIC OF KENYA

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



Enhancing Accountability

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 KIRINYAGA

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Revenue Fund - County Government of Kirinyaga set out on pages 1 to 13, which comprise of the statement of receipts and payments and the statement of comparison of budget and actual amounts

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

for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Revenue Fund - County Government of Kirinyaga 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 the Public Finance Management Act, 2012 and the County Government Act, 2012.

Basis for Qualified Opinion

Statement of Comparison of Budget and Actual Amount

The statement of comparison of budget and actual amounts reflects Kshs.657,363,378 as budgeted receipts described as return to CRF issues however, according to prior year audited financial statements, CRF Central bank Account reflected Kshs.42,867,791 as opening balances resulting to budgeted receipts of Kshs.614,495,587 whose source of funding could not be confirmed.

In the circumstances, the accuracy and completeness of the statement of comparison of budget and actual amount 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 Kirinyaga 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.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.7,240,547,406 and Kshs.6,183,786,764 respectively, resulting to budget shortfall of Kshs.1,056,760,642 or 15% of the approved budget.

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

Other Information

Conclusion

The Management is responsible for the other information set out on page to iv to x which comprise of Key Entity Information and Management, Statement by the CECM Finance, Management Discussion and Analysis, Overview of the County Revenue Fund Operations and Statement of Management Responsibility.

The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

In connection with my audit on the 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.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of 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 as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Management are responsible for 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 IFPP 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, GBS
AUDITOR-GENERAL


Nairobi

30 December, 2024

8. Statement of Receipts and Payments for the Year Ended 30th June 2024.

	Notes	2023-2024	2022-2023
		Kshs.	Kshs.
Receipts			
Exchequer releases	1	4,986,600,128	5,196,177,952
Transfers from other government agencies	2	371,118,354	292,028,556
Other grants	3	-	-
Proceeds from Domestic Borrowing	4	-	-
Proceeds from Foreign Borrowing	5	-	-
Own Source Revenue	6	703,399,434	551,873,167
Return to CRF issues	7	122,668,848	23,740
Total Receipts		6,183,786,764	6,040,103,415
Payments			
Transfers to County Executive	8	4,715,425,211	5,377,905,310
Transfers to County Assembly	9	734,881,074	720,052,788
Other Transfers	10	641,179,820	348,079,028
Total Payments		(6,091,486,105)	(6,446,037,126)
Net increase/ (decrease) in cash for the year		92,300,659	(405,933,711)
Add Opening fund balance b/f	11	42,867,791	448,801,502
Closing Fund balance for the year	11	135,168,450	42,867,791

.....

 Name –Edward Nyaga Njagi
 Chief Officer –Accounting services, Audit & Revenue
 ICPAK Member No 23268
 Date: 13/11/2024

.....

 Name –Raphael Mwaura
 For Director Accounting Services
 ICPAK Member No 9972
 Date: 13/11/2024

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

Receipt/Payments	Original Budget	Adjustments during the period	Final Budget	Actual on Comparable Basis	Budget Realization Difference	% of Realization
	a	b	c=a+b	d	E=c-d	e=d/c %
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Receipts						
Exchequer releases	5,420,217,528	-	5,420,217,528	4,986,600,128	433,617,400	92%
Transfers from other government agencies	612,966,500	-	612,966,500	371,118,354	241,848,146	61%
Other conditional grants	-	-	-	-	-	
Proceeds from Domestic Borrowing	-	-	-	-	-	-
Proceeds from Foreign Borrowing	-	-	-	-	-	-
Own Source Revenue	550,000,000	-	550,000,000	703,399,434	-153,399,434	128%
Return to CRF issues	657,363,378	-	657,363,378	122,668,848	534,694,530	19%
Total Receipts	7,240,547,406	-	7,240,547,406	6,183,786,764	1,056,760,642	85%
Payments						
Transfers to County Executive	5,769,301,772	-	5,769,301,772	4,715,425,211	1,053,876,561	81%
Transfers to County Assembly	758,549,134	-	758,549,134	734,881,074	23,668,060	96%
Others	712,696,500	-	712,696,500	641,179,820	71,516,680	89%
Total Payments	7,240,547,406	-	7,240,547,406	6,091,486,105	1,149,061,301	84%
Balance	-	-	-	92,300,659		

*County Government of Kirinyaga
County Revenue Fund
For the financial year ended 30th June 2024*

Commentary on significant under realisation (below 90% of realisation) and any over realisation

- (a) The under utilization of funds from transfers from other government agencies of 60% was due to the fact that all budgeted funds were not received subsequently the payments were not done for the same.*
- (b) The over realisation of own source revenue of 128% was due to collection of arrears especially for liquor licence for the financial year 2021/2022 and 2022/2023. The County Government of Kirinyaga also automated the collection of revenue necessitating the increase in revenues for other sources.*

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

County Government of Kirinyaga
 County Revenue Fund
 For the financial year ended 30th June 2024

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	2023-2024 Kshs.	2022-2023 Kshs.
Equitable Share (a)	4,986,600,128	5,196,177,952
Level 5 hospitals (b)	-	-
Others (Specify) (c)		
Total (d=a+b+c)	4,986,600,128	5,196,177,952

2. Transfers from other government agencies**

Description	2023-2024 Kshs.	2022-2023 Kshs.
Road Maintenance Levy	-	-
Covid-19	-	-
Development of Youth Polytechnics-State Department of TVETS	-	-
User Fees Foregone -Ministry of Health	-	-
World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health	-	-
World Bank-NARIGP-State Department of Crop Development	4,261,825	178,744,304
World Bank Kenya Climate Smart Agriculture (KCSAP) - State Department of Crop Development	-	-
Kenya urban Support Programme(KUSP)		2,339,915
DANIDA Grant -Primary Health care in devolved context - Ministry of Health	7,738,500	13,642,875
IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation, and Irrigation	-	-
SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development	900,970	8,108,733
World Bank-Emergency Locust Response Project (ILRP) State Department of Crop Development	-	-
World Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development	-	-
UNFPA-9th County Programme Implementation -Ministry of Health	-	-
EU Grant (Instruments for Devolution Advice and Support-	-	-

County Government of Kirinyaga
 County Revenue Fund
 For the financial year ended 30th June 2024

Description	2023-2024	2022-2023
(IDEAS)-State Department of Devolution		
KfW German Development Bank- Drought Resilience Programme in Northern Kenya (DRPNK)-Min. Water, Sanitation, and Irrigation	-	-
IDA World Bank National Agricultural Value Chain Development Project (NAVCDP) -State Department of Crop Development	199,785,019	67,192,729
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA)l CCIS Grant State Department of	94,432,040	22,000,000
Sagana Agro Industrial Park	64,000,000	-
Total	371,118,354	292,028,556

3. Other grants**

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Donor 1 (Specify)	-	-
Donor 2 (Specify)	-	-
Donor 3 (Specify)	-	-
Others (Specify)	-	-
	-	-

4. Proceeds from Domestic borrowing.

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Borrowing within General Government	-	-
Borrowing from Monetary Authorities (Central Bank)	-	-
Other Domestic Depository Corporations (Commercial Banks)	-	-
Borrowing from Other Domestic Financial Institutions	-	-
Borrowing from Other Domestic Creditors	-	-
Domestic Currency and Domestic Deposits	-	-
Others (Specify)	-	-
Total	-	-

Notes to the Financial Statements (Continued)

5. Proceeds from Foreign Borrowing

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Foreign Borrowing – Drawdowns Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

6. Own Source Revenue

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Cess	13,005,890	5,793,880
Land rate	6,061,240	6,330,829
Single/Business permits	85,052,731	106,706,294
Property rent	10,167,976	33,444,605
Parking fees	12,976,280	6,327,790
Market fees	47,629,770	38,348,847
Advertising	25,996,860	8,325,400
Hospital fees	259,432,699	174,677,229
Public health service fees	33,967,280	39,945,146
Physical planning and development	19,014,046	10,618,953
Transfer Fee	14,815,460	-
Conservancy administration	11,817,450	5,989,310
Administration control fees and charges	47,067,496	6,934,495
Liquor License	14,801,053	47,712,680
Veterinary Services	2,820,680	5,021,627
Other fines, penalties, and forfeiture fees	11,667,457	3,901,141
Kamweti	4,820,630	4,802,477
Survey Fee	4,180,400	7,318,607
Weight & Measures	262,360	1,897,130
Group Registration	1,715,300	892,200

County Government of Kirinyaga
 County Revenue Fund
 For the financial year ended 30th June 2024

Commission by payroll	3,264,258	835,155
Sale of minutes	4,987,120	-
Cooperative Audit	253,700	141,750
Sublet fees	5,501,000	5,112,000
Cemetery	2,848,712	7,000
Quarries	2,500	2,736,100
Property rate	3,558,106	-
Subdivision fee	14,945,000	831,200
Bus Park	30,555,820	15,184,700
Refuse Collection	10,210,430	12,036,622
Total	703,399,434	551,873,167

Notes to the Financial Statements (Continued)

7. Return to CRF Issues

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Recurrent Account (<i>County Executive</i>)	2,326	1,217
Development Account (<i>County Executive</i>)	108,588	22,522
Recurrent Account (<i>County Assembly</i>)	-	1
Development Account (<i>County Assembly</i>)	-	-
National Agricultural and Rural Inclusive Growth Project	0.10	
Kirinyaga County Climate Change Fund	122,557,925	-
Kirinyaga County Sagana Agro Industrial Park	9	
Total	122,668,848	23,740

8. Transfers to County Executive

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Recurrent Account	4,017,846,758	4,052,289,634
Development Account	697,578,453	1,325,615,676
Special Purpose Accounts		-
Others (<i>Specify</i>)		-
Total	4,715,425,211	5,377,905,310

Notes to the Financial Statements (Continued)

9. Transfers to County Assembly

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Recurrent Account	729,360,396	681,635,618
Development Account	5,520,678	38,417,170
Special purpose accounts		-
Others (<i>Specify</i>)		-
Total	734,881,074	720,052,788

10. Other Transfers

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Agency Notices	-	-
Danida	15,402,000	19,601,408
FLOCA	134,432,040	11,000,000
Nargip	37,917,988	185,244,304
NAVCDP	204,785,019	67,192,729
Sagana industrial	247,241,803	-
ASDSP	1,400,970	13,608,733
KDSP	-	41,078,830
KUSP		4,317,156
THUSP		6,035,868
Total	641,179,820	348,079,028

11. Fund balance

Description	2023-2024	2022-2023
	Kshs.	Kshs.
County Exchequer Account - (<i>CBK Account number (10001700433)</i>)	135,168,450	42,867,791
Total	135,168,450	42,867,791

Notes to the Financial Statements (Continued)

12. 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	bank account currency*	Ex. rate (if in foreign currency)	2023-2024	2022 - 202
			Kshs	KShs
Sub County Revenue-Coop Bank 01141489581000	KShs		233,645	90,600
Equity Collection Account 0420260844601	KShs		1,734,282	6,692,482
Kirinyaga County Revenue Account-KCB 1140758497	KShs		474,659	1,280,306
Kamweti Demonstration Fund-KCB 1104075997	KShs		3,741	387,801
Kirinyaga City Public Health-KCB 1225956242	KShs		3,195	1,760
Kerugoya County Referral Hospital-KCB 1224816366	KShs		610,066	25,082,334
Kimbimbi Sub County Hospital-KCB 1224816722	KShs		1,263,659	5,250,712
Kianyaga Sub County Hospital-KCB 1224816846	KShs		72,458	2,555,551
Sagana Sub County Hospital-KCB 1224817109	KShs		57,939	1,413,408
Family Bank, Gathuthuma Dispensary, 57000034987	KShs		154,500	99,930
Co-Op Bank, Baricho Health Care Center, 1141035288400	KShs		-	2,743,250
Equity Bank, Ciagini Health Centre, 380296924361	KShs		74,713	370,794
Co-Op Bank, Gathambi Dispensary, 1141034519600	KShs		-	2,534,472
Co-Op Bank, Gatithi Dispensary, 1141059973100	KShs		-	1,565,977
Co-Op Bank, Gatugura Dispensary, 1141035279200	KShs		-	401,397
Co-Op Bank, Gatuto Dispensary, 1141035246300	KShs		-	1,071,571

County Government of Kirinyaga
 County Revenue Fund
 For the financial year ended 30th June 2024

Co-Op Bank, Gatwe Health Centre, 1141568432700	KShs		-	1,046,540
Kcb Bank, HssfKarumandi Health Centre, 1255408677	KShs		1,893,441	1,636,599
Kcb Bank, Kabare Health Centre, 1119347610	KShs		2,100,772	2,072,670
Co-Op Bank, Kagumo Dispensary, 1141035053500	KShs		-	2,024,732
Co-Op Bank, Kairini Dispensary, 1141059570900	KShs		-	305,914
Co-Op Bank, Kamuiru Dispensary, 1141568141100	KShs		26	111,955
Co-Op Bank, Kamweti Dispensary, 1141035284900	KShs		-	238,774
Co-Op Bank, Kangaita Health Centre, 1141272157200	KShs		-	1,667,368
Co-Op Bank, Kangu Dispensary, 1141272391300	KShs		-	1,320,566
Co-Op Bank, Kanjinji Dispensary, 1141034730300	KShs		-	255,237
Co-Op Bank, Karimaini Community Dispensary, 1141273990600	KShs		-	-
Co-Op Bank, Kiamutugu Health Centre, 1141035294500	KShs		-	2,401,081
Co-Op Bank, Kiangai Dispensary, 1141059992500	KShs		-	809,864
Co-Op Bank, Kiangombe Dispensary, 1141035279200	KShs		321,101	256,371
Co-Op Bank, Kianjege Dispensary, 1141059976300	KShs		-	375,485
Family Bank, Kiarukungu Dispensary, 76000007540	KShs		583,464	-
Co-Op Bank, Kibirigwi Dispensary, 1141059524100	KShs		-	1,032,658
Equity Bank, KirogoHssf Dispensary, 380296917718	KShs		221,202	743,236
Co-Op Bank, Kutus Dispensary, 1141034766100	KShs		-	3,418,655
Co-Op Bank, Mukangu Dispensary, 1141059501800	KShs		-	750,733
Co-Op Bank, Mumbuini Dispensary, 1141051477700	KShs		443	443
Co-Op Bank, Murinduko Health Centre, 1141051830800	KShs		-	2,009,805
Co-Op Bank, Mutitu Dispensary, 1141035003600	KShs		-	443,579

County Government of Kirinyaga
 County Revenue Fund
 For the financial year ended 30th June 2024


Equity Bank, Kandongu, 420296929208	KShs		1,453,432	-
Equity Bank, Rukanga, 420296924799	KShs		246,905	-
Equity Bank, Kiamanyeki, 380296925930	KShs		325,730	-
Equity Bank, Kariko, 100296958130	KShs		801,615	-
Equity Bank, Kiburu, 100296958589	KShs		552,470	-
Equity Bank, Uceru, 100296918749	KShs		1,518,813	-
Equity Bank, Gaciongo, 1902279749160	KShs		296,210	-
KCB, 1140791605, KES	Kshs		812,097	662,795
Equity Bank, Karimani, 57000042276	KShs		249,355	-
Equity Bank, Thigirici Mukui, 420278639941	KShs		364,140	-
CO-OP Bank, Nguguini Dispensary, 1141568185800	KShs		311,096	-
CO-OP Bank, Njegas Dispensary, 1141034554300	KShs		984,739	-
Equity Bank, Kangaru Dispensary, 420296968493	KShs		1,290,165	-
Family Bank, Mutithi Dispensary, 76000007340	KShs		3,150,151	-
Equity Bank, Kiumbu, 0380296917006	KShs		1,814,483	-
Equity Bank, Nguka Dispensary, 380296960724	KShs		82,203	1,240,143
Equity Bank, Thiba Dispensary, 380296928194	KShs		357,973	1,446,100
Equity Bank, Wamumu Dispensary, 380296917476	KShs		32,978	214,963
KCB ATC Animal, 1320329349	KShs		120,778	-
Equity Bank, Riakithiga Dispensary, 0100278591385	KShs		169,055	0
Total			24,737,694	78,026,791

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)
N/A	N/A	N/A	N/A	N/A

.....

 Name : Edward Nyaga Njagi
 Chief Officer: Accounting Services, Revenue & Audit
 ICPAK Member No: 23268
 Date 13/11/2024

County Government of Kirinyaga
 County Revenue Fund
 For the financial year ended 30th June 2024

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

Period 2023/2024	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Equitable Share	1,355,054,382	894,335,892	894,335,893	1,842,873,961	4,986,600,128
Level 5 Hospitals	-	-	-	-	-
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	7,738,500	7,738,500
World Bank – THUSCP	-	-	-	-	-
National Agricultural & Rural Inclusive Growth Project (NARIGP)	-	-	4,261,826	-	4,261,826
Kenya Devolution Support Programme	-	-	-	-	-
Youth Polytechnic support grant	-	-	-	-	-
County Climate Resilience Investment(CCRI)	-	-	-	94,432,040	94,432,040
Abolishment of user fees in health centres and dispensaries	-	-	-	-	-
Kenya Urban Support Programme	-	-	-	-	-
National Agricultural Value Chain Development project	-	-	195,165,690	4,619,329	199,785,019
Sagana Agro Industrial Park	-	-	-	64,000,000	64,000,000
Agriculture Sector Development Support Project (ASDSP)	-	-	900,970	-	900,970
Kenya Climate Smart Agriculture Project (KCSAP)	-	-	-	-	-
Water and Sanitation Development Project	-	-	-	-	-
Others (Specify)	-	-	-	-	-
Total	1,355,054,382	894,335,892	1,094,664,379	2,013,663,830	5,357,718,483

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

Period 2023/2024	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Cess	1,550,890	1,338,810	748,560	9,367,630	13,005,890
Land rate	1,695,300	1,075,700	500,640	2,789,600	6,061,240
Single/Business permits	5,394,497	4,889,502	34,500,290	40,268,442	85,052,731
Property rent	6,492,853	2,657,053	300,620	717,450	10,167,976
Parking fees	2,912,940	1,909,780	2,340,680	5,812,880	12,976,280
Market fees	12,523,200	12,228,530	5,452,600	17,425,440	47,629,770
Advertising	4,377,000	509,360	112,000	20,998,500	25,996,860
Hospital fees	54,851,041	69,995,702	25,678,920	109,807,736	259,432,699
Public health service fees	2,919,000	2,730,000	10,657,280	17,661,000	33,967,280
Physical planning and development	2,530,964	2,683,044	1,060,200	12,739,838	19,014,046
Conservancy administration	886,520	510,360	4,450,620	8,967,960	14,815,460
Administration control fees and charges	-	-	852,000	10,965,450	11,817,450
Liquor License	7,116,676	7,212,700	20,300,120	12,438,000	47,067,496
Veterinary Services	3,608,552	3,348,751	114,600	7,729,150	14,801,053
Other fines, penalties, and forfeiture fees	-	-	370,000	2,450,680	2,820,680
Kamweti	438,044	2,677,647	400,600	8,151,166	11,667,457
Survey Fee	-	-	280,430	4,540,200	4,820,630
Weight & Measures	264,200	252,800	289,000	3,374,400	4,180,400
Coffee Licences	248,960	13,400	-	-	262,360
Group Registration	202,700	172,200	109,000	1,231,400	1,715,300

County Government of Kirinyaga
 County Revenue Fund
 For the financial year ended 30th June 2024

Commission by payroll	739,709	780,349	320,640	1,423,560	3,264,258
House Rents	1,100,900	985,120		2,901,100	4,987,120
Cooperative Audit	26,150	-	20,000	207,550	253,700
Fire Compliance	-	-	2,564,500	2,936,500	5,501,000
SubLet Fees	553,000	144,000	660,712	1,491,000	2,848,712
Cemetery	-		-	2,500	2,500
Quarries	1,360,800	557,300	630,200	1,009,806	3,558,106
Subdivision fee	-		345,000	14,600,000	14,945,000
Bus Park	4,722,990	4,928,310	3,056,420	17,848,100	30,555,820
Refuse Collection	-	-	1,650,430	8,560,000	10,210,430
Total	116,516,886	121,600,418	117,766,062	348,417,038	703,399,704

County Government of Kirinyaga
 County Revenue Fund
 For the financial year ended 30th June 2024

Annex 4: Analysis of Transfers from the County Revenue Fund

Period -2023/2024	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive -Rec	645,030,705	756,951,686	917,727,711	1,698,136,656	4,017,846,758
County Executive -Dev	131,461,690	108,844,135	195,794,091	261,478,537	697,578,453
County Assembly -Rec	170,350,052	138,075,090	172,900,464	248,034,790	729,360,396
County Assembly -Dev	-	-	-	5,520,678	5,520,678
Special Purpose A/c (ASDSP,DANIDA,FLOCA,NARGIP,NAVCDP,INDUSTRIAL PARK)	38,156,162	-	112,366,440	490,657,218	641,179,820
Total	984,998,609	1,003,870,911	1,398,788,706	2,703,827,879	6,091,486,105

Annex 5: Trial Balance for County Revenue Fund

**COUNTY REVENUE FUND
TRIAL BALANCE AS AT 30TH JUNE 2024**

DETAILS	DEBIT	CREDIT
Exchequer releases		4,986,600,128
Transfers from other government agencies		371,118,354
Own Source Revenue		703,399,434
Return to CRF issues		122,668,848
Transfers to County Executive	4,715,425,211	
Transfers to County Assembly	734,881,074	
Other Transfers	641,179,820	
CRF Bank Account	92,300,659	
TOTAL	6,183,786,764	6,183,786,764