

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
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96

REPORT

OF

THE AUDITOR-GENERAL

ON

RECEIVER OF REVENUE
REVENUE STATEMENTS

PAPERS LAID	
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COMMITTEE	
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FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF KITUI





RECEIVER OF REVENUE
County Government of Kitui

REVENUE STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

**Transitional Financial Statements under International Public Sector Accounting Standards
(IPSAS)**

1. Acronyms and Definition of Key Terms

a) Acronyms

CA	County Assembly
COB	Controller of Budget
CRF	County Revenue Fund
FY	Financial Year
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OSR	Own Source Revenue
PFMA	Public Finance Management Act
PSASB	Public Sector Accounting Standards Board
ROR	Receiver of Revenue

b) Key terms

Comparative FY Comparative Prior Financial Year

Fiduciary Management The key management personnel who had financial responsibility.

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2. Key Entity Information and Management

The County Government of Kitui was established under the 2010 Constitution. It is located 170Km to the South East of Nairobi City. It covers an area of about 30,496 km². Kitui County shares its borders with seven counties; Tharaka-Nithi and Meru to the north, Embu to the northwest, Machakos and Makueni to the west, Tana River to the east and southeast, and Taita-Taveta to the south. Revenue Department is a function in County Treasury and the Ministry is headed by County Executive Committee Member (C.E.C.M).

a) Background information

The *receiver of revenue* is under the Department of Finance, Accounting and Revenue Management. At the County Executive Committee level, the *receiver of revenue* is appointed by the County Executive committee member for County Treasury, who is responsible for the general policy and strategic direction of the *receiver of revenue*. The *receiver of revenue* is designated as a receiver in July 2023 by the County Executive Committee member for Finance, in accordance with section 157 of the PFM Act.

b) Principal activities

The receiver of revenue collects revenue and remits to the County Revenue Fund (CRF) for Kitui County Government at Central Bank of Kenya A/C Number 1000171111.

c) Key Management Team

The County Government of Kitui day-to-day management of revenue is under the following:

- County Executive Committee Member for County Treasury
- Chief Officer, Finance, Revenue Management and Accounting
- Chief Officers, in charge of Ministries collecting revenue
- Director, Revenue
- Head of Revenue Collection
- Deputy Director, Revenue
- Assistant Director, Revenue

Key Entity information and Management (continued)

- d) County Headquarters**
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Kitui County Headquarter Building
- e) Entity Contacts**
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- f) Independent Auditor**
Office of The Auditor General
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P. O. Box 30084
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- g) Bankers**
Kenya Commercial Bank of Kenya
P.O Box 683 - 90200
Kitui - Kenya
- Central Bank of Kenya
Haile Selassie Avenue
P.O Box 60,000 - 00200
Nairobi - Kenya
- h) Principal Legal Adviser**
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112– 00200,
City Square - **Nairobi - Kenya**
- i) County Attorney**
Kitui County Solicitor
P.O. Box 33 – 90200, Kitui
Kitui County Headquarter Building

Receiver Of Revenue
County Government of Kitui
Revenue Statements for the Period Ended 30th June 2025

3. Foreword By the CECM Finance and Economic Planning

It is my pleasure to forward the Government of Kitui County Receiver of Revenue Report for the year ended 30th June, 2025. The report presents the performance of the County Government of Kitui over the past financial year.

Pursuant to Section 164 of the Public Finance Management Act, an Accounting Officer for a County Government entity shall prepare Financial Statements in respect of the entity in formats prescribed by the Public Sector Accounting Standards Board. The attached Financial Statements which have been prepared in line with the requirements of (PFMA), 2012, outline the state of affairs of the County Government of Kitui for the twelve months period ending June 30th 2025.

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. The County also finances its operations through own source revenues (OSR) and continues to explore new and innovative ways of increasing revenue allocations.

In the year ended 30th June 2025, the County received KShs.10.86 billion as the equitable share of the revenue raised nationally, collected KShs. 996 million as own-source revenue (OSR), Kshs. 294.99 million as conditional grants. This translates to KShs. 12.16 billion total funds available for budget implementation during the period as shown in below table.

S/No	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs)	Actual Receipts as a Percentage of Annual Budget Allocation
A	Equitable Share of Revenue raised Nationally	10,885,968,099	10,867,329,068	99.83
	Sub Total	10,885,968,099	10,867,329,068	99.83
B	Other Sources of Revenue			
1	Own Source Revenue	1,145,025,058	996,252,347	87.01
2	Conditional Grants	779,268,784	294,996,183	37.86
3	Balance B/f from FY 2022/23	-	-	
	Other Revenue Sources			
	Sub Total	1,924,293,842	1,291,248,530	67.10
	Grand Total	12,810,261,941	12,158,577,598	94.91

*Receiver Of Revenue
County Government of Kitui
Revenue Statements for the Period Ended 30th June 2025*

The increase in revenue can be attributed to enhanced internal controls, automation of revenue collection, implementation of the Facility Improvement Financing (FIF) and sound management of revenue collection and revenue inspections within the county.

[Handwritten Signature]

26/11/2025

.....
**CECM Finance Economic Planning and Revenue Management
County Government of Kitui**

4. Management Discussion and Analysis

This section covers the overall performance on budget implementation for the last Five years covering FY 2020/21-2024/25

Revenue Analysis

In FY 2020/21, The County's approved supplementary budget was Kshs.11.84 billion, comprising of Kshs.4.41 billion (37.2 per cent) and Kshs.7.43 billion (62.8 per cent) allocation for development and recurrent programmes, respectively. To finance the budget, the County expected to receive Kshs.8.83 billion (74.6 per cent) as the equitable share of revenue raised nationally, Kshs.830.89 million (7 per cent) as total conditional grants, generate Kshs.600 million (5.1 per cent) from own sources of revenue, and a cash balance of Kshs.1.58 billion (13.3 per cent) from FY 2019/20.

In FY 2020/21, the County received Kshs.8.83 billion as the equitable share of the revenue raised nationally, Kshs.986.21 million as conditional grants, raised Kshs.326.45 million as own-source revenue, and had a cash balance of Kshs.1.58 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.11.7 billion.

In FY 2021/22, the County received Kshs.9.56 billion as the equitable share of the revenue raised nationally, Kshs.147.67 million as conditional grants, raised Kshs.361.27 million as own-source revenue, and had a cash balance of Kshs 769.55 million from FY 2020/21. The total funds available for budget implementation during the period amounted to Kshs.10.84 billion

In FY 2022/23, the County received Kshs.10.39 billion as the equitable share of the revenue raised nationally, Kshs.416.12 million as conditional grants, raised Kshs.473.14 million as own-source revenue, and had a cash balance of Kshs 1.12 billion from FY 2021/22. The total funds available for budget implementation during the period amounted to Kshs.12.40 billion.

In FY 2023/24 the County received KShs. 9.96 billion as the equitable share of the revenue raised nationally, collected KShs. 517.05 million as own-source revenue (OSR), Kshs. 571.25 million as conditional grants, and had a cash balance of Kshs. 2.01 billion from FY 2022/23. This translates to KShs. 13.06 billion total funds available for budget implementation during the period

In the year ended 30th June 2025, the County received KShs.10.86 billion as the equitable share of the revenue raised nationally, collected KShs. 996 million as own-source revenue (OSR), Kshs. 294.99 million as conditional grants. This translates to KShs. 12.16 billion total funds available for budget implementation during the period as shown in below table.

The table below shows the revenue performance overview for the FY 2020/21-2024/25

**Receiver Of Revenue
County Government of Kitui
Revenue Statements for the Period Ended 30th June 2025**

S/NO	Revenue Category	2020/2021		2021/2022		2022/2023		2023/2024		2024/2025	
		Annual Budget Allocation(KSH)	Actual Receipts(KSH)	Annual Budget Allocation(KSH)	Actual Receipts(KSH)	Annual Budget Allocation(ksh)	Actual Receipts(Ksh)	Annual Budget Allocation	Actual Receipts	Annual Budget Allocation	Actual Receipts
A	Equitable share of revenue raised nationally	8,830,350,000	8,830,350,000	10,393,970,413	9,562,452,911	10,393,970,413	10,393,970,413	10,829,486,936	9,963,127,985	10,885,968,099	10,867,329,068
	SUB TOTAL	8,830,350,000	8,830,350,000	10,393,970,413	9,562,452,911	10,393,970,413	10,393,970,413	10,829,486,936	9,963,127,985	10,885,968,099	10,867,329,068
B	Other Sources of Revenue										
1	Own Source Revenue	600,000,000	326,450,311	800,000,000	361,271,342	420,000,000	473,138,520	585,000,000	517,049,816	1,145,025,058	996,252,347
2	Conditional Grants	830,888,396	986,206,249	505,225,110	147,670,520	374,080,509	416,198,252	830,446,881	571,254,178	779,268,784	294,996,183
3	Balance B/f from FY 2020/21	1,578,572,223	1,578,548,301	769,547,039	769,547,039	1,118,001,643	1,118,001,643	2,012,204,897	2,012,204,897	-	-
	Other Revenue Sources										
	Sub Total	3,009,460,619	2,891,204,861	2,074,772,149	1,278,488,901	1,912,082,152	2,007,338,415	3,427,651,778	3,100,508,891	1,924,293,842	1,291,248,530
	Grand Total	11,839,810,619	11,721,554,861	12,468,742,562	10,840,941,812	12,306,052,565	12,401,308,828	14,257,138,714	13,063,636,876	12,810,261,941	12,158,577,598

Overall year-over-year Expenditure review FY 2020/21-2024/25

During the 2020/21 reporting period, the County spent Kshs.10.51 billion on development and recurrent programmes. The expenditure comprised Kshs.3.45 billion and Kshs.7.06 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 78.4 per cent, while recurrent expenditure represented 94.9 per cent of the annual recurrent expenditure budget.

In FY 2021/22 the County spent Kshs.9.40 billion on development and recurrent programmes during the reporting period. This expenditure comprised of Kshs.2.73 billion and Kshs.6.67 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 67.0 per cent, while recurrent expenditure represented 90.9 per cent of the annual recurrent expenditure budget.

In FY 2022/23 the County spent Kshs.10.30 billion on development and recurrent programmes during the reporting period. This expenditure comprised of Kshs.2.10 billion and Kshs.8.20 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 58.30 per cent, while recurrent expenditure represented 94.3 per cent of the annual recurrent expenditure budget.

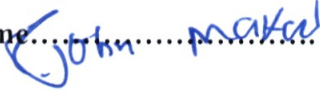
In FY 2023/24 the County spent Kshs.12.82 billion on development and recurrent programmes during the reporting period. This expenditure comprised of Kshs.3.69 billion and Kshs.9.13 billion on development and recurrent programmes, respectively.

The table below illustrates summary of FY 2020/21-2024/25 budget and expenditure by economic classification

Receiver Of Revenue
County Government of Kitui
Revenue Statements for the Period Ended 30th June 2025

Year	Budget			Expenditure		
	Rec	Dev	Total	Rec	Dev	Total
2020-21	7,434,460,682	4,405,349,937	11,839,810,619	7,434,165,298	3,366,196,235	10,814,990,363
2021-22	8,327,233,899	4,141,508,662	12,468,742,561	7,983,188,823	2,677,015,513	10,660,204,336
2022-23	8,662,902,604	3,643,149,961	12,306,052,565	8,170,096,417	2,222,475,314	10,392,571,731
2023-24	8,881,658,966	5,375,479,747	14,257,138,713	8,460,776,152	3,991,960,268	12,452,736,420
2024-25	9,553,601,738	4,751,753,572	14,305,355,310	9,127,142,425	3,693,678,956	12,820,821,380

Sign.....

Name.....

County Receiver of Revenue

5. Statement of the Receiver of Revenue’s responsibilities

Section 165 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, a receiver of revenue for a county government shall prepare an account in respect of the revenue collected, received and recovered by the receiver during that financial year.

The Receiver of Revenue is responsible for the preparation and presentation of the Kitui County *Receiver of Revenue account*, which gives a true and fair view of the state of affairs of the *Receiver of Revenue* for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,(ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the statement of assets and liabilities of the entity, (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 entity, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Receiver of Revenue in charge accepts responsibility for the *Kitui County receiver of revenue* accounts, which have been prepared on the Accrual Basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and the relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the *Kitui County receiver of revenue* account gives a true and fair view of the state of the *Kitui County receiver of revenue* transactions during the financial year ended June 30, 2025, and of the Kitui County statement of assets and liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the *Receiver of Revenue account* as well as the adequacy of the systems of internal financial control.

The Receiver of Revenue confirms that Kitui County has complied fully with applicable Government Regulations and the terms of external financing covenants. The Receiver of Revenue confirms that the revenue statements have been prepared in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the Revenue Statements

The *revenue* statements were approved and signed by the Receiver of Revenue on 26/11/2025

.....
Name.....
County Receiver of Revenue

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON RECEIVER OF REVENUE - REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF KITUI

PREAMBLE

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

- A. Report on Revenue Statements that considers whether the revenue 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 revenue statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Revenue 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 REVENUE STATEMENTS

Qualified Opinion

I have audited the accompanying transitional International Public Sector Accounting Standards (IPSAS) revenue statements of Receiver of Revenue - County Government of Kitui set out on pages 1 to 26, which comprise of the statement of financial position as at

Report of the Auditor-General on Receiver of Revenue - Revenue Statements for the year ended 30 June, 2025 - County Government of Kitui

30 June, 2025, and the statement of revenue and disbursements, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the transitional International Public Sector Accounting Standards revenue statements present fairly, in all material respects, the financial position of Receiver of Revenue - County Government of Kitui as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the County Governments Act, 2012, Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

Long Outstanding Receivables from Non-Exchange Transactions

The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.1,583,461,357 which, as disclosed in Note 32 to the financial statements include receivables totalling Kshs.660,135,037 which have been outstanding for more than three (3) years. Management did not provide measures put in place to recover the long outstanding receivables from non-exchange transactions.

In the circumstances, the accuracy and recoverability of receivables from non-exchange transactions balance of Kshs.660,135,037 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Receiver of Revenue - County Government of Kitui Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue targets and actual on comparable basis of Kshs.1,145,025,058 and Kshs.996,252,347 respectively resulting to revenue budget under-realization of Kshs.148,772,711 or approximately 13% of the budget.

The under-realization of revenue budget affected the planned activities and may have impacted negatively on service delivery to the Public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on pages iii to x which comprise of Key Entity Information and Management, Foreword by the County Executive Committee Member Finance and Economic Planning, Management Discussion and Analysis and Statement of Receiver of Revenue's responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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

Delayed Enactment of the County Revenue Administration Act

During the year under review, the County Government had not enacted legislation to guide on revenue assessment, billing, collection and enforcement. This is contrary to Section 120 of the County Governments Act, 2012 which requires every County to enact legislation to guide on revenue assessment, billing, collection and enforcement.

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

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Weaknesses in the County Government Revenue Management System

Review of records revealed that the County Government's automated Revenue Management System had significant control gaps. Revenue records revealed unexplained gaps in sequential receipt numbers. In addition, the system lacked the functionality to generate invoices or demand notices where receipts were only issued upon collection. The weaknesses compromise the ability to confirm the total revenue collected and to verify the completeness and accuracy of amounts reported.

In the circumstances, the effectiveness of the Revenue Management System could not be confirmed.

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 revenue statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of revenue 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 revenue statements, Management is responsible for assessing the Receiver of Revenue'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 revenue 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 revenue statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the revenue 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 Receiver of Revenue'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 revenue statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the revenue 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 revenue 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

10 December, 2025

*Receiver Of Revenue
County Government Of Kitui
Revenue Statements for the Period Ended 30th June 2025*

7. Statement of Revenue and Disbursements for the year ended 30th June 2025

	Note	FY 2024-2025
		Kshs
Revenue from non-exchange transactions		
Cess	6	11,850,060
Land Rates	7	23,088,750
Single/Business Permits	8	94,413,064
Conservancy Administration	9	691,960
Administration Control Fees and Charges	10	45,305,836
Other Fines, Penalties, And Forfeiture Fees	11	610,941
Public Health Service Fees	12	-
Physical Planning and Development	13	15,725,343
Donations/Grants Not Received Through CRF	14	-
Total Revenue from non-exchange transactions		191,685,954
Revenue from exchange transactions		
Parking Fees	15	17,715,810
Market Fees	16	15,895,132
Property Rent	17	2,298,000
Advertising	18	22,199,140
Hospital Fees	19	732,139,464
Hire of County Assets	20	11,346,926
Sale of assets	21	-
Park Fees	22	-
Miscellaneous receipts	23	2,971,921
Total Revenue from exchange transactions		804,566,393
Total Revenues (a)		996,252,347
Disbursements		
Disbursements To CRF	24	(689,887,308)
Disbursements to another County Fund	25	-
Bank charges	26	(45,963)
Waivers and exemptions	27	(87,113,460)

Receiver Of Revenue
County Government of Kitui
Revenue Statements for the Period Ended 30th June 2025

6. **Report of the Independent Auditor on the County Government of Kitui Receiver of Revenue for Year Ended 30th June, 2025**

Receiver Of Revenue
County Government of Kitui
Revenue Statements for the Period Ended 30th June 2025

Bad debts written off	28	-
Provision for bad debts	29	-
Total Disbursements and other charges (b)		(777,046,731)
Other gains/(losses)		
Gain/Loss on foreign exchange transactions	30	-
Increase/Decrease in Dues to County Revenue Fund		219,205,616

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 26/11 2025 and signed by:

.....
 Name John Makau
 County Receiver of Revenue
 (Ref: PFM ACT section 165, 2(a))

ae
 Name Rosemary Mung'anya
 Head of Revenue Reporting
 ICPAK M/No 10949

Receiver Of Revenue
 County Government of Kitui
 Revenue Statements for the Period Ended 30th June 2025

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

	Note	Insert current FY 2024-2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Current Assets			
Cash and Cash Equivalents	31	6,648,728	2,704,183
Receivables from non-Exchange transactions	32	1,583,461,357	1,098,129,827
Receivables from Exchange transactions	33	-	-
Total Current Assets		1,590,110,085	1,100,834,010
Total Assets		1,590,110,085	1,100,834,010
Financial Liabilities			
Payables-Due to CRF	34	1,590,110,085	1,100,834,010
Revenue Received in Advance	35	-	-
Total Financial Liabilities		1,590,110,085	1,100,834,010

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 26/11/2025 2025 and signed by:

.....
 Name John P. P. P.
 County Receiver of Revenue

.....
 Name Rosemary Mung'ara
 Head of Revenue Reporting
 ICPAK M/No 10949

*Receiver Of Revenue
County Government of Kitui
Revenue Statements for the Period Ended 30th June 2025*

9. Statement of Cash Flows for the Year Ended 30th June 2025

	Note	FY 2024-2025
		Kshs
Operating Activities		
Receipts		
Cess	6	11,850,060
Land Rate	7	23,088,750
Single/Business Permits	8	94,413,064
Conservancy Administration	9	691,960
Administration Control Fees and Charges	10	45,305,836
Other Fines, Penalties, And Forfeiture Fees	11	610,941
Public Health Service Fees	12	-
Physical Planning and Development	13	15,725,343
Donations/Grants Not Received Through CRF	14	-
Parking Fees	15	17,715,810
Market Fees	16	15,895,132
Property Rent	17	2,298,000
Advertising	18	22,199,140
Hospital Fees	19	732,139,464
Hire of County Assets	20	11,346,926
Sale of assets		
Park Fees		-
Miscellaneous receipts	23	2,971,921
Total Receipts		996,252,347
Payments		
Disbursements To CRF		(689,887,308)
Balances with Collectors		(1,446,437)
Pending Hospital Insurance Reimbursements		(300,928,094)
Bank charges		(45,963)
Total Payments		(992,307,802)
Net Cash from operating Activities		3,944,545
Cash and Cash Equivalent as at 1 st July 2024	31	2,704,183
Cash and Cash Equivalent as at 30th June 2025	31	6,648,728

*Receiver Of Revenue
County Government of Kitui
Revenue Statements for the Period Ended 30th June 2025*

10. Statement of Comparison of Budget vs Actual Amounts for Year Ended 30th June 2025

Receipts	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Balances at End of Period
	A	B	C=A+B	D	E
County Own Source Revenue	Kshs	Kshs	Kshs	Kshs	Kshs
Cess	15,576,016	47,159,755	62,735,771	11,850,060	50,885,711
Land Rate	14,878,572	6,795,742	21,674,314	23,088,750	-1,414,436
Single/Business Permits	85,524,290	22,009,207	107,533,497	94,413,064	13,120,433
Parking Fees	17,164,293	23,582,536	40,746,829	17,715,810	23,031,019
Market Fees	15,189,916	6,403,049	21,592,965	15,895,132	5,697,833
Property Rent	2,917,240	550,760	3,468,000	2,298,000	1,170,000
Advertising	20,412,650	4,908,524	25,321,174	22,199,140	3,122,034
Hospital Fees	350,200,000	404,186,956	754,386,956	732,139,464	22,247,492
Public Health Service Fees	-	-	-	-	-
Physical Planning and Development	14,001,060	6,627,669	20,628,729	15,725,343	4,903,386
Hire of County Assets	12,515,356	10,069,784	22,585,140	11,346,926	11,238,214
Conservancy Administration	1,519,430	127,974	1,647,404	691,960	955,444
Administration Control Fees and Charges	48,393,037	12,290,140	60,683,177	45,305,836	15,377,341
Proceeds from sale of assets					
Park Fees					
Other Fines, Penalties, and Forfeiture Fees	192,240	200,000	392,240	610,941	-218,701
Miscellaneous Receipts	1,515,900	112,962	1,628,862	2,971,921	-1,343,059
Total County Own Source Revenue	600,000,000	545,025,058	1,145,025,058	996,252,347	148,772,711
Other Receipts					
Donations /Grants Not Received Through CRF	-	-	-	-	-
Total Other Receipts	600,000,000	545,025,058	1,145,025,058	996,252,347	148,772,711

Receiver Of Revenue
County Government of Kitui
Revenue Statements for the Period Ended 30th June 2025

All the revenue streams with below 90% achievement were affected by;

Receipts	Budget Realization Difference	% of Realization	Reason for Less than 90% Realization
Cess	50,885,711	19	Delayed implementation of the Kitui County Sand Harvesting & Management Act and resistance to pay cess through court cases
Single/Business Permits	13,120,433	88	Budgetary challenges for inspections and awareness creation on SBP payment and compliance
Parking Fees	23,031,019	43	Budgetary constraints leading to challenges of parking slots marking and demarcation for optimal target setting.
Market Fees	5,697,833	74	Affected by poor rains causing reduced market and stock fees collections
Property Rent	1,170,000	66	Target was based arrears for prior periods which the stall owners have already paid
Advertising	3,122,034	88	There was low adverts by companies due to low economy
Physical Planning and Development	4,903,386	76	Dependent on the new structures and buildings inspections and approvals
Hire of County Assets	11,238,214	50	Affected by low uptake of County Facilities such as halls and resource centres due to competition from private facilities.
Conservancy Administration	955,444	42	The fees collected such as burial fees are an act of God and sale of seedlings affected by competition from the private seedling vendors
Administration Control Fees and Charges	15,377,341	75	The fees collected in this category such as the veterinary services were affected by the dry period and liquor licencing affected by the late implementation of the Liquor Licencing Act 2014.

The County Receiver of Revenue's financial statements were approved on 26/11 2025 and signed by:

.....
 Name [Signature]
 County Receiver of Revenue

.....
 Name [Signature]
 Head of Revenue Reporting
 ICPAK M/No 109491

11. Notes to the Financial Statements

1. General Information

County Government of Kitui Receiver of Revenue was appointed by the CEC member of Finance of Kitui County Government in accordance with section 157 of the PFM Act. The Entity's principal activity is Own Source Revenue collection as outlined in the appointment letter and section 157 of the PFM Act.


2. Statement of Compliance and Basis of Preparation

The revenue statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) Accrual Basis of Accounting and relevant legal framework of the County Government *Kitui*. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/year financial statements are transitional financial statements and the following elements of the financial statements have not been recognized as the entity has taken advantage of the transition provisions outlined in IPSAS 33. (entity to state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual).

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The accounting policies adopted have been consistently applied to all the years presented.

The Financial statements were authorized for issue by the Accounting Officer on 

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application

Standard	Effective date and impact:
	<p>guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>

Receiver Of Revenue
County Government of Kitui
Revenue Statements for the Period Ended 30th June 2025

Standard	Effective date and impact:
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

The Entity did not early-adopt any new or amended standards in the financial year

4. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these revenue statements are set out below:

i) Revenue from non-exchange transactions

Fees, taxes, fines and charges

The *Receiver of Revenue* recognizes revenues from fees, taxes, fines and charges when the event occurs and the asset recognition criteria is met. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

ii) Revenue from exchange transactions

Rendering of services

The *Receiver of Revenue* recognizes revenue from the rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Entity.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

iii) Budget

The County Revenue budget is developed on cash basis. The budget has the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by law. The original budget was approved by the County Assembly on 27th June 2024 for the period 1st July 2024 to 30 June 2025. There was *two* supplementary budgets passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

The *Entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been included in these financial statements.

iv) Cash and cash equivalents.

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include revenue collection accounts held at Commercial banks.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

v) Revenue in Arrears

Revenue in arrears relate to revenue earned and is yet to be received or collected by the receiver of revenue. These arrears are presented as receivables from exchange and non- exchange transactions in the statement of financial position. These receivables are assessed for impairment on a continuous basis. The details of these arrears are presented as an appendix to the financial statements under the statement of arrears as required under the PFM Act, 2012 Section 165 (2) (b).

vi) Disbursements to CRF

The Receiver of Revenue has an arrangement for transfer of funds from its bank account weekly to the CRF account. Total disbursements to the CRF are as a result of the transfer arrangement during the year.

vii) Payables due to CRF

These relate to amounts yet to be disbursed to the County Revenue Fund at the end of the period. The amount also includes monies that are yet to be collected by the receiver of revenue at the end of the reporting period.

viii) Comparative Figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

ix) Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended June 30, 2025

Notes to the financial statements

5. Significant Judgments and Sources of Estimation Uncertainty

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

There were no significant judgements, estimates and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Entity bases its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

Provisions

Provisions are raised and management determines an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to the Financial Statements

6. Cess

Description	FY 2024-2025
	Kshs
Farm produce	7,710,840
Quarrying	4,139,220
Total	11,850,060

7. Land rates

Description	FY 2024-2025
	Kshs
Land rates	7,748,715
Land penalties and interest	1,547,923
Arrears	13,792,112
Total	23,088,750

8. Single /Business Permits

Description	FY 2024-2025
	Kshs
Business permit application fees	3,996,200
Annual Business permit fees	90,305,912
Business permit penalties and interest	110,952
Total	94,413,064

Notes to the Financial Statements (continued)

9. Conservancy Administration

Description	FY 2024-2025
	Kshs
Refuse disposal fees	10,200
Sale of seedlings	386,110
Public cemetery	22,300
Noise control	273,350
Total	691,960

10. Administration Control Fees and Charges

Description	FY 2024-2025
	Kshs
Weights and measures	1,812,607
Fire Services	304,300
Liquor licenses	23,063,800
Meat Inspection	975,685
Veterinary Services	828,915
Livestock Movement Permit	249,250
Slaughter House Inspection	19,000
Dispatch Note & Flayer Licence	5,350
Slaughter Fees	2,355,975
Transportation Charges	15,636,754
Library Fees	54,200
Total	45,305,836

11. Other Fines, Penalties and Forfeitures

Description	FY 2024-2025
	Kshs
Impounding Fees	181,350
Consent Fees	429,591
Total	610,941

Notes to the Financial Statements (continued)

12. Public Health Service Fees

Description	FY 2024-2025
	Kshs
Total	-

13. Physical Planning and Development

Description	FY 2024-2025
	Kshs
Signboards	1,875,500
Occupational Permits	5000
Architectural designs by county officers	8,308,203
Land Administrative Fees	4,377,640
Building Inspections	1,099,500
Survey Fees	59,500
Total	15,725,343

14. Donations and Grants Not Received Through CRF

Description	FY 2024-2025
	Kshs
Donations	-
Grants	-
Total	-

15. Parking Fees

Description	FY 2024-2025
	Kshs
Street parking fees	11,470,380
Bus Park fees	6,245,430
Total	17,715,810

Notes to the Financial Statements (continued)

16. Market Fees

Description	FY 2024-2025
	Kshs
Market entry fees	6,118,112
Stock Fees	9,777,020
Total	15,895,132

17. Property Rent

Description	FY 2024-2025
	Kshs
Stalls/kiosks rent	2,298,000
Total	2,298,000

18. Advertising

Descriptions	FY 2024-2025
	Kshs
Branding	2,628,500
Billboard advertising	8,346,540
Posters and Banners	1,285,500
Promotions	9,938,600
Total	22,199,140

19. Hospital Fees

Description	FY 2024-2025
	Kshs
Hospital Swipes to CRF	732,139,464
Total	732,139,464

Notes to the Financial Statements (continued)

20. Hire Of County Assets

Description	FY 2024-2025
	Kshs
Agricultural Mechanisation Services (AMS)	2,878,526
Hire of County Halls and Stadia	319,500
Conference facilities/Agricultural Training Centers (ATC)	2,536,250
Agricultural Show	5,612,650
Total	11,346,926

21. Sale of assets.

	FY 2024-2025
	Kshs
Receipts from Sale of Buildings	-
Receipts from Sale of Vehicles and Transport Equipment	-
Receipts from Sale of Plant Machinery and Equipment	-
Receipts from Sale of Certified Seeds and Breeding Stock	-
Receipts from Sale of Strategic Reserves Stocks	-
Receipts from Sale of Inventories, Stocks and Commodities	-
Disposal and Sales of Non-Produced Assets	-
Total	-

22. Park Fees

Description	FY 2024-2025
	Kshs
Lodge Tariffs and levies	-
Park entry fees	-
Filming and Photography fees	-
Camping fees	-
Balloon landing fees	-
Others (<i>Specify</i>)	-
Total	-

Notes to the Financial Statements (continued)

23. Miscellaneous Revenues

Description	FY 2024-2025 Kshs
Sale and Search of Assets	14,700
Borehole Drilling	2,828,000
Engineering Works Levy	129,221
Total	2,971,921

24. Disbursements to CRF

Description	Period ended June 2025 Kshs
Quarter 1	92,416,096
Quarter 2	219,702,967
Quarter 3	179,572,148
Quarter 4	198,196,097
Total	689,887,308

25. Disbursement to another County Fund

Description	Period ended June 2025 Kshs
Quarter 1	-
Quarter 2	-
Quarter 3	-
Quarter 4	-
Total	-

Notes to the Financial Statements (continued)

26. Bank Charges

Description	FY 2024-2025
	Kshs
Bank Charges & commissions	45,962.50
Total	45,962.50

27. Waivers and Exemptions

Description	FY 2024-2025
	Kshs
Penalties	87,113,460
Interest	-
Others (<i>Specify</i>)	-
Total	87,113,460

28. Bad debts written off.

Description	FY 2024-2025
	Kshs
Bad debts written off (<i>Specify revenue stream</i>)	-
Total	-

29. Provision for bad debts

Description	FY 2024-2025
	Kshs
Provision for bad debts (<i>Specify revenue stream</i>)	-
Total	-

Notes to the Financial Statements (continued)

30. Gain/Loss on Foreign Exchange Transactions

Description	FY 2024-2025
	Kshs
Gain or loss on foreign exchange transactions	-
Gain or loss on balances in foreign exchanges	-
Total	-

31. Cash and Cash Equivalents

Name of Bank, Account No. & currency	Amount	Exc. rate (if in foreign currency)	FY 2024-2025	Opening Statement 1 st July 2024
			Kshs	Kshs
Kenya Commercial Bank A/C No. 1140752855	5,199,762	-	5,199,762	2,704,183
Co-operative Bank of Kenya, A/C No. 01141810632200	-	-	-	-
Amount billed and yet to be collected for disbursement to CRF	1,448,966	-	1,448,967	
Cash at Hand	-		-	-
Total	6,648,728		6,648,728	2,704,183

32. Receivables for non-exchange transactions

Description	FY 2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Receivables		
Land Rates Opening Balance	1,098,129,827	
<i>Land rates Current Year</i>	184,403,436	1,098,129,827
Hospital Insurance Reimbursement- Pending	300,928,094	
Sub total	1,583,461,357	1,098,129,827
Less impairment Allowance	-	-
Total Current Receivables	1,583,461,357	1,098,129,827

Ageing analysis for Receivables from Non-exchange transactions

Description	FY 2024-2025		Opening Statement 1 st July 2024	
	FY2024-2025	% of the total	Opening Balance	% of the total
	Kshs		Kshs	
Less than 1 year	485,331,530	31%	254,520,151	23%
Between 1- 2 years	254,520,151	16%	183,474,639	17%
Between 2-3 years	183,474,639	12%	149,049,816	14%
Over 3 years	660,135,037	42%	511,085,221	47%
Total (a+b)	1,583,461,357	100%	1,098,129,827	100%

Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Impairment allowance/ provision	FY 2024-2025
	Kshs
At the beginning of the year	-
Additional provisions during the year	-
Recovered during the year	(-)
Written off during the year	(-)
At the end of the year	-

33. Receivables from exchange transactions

Description	FY 2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Total receivables		
Uncollected Amounts Due for Disbursement	-	-
	-	-
Less: impairment allowance	(-)	(-)
Total receivables	-	-

Receiver Of Revenue
County Government of Kitui
Revenue Statements for the Period Ended 30th June 2025

Ageing analysis for total receivables in exchange transactions

Description	FY 2024-2025		FY 2023-2024	
	FY 2024-2025	% of the total	Comparative FY 2023-2024	% of the total
	Kshs		Kshs	
Less than 1 year	485,331,530	31%	254,520,151	23%
Between 1- 2 years	254,520,151	16%	183,474,639	17%
Between 2-3 years	183,474,639	12%	149,049,816	14%
Over 3 years	660,135,037	42%	511,085,221	47%
Total (a+b)	1,583,461,357	100%	1,098,129,827	100%

Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/ provision	FY 2024-2025
	Kshs
At the beginning of the year	-
Additional provisions during the year	-
Recovered during the year	(-)
Written off during the year	(-)
At the end of the year	-

34. Payables- Due To CRF

Payables	FY 2024-2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Payables Opening Balance	1,098,129,827	-
Amount collected yet to be disbursed to CRF	5,199,762	2,704,183
Amount billed and yet to be collected for disbursement to CRF	1,448,966	-
Land Rates Arrears	184,403,436	1,098,129,827
Hospital Insurance Reimbursement- Pending	300,928,094	
Total Due to CRF	1,590,110,085	1,100,834,010

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Movement Disclosure on Dues to CRF

Description	Amount
	Kshs
Opening Dues to CRF	1,100,834,011
Increase/Decrease in Dues to CRF	489,276,074
Closing Dues to CRF	1,590,110,085

35. Revenue received in advance

Description	Period ended 30 th June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
<i>Specify</i>	-	-
Total	-	-

12. Appendices

Appendix 1: Progress on follow up of prior Year Auditor Recommendations.

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Long outstanding revenue arrears	Ongoing	Ongoing	July 2026
2	Unsupported revenue from parking fees	Parking slots marked	Resolved	
2.2	Failure to bank revenue collected	Recovery ongoing	Ongoing	July 2026

.....
 Name *John Maken*
 County Receiver of Revenue

Date *26/6/22*

Rev
 Name *Rosette Mungara*
 Head of Revenue Reporting

ICPAK M/No *10949*
 Date *26/6/22*

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Appendix 2: Statement of Arrears of Revenue As at 30th June 2025

Classification Of Receipts (Indicate As Applicable)	Balance as at The beginning of the current year (1 st July 2024) A	Arrears received during the year. B	Additions in arrears for the current year to June 30 th , 2025 C	Total arrears as at 30 June 2024 D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Land rate	1,098,129,827	(23,088,750)	207,492,186	1,282,533,263	Issuance of Land Rates Waiver in FY 2024-2025	
Amount billed and yet to be collected for disbursement to CRF	3,794,256	(2,347,819)	-	1,446,437	Recovery through salary deductions and direct deposits to account by implicated officers.	
Hospital Insurance Reimbursement-Pending	-	-	300,928,094	300,928,094	Demands from the Health Insurance Providers	
Total Arrears	<u>1,101,924,083</u>	<u>(25,436,569)</u>	<u>508,420,280</u>	<u>1,584,907,794</u>		

.....
 Name John Mwangi
 County Receiver of Revenue
 (Ref: PFM ACT section 165, 2(a))

.....
 Name Rosemary Mwangi
 Head of Revenue Reporting
 ICPAK M/No 10949

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Appendix 3: Ageing Analysis of Revenue in Arrears

Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Land rate	184,403,436	254,520,151	183,474,639	660,135,037	1,282,533,263
Hospital Insurance Reimbursement-Pending	300,928,094	-	-	-	300,928,094
Amount billed and yet to be collected for disbursement to CRF	-	-	1,446,437	-	1,446,437
Total	485,331,530	254,520,151	184,921,076	660,135,037	1,584,907,794

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Appendix 4: A Report of Waivers and Variations of Fees or charges granted by the Receiver of Revenue during the year.

S/No	Name of person / organisation benefitting from waiver/ variation	Year in which waiver/ variation relates	Amount of variation/ waiver (fee or charge)	Reasons for waiver/ variation	The law in terms of which the variation/waiver was granted
1	JUSTUS MUTHUI MULWA	FY 2024-2025	527	Land Rates Waiver on Penalties to recover land rates arrears	
2	FRANCIS ISIKA	FY 2024-2025	568	Land Rates Waiver on Penalties to recover land rates arrears	
3	JUSTUS MUTHUI MULWA	FY 2024-2025	333	Land Rates Waiver on Penalties to recover land rates arrears	
4	MONICAH K MWONGELA	FY 2024-2025	17,948	Land Rates Waiver on Penalties to recover land rates arrears	
5	FRANCIS A MUTHOKA	FY 2024-2025	321	Land Rates Waiver on Penalties to recover land rates arrears	
6	CECILIA KINYA MATHIU	FY 2024-2025	46,779	Land Rates Waiver on Penalties to recover land rates arrears	
7	PETER PAUL MBURU NDURURI	FY 2024-2025	1,518,279	Land Rates Waiver on Penalties to recover land rates arrears	
8	PAUL MBURU NDIRAGU	FY 2024-2025	9,265,875	Land Rates Waiver on Penalties to recover land rates arrears	
9	PETER PAUL MBURU NDURURI	FY 2024-2025	65,960	Land Rates Waiver on Penalties to recover land rates arrears	

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10	JUSTUS MUKITI MANANDU	FY 2024-2025	12,407	Land Rates Waiver on Penalties to recover land rates arrears	
11	KIRK MUTUA MBITI	FY 2024-2025	35,923	Land Rates Waiver on Penalties to recover land rates arrears	
12	KIRK MUTUA MBITI	FY 2024-2025	4,348	Land Rates Waiver on Penalties to recover land rates arrears	
13	KIRK MUTUA MBITI	FY 2024-2025	4,279	Land Rates Waiver on Penalties to recover land rates arrears	
14	KIRK MUTUA MBITI	FY 2024-2025	3,877	Land Rates Waiver on Penalties to recover land rates arrears	
15	DAVID MUTUTO MUMO	FY 2024-2025	18,195	Land Rates Waiver on Penalties to recover land rates arrears	
16	EMILY MWELU GATUGUTA	FY 2024-2025	1,398	Land Rates Waiver on Penalties to recover land rates arrears	
17	SIMON KILONZO MAITHYA	FY 2024-2025	17,461	Land Rates Waiver on Penalties to recover land rates arrears	
18	DAVID MUTUTO MUMO	FY 2024-2025	3,531	Land Rates Waiver on Penalties to recover land rates arrears	
19	EZEKIEL MUNYAO MWANTHI	FY 2024-2025	95,781	Land Rates Waiver on Penalties to recover land rates arrears	
20	KETHI P WAMBUA	FY 2024-2025	253,000	Land Rates Waiver on Penalties to recover land rates arrears	

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21	ANGELINE MUTISYA	FY 2024-2025	7,219	Land Rates Waiver on Penalties to recover land rates arrears	
22	DAVID MUTUTO MUMO	FY 2024-2025	25,899	Land Rates Waiver on Penalties to recover land rates arrears	
23	MUEMA MUNYITHYA	FY 2024-2025	159,563	Land Rates Waiver on Penalties to recover land rates arrears	
24	BENSON KITEME MASYA	FY 2024-2025	138,812	Land Rates Waiver on Penalties to recover land rates arrears	
25	ENPET TRADING COMPANY LIMITED	FY 2024-2025	155,044	Land Rates Waiver on Penalties to recover land rates arrears	
26	VICTOR N KIVW'IA MULWA	FY 2024-2025	6,607	Land Rates Waiver on Penalties to recover land rates arrears	
27	ROSAITAH MARY MAINGI	FY 2024-2025	11,633	Land Rates Waiver on Penalties to recover land rates arrears	
28	HARRISON MAANZO	FY 2024-2025	63,867	Land Rates Waiver on Penalties to recover land rates arrears	
29	JUSTUS MWENGI NZELU	FY 2024-2025	17,620,034	Land Rates Waiver on Penalties to recover land rates arrears	
30	YUSUFALI ABDALLA	FY 2024-2025	5,950	Land Rates Waiver on Penalties to recover land rates arrears	
31	RICHARD MUSOMI MBUI	FY 2024-2025	24,573	Land Rates Waiver on Penalties to recover land rates arrears	

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32	J.M KYAI	FY 2024-2025	2,347,895	Land Rates Waiver on Penalties to recover land rates arrears	
33	JIEL KAMINZA MUINDI	FY 2024-2025	9,316	Land Rates Waiver on Penalties to recover land rates arrears	
34	K NGOLO	FY 2024-2025	189	Land Rates Waiver on Penalties to recover land rates arrears	
35	JOHNSON M MWANZIA	FY 2024-2025	178	Land Rates Waiver on Penalties to recover land rates arrears	
36	JOHN MUTISO SAMUEL	FY 2024-2025	172,226	Land Rates Waiver on Penalties to recover land rates arrears	
37	BEATRICE MUENI CHARLES & CHARLES NZEMBE	FY 2024-2025	36,898	Land Rates Waiver on Penalties to recover land rates arrears	
38	SOLOMON MWEMA NGUMI	FY 2024-2025	2,029,417	Land Rates Waiver on Penalties to recover land rates arrears	
39	JAPHETH KITEME MWALIMU	FY 2024-2025	27,087	Land Rates Waiver on Penalties to recover land rates arrears	
40	JAPHETH KITEME MWALIMU	FY 2024-2025	15,265	Land Rates Waiver on Penalties to recover land rates arrears	
41	J.M KILINGA KIWA MALUSI & J. K MUTISYA	FY 2024-2025	1,134,804	Land Rates Waiver on Penalties to recover land rates arrears	
42	ANTHONY MUTAMBYA MULI	FY 2024-2025	282	Land Rates Waiver on Penalties to recover land rates arrears	

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43	ANTHONY MUTAMBYA MULI	FY 2024-2025	222	Land Rates Waiver on Penalties to recover land rates arrears	
44	ANTHONY MUTAMBYA MULI	FY 2024-2025	222	Land Rates Waiver on Penalties to recover land rates arrears	
45	ANTHONY MUTAMBYA MULI	FY 2024-2025	211	Land Rates Waiver on Penalties to recover land rates arrears	
46	PETER KATUA SYOWEU MUKOLA	FY 2024-2025	157,462	Land Rates Waiver on Penalties to recover land rates arrears	
47	FELIX KIKUYU KIMOLI	FY 2024-2025	13,252	Land Rates Waiver on Penalties to recover land rates arrears	
48	STIRLING INVESTMENT LTD FELIX KIMOLI	FY 2024-2025	1,113	Land Rates Waiver on Penalties to recover land rates arrears	
49	VENESSA VILLAS LIMITED	FY 2024-2025	15,727	Land Rates Waiver on Penalties to recover land rates arrears	
50	STIRLING INVESTMENT LTD	FY 2024-2025	22,599	Land Rates Waiver on Penalties to recover land rates arrears	
51	VENESSA VILLAS LIMITED	FY 2024-2025	1,959	Land Rates Waiver on Penalties to recover land rates arrears	
52	FELIX KIKUYU KIMOLI	FY 2024-2025	155	Land Rates Waiver on Penalties to recover land rates arrears	
53	VENESSA VILLAS LIMITED	FY 2024-2025	2,019	Land Rates Waiver on Penalties to recover land rates arrears	

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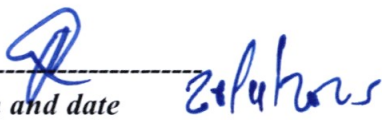
54	AGNETA KAVENGI KITEME	FY 2024-2025	17,935	Land Rates Waiver on Penalties to recover land rates arrears
55	MOHAMMED KASSIM JETHWA (B)	FY 2024-2025	4,955	Land Rates Waiver on Penalties to recover land rates arrears
56	MOHAMMED KASSIM JETHWA	FY 2024-2025	22,950	Land Rates Waiver on Penalties to recover land rates arrears
57	SERAH MUTISYA	FY 2024-2025	8,160	Land Rates Waiver on Penalties to recover land rates arrears
58	ELVIS MUTHUI MULUVI	FY 2024-2025	1,347	Land Rates Waiver on Penalties to recover land rates arrears
59	TK MITAO	FY 2024-2025	2,086,759	Land Rates Waiver on Penalties to recover land rates arrears
60	RUKIA AHMED (A)	FY 2024-2025	13,827	Land Rates Waiver on Penalties to recover land rates arrears
61	HASSAN MOHAMED	FY 2024-2025	47,901	Land Rates Waiver on Penalties to recover land rates arrears
62	SWALEH ALII SALIM	FY 2024-2025	68,111	Land Rates Waiver on Penalties to recover land rates arrears
63	SAMUEL MUTUNGA	FY 2024-2025	16,747	Land Rates Waiver on Penalties to recover land rates arrears
64	SAMUEL M MUTUNGA &	FY 2024-2025	30,753	Land Rates Waiver on Penalties to recover land rates arrears

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	VICTORIA N MUSYOKA				
65	SAMUEL MWENDWA MUTUNGA	FY 2024-2025	19,389	Land Rates Waiver on Penalties to recover land rates arrears	
66	THOMAS OSCAR KYONGO	FY 2024-2025	27,942	Land Rates Waiver on Penalties to recover land rates arrears	
67	LESLIE MWANZA MATHUMBI	FY 2024-2025	858,790	Land Rates Waiver on Penalties to recover land rates arrears	
68	DAVID MANDELA	FY 2024-2025	437,829	Land Rates Waiver on Penalties to recover land rates arrears	
69	ABDALLA MWIKAA	FY 2024-2025	10,968	Land Rates Waiver on Penalties to recover land rates arrears	
70	JUSTUS MUNYOKI KYAMBO	FY 2024-2025	16,692	Land Rates Waiver on Penalties to recover land rates arrears	
71	MAINGI MALITI	FY 2024-2025	2,022	Land Rates Waiver on Penalties to recover land rates arrears	
72	JONAH MUTISYA KAKULI	FY 2024-2025	1,074,176	Land Rates Waiver on Penalties to recover land rates arrears	
73	TOTO SALIM	FY 2024-2025	1,053,151	Land Rates Waiver on Penalties to recover land rates arrears	
74	BENJAMIN MASILA MUTUA	FY 2024-2025	13,888	Land Rates Waiver on Penalties to recover land rates arrears	

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75	RAPHAEL MUTISYA MAKAU	FY 2024-2025	313,106	Land Rates Waiver on Penalties to recover land rates arrears	
76	FATUMA AHMED ABUBAKAR	FY 2024-2025	134,242	Land Rates Waiver on Penalties to recover land rates arrears	
77	HASSAN SHEIKH AHMED	FY 2024-2025	1,775	Land Rates Waiver on Penalties to recover land rates arrears	
78	HASSAN SHEIKH AHMED	FY 2024-2025	22,800	Land Rates Waiver on Penalties to recover land rates arrears	



Sign and date
Accounting Officer

