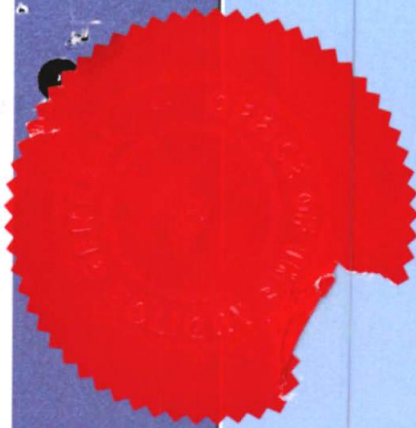
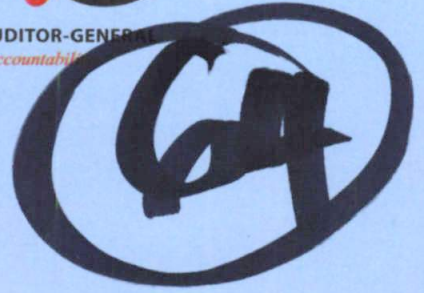


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REPORT

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COUNTY REVENUE FUND

**FOR THE YEAR ENDED
30 JUNE, 2025**

COUNTY GOVERNMENT OF LAIKIPIA





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COUNTY REVENUE FUND
COUNTY GOVERNMENT OF LAIKIPIA

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025

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

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1. ACRONYMS AND DEFINITION OF KEY TERMS

a. Acronyms

<i>ADP</i>	<i>Annual Development Plan</i>
<i>AIE</i>	<i>Authority to Incur Expenditure</i>
<i>CA</i>	<i>County Assembly</i>
<i>CARA</i>	<i>County Allocation of Revenue Act</i>
<i>CBK</i>	<i>Central Bank of Kenya</i>
<i>CECM</i>	<i>County Executive Committee Member</i>
<i>CE</i>	<i>County Executive</i>
<i>CG</i>	<i>County Government</i>
<i>CIDP</i>	<i>County Integrated Development Plan</i>
<i>COG</i>	<i>Council of Governors</i>
<i>CRA</i>	<i>Commission on Revenue Allocation</i>
<i>CRF</i>	<i>County Revenue Fund</i>
<i>CT</i>	<i>County Treasury</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>MCA</i>	<i>Member of County Assembly</i>
<i>OAG</i>	<i>Office of the Auditor General</i>
<i>OCOB</i>	<i>Office of the Controller of Budget</i>
<i>OSR</i>	<i>Own Source Revenue</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>NT</i>	<i>National Treasury</i>
<i>WB</i>	<i>World Bank</i>
<i>KRB</i>	<i>Kenya Roads Board</i>
<i>Kshs</i>	<i>Kenya Shillings</i>
<i>FY</i>	<i>Financial Year</i>

b. Definition of Key Terms

Fiduciary Management:

The key management personnel who had financial responsibility.

2. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Article 207 of the Constitution of Kenya provides for the establishment of the County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government.

b) Key Management Team

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

No.	Designation	Name
1.	CECM Finance and Economic planning	Wachira Gachigi
2.	C.O Finance	Daniel Ngumi
3.	Director Accounting Services	Mary Wachiuri

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

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

d) Fiduciary Oversight Arrangements

County Assembly of Laikipia

The County Assembly, through its budget and oversight committees, reviews the budget estimates, and scrutinizes financial performance reports. It plays a critical role in approving budgets and ensuring prudent and lawful utilization of public resources in line with the County approved budgetary and planning documents.

County Executive Committee

The County Executive Committee provides strategic leadership in the planning and implementation of programs funded through the County annual budget. It is responsible for

approving the annual budget estimates submitted by the county treasury before they are presented to the county assembly for debate and appropriation

Laikipia County Executive Audit Committee

This committee oversees governance, financial management and risk management around County operations. It assesses the effectiveness of internal controls, reviews audit reports, and advises the executive on compliance and accountability measures. It also monitors the implementation of audit recommendations related to County operations.

Senate Public Accounts Committee

The Senate PAC reviews the Auditor-General's reports on Laikipia County's financial operations and engages county officials in public hearings to account for any irregularities. Its role in interrogating financial accountability at the national level provides an additional oversight layer on the usage of county resources.

Office of the Controller of Budget

OCOB authorizes withdrawals from the CRF in accordance with the law and monitors expenditure against approved budgets. It produces quarterly budget implementation reports highlighting expenditure trends, absorption rates, and compliance with statutory fiscal limits, such as the allocation to development expenditure and personnel emoluments.

Office of the Auditor-General

The OAG conducts independent audits of county financial statements, assesses the legality and regularity of expenditures. The audit findings provide assurance on whether funds were used for their intended purposes and guide both the County Assembly and Senate in exercising their oversight functions.

Development Partner Oversight

Development partners contributing to projects funded through the county budget or through counterpart funding arrangements conduct regular reviews, audits, and field monitoring. They emphasize fiduciary discipline, project sustainability, and transparency in fund management to ensure their contributions achieve intended development outcomes.

e) County Headquarters

P.O. Box 131-20321

County Headquarter

Government Road, Opposite DCC'S Office

Rumuruti, KENYA

f) County Executive Contacts

Telephone: (254) 740031031

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

Website: www.laikipia.go.ke

g) County Bankers

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

h) Independent Auditor

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

NAIROBI, KENYA

i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, KENYA

j) County Attorney

P.o Box 1271-10400

Nanyuki, Kenya

3. STATEMENT BY THE CECM FINANCE

I am pleased to present the annual financial statements for Laikipia County Revenue Fund for the financial year ended 30th June 2025. The preparation of these financial statements emphasize and demonstrate the commitment with which the Laikipia County government upholds its values and in line with the Kenyan Constitution 2010 and Public Finance Management Act(2012) of accountability, transparency, integrity, professionalism efficiency among others. The financial statements have been prepared in accordance with Article 207 of the Kenyan Constitution 2010 and Sections 109 and 167 of the PFM Act of 2012.

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

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

During the FY 2024/25 there was a total realisation of kshs 6,570,516,368 consisting of cash receipts of Kshs 6,554,780,865 and Opening balances of Kshs 15,735,503. This represented 89% of budget realisation which was an increase from the 77% realisation achieved in the FY 2023/24.

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

Table 1: Detailed analysis of the revenue budget

Description	Initial Budget for FY 2024/25	FY 2024/25 Supplementary changes /adjustments	FY 2024/25 Approved Budget Estimates
	A	B	C=A+B
Equitable Share	5,569,687,183	(182,652,451)	5,387,034,732
County Own Source Revenue	872,500,000	-	872,500,000
Vocational training centres	30,000,000	-	30,000,000
Other local sources	842,500,000	-	842,500,000
Domestic & Foreign Grants & transfers from other government agencies	1,000,571,763	(358,029,712)	642,542,051
Kenya Devolution Support Programme II	37,500,000	-	37,500,000
DANIDA Grant	6,435,000	-	6,435,000
Community Health Promoters	25,230,000	-	25,230,000
Aggregated Industrial Park	400,000,000	(400,000,000)	-
Kenya Urban Development Grant	77,214,879	-	77,214,879
Kenya Urban Institution Grant	35,000,000	-	35,000,000
Fuel Levy	235,196,042	-	235,196,042
Kenya Food Systems Resilience Program (KFSRP)	173,076,923	-	173,076,923
Kenya Agriculture Business Development Program (KABDP)	10,918,919	-	10,918,919
Basic Salary Arrears for County Government Health Workers	-	40,454,974	40,454,974
Court fines 2023/24 balance	-	1,515,314	1,515,314
Opening Balances	-	439,482,828	439,482,828
Opening Balance (equitable Share)	-	428,659,722	428,659,722
Laikipia County Revenue Fund	-	4,735,503	4,735,503
Returns to CRF	-	238,683	238,683
Other Receipts (insurance Compensation)	-	5,848,920	5,848,920
GRAND TOTAL	7,442,758,946	(101,199,335)	7,341,559,611

Table 2: Detailed Analysis of Amounts Realised FY 2024/25

Description	Approved Budget Estimates FY 2024/25	Total amounts Realized FY 2024/25	Realization variance FY 2024/25
	A	B	C = A-B
Equitable Share	5,387,034,732	5,387,035,309	(577)
County Own Source Revenue	872,500,000	543,320,483	329,179,517
Vocational training centres	30,000,000	16,895,192	13,104,808
Other local sources	842,500,000	526,425,291	316,074,709
Domestic & Foreign Grants & transfers from other government agencies	642,542,051	189,677,749	452,864,302
Kenya Devolution Support Programme II	37,500,000	-	37,500,000
DANIDA Grant	6,435,000	6,435,000	-
Community Health Promoters	25,230,000	-	25,230,000
Kenya Urban Development Grant	77,214,879	32,309,300	44,905,579
Kenya Urban Institution Grant	35,000,000	-	35,000,000
Fuel Levy	235,196,042	80,806,317	154,389,725
Kenya Food Systems Resilience Program (KFSRP)	173,076,923	70,127,132	102,949,791
Kenya Agriculture Business Development Program (KABDP)	10,918,919	-	10,918,919
Basic Salary Arrears for County Government Health Workers	40,454,974	-	40,454,974
Court fines 2023/24 balance	1,515,314	-	1,515,314
Opening Balances & Other receipts	439,482,828	450,482,828	(11,000,000)
Opening Balance (equitable Share)	428,659,722	428,659,722	-
Laikipia County Revenue Fund	4,735,503	15,735,503	(11,000,000)
Returns to CRF	238,683	238,683	-
Other Receipts (insurance Compensation)	5,848,920	5,848,920	-
Grand Total	7,341,559,611	6,570,516,368	771,043,242

The increase in revenue realisation as compared to the FY 2023/24 was mainly attributed to;

- Full disbursement (100%) of the budgeted Equitable Share in the financial year 2024/2025, compared to a partial release of 92% in FY 2023/2024
- Revenue for the financial year 2024/2025 recorded an increase compared to the previous year, largely driven by higher transfers from government agencies. In 2023/2024, transfers amounted to Ksh 116,934,653 which rose to Ksh 189,677,749 in 2024/2025 representing a 30% increase. This growth in intergovernmental transfers significantly contributed to the improved revenue performance, underscoring enhanced support from national government programs during the period.

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

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

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

Future outlook

In the FY 2025/26 Annual Approved Budget, Laikipia County Government intends to realise and utilise Ksh 9,217,137,326. This is further illustrated below.

Table 3: County revenue Budget FY 2025/26

Revenue Source	Amount	% of Total revenue
Equitable Share	5,640,962,159	61%
Ordinary Own Source revenue (A)	725,000,000	-
Appropriations in Aid (B)	626,000,000	-
Total Own Source Revenue (C= A+B)	1,351,000,000	15%
Conditional Grants	1,220,744,139	13%
Emergency Fund&CRF Balances	1,004,431,028	11%
Total revenue Estimates	9,217,137,326	100%

Source: Approved Annual County Budget for FY2025/26

Table 4: Transfers to County executive & County Assembly Budget FY 2025/26

Description	Allocation (Kshs)	% allocation
County Executive	8,057,137,326	87%
County Assembly	534,000,000	6%
Utilization of AIA (County Health facilities)	626,000,000	7%
Total	9,217,137,326	100%

Source: Approved Annual County Budget for FY 2025/26

Conclusion

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

My appreciation also goes to the County Assembly led by the Hon Speaker for their legislative and approval role of the annual and supplementary budgets and the Finance Act of the FY 2024/25.

Thirdly, I wish to thank the County Executive Committee Members, the County Secretary, the Accounting Officers and the entire Laikipia County Executive staff for their dedication, hard work

and teamwork which not only facilitated the successful collection of Own source revenue generated by the respective sectors, but also the prudent utilisation of funds transferred from the CRF during the Financial year under review.

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



.....
Wachira Gachigi
CECM Finance and Economic Planning
County Government of Laikipia

4. MANAGEMENT DISCUSSION AND ANALYSIS

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

The various sources of funds for this fund are:

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

Withdrawals from this account for the purpose of expenditure are done through the office of the controller of budget which is aimed at ensuring that all expenditures are within the county budget. During the financial year ended 30th June, 2025, the Fund realised Kshs. 6,570,516,368 and disbursed Ksh.6,568,221,762 to both Laikipia County Executive and Laikipia County Assembly.

Receipts

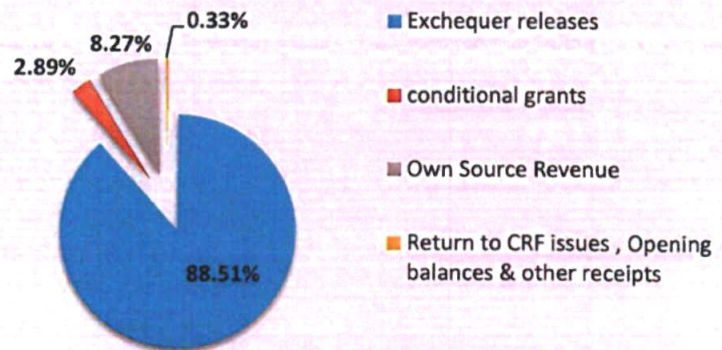
During the FY 2024/25 the Revenue Budget for Laikipia County was Ksh 7,341,559,611. The revenue realised amounted to 6,570,516,368 representing 89%. Equitable share posted 100%, own source revenue 62% while Transfers from other government agencies & other grants registered 30% realisation. The unrealised revenue of Kshs771,043,242 (representing 11%) was attributed to, partial release of grants, unrealised own source revenue. More details of the reasons for under realisation of revenue are given below the statement of comparison Budget versus Actual.

Below is a table to further illustrate the revenue performance within the FY 2024/25.

Table 5: Detailed Analysis of the Amounts Realised FY 2024/25

Details	Realisation	% Based on Total Realization
Exchequer releases	5,815,695,031	89%
Conditional grants	189,677,749	3%
Own Source Revenue	543,320,483	8%
Return to CRF issues , Opening balances & other receipts	21,823,106	0.33%
Total Receipts	6,570,516,368	100%

Revenue Realisation for the FY 2024/25



Comparative Receipts

Below is the comparative receipt from FY 2020/21 to FY 2024/25

Table 6: Analysis of Comparative Exchequer releases from FY 2020/21 to FY 2024/25

Details	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Exchequer Releases	4,407,634,793	4,725,364,426	5,136,265,679	4,929,586,810	5,815,695,031
Total Exchequer Releases	4,407,634,793	4,725,364,426	5,136,265,679	4,929,586,810	5,815,695,031

Source; CRF Annual Financial Statements FY 2021/22 to 2023/24

Table 7: Analysis of Comparative Conditional Grants & transfers from Other Government Agencies from FY 2020/21 to FY 2024/25

Description	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Financing Locally led Climate Change Action Program (FLoCCA)	-	-	22,000,000	104,249,746	-
World Bank -Transforming Health Systems for Universal Care Project (THUSP)- Ministry of Health	86,415,378	28,389,361	-	-	-
World Bank Kenya Climate Smart Agriculture (KCSAP) - State Department of Crop Development	230,616,957	95,323,024	66,193,250	-	-
DANIDA Grant -Primary Health care in devolved context -Ministry of Health	11,880,000	4,628,250	13,439,250	7,623,000	6,435,000
SIDA Agricultural Sector Development Support Programme II (ASDSP II)- State Department of Crop Development	12,417,623	5,500,000	16,524,414	3,308,407	-
Kenya Devolution Support Programme - 1 (KDSP)	45,000,000	-	-	-	-
Kenya Devolution Support Programme - 2 (KDSP)	296,809,981	-	-	-	-
Kenya Urban Support Programme (KUSP)	27,955,677	-	2,339,915	-	32,309,300
UNICEF - Family Bank Ltd	4,692,898	11,797,412	4,929,300	1,753,500	-
EU Grant (Instruments for Devolution Advice and Support) -Investments and Mortgages Bank Ltd	-	18,744,940	-	-	-
Food resilience Program- State Department for Crop Development					70,127,132
LAPTRUST	-	1,499,400	-	-	-
Roads Maintenance Levy Fund	143,385,638	-	-	-	80,806,317
User fee Foregone Compensation	9,968,208	-	-	-	-
Vocational Training Grant (Youth Polytechnics)	18,319,894	-	-	-	-
Total Grants and Transfers from Other Government Agencies	887,462,254	165,882,387	125,426,129	116,934,653	189,677,749

Source; CRF Annual Financial Statements FY 2021/22 to 2023/24

Table 8: Analysis of Comparative Returns to CRF & Opening Balances from FY 2020/21 to FY 2024/25

Description	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Return to CRF Issues	1,989,102	759,602	44,931	23,412,771	238,683
Opening Bank Balances	-	24,229,276	416,472,820	103,993,511	15,735,503
Total Opening bank balances & returns to CRF	1,989,102	24,988,878	416,517,751	127,406,282	15,974,186

Source: CRF Annual Financial Statements FY 2021/22 to 2023/24

Table 9: Analysis of Comparative Own Source Revenue from FY 2020/21 to FY 2024/25

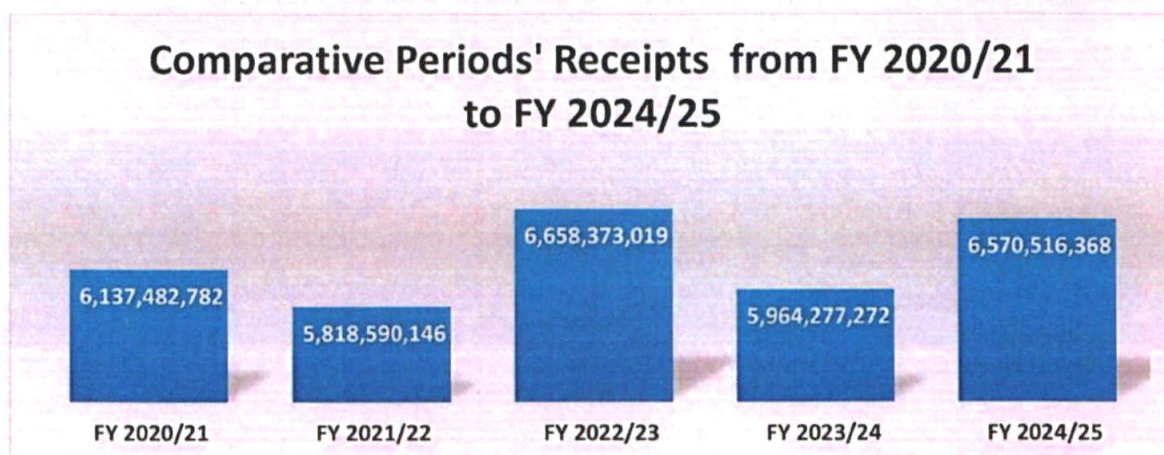
Description	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Land Rates	96,012,156	46,390,622	74,410,569	56,022,755	72,906,738
Business Permits	99,990,009	76,072,888	86,497,179	89,298,867	90,278,629
Cesses	31,832,627	34,741,517	31,615,184	71,322,170	86,939,277
Property Rents	3,587,829	1,045,754	1,286,012	9,325,602	8,829,138
Other Local Levies	-	584,270	29,290,086	42,546,953	175,734
Administrative Services Fees	40,807,100	39,932,574	34,622,867	37,842,196	49,318,066
County's Natural Resources Exploitation	89,176,596	82,318,492	70,604,242	68,224,968	36,897,400
Market/Trade Centre Fee	14,883,907	9,494,210	8,011,696	11,825,589	16,150,542
Advertising	-	-	-	-	17,331,570
Vehicle Parking Fees	67,501,057	69,343,987	67,284,227	71,404,394	75,132,752
Housing	21,369,844	18,268,946	26,154,680	13,107,696	21,371,506
Social Premises Use Charges	57,900	279,000	341,020	303,500	405,518
Education Fees	10,383,000	29,755,791	10,385,000	16,296,000	17,826,145
Public Health Facilities Operations	283,746,032	411,963,986	475,888,673	257,975,196	487,447
Slaughter Houses Administration	17,654,490	17,786,452	17,080,007	9,982,250	16,540,412
Technical Services Fees	51,582,792	55,581,896	41,366,775	29,865,856	26,283,249
External Services Fees	5,222,720	6,423,070	5,324,245	4,876,136	6,446,361
Disposal Of Assets	-	2,371,000	-	129,400	-
Other miscellaneous receipts- Dis-infestation fees, salary recovery	210,974	-	1,000	-	-
Proceeds from Sale of Assets	6,377,600	-	-	-	-
Total Own Source Revenue	840,396,633	902,354,455	980,163,462	790,349,528	543,320,483

From mid FY 2023/24 Hospital collections were no longer swiped to the CRF but rather transferred to the respective Health Facilities. The Annual County Receiver of Revenue Financial Statements for 2024/25 give a comprehensive review of the Public Health Revenue raised during the Financial Year.

Source: CRF Annual Financial Statements FY 2021/22 to 2023/24

Table 10: Analysis of Total Comparative Receipts from FY 2020/21 to FY 2024/25

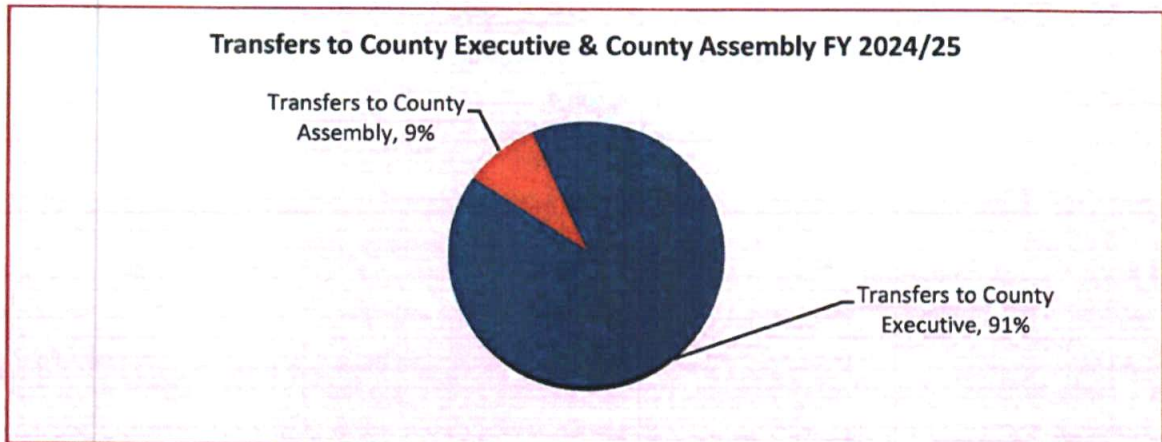
Details	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Exchequer releases	4,407,634,793	4,725,364,426	5,136,265,679	4,929,586,810	5,815,695,031
Own Source Revenue & sale of assets	840,396,633	902,354,455	980,163,461	790,349,527	543,320,483
Conditional Grants & Transfers from other government agencies	887,462,254	165,882,387	125,426,129	116,934,653	189,677,749
Opening Balances (equitable Share, return to CRF & CRF balances)	1,989,102	24,988,878	416,517,750	127,406,282	21,823,106
Total Receipts	6,137,482,782	5,818,590,146	6,658,373,019	5,964,277,272	6,570,516,368



Transfers to County Executive & Assembly

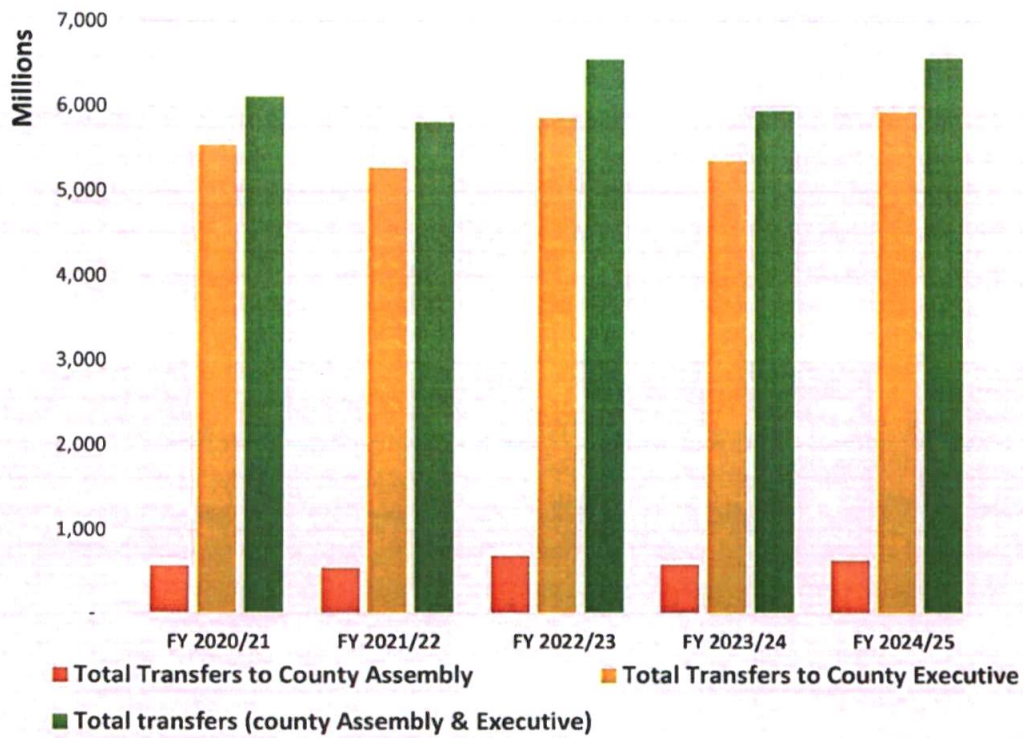
The transfer to County Executive and County Assembly budget for the FY 2024/25 was Ksh 7,341,559,611. During the financial year, cumulative transfers of Kshs 6,568,221,762 were successfully transferred to the County Executive (Kshs 5,973,584,517) and County Assembly (Kshs 594,637,245).

Details	FY 2024/25	Percentage Transfer
	Kshs.	%
Transfers to County Executive	5,973,584,517	91%
Transfers to County Assembly	594,637,245	9%
Total Payments	6,568,221,762	100%



Details	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Recurrent transfers to County Assembly	491,322,336	501,308,712	656,570,651	521,628,505	553,477,405
Development transfers to County Assembly	76,270,441	36,436,563	30,858,230	63,853,517	41,159,840
Total Transfers to County Assembly	567,592,777	537,745,275	687,428,881	585,482,022	594,637,245
Recurrent transfers to County Executive	3,935,647,767	3,887,938,351	4,610,447,592	3,960,708,015	4,236,704,902
Development Transfers to County Executive	1,608,456,447	1,387,334,953	1,256,503,035	1,402,351,732	1,698,375,067
Total Transfers to County Executive	5,544,104,214	5,275,273,304	5,866,950,627	5,363,059,747	5,935,079,969
Total transfers (county Assembly & Executive)	6,111,696,991	5,813,018,579	6,554,379,508	5,948,541,769	6,568,221,762

Comparative Transfers from FY 2020/21 to FY 2024/25



5. OVERVIEW OF THE COUNTY REVENUE FUND OPERATIONS

a) Background

Article 207 of the Constitution of Kenya provides for the establishment of a County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government. As outlined under Section 109 of the Public Finance Management (PFM) Act, 2012 the County Treasury is responsible for administration of the County Revenue Fund. The County Revenue Fund is maintained as the County Exchequer Account at the Central Bank of Kenya.

b) Receipts into the County Revenue Fund

County Government revenue is received through the appointed County Receiver of Revenue by the County Executive Committee Member for finance to the County Treasury pursuant to Section 157 (1) of the PFM Act 2012. Revenue includes Exchequer releases, grants from development partners, proceeds from domestic and foreign borrowings, own source revenue, and other miscellaneous deposits in the County Revenue Fund Account.

c) Transfers from the County Revenue Fund

The withdrawal of funds from the County Revenue Fund is authorized by the County appropriation Act. The County Treasury is required to seek the Controller of Budget's approval for withdrawal of funds from the County Revenue Fund to the County Executive and County Assembly bank accounts pursuant to Section 109 (6) of the PFM Act 2012. These entities are responsible for the administration of their respective approved budgets.

d) Financial Reporting requirements

The Accounting Officer for the County Revenue Fund is required to prepare and submit the financial statements to the Auditor-General and a copy to the Controller of Budget, and the Commission on Revenue Allocation.

This statement therefore covers the operations of the County Exchequer Account for the financial year ended 30th June 2025.


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Wachira Gachigi
CEC Member – Finance and Economic Planning
County Government of Laikipia

6. STATEMENT OF MANAGEMENT RESPONSIBILITY

Article 207 of the Constitution, Sections 109 and 167 of the Public Finance Management Act, 2012 requires a County Revenue Fund established by the Constitution, an Act of Parliament or county legislation to prepare financial statements for the Fund for each financial year in a form prescribed by the Public Sector Accounting Standards Board and submit to the Auditor General and a copy to the Commission on Revenue Allocation and the Controller of Budget.

The Accounting Officer at the County Treasury is responsible for the preparation and presentation of the County Revenue Fund financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on *June 30, 2025*. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Revenue Fund; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the County Revenue Fund; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, which have been prepared on the Accrual Basis Method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the County Revenue Fund's financial statements give a true and fair view of the state of the County Revenue Fund's transactions during the financial year ended *June 30, 2025*, and of its financial position as at that date.

The Accounting Officer further confirms the completeness of the accounting records maintained for the County Revenue Fund, which have been relied upon in the preparation of its financial statements, as well as the adequacy of the systems of internal financial control. The Accounting Officer confirms that the County Revenue Fund has complied fully with applicable Government Regulations and the terms of external financing covenants. Further, the Accounting Officer confirms that the County Revenue Fund's Financial Statements have been prepared in a form that complies with relevant Accounting Standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the Financial Statements

The County Revenue Fund's financial statements were approved and signed on 22nd August 2025.



Name: Daniel Ngumi
Chief Officer Finance & County Treasury
County Government of Laikipia

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON COUNTY REVENUE FUND FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF LAIKIPIA

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.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of County Revenue Fund - County Government of Laikipia set out on pages 1 to 18, which comprise of the

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

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of County Revenue Fund - County Government of Laikipia as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Laikipia County Revenue Board Act, 2014, and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual amounts on comparable basis of Kshs.7,341,559,611 and Kshs.6,570,516,368 respectively, resulting to a shortfall of Kshs.771,043,242, or 11% of the budget. Similarly, the Fund disbursed Kshs.6,568,221,762 against actual revenue of Kshs.6,570,516,368, resulting to an under-disbursement of Kshs.2,294,606.

The shortfall and under-disbursement may have impacted negatively on service delivery to the public.

2. Late Exchequer Releases

The statement of financial performance and Note 6 to the financial statements reflect Exchequer releases totaling Kshs.5,387,035,309. Included in this balance is an amount of Kshs.888,860,826, or 17% of the total disbursements received by the County Government Revenue Fund from The National Treasury in the second half of the month of June, 2025. The late Exchequer releases could have had adverse effect on the implementation of the planned activities and projects by Management for the year ended 30 June, 2025. This is contrary to Section 17(6) of the Public Finance Management

Act, 2012 which states that The National Treasury shall, at the beginning of every quarter, and in any event not later than the fifteenth day from the commencement of the quarter, disburse monies to County Governments.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, the issues of inaccuracies of own source revenue and late exchequer releases were raised. However, the matters remain unresolved.

Other Information

Management is responsible for the Other Information set out on page iii to xix 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.

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

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 Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 December, 2025


County Government of Laikipia
 County Revenue Fund
 Annual Report and Financial Statements For the financial year ended 30th June 2025

8. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Notes	FY 2024/25
		Kshs.
Revenue from non-exchange transactions		
Exchequer releases	6	5,387,035,309
other incomes	7	5,848,920
Transfers from other government agencies	8	189,677,749
Return to CRF	10	238,683
Non-Exchange Own Source Revenue	11	369,245,454
Revenue from exchange transactions		
Exchange Own Source Revenue	12	174,711,665
Total Revenue		6,126,757,779
Expenses		
Transfers to County Executive	13	5,973,584,517
Transfers to County Assembly	14	594,637,245
Total Expenses		6,568,221,762
Surplus for the period		(441,463,983)


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


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


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

9. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2025

Description	Note	FY 2024/25	1 st Position July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	16	2,294,608	15,735,503
Receivables from Non-Exchange Transactions	17	2,906,634	430,930,134
Total Current Assets		5,201,243	446,665,637
Total Assets (A)		5,201,243	446,665,637
Liabilities			
Current Liabilities			
Accounts Payable		-	-
Total Current Liabilities		-	-
Total Liabilities (B)		-	-
Net Assets(A-B)		5,201,243	446,665,637
Represented by:			
Accumulated Surplus		5,201,242	446,665,637
Net Assets		5,201,242	446,665,637

Name: Daniel Ngumi
 Chief Officer - Finance & County
 Treasury

ICPAK Member No: 8207

Name: Mary W. Wachiuri
 Head of Treasury Accounting

ICPAK Member No: 7055

Name: Mishek M. Gacheru
 Asst. Director FRU

ICPAK Member No: 26623

10. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

	Accumulated Surplus
1st July 2024 Opening Balance	15,735,503
Adjustment to recognize assets/liabilities	430,930,134
1st July 2024 Opening Balance	446,665,637
Surplus/ deficit for the Period	(441,463,983)
As at 30th June, 2025	5,201,242

County Government of Laikipia

County Revenue Fund

Annual Report and Financial Statements For the financial year ended 30th June 2025

11. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Notes	FY 2024/25
		Kshs
Cash flows from operating activities		
Receipts		
Exchequer releases		5,815,695,031
other income		5,848,920
Transfers from other government agencies		189,677,749
Return to CRF		238,683
Own Source Revenue		543,320,483
Total receipts		6,554,780,865
Payments		
Transfers to County Executive (operating activities)		(5,973,584,517)
Transfers to County Assembly (operating activities)		(594,637,245)
Total Payments		(6,568,221,762)
Net cash flows from/(used in) operating activities		(13,440,896)
Net increase/(decrease) in cash & Cash Equivalent		(13,440,896)
Cash and cash equivalents at 1 July	16	15,735,503
Cash and cash equivalents at the end of the period	16	2,294,607

County Government of Laikipia
County Revenue Fund

Annual Report and Financial Statements For the financial year ended 30th June 2025

12. STATEMENT OF COMPARISON OF BUDGET ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE, 2025.

Receipt/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realization Difference	% of Realization
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Exchequer releases	5,569,687,183	246,007,271	5,815,694,454	5,815,695,031	(577)	100%
Other Income	-	5,848,920	5,848,920	5,848,920	-	100%
opening balance re-appropriated	-	4,735,503	4,735,503	15,735,503	(11,000,000)	-
Transfers from other government agencies	1,000,571,763	(358,029,712)	642,542,051	189,677,749	452,864,302	30%
Return to CRF	-	238,683	238,683	238,683.15	-	100%
Own Source Revenue	872,500,000	-	872,500,000	543,320,483	329,179,517	62%
Total Revenue	7,442,758,946	(101,199,335)	7,341,559,611	6,570,516,368	771,043,242	89%
Expenses						
Transfers to County Executive	6,816,091,946	(45,077,378)	6,771,014,568	5,973,584,517	797,430,051	88%
Transfers to County Assembly	626,667,000	(56,121,957)	570,545,043	594,637,245	(24,092,202)	104%
Total Payments	7,442,758,946	(101,199,335)	7,341,559,611	6,568,221,762	773,337,849	89%
Surplus/Deficit	-	0	-	2,294,607	(2,294,607)	

The adjustment in the budget was as a result of supplementary change during the financial year.

Under realization of revenue budget

Under realization of revenue budget was as a result of;

- I. Un-disbursement of transfers from government agencies amounting to Ksh 452,864,302.
- II. Un-realization of own source revenue amounting to Ksh 329,179,517 attributed to general economic hardship within the county as well as non-implementation of the valuation roll.

Under/Over utilization

- I. Under-utilization of the budget in relation to transfer to the county executive was as a result of under realization of the revenue budget as explained above.
- II. Over utilization of the budget in relation to transfer to the county assembly was as a result of withdrawals being effected using the 1st supplementary budget whereas the 2nd supplementary budget (used to report for this financial statement) was passed at the end of the financial year after the withdrawals had already been done.

13. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The County Revenue Fund is established by and derives its authority and accountability from Article 207 of the Constitution of Kenya 2010. The Fund is wholly owned by the Laikipia County Government and is domiciled in Kenya. The Fund's principal activity is to receive, hold, and disburse all county revenues for the financing of approved county government operations and development programs in accordance with the Public Finance Management Act, 2012.

2. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Accrual-Basis IPSAS financial reporting under the Accrual-Basis of accounting, as prescribed by the PSASB and Section 167 of the PFM Act 2012. The Financial Statements are presented in Kenya Shillings, which is the functional and reporting currency of the Fund, all values are rounded off to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented. The financial statements are prepared on accrual basis while the cashflow statement is prepared using the direct method.

These Financial Statements were authorized for issue by the accounting officer on 22nd August 2025

Basis of preparation

Reporting entity

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

Revenues

Revenues include funds deposited in the County Revenue Fund pursuant to Article 207 of the Constitution of Kenya and Section 109 of the PFM Act 2012.

Expenses

Expenses are based on the County Government Appropriation Act. The exchequer requests are received by County Treasury, which rationalizes the requests based on the available balance, consolidates the requests and forwards them to Controller of Budget (COB) for approval. Once the approval of COB is obtained, the funds are released to the County Assembly and County Executive operational accounts appropriately.

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 46 Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol 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><i>This standard is expected to give the county a more accurate and clearer picture on its financial position.</i></p>
IPSAS 47- Revenue	<p>Applicable 1st January 2026</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><i>The Implementation of the Standard is expected to simplify the categorisation of Revenue and therefore provide a more factual and useful information regarding revenue to the readers of its financial statements.</i></p>
IPSAS 48- Transfer Expenses	<p>Applicable 1st January 2026</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> <p><i>The standard does not apply to the County as it currently doesn't incur transfer expenses.</i></p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public</p>

Standard	Effective date and impact:
	sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. <i>The standard does not apply to the County</i>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <i>The standard does not apply to the County</i>

iii) Early adoption of standards

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

4. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue Transfers

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

ii. Revenue from exchange transactions

Own Source Revenue

b) Budget information

The original budget for FY 2024/25 was approved by the County Assembly on 26th June, 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget

by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations on the 2024/25 budget on 18th February and later 27th June 2025 following the county Assembly's approval. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

c) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The Fund does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the County's financial statements.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The Fund assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

Financial liabilities

Classification

The Fund classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year

e) Events after the reporting period

There were no material adjusting and non-adjusting events after the reporting period.

f) Currency

The financial statements are presented in Kenya Shillings (Kshs) are rounded off to the nearest shilling.

5. Significant judgments and sources of estimation uncertainty

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

6. EXCHEQUER RELEASES

Description	FY 2024/25
	Kshs.
Equitable Share	5,387,035,309
Level 5 hospitals	-
Total	5,387,035,309

7. OTHER INCOME

Description	FY 2024/25
	Kshs.
Insurance Compensation - County Assembly	5,848,920
Hospital Revenues	-
Total	5,848,920

8. TRANSFERS FROM OTHER GOVERNMENT AGENCIES

Description	FY 2024/25
	Kshs.
Road Maintenance Levy	80,806,317
Food resilience Program- State Department for Crop Development	70,127,132
IDA-Kenya Urban Support Program-State Department for Housing & Urban Development	32,309,300
DANIDA Grant -Primary Health care in devolved context -Ministry of Health	6,435,000
Total	189,677,749

10. RETURN TO CRF FROM COUNTY ENTITIES

Description	FY 2024/25
	Kshs.
Recurrent Account (<i>County Executive</i>)	726
Development Account (<i>County Executive</i>)	157,950
FIF Account (<i>County Executive</i>)	523
Recurrent Account (<i>County Assembly</i>)	487
Development Account (<i>County Assembly</i>)	78,998
Total	238,683

11. NON-EXCHANGE OWN SOURCE REVENUE

Description	FY 2024/25
	Kshs.
Cesses	86,939,277
Land Rates	72,906,738
Business Permits	90,278,629
Conservancy Administration	36,897,400
Administrative Services Fees	49,318,066

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Other Fines, Penalties, And Forfeiture Fees	175,734
Physical Planning and Development	26,283,249
External Services fees	6,446,361
Total	369,245,454

12. EXCHANGE OWN SOURCE REVENUE

Description	FY 2024/25
	Kshs.
Property Rent	8,829,138
Parking Fees	75,769,387
Market Fees	16,150,542
Advertising	17,331,570
Hospital Fees	487,447
Housing	21,371,506
Hire of County Assets	405,518
Slaughter Houses Administration	16,540,412
Education fees	17,826,145
Total	174,711,665

13. TRANSFERS TO COUNTY EXECUTIVE

Description	FY 2024/25
	Kshs.
Recurrent Accounts	4,140,798,674
Development Account	1,460,880,094
Special Purpose Accounts	371,905,749
Total	5,973,584,517

14. TRANSFERS TO COUNTY ASSEMBLY

Description	FY 2024/25
	Kshs.
Recurrent Account	553,477,405
Development Account	41,159,840
Total	594,637,245

16. CASH AND CASH EQUIVALENTS

Description	FY 2024/25	1 st July 2024
	Kshs.	Kshs.
County Exchequer Account - (CBK Account number 1000171626)	2,294,608	15,735,503
Total	2,294,608	15,735,503

17. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	FY 2024/25	1 st July 2024
	Kshs	Kshs
Receivables (equitable share)	-	428,659,722
Other debtors (OSR undisbursed to CRF)	2,906,634	2,270,000
Less: impairment allowance	-	-
Net receivables	2,906,634	430,929,722

7. 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	FY 2024/25	1st July 2024
	Kshs	Kshs
Co-operative A/c No.01141366378700	828,018	2,258,079
Co-operative A/c No.01141366378700 (cash in transit)	1,146,727	-
Cooperative A/C No.01129369599800	937	3,929
Cooperative A/C No.01129368995000	-	(440)
Cooperative A/C No.01129369635000	279,839	434
Cooperative A/C No. 01129369634800	338,254	6,868
Cooperative A/C No. 01129369622000	300,888	225
Cooperative A/C No. 01129369599900	-	(702)
Cooperative A/C No. 01129369621700	2,444	233
Cooperative A/C No. 01129369602100	2,525	574
Cooperative A/C No. 01129368995100	694	519
Cooperative A/C No. 01129369600000	6,311	281
Total	2,906,634	2,270,000

14. APPENDICES

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR'S RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	Basis of Qualified opinion			
	Inaccuracies in Own Source Revenue	Indeed as captured in the county Receiver of Revenue Annual Financial Statements for FY 2023/24 the total amount disbursed to the County Revenue Fund in the FY 2023/24 was Kshs 792,103,027. However the disbursement was captured in 2 different notes of the County Revenue Fund Financial statements FY 2023/24 The above total disbursement of Kshs 792,103, 027 as captured in the annual County Receiver of Revenue financial statements FY 2023/24 therefore has no variance with the figures reported as received by the County Revenue Fund Financial statements for the same period.	Resolved	FY 2024/25
	Emphasis of Matter.			
	Budgetary Control and Performance	The under realisation of Kshs 1,734,880,854 (23%) is largely attributed to under realisation of Exchequer releases, Conditional Grants and Own Source Revenue amounting to Kshs 428,659,722 (8%), Kshs 629,802,964 (84%) and Kshs 684,650,473 (46%) respectively. The Under-realisation relating to Exchequer releases as well as Conditional grants whose	Resolved	FY 2024/25

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p>budget figures are obtained from the County Allocation of revenue Act (CARA) and the County Government Additional Allocation Act (CGAAA) respectively are determined at the National Government level. Their disbursement to the County Revenue Fund is also effected from the National Treasury or the relevant state department.</p> <p>Their budgeting and realisation therefore is beyond the control of the County Treasury which is administrator of the County Revenue Fund.</p> <p>The Under realisation of own Source Revenue on the other hand, is as a result of;</p> <ul style="list-style-type: none"> • Collection and reporting of hospital revenue at facility level. <p>With the enactment of the FIF Act of 2023, Level 4 hospitals in the County were mandated to collect, retain and account for revenue collected in their normal course of service delivery. To that end, Budgeted Own Source Revenue amounting to kshs 301,250,000 was re-categorized as AIA collectable at the respective level 4 hospitals. According to the County Receiver of revenue Annual</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p>Financial statement for FY 2023/24 kshs 305,655,094 was realised and disbursed to the relevant hospitals where the AIA had been collected. Had these amounts been swept to the CRF as was the case in the 1st half of FY 2023/24, the total realisation would have been Kshs 1,096,004,621 or 74%.</p> <ul style="list-style-type: none"> The outstanding 26% or approximately 380 million was unrealized due to the subdued nature of economic activities that resulted in below par OSR collection. The County Executive is however committed to pursuing all avenues of bridging the OSR shortfalls through prudent budgeting and revenue collection enforcement. The Under-utilization of kshs 1,750,616,357 (23%) is directly attributed to the under-realisation. This is supported by the fact that also the revenue budget had a similar shortfall of 23%. 		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	Other Matter			
	Unresolved Prior Year Matters	The management awaits the invitation of the Senate in order to address the prior years' auditor's recommendations.	Resolved	FY 2024/25



Name: Daniel Nguni
Chief Officer Finance & County Treasury
ICPAK Member No:8207
21st August 2025

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APPENDIX 2. ANALYSIS OF RECEIPTS FROM THE NATIONAL TREASURY EXCHEQUER RELEASES

Period (2024/25)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)
Equitable Share	884,110,677	1,780,168,698	888,860,826	2,262,554,830	5,815,695,031
DANIDA - Universal Healthcare in Devolved Units Programme	-	-	-	6,435,000	6,435,000
Kenya Urban Support Program	-	-	-	32,309,300	32,309,300
Kenya Food Systems Resilience Program (KFSRP)	-	-	-	70,127,132	70,127,132
Road Maintenance Fuel Levy	-	-	-	80,806,317	80,806,317
Total	884,110,677	1,780,168,698	888,860,826	2,452,232,579	6,005,372,780

APPENDIX 3. ANALYSIS OF RECEIPTS FROM OWN SOURCE REVENUE PER QUARTER

(a) Non-Exchange own source revenue

Period 2024/25	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Cesses	17,949,306	4,252,300	44,547,501	20,190,170	86,939,277
Land Rates	5,967,759	7,373,952	36,643,736	22,921,291	72,906,738
Business Permits	5,489,151	858,996	59,889,500	24,040,983	90,278,629
Conservancy Administration	1,610,542	7,033,139	16,099,652	12,154,067	36,897,400
Administrative Services Fees	11,840,236	1,921,068	13,896,809	21,659,953	49,318,066
Other Fines, Penalties, And Forfeiture Fees	-	-	-	175,734	175,734
Physical Planning and Development	5,490,309	3,026,920	8,153,871	9,612,149	26,283,249
Others (Sale of asset)	-	-	-	6,446,361	6,446,361
Total	48,347,303	24,466,375	179,231,069	117,200,707	369,245,454

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(b) Exchange own source revenue

Description	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)
Property Rent	18,000	3,665,228	3,420,562	1,725,348	8,829,138
Parking Fees	8,684,291	13,739,141	27,646,267	25,063,053	75,132,752
Market Fees	2,783,520	3,217,412	3,516,251	6,633,359	16,150,542
Advertising	-	-	12,807,659	4,523,911	17,331,570
Hospital Fees	487,447	-	-	-	487,447
Housing	5,198,116	2,108,189	5,735,733	8,329,468	21,371,506
Hire of County Assets	131,920	60,938	172,080	40,580	405,518
Park Fees	-	-	-	-	-
Slaughter Houses Administration	4,237,420	724,181	6,861,285	4,717,526	16,540,412
Education fees	5,788,000	3,080,079	2,782,641	6,175,425	17,826,145
Total	27,328,714	26,595,168	62,942,478	57,208,669	174,075,029

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APPENDIX 4: ANALYSIS OF TRANSFERS FROM THE COUNTY REVENUE FUND

FY 2024/25	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive –Rec	398,182,585	1,522,460,370	666,610,135	1,553,545,584	4,140,798,674
County Executive –Dev	16,657,559	402,798,029	158,480,019	882,944,487	1,460,880,094
County Assembly –Rec	40,036,825	184,677,868	87,672,475	241,090,237	553,477,405
County Assembly –Dev	-	1,565,340	39,242,073	352,427	41,159,840
Special Purpose A/Cs					
Primary Health Care	-	7,128,000	-	6,435,000	13,563,000
Food resilience Program(FSRP)	-	10,000,000	-	70,127,132	80,127,132
KDSP	-	1,050,000	-	1,050,000	2,100,000
Road Maintenance Levy	-	-	-	80,806,317	80,806,317
Urban Support Program	-	-	-	32,309,300	32,309,300
FFLOCA	11,000,000	-	50,000,000	2,000,000	63,000,000
County Aggregation Industrial Park	-	50,000,000	50,000,000	-	100,000,000
Total	465,876,969	2,179,679,607	1,052,004,702	2,870,660,484	6,568,221,762