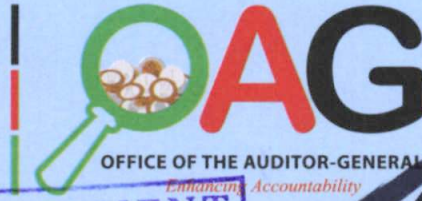


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
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REPORT

OF

THE AUDITOR-GENERAL

| PAPERS LAID        |                 |
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| CLERK AT THE TABLE | Polycorp        |

ON

COUNTY REVENUE FUND

FOR THE YEAR ENDED

30 JUNE, 2025

COUNTY GOVERNMENT OF SAMBURU

40



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## COUNTY REVENUE FUND

*County Government of Samburu*

## ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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

County Government of Samburu  
County Revenue Fund  
Annual Report and Financial Statements For the financial year ended 30<sup>th</sup> June 2025

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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   | Silvana Kaparo   |
| 2.  | C.O Finance                          | Solomon Letirok  |
| 3.  | Director Accounting Services/Finance | Joseph Lekalkuli |

### 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   | Silvana Kaparo   |
| 2.  | C.O Finance                          | Solomon Letirok  |
| 3.  | Director Accounting Services/Finance | Joseph Lekalkuli |

### d) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies at the County for the year ended 30th June 2025 were:

#### Audit and finance committee activities

The County Assembly of Samburu Budget Committee had been instrumental in holding ad hock committee meetings to discuss budgeting process, reasonability of costing of projects and making recommendations before final budget presentation at the floor of the house.

Samburu County Audit Committee has held a number of meetings where continuous audit processes were encouraged and audit reports both internal and external discussed.

The latest development has been the appointment of the current executive audit committee Chairman.

Parliamentary committee activities

In the previous year, Samburu County Executive had appeared once before the Senate's Public Accounts Committee where audit queries for Yr 2022/2023 were discussed and resolved.

County Assembly

Samburu County Assembly was instrumental in the budgeting process to ensure that a balanced budget that would bring about optimal utilization of resources is finally passed and subsequently well implemented.

Development partner oversight activities

Samburu County Government has been privileged to work with a number of development partners. Key among these are Danida that has supported health facilities across the County, World Bank that has supported Emergency Locust Response Program in Agriculture, Primary Health Care under Health Services, European Union supported IDEAS under Agriculture etc.

The development partners have emphasized excellent financial management within departments that they funded in the year. These included training of key staff on thematic areas of programming, commissioned financial external audits and general monitoring and evaluation activities on the projects funded.

**e) County Executive Headquarters**

Samburu County Headquarters,

P.O. Box 3-20600,

Maralal-Nyahururu Road,

Maralal, KENYA

**f) County Executive Contacts**

Telephone: +254 065 62456, +254 65 62075

E-mail: [info@samburu.go.ke](mailto:info@samburu.go.ke)

Website: [www.samburu.go.ke](http://www.samburu.go.ke)

**g) County Executive 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 and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

**NAIROBI, KENYA**

**j) County Attorney**

Samburu County Headquarters,

P.O. Box 3-20600,

Maralal-Nyahururu Road,

Maralal, KENYA

### **3. Statement by the CECM Finance**

The Financial Year 2023/2024 the county government received all the funds as budgeted .

#### ***a) The Functions of the County Government as per the County Government Act***

- (1) A county government shall be responsible for any function assigned to it under the Constitution or by an Act of Parliament.
- (2) Without prejudice to the generality of subsection (1), a county government shall be responsible for;
  - i. County legislation in accordance with Article 185 of the Constitution;
  - ii. Exercising executive functions in accordance with Article 183 of the Constitution;
  - iii. Functions provided for in Article 186 and assigned in the Fourth Schedule of the Constitution;
  - iv. Any other function that may be transferred to county governments from the national government under Article 187 of the Constitution;
  - v. Any functions agreed upon with other county governments under Article 189(2) of the Constitution; and
  - vi. Establishment and staffing of its public service as contemplated under Article 235 of the Constitution.
- (3) A County Government may seek assistance from the Kenya Law Reform Commission in the development or reform of county legislation under subsection (2)(a).

#### ***b) Budget performance against actual amounts for 2024-2025***

The County's approved second supplementary budget for FY 2024/25 was Kshs.7.22 billion. A total ksh 6.49 billion was disbursed being Ksh 5.8 billion for executive and Ksh 0.6 billion for assembly. The exchequer released from national government was Ksh 6.5 billion which was 100%. The county expected own source revenue was Ksh 281million and Ksh 309M was realized. The County budgeted for Ksh 1billion in conditional grants and Ksh 211m which is 21 percent was realized.

c) **Physical progress based on outputs, outcomes, and impacts** – In our operations, we normally prepare a program-based budget. The programs and subprograms are designed to effectively and efficiently deliver public services. Some of the output indicators have been largely been achieved. The outcomes will be indicated once the report for monitoring and evaluation is completed.

d) **Value-for-money achievements -**

The County Established the monitoring and evaluation unit for purposes of tracking the activities done by the county. A strong feedback mechanism was created that regularly provide county with good quality and timely monitoring and evaluation information regarding implementation progress of development projects/programmes. Quarterly Monitoring and evaluation reports are produced plus the annual progress reports indicating the status of implementation of all development projects, service delivery and budget performances of all sectors. The reports are disseminated to the public through various forums. So far there have been positive feedback on the County activities.

e) **Implementation challenges**

- i. High inflation rates are contributing to a higher cost of living. This will affect the ease of doing business in the county, and access to credit to small and micro enterprises will be affected negatively due to tight liquidity in the economy.
- ii. Weak revenue base thereby leading to over-reliance on the transfers from the national government resources which are inadequate and limits resources allocations to key sectors.
- iii. Expenditure pressures, especially high recurrent expenditures pose fiscal risks. The county is going to maintain a sustainable recurrent expenditure by strictly adhering to austerity measures and hence free more resources for development expenditure over the medium term.

f) **County's future outlook**

- i. The County targets to implement major flagships projects as they will be outlined in the CIDP 2023-2027. This will be achieved by enhancing efficiency and effectiveness and accountability in public spending and enhanced revenue collection to effectively finance

the implementation of the budget. Containing the growth of recurrent expenditure in favor of capital investment will further be checked. To implement the County's development priorities, investment projects and programs will be scrutinized to ensure that they are well aligned to the CIDP 2023-2027.

- ii. The County Government resource allocation will be aligned towards achieving the development programs under the current medium-term theme 'fostering socio-economic development for sustainable growth. The following specific areas will receive more emphasis in the 2024/25 MTEF:
  - (a) Improvement of Education;
  - (b) Agriculture and livestock development;
  - (c) Improved water access, sanitation and environment;
  - (d) Improved health care access and quality.

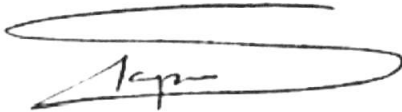
The County Government administration aims to implement the transformative agenda that ensures enhanced service delivery, improved standard of living among the county residents through employment creation and improved incomes. In setting departmental ceilings, attention will be given to projects and Programmes that meet the following criteria:

- (a) Linkage of the Programme with the 2023-2028 CIDP, the 'Big Four' agenda and the objectives of the Fourth Medium-Term Plan of Vision 2030.
- (b) The degree to which a Programme addresses job creation and poverty reduction.
- (c) The degree to which the Programme is addressing the core mandate of the County department.
- (d) Expected outputs and outcomes from a Programme; and
- (e) Cost-effectiveness and sustainability of the Programme.

The county will continue reorienting expenditure towards those priority programmes as identified in public consultative forums. The critical Programmes to be implemented are expected to accelerate economic activities and socio-economic development.

**g) Key risk management strategies applied by the County**

- i. The County Government departments' capacities continuously strengthened to enable them to perform their assigned functions effectively and efficiently. The key technical staff needs to be deployed and rationalized to streamline the county's activities.
- ii. Extensive work has been done in providing reporting templates and issuance of budget guidelines to ensure consistency in reporting and monitoring progress.
- iii. Strengthening the monitoring and evaluation unit in the finance and economic planning unit and linking up with the Service delivery unit will lead to a harmonized monitoring and evaluation system in the county.
- iv. In addition, the implementation pace in the spending units continues to be a source of concern especially concerning the development expenditures and uptake of external resources. These risks will be monitored closely and the County Government would take appropriate measures in the context of the supplementary budget.
- v. On the Revenue side, the County Treasury is expected to institute corrective measures to curb the revenue leakages by enhancing compliance. Departments are expected to prioritize their expenditure and reallocate funds guided by the priorities during the preparation of the supplementary budget guided by the resource availability. Automation of revenue processes will be top priority for the department of Finance in this financial year.



**Hon. Silvana Kaparo**

**County Executive Committee Member for Finance, ICT and Economic Planning**

**County Government of Samburu**

#### 4. Management Discussion and Analysis

The County Government's Revenue basket comprises of the following sources:

##### Equitable share of revenue raised nationally

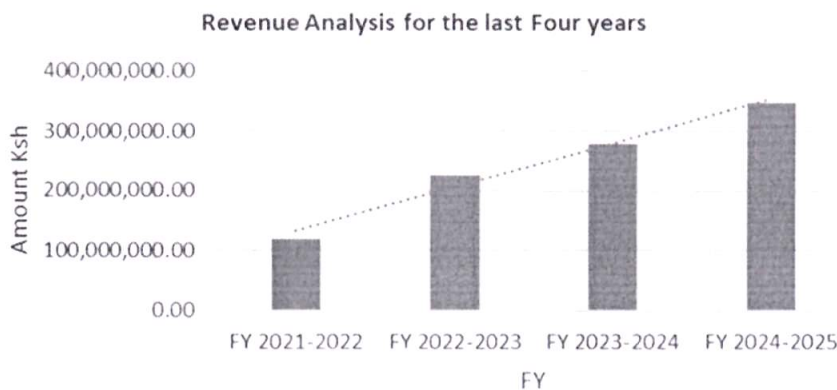
The County's approved second supplementary budget for FY 2024/25 was Kshs.7.22 billion. A total of Ksh 6.49 billion was disbursed being Ksh 5.8 billion for executive and Ksh 0.6 billion for assembly. The exchequer released from national government was Ksh 6.5 Billion which was 100% released. The County budgeted for Ksh 1billion in conditional grants and Ksh 211m which is 21 percent was realized

##### Conditional Grants

The County budgeted Ksh 1billion in conditional grants and Ksh 211m which is 21 percent was realized

##### Own Source Revenue (OSR)

By the end of June 2025, the Total revenue generated from County Own Source Revenue (OSR) amounted to Ksh. 347M against a target of Ksh. 281M representing an increase of 24.03%. This increase is attributed to the new automated revenue management system which led to growth in some revenue streams which includes Samburu National Reserve Park fee and cess and also increase in SHA uptake.



As demonstrated above the county government of Samburu has experienced constant increase of revenue over the last four consecutive years with the financial year 2024/2025 registering 36% of the cumulative total collection over the four years.

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.

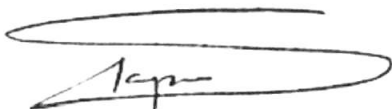
**c) Transfers from the County Revenue Fund**

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 30<sup>TH</sup> June 2025.



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

## 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.

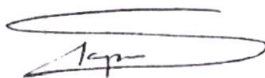
The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, which have been prepared on the Accrual Basis Method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting 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 30 aug 2025

Signature



Name **Silvana Kaparo**

**Chief Officer Finance /Accounting Officer**

**County, Government of, Samburu**

## 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.

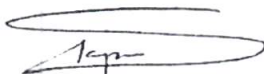
The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, which have been prepared on the Accrual Basis Method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting 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 30 aug 2025

Signature



Name **Silvana Kaparo**

Chief Officer Finance /Accounting Officer

County, Government of, Samburu

# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON COUNTY REVENUE FUND FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF SAMBURU**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of County Revenue Fund - County Government of Samburu set out on pages 1 to 19, which comprise of the statement of

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

financial Position as at 30 June, 2025 and the statement of financial performance, statement of cash flows, statement in net assets 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Revenue Fund - County Government of Samburu 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 County Governments Act, 2012.

### **Basis for Opinion**

#### **1. Inaccuracies in the Financial Statements**

The statement of financial performance reflects exchange own source revenue balance of Kshs.262,226,498 while the disclosure Note 11 to the financial statements reflect an amount of Kshs.262,252,396, leading to unreconciled variance of Kshs.25,898. In addition, the statement of financial position reflects nil balance as receivables from exchange transactions while the disclosure Note 17 to the financial statements reflects a balance of Kshs.586,451 resulting in unreconciled variance of Kshs.586,451.

In the circumstances, the accuracy and completeness of the financial statements with a variance of Kshs.612,319 could not be confirmed.

#### **2. Understatement of Disbursements**

The statement of financial performance reflects non-exchange own source revenue and as disclosed in Note 10 and exchange own source revenue and as disclosed in Note 11 balances of Kshs.50,724,596 and Kshs.262,226,498 respectively all totalling to Kshs.312,951,094. However, the amount is at variance with the statement of revenue and disbursements on the revenue statements for the Receiver of Revenue at Note 24 which reflect total payments to County Revenue Fund of Kshs.312,568,768, resulting in an unexplained variance of Kshs.382,326 that was neither explained nor reconciled.

In the circumstances, the accuracy and completeness of the disbursed amount of Kshs.312,568,768 could not be confirmed.

#### **3. Variance In Receivables from Non-Exchange Transactions**

The statement of financial position and Note 16 to the financial statements reflect a nil balance as receivables from non-exchange transactions. However, corresponding

entry in the Receiver of Revenue's revenue statements at Note 34 discloses an amount of Kshs.120,358,958, resulting in unreconciled variance of Kshs.120,358,958.

In the circumstances, the accuracy and completeness of the reported balance of Kshs.120,358,958 receivables from non-exchange transactions could not be confirmed.

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 Samburu 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 receipts budget of Kshs.7,386,165,373 and actual receipts on comparable basis of Kshs.6,610,303,592, resulting in a shortfall of Kshs.775,861,781, or 11% of the approved budget. Further, the County Revenue Fund transferred a balance of Kshs.6,492,191,734 against actual receipts of Kshs.6,610,303,592, resulting to non-remittance of Kshs.118,111,858, or 18% of the actual receipts. In addition, the actual transfers to the County Executive amounted to Kshs.5,883,453,597, whereas the Supplementary County Government Budget of 2024/2025 indicated a transfer of Kshs.6,790,916,352, resulting in an unexplained variance of Kshs.907,462,755.

The shortfall in receipts and non-remittance may have affected the planned activities and 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 effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

#### **Prior Year's Audit Issues**

In the audit reports of the previous year 2023/2024, two issues: Budgetary Control and Performance and Late Exchequer Releases were raised under Other Matter. However, Management had not resolved the issues or given any explanations for failure to implement the recommendations.

## **Other Information**

Management is responsible for the Other Information set out on pages iii to xiii which comprise of Key Entity Information and Management, Statement of 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 if there is a material misstatement of this Other Information and I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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 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**

#### **Non-Compliance with the Facilities Improvement Financing Requirements**

The statement of financial performance and Note 11 to the financial statements reflect exchange own source revenue amount of Kshs.262,226,498. Included in the amount is hospital fees of Kshs.9,410,585 in respect to transfers to County Revenue Fund (CRF) by Samburu County Teaching and Referral Hospital which were not transferred back to the health facility. This was contrary to Section 5(1) of the Facilities Improvement Financing Act, 2023 which requires that all monies raised or received by or on behalf of all public health facilities be retained in the Hospital Facilities Improvement Financing account. In addition, there were no Authority-to-Incur Expenditure (AIEs) issued to the Hospital by the Chief Officer-Health before the monies were put into use.

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**

#### **Lack of Internal Audit**

Review of the operations of the County Revenue Fund revealed that no internal audit was undertaken during the year under review. This implied that the Fund operated without independent assurance on risk management, internal control, governance, and performance monitoring processes, contrary to Regulation 153(1)(a), (b), and (c) of the Public Finance Management (County Governments) Regulations, 2015.

In the circumstances, the effectiveness of the Fund's internal controls 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 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 going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

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.

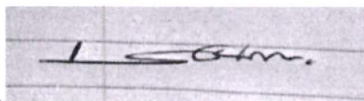
  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

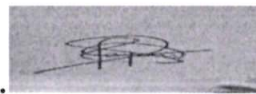
16 December, 2025

**8. Statement of Financial Performance for the year ended 30 June 2025**

| Description                                   | Notes | FY 2024-25           |
|---|-------|----------------------|
|   |       | Kshs.                |
| <b>Revenue from non-exchange transactions</b> |       |                      |
| Exchequer releases                            | 6     | 6,070,774,588        |
| Transfers from other government agencies      | 7     | 222,504,404          |
| Other grants                                  | 8     | 0                    |
| Return to CRF from County Entities            | 9     | 4,047,608            |
| Non-Exchange Own Source Revenue               | 10    | 50,724,596           |
| <b>Revenue from exchange transactions</b>     |       |                      |
| Exchange Own Source Revenue                   | 11    | 262,226,498          |
| <b>Total Revenue</b>                          |       | <b>6,610,303,592</b> |
| <b>Expenses</b>                               |       |                      |
| Transfers to County Executive                 | 12    | 5,883,453,597        |
| Transfers to County Assembly                  | 13    | 608,738,137          |
| Other Transfers                               | 14    | 0                    |
| <b>Total Expenses</b>                         |       | <b>6,492,191,734</b> |
| <b>Surplus for the year</b>                   |       | <b>118,111,858</b>   |



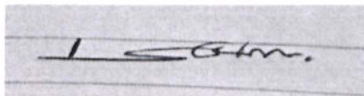
.....  
Name...SOLOMON LETIROK.....  
Chief Officer - Finance  
Date.....23/10/2025.....



.....  
Name.....JOSEPH LEKALKULI.....  
Director Accounting Services  
ICPAK Member No...6711.....  
Date:.....23/10/2025.....

**9. Statement of Financial Position as at 30TH JUNE 2025**

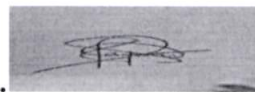
| Description                                | Note | 2025<br>Kshs       | Opening Statement<br>1st July 2024<br>Kshs |
|--|------|--------------------|--|
| <b>Assets</b>                              |      |                    |  |
| <b>Current Assets</b>                      |      |                    |  |
| Cash and Cash equivalents                  | 15   | <b>118,111,858</b> | 0  |
| Receivables from Non-Exchange Transactions | 16   |                    |  |
| Receivables from Exchange Transactions     | 17   |                    |  |
| <b>Total Current Assets</b>                |      | <b>118,111,858</b> |  |
| <b>Total Assets (A)</b>                    |      | <b>118,111,858</b> | <b>0</b>                                   |
| <b>Liabilities</b>                         |      |                    |  |
| <b>Current Liabilities</b>                 |      |                    |  |
| Accounts Payable                           | 18   | -                  |  |
| <b>Total Current Liabilities</b>           |      | -                  |  |
| <b>Total Liabilities (B)</b>               |      | -                  |  |
| <b>Net Assets(A-B)</b>                     |      | <b>118,111,858</b> | <b>0</b>                                   |
| <b>Represented by:</b>                     |      |                    |  |
| Accumulated Surplus                        |      | <b>118,111,858</b> | 0  |
| <b>Net Assets</b>                          |      | <b>118,111,858</b> | <b>0</b>                                   |



Name...SOLOMON LETIROK.....

Chief Officer - Finance

Date.....23/10/2025.....



Name.....JOSEPH LEKALKULI.....

Director Accounting Services

ICPAK Member No...6711.....

Date:.....23/10/2025.....

**10. Statement of Changes in Net Assets for the year ended 30 June 2025**

|   | <b>Accumulated Surplus</b> |
|---|----------------------------|
| <b>1st July 2024 Opening Balance</b>              | <b>0</b>                   |
| <b>Adjustment to recognize assets/liabilities</b> |                            |
| <b>1st July 2024 Opening Balance</b>              |                            |
|   |                            |
| Surplus/ deficit for the Period                   | <b>118,111,858</b>         |
|   |                            |
| <b>As at June 30, 2025</b>                        | <b>118,111,858</b>         |

**11. Statement of Cash Flows for the year ended 30 June 2025**

|  |              | <i>FY 2024-25</i>      |
|--|--------------|------------------------|
|  | <b>Notes</b> | <b>Kshs</b>            |
| <b>Cash flows from operating activities</b>                    |              |                        |
| <b>Receipts</b>  |              |                        |
| Exchequer releases   |              | 6,070,774,588          |
| Transfers from other government agencies                       |              | 222,504,404            |
| Other grants   |              | 0                      |
| Return to CRF from County Entities                             |              | 4,047,608              |
| Own Source Revenue   |              | 312,976,992            |
| <b>Total receipts</b>  |              | <b>6,610,303,592</b>   |
| <b>Payments</b>  |              |                        |
| Transfers to County Executive (operating activities)           |              | (5,883,453,597)        |
| Transfers to County Assembly (operating activities)            |              | (608,738,137)          |
| Other transfers  |              | 0                      |
| <b>Total Payments</b>  |              | <b>(6,492,191,734)</b> |
| <b>Net cash flows from/(used in) operating activities</b>      |              | <b>118,111,858</b>     |
| <b>Cash flows from investing activities</b>                    |              |                        |
|  |              |                        |
| <b>Net cash flows from/(used in) investing activities</b>      |              |                        |
|  |              |                        |
| <b>Cash flows from financing activities</b>                    |              |                        |
| <b>Net cash flows from from/(used in) financing Activities</b> |              |                        |
| <b>Net increase/(decrease) in cash &amp; Cash equivalents</b>  |              | <b>118,111,858</b>     |
| Cash and cash equivalents at 1 July,2024                       | 15           | 0                      |
| <b>Cash and cash equivalents at 30 June,2025</b>               | 15           | <b>118,111,858</b>     |

**12. Statement of Comparison of Budget Actual Amounts for the Year Ended 30<sup>th</sup> 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%           |
|  | Kshs                 | Kshs        | Kshs                 | Kshs                       | Kshs                          |                  |
| <b>Revenue</b>                           |                      |             |                      |                            |                               |                  |
| Exchequer releases                       | 5,623,228,509        |             | 5,623,228,509        | 5,623,228,509              | -                             | 100%             |
| opening balance re- appropopriated       | 462,306,476          |             | 462,306,476          | 447,546,079                | 14,760,397                    | 97%              |
| Transfers from other government agencies | 1,014,952,640        |             | 1,014,952,640        | 222,504,404                | 792,448,236                   | 22%              |
| Other grants                             |                      |             | -                    | -                          | -                             |                  |
| Return to CRF                            | 4,047,608            |             | 4,047,608            | 4,047,608                  | (0)                           | 100%             |
| Own Source Revenue                       | 281,630,140          |             | 281,630,140          | 312,976,992                | (31,346,852)                  | 111%             |
| <b>Total Revenue</b>                     | <b>7,386,165,373</b> |             | <b>7,386,165,373</b> | <b>6,610,303,592</b>       | <b>775,861,781</b>            | <b>89%</b>       |
|  |                      |             | -                    |                            | -                             |                  |
| <b>Expenses</b>                          |                      |             |                      |                            |                               |                  |
| Transfers to County Executive            | 6,760,916,352        |             | 6,760,916,352        | 5,883,453,597              | 877,462,755                   | 87%              |
| Transfers to County Assembly             | 625,249,021          |             | 625,249,021          | 608,738,137                | 16,510,884                    | 97%              |
| Other transfers                          |                      |             |                      | -                          |                               |                  |
| <b>Total Payments</b>                    | <b>7,386,165,373</b> |             | <b>7,386,165,373</b> | <b>6,492,191,734</b>       | <b>893,973,639</b>            | <b>88%</b>       |
| <b>Surplus/Deficit</b>                   | <b>0</b>             | <b>-</b>    | <b>0</b>             | <b>118,111,858</b>         | <b>(118,111,858)</b>          |                  |

**Budget Notes**

1. Transfers from other government agencies was at 22 percent as the county did not receive conditional grants full as budgeted

### **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 County Government and is domiciled in Kenya. The Fund's principal activity is 0.

#### **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 30 aug 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<br>Measurement                  | <b><i>Applicable 1<sup>st</sup> January 2025</i></b><br>The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> The standard also introduces a public sector specific measurement bases called the current operational value. |
| IPSAS 47-<br>Revenue                     | <b><i>Applicable 1<sup>st</sup> January 2026</i></b><br>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.   |
| IPSAS 48-<br>Transfer<br>Expenses        | <b><i>Applicable 1<sup>st</sup> January 2026</i></b><br>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.   |
| IPSAS 49:<br>Retirement<br>Benefit Plans | <b><i>Applicable 1<sup>st</sup> January 2026</i></b><br>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.  |
| IPSAS 50:                                | <b><i>Applicable 1<sup>st</sup> January 2027</i></b>   |

| Standard  | Effective date and impact:  |
|---|---|
| Exploration For & Evaluation of Mineral Resources | <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"><li data-bbox="438 459 1439 526">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li><li data-bbox="438 533 1439 638">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.</li><li data-bbox="438 645 1439 817">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.</li></ul> <p><i>Samburu county expects more from royalties for minerals hence enhanced revenue</i></p> |

*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 2025 was approved by the County Assembly on 30<sup>th</sup> 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 of budget following the governing body'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. 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. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note -*.

#### **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

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

| Description               | Period ended jun-25<br>Kshs. |
|---------------------------|------------------------------|
| Equitable Share           | 6,070,774,588                |
| Others ( <i>Specify</i> ) |                              |
| <b>Total</b>              | <b>6,070,774,588</b>         |

## 7. Transfers from other government agencies\*\*

| Description  | Period ended<br>Sep/Dec/Mar/June xx,<br>20xx<br>Kshs. |
|--|---|
| Road Maintenance Levy  | 60,855,995  |
| Covid-19   | -   |
| Development of Youth Polytechnics-State Department of TVETS  | -   |
| User Fees Foregone -Ministry of Health   | -   |
| DANIDA Grant -Primary Healthcare   | 7,117,500   |
| IDA (World Bank) -Food Systems Resilience Project - FSRP)  | 70,127,132  |
| Kenya Livestock Commercialization Project (KeLCoP)   | 41,094,477  |
| DANIDA Grant -Primary Health care in devolved context -Ministry of Health  | -   |
| Kenya Urban Support Project (KUSP) - Urban Institutional Grant (UIG)   | 32,309,300  |
| SIDA Agricultural Sector Development Support Programme II (ASDSP II)-<br>State Department of Crop Development    | -   |
| World Bank-Emergency Locust Response Project ( ILRP) State Department of<br>Crop Development                     | -   |
| (IDA) World Bank Credit-Financing locally Led climate programme<br>(FFLoCA) CCIS Grant State Department of ..... | 11,000,000  |
| <b>Total</b>   | <b>222,504,404</b>                                    |

**8. Other grants\*\***

| Description       | FY 2025<br>Kshs. |
|-------------------|------------------|
| Donor 1 (Specify) | -                |
| Donor 2 (Specify) | -                |
| Donor 3 (Specify) | -                |
| Others (Specify)  | -                |
| <b>Total</b>      | <b>-</b>         |

\*\* These are funds received from development partners directly to the CRF.

**9. Return to CRF from County Entities**

| Description                             | Period ended<br>Jun-25<br>Kshs. |
|---|---------------------------------|
| Recurrent Account (County Executive )   | 109                             |
| Development Account (County Executive ) | 24,304                          |
| Recurrent Account (County Assembly )    | 9,946                           |
| Development Account (County Assembly )  | 4,013,250                       |
| Others (Specify)                        |                                 |
| <b>Total</b>                            | <b>4,047,608</b>                |

**10. Non-Exchange Own Source Revenue**

| Description                                 | Period ended<br>Jun-25<br>Kshs. |
|---|---------------------------------|
| Cess  | 15,417,681                      |
| Land rate                                   | 14,216,523                      |
| Single/Business permits                     | 15,436,797                      |
| Public health service fees                  | 2,000                           |
| Physical planning and development           | 130,400                         |
| Conservancy administration                  | -                               |
| Administration control fees and charges     | 5,521,195                       |
| Park fees                                   | -                               |
| Other fines, penalties, and forfeiture fees | -                               |
| Miscellaneous                               |                                 |
| Others (Specify)                            |                                 |
| <b>Total</b>                                | <b>50,724,596</b>               |

### 11. Exchange Own Source Revenue

| Description                                 | Period ended,<br>Jun-25<br>Kshs. |
|---|----------------------------------|
| Property rent                               | 798,873                          |
| Parking fees                                | 2,406,963                        |
| Market fees                                 | 1,028,060                        |
| Advertising                                 | 4,979,000                        |
| Hospital fees                               | 9,410,585                        |
| Hire of County Assets                       | 30,000                           |
| Administration control fees and charges     |                                  |
| Park fees                                   | 214,367,323                      |
| Proceeds from sale of assets                | 22,361,190                       |
| Other fines, penalties, and forfeiture fees |                                  |
| Miscellaneous                               | 3,507,220                        |
| Others ( <i>Specify</i> )                   | 3,363,182                        |
| <b>Total</b>                                | <b>262,252,396</b>               |

(The total of own source revenue should tally with disbursements from county receivers of revenue)

### 12. Transfers to County Executive

| Description               | Period ended<br>Jun-25<br>Kshs. |
|---------------------------|---------------------------------|
| Recurrent Account         | 4,272,995,615                   |
| Development Account       | 1,239,303,542                   |
| Special Purpose Accounts  | 371,154,440                     |
| Others ( <i>Specify</i> ) | -                               |
| <b>Total</b>              | <b>5,883,453,597</b>            |

### 13. Transfers to County Assembly

| Description               | Period ended<br>Jun-25<br>Kshs. |
|---------------------------|---------------------------------|
| Recurrent Account         | 541,308,051                     |
| Development Account       | 67,430,086                      |
| Special purpose accounts  |                                 |
| Others ( <i>Specify</i> ) |                                 |
| <b>Total</b>              | <b>608,738,137</b>              |

**14. Other Transfers**

| Description               | 2025<br>Kshs. |
|---------------------------|---------------|
| Others ( <i>Specify</i> ) | -             |
| <b>Total</b>              | -             |

(Explain as per County Appropriation Act)

**15. Cash and Cash equivalents**

| Description                             | 2025<br>Kshs.      | 1st July 2024<br>Kshs. |
|---|--------------------|------------------------|
| County Exchequer Account - (1000171437) | 118,111,858        | 0                      |
| Others ( <i>Specify</i> )               |                    |                        |
| <b>Total</b>                            | <b>118,111,858</b> | <b>0</b>               |

**16. Receivables from Non-Exchange Transactions**

| Description                                   | FY 2024-25 | Opening Statement 1st July 20- |
|---|------------|--------------------------------|
|   | Kshs       | Kshs                           |
| Receivables                                   |            |                                |
| Other non-exchange debtors ( <i>Specify</i> ) |            |                                |
| Less: impairment allowance                    |            |                                |
| <b>Net receivables</b>                        |            |                                |

**17. Receivables from Exchange Transactions**

| Description                            | FY 2024-25 | Opening Statement 1st July 2024 |
|--|------------|---------------------------------|
|  | Kshs       | Kshs                            |
| Receivables from exchange transactions | 586,451    |                                 |
| Other debtors (exchange transactions)  |            |                                 |
| Less: impairment allowance             |            |                                 |
| <b>Total</b>                           | 586,451    |                                 |

**18. Accounts Payable**

| Description                   | FY 2024-25 | Opening Statement 1st July 2024 |
|-------------------------------|------------|---------------------------------|
|                               | Kshs       | Kshs                            |
| Payables to County Executive  | 0          | 0                               |
| Payables to County Assembly   | 0          | 0                               |
| Other transfers               | 0          | 0                               |
| <b>Total Accounts Payable</b> | 0          | 0                               |

## Notes to the financial statements

**19. 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.

| ame Of Bank, Account No. & Currency     | Amount in bank account currency* | Ex. rate (if in foreign currency) | Insert current FY | Opening Statement 1st July 2024 |
|---|----------------------------------|-----------------------------------|-------------------|---------------------------------|
|   | Kshs                             | Kshs                              | Kshs              | Kshs                            |
| KENYA COMMERCIAL BANK, 1140756516 (Ksh) | 586,451                          |                                   | 586,450           | 2,986,121                       |
| KENYA COMMERCIAL BANK, 1108196624 (USD) | 0                                | 0                                 | 0                 | 369,664                         |
| SUPA SACCO LIMITED, (Ksh)               | 0                                | -                                 | 0                 | 33,294                          |
| <b>Total</b>                            | <b>586,451</b>                   |                                   | <b>586,451</b>    | <b>3,389,079</b>                |

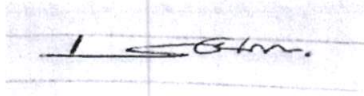
**14. Appendices**

**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: (Put a date when you expect the issue to be resolved) |
|--|---|---|-----------------------------------|--|
| <b>Budgetary Control and Performance</b>   | The statement of comparison of budget and actual amounts reflects a final receipts budget of Kshs. 7,524,846,097 and actual receipt on comparable basis of Kshs. 6,235,191,321 resulting to under collection of Kshs. 1,289,654,776 or 17.1% of the budget. Further, the County Revenue Fund transferred a balance of Kshs. 6,232,638,259 against actual receipts of Kshs. 6,235,191,321 resulting to non-remittance of Kshs. 2,553,062. The under-collection and non-remittance may have affected the planned activities and impacted negatively on service delivery to the public | The under collection was due to delayed exchequer releases and unrealized conditional grants during the financial year 2023/23. The 2,553,062 is the closing balance for the financial year which is 0.04 %<br>Of total actual receipt. the county utilizes 99.96 % of the receipt and the balance was consequently utilized at the beginning of 2024/25 Financial year |                                   |  |
| <b>Late Exchequer Releases</b>             | The statement of receipts and payments reflects exchequer releases amount of Kshs. 5,146,767,494 as disclosed in Note 1 to the financial statements. However, exchequer releases amounting to Kshs. 1,454,521,248 representing 28% of the total exchequer releases were received during the month of June, 2024 and August, 2024. The late exchequer releases may have delayed implementation of the County’s activities for the year under review  | Delayed national treasury releases by the national treasury   |                                   |  |

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A handwritten signature in black ink, appearing to read 'S. Letirok', is written over a light blue horizontal line. The signature is slightly slanted and includes a small flourish at the end.

**Name SOLOMON LETIROK**

**Chief Officer Finance**

**ICPAK Member No 23327**

**Date 23/10/2025**

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

| Period 2025  | quarter 1<br>(kshs.) | quarter 2<br>(kshs.) | quarter 3<br>(kshs.) | quarter 4<br>(kshs.) | total<br>(kshs.)     |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Equitable Share  | 923,061,557          | 1,858,123,719        | 927,832,883          | 2,361,756,429        | 6,070,774,588        |
| Level 5 Hospitals  |                      |                      |                      |                      | -                    |
| DANIDA - Universal Healthcare in Devolved Units Programme            |                      |                      |                      | 7,177,500            | 7,117,500            |
| World Bank – THUSCP  |                      |                      |                      |                      | -                    |
| IDA (World Bank) -Food Systems Resilience Project - FSRP)            |                      |                      |                      | 70,127,132           | 70,127,132           |
| Kenya Devolution Support Programme                                   |                      |                      |                      |                      | -                    |
| Youth Polytechnic support grant                                      |                      |                      |                      |                      | -                    |
| Abolishment of user fees in health centres and dispensaries          |                      |                      |                      |                      | -                    |
| Kenya Urban Support Project (KUSP) - Urban Institutional Grant (UIG) |                      |                      |                      | 32,309,300           | 32,309,300           |
| Agriculture Sector Development Support Project (ASDSP)               |                      |                      |                      |                      | -                    |
| Road Maintenance Levy  |                      |                      |                      | 60,855,995           | 60,855,995           |
| Kenya Livestock Commercialization Project (KeLCoP)                   |                      |                      |                      | 41,094,477           | 41,094,477           |
| Others (Specify) FLOACA  | 11,000,000           |                      |                      |                      | 11,000,000           |
| <b>Total</b>   | <b>934,061,557</b>   | <b>1,858,123,719</b> | <b>927,832,883</b>   | <b>2,573,320,833</b> | <b>6,293,278,992</b> |

(Amend appropriately as per the current year CARA )

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

**(a) Non-Exchange own source revenue**

| <b>Period 2024/25</b>                       | <b>Quarter 1<br/>(Kshs.)</b> | <b>Quarter 2<br/>(Kshs.)</b> | <b>Quarter 3<br/>(Kshs.)</b> | <b>Quarter 4<br/>(Kshs.)</b> | <b>Total<br/>(Kshs.)</b> |
|---|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------|
| Cess  | 3,372,715                    | 3,217,129                    | 3,989,092                    | 4,838,745                    | 15,417,681               |
| Land rate                                   | 1,176,430                    | 1,780,329                    | 6,912,953                    | 4,346,811                    | 14,216,523               |
| Single/Business permits                     | 1,177,052                    | 217,265                      | 8,874,800                    | 5,167,680                    | 15,436,797               |
| Public health service fees                  | 0                            | 2,000                        | 0                            | 0                            | 2,000                    |
| Physical planning and development           | 0                            | 0                            | 65,700                       | 64,700                       | 130,400                  |
| Conservancy administration                  | 0                            | 0                            | 0                            | 0                            | 0                        |
| Administration control fees and charges     | 1,892,995                    | 547,200                      | 590,500                      | 2,701,000                    | 5,521,195                |
| Other fines, penalties, and forfeiture fees | 0                            | 0                            | 0                            | 0                            | 0                        |
| Others ( <i>Specify</i> )                   | 0                            | 0                            | 0                            | 0                            | 0                        |
| <b>Total</b>                                | <b>7,619,192</b>             | <b>5,763,923</b>             | <b>20,433,045</b>            | <b>17,118,936</b>            | <b>50,724,596</b>        |

**(b) Exchange own source revenue**

| <b>Period 2024/25</b>                       | <b>Quarter 1<br/>(Kshs.)</b> | <b>Quarter 2<br/>(Kshs.)</b> | <b>Quarter 3<br/>(Kshs.)</b> | <b>Quarter 4<br/>(Kshs.)</b> | <b>Total<br/>(Kshs.)</b> |
|---|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------|
| Property rent                               | 139,100                      | 75,701                       | 201,700                      | 162,600                      | 579,101                  |
| Parking fees                                | 76,410                       | 44,162                       | 1,958,581                    | 327,810                      | 2,406,963                |
| Market fees                                 | 333,771                      | 256,081                      | 238,141                      | 235,880                      | 1,063,873                |
| Advertising                                 | 2,307,000                    | 219,772.4                    | 766,000                      | 1,906,000                    | 5,198,772                |
| Hospital fees                               | 2,949,540                    | 2,420,684                    | 2,165,757                    | 1,874,604                    | 9,410,585                |
| Hire of County Assets                       | 0                            | 0                            | 0                            | 0                            | 0                        |
| Park fees                                   | 63,681,672                   | 53,941,971                   | 49,056,077                   | 47,687,603.4                 | 214,367,323              |
| Proceeds from sale of assets                | 22,361,190                   | 0                            | 0                            | 0                            | 22,361,190               |
| Other fines, penalties, and forfeiture fees | 0                            | 0                            | 0                            | 0                            | 0                        |
| Miscellaneous                               | 1,447,168                    | 1,953,159                    | 0                            | 110,995.5                    | 3,511,323                |
| Other (opening bal)                         | 3,353,266                    |                              |                              |                              |                          |
| <b>TOTAL</b>                                | <b>96,649,117</b>            | <b>58,911,530.4</b>          | <b>54,386,256</b>            | <b>52,305,493</b>            | <b>262,252,396</b>       |

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

| <b>Period -2025</b>          | <b>Quarter 1<br/>(Kshs.)</b> | <b>Quarter 2<br/>(Kshs.)</b> | <b>Quarter 3<br/>(Kshs.)</b> | <b>Quarter 4<br/>(Kshs.)</b> | <b>Total<br/>(Kshs.)</b> |
|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------|
| County Executive -Rec        | 645,312,444                  | 1,016,441,268                | 792,042,809                  | 1,819,199,094                | 4,272,995,615            |
| County Executive -Dev        | 56,808,263                   | 260,424,795                  | 86,112,094                   | 835,958,390                  | 1,239,303,542            |
| County Assembly -Rec         | 52,564,278                   | 180,678,039                  | 163,016,588                  | 145,049,146                  | 541,308,051              |
| County Assembly -Dev         | -                            | -                            | 15,300,576                   | 52,129,510                   | 67,430,086               |
| Special Purpose A/c (FLOACA) | 116,632,523                  | -                            | -                            | 70,000,000                   | 186,632,523              |
| Special Purpose A/c (FSRP)   |                              |                              | 5,000,000                    | 70,127,132                   | 75,127,132               |
| Special Purpose A/c (KUSP)   |                              |                              |                              | 32,309,300                   | 32,309,300               |
| Primary health care          |                              |                              | 31,583,485                   | 43,002,000                   | 74,585,485               |
| KDSP                         |                              |                              | 2,500,000                    |                              | 2,500,000                |
| <b>Total</b>                 | <b>871,317,508</b>           | <b>1,457,544,102</b>         | <b>1,095,555,552</b>         | <b>3,067,774,572</b>         | <b>6,492,191,734</b>     |

**Appendix 5: SAMBURU COUNTY GOVERNMENT REVENUE ESTIMATE**

| CODE    | ITEMS                              | Estimates 2024/25 |
|---------|------------------------------------|-------------------|
|         | <b>COUNTY GENERATED REVENUE</b>    |                   |
| 1520100 | Land Rates                         | 40,480,000        |
| 1520200 | Single Business Permits            | 17,600,000        |
| 1520300 | Total Cess Receipts                | 13,543,200        |
| 1530331 | Game Parks/Nature Reserves Fees    | 138,582,180       |
| 1550100 | Markets and Slaughter House Fees   | 12,100,000        |
| 1550200 | Vehicle Parking Receipts/Transport | 5,858,600         |
| 1520304 | Wheat Cess                         | 317,240           |
| 1580211 | Hospital Charges                   | 18,700,000        |
| 1140501 | Liquor License                     | 6,798,000         |
| 1580100 | Various Health Departments Fees    | 686,400           |
| 1420102 | Agricultural Machinery Services    | 1,862,740         |
| 1530125 | Approval of plans and supervision  | 1,377,090         |
| 1420102 | Hawker                             | 2,039,400         |
| 1540100 | Miscellaneous Revenue              | 883,740           |
| 1530126 | Advertisement                      | 2,640,000         |

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|         |   |                    |
|---------|---|--------------------|
| 1580300 | Environment and conservancy   | 18,161,550         |
|         | <b>SUB-TOTAL LOCAL SOURCES</b>  | <b>281,630,140</b> |
|         | <b>SUMMARY</b>  |                    |
|         | <b>Revenue from Local Sources</b>   | <b>281,630,140</b> |
|         | Revenue transfer from national government   | 5,623,228,509      |
| 1310102 | Conditional Grant-Leasing of Medical Equipment  |                    |
| 1310102 | DANIDA (Health support funds)   | 7,117,500          |
| 1310102 | World bank loan for National agricultural and rural inclusive growth project              |                    |
| 9910311 | Mineral Royalties   | 17,501             |
| 1310102 | De- Risking and Value Enhancement (DRIVE) -livestock                                      |                    |
| 1310102 | Fertilizer subsidy  |                    |
| 1310102 | Agriculture Sector Development Support Programme (ASDSP)                                  |                    |
| 1310102 | Kenya Livestock Commercialization Project (KELCLOP)                                       | 41,250,000         |
| 1310102 | Kenya Urban Support Program (Grant)-UIG   | 35,000,000         |
|         | IDA (World Bank Credit: Kenya Urban Support Project( KUSP)- Urban Development Grant (UDG) | 25,375,442         |
| 1310102 | IDA (World Bank) - Credit - Food Systems Resilience Project(FSRP)                         | 173,076,923        |
| 1330302 | Road Maintenance Levy Fund  | 168,450,780        |
| 1330404 | Community Health Promoters  | 46,140,000         |
|         | <b>Basic salary arrears for county government health workers</b>                          | <b>13,079,798</b>  |
| 1310102 | IDA (World Bank0 Credit- Second Kenya Devolution Support Program (KDSP II)                | 37,500,000         |
| 1310102 | World bank loan for National agricultural and rural inclusive growth project B/F          |                    |

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|         |  |                      |
|---------|--|----------------------|
| 1310102 | Agriculture Sector Development Support Programme (ASDSP) B/F   |                      |
| 1310102 | ELRP( Locust)  | 142,500,000          |
|         | SWEDEN-Kenya Agricultural Bussines Development Project (KABDP) | 10,918,919           |
|         | Balance brought forward 2023-24 - CRF                          | 462,306,476          |
| 1310102 | Finance Localy led Climate Action Program(FLLoCA) b/f          | 164,525,777          |
| 1310102 | Finance Localy led Climate Action Program(FLLoCA)              | 150,000,000          |
|         | <b>GRAND TOTAL</b>   | <b>7,382,117,765</b> |