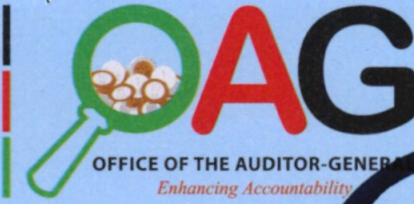


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REPORT

OF

THE AUDITOR-GENERAL

ON

RECEIVER OF REVENUE
REVENUE STATEMENTS

PAPERS LAID	
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DATE OF THE TABLE	May

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF LAIKIPIA





RECEIVER OF REVENUE.
(County Government of Laikipia)

REVENUE STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

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

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I. ACRONYMS AND DEFINITION OF KEY TERMS

a) Acronyms

A.I. A	Appropriation in Aid
CA	County Assembly
COB	Controller of Budget
CRF	County Revenue Fund
L.C.R.B	Laikipia County Revenue Board
FY	Financial Year
FIF	Facility Improvement Financing
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OSR	Own Source Revenue
PFMA	Public Finance Management Act
PSASB	Public Sector Accounting Standards Board
ROR	Receiver of Revenue

b) Key terms

Comparative FY Comparative Prior Financial Year

Fiduciary Management The key management personnel who had financial responsibility.

2. KEY ENTITY INFORMATION AND MANAGEMENT

Background information

The County government of Laikipia Receiver of Revenue operates under the Department of Finance and Economic Planning in the County Government of Laikipia. At the County Executive Committee level, the Receiver of Revenue is represented by the County Executive Committee Member for Finance and Economic Planning, who is responsible for providing strategic directions and overseeing the overall policy framework guiding revenue collection.

In accordance with Section 157 of the Public Finance Management (PFM) Act, the Chief Officer Finance and County treasury was formally designated by the County Executive Committee Member for Finance as the county Receiver of Revenue. The role of revenue collection is done by the Laikipia County Revenue Board which was established pursuant to the Laikipia County Revenue Board Act, 2014, and was enacted on 19th June 2014. The Board derives its legal mandate and operational authority from this Act. It is a corporate entity wholly owned by the County Government of Laikipia, one of the 47 counties in the Republic of Kenya.

The Board is mandated to:

- Collect and receive all revenue due to the County Government.
- Administer and enforce county laws related to revenue.
- Assess, collect, and account for all revenue in accordance with applicable county laws.
- Advise the County Executive Committee Member for Finance on all matters related to revenue administration and collection.
- Perform any other functions necessary to achieve the objectives and purposes of the Laikipia County Revenue Board Act, 2014.

The governance structure of the Board comprises the Chairperson, the Chief Executive Officer, five board members, and the Chief Officer for Finance. The day-to-day operations and administration of the Board are entrusted to the Chief Executive Officer.

a) Principal activities

The receiver of revenue collects revenue and remits to the County Revenue Fund (CRF).

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

b) Key Management Team

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

S/NO	Name	Position
1	Samuel Wachira Gachigi	CECM Finance and County Planning and Development
2	Daniel K Ngumi	Chief Officer Finance and County Treasury
3	Caleb Mwangi	Director of Accounting Services
4	Elijah Kamunya	Chief Executive Officer
5	Francis Gachau	Head of Revenue Reporting
6	Charles Githinji	Head of ICT
7	Ann Kinyua	Head of Finance and Revenue Accounting
8	Teresa Kagure G	Head of procurement
9	Eunice Gacheba	Head of Human Resource
10	Grace Muchiri	Head of Revenue Administration

Receiver of Revenue
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a) Laikipia County Headquarters

P.O. Box 131-20321
County Headquarters
Government Road, Opposite DCCs Office
Rumuruti, Kenya

b) Entity Contacts

Telephone: (254) 757701850
E-mail: lcrb@laikipia.ke
Website: www.laikipia.go.ke

c) Independent Auditor

Office of The Auditor General
Anniversary Towers, University Way
P. O. Box 30084
GPO 00100
Nairobi, Kenya

d) Bankers

Central Bank of Kenya Haile Selassie
Website: <https://www.centralbank.go.ke/>
Telephone: (254) 20 286 0000
E-mail: comms@centralbank.go.ke
P.O Box 60000-00200
Nairobi.

Co-operative Bank of Kenya
P.O. Box 1463-10400
Nanyuki, Kenya
Email: customerservice@co-opbank.co.ke
Website: www.co-opbank.co.ke

e) Principal Legal Adviser

Alexander Muchemi
Governor's Senior Legal Advisor & Head of Legal Affairs
Telephone: (254) 740 031 031
E-mail: info@laikipia.go.ke
Website: www.laikipia.go.ke
P.O Box 1271-10400
Nanyuki, Kenya.

Receiver of Revenue
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f) County Attorney

Alexander Muchemi

County Legal Attorney & Head of Legal Affairs

Telephone: (254) 740 031 031

E-mail: info@laikipia.go.ke

Website: www.laikipia.go.ke

P.O Box 1271-10400

Nanyuki, Kenya.

3. FOREWORD BY THE CECM FINANCE AND ECONOMIC PLANNING

I am honoured to present the Laikipia County Receiver of Revenue Reports and Financial Statements for the fiscal year 2024/2025, ended 30th June 2025. These statements have been diligently prepared in accordance with the Public Finance Management (PFM) Act, 2012, and conform to the reporting framework prescribed by the Public Sector Accounting Standards Board (PSASB). In compliance with Section 163(4) of the PFM Act, the statements have been submitted to the Office of the Auditor General, the Controller of Budget, and the Commission on Revenue Allocation within the legally prescribed timelines. In alignment with Section 149 of the PFM Act, I wish to reaffirm that the County Government of Laikipia has upheld the principles of prudent financial management by ensuring that revenue collection processes were carried out in a transparent, accountable, and efficient manner throughout the 2024/2025 fiscal year. These annual financial statements are essential instruments for communicating the County's financial performance, promoting accountability, and supporting evidence-based policy and fiscal planning. The fiscal year 2024/2025 was marked by a complex economic environment. Both globally and within Kenya, rising inflation, high borrowing costs, exchange rate volatility, and constrained fiscal space continued to affect economic activity and household purchasing power. These factors directly influenced revenue collection at the county level. According to the Kenya National Bureau of Statistics (KNBS), Kenya's economy grew by 5.6% in 2023, followed by a slower 4.7% in 2024, largely due to subdued activity in construction, mining, and manufacturing. However, sectors such as agriculture, finance, and real estate continued to support growth. The Ministry of National Treasury and Economic Planning projects a modest recovery in 2025, with GDP growth estimated at 5.3% to 5.4%, driven by improved credit access, stable inflation, and gains in services and agriculture. These national trends have directly impacted Laikipia County's economic landscape, influencing household income, business activity, and ultimately, the county's ability to meet its own-source revenue targets. These macroeconomic challenges inevitably influenced our local business environment and the county's revenue collection performance.

Against this backdrop, Laikipia County demonstrated resilience in its own source revenue mobilization efforts. For the 2024/2025 fiscal year, we maintained an ambitious own-source revenue target of Kshs 1,475,000,000. I am pleased to report that we collected Kshs 1,239,504,563 representing 84% realization of our revenue target.

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This performance highlights both the opportunities and constraints within our local revenue framework.

A breakdown of revenue performance across various streams is presented in detailed financial statements. Improvement was noted in Hospital fees, Land rates, Park fees, Market fees, Property rent and Parking fees, the underperforming streams were Other Fines, Penalties, and Forfeiture Fees land rates, Miscellaneous fees, Conservancy Administration and Physical Planning and Development.

Key factors influencing our performance this year included:

- Improved uptake of automated revenue collection systems, which enhanced transparency and reduced leakages.
- Enforcement of compliance and audit mechanisms.
- The local economy is supported by agriculture, trade, and the service sectors.
- Operational challenges such as delayed national transfers, climate-related disruptions, and tax fatigue among small businesses.

Looking ahead to FY 2025/2026, we have revised our own-source revenue target to Kshs 1,350,000,000, down from last year's target of Kshs 1,475,000,000. This adjustment reflects our commitment to the principles of realistic and prudent budgeting, guided by actual performance and prevailing economic conditions. While the target remains ambitious, it is grounded in the need to align revenue expectations with practical collection capacity. Our strategy will focus on enhancing revenue efficiency, closing compliance gaps, and expanding our reach through:

1. Strengthening automated revenue collection systems to boost accuracy and transparency.
2. Deepening enforcement and compliance mechanisms in underperforming sectors.
3. Community engagement and taxpayer education to foster voluntary compliance.
4. Pursuing policy reforms and innovation to unlock new revenue streams.
5. Building staff capacity and accountability frameworks to improve revenue service delivery.
6. Leveraging data analytics to better forecast, monitor, and report revenue performance.

Through these efforts, we aim to improve performance while ensuring that our projections remain credible, achievable, and aligned with our long-term development priorities.

In conclusion, while economic headwinds continue to pose challenges, the County Government of Laikipia remains committed to responsible fiscal stewardship. We will continue to pursue practical and innovative strategies to enhance our revenue performance, optimize service delivery, and ensure financial sustainability. I take this opportunity to appreciate all stakeholders—

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

including the Laikipia County Revenue Board, revenue staff, and our citizens for their contribution and partnership in advancing our shared development agenda.



.....
Samuel W. Gachigi.
CECM Finance and County Planning and Development
County Government of Laikipia.
Date: 25/08/2025.

4. MANAGEMENT DISCUSSION AND ANALYSIS

4.1 Overview

The Receiver of Revenue Laikipia County through the Laikipia County Revenue Board is pleased to present the Management Discussion and Analysis (MD&A) for the financial year ended 30th June 2025. This report provides an overview of the operational and financial performance of the Revenue Board over the last several years, highlighting trends, challenges, and strategic interventions that have shaped revenue performance. This is the first year of financial reporting under the accrual basis in accordance with IPSAS 33: First-Time Adoption of Accrual Basis IPSASs. In line with paragraph 79 of IPSAS 33, the County elected to present a single set of statements without prior-year comparatives for the transitional year. However, operational trends and budgetary data are referenced as relevant to provide a full performance context.

4.2 Financial Performance

Revenue Outturn

For the financial year 2024/2025, the County's Final Own Source Revenue (OSR) target was Kshs 1.475 billion, against which Kshs 1,239,504,563 was realized representing a performance of 84%.

Table 1: Revenue Performance by Revenue Stream.

Receipts	Final Targets	Actual on Comparable Basis	Budget Realization Difference	% of Realization
	Kshs	Kshs	Kshs	Kshs
County Own Source Revenue				
Cess	157,500,000	110,252,596	47,247,404	70
Land Rate	135,000,000	61,488,862	73,511,138	46
Single/Business Permits	123,000,000	86,598,873	36,401,127	70
Property Rent	36,500,000	26,374,108	10,125,892	72
Parking Fees	103,500,000	75,646,010	27,853,990	73
Market Fees	16,000,000	13,977,614	2,022,386	87
Advertising	30,000,000	18,965,405	11,034,595	63
Hospital Fees	602,500,000	695,623,383	(93,123,383)	115
Public Health Service Fees	22,100,000	11,598,116	10,501,884	52
Physical Planning and Development	64,000,000	25,029,624	38,970,376	39
Hire of County Assets	600,000	405,518	194,482	68
Conservancy Administration	40,000,000	18,553,987	21,446,013	46
Administration Control Fees and Charges	84,600,000	52,857,642	31,742,358	62
Sale of assets	10,000,000	6,093,492	3,906,508	61
Park Fees	17,600,000	17,729,958	(129,958)	101
Other Fines, Penalties, and Forfeiture Fees	2,000,000	413,484	1,586,516	21
Education fees	30,100,000	17,895,890	12,204,110	59

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

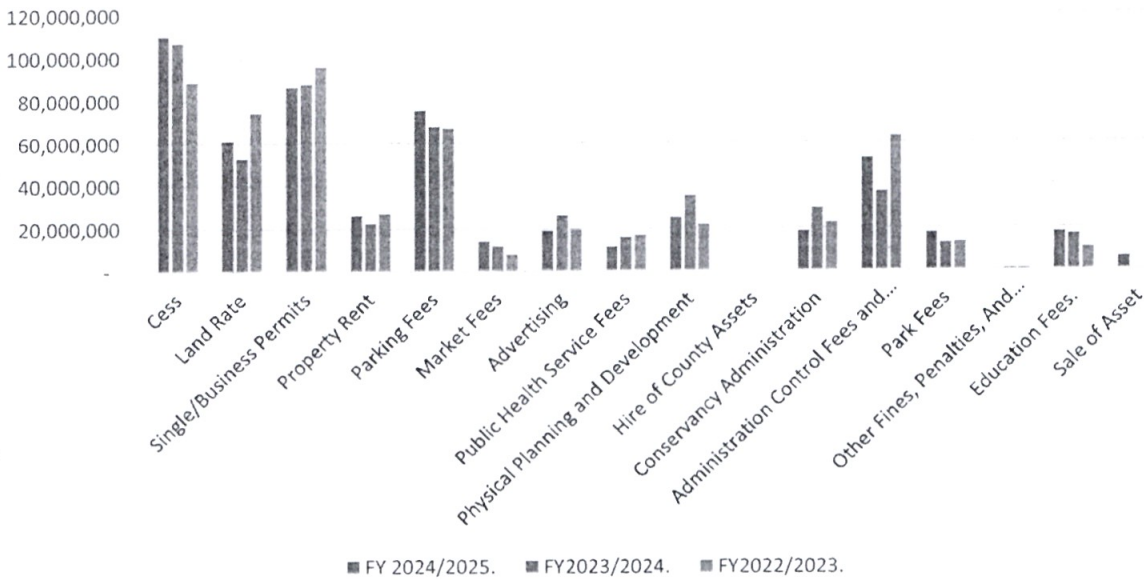
Total County Own Source Revenue	1,475,000,000	1,239,504,563	235,495,437	84
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Table 2: Comparison of FY 2022/2023 to 2024/2025.

Description	FY 2024/2025.	FY2023/2024.	FY2022/2023.
Cess	110,252,596	107,337,872	88,941,991
Land Rate	61,488,862	53,136,498	74,410,569
Single/Business Permits	86,598,873	88,139,887	96,016,847
Property Rent	26,374,108	22,550,048	27,253,392
Parking Fees	75,646,010	67,973,831	66,967,727
Market Fees	13,977,614	11,825,589	8,011,696
Advertising	18,965,405	26,126,921	19,406,369
Public Health Service Fees	11,598,116	15,756,203	16,968,809
Physical Planning and Development	25,029,624	35,281,479	21,971,406
Hire of County Assets	405,518	307,500	341,020
Conservancy Administration	18,553,987	29,328,761	22,473,794
Administration Control Fees and Charges	52,857,642	36,847,113	62,905,628
Hospital Fees	695,623,383	560,402,055	467,253,034
Park Fees	17,729,958	12,866,885	13,185,498
Other Fines, Penalties, And Forfeiture Fees	413,484	646,355	831,570
Education Fees.	17,895,890	16,616,000	10,385,000
Sale of Asset	6,093,492	-	-
Total County Own Source Revenue	1,239,504,563	1,085,142,997	997,324,350

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

Comparison of Local Revenue FY 2022/2023 to 2024/2025



During the 2024/2025 financial year, performance across revenue streams showed mixed results, with some lines exceeding targets while others fell significantly shortly. Hospital fees recorded the most notable over-realization, achieving 115% of the target. This was largely driven by improved billing systems, tighter controls to curb revenue leakages, and increased utilization of health facilities, particularly in the latter half of the year.

In contrast, several streams underperformed, realizing less than 90% of their respective targets. Collections from Other Fines, Penalties, and Forfeiture Fees achieved only 21% and physical planning and development fees were at 39% of target, reflecting a slowdown in development approvals and reduced activity in the construction sector. This shortfall was partly because many infractions were resolved through compliance without the imposition of full penalties. Conservancy administration fees came in at 46%, impacted by reduced tourist activity in certain conservancy areas. Cess 70% and parking fees 73%, of target, were affected by the broader economic slowdown, with reduced movement of agricultural produce and higher fuel prices dampening transport and parking demand. As a result, while improvements in health sector billing drove strong performance in that area, the County’s revenue mobilization efforts in other sectors were constrained by structural, economic, and enforcement related.

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

Operational Achievements

During the 2024/2025 financial year, the County made significant strides in strengthening its revenue administration framework. A full rollout of cashless revenue collection systems was achieved across all major revenue streams, reducing leakages and enhancing transparency in collections. Taxpayer records management also improved through the adoption of digital platforms, which streamlined data storage, retrieval, and reporting. Furthermore, there was increased cross-departmental collaboration to ensure that revenue mobilization efforts were closely aligned with service delivery priorities. In the health sector, billing and cash receipting controls were reinforced, resulting in improved revenue capture from medical and public health services.

Challenges

Despite these achievements, several challenges were encountered during the year. Prolonged drought conditions in parts of the County negatively affected agricultural output, leading to lower cess collections. The absence of an updated valuation roll limited the County's capacity to fully exploit land rates as a revenue source. Litigation over certain fees and charges created delays in enforcement and collection. Additionally, general cost-of-living pressures affected the ability of residents and businesses to make timely payments, impacting overall revenue realization.

Outlook for 2025/2026

Looking ahead, the County will priorities expanding automation to cover the remaining minor revenue streams to achieve full digital coverage. Efforts will also be directed towards finalizing the long-pending valuation roll updates, thereby unlocking the potential for higher land rates revenue. Targeted enforcement strategies will be implemented for underperforming revenue streams such as physical planning fees and fines. At the same time, the County will work on strengthening stakeholder engagement and communication to encourage voluntary compliance, maintain public trust, and ensure sustainable revenue growth in the coming year.

Sign.....
Name: Daniel K. Ngumi.
County Receiver of Revenue
Date:25/08/2025



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

5 STATEMENT OF THE RECEIVER OF REVENUE'S RESPONSIBILITIES

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

The Receiver of Revenue is responsible for the preparation and presentation of the Receiver of Revenue account, which gives a true and fair view of the situation of the Receiver of Revenue for and as at the end of the financial year ended on June 30, 2025.

This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the statement of assets and liabilities of the entity,
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material mistakes, whether due to error or fraud,
- (iv) safeguarding the assets of the entity,
- (v) selecting and applying appropriate accounting policies, and
- (vi) making accounting estimates that are reasonable in the circumstances.


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


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

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

Approval of the Revenue Statements

The County Government of Laikipia receiver of revenue statements was approved and signed by the Receiver of Revenue on 25/08/2025.


.....
Daniel Kingori Ngumi.
County Receiver of Revenue
County Government of Laikipia.
Date: 25/08/2025.



REPUBLIC OF KENYA

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

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

PREAMBLE

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

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

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

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

REPORT ON THE REVENUE STATEMENTS

Opinion

I have audited the accompanying transitional IPSAS revenue statements of Receiver of Revenue - County Government of Laikipia set out on pages 1 to 28, which comprise of

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

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

In my opinion, the transitional IPSAS revenue statements present fairly, in all material respects, the financial position of Receiver of Revenue - County Government of Laikipia as at 30 June, 2025 and of its revenue performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with Laikipia County Finance Act, 2024, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue target and actual amounts on comparable basis of Kshs.1,475,000,000 and Kshs.1,239,504,563 respectively, resulting in a revenue shortfall of Kshs.235,495,437, or 16% of the approved budget.

The shortfall of revenue affected planned activities and may have negatively impacted 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 revenue statements. There were no key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year's Matters

In the prior year audit report, Issues on Unsupported Arrears of Revenue, Own Source Revenue and Operating Manual Systems in Sub-County Hospitals were raised. However the issues remain unresolved.

Other Information

Management is responsible for the Other Information set out on page iii to xv which comprises of Key Entity Information and Management, Foreword by the CECM Finance and Economic Planning, Management Discussion and Analysis and Statement of the Receiver of Revenue's Responsibilities. The Other Information does not include the revenue statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

1. Un-disbursed Collections to the County Revenue Fund

The statement of financial position and Note 30 to the revenue statements reflect a balance of Kshs.1,759,907 in respect to cash and cash equivalents. These were amounts collected in the bank, but not yet disbursed to the County Revenue Fund (CRF). This was contrary to Regulation 81(2) of the Public Finance Management (County Governments) Regulations, 2015, which requires revenue collected to be paid into the CRF not later than five (5) days after receipt.

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

2. Use of Outdated Valuation Roll in Assessing Land Rates

The statement of revenue and disbursements and note 7 reflect land rates revenue of Kshs.82,859,869. However, the County Government did not maintain a comprehensive and updated register of landowners and continued to assess land rates based on an outdated valuation roll prepared in 1995, which does not reflect current property market values. This was contrary to Section 30(1) of the National Rating Act, 2024, which requires every County Government to undertake preparation of a valuation roll every five (5) years for all ratable properties within its jurisdiction.

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

3. Long Outstanding Receivables from Exchange Transactions

The statement of financial position and Note 32 to the revenue statements reflect receivables from exchange transactions of Kshs.12,877,214, which includes an amount of Kshs.7,469,427 in respect to property rent, which has been outstanding for over one (1) year. However, Management did not provide evidence of debt recovery efforts or justify the absence of a provision for doubtful debts in respect of the long outstanding balances.

In the circumstances, the accuracy and recoverability of the property rent receivables of Kshs.7,469,427 could not be confirmed.

4. Long Outstanding Receivables from Non-Exchange Transactions

The statement of financial position and Note 31 to the revenue statements reflect receivables from non-exchange transactions of Kshs.729,036,257, which includes an amount of Kshs.583,229,006 relating to land rates that have been outstanding for over one year. However, Management did not explain measures taken to enforce the collection of these arrears.

In the circumstances, the accuracy, completeness and recoverability of receivables amounting to Kshs.729,036,257 could not be confirmed.

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, revenue transactions, and information reflected in the revenue 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 effect of the matters 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

1. Operating Manual Systems in Sub-County Hospitals

The statement of revenues and disbursements and Note 19 to the revenue statements reflect hospital fees balance of Kshs.695,623,384. Management has implemented a Hospital Management Information System (HMIS), FunSoft, at Nanyuki Teaching and Referral Hospital and Nyahururu Sub-County Hospital. However, Rumuruti Sub-County Hospital, Lamuria Sub-County Hospital (Laikipia East), Doldol Sub-County Hospital, and Kimanjo Sub-County Hospital operate using manual systems. The manual systems lack comprehensive audit trails for transactions and activities, increasing the risk of revenue loss and operational inefficiencies.

In the circumstances, the effectiveness of revenue management processes in the sub-county hospitals could not be confirmed.

2. Revenue System - Laikipia Pay System

Review of the Laikipia Pay System revealed the following weaknesses;

2.1 Inadequate Segregation of Duties

Changes to revenue rates within the system could be made by a single user without independent review or approval, indicating weak access and authorization controls.

2.2 Lack of Service Level Agreement

There was no formal Service Level Agreement (SLA) between the County Executive and the ICT service providers to define system performance standards, support, responsibilities, or escalation procedures.

2.3 Lack of Test Environment for Data

The County Executive did not maintain a test environment for system updates or configuration changes, increasing the risk of system downtime, user disruption, and inaccurate reporting.

2.4 Duplicate Reference Numbers in Client Accounts

System review identified instances where the same reference numbers were assigned to different clients, with affected invoices totalling Kshs.617,115, thus rendering the data on clients unreliable. This reflects weaknesses in data integrity and customer identification controls.

In the circumstances, the reliability and integrity of revenue data processed through the Laikipia Pay System could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the revenue statements, Management is responsible for assessing the Receiver of Revenue-County Government of Laikipia's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


11 December, 2025


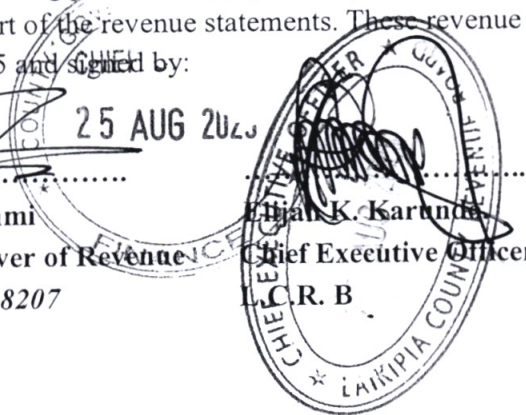
Receiver of Revenue
 County Government of Laikipia
 Revenue Statements for the Period Ended 30th June 2025


7 STATEMENT OF REVENUE AND DISBURSEMENTS FOR THE YEAR ENDED 30TH JUNE 2025.

Description	Note	FY 2024/ 25 Kshs
Cess	6	110,252,596
Land Rates	7	82,859,869
Single/Business Permits	8	86,598,873
Conservancy Administration	9	18,553,987
Administration Control Fees and Charges	10	52,857,642
Other Fines, Penalties, And Forfeiture Fees	11	413,484
Public Health Service Fees	12	11,598,116
Physical Planning and Development	13	25,029,624
Total Revenue from non-exchange transactions		388,164,191
Revenue from exchange transactions		
Parking Fees	15	76,811,259
Market Fees	16	13,977,614
Property Rent	17	26,200,644
Advertising	18	18,965,405
Hospital Fees	19	695,623,384
Hire of County Assets	20	405,518
Sale of assets	21	6,093,492
Park Fees	22	17,729,958
Education fees	23	17,895,890
Total Revenue from exchange transactions		873,703,164
Total Revenues (a)		1,261,867,355
Disbursements		
Disbursements To CRF	24	542,197,209
Disbursements To Health Facilities (FIF collections)	25	695,135,937
Bank charges	26	411,510
Total Disbursements and other charges (b)		1,237,744,655
Increase Dues to County Revenue Fund		24,122,700

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 25/08/2025 and signed by:


 Daniel K. Ngumi
 County Receiver of Revenue
 ICPAK M/No 8207


 25 AUG 2025
 Elijah K. Karunda
 Chief Executive Officer
 L.C.R. B



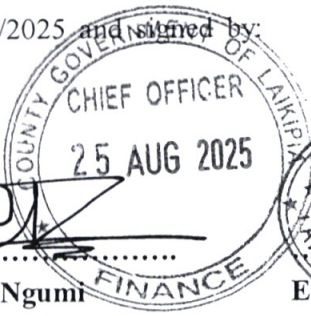

 25 AUG 2025
 Ann Kinyua
 Head of Revenue Reporting
 ICPAK M/No 24979


Receiver of Revenue
 County Government of Laikipia
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8 STATEMENT OF FINANCIAL POSITION AS OF 30th JUNE 2025

Description	Note	FY 2024/25	Opening Statement 1st July 2024
		Kshs	Kshs
Current Assets			
Cash and Cash Equivalents	30	1,759,907	5,158,895
Receivables from non-Exchange transactions	31	729,036,257	707,603,502
Receivables from Exchange transactions	32	12,877,214	11,947,177
Total Current Assets		743,673,378	724,709,574
Total Assets		743,673,378	724,709,574
Financial Liabilities			
Payables-Due to CRF	33	743,673,378	724,709,574
Total Financial Liabilities		743,673,378	724,709,574



The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 25/08/2025 and signed by:

Daniel K. Ngumi
 County Receiver of Revenue
 ICPAK M/No 8207

Elijah S. Karundo
 Chief Executive Officer
 Laikipia County Revenue Board

Ann Kinyua
 Head of Revenue Reporting
 ICPAK M/No 24979

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9. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30th JUNE, 2025.

Description	Note	FY 2024- 25
		Kshs
Operating Activities		
Receipts		
Cess		110,252,596
Land Rate		61,488,862
Single/Business Permits		86,598,873
Conservancy Administration		18,553,987
Administration Control Fees and Charges		52,857,642
Other Fines, Penalties, And Forfeiture Fees		413,484
Public Health Service Fees		11,598,116
Physical Planning and Development		25,029,624
Parking Fees		75,646,010
Market Fees		13,977,614
Property Rent		26,374,108
Advertising		18,965,405
Hospital Fees		695,623,383
Hire of County Assets		405,518
Sale of assets		6,093,492
Park Fees		17,729,958
Education fees		17,895,890
Total Receipts		1,239,504,563
Payments		
Disbursements To CRF		544,467,209
Disbursements To Health Facilities (FIF collections)		698,024,831
Bank charges		411,510
Total Payments		1,242,903,550
Net Cash from operating Activities		(3,398,987)
Cash and Cash Equivalent as at 1 st July 2024	30	5,158,895
Cash and Cash Equivalent as at 30th June 2025	30	1,759,908

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9 STATEMENT OF COMPARISON OF BUDGET VS ACTUAL AMOUNTS FOR YEAR ENDED 30TH JUNE 2025.


Receipts	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% of Realization
	A	B	C=(A+B)	D	E=(C-D)	F=D/C*100
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
County Own Source Revenue						
Cess	157,500,000	-	157,500,000	110,252,596	47,247,404	70
Land Rate	135,000,000	-	135,000,000	61,488,862	73,511,138	46
Single/Business Permits	123,000,000	-	123,000,000	86,598,873	36,401,127	70
Property Rent	36,500,000	-	36,500,000	26,374,108	10,125,892	72
Parking Fees	103,500,000	-	103,500,000	75,646,010	27,853,990	73
Market Fees	16,000,000	-	16,000,000	13,977,614	2,022,386	87
Advertising	30,000,000	-	30,000,000	18,965,405	11,034,595	63
Hospital Fees	602,500,000	-	602,500,000	695,623,383	(93,123,383)	115
Public Health Service Fees	22,100,000	-	22,100,000	11,598,116	10,501,884	52
Physical Planning and Development	64,000,000	-	64,000,000	25,029,624	38,970,376	39
Hire of County Assets	600,000	-	600,000	405,518	194,482	68
Conservancy Administration	40,000,000	-	40,000,000	18,553,987	21,446,013	46
Administration Control Fees and Charges	84,600,000	-	84,600,000	52,857,642	31,742,358	62
Sale of assets	10,000,000	-	10,000,000	6,093,492	3,906,508	61
Park Fees	17,600,000	-	17,600,000	17,729,958	(129,958)	101
Other Fines, Penalties, and Forfeiture Fees	2,000,000	-	2,000,000	413,484	1,586,516	21
Education fees	30,100,000	-	30,100,000	17,895,890	12,204,110	59
Total County Own Source Revenue	1,475,000,000	-	1,475,000,000	1,239,504,563	235,495,437	84
Total Other Receipts	-	-	-	-	-	-
Total Receipts	1,475,000,000	-	1,475,000,000	1,239,504,563	235,495,437	84

Reason for under/over realization

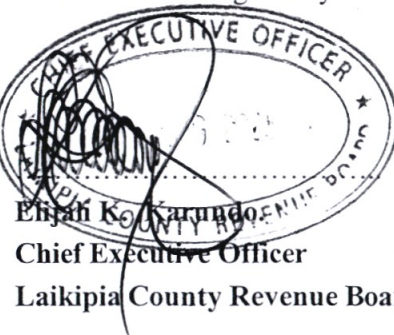
- (a) **Land Rate (46%)**: Delaying in updating property valuations roll and lack of updated land records.
- (b) **Property Rent (72%)**: Delays in lease renewals, underutilized assets, or non-payment by tenants.
- (c) **Hire of County Assets (68%)**: Poor asset management or lack of awareness among potential users.
- (d) **Administration Control Fees (62%)**: Inefficient collection systems or unclear fee structures.
- (e) **Physical Planning and Development (39%)**: Delays in approvals, low construction activity, or weak compliance.
- (f) **Market Fees (87%)**: Strong performance but may still fall short due to seasonal fluctuations or informal trading.
- (g) **Parking Fees (73%)**: Affected by limited parking infrastructure or evasion.
- (h) **Park Fees (101%)**: Near-target but impacted by weather and tourism trends...
- (i) **Education Fees (59%)**: Reflect low enrollment, fee waivers, or delayed payments
- (j) **Hospital Fees (115%)**: Over performance due to increased service uptake.
- (k) **Public Health Service Fees (52%)**: underutilization of service
- (l) **Proceeds from Sale of Assets (61%)**: low asset turnover.
- (m) **Cess (70%)**: weak enforcement at entry points or under-declaration of goods.

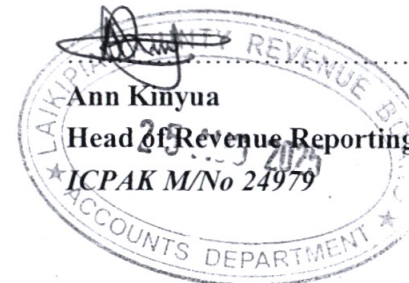
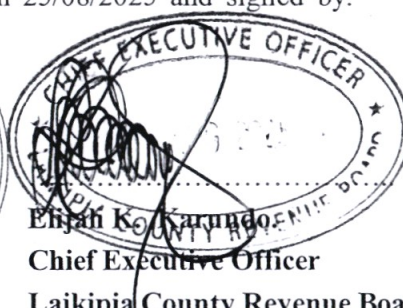
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The entity financial statements were approved on 25/08/2025 and signed by:


Daniel K. Ngumi
County Receiver of Revenue
ICPAK M/No 8207




Enjan K. Karundo
Chief Executive Officer
Laikipia County Revenue Board



10 NOTES TO THE FINANCIAL STATEMENTS

1. General Information

County Government of Laikipia Receiver of Revenue was appointed by the CEC member of Finance of Laikipia County Government in accordance with section 157 of the PFM Act. The Entity's principal activity is to collect, receive, and account for revenue on behalf of the County Government as outlined in the appointment letter and section 157 of the PFM Act.

2. Statement of Compliance and Basis of Preparation

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

These financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and IPSAS, taking advantage of the transitional provisions under IPSAS 33, First-time Adoption of Accrual Basis IPSASs. As these are the first-year transitional financial statements, the Entity has adopted the following elements:

- a. Recognition of revenue from exchange and non-exchange transactions in accordance with IPSAS 9, IPSAS 23, and other applicable standards.
- b. Recognition of receivables from land rates and county housing rent in accordance with IPSAS 29.
 - c. Presentation of cash and cash equivalents in accordance with IPSAS
2. The following elements have not yet been recognized:
 - d. Property, plant, and equipment, including heritage and infrastructure assets are not applicable to the Receiver of Revenue.
 - e. Other receivables outside land rates and county housing rent, pending verification and system integration.
 - f. Contingent assets and contingent liabilities as none are currently applicable.

The Entity is progressively implementing systems and controls to enable full IPSAS accrual compliance within the prescribed transition period.

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

The Financial statements were authorized for issue by the Accounting Officer on 20/08/2025

3. **Adoption of New and Revised Standards**

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

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

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

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p>Expected Impact</p> <p>The Receiver of Revenue does not anticipate a material impact upon adoption of IPSAS 43, as it currently holds no lease arrangements that would meet the recognition criteria under the new standard.</p>
IPSAS 44: Non-Current Assets Held for Sale and	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p>

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Standard	Effective date and impact:
Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value, less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>Expected Impact</p> <p>The Receiver of Revenue does not currently hold any non-current assets that meet the criteria for classification as held for sale, nor is it undertaking any discontinued operations. Therefore, no material impact is expected upon initial adoption. Additionally, receivable revenues recognized under accrual accounting do not fall within the scope of this standard. The Entity will, However, evaluate any future transactions to ensure compliance.</p>
IPSAS 45- Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>Expected Impact</p> <p>There is no expected material impact on the receiver of revenue, as the Receiver Revenue does not hold property, plant, and equipment, including infrastructure or heritage assets.</p>

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Standard	Effective date and impact:
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement base called the current operational value.</p> <p>Expected Impact</p> <p>This standard is expected to impact on the receiver of revenue in relation to revenue recognition and measurement. The clarified guidance will enhance the consistency and reliability of revenue measurement, especially where fair value or current operational value is applied (e.g., in-kind or non-cash revenue streams, fines, and penalties). The receiver of revenue reviewed and, where necessary, updated its revenue recognition practices to align with the new measurement framework.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial</p>

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Standard	Effective date and impact:
	<p>statements about nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>Expected Impact.</p> <p>Given the Receiver of Revenue’s core mandate to assess, collect, and account for county revenue, IPSAS 47 is expected to have a significant impact. The Entity will be required to review and align its revenue recognition policies across both exchange and non-exchange transactions to ensure consistency with the new standard. Enhanced disclosures on revenue streams, timing of recognition, and performance obligations will be necessary. Preparatory steps, including systems alignment and staff capacity-building, will be undertaken in advance of implementation.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>Expected Impact</p> <p>The Receiver of Revenue primarily collects and accounts for county revenue and does not currently undertake transfer expense transactions as a core function. As such, no material impact is expected upon adoption. However, the Entity will monitor future responsibilities or mandates that may fall within the scope of this standard to ensure full compliance.</p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

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Standard	Effective date and impact:
	<p>Expected Impact.</p> <p>The Receiver of Revenue does not operate or administer any retirement benefit plan directly. Retirement benefits for county staff are managed through national or county-level pension schemes outside the mandate of this Receiver of Revenue. As such, no direct impact is expected from the adoption of this standard. However, the entity will remain vigilant in case of future responsibilities that may require compliance.</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p>Expected Impact</p> <p>The Receiver of Revenue does not engage in or control any exploration or valuation of mineral resources, nor does it hold or recognize such assets in its financial statements. Consequently, the standard is not expected to have any material impact on the Entity's financial reporting. The Entity will, however, assess applicability in the event of future engagements involving minerals resource activities.</p>

iii) Early adoption of standards

The Entity has adopted the accrual method of reporting as per Accrual Basis of Accounting standards as per IPSASB requirement.

4. Significant Accounting Policies

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

i) Revenue from non-exchange transactions Fees, taxes, fines and charges

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

ii) Revenue from exchange transactions

iii) Rendering of services

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

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

iv) Budget

The County Revenue budget is developed on cash basis. The budget has the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by law. The original budget was approved by the County Assembly on 28th June 2024 for the period 1st July 2024 to 30 June 2025. There were no supplementary budgets passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

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

v) Cash and cash equivalents.

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

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vi) Revenue in Arrears

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

vii) Disbursements to CRF

The Receiver of Revenue has an arrangement for transfer of funds from its bank account to the CRF account. Total disbursements to the CRF are because of the transfer arrangement during the year. In accordance with the receiver of revenue disbursement policy, funds are swept daily from the Receiver's account to the CRF. Total disbursements to the CRF during the year reflect the cumulative effect of this daily fund transfer arrangement, ensuring timely availability of revenue for appropriation and county operations in line with the Public Finance Management (PFM) Act.

viii) Payables due to CRF

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

ix) Comparative Figures

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

x) Subsequent Events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the County Receiver of Revenue 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.

Estimates and assumptions.

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

Provisions

Provisions were raised and management determined an estimate based on the information available. There was no additional disclosure Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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NOTES TO THE FINANCIAL STATEMENTS

6. Cess.

Description	FY2024/25
	Kshs
Farm produce	24,779,621
Quarrying	54,751,424
Livestock	13,109,270
log cess	7,600
Slaughter fees	17,604,681
Total	110,252,596

7. Land rates

Description	FY2024/25
	Kshs
Land rates	82,859,869
Total	82,859,869

8. Single /Business Permits

Description	FY2024/25
	Kshs
Annual Business permit fees	83,537,951
Business permit penalties and interest	2,504,272
Business permit fees arrears	556,650
Total	86,598,873

9. Conservancy Administration

Description	FY2024/25
	Kshs
Garbage Dumping	18,518,807
Public Toilet	35,180
Total	18,553,987

10. Administration Control Fees and Charges.

Description	FY 2024-25
	Kshs
Weights and measures	1,049,802
Fire Services	5,613,760
Liquor licenses	26,889,061
Debt & Clearance Fee Certificate	1,220,400
Application Fees	6,404,976
Plot Transfer	2,274,858
Plot Sub division fees	8,765,180
Business Subletting/Transfer Fees	624,405
Miscellaneous Revenues	
Search fees	15,200
Total	52,857,642

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11. Other Fines, Penalties and Forfeitures

Description	FY2024/25
	Kshs
Impounding Fees	337,484
Court Fines	76,000
Total	413,484

12. Public Health Service Fees

Description	FY2024/25
	Kshs
Sanitation inspection for schools	212,515
Public health permit	10,920,291
Burial fees	465,310
Total	11,598,116

13. Physical Planning and Development

Description	FY2024/25
	Kshs
Buildings Inspection Fee	4,482,628
Building preparation fees	2,492,620
Building plans approval	14,797,200
Consent to charge	13,416
Survey Fees	25,000
Right-of-Way / Way-Leave Fee (KPLN, Telkom, etc.)	1,710,760
Hoarding fees	1,508,000
Total	25,029,624

14. Donations and Grants Not Received Through CRF

Description	FY2024/25
	Kshs
Donations	-
Grants	-
Total	-

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15. Parking Fees

Description	FY 2024-25
	Kshs
Street parking fees	23,489,504
Monthly toll/sticker fees	8,016,664
Reserved parking	2,910,609
Enclosed Bus Park fees	38,272,935
Clamping Fee	4,121,547
Total	76,811,259

16. Market Fees

Description	FY2024/25
	Kshs
Market entry fees	12,143,725
Market shop rents	1,833,889
Total	13,977,614

17. Property Rent.

Description	FY2024/25
	Kshs
County Housing	26,200,644
Total	26,200,644

18. Advertising.

Description	FY2024/25
	Kshs
Billboard advertising	18,197,787
Branding	767,618
Total	18,965,405

19. Hospital Fees.

Description	FY 2024-25
	Kshs
Level 5	
Nanyuki Teaching & Referral Hospital	310,778,201
Nyahururu Teaching &Referral Hospital	298,766,366
Level 4	
Rumuruti Hospital	12,743,802
Kimanzo Hospital	21,500
Ndindika Hospital	12,412,371
Doldol Hospital	1,417,929
Lamuria Hospital	3,131,492
Level 3	
Laikipia West	30,258,969
Laikipia East	15,083,282
Laikipia North	11,009,472
Total Amount	695,623,384

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20. Hire of County Assets.

Description	FY2024/25
	Kshs
Hire of County Stadium	149,000
Hire of County Halls	51,500
Library Services	205,018
Total	405,518

21. Sale of assets.

Description	FY2024/25
	Kshs
Receipts from Sale of Tender Document	2,789,249
Disposal and Sales of Non-Produced Assets	3,304,243
Total	6,093,492

22. Park Fees

Description	FY2024/25
	Kshs
Park entry fees	17,729,958
Total	17,729,958

23. Education fees

Description	FY2024/25
	Kshs
Marmanet Vocational Training Centre	11,380,775
Muhotetu Vocational Training Centre	4,257,754
Nanyuki Vocational Training Centre	1,083,388
Nyahururu Vocational Training Centre	85,000
Rumuruti Vocational Training Centre	407,444
Salama Vocational Training Centre	77,525
Tigithi Vocational Training Centre	44,694
Wiyumiririe Vocational Training Centre	559,310
Total	17,895,890

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24. Disbursements to CRF

Description	FY2024/25
	Kshs
Quarter 1	86,280,599
Quarter 2	72,172,441
Quarter 3	207,329,584
Quarter 4	176,414,585
Total	542,197,209

The disbursement excludes a cash & cash equivalent at the beginning of Kshs 2,270,000 which has been included in cash flow statement.

25. Disbursements To Health Facilities (FIF collections)

Description	FY2024/25
	Kshs
Level 5	
Nanyuki Teaching & Referral Hospital	310,778,201
Nyahururu Teaching & Referral Hospital	298,766,366
Level 4	
Rumuruti Hospital	12,743,802
Kimanzo Hospital	21,500
Ndindika Hospital	11,924,924
Doldol Hospital	1,417,929
Lamuria hospital	3,131,492
Level 3	
Laikipia West	30,258,969
Laikipia East	15,083,282
Laikipia North	11,009,472
Total Amount	695,135,937

The total hospital revenue collected was Kshs 695,623,383, an amount of kshs 487,447 went through the CRF and Kshs 695,135,937 was swept to F.I.F

26. Bank Charges

Description	FY2024/25
	Kshs
Bank Charges & commissions	411,510
Total	411,510

27. Waivers and Exemptions

Description	FY2024/25
	Kshs
Penalties	-
Interest	-
Total	-

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28. Bad debts written off.

Description	FY2024/25
	Kshs
Penalties	-
Interest	-
Total	-

29. Provision for bad debts

Description	FY2024/25
	Kshs
Provision for bad debts.	-
Total	-

30. Cash and Cash Equivalents

Name of Bank, Account No. & currency	FY2024/25	Period Ended June 2024
	Kshs	Kshs
Co-operative A/c No.01141366378700	828,017	2,258,079
Family Bank A/c 064000063932	-	412
Cooperative A/C No.01129369599800	936	3,929
Cooperative A/C No.01129368995000	-	(440)
Cooperative A/C No.01129369635000	279,839	434
Cooperative A/C No. 01129369634800	338,254	6,868
Cooperative A/C No. 01129369622000	300,887	225
Cooperative A/C No. 01129369599900	-	(702)
Cooperative A/C No. 01129369621700	2,444	233
Cooperative A/C No. 01129369602100	2,524	574
Cooperative A/C No. 01129368995100	695	519
Cooperative A/C No. 01129369600000	6,311	281
K.C.B A/C No.1275712657	-	61,965
K.C.B A/C No.1235093808	-	4,171
K.C.B A/C No.1198115610	-	204,833
K.C.B A/C No.1198224266	-	2,606,358
K.C.B A/C No.1235093948	-	5,261
K.C.B A/C No.1261696778	-	885
Family A/C No.023000027049	-	5,010
Total	1,759,907	5,158,895

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31. Receivables for non-exchange transactions

Description	FY2024/25	Statement 1 st July 2024
	Kshs	Kshs
Receivables		
Land Rate for the year	729,036,257	707,603,502
Sub total	729,036,257	707,603,502
Total Current Receivables	729,036,257	707,603,502

Ageing analysis for Receivables from Non-exchange transactions

Description	FY2024/25		Opening Statement 1 st July 2024	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	145,807,251	20	-	-
Between 1- 2 years	218,710,877	30	212,281,051	30
Between 2-3 years	364,518,129	50	495,322,451	70
Total (a+b)	729,036,257	100	707,603,502	100

Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Impairment allowance provision	FY2024/25
	Kshs
At the beginning of the period	-
Additional provisions during the period	-
Recovered during the period	-
Written off during the period	-
At the end of the period	-

32. Receivables from exchange transactions

Description	FY2024/25	Opening Statement 1 st July 2024
	Kshs	Kshs
Total receivables		
Property Rent for the period	12,877,214	11,947,177
Less: impairment allowance	-	-
Total receivables	12,877,214	11,947,177

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Ageing analysis for total receivables in exchange transactions

Description	FY2024/25	% of the total	Opening Statement 1st July 2024	% of the total
			Kshs	
Less than 1 year	5,408,430	42	3,942,568	33
Between 1- 2 years	3,863,164	30	3,584,153	30
Between 2-3 years	3,605,620	28	3,225,738	27
Over 3 years	-	-	1,194,718	10
Total (a+b)	12,877,214	100	11,947,177	100

Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/ provision	FY2024/25
At the beginning of the year/period	-
Additional provisions during the period	-
Recovered during the period	-
Written off during the period	-
At the end of the period	-

33. Payables- Due to CRF

Payables	FY2024/25
	Kshs
Amount collected yet to be disbursed to CRF	1,759,907
Amount billed and yet to be collected for disbursement to CRF	741,913,471
Total undisbursed funds to CRF	743,673,378

Movement Disclosure on Dues to CRF

Description	Amount
	Kshs
Opening Dues to CRF	2,270,000
Decrease in Dues to CRF	(510,092)
Closing Dues to CRF	1,759,907

12. APPENDICES

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

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

Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe:
FY 2022/2023.				
1	Long Outstanding Arrears of Revenue	Management acknowledges the concern raised regarding the arrears of revenue totaling Kshs. 604,095,325. Management remains committed to strengthening revenue collection processes and ensuring that all necessary documentation is readily available for future audits	Resolved	2024/25
2	Unsupported Land Rates	The management acknowledges the issue raised regarding the unsupported land rate collections totaling Kshs. 74,410,569. Management is committed to ensuring accurate and transparent revenue reporting and minimizing revenue shortfalls through the implementation of the updated valuation roll. The county is in the process of finalizing a harmonized valuation roll to ensure	Resolved	2024/2025

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Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe:
		accurate assessment and collection of property rates.		
	Budgetary Control and Performance	Management remains committed to minimizing disruptions and achieving revenue targets to ensure the successful implementation of planned activities and improved service delivery to the public. The under-collection of Kshs. 304,746,350 (23%) was primarily attributed to electioneering period as the collection activities were disrupted during the highly demanding political period, leading to lower-than-expected collections. To mitigate this and enhance revenue performance moving forward the following strategies have been adopted.	Resolved	2024/25
FY 2021/2022.				

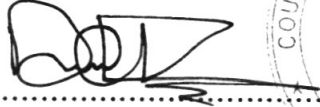
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 County Government of Laikipia
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Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe:
1	Land Rates Waiver	Management recognizes the importance of adhering to statutory requirements, including gazettement. Moving forward, measures have been taken to ensure compliance with legal provisions to avoid such lapses. A follow-up process was undertaken to formalize the waiver through gazettement, ensuring alignment with the law. Following the County Assembly's approval of the 100% waiver motion on 27th April 2023, received by the CEC Finance on 3rd May 2023, the waiver was publicized through alternative means starting with the placement of billboard banners in Nanyuki and Nyahururu towns. There were also flyers distributed to Laikipia County citizens to ensure wide public awareness	Resolved	2024/25
2	Failure to Transfer Revenue Collected to	Management remains committed to complying with all statutory requirements and improving the efficiency of revenue	Resolved	2024/25

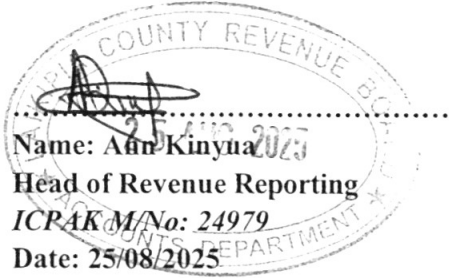
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Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe:
	the County Revenue Fund	transfers to the CRF. The delay in transferring the funds was primarily due to the bank's sweeping schedule, which involved transferring funds once every week. Unfortunately, the schedule did not align with the financial year-end cut-off		
4.	Failure to Set Up a Data Backup Server for the Laikipia Revenue Management System	Management is committed to ensuring the integrity, availability, and resilience of the revenue management system. These measures will mitigate risks and support seamless operations even in the face of technical challenges. To address this the Board has established a backup server on a secure cloud-based platform. This solution offers key advantages, including scalability, enhanced security, and accessibility, ensuring that critical data is safeguarded and can be swiftly restored in the event of unforeseen incidents.	Resolved	2024/25

*Receiver of Revenue
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.....
Name: Daniel Ngumi
County Receiver of Revenue
ICPAK M/No 8207
Date: 25/08/2025



.....
Name: Ann Kinyua
Head of Revenue Reporting
ICPAK M/No: 24979
Date: 25/08/2025

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

Classification of Receipts	Balance as at the beginning of the current year (1 st July 2024)	Arrears received during the Period.	Additions in arrears for the current Period to June 30, 2025	Total arrears as at June 30, 2025	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Land rate	707,603,502	10,751,616	32,184,371	729,036,257	Issued of demand notice & Invoices	
Property Rent	11,947,177	5,145,150	6,075,187	12,877,214		
Total Arrears	719,550,679	15,896,766	38,259,558	741,913,471		



Name: Daniel Ngumi
County Receiver of Revenue
ICPAK M/No 8207
Date: 25/08/2025




Name: Ann Kinyua
Head of Revenue Reporting
ICPAK M/No: 24979
Date: 25/08/2025

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Appendix 3: Ageing Analysis of Revenue in Arrears

Description	Less than	Between	Between	Over 3 years	Total
	1 year	1-2 years	2-3 years		
Land rate	21,432,755	-	707,603,502	-	729,036,257
Property rent	930,037	-	11,947,177	-	12,877,214
Total	22,362,792	-	719,550,679	-	741,913,471

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

S/No	Name of person / organisation benefitting from waiver/ variation	Year in which waiver/ variation relates	Amount of variation/ waiver (fee or charge)	Reasons for waiver/ variation	The law in terms of which the variation/waiver was granted
1	-	-	-	-	-
2	-	-	-	-	-
3	-	-	-	-	-

During the FY 2024/25 there was ~~no~~ waiver granted.




Name: Daniel Ngumi
 County Receiver of Revenue
 Date: 25/08/2025



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