

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

PAPERS LAID	
DATE	16/04/2024
TABLED BY	MAJORITY LEADER
COMMITTEE	FINANCE & BUDGET
CLERK AT THE TABLE	C'CHEROP

THE AUDITOR-GENERAL

ON

**LAIKIPIA COUNTY REVENUE
BOARD**

**FOR THE YEAR ENDED
30 JUNE, 2023**



OFFICE OF THE AUDITOR GENERAL
UPPER EASTERN REGIONAL OFFICE - ISIOLO
14 DEC 2023
RECEIVED
P. O. Box 1027 - 60300, ISIOLO



LAIKIPIA COUNTY REVENUE BOARD

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2023**

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

OFFICE OF THE AUDITOR GENERAL
THE EASTERN REGIONAL OFFICE

RECEIVED
11/15/2011

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

Table of Content

1. ACRONYMS AND GLOSSARY OF TERMS	iii
2. KEY ENTITY INFORMATION AND MANAGEMENT	iv
3. BOARD MEMBERS	ix
4. Management Team	xi
5. BOARD CHAIRPERSON'S REPORT	xiii
6. REPORT OF THE FUND ADMINISTRATOR	xiv
7. STATEMENT OF PERFORMANCE AGAINST THE COUNTY FUND'S PREDETERMINED OBJECTIVES	xvi
8. CORPORATE GOVERNANCE STATEMENT	xviii
9. MANAGEMENT DISCUSSION AND ANALYSIS	xx
10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING	xxiv
11. Report of The Board	xxvi
12. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES	xxvii
13. REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS FOR LAIKIPIA COUNTY REVENUE BOARD	xxviii
14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 TH JUNE 2023	1
15. STATEMENT OF FINANCIAL POSITION AS AT 30 TH JUNE 2023	2
16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 TH JUNE 2023	3
17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 TH JUNE 2023	4
18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD THAT ENDED JUNE 30 TH , 2023	5
19. NOTES TO THE FINANCIAL STATEMENTS	7
20. ANNEXES	27

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

1. ACRONYMS AND GLOSSARY OF TERMS

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
CECM	County Executive Committee Member
OSR	Own Source Revenue
USSD	Unstructured Supplementary Service Data
SRC	Salaries and Remuneration Commission
FY	Financial Year
CSR	Corporate Social Responsibility

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility.
Comparative FY	Comparative Prior Year

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

2. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Laikipia County Revenue Board was established and derives its authority and accountability from Laikipia County Revenue Board ACT 2014 enacted on 19th June 2014. The Revenue Board is wholly owned by the County Government of Laikipia which is one of the 47 Counties in the Republic of Kenya.

The Laikipia County Revenue Board is responsible for; collecting and receiving all county revenue; administering and enforcing county laws related to revenue; assessing, collecting and accounting for all revenue in accordance with the county laws related to revenue; advising the County Executive Committee Member on all matters related to administration and collection of revenue under county laws and carrying out other roles necessary for the implementation of the objects and purpose of the Laikipia County Revenue Board Act, 2014.

The Board comprises of the Chairperson, the Chief Executive Officer, five members and the Chief Officer Finance.

The day-to-day management of the Board is the responsibility of the Chief Executive officer.

b) Principal Activities

The principal activity/mission/mandate of the Fund is to collect and receive all county revenues, administration and enforcement of Finance Act, advising the County Executive Committee on all matters related to tax administration under the county laws and carrying out such other roles necessary for the implementation of the objects and purpose of the Revenue Board Act, 2014, in order to promote sustainable socio-economic development and good governance in order to achieve county development goals.

The Board's Mission, Vision and Mandates are:

OUR VISION. MISSION. MANDATE. CORE VALUES

VISION

To be the leading Revenue Board in the country that fosters strong relationships among stakeholders

MISSION

To collect revenue in the most transparent, efficient, innovative and sustainable way.

MANDATE

Assessing, collecting and accounting for all revenue in accordance with the county laws related to revenue and advising the County Executive Committee on all matters related to administration and collection of revenue under county laws.

Core Values

ETHICAL

TIMELINESS

FAIRNESS

INTERGRITY

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

**LAIKIPIA COUNTY
REVENUE BOARD**



**TULIPE USHURU TUJENGE
LAIKIPIA PAMOJA**

Our Sustainability



**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

c) Board Members

Ref	Name	Position
1	Macharia Gakiri	Chairperson
2	Elijah Kamunya	Chief Executive Officer
3	Daniel Ngumi	Chief Officer Finance
4	Jennifer Koinante	Member
5	Samuel Wambugu	Member
6	Elizabeth Paraiton	Member
7	Alice Wanjiru	Member
8	Francis Munyiri	Member

d) Key Management Team

Ref	Name	Position
1	Elijah Kamunya	Chief Executive Officer
2	Anne Kinyua	Head of Accounts Controller
3	Charles Githinji	Head of ICT
4	John Ndungu	Head of Compliance and Monitoring
5	Grace Muchiri	Revenue Administrator
6	Eunice Gacheba	Head of Human Resource

e) Fiduciary Oversight Arrangements

Ref	Position	Title
1	Directorate Internal Audit	Head of Internal Audit
2	County Assembly of Laikipia	Clerk to County Assembly
3	Office of the Controller of Budget.	Controller of Budget
4	Office of the Auditor-General	Auditor-General

f) Registered Offices

P.O. Box 1271-10400,
LCRB Offices,
Annex County Government of Laikipia Offices,
Nanyuki, Kenya.

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

g) Fund Contacts

Telephone: (+254) 757701850
E-mail: lcrb@laikipia.go.ke
Website: www.laikipiarevenue.co.ke
P.O. Box 1271-10400, Nanyuki.
County Government of Laikipia.

h) Fund Bankers

1. Co-operative Bank,
P.O. box 1463-10400,
Nanyuki, Kenya.

i) Independent Auditors

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

j) Principal Legal Adviser





The Attorney General,
State Law Office,
Harambee Avenue,
P.O. Box 40112,
City Square 00200,
Nairobi, Kenya.

k) County Attorney





P.O. Box 1271 – 10400,
Interim County Headquarter Building,
Kenyatta Avenue,
Nanyuki, Kenya.

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

3. BOARD MEMBERS





Name	Details of qualifications and experience
<p>1. Macharia Gakiri</p> 	<p>He has a BSc. in Agriculture Business at Kenya Methodist University, Certificate in Environmental hygiene- meat inspection at Kenya Meat Institute and Certificate in Animal Health.</p> <p>He has over 37-years work experience at Equity Bank as the Business Relationship Manager, Senior livestock officer at Nyahururu Division Vet Department and Meat inspector/ Animal Health Assistant.</p> <p>He is currently the Chairperson of Laikipia County Revenue Board.</p>
<p>2. Alice Wanjiru</p> 	<p>Born in the year 1976. She has in country training program on strengthening the capacity of grassroot women for wealth creation and socio-economic development from JKUAT.</p> <p>She has worked as a Supervisor at location level in household economic empowerment program (HEEP) by County Government of Laikipia.</p> <p>She is currently a board member of Laikipia County Revenue Board.</p>
<p>3. Samuel Wambugu</p> 	<p>Born in the year 1978. He holds a masters in development studies and is a PHD student.</p> <p>He is a Certified human resource with 20 years' experience in different fields.</p> <p>Currently, is the chairperson in operation sub county committee and also chair person welfare of the revenue board</p>
<p>4. Elizabeth Paraiton Lourokeek</p> 	<p>Born 1977. Has a Diploma in Computer applications and short courses in Leadership and governance. Was the former Nominated MCA and community Liaison Officer in Samburu Women Trust.</p> <p>Currently, she is a member of the Laikipia County Revenue Board.</p>

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**



<p>5. Jennifer Koinante</p> 	<p>She holds a B.Ed Degree, Degree in HIV/AIDS guidance and counselling and Diploma in Early childhood education. She is an expert in conflict management and preventive diplomacy, forest, governance, human rights Education and Advocacy.</p> <p>She currently serves as a member in the revenue board.</p>
<p>6. Francis Munyiri</p> 	<p>Born in the year 1975. He holds a Certificate in food production from Kenya Hotel Institute and Ala carte cookery course from Utalii College.</p> <p>He has experience as a chef at Safari Land Club, supervisor and chef at Lewa. He is also a business man and a famer.</p> <p>He is currently a member of the Board at Laikipia County Revenue Board.</p>
<p>7. Daniel Ngumi</p> 	<p>He holds a Bachelor's Degree in Economics and Public Administration and Master's Degree in Accounting and Finance. He is also a CPA(K).</p> <p>He has previously worked with National Treasury for six years in various Departments as Chief Accountant; Has also worked with County Government of Laikipia as Head of County Treasury Accounting and County Government of Kiambu as Director of Finance.</p> <p>He currently serves as the Chief Officer Finance and County Treasury.</p>
<p>8. Elijah Kamunya</p> 	<p>Born in the year 1975. He holds a Master's in Business Administration (Finance & Strategic Management) from the university of Nairobi, Bachelor of Commerce (Accounting) from the University of Nairobi and is also a Certified Public Accountant.</p> <p>He has over 20 years' working experience in Financial administration, Audit and Compliance both in private and public sector.</p> <p>He is Currently the Chief Executive Officer, Laikipia County Revenue Board and the secretary to the Board.</p>

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

4. Management Team

Name	Details of qualifications and experience
<p>1. Elijah Kamunya</p> 	<p>Born in the year 1975. Masters in Business Administration (Finance & Strategic Management) in the university of Nairobi, Bachelor of Commerce (Accounting) in the University of Nairobi and a Certified Public Accountant.</p> <p>He has over 20 years' working experience in Financial administration, Audit and Compliance both in private and public sector.</p> <p>He is Currently the Chief Executive Officer Laikipia County Revenue Board.</p>
<p>2. Ann Kinyua</p> 	<p>Born in the year 1982. She holds a degree in Bachelor of Commerce (Finance Option) from Kenyatta University. She is also a Certified Public Accountant Finalist.</p> <p>She has worked in County Government of Laikipia as an Accountant in different fields and departments like Agriculture, Administration, Education and Finance.</p> <p>She currently serves as the accounts controller in the Revenue Board.</p>
<p>3. Eunice Gacheba</p> 	<p>Born in 1995. She has a Diploma in Human Resource Management at Nyeri National Polytechnic with over five years' experience working as Human Resource officer in the Revenue Board, Laikipia County Government.</p>
<p>4. Grace Muchiri</p> 	<p>She has a Bachelor's of Business Administration (Human Resource option) from Kimathi University, Diploma in Management from Kenya Institute of Management. She also has an Advanced certificate course in Business Management. She has 25 years' experience in the public sector.</p> <p>She is currently the revenue administrator.</p>

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

<p>5. John Ndungu</p> 	<p>Born in the year 1983. He has a B.Sc. In Community development from Egerton University. He also has a Diploma in Human Resource Management with 6 years' working experience as senior management in private sector.</p> <p>He is the head of monitoring and evaluation program in Laikipia County Revenue Board.</p>
<p>6. Charles Githinji</p> 	<p>Born 1995. Bachelor of Science in Mathematics and Computer science from Kirinyaga University. He has vast knowledge and experience in System Administration, Network Infrastructure and Cyber Security.</p> <p>He has worked with ICT Authority as an ICT officer and Laikipia County revenue board as the ICT support.</p> <p>He serves as the Head of ICT in Laikipia County Revenue Board.</p>

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

5. BOARD CHAIRPERSON'S REPORT

The Laikipia County Revenue Board is charged with the responsibility of collecting, recovering and accounting for all county OSR and administering county laws relating to revenues. The future outlook of the Laikipia County Revenue Board is to enhance locally generated revenue and enhance effectiveness and efficiency in revenue administration, development of appropriate levies and fees architecture and facilitate civil education to the revenue payers on revenue matters.

There are activities that have been carried out like Purchase and maintenance of weighbridge, renovation of buildings, improvement and maintenance of revenue collection system and internet connectivity, USSD, support of revenue collection system, data backup, purchase of laptops, point of sale devices and mobile phones research and feasibility.

The Laikipia Revenue Board has improved its own source revenue and this has been largely attributed to facilitation by the county treasury through transfer of funds. The board was allocated a total of Kshs 46,600,00 and an addition of Kshs 20,000,000 during the supplementary allocation adding up to Kshs 66,600,000.

On behalf of the Laikipia County Revenue Board members, I would like to express our sincere gratitude to H.E Joshua Irungu Wakahora and the CECM Finance for their unwavering support to the board to discharge its duties. The board is determined to keep the revenue trajectory up by a solid and remarkable rise in order to ensure a positive revenue growth.

Name MACHARIA GAKIRI Signature  Date 15/09/23
Chairperson of the Board

(Circular stamp: THE CHAIRPERSON)

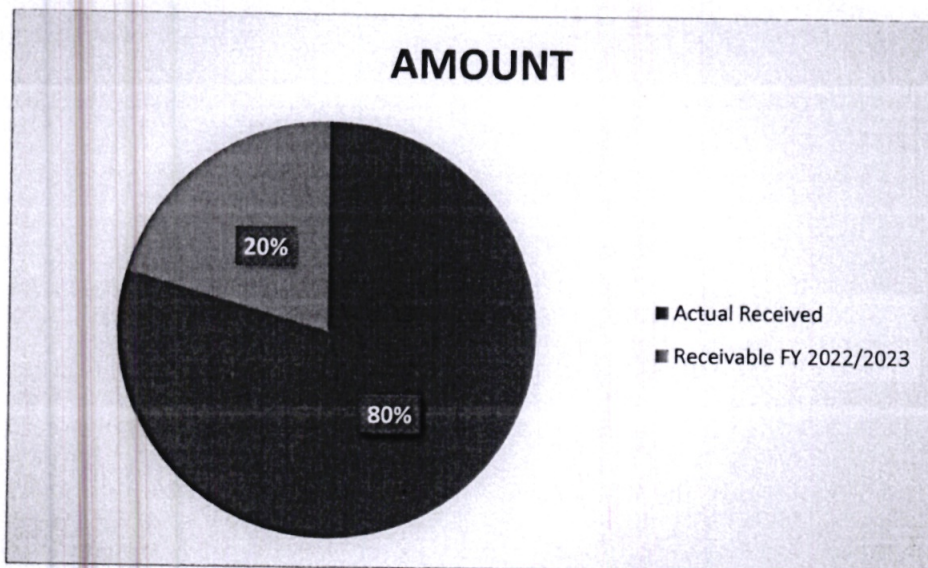
**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

6. REPORT OF THE FUND ADMINISTRATOR

It is my pleasure to present the Laikipia County Revenue Board Financial Statements for the year ended 30th June 2023. These Financial Statements have been prepared in line with The PFM Act 2012 and are in line with the format prescribed by The Public Sector Accounting Standards Board. Section 164 (4) of The PFM Act requires that these statements be submitted to The Auditor General and copies be submitted to The National Treasury, Office of the Controller of Budget and The Commission of Revenue Allocation within 3 months after end of each financial year.

During the Financial Year 2022/2023 Laikipia County Revenue Board was allocated a budget of Kshs. 66,600,000 and received a total of Kshs 53,002,240 as exchequer transfers as depicted below;

TRANSFER FROM COUNTY EXECUTIVE	AMOUNT
Actual Received	53,002,240
Receivable FY 2022/2023	13,597,760



The Laikipia County Revenue Board is Committed to improve revenue collection, ensure effectiveness, efficiency and transparency in revenue administration. This is realized through collaboration with the County Executive funding which has enabled revenue mobilization, public awareness on revenue collection, revenue collection resources management, board management, provision of network infrastructure and connectivity among others.

The Board faced strategic objective challenges like Loss of revenue and poor revenue management, inadequate county budget and inadequate policy documents. There were mitigation

Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023

measures applied to cope with the challenges like regular consultative meetings, prompt exchequer transfers from finance department and participatory formulation and implementation of annual finance Acts and other related laws.

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

**7. STATEMENT OF PERFORMANCE AGAINST THE COUNTY FUND'S
PREDETERMINED OBJECTIVES**

The objectives of revenue board are to enhance effectiveness and efficiency in revenue collection services, effective and efficiency in revenue collection processes and seamless reporting of various revenue streams and enhanced locally generated revenue.

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

The key development objectives of the Fund as per the strategic plan for 2023-2024 are to:

- a) To enhance locally generated revenue (OSR)
- b) To enhance effectiveness and efficiency in revenue administration
- c) To develop appropriate levies and fees architecture
- d) Human resource development
- e) Facilitate Civil education to revenue payers on revenue matters

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Revenue Collection Services	Amount of Revenue collected	Meeting the revenue target (1.127billion)	Amount of revenue collected	997 million was collected within the FY 2022/2023 which was 11% increase from the last financial year.
Revenue Management Service	Strategic intervention undertaken	Improved revenue management service	Strategic intervention undertaken	Developed Laikipia Pay revenue system. an application-based revenue collection system

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

				used by all personnel from revenue collectors to revenue managers in collection management and reporting of revenue collection
Revenue management infrastructure services	Improvement in revenue infrastructure	Improved revenue collection system	No of revenue facilities constructed and no of automated revenue streams.	All revenue streams have been automated and revenue collected in a cashless form.

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

8. CORPORATE GOVERNANCE STATEMENT

Laikipia County Revenue Board consist of a Chairperson, five members, Chief Executive Officer who is an *ex officio* member and secretary to the board and the Chief Officer responsible for finance. During FY 2022/2023 there were changes in the board where the term of the previous board members elapsed and the new board members were appointed and joined from 8th March, 2023. The Board Members are appointed from diverse fields in private, government and academic sectors that provide contemporary expertise and depth of experience to the board. Removal of board of trustee can be through resignation, or be removed from office by the CECM if;

- i. The member is absent from three consecutive meetings of the board without permission of the chairperson
- ii. Convicted of criminal offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding Ksh 10,000
- iii. Convicted of an offence involving dishonesty or fraud
- iv. Bankrupt or enters into a composition scheme of arrangements with the creditors
- v. Incapacitated by prolonged physical or mental illness
- vi. Fails to comply with the provisions of the Act relating to disclosure.

The Board under the general supervision of CECM is responsible for;

- i. collecting and receiving all the county revenue,
- ii. administering and enforcing county laws related to revenue,
- iii. assessing, collecting and accounting for all revenue in accordance with the county laws related to revenue,
- iv. advising the County Executive Committee on matters related to administration and collection of revenue under county laws, and
- v. administration and collection of revenue under county laws.

If a member is directly or indirectly interested in any contract, that member should disclose the fact and should not take part in the consideration or discussion of or vote on any questions with respect to the contract or on other matter, or be counted in the quorum of the meeting during consideration of the matter.

The board should carry out its function in manner that upholds the following values;

- i. Human dignity

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

- ii. Rule of law
- iii. Non-discrimination
- iv. Transparency
- v. Fairness
- vi. Justice
- vii. Equality and Equity

The board members are entitled to a taxable sitting allowance of Ksh 10,000 per sitting, accommodation allowance in accordance with the SRC guidelines, accident insurance and medical cover.

The Laikipia County Revenue Board held three board meetings and three special board meetings. The meetings are chaired by the chairperson with Chief Executive Officer as the secretary of the board. The board meetings are structured to allow sufficient time consideration of the matters to be discussed ahead of the sitting with the agendas well spent. During the financial year, the board did not attend any induction or training.

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

9. MANAGEMENT DISCUSSION AND ANALYSIS

Financial performance

The Board takes this opportunity to present the annual Report and Financial Statement of the period ended 30th June, 2023. Over the last twelve months, Laikipia County Revenue Board has received receipts totaling to Ksh. 53,002,240.

Operations Performance

Laikipia County Revenue Board has improved its own source revenue from Kshs 333 million to Kshs 997 million over the past ten years, which represents a 299% growth. This has been largely attributed to; automation of revenue collection processes, mapping and monitoring of revenue sources and implementation of cashless mode of payment.

In effort to widen the revenue base, the Laikipia County Revenue Board was able to bring on board various stakeholders undertaking the booming business of Air B 'n' B.

Financial Highlights

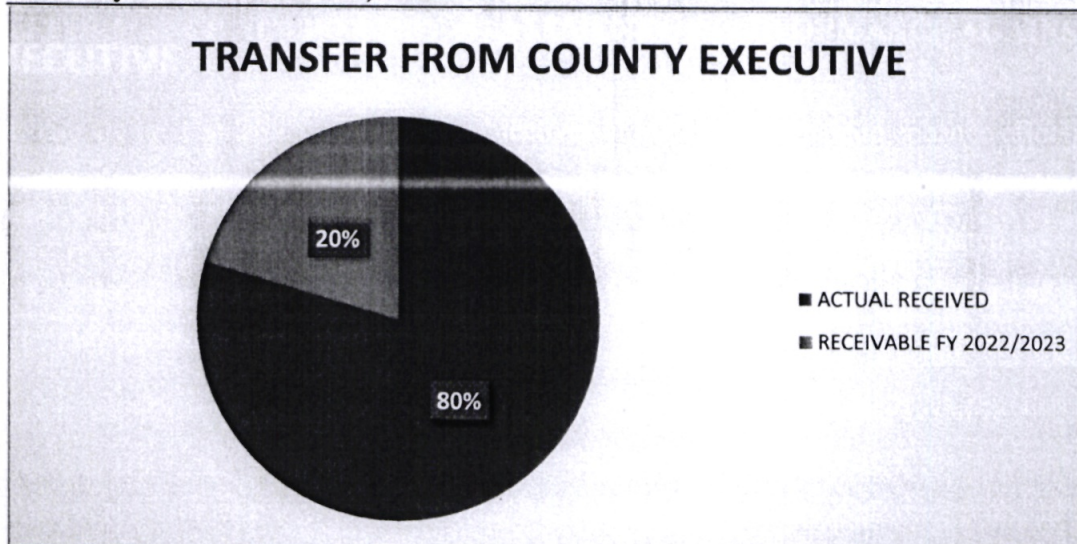
The Board is established under an Act of the County Assembly of 2014 and operates its own day to day affairs under the CEO guided by the Board members. The budget of the Board is approved by the Board after allocation by the executive and consequently approval by the County Assembly of Laikipia

Summary of Financial Results Against Budget

The Board originally budgeted its activities against a budget of Kshs 66,600,000. During the period ended 30th June, 2023 the Board received Ksh. 53,002,240 which represents 80% of the receipts against the original budget as depicted in fig 1 below;

TRANSFER FROM COUNTY EXECUTIVE	AMOUNT
Actual Received	53,002,240
Receivable FY 2022/2023	13,597,760

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**



Budgets Against Actual Disbursement

Cash flow receipts in the period amounted to Kshs 53,002,240 which was 80% against the approved budget indicating an under- absorption due to pending transfers from County Executive.

Receipts

The Board is supported by the County Government by way of transfers for operational use. During the period the County Treasury transferred Kshs 53,002,240.

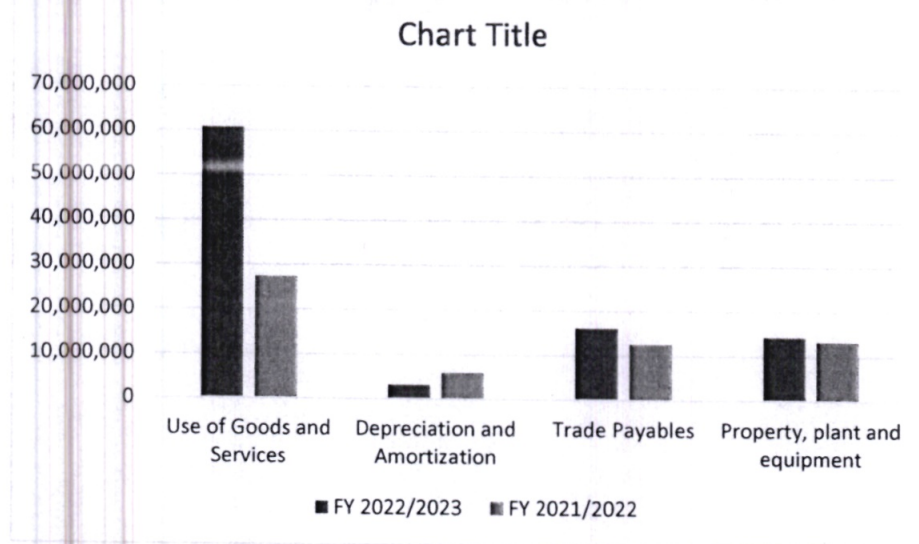
Expenditures

Use of goods and services formed a large part of the administration expenses followed by staff operation expenses which was geared toward ensuring the Board is able to meet its mandate.

The table below shows the expenditure comparison between FY 2021/2022 and 2022/2023.

Description	FY 2022/2023	FY 2021/2022
Use of Goods and Services	60,665,591	27,278,600
Depreciation and Amortization	3,219,452	5,924,226
Trade Payables	16,192,555	12,549,476
Property, plant and equipment	14,320,820	13,196,481

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**



Material arrears in Statutory and other financial obligations

There are no material arrears in statutory and other financial obligations as the board members are deducted Pay as You Earn (PAYE) from the board sitting allowances and the entity files and remits the tax. There is deduction of 2% withholding tax from suppliers' payments and paid to the KRA. The entity prepares financial statements and reports and submits them to the county treasury.

Major risk facing the Board

i) Risk of growth in pending bill

The Entity was supposed to receive a total of Kshs, 66,600,000 of which it received kshs 53,002,240 hence not all suppliers were paid and thus creating more pending bills unless the amount not received in the current period is received in the subsequent period.

ii) Risk of loss of data

There were technical risks whereby machines failed to work and thus there was loss of data and people were required to redo the work.

iii) Risk of shortfall or loss of revenue

High cost of living and drought affected the entity whereby the citizens who are supposed to pay revenue are avoiding it. e.g., some shops are closing down.

Key projects and investments decisions

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

There has been a development of a new revenue system called the Laikipia Pay. When fully developed, there will be better tracking of revenue generated and sealing of loop holes and generation of revenue reports will be enhanced.

Financial Improbability and key Governance

There were no cases of financial improbity in the Laikipia County Revenue Board.

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

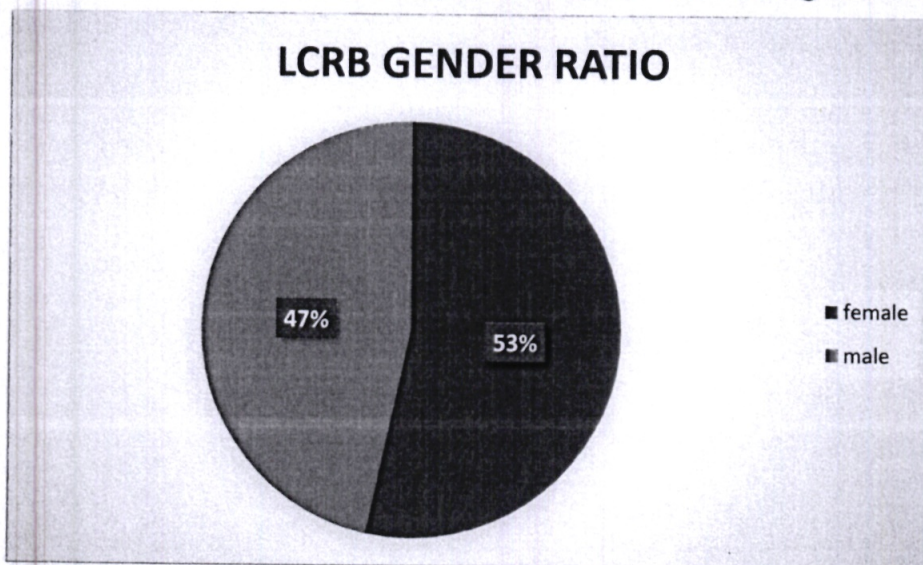
10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

There had a number of activities carried out in the year that had an impact to the society. Laikipia County Revenue Board promoted businesses by involving suppliers in their day to day activities. Since the board requires item to use in its operations like stationery, laptops, furniture, etc., it requested the traders to supply items. There was training for ward receivers and revenue collectors on how to carry out their work and how to treat customers who are paying their taxes.

1. Employee welfare

Hiring of the Laikipia County Revenue Board officers is done through advertisement and it takes into consideration the gender ratio. There are one hundred and twenty-four (124) male which is 47% and one hundred and forty-two female (142) which is 53%. Trainings are offered to improve skills and manage careers.

The pie chart below shows the Laikipia County Revenue Board gender ratio.



2. Market place practices-

- a) **Responsible competition practice-** the board ensures that the citizens are treated with respect and the amount they are supposed to pay is the amount stated in the finance Act.
- b) **Responsible Supply chain and supplier relations-** Laikipia County Revenue board treats its own suppliers responsibly by honouring contracts and making payments on time.

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

- c) **Responsible marketing and advertisement-** The Laikipia County Revenue Board carries out marketing and advertisement using Bill Boards; Social Media like Twitter, Facebook, Instagram and Tiktok; Print media; TV and Radio broadcast.
- d) **Product stewardship-** The board has the Act that guides how the revenue officers should treat people paying the taxes.

3. Community Engagements

To create awareness on revenue matters, the board organises public events to inform the citizens on revenue obligations and what the revenue collected translates to County Developments.

Every year, the board reviews the Finance Act and in doing so, the board considers various sectors so as to harmonize the fees and charges to ensure fair consideration to all sectors.

The revenue collected translates to various developments of the county in terms of construction, equipped and expanded health facilities, provision of water for production, innovation, job creation among others.

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

11. Report of The Board

The Board submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the Board affairs.

Principal activities

The principal activities of the Board are to collect and receive revenue on behalf of Laikipia County Government.

Results

The results of the Board for the year ended June 30th, 2023 are set out on page 1-6.

Trustees

The members of the Board of Members who served during the year are shown on page vii. The changes in the Board during the financial year are as shown below:

S/NO	DESIGNATION	PREVIOUS	CURRENT
1	Chairperson	Alice Kimemia	Macharia Gakiri
2	Chief Executive Officer	Prudence Waithera	Elijah Kamunya
3	Chief Officer Finance	Paul Njenga	Danie Ngumi
4	Board Member	Francis Mathenge Stella Kaparo Eunice Wangari	Francis Munyiri Alice Wanjiru Jennifer Koinante Elizabeth Paraiton Samuel Wambugu

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

Chair of the Board

Date:

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

12. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by the Chief Executive Officer of Laikipia County Revenue Board shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2023. 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 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 Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Laikipia County Revenue Board Act, 2014. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2023, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Board on 21st NOV 2023 and signed on its behalf by:



**Elijah Kamunya
Chief Executive Officer**

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON LAIKIPIA COUNTY REVENUE BOARD FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

- A. Report on the 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 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 Government achieves value for money and that such funds are applied for the intended purpose.
- 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient, and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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 Laikipia County Revenue Board set out on pages 1 to 29, which comprise of the statement of financial position as at

30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 Laikipia County Revenue Board as at 30 June, 2023 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 Public Finance Management Act, 2012 and the Laikipia County Revenue Board Act, 2014.

Basis for Qualified Opinion

1.0 Training of Board Members in United Arab Emirates (UAE) ESAMI

Note 3 to the financial statements reflects Kshs.60,665,591 in respect to use of goods and services which includes Kshs.4,920,677 in respect to hospitality services. Included in this amount is Kshs.506,769 paid to Eastern and Southern Africa Management Institute (ESAMI) for facilitation of training of Board Members in the United Arab Emirates (UAE) between 1-12 November 2021 on public policy designing and management. However, the invoices in support of the payment, boarding passes, training programme, back to office report, copy of certificates and authority from Ministry of Devolution/Foreign Affairs to travel outside the Country were not provided for audit review.

Information available shows that the training/course conducted in UAE was locally available and could have been conducted at the Kenya School of Government (KSG) at much lower cost. The training in the UAE was, therefore, contrary to Article 201(d) and (e) of the principles of public finance of the Constitution of Kenya, 2010 which requires prudent use and spending of public funds.

In the circumstances, the propriety, accuracy and completeness of the expenditure of Kshs.506,769 could not be confirmed.

2.0 Payment for Board Members Per Diem

Note 3 to the financial statement reflects Kshs.60,665,591 in respect to use of goods and services which includes Kshs.3,491,400 paid in respect to board allowances. Included in this amount is Kshs.663,750 being the first instalment of arrears of board allowance the total of which was Kshs.1,207,500 said to have been incurred in the prior year. However, the arrears of board allowance was not disclosed in the prior year financial statements under payables. Further, documentary evidence including board minutes, attendance lists and evidence of travel to support the per diem arrears was not provided for audit review.

In the circumstance, the propriety, accuracy and completeness of the expenditure of Kshs.663,750 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Laikipia County Revenue Board Management in accordance with ISSAI 130 on 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 and actual on a comparable basis of Kshs.66,600,000 and Kshs.53,002,241 respectively resulting to an underfunding of Kshs.13,597,759 or 20% of the budget.

Similarly, the Board expended Kshs.52,343,748 against an approved budget of Kshs.66,600,000 resulting to an under-expenditure of Kshs.14,256,252 or 21% of the budget.

There is a need, therefore, for Management to adopt a realistic budget to avoid instances of excess or under-budgeting for efficient and effective delivery of services to the citizens of Laikipia County.

In the circumstances, based on the approved estimates, under funding and under expenditure affected the planned activities and may have impacted negatively on service delivery by the Revenue Board.

My opinion is however, 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. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the previous audit report, several issues were raised under Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not indicated why those issues have not been resolved.

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 matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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

1.0 Irregular Award of Tender

Note 3 to the financial statement reflects Kshs.60,665,591 in respect to use of goods and services which includes Kshs.1,903,342 in respect to printing and stationery expenditure.

Information available indicate that Laikipia County Revenue Board had awarded the tender for supply and delivery of 4,550 copies of the Finance Bill to a supplier for Kshs.1,919,190. Request for quotation was the preferred procurement method. The mandatory requirements for the award of the tender were certificate of registration, valid tax compliance certificate, valid AGPO certificate, and CR12/ID. However, the bid documents of this supplier did not contain a CR12 certificate and a valid tax compliance certificate.

The evaluation committee declared the bidder as responsive and recommended award of the tender to the said bidder contrary to Regulation 30(a) of the Public Procurement and Asset Disposal Regulations, 2020 which requires the members of the evaluation committee to evaluate tenders in strict adherence to the evaluation criteria set out in the tender documents.

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

2.0 Lack of Board Members Meetings

Note 3 to the financial statement reflects Kshs.60,665,591 in respect to use of goods and services out of which Kshs.3,491,400 was paid in respect to board allowances. The board members held six (6) meetings between July, 2022 to October, 2022 but was dissolved on October, 2022. A new board was gazetted on 08 March, 2023. However, there were no board meetings held for 6 months between 06 October, 2022 and 09 May, 2023, contrary to Laikipia County Gazette Supplement Act, 2014 Schedule (7) Section 3(1) which states that the board shall meet not more than 12 times in every financial year and not more than four months shall lapse between the date of one meeting and the date of next meeting.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, 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 control 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 control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Board's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Board or 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 are in compliance 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 Board'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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Board to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Board to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

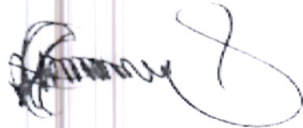
24 January, 2024

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

**14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH
JUNE 2023**

Description	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Revenue from Non-Exchange Transactions			
Transfers from the County Government	1	66,600,000	61,624,567
Total Revenue		66,600,000	61,624,567
Expenses			
Employee Costs	2	-	30,156,038
Use of goods and services	3	60,665,591	27,278,600
Depreciation and Amortization Expense	4	3,219,452	5,924,226
Total Expenses		63,885,043	63,358,864
Surplus/(Deficit) for the Period		2,714,957	(1,734,297)

(The notes set out on pages 8 to 31 form an integral part of these Financial Statements)



.....
Name: Elijah Kamunya
Administrator of the Fund



.....
Name: Ann Kinyua
Fund Accountant
ICPAK Member Number: 24979

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023

Description	Note	FY 2022/2023	FY2021/2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	5	658,493	1
Current Portion of Long- Term Receivables from Exchange Transactions	6	13,597,760	14,152,255
Total current assets		14,256,253	14,152,256
Non-Current Assets			
Property, Plant and Equipment	7	14,320,820	13,196,481
Intangible Assets	8	5,130,000	-
Total non- current assets		19,450,820	13,196,481
Total Assets		33,707,073	27,349,037
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	9	16,192,555	12,549,476
Total current liabilities		16,192,555	12,549,476
Non-Current Liabilities			
Total Liabilities		16,192,555	12,549,476
Net Assets		17,514,518	14,799,561
Revolving Fund			
Reserves			16,533,859
Accumulated Surplus		17,514,519	(1,734,297)
Total Net Assets and Liabilities		17,514,519	14,799,562

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 21st Nov 2023 and signed by:

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**



.....

**Name: Elijah Kamunya
Administrator of the Fund**



.....

**Name: Ann Kinyua
Fund Accountant
ICPAK Member Number: 24979**

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2023

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance as at 1 July 2021	-	-	16,533,859	16,533,859
Surplus/(Deficit) For the Period	-	-	(1,734,297)	(1,734,297)
Funds Received During the Year				
Balance as at 30 June 2022	-	-	14,799,562	14,799,562
Balance as at 1 July 2022	-	-	14,799,562	14,799,562
Surplus/(Deficit) For the Period			2,714,957	2,714,957
Balance as at 30 June (Current FY)			17,514,519	17,514,519




Name: Elijah Kamunya
Administrator of the Fund




Name: Ann Kinyua
Fund Accountant
ICPAK Member Number: 24979

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2023

Description	Note	FY	FY2021/2022
		2022/2023	
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the county government		53,002,240	61,624,567
Total receipts		53,002,240	61,624,567
Payments			
Fund administration expenses		-	30,156,038
Use of goods and Services		42,869,957	27,278,600
		42,869,957	57,434,638
Adjust for			
Decrease/Increase in Accounts Receivables (outstanding imprest)		-	(3,831,149)
Decrease/Increase in Accounts Payables (deposits and retention)		-	663,329
Net cash flows from operating activities		10,132,283	8,684,407
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		9,473,791	10,434,020
Loan disbursements paid out		-	-
Net cash flows used in investing activities		9,473,791	10,434,020
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Net cash flows used in financing activities			
Net increase/(decrease) in cash & cash Equivalents		658,492	(1,749,613)
Cash and cash equivalents at 1 July		1	1,749,614
Cash and cash equivalents at 30 June		658,493	1




.....
Name: Elijah Kamunya
Administrator of the Fund




.....
Name: Ann Kinyua
Fund Accountant
ICPAK Member Number: 24979

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD THAT ENDED JUNE 30TH, 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations	-	-	-	-	-	-
Transfers From County Govt.	46,600,000	20,000,000	66,600,000	53,002,240	13,597,760	80
Opening Balance	-	-	-	1	1	-
Other Income	-	-	-	-	-	-
Total Income	46,600,000	20,000,000	66,600,000	53,002,241	13,597,759	80
Expenses						
Fund Administration Expenses	-	-	-	-	-	-
Use of goods and services	36,600,000	20,000,000	56,600,000	42,869,957	13,730,043	76
Property and intangible assets	10,000,000	-	10,000,000	9,473,791	526,209	95
Finance Cost	-	-	-	-	-	-
Total Expenditure	46,600,000	20,000,000	66,600,000	52,343,748	14,256,252	
Surplus for the Period	-	-	-	658,493		

Budget notes

1. The underutilization of the budget was due to funds not fully transferred from the County Executive.
2. The changes between the original and the final budget was due to reallocations of funds.

**Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended June 30, 2023**




.....

**Name: Elijah Kamunya
Administrator of the Fund**




.....

**Name: Ann Kinyua
Fund Accountant
ICPAK Member Number: 24979**

Laikipia County Revenue Board
Annual Report and Financial Statements for the year ended June 30, 2023

19. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Laikipia County Revenue Board entity is established and derives its authority and accountability from Laikipia County Revenue Board Act, 2014. The entity is wholly owned by the Laikipia County Government and is domiciled in Kenya. The entity's principal activity is to collect and receive revenue.

2. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

- (i) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023*

Standard	Effective date and impact
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;

**Laikipia County Revenue Board
Annual Report and Financial Statements for the year ended June 30, 2023**

Standard	Effective date and impact
	<ul style="list-style-type: none"> • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.

Laikipia County Revenue Board
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact
	Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other improvements to IPSAS	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>

(ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p>

**Laikipia County Revenue Board
Annual Report and Financial Statements for the year ended June 30, 2023**

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>

(iii) Early adoption of standards

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

Laikipia County Revenue Board
Annual Report and Financial Statements for the year ended June 30, 2023

1. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

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.

b) Budget information

The original budget for FY 2022/2023 was approved by the County Assembly on 23rd June, 2022. 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 Fund recorded additional appropriations of twenty million on the FY 2022/2023 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. 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.

Summary of Significant Accounting Policies (Continued)

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section eighteen of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Intangible Assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

e) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Laikipia County Revenue Board
Annual Report and Financial Statements for the year ended June 30, 2023

D) Financial instruments

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

Financial assets

Classification of financial assets

The entity 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 entity'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

Laikipia County Revenue Board
Annual Report and Financial Statements for the year ended June 30, 2023

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 entity 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.

Laikipia County Revenue Board
Annual Report and Financial Statements for the year ended June 30, 2023

Financial liabilities

Classification

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

g) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

h) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

i) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

Laikipia County Revenue Board
Annual Report and Financial Statements for the year ended June 30, 2023

j) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

m) Employee benefits – Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

Laikipia County Revenue Board
Annual Report and Financial Statements for the year ended June 30, 2023

n) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

o) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

p) Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

q) 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

r) Comparative figures

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

5. Significant judgments and sources of estimation uncertainty

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

a) 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 consolidated 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. IPSAS 1.140.

b) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Laikipia County Revenue Board
Annual Report and Financial Statements for the year ended June 30, 2023

6. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from County Government

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Transfers from County Govt. –Operations	66,600,000	61,624,567
Payments by County on Behalf of The Entity	-	-
Unconditional Development grants	-	-
Total	66,600,000	61,624,567

2. Employee Costs

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Staff expense	-	18,067,380
Board Allowances	-	5,101,400
Board Travel Expenses	-	6,987,258
Total	-	30,156,038

3. Use of Goods and Services

Description	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
General Office Expenses	3,287,538	-
Uniform	493,836	-
Accountable Documents	1,817,286	2,960,342
Domestic Subsistence Allowance	4,992,328	638,845
Hospitality	4,920,677	2,740,622
Bank Charges	35,450	20,704
Board Allowances	3,491,400	-
Fuel and Oil Costs	7,979,697	6,000,000
Weighbridge Services	12,858,430	-
Repair of Building	803,016	-
Printing and Stationery	1,903,342	1,254,818
Repair of Motor Vehicle	1,894,648	796,001
Telephone and Communication Expenses	2,924,111	1,560,621
Vat	821,212	-
Training	120,800	4,193,139
Advertisement	2,550,620	1,781,913
Office Operations	9,771,200	-
Legal Services	-	2,784,000

Laikipia County Revenue Board
Annual Report and Financial Statements for the year ended June 30, 2023

Entity Transfer	-	900,000
Consumables	-	1,647,595
Total	60,665,591	27,278,600

4. Depreciation and Amortization Expense

Description	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
Property Plant and Equipment	3,219,452	5,924,226
Intangible Assets	-	-
Total	3,219,452	5,924,226

5. Cash and cash equivalents

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Current Account	658,493	0.75
Total Cash and Cash Equivalents	658,493	1

Detailed analysis of the cash and cash equivalents are as follows:

Financial Institution	Account number	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Current Account			
Co-operative Bank	01141369182100	658,493	3,595,713
Exchequer in Transit			4,116,545
Cash in transit- Being unrepresented Cheques at 30 th June, 2022			(7,712,257)
Grand Total		658,493	1

6. Receivables from exchange transactions

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Current Receivables		
Transfer from County Government	13,597,760	14,152,555
Total Receivables from Exchange Transactions	13,597,760	14,152,555

Laikipia County Revenue Board
Annual Report and Financial Statements for the year ended June 30, 2023

7. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 st July 2021	-	-	2,019,600	6,667,087	8,686,687
Additions	3,867,440	-			3,867,440
Disposals					
Transfers/Adjustments					
At 30 th June 2022	3,867,440	-	4,359,000	4,970,041	13,196,481
At 1 st July 2022	3,867,440	-	4,359,000	4,970,041	13,196,481
Additions	1,843,653	-	786,207	1,713,931	4,343,791
At 30 th June 2022	5,711,093	-	5,145,207	6,683,972	17,540,272
Depreciation and Impairment					
At 1 st July 2021	-	-	336,600	5,587,626	5,924,226
Depreciation					
At 30 th June 2022	-	-	336,600	5,587,626	5,924,226
At 1 st July 2022					
Depreciation	571,109	-	643,151	2,005,192	3,219,452
Transfer/Adjustment					
At 30 th June 2023	571,109	-	643,151	2,005,192	3,219,452
Net Book Values					
At 30 th June 2022	3,867,440	-	4,359,000	4,970,041	13,196,481
At 30 th June 2023	5,139,984	-	4,502,056	4,678,780	14,320,820

Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended 30th June 2023

8. Intangible assets

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Cost	-	-
At Beginning of The Year	-	-
Additions	5,130,000	-
At End of The Year	5,130,000	-
Amortization and Impairment		
At Beginning of The Year		
Amortization		
At End of The Year		
Impairment Loss		
At End of The Year		
NBV	5,130,000	-

The intangible assets were a work in progress assets and therefore, had not been amortised as the asset was still undergoing development.

9. Trade and other payables from exchange transactions

Description	FY 2022/2023		FY 2021/2022	
	Kshs		Kshs	
Trade Payables	16,192,555		12,549,476	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	16,192,555		12,549,476	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	10,737,900	66	7,094,821	57
1-2 years	5,364,655	33	5,364,655	42
2-3 years	90,000	1	90,000	1
Over 3 years				
Total (tie to above total)	16,192,555	100	12,549,476	100

Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended 30th June 2023

10. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Board of Trustees; etc.

b) Related party transactions

Description	FY2022/2023	FY2021/2022
	Kshs	Kshs
Transfers from Related Parties'	53,002,240	61,624,567
Transfers to Related Parties	-	-

c) Key management remuneration

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Board Members	8,483,728	12,088,658
Total	8,546,165	12,088,658

d) Due from related parties

Description	FY 2022/2023	FY2021/2022
	Kshs	Kshs
Due from Parent Ministry	-	-
Due from County Government	13,597,760	14,152,555
Total	-	-

11. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables from Non-Exchange Transactions	-	-	-	-
Receivables from Exchange Transactions	13,597,760	-	-	-
Bank Balances	658,493	-	-	-
Total	14,256,253	-	-	-
At 30 June 2022				
Receivables from Non-Exchange Transactions	-	-	-	-
Receivables from Exchange Transactions	14,152,555	-	-	-
Bank Balances	1	-	-	-
Total	14,152,556	-	-	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

Laikipia County Revenue Board
Annual Report and Financial Statements
For the year ended 30th June 2023

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due from

The board of trustees sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables	-	-	16,192,555	16,192,555
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	16,192,555	16,192,555
At 30 June 2022				
Trade Payables	-	-	12,549,476	12,549,476
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	12,549,476	12,549,476

12. Events after the reporting period

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

13. Ultimate and Holding Entity

The entity is a County Public Fund established by Laikipia County Revenue Board Act under the Ministry of Finance. Its ultimate parent is the County Government of Laikipia.

14. Currency

The financial statements are presented in Kenya Shillings (Kshs).

20. ANNEXES

Annex I: Progress on Follow Up of Prior Year 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:	Timeframe:
1.1	Revenue analysis -the statement of comparison of budget and actual amounts for the year ended 30 th June, 2022 reflects an approved revenue budget of Kshs. 72,600,000 and actual revenue of Kshs 61,624,567 resulting into an income shortfall of kshs10,975,433 or 14% an indication that some of the programs and activities that had been planned were not implemented. Therefore, the board the budget making process to formulate a realistic budget that would be actualized for service delivery	Since the board is 100% financed by the County Treasury, the county did not transfer all the budgeted monies to the board arising to the failure by the National Treasury to remit all the exchequer releases.	Resolved	FY2022/2023
1.2	Expenditure analysis - the statement of comparison and actual amounts for the year ended 30 June, 2022 reflects an approved budgeted expenditure of kshs 72,600,000 and an actual expenditure of kshs. 76,555,345 resulting to a net over-expenditure of Kshs 3,955,345 comprising of an over-expenditure of Kshs 5,924,226 on one item and an under expenditure of kshs. 1,968,881 on three other items.	The revenue board did not realize its revenue budget and the board had a deficit of Kshs 14,930,778 the deficit included kshs 5,924,226 depreciation costs which does not involve movement of cash with the balance occasioned by failure to realize the boards revenue budget.	Resolved	FY2022/2023
1.0	Non-preparation of annual cashflow plans - note 2 to the financial statement reflects of kshs 61,624,567 in respect to transfers from county government. However, during the audit, it was noted that the Board did not prepare the annual cashflow plans as per the requirements of section 43(1)	The revenue board being a semi-autonomous agency within the Department of Finance is funded by the County Executive and does not	Resolved	FY2022/2023

Laikipia County Revenue Board
 Annual Report and Financial Statements
 For the year ended 30th June 2023

	of the PFM regulation which requires the Accounting Officer to prepare and provide the annual cashflow plan to the National Treasury as the basis of requisition of the funds for the year.	directly request for funding from the controller of budget.		
2.0	Expenditure against target revenue realization- the statement of performance against the county board's predetermined activities reflects Kshs 1,312,813,276 in respect to projected revenue targets for the FY 2021/2022. However, the board managed to collect kshs, 902,354,455 resulting to unexplained variance of Kshs. 410,458,821. Therefore, the board needs to review its budget-making process to formulate a realistic budget that would be actualized for service delivery.	Issues of revenue targets for FY 2021/2022 has been reported and explained in the receiver of revenue report for FY 2021/2022 as the own source revenue Target.	Resolved	FY2021/2022

21 NOV 2023

Chief Executive Officer
Elijah Kamunya

Date.....

Laikipia County Government
Laikipia County Revenue Board

Annual Report and Financial Statements for the year ended June 30, 2023

Annex II: Inter-Fund Confirmation Letter

The Laikipia County Revenue Board wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Laikipia County Revenue Board as at 30 th June 2023								
Reference Number	Date Disbursed	Amounts Disbursed by County Government of Laikipia (Kshs) as at 30 th June 2023				Total (D)=(A+B+C)	Amount Received by LCRB (KShs) as at 30 th June 2023 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)				
FT22271JYC0F	28-Sep-22	2,000,000	-	-	2,000,000	2,000,000	-	
FT22299DBCSD	26-Oct-22	-	3,000,000	-	3,000,000	3,000,000	-	
FT22327LNB5H	23-Nov-22	4,000,000	-	-	4,000,000	4,000,000	-	
FT22354YL25C	20-Dec-22	2,000,000	-	-	2,000,000	2,000,000	-	
FT230279HP99	27-Jan-23	-	500,000	-	500,000	500,000	-	
FT23027JVQBG	27-Jan-23	4,500,000	-	-	4,500,000	4,500,000	-	
FT23065Z0WXD	06-Mar-23		900,000	-	900,000	900,000	-	
FT23065CV6C2	06-Mar-23	3,920,000	-	-	3,920,000	3,920,000	-	
FT23103LGXT2	13-Apr-23	5,000,000	-	-	5,000,000	5,000,000	-	

**Laikipia County Government
Laikipia County Revenue Board
Annual Report and Financial Statements for the year ended June 30, 2023**

FT23130717BC	10-May-23	5,400,000	-	-	5,400,000	5,400,000	-
FT2313987ZDK	19-May-23	-	5,220,000	-	5,220,000	5,220,000	-
FT23159B4SN1	08-Jun-23	-	1,416,529	-	1,416,529	1,416,529	-
FT23159PW27W	08-Jun-23	4,883,471	-	-	4,883,471	4,883,471	-
FT2178GYNC7	27-Jun-23	3,896,529	-	-	3,896,529	3,896,529	-
FT23181C9QZ8	30-Jun-23		6,365,711	-	6,365,711	6,365,711	-
Total		39,716,545	17,402,240	-	53,002,240	53,002,240	-

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Fund:

Name Ann Kingua Sign  Date 21/11/23

