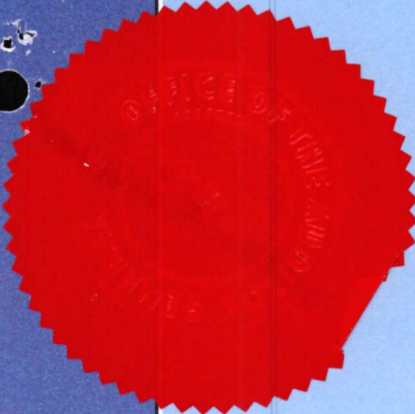


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



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REPORT

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THE AUDITOR-GENERAL

ON

COUNTY REVENUE FUND

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

COUNTY GOVERNMENT OF NANDI

2



COUNTY REVENUE FUND

County Government of Nandi

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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



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1. Acronyms and Definition of Key Terms

a. Acronyms

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

b. Definition of Key Terms

- (i) **Fiduciary Management:** The key management personnel who had financial responsibility

2. Key Entity Information and Management

a) Background information

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

b) Key Management Team

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

| No. | Designation | Name |
|-----|--------------------------------------|--------------------|
| 1. | CECM Finance and Economic planning | CPA Alfred Lagat |
| 2. | C.O Finance | CPA Priscah Muigei |
| 3. | Director Accounting Services/Finance | CPA Hellen Kemboi |

c) Fiduciary Management

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

| No. | Designation | Name |
|-----|--------------------------------------|--------------------|
| 1. | CECM Finance and Economic Planning | CPA Alfred Lagat |
| 2. | C.O Finance | CPA Priscah Muigei |
| 3. | Director Accounting Services/Finance | CPA Hellen Kemboi |

d) Fiduciary Oversight Arrangements

Senate Committee Activities

Article 110 of the Constitution defines a Bill concerning County Governments as that which -

- (i) contains provisions affecting the functions and powers of the County Governments as set out in the Fourth schedule;
- (ii) Relates to the election of members of a county assembly or a county executive; or
- (iii) Affects the finances of the County Governments.

The process of passing Bills in this category is guided by the provisions of Articles 111 through to 113 of the Constitution.

Allocation of National Revenue

Division of revenue between the National and County Governments

Article 217(1) of the Constitution mandates the Senate to determine, by resolution, the basis for allocating among the counties the share of national revenue that is annually allocated to the county level of government. In determining the basis of revenue sharing under clause (1), the Senate must-

- (a) Consider the provisions of Article 203(1) of the Constitution; i.e. the national interest, the public debt and other national obligations, the needs of the national government, the need to ensure counties perform their functions, fiscal capacity and efficiency of county governments, developmental and other needs of counties, economic disparities within and among the counties, affirmative action, economic optimization of each county, the desire for stable and predictable allocations of revenues and flexibility in responding to emergencies and other temporary needs;
- (b) Request and consider recommendations from the Commission on Revenue Allocation;
- (c) Consult the county governors, the Cabinet Secretary responsible for finance and any organization of county governments; and
- (d) Invite the public, including professional bodies, to make submissions to it on the matter.

While considering the Division of Revenue Bill under Article 218 of the Constitution, the Senate ensures that the counties get their share of the revenues collected at the national level.

County Allocation of Revenue Bill

Immediately after the approval of the Division of Revenue Bill, the Senate is charged with considering, deliberating and voting on the County Allocation of Revenue Bill which divides revenue allocated to the county level of government amongst the counties using the formula

developed by the Senate every five years as per the provisions of Article 217 of the Constitution.

Review of any Bills dealing with sharing of revenue or any financial matter concerning County Governments.

The Senate also considers recommendations made by the Commission on Revenue Allocation regarding provisions of any Bill dealing with sharing of revenue or any financial matter concerning County Governments as per the provisions of Article 205 of the Constitution.

Impeachment

The Senate plays a pivotal role in the process of impeaching the Governors.

The process of impeaching the Governor is outlined in Article 181 of the Constitution and section 33 of the County Governments Act.

The Senate is required to investigate allegations for impeachment of the Governor and resolve if they have been substantiated. The Senate, by resolution, may appoint a Special Committee of eleven Senators to investigate the allegations. If the Special Committee of the Senate or the Senate sitting in Plenary finds that the allegations have been substantiated, then the Senate shall -

- (i) accord the Governor an opportunity to be heard; and
- (ii) vote on the impeachment charges

If the Majority of Senators vote to uphold the impeachment charge, the Governor ceases to hold office.

If the vote to uphold the impeachment fails, then the Speaker of the Senate shall inform the Speaker of the concerned County Assembly.

A motion for removal of the Governor on the same charges may only be re-introduced in Senate on the expiry of three months from the date of the failed vote to uphold the impeachment

County Assembly

The functions of the County Assembly are as follows:

a) A County Assembly may make any laws that are necessary for the effective performance of the functions and exercise of the powers of the County Government under the Fourth Schedule.

b) A County Assembly, while respecting the principle of the separation of powers, may exercise oversight over the County Executive Committees and other County Executive organs. A County Assembly may receive and approve plans and policies for—

(1) The management and exploitation of the county's resources;

(2) The development and management of its infrastructure and institutions.

c) Approve the budget and expenditure of the County Government in accordance with Article 207, the legislation contemplated in Article 220(2) and Articles 201 and 203 of the Constitution.

d) Approve the borrowing by the County Government in accordance with Article 212 of the Constitution.

e) Vet and approve nominees for appointment to county public offices as may be provided in law.

f) The County Assembly participates in the removal of key officers:

1. Governor

2. Speaker

3. County executives

4. County Public Service Board

To achieve the above, Members of County Assemblies are involved in a number of activities.

They include:

- Drafting, tabling, enacting and debating bills and motions.
- Seeking answers on behalf of citizens.
- Being involved in leadership in the house, such as Leader of Majority, Whip, etc.
- Working in assembly committees.
- Presenting petitions on behalf of citizen

Controller of Budget

Article 228 of the Kenyan Constitution establishes the Office of the Controller of Budget. The Office of the Controller of Budget (OCOB) oversees the implementation of the national and county government budgets. Controller of Budget is one of the mechanisms that enhance accountability in the expenditure of public resources. During the financial year ended 30th June 2022 the Controller of Budget oversaw the implementation of the budgets of county governments. The Controller of Budget monitored the use of public funds and gave his report to Parliament and public on how the funds were utilized.

The office of the controller of budget gave an authority on the withdrawals from public funds. Before authorizing any withdrawal from Public funds, the Controller of Budget must first be satisfied that the said withdrawal is authorized by law, as per Article 228(5) of the Constitution.

The office of the controller of budget gave quarterly, annual and special reports to the legislature and executive on budget implementation matters of county governments as provided by law according to (Article 228 (6) of) the Constitution. The following reports were produced during the financial year:

County Government of Nandi

County Revenue Fund

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

- Quarterly Reports on Budget Implementation to the Executive and Parliament – Article 228 (6).
- Annual Reports on Budget Implementation to the President and Parliament – Article 254 (1).
- Arbitration or Mediation Reports to Parliament on matters relating to Budget Implementation – Article 225 (7a) Article 252 (1a & 1b).

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

County Headquarters

County Government of Nandi

P.O. Box 802 – 30300,

Kapsabet, Kenya

County Contacts

Telephone: (254) 053 525 2355

E-mail: info@nandi.go

Website: www.nandi.go.ke

County Bankers

1. Central Bank of Kenya Haile Selassie Avenue

P.O. Box 60000 City Square 00200, Nairobi, Kenya.

2. Cooperative Bank

P.O. Box 19828 – 00100,

Nairobi, Kenya.

3. Equity Bank

P.O. Box 75104–00200,

Nairobi, Kenya,

4. KCB

P.O. Box 48400–00100,

GPO Nairobi,

Independent Auditors

Office of the Auditor General,

Anniversary Towers, University Way

P.O. Box 30084 –GPO 00100, Nairobi, Kenya.

Principal Legal Adviser

The County Attorney

P.O. Box 802 – 30300,

Kapsabet, Kenya.

3. Statement by the CECM Finance

It is my pleasure to present the county Revenue Fund Statements for the County Government of Nandi for the year ended June 30th 2025. The statements present the financial performance of the County Government over the past year.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance.

The devolved system of governance consists of the National Government and 47 County Governments.

I. Functions of the County Government

The county Government shall be responsible for any function assigned to it under the constitution or by an act of parliament, a county government shall be responsible for:

- County legislation in accordance with Article 185 of the constitution.
- Exercise executive functions in accordance with Article 183 of the constitution.
- Functions provided for in Article 186 and assigned in the fourth schedule of the constitution.
- Any other function that may be transferred to County governments from the National government under Article 187 of the constitution.
- Any function agreed upon with other County governments under Article 182 of the constitution and.
- Establishment and staffing of its public service as contemplated under Article 235 of the constitution

II. Financing of the County Governments

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue sources for Nandi County includes Health and Sanitation, Vehicle Parking Fees, Business Permits, Kiborgok tea Estate proceeds, liquor licensing, House and stall Rents, Cess, Plot Rents, Agriculture, Market/Trade Centre fees, Slaughterhouses Administration cost, Sewerage and water, Cattle dips/veterinary and other small varied sources.

Public sector struggles to respond to the countless demand placed on them, in addition to the complexity of managing county government budget constraints forms a major risk to implementation of its strategic plan.

To mitigate budget constraints an average local collection forecast was considered by involving all the stakeholders in budget planning and preparation process.

The Fourth Schedule of the Constitution contains information on the devolved services in Kenya. It stipulates the division of functions between the national and the county governments in Kenya. The devolved functions in Kenya performed by county governments are as follows.

- Agriculture, including crop and animal husbandry, livestock sale yards, county abattoirs (slaughterhouses), plant and animal disease control, and fisheries.
- County health services, including, in particular – county health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, veterinary services (excluding regulation of the profession which is a national government function), cemeteries, funeral parlours and crematoria, and refuse removal, refuse dumps and solid waste disposal.
- Control of air pollution, noise pollution, other public nuisances, and outdoor advertising.
- Cultural activities, public entertainment and public amenities, including – betting, casinos and other forms of gambling, racing, liquor licensing, cinemas, video shows

County Government of Nandi

County Revenue Fund

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

and hiring, libraries, museums, sports and cultural activities and facilities, and county parks, beaches and recreation facilities.

The County continues to explore new and innovative ways of increasing its own source revenue collections.



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CECM Finance and Economic Planning

County Government of Nandi

4. Management Discussion and Analysis

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

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

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

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

5. Overview of the County Revenue Fund Operations

a) Background

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

b) Receipts into the County Revenue Fund

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

c) Transfers from the County Revenue Fund

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

d) Financial Reporting requirements

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

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



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

6. Statement of Management Responsibility

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

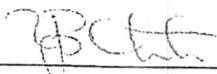
The Accounting Officer at the County Treasury is responsible for the preparation and presentation of the County Revenue Fund financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on 30th June 2025. This responsibility includes: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

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

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

Approval of the Financial Statements

The County Revenue Fund's financial statements were approved and signed on 17th NOV 2025.



Name: Prisca Jepchirchir
Chief Officer Finance /Accounting Officer
County Government of Nandi

REPUBLIC OF KENYA

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Anniversary Towers
Monrovia Street
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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of County Revenue Fund – County Government of Nandi set out on pages 1 to 19, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial

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

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

Basis Qualified Opinion

1. Misstatements in Exchequer Releases

Statement of financial performance reflects exchequer received by the County Executive of Nandi Kshs.7,362,609,427 as disclosed in Note 6 to the financial statements. However, schedule of exchequer release and records from The National Treasury disclosed Kshs.7,930,493,763 resulting to a variance of Kshs.567,884,336.

In the circumstances, the accuracy and completeness of exchequer releases of Kshs.7,362,609,427 could not be confirmed.

2. Inaccuracies in Transfers to County Assembly

Statement of financial performance reflect transfer to County Assembly of Kshs.766,630,547 as disclosed in Note 13 to the financial statements. However, the financial statements of County Assembly reflect transfers from County Revenue Fund of Kshs.731,630,547 resulting to unexplained variance of Kshs.35,000,000.

In the circumstances, the accuracy and completeness to County Assembly of Kshs.766,630,547 could not be confirmed.

3. Inaccuracies in Transfers to County Executive

Statement of financial performance reflect transfer to County Executive of Kshs.7,733,771,378 as disclosed in Note 12 to the financial statements. However, the financial statements of County Executive reflect transfers from CRF of Kshs.7,599,066,478 resulting to unexplained variance of Kshs.134,704,900.

In the circumstances, the accuracy and completeness to County Assembly of Kshs.7,733,771,378 could not be confirmed.

4. Unexplained Source of Funds Used to Finance Transfers

The statement of financial performance reflects total revenue amount of Kshs.8,093,085,416 against total expenses of Kshs.8,523,900,169, resulting in a deficit of Kshs.430,814,753. However, audit review could not establish the source of funds used to finance the deficit of Kshs.430,814,753 as shown below:

| Description | Amount (Kshs) |
|-------------------------------|----------------------|
| Total Revenue-A | 8,093,085,416 |
| Transfers to County Executive | 7,733,771,378 |
| Transfers to County Assembly | 766,630,547 |
| Other Transfers | 23,498,244 |
| Total Expenses-B | 8,523,900,169. |
| Deficit-(A-B) | (430,814,753) |

In the circumstances, the accuracy and completeness of total revenue amount of Kshs.8,093,085,416 could not be confirmed.

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

Emphasis of Matter

Budget Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.10,188,222,573 and Kshs.8,093,085,416 respectively resulting into under-funding of Kshs.2,095,137,157 or 20% of the budget. Similarly, the Fund spent Kshs.8,523,900,169 against actual receipts of Kshs.8,093,085,416 resulting into under-expenditure of Kshs.430,814,753 or 5% of the actual receipts.

The under-funding may have affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements, Except for the effect of the matters

described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Audit Matters

In the prior year audit report, two issues were raised under the Report on Financial Statements. These include accuracy, presentation and disclosure in financial statements and variance in balances between County Revenue Fund and Receiver of Revenue financial statements. Review of the status during audit of the Fund in 2024/2025 revealed that the matters remained unresolved.

Other Information

The Fund is responsible for the Other Information set out on page ii to xiv which comprise of Key Project Information and Management, Statement by the CECM Finance, Management Discussion and Analysis, Overview of County Revenue Fund Operations and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The Standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE 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 ISSAIs 2315 and 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

03 December, 2025

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

| Description | Notes | 2024-2025 Kshs. |
|---|-------|----------------------|
| Revenue from non-exchange transactions | | |
| Exchequer releases | 6 | 7,362,609,427 |
| Transfers from other government agencies | 7 | 99,385,139 |
| Other grants | 8 | 411,090,532 |
| Return to CRF from County Entities | 9 | - |
| Non-Exchange Own Source Revenue | 10 | 148,593,767 |
| Revenue from exchange transactions | | |
| Exchange Own Source Revenue | 11 | 71,406,551 |
| Total Revenue | | 8,093,085,416 |
| Expenses | | |
| Transfers to County Executive | 12 | 7,733,771,378 |
| Transfers to County Assembly | 13 | 766,630,547 |
| Other Transfers | 14 | 23,498,244 |
| Total Expenses | | 8,523,900,169 |
| Surplus for the year | | (430,814,753) |

Prisca Jepchirchir

Name: Prisca Jepchirchir
 Chief Officer - Finance

Date: 17/11/2025

Mark Too

Name: Mark Too
 Fund Accountant

ICPAK Member Number 8010

Date: 17/11/2025

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

| Description | Note | 2024-2025 | Opening Statement 1st July 2024 |
|--|------|--------------------|------------------------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current Assets | | | |
| Cash and Cash equivalents | 15 | 176,377,525 | 606,490,472 |
| Receivables from Non-Exchange Transactions | 16 | - | - |
| Receivables from Exchange Transactions | 17 | - | - |
| Total Current Assets | | 176,377,525 | 606,490,472 |
| Total Assets (A) | | 176,377,525 | 606,490,472 |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | 18 | - | - |
| Total Current Liabilities | | - | - |
| Total Liabilities (B) | | - | - |
| Net Assets(A-B) | | 176,377,525 | 606,490,472 |
| Represented by: | | | |
| Accumulated Surplus | | 176,377,525 | 607,192,278 |
| Net Assets | | 176,377,525 | 607,192,278 |

.....
 Name: Prisca Jepchirchir
 Chief Officer - Finance
 Date..... 17/11/2025

.....
 Name: Mark Too
 Fund Accountant
 ICPAK Member Number 8010
 Date..... 17/11/2025

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

| Description | Accumulated Surplus |
|---------------------------------|---------------------|
| As at July 1, 2024 | 607,192,278 |
| Surplus/ deficit for the Period | (430,814,753) |
| Additions during the Period | - |
| As at June 30, 2025 | 176,377,525 |

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

| | | 2024-2025 |
|--|-------|------------------------|
| | Notes | Kshs |
| Cash flows from operating activities | | |
| Receipts | | |
| Exchequer releases | | 7,362,609,427 |
| Transfers from other government agencies | | 99,385,139 |
| Other grants | | 411,090,532 |
| Return to CRF from County Entities | | - |
| Own Source Revenue | | 220,000,318 |
| Total receipts | | 8,093,085,416 |
| Payments | | |
| Transfers to County Executive (operating activities) | | (7,250,902,802) |
| Transfers to County Assembly (operating activities) | | (766,630,547) |
| Other transfers | | (506,366,820) |
| Total Payments | | (8,523,900,169) |
| Net cash flows from/(used in) operating activities | | (430,814,753) |
| Cash flows from investing activities | | - |
| | | |
| Net cash flows from/(used in) investing activities | | - |
| | | |
| Cash flows from financing activities | | |
| Net cash flows from from/(used in) financing Activities | | - |
| Net increase/(decrease) in cash & Cash equivalents | | (430,814,753) |
| Cash and cash equivalents at 1 July | 15 | 607,192,278 |
| Cash and cash equivalents at 30 June | 15 | 176,377,525 |

12. Statement of Comparison of Budget Actual Amounts for the Year Ended 30th June, 2025.

| Description | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Realization Difference | % of Realization |
|--|-----------------------|-------------|-----------------------|----------------------------|-------------------------------|------------------|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| Revenues | Kshs | Kshs | Kshs | Kshs | Kshs | |
| Exchequer releases | 7,346,071,107 | - | 7,346,071,107 | 7,362,609,427 | (16,538,320) | 100% |
| opening balance re- appropopriated | 595,000,000 | | 595,000,000 | | 595,000,000 | 0% |
| Transfers from other government agencies | 383,943,343 | - | 383,943,343 | 99,385,139 | 284,558,204 | 26% |
| Other grants | 1,019,034,671 | - | 1,019,034,671 | 411,090,532 | 607,944,139 | 40% |
| Return to CRF | | - | - | - | - | 0% |
| Own Source Revenue | 844,173,452 | - | 844,173,452 | 220,000,318 | 624,173,134 | 26% |
| Total Revenue | 10,188,222,573 | - | 10,188,222,573 | 8,093,085,416 | 2,095,137,157 | 79% |
| | | | - | | | |
| Expenses | | | - | | | |
| Transfers to County Executive | 8,167,374,855 | | 8,167,374,855 | 7,250,902,802 | 916,472,053 | 89% |
| Transfers to County Assembly | 1,001,813,047 | | 1,001,813,047 | 766,630,547 | 235,182,500 | 77% |
| Other transfers | 1,019,034,671 | | 1,019,034,671 | 506,366,820 | 512,667,851 | 50% |
| Total Payments | 10,188,222,573 | - | 10,188,222,573 | 8,523,900,169 | 1,664,322,404 | 84% |
| Surplus/Deficit | (0) | - | (0) | (430,814,753) | 430,814,753 | |

1. The 26% realization of Own Source Revenue was due to transfer of the Facility Improvement Fund, Kaimosi and liquor to their respective fund/ county entities.
2. The 26% realization of transfer from other government agencies was due to delays in disbursement from the National Treasury.

13. Notes to the Financial Statements

1. General Information

The County Revenue Fund is established by and derives its authority and accountability from Article 207 of the Constitution of Kenya 2010. The Fund is wholly owned by the Nandi County Government and is domiciled in Kenya. The Fund's principal activity is to serve as the main depository for all revenues collected by or on behalf of the county government and transfer the funds to various spending units or accounts.

2. Statement of compliance and basis of preparation

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

These Financial Statements were authorized for issue by the Accounting officer on 29th August 2025.

Basis of preparation

Reporting entity

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

Revenues

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

Expenses

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

3. Adoption of New and Revised Standards

- i) New and amended standards and interpretations in issue effective in the year ended 30 June 2025. There were no new and amended standards issued in the financial year.
- ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

| Standard | Effective date and impact: |
|---|---|
| IPSAS 46 Measurement | <p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>State the expected impact of the standard to the Entity if relevant</p> |
| IPSAS 47- Revenue | <p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>State the expected impact of the standard to the Entity if relevant</p> |
| IPSAS 48- Transfer Expenses | <p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>State the expected impact of the standard to the Entity if relevant</p> |
| IPSAS 49: Retirement Benefit Plans | <p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> |
| IPSAS 50: Exploration For & Evaluation of | <p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> |

| Standard | Effective date and impact: |
|-------------------|--|
| Mineral Resources | <ul style="list-style-type: none"><li data-bbox="405 322 1412 398">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.<li data-bbox="405 398 1412 510">ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.<li data-bbox="405 510 1412 685">iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. |

iii) Early adoption of standards

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

4. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue Transfers

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

ii. Revenue from exchange transactions

Own Source Revenue

b) Budget information

The original budget for FY 2024/25 was approved by the County Assembly on 22nd May 2025. 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, there were no additional appropriations recorded in the Entity on the 2024/25 budget following the governing body's approval. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

c) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Fund 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 Fund classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the fund's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The Fund assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Financial liabilities

Classification

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

d) Cash and cash equivalents

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

e) Events after the reporting period

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

f) Currency

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

5. Significant judgments and sources of estimation uncertainty

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

State all judgements, estimates and assumptions made if any.

6. Exchequer releases

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

| Description | FY 2024-2025 |
|-------------------|----------------------|
| | Kshs. |
| Equitable Share | 7,346,070,243 |
| RETURNED CRF COOP | 16,539,184 |
| Total | 7,362,609,427 |

7. Transfers from other government agencies**

| Description | FY 2024-2025 |
|--|-------------------|
| | Kshs. |
| Road Maintenance Levy | 65,154,809 |
| Covid-19 | - |
| Development of Youth Polytechnics-State Department of TVETS | - |
| User Fees Foregone -Ministry of Health | - |
| World Bank -Transforming Health Systems for Universal Care Project (THUSP)-Ministry of Health | - |
| Word Bank-NARIGP-State Department of Crop Development | - |
| World Bank Kenya Climate Smart Agriculture (KCSAP) -State Department of Crop Development | - |
| DANIDA Grant -Primary Health care in devolved context -Ministry of Health | 8,238,750 |
| IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)-Min. Water, Sanitation, and Irrigation | - |
| SIDA Agricultural Sector Development Support Programme II (ASDSP II)-State Department of Crop Development | - |
| Word Bank-Emergency Locust Response Project (ILRP) State Department of Crop Development | - |
| (IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA)1 CCIS Grant State Department of | 25,991,580 |
| Total | 99,385,139 |

8. Other grants**

| Description | FY 2024-2025 |
|-------------------|--------------------|
| | Kshs. |
| EQUILIZATION FUND | 23,498,244 |
| CAIP | 52,631,579 |
| KUSP-UIG | 32,309,300 |
| NAVCDP | 100,499,619 |
| KISSIP | 202,151,790 |
| emergency | - |
| K-WASH | - |
| KDSP | - |
| N.I | - |
| Total | 411,090,532 |

9. Return to CRF from County Entities

| Description | FY 2024-2025 |
|---|--------------|
| | Kshs. |
| Recurrent Account (<i>County Executive</i>) | - |
| Development Account (<i>County Executive</i>) | - |
| Recurrent Account (<i>County Assembly</i>) | - |
| Development Account (<i>County Assembly</i>) | - |
| Others (<i>Specify</i>) | - |
| Total | - |

10. Non-Exchange Own Source Revenue

| Description | FY 2024-2025 |
|---|--------------------|
| | Kshs. |
| Cess | 604,591 |
| Land Rates | 66,846,483 |
| Single/Business Permits | 65,310,552 |
| Conservancy Administration | 4,716,300 |
| Administration Control Fees and Charges | 2,867,940 |
| Other Fines, Penalties, And Forfeiture Fees | 1,006,900 |
| Slaughter & Veterinary Fess | 2,680,029 |
| Physical Planning and Development | 4,560,972 |
| Total | 148,593,767 |

11. Exchange Own Source Revenue

| Description | FY 2024-2025 |
|-----------------------|-------------------|
| | Kshs. |
| Parking Fees | 30,547,900 |
| Market Fees | 14,806,395 |
| Property Rent | 4,674,475 |
| Advertising | 19,047,578 |
| Hospital Fees | - |
| Hire of County Assets | 1,735,638 |
| Sale of assets | - |
| Park Fees | 349,700 |
| Other fees | 244,865 |
| Total | 71,406,551 |

12. Transfers to County Executive

| Description | FY 2024-2025 |
|---------------------------|----------------------|
| | Kshs. |
| Recurrent Account | 5,235,514,407 |
| Development Account | 2,015,388,395 |
| Special Purpose Accounts | 482,868,576 |
| Others (<i>Specify</i>) | |
| Total | 7,733,771,378 |

13. Transfers to County Assembly

| Description | FY 2024-2025 |
|---------------------------|--------------------|
| | Kshs. |
| Recurrent Account | 766,630,547 |
| Development Account | - |
| Special purpose accounts | - |
| Others (<i>Specify</i>) | - |
| Total | 766,630,547 |

14. Other Transfers

| Description | FY 2024-2025 |
|---|-------------------|
| | Kshs. |
| Transfers to County Revenue Fund –Equalisation fund | 23,498,244 |
| Total | 23,498,244 |

15. Cash and Cash equivalents

| Description | FY 2024-2025 | Opening Statement 1st July 2024 |
|---------------------------------------|--------------------|---------------------------------|
| | Kshs. | Kshs. |
| County Exchequer Account - 1000171278 | 176,377,525 | 606,490,472 |
| Others (<i>Specify</i>) | - | - |
| Total | 176,377,525 | 606,490,472 |

16. Receivables from Non-Exchange Transactions

| Description | FY 2024-2025 | Opening Statement 1st July 2024 |
|---|--------------|---------------------------------|
| | Kshs | Kshs |
| Receivables | - | - |
| Other non-exchange debtors (<i>Specify</i>) | - | - |
| Less: impairment allowance | - | - |
| Net receivables | - | - |

17. Receivables from Exchange Transactions

| Description | FY 2024-2025 | Opening Statement 1st July 2024 |
|--|--------------|---------------------------------|
| | Kshs | Kshs |
| Receivables from exchange transactions | - | - |
| Other debtors (exchange transactions) | - | - |
| Less: impairment allowance | - | - |
| Total | - | - |

18. Accounts Payable

| Description | FY 2024-2025 | Opening Statement 1st July 2024 |
|-------------------------------|--------------|---------------------------------|
| | Kshs | Kshs |
| Payables to County Executive | - | - |
| Payables to County Assembly | - | - |
| Other transfers | - | - |
| Total Accounts Payable | - | - |

Notes to the financial statements

19. Disclosure of Balances in Revenue Collection Accounts

County Government Own source revenue is recognized in the financial statements when it has been swiped to CRF. Revenue collection account balances are disclosed as at the end of the reporting period as below.

| Name Of Bank, Account No. & Currency | Amount in bank account currency* | Ex. rate (if in foreign currency) | Insert current FY | Opening Statement 1st July 20xx |
|--|-----------------------------------|-----------------------------------|-------------------|---------------------------------|
| | Kshs | Kshs | Kshs | Kshs |
| Equity Bank, 0490260871255, Kenyan shilling | Nandi county Revenue Fund Account | KSH | 4,955,407 | 7,975,855.58 |
| National Bank, 01570246414100. & Kenyan shilling | Nandi County Revenue Collection | KSH | 960,383 | 37,655.00 |
| M-PESA, 299299 | | | 271,060 | 171,970.00 |
| M-PESA, 4094029 | | | 448,334 | 622,364.00 |
| Cash at Hand | | | - | 81,563 |
| | | | | |
| Total | | | 6,635,184 | 8,889,407.58 |

14. Appendices**Appendix 1: Progress on follow up of Auditor's Recommendations**

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|--------------------------------------|---|
| 1. | Accuracy, Presentation and Disclosure in Financial Statements | a review team has been established to check such errors in the future | Resolved | 17th March 2024 |
| 2. | Variance in Balances Between County Revenue Fund and Receiver of Revenue Financial Statements | An amount of Kshs. 301,771,187 as disclosed in Note 6 was the net amount transferred to the County Revenue Fund account while an amount of Kshs. 307,822,318. Disclosed under Receiver of Revenue reported was the total collection including the closing balances. | resolved | 17th March 2024 |
| 3. | Budgetary Control and Performance | The budgetary activities and projects in the annual work plan were rolled over to the subsequent financial year as Works in progress hence no services were denied to the residents of Nandi | resolved | 17th March 2024 |

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- (iii) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National/ County Treasury.

.....
Name **FRISCA JERCHIRCHIR**
Chief Officer Finance
ICPAK Member No **11360**
Date

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

| Period 20xx | quarter 1 (kshs.) | quarter 2 (kshs.) | quarter 3 (kshs.) | quarter 4 (kshs.) | total (kshs.) |
|--|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------|
| Equitable Share | 620,949,993 | 2,427,669,158 | 1,212,101,590 | 3,085,349,502 | 7,346,070,243 |
| Level 5 Hospitals | - | - | - | - | - |
| Primamary healthcare | - | - | - | 8,238,750 | 8,238,750 |
| World Bank – THUSCP | - | - | - | - | - |
| CAIP | 52,631,579 | - | - | - | 52,631,579 |
| KISSIP | - | - | - | 202,151,790 | 202,151,790 |
| NAVCDP | - | - | - | 100,499,619 | 100,499,619 |
| Kenya Urban Support Programme | - | - | - | 32,309,300 | 32,309,300 |
| Road Maintainance Levy Fund | - | - | - | 65,154,809 | 65,154,809 |
| Kenya Climate Smart Agriculture Project (KCSAP) | - | - | - | - | - |
| FFLOCA | - | - | - | 25,991,580 | 25,991,580 |
| EQUALIZATION FUND | - | 23,498,244 | - | - | 23,498,244 |
| Total | 673,581,572 | 2,451,167,402 | 1,212,101,590 | 3,519,695,350 | 7,856,545,914 |

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

(a) Non-Exchange own source revenue

| Period 2025 | Quarter 1 (Kshs.) | Quarter 2 (Kshs.) | Quarter 3 (Kshs.) | Quarter 4 (Kshs.) | Total (Kshs.) |
|--------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------|
| Parking Fees | 5,146,000 | 5,536,100 | 8,276,950 | 11,588,850 | 30,547,900 |
| Market Fees | 3,027,228 | 2,630,303 | 3,299,948 | 5,848,916 | 14,806,395 |
| Property Rent | 691,180 | 933,180 | 1,230,040 | 1,820,075 | 4,674,475 |
| Advertising | 305,080 | 5,796,180 | 5,066,918 | 7,879,400 | 19,047,578 |
| Hire of county assets | 350,581 | 26,100 | 786,007 | 572,950 | 1,735,638 |
| Park fees | 32,200 | 148,800 | 77,200 | 91,500 | 349,700 |
| Others | 10,090 | 47,560 | 140,690 | 46,525 | 244,865 |
| TOTAL COLLECTIONS | 9,562,359.00 | 15,118,223.00 | 18,877,753.00 | 27,848,216.00 | 71,406,551 |

(b) Exchange own source revenue

| Period 2025 | Quarter 1 (Kshs.) | Quarter 2 (Kshs.) | Quarter 3 (Kshs.) | Quarter 4 (Kshs.) | Total (Kshs.) |
|---------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------|
| Business Permits | 1,868,031 | 574,900 | 45,182,420 | 17,685,201 | 65,310,552 |
| Land Rates | 3,463,466 | 302,479 | 43,533,903 | 19,546,635 | 66,846,483 |
| Other fines, penalties & forfeitures | 91,000 | 84,500 | 445,700 | 385,700 | 1,006,900 |
| Cess | 62,200 | 37,000 | 399,991 | 92,600 | 591,791 |
| Slaughter & veterinary Fees | 368,800 | 525,918 | 1,193,661 | 591,650 | 2,680,029 |
| Conservancy Administration | 74,600 | 14,400 | 3,317,800 | 1,309,500 | 4,716,300 |
| Physical planning | 663,162 | 641,166 | 1,023,968 | 2,232,676 | 4,560,972 |
| Administration control fees & charges | 211,300 | 95,800 | 1,959,100 | 601,740 | 2,867,940 |
| TOTAL COLLECTIONS | 6,802,559 | 2,276,163 | 97,056,543 | 42,445,702 | 148,580,967 |