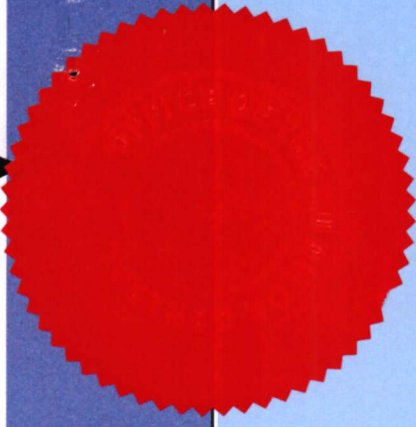
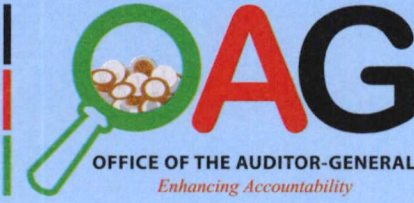


REPUBLIC OF KENYA



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

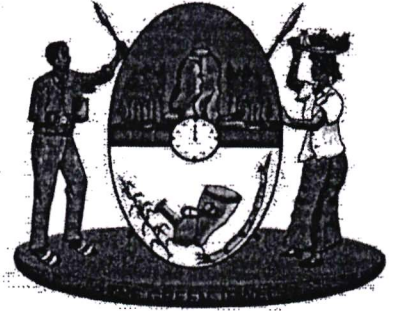
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**COUNTY GOVERNMENT OF KAKAMEGA**

PAPERS LAID	
DATE	25/02/2026
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COMMITTEE	
CLERK AT THE TABLE	C-CHEROP

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181



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## COUNTY REVENUE FUND

County Government of Kakamega

### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025

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Transitional International Public Sector Accounting Standards (IPSAS) Financial Statements.

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

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	Page No.
Table of contents.....	
1. Acronyms and Definition of Key Terms.....	ii
2. Key Entity Information and Management.....	iii
3. Statement by the CECM Finance .....	vi
4. Management Discussion and Analysis.....	viii
5. Overview of the County Revenue Fund Operations .....	ix
6. Statement of Management Responsibility.....	x
7. Report of the Office of Auditor General on County Revenue Fund of Kakamega Financial statements for the Year ended 30 <sup>th</sup> June 2025.....	xi
8. Statement of Financial Performance for the year ended 30 June 2025 .....	1
9. Statement of Financial Position as at 30 <sup>th</sup> June 2025 .....	2
10. Statement of Changes in Net Assets for the year ended 30 June 2025 .....	3
11. Statement of Cash Flows for the year ended 30 June 2025.....	4
12. Statement of Comparison of Budget Actual Amounts for the Year Ended 30 <sup>th</sup> June, 2025. ....	5
13. Notes to the Financial Statements .....	7
14. Appendices.....	19

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

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**1. Acronyms and Definition of Key Terms**

**a. Acronyms**

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

**b. Definition of Key Terms**

Fiduciary Management: The key management personnel who had financial responsibility

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

**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	Hon. Benjamin Andama.
2.	C.O Finance	Dr. Jeophita June Mwajuma
3.	Director Accounting Services/Finance	CPA.Mohamed Maalim Isaackow

**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	Hon. Benjamin Andama.
2.	Accounting Officer in charge of Finance	Dr. Jeophita June Mwajuma
3.	Director Accounting Services/Finance	CPA.Mohamed Maalim Isaackow

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

**d) Fiduciary Oversight Arrangements**

No	Entity	Role
1	Audit Committee and Finance committee activities	Provide oversight of the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations
2	Senate Committee Activities	Legislation, Oversight and Representation
3	County Assembly	Legislation, Oversight and Representation
4	Development partner oversight activities	Predominant roles played by development partners have been shown to include capacity building, project planning, lobbying and advocacy, others (including resource mobilization) and financing respectively
5	Controller of Budget	This role involves overseeing the implementation of the budgets of both national and county governments. The Controller of Budget in this role therefore monitors the use of public funds in-year and reports to Parliament on how the funds have been utilised.
6	Office of the Auditor General	The Auditor-General (AG) is mandated to audit and report on the use and management of public resources by public entities. Article 229(6) of the Constitution requires the Auditor-General to confirm whether public money has been applied lawfully and in an effective way

**e) County Headquarters**

P.O. Box 36-50100

County Headquarters Building

Kenyatta Avenue

Kakamega, KENYA

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

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**f) County Contacts**

P.O. Box 36-50100  
Telephone:05631850/31852/3  
1853E-mail:  
info@kakamega.go.ke  
Website:  
www.kakamega.go.ke

**g) County Bankers**

Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
NAIROBI, KENYA

**h) Independent Auditor**

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
NAIROBI, KENYA

**i) Principal Legal Adviser**

The Attorney General  
State Law Office and Department of Justice  
Harambee Avenue  
P.O. Box 40112  
City Square 00200

**j) County Attorney**

Kenyatta Avenue  
P.O. Box 36  
Kakamega, KENYA

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

**3. Statement by the CECM Finance**

It is my pleasure to present the County Government of Kakamega (Executive) County Revenue Fund (CRF) Financial Report and Statements for the year ended 30<sup>th</sup> June, 2025. The statements present the exchequer releases, own source of revenue and transfers made to and by County Government for the financial year 2024-2025.

The Financial Statements have been prepared in line with the Public Finance Management (PFM) Act, 2012 and are in line with the format prescribed by the Public Sector Accounting Standards Board. The PFM Act, 2012 requires that these statements be submitted to the Office Of Auditor General and copied to the Clerk of the County Assembly, The National Treasury, The Controller of Budget and The Commission of Revenue Allocation within 3 months after the end of each financial year.

The Financial Statements present the recent actual fiscal performance for the year 2024-2025 and make comparisons to the budget appropriations for the same period. They further provide a comprehensive financial review with sufficient information to show changes from the projections outlined in the latest County Fiscal Strategy Paper 2024/2025.

This statement gives highlights on the total County revenues swiped by 30<sup>th</sup> June 2025. The revenues reported in these statement excludes receipts from Kakamega County Health Services Fund that are generated from level 4 and 5 Hospitals since they are not swiped to CRF Account.

County Government of Kakamega Received a total of Kshs. **14,636,579,833** from exchequers for Fy 2024/2025 as shown in the table Below,

<b>Source of Revenue</b>	<b>Amount</b>
Road Maintenance Levy	81,318,878
NAVCDP	107,706,293
DANIDA Grant -Primary Health care in devolved context -Ministry of Health	16,038,750
Kenya Urban Support Programme(KUSP) UDG	32,309,300
Word Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development	108,661,317
County Aggregation and Industrial Park Programme	200,000,000
KELCOP	33,423,508
KfW German Development Bank- Drought Resilience Programme in Northern Kenya (DRPNK)-Min. Water, Sanitation, and Irrigation	43,606,229
Equitable Share	14,013,515,558
<b>Total</b>	<b>14,636,579,833</b>

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

**Equitable Share**

The County received all the the allocation from the exchequer as per National treasury CARA and as per the budget of the fy 2024/2025.

**Other Conditional grants**

The County anticipated to Receive a total of Kshs. **716,645,892** from Donors and development partners however by the close of the financial year it had only received a total of Kshs 623,064,275.

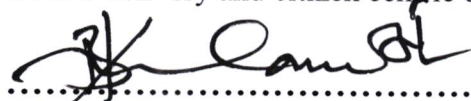
**The above information has been summarized in a table below**

Road Maintenance Levy	81,318,878
NAVCDP	107,706,293
DANIDA Grant -Primary Health care in devolved context -Ministry of Health	16,038,750
Kenya Urban Support Programme(KUSP) UDG	32,309,300
Word Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development	108,661,317
County Aggregation and Industrial Park Programme	200,000,000
KELCOP	33,423,508
KfW German Development Bank- Drought Resilience Programme in Northern Kenya (DRPNK)-Min. Water, Sanitation, and Irrigation	43,606,229
	<b>623,064,275</b>

**CONCLUSION**

On behalf of the County Government of Kakamega, I would like to thank H.E. the Governor, H.E. the Deputy Governor for the leadership and support they have provided during the period. Further, my sincere gratitude goes to the County Executive Committee Members for their continued efforts to realize the goals as set in the budget FY 2024/2025. I extend my gratitude to all chief officers and the entire Kakamega County staff for pulling together and for their continued commitment, dedication and hard work to ensure service delivery to the people of Kakamega County. I would also like to thank the County Assembly led under the leadership of the Speaker and the County Clerk for their co-operation and oversight role.

Finally, my sincere appreciation goes to all the citizens of Kakamega County for their continuous engagement with the County Government which has contributed to efficient service delivery and citizen centric development.



.....  
**CECM Finance and Economic Planning**  
**County Government of Kakamega**

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

**4. Management Discussion and Analysis**

I want to thank all our stakeholders for their concerted efforts in honouring their obligations. However, I would like to urge the National Treasury to timely remit all the equitable share of ~~tax~~ as envisaged in the constitution in order for the County to enhance efficiency in service delivery.

Financial Year	Budgeted Amount (KSHS)	Actual Amount (KSHS)	Performance
			(%)
2018/2019	11,258,365,191	11,256,046,853	100
2019/2020	12,032,491,002	11,236,345,889	93
2020/2021	14,417,687,997	12,907,773,130	90
2021/2022	13,080,503,088	11,669,211,966	89
2022/2023	12,389,412,168	13,380,565,143	108
2023/2024	12,912,646,262	11,879,634,559	92
2024/2025	12,980,503,320	12,980,503,855	100

Financial Performance (Exchequer Releases) for the Last five years.

The County has recorded downward trajectory in shareable revenue growth in the last four years as opposed to the year under review as shown above. This was attributed to a number of factors.

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

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**6. Statement of Management Responsibility**

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

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

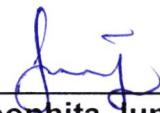
The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, which have been prepared on the Accrual Basis Method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting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

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

**Approval of the Financial Statements**

The County Revenue Fund's financial statements were approved and signed on 25/11 2025.

Signature \_\_\_\_\_

  
**Name Dr. Jeophita June Mwajuma**  
**Chief Officer Finance and Budget**  
**County Government of Kakamega**

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

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**5. Overview of the County Revenue Fund Operations**

**a) Background**

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

**b) Receipts into the County Revenue Fund**

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

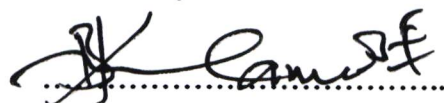
**c) Transfers from the County Revenue Fund**

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

**d) Financial Reporting requirements**

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

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



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

# REPUBLIC OF KENYA

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

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

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### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying transitional IPSAS financial statements of County Revenue Fund – County Government of Kakamega set out on pages 1 to 24, which comprise of the statement of financial position as at 30 June, 2025 and the statement of

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

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 Kakamega 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 County Governments Act, 2012, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

### **Basis for Qualified Opinion**

#### **1. Unconfirmed Transfers to County Assembly**

The statement of financial performance and Note 11 to the financial statements reflect an amount of Kshs.1,345,075,910 as transfers to County Assembly. However, the County Assembly of Kakamega financial statements shows a corresponding receipt of Kshs.1,441,482,620 resulting to unexplained variance of Kshs.96,406,710.

In the circumstances, the accuracy and completeness of the transfers to County Assembly amounting to Kshs.1,345,075,910 could not be confirmed.

#### **2. Unconfirmed Own Source Revenue**

The statement of financial performance and Note 9 to the financial statements reflect own source revenue amounting to Kshs.574,445,297. However, the amount differs with Receiver of Revenue's revenue statements which reflect corresponding amount of Kshs.558,020,166 resulting to unreconciled variance of Kshs.16,425,131.

In the circumstances, the accuracy and completeness of own source revenue amounting Kshs.574,445,297 could not be confirmed.

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

## Emphasis of Matter

### Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.17,646,788,762 and Kshs.14,660,387,396 respectively, resulting to an under-funding of Kshs.2,986,401,366 or 17% of the budget. Similarly, the statement reflects total actual payments (transfers) of Kshs.13,170,984,715 against actual receipts of Kshs.14,660,387,396 resulting to an under-performance of Kshs.1,489,402,681 or 10% of the budget.

The under-funding and under-performance 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 matters

In the audit report of the previous year, several issues were raised under Report on the Financial Statements as detailed below;

S/No.	Financial Year	Audit Issue
1	2023/2024	Unconfirmed Transfers to County Assembly
2	2023/2024	Unconfirmed Returns to County Revenue Fund (CRF) Issues
3	2023/2024	Unconfirmed Own Source Revenue
4	2023/2024	Budgetary Control and Performance

However, the Management had not resolved the issues or given any explanation for the delay in resolving the issues.

### Other Information

Management is responsible for the Other Information set out on page iii to x which comprise of Key Entity Information and Management, Statement by County Executive Committee Member (CECM) Finance, Management Discussion and Analysis, Overview of the County Revenue Fund Operations and Statement of Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

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

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for Conclusion**

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

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

During the year review, the internal audit department did not conduct audit of the Fund and no internal audit reports were provided for audit review contrary to Section 155(1) of the Public Finance Management Act, 2012 which requires Management to make arrangements for conducting internal audit.

In the circumstances, the effectiveness of the Fund's internal controls could not be confirmed.

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

### **Responsibilities of Management and those Charged with Governance**

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

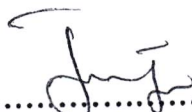
**Nairobi**

**09 December, 2025**

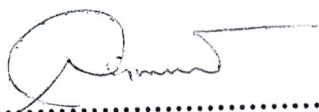
County Government of Kakamega  
County Revenue Fund  
Annual Report and Financial Statements For the financial year ended 30<sup>th</sup> June 2025

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

Description	Notes	K Shs
<b>Revenue from non-exchange transactions</b>		
Exchequer releases	6	14,013,515,558
Transfers from other government agencies	7	623,064,275
Return to CRF from County Entities	8	7,532,794
<b>Total</b>		<b>14,644,112,627</b>
<b>Revenue from exchange transactions</b>		
Exchange Own Source Revenue	9	574,445,297
<b>Total</b>		<b>574,445,297</b>
<b>Total Revenue</b>		<b>15,218,557,924</b>
<b>Expenses</b>		
Transfers to County Executive	10	13,699,562,043
Transfers to County Assembly	11	1,345,075,910
Other Transfers	12	203,606,229
<b>Total Expenses</b>		<b>15,248,244,182</b>
<b>Surplus for the year</b>		<b>(29,686,258)</b>

  
 Name Dr. Jeophita June Mwajuma  
 Chief Officer - Finance

Date... 25/11/2025

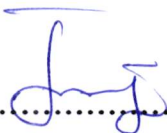
  
 Name CPA Mohamed Maalim Issackow  
 Director Accounting Services

ICPAK Member No 24356  
Date ... 25/11/2025

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

**9. Statement of Financial Position as at 30<sup>th</sup> June 2025**

Description	Note	FY 2024/2025	Opening Statement
		Kshs	1st July 2024 Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	13	1,616,194,378	126,791,697
Receivables from Exchange Transactions	14	16,425,131	0
Receivables from Non-Exchange Transactions	15	541,745,397	1,033,011,703
<b>Total Current Assets</b>		<b>2,174,364,906</b>	<b>1,159,803,400</b>
<b>Total Assets (A)</b>		<b>2,174,364,906</b>	<b>1,159,803,400</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	16	2,077,259,467	1,033,011,703
<b>Total Current Liabilities</b>		<b>2,077,259,467</b>	<b>1,033,011,703</b>
<b>Total Liabilities (B)</b>		<b>2,077,259,467</b>	<b>1,033,011,703</b>
<b>Net Assets(A-B)</b>		<b>97,105,439</b>	<b>126,791,697</b>
<b>Represented by:</b>			
Reserves		126,791,697	
Accumulated Surplus		(29,686,258)	126,791,697
<b>Net Assets</b>		<b>97,105,439</b>	<b>126,791,697</b>



.....  
**Name Dr. Jeophita June Mwajuma**  
**Chief Officer - Finance**

Date..... 25/11/2025.....



.....  
**Name CPA Mohamed Maalim Issackow**  
**Director Accounting Services**  
**ICPAK Member No 24356**

Date ..... 25/11/2025.....

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

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

<b>Description</b>	<b>Accumulated Surplus</b>
<b>As at July 1, 2024</b>	<b>126,791,697</b>
Surplus/ deficit for the Period	(29,686,258)
Additions during the Period	0
<b>As at June 30, 2025</b>	<b>97,105,439</b>

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

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

	Notes	Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Exchequer releases	6	14,013,515,558
Transfers from other government agencies	7(a)	81,318,878
Return to CRF from County Entities	8	7,532,794
Own Source Revenue	9(a)	558,020,166
<b>Total receipts</b>		<b>14,660,387,396</b>
<b>Payments</b>		
Transfers to County Executive (operating activities)	10(a)	11,848,058,699
Transfers to County Assembly (operating activities)	11(a)	1,162,926,016
Other transfers	12(a)	160,000,000
<b>Total Payments</b>		<b>13,170,984,715</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>1,489,402,681</b>
<b>Cash flows from investing activities</b>		<b>0</b>
<b>Net cash flows from/(used in) investing activities</b>		<b>0</b>
<b>Cash flows from financing activities</b>		
<b>Net cash flows from from/(used in) financing Activities</b>		<b>0</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>1,489,402,681</b>
Cash and cash equivalents at 1 July 2024	13	126,791,697
<b>Cash and cash equivalents at 30 June 2025</b>	<b>13</b>	<b>1,616,194,378</b>

(PSASB has now prescribed the direct method of cashflow presentation for all entities under the IPSAS Accrual basis of accounting)

**County Government of Kakamega  
County Revenue Fund**

**Annual Report and Financial Statements For the financial year ended 30<sup>th</sup> June 2025**

**12. Statement of Comparison of Budget Actual Amounts for the Year Ended 30<sup>th</sup> June, 2025.**

Description	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realization Difference	% of Realization
	<b>a</b>	<b>b</b>	<b>c=a+b</b>	<b>d</b>	<b>e=c-d</b>	<b>f=d/c %</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
Budget carryovers from the previous year*	1,011,137,097	738,502,453	1,749,639,550	1,033,011,703	716,627,847	59
<b>Receipts</b>		0			0	
Exchequer releases	12,980,503,320	0	12,980,503,320	12,980,503,855	-535	100
Transfers from other government agencies	125,233,446	591,412,446	716,645,892	81,318,878	635,327,014	11
Return to CRF from County Entities	0	0	0	7,532,794	-7,532,794	
Own Source Revenue	2,200,000,000	0	2,200,000,000	558,020,166	1,641,979,834	25
<b>Total Revenue</b>	<b>16,316,873,863</b>	<b>1,329,914,899</b>	<b>17,646,788,762</b>	<b>14,660,387,396</b>	<b>2,986,401,366</b>	<b>83</b>
<b>Payments</b>						
Transfers to County Executive	14,815,997,417	1,196,024,128	16,012,021,545	11,848,058,699	4,163,962,846	74
Transfers to County Assembly	1,375,643,000	99,124,217	1,474,767,217	1,162,926,016	311,841,201	79
Other transfers	125,233,446	34,766,554	160,000,000	160,000,000	0	100
<b>Total Payments</b>	<b>16,316,873,863</b>	<b>1,329,914,899</b>	<b>17,646,788,762</b>	<b>13,170,984,715</b>	<b>4,475,804,047</b>	<b>75</b>
<b>Surplus</b>				<b>1,489,402,681</b>		

- (a) **Transfers from other Government agencies**-The County did not receive all the money allocated from the development partners as at the closure of the financial year.
- (b) **Own Source of revenue**-The County collected a total of Kshs. 1.438 Billion From own source of revenue as reported in the Receiver of revenue financial statement. The revenue figure that has been reported in this financial statement of Kshs.

**County Government of Kakamega  
County Revenue Fund**

**Annual Report and Financial Statements For the financial year ended 30<sup>th</sup> June 2025**

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558,020,166 is only for receipts that were swiped to County Revenue Fund these excludes revenues from Facility Improvement Fund (FIF which was not swiped to CRF by the closure of the financial year.

The changes between the original and final budgets did not affect the budget performance.

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

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**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 Kakamega County Government and is domiciled in Kenya. The Fund's principal activity is to bank all the revenues of the County.

**2. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

**Guiding note during the transition period:**

Kakamega County Revenue Fund has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1<sup>st</sup> year financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the entity has taken advantage of the transition provisions outlined in IPSAS 33.

-Property plant and equipment's acquired in previous financial years

-Inventories

These financial statements were authorised for issue by the accounting officer on 29<sup>th</sup> 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.

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

**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><b><i>Applicable 1<sup>st</sup> January 2025</i></b> The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value. <b><i>State the expected impact of the standard to the Entity if relevant</i></b></p>
IPSAS 47- Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b> 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. <b><i>State the expected impact of the standard to the Entity if relevant</i></b></p>
IPSAS 48- Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b> 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. <b><i>State the expected impact of the standard to the Entity if relevant</i></b></p>
IPSAS 49: Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public</p>

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

Standard	Effective date and impact:
	sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1<sup>st</sup> January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ol>

**iii) Early adoption of standards**

The Entity did not early – adopt any new or amended standards in the financial year or the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)

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

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**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 2024/2025 was approved by the County Assembly on 28<sup>th</sup> June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of Kshs. 1,329,914,899 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. (amend as appropriate). 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.

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

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**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.

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

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**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.

**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.

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

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**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.

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

**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	14,013,515,558
<b>Total</b>	<b>14,013,515,558</b>

**7. Transfers from other government agencies**

Description	FY 2024/2025
	Kshs.
Kenya Roads Maintenance Levy	81,318,878
NAVCDP	107,706,293
DANIDA Grant -Primary Health care in devolved context -Ministry of Health	16,038,750
Kenya Urban Support Programme(KUSP) UDG	32,309,300
Word Bank-Kenya Informal settlement improvement project (KISIP 11)-State Department of Housing & Urban Development	108,661,317
County Aggregation and Industrial Park Programme	200,000,000
KELCOP	33,423,508
KfW German Development Bank- Drought Resilience Programme in Northern Kenya (DRPNK)-Min. Water, Sanitation, and Irrigation	43,606,229
<b>Total</b>	<b>623,064,275</b>

**7(a) Transfers from other government agencies-Note supporting Cash flow statement**

Description	FY 2024/2025
	Kshs.
Road Maintenance Levy	81,318,878
<b>Total</b>	<b>81,318,878</b>

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

Description	FY 2024/2025
	Kshs.
From County Executive Bank accounts	7,182,174
From Self Reporting Entities	350,620
<b>Total</b>	<b>7,532,794</b>

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

**9. Exchange Own Source Revenue**

Receipts	FY 2024/2025
	D
	Kshs
<b>County Own Source Revenue</b>	
Cess	120,391,111
Land Rates	28,732,631
Single/Business Permits	197,162,937
Conservancy Administration	1,000,775
Administration Control Fees and Charges	14,783,640
Other Fines, Penalties, And Forfeiture Fees	1,839,961
Physical Planning and Development	40,799,951
Parking Fees	57,080,909
Market Fees	25,584,499
Property Rent	17,931,610
Advertising	64,309,604
Hire of County Assets	1,420,750
Miscellaneous receipts	3,406,919
<b>Total</b>	<b>574,445,297</b>

**9(a) Exchange Own Source Revenue-Note supporting Cash flow statement**

Receipts	FY 2024/2025
	D
	Kshs
<b>County Own Source Revenue</b>	
Cess	120,391,111
Land Rates	28,732,631
Single/Business Permits	180,737,806
Conservancy Administration	1,000,775
Administration Control Fees and Charges	14,783,640
Other Fines, Penalties, And Forfeiture Fees	1,839,961
Physical Planning and Development	40,799,951

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

Parking Fees	57,080,909
Market Fees	25,584,499
Property Rent	17,931,610
Advertising	64,309,604
Hire of County Assets	1,420,750
Miscellaneous receipts	3,406,919
<b>Total</b>	<b>558,020,166</b>

**10. Transfers to County Executive**

Description	FY 2024/2025
	Kshs.
Recurrent Accounts	10,538,764,512
Development Accounts	2,738,342,871
Special Purpose Accounts	422,454,660
<b>Total</b>	<b>13,699,562,043</b>

**10(a) Transfers to County Executive-Note supporting Cash flow statement**

Description	FY 2024/2025
	Kshs.
Recurrent Account	9,722,044,707
Development Account	2,092,247,992
Special Purpose Accounts	33,766,000
<b>Total</b>	<b>11,848,058,699</b>

**11. Transfers to County Assembly**

Description	FY 2024/2025
	Kshs.
Recurrent Account	1,345,075,910
<b>Total</b>	<b>1,345,075,910</b>

**11(a) Transfers to County Assembly-Note supporting Cash flow statement**

Description	FY 2024/2025
	Kshs.
Recurrent Account	1,162,926,016
<b>Total</b>	<b>1,162,926,016</b>

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

**12. Other Transfers**

Description	FY 2024/2025
	Kshs.
Transfers to FFLOCA-Actual transfers	160,000,000
Transfers to FFLOCA-Receivables	43, 606,229
<b>Total</b>	<b>203,606,229</b>

**12 (a) Other Transfers-Note supporting Cash flow Statement.**

Description	FY 2024/2025
	Kshs.
Transfers to FFLOCA-Actual transfers	160,000,000
<b>Total</b>	<b>160,000,000</b>

**13. Cash and Cash equivalents**

Description	FY 2024/2025	Opening Statement 1st July 2024
	Kshs.	Kshs.
County Exchequer Account - (CBK Account number	1,616,194,378	126,791,697
<b>Total</b>	<b>1,616,194,378</b>	<b>126,791,697</b>

**14. Receivables from Exchange Transactions**

Description	FY 2024/2025	Opening Statement 1st July 2024
	Kshs	Kshs
Receivables	16,425,131	0
<b>Net receivables</b>	<b>16,425,131</b>	<b>0</b>

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

Description	FY 2024/2025	Opening Statement 1st July 2025
	Kshs	Kshs
Receivables	541,745,397	1,033,011,703
<b>Net receivables</b>	<b>541,745,397</b>	<b>1,033,011,703</b>

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

**16. Accounts Payable**

Description	FY 2024/2025	Opening Statement 1st July 2024
	Kshs	Kshs
Payables to County Executive	1,851,503,344	1,033,011,703
Payables to County Assembly	182,149,894	0
Payable to FFLOCA	43,606,229	0
<b>Total Accounts Payable</b>	<b>2,077,259,467</b>	<b>1,033,011,703</b>

**17. 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)	FY 2024/2025	Opening Statement 1st July 2024
	Kshs	Kshs	Kshs	Kshs
Kakamega County Revenue collection Account No.KCB 1141473194	8,784,526	0	8,784,526	17,933,847
Kakamega County Revenue Cashless account, account no.1256775940	7,163,044	0	7,163,044	0
Kakamega General Hospital	0	0	0	2,216,164
Farm Inputs Collection Account KCB	0	0	0	29,458
Kakamega County Poultry and Fisheries Subsidy Account	0	0	0	586,940
Makunga Hospital NHIF	0	0	0	25
Farm Inputs Collection Account Cooperative	0	0	0	827,743
Alcoholic Drinks Control Fund National Bank of Kenya NBK	0	0	0	145,524
<b>Total</b>	<b>15,947,570</b>	<b>0</b>	<b>15,947,570</b>	<b>21,739,701</b>

**County Government of Kakamega  
County Revenue Fund**

**Annual Report and Financial Statements For the financial year ended 30<sup>th</sup> June 2025**

**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	Issue / Observations from Auditor	Management comments	Status	Time frame:
1	<p><b>Basis for Qualified Opinion</b></p> <p><b>Unconfirmed Transfers to County Assembly</b> The statement of receipts and payments and Note 6 to the financial statements reflect a balance of Kshs.1, 406,249,234 as transfer to County Assembly. However, the County Assembly of Kakamega financial statements shows a corresponding receipt of Kshs.1, 309,842,525 resulting to unexplained variance of Kshs.96, 406,709. In the circumstances, the accuracy and completeness of the transfers to County Assembly amounting to Kshs.1, 406,249,234 could not be confirmed.</p>	<p><b>Management Response</b></p> <p><b>Explanation of variance of Kshs.96, 406,709</b> County Executive transferred Kshs. 1, 406,249,234 to County Assembly for FY 2023/2024 as reported in the statement of receipts and payments note number 6. This is reflected in the County Revenue Fund bank statement and attached supportive schedule. The variance of Kshs.96, 406,709 was brought by the County Assembly's failure to recognize receipts of Kshs.31, 406,710 and Kshs.65, 000,000 which were received in their Central Bank Recurrent Account on 4<sup>th</sup> and 5<sup>th</sup> July 2024 respectively, the County Executive recognized the amount in its Financial Statements since it was disbursed as at 30<sup>th</sup> June 2024. Management has provided County Revenue Fund Bank statement, Schedule of Kshs.1, 406,249,234 and schedule of Kshs.96, 406,709 that was not recognized in Financial Statements of County Assembly for audit review.</p>	Waiting for Senate resolution	June 2026

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

Reference No	Issue / Observations from Auditor	Management comments	Status	Time frame:
2	<p><b>Unconfirmed Returns to County Revenue Fund (CRF) Issues</b></p> <p>The statement of receipts and payments reflects return to CRF issues amounting to Kshs.7, 689,694 as disclosed in Note 4 to the financial statements, which relates to return to CRF from County Executive of Kakamega. However, County Executive of Kakamega financial statements reflects corresponding Nil transfers to CRF, resulting to unexplained variance of Kshs.7, 689,694.</p> <p>In the circumstances, the accuracy and completeness of return to CRF issues amounting Kshs.7,689,694 could not be confirmed.</p>	<p><b>Management response</b></p> <p><b>Explanation on why County Executive of Kakamega Financial Statements reflects corresponding nil transfers to CRF, resulting to unexplained variance of Kshs.7, 689,694.</b></p> <p>Kakamega County Executive Financial Statements under note number 6 shows transfers to County Revenue Fund of Kshs.7, 205,694. The variance of Kshs.484,000 was the amount transferred from revenue collection accounts to the County Revenue fund as provided in the schedule. Revenue collection accounts transactions are not recognized in the County Executive Financial Statements since they are reported under County Revenue Fund.</p> <p>Therefore no omission since transfers to County Revenue Fund amount of Kshs.7,205,694 was included in the Executive Financial Statements. Management has provided an extract of the Executive Financial Statements for your review.</p>		

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

Reference No	Issue / Observations from Auditor	Management comments	Status	Time frame:
3	<p><b>Unconfirmed Own Source Revenue</b></p> <p>The statement of receipts and payments reflects own source revenue amounting to Kshs.761,783,000. However, the revenue statements for receiver of revenue reflects corresponding disbursements to CRF totaling Kshs.779,583,000, resulting to unexplained variance of Kshs.17,800,000.</p> <p>In the circumstances, the accuracy and completeness of own source revenue amounting to Kshs.761,783,000 could not be confirmed.</p>	<p><b>Management Response</b></p> <p><b>Explanation of variance of Kshs.17, 800,000.</b></p> <p><b>The Kshs.17, 800,000 was amount swiped from the Directorate of Alcoholic Drinks to the County Revenue Fund on 13th July 2023. The variance was due to the extension of the period of payment after the end of financial year. The County Executive recognized in its Financial Statements of FY 2022/2023 and County Receiver of Revenue recognized in its financial statement in FY 2023/2024.</b></p>	Waiting for senate resolution	June 2026

**County Government of Kakamega  
County Revenue Fund**

**Annual Report and Financial Statements For the financial year ended 30<sup>th</sup> June 2025**

Reference No	Issue / Observations from Auditor	Management comments	Status	Time frame:																		
	<p><b>Emphasis of Matter</b></p> <p><b>Budgetary Control and Performance</b></p> <p>The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.16,786,428,004 and Kshs.13,340,375,585 respectively, resulting to an under-funding of Kshs.3,446,052,419 or 21% of the budget.</p> <p>Similarly, the statement reflects total actual payments (transfers) of Kshs.13,958,660,569 against</p>	<p><b>Management response</b></p> <p><b>Explanation of Underfunding of Kshs.3, 446,052,419 or 21% of the budget</b></p> <p>The underfunding figure of Kshs. 3,446,052,419 has been computed as below,</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Receipt/Payments</th> <th style="text-align: center;">Final Budget</th> <th style="text-align: center;">Actual on Comparable Basis</th> </tr> <tr> <td></td> <th style="text-align: center;">c=a+b</th> <th style="text-align: center;">d</th> </tr> <tr> <th style="text-align: center;">Receipts</th> <th style="text-align: center;">Kshs</th> <th style="text-align: center;">Kshs</th> </tr> </thead> <tbody> <tr> <td>Exchequer releases</td> <td style="text-align: right;">12,912,646,262</td> <td style="text-align: right;">11,879,634,559</td> </tr> <tr> <td>Transfers from other government agencies</td> <td style="text-align: right;">787,615,199</td> <td style="text-align: right;">691,268,332</td> </tr> <tr> <td>Own Source Revenue</td> <td style="text-align: right;">2,200,000,000</td> <td style="text-align: right;">762,267,000</td> </tr> </tbody> </table>	Receipt/Payments	Final Budget	Actual on Comparable Basis		c=a+b	d	Receipts	Kshs	Kshs	Exchequer releases	12,912,646,262	11,879,634,559	Transfers from other government agencies	787,615,199	691,268,332	Own Source Revenue	2,200,000,000	762,267,000	Waiting for Senate resolution	June 2026
Receipt/Payments	Final Budget	Actual on Comparable Basis																				
	c=a+b	d																				
Receipts	Kshs	Kshs																				
Exchequer releases	12,912,646,262	11,879,634,559																				
Transfers from other government agencies	787,615,199	691,268,332																				
Own Source Revenue	2,200,000,000	762,267,000																				

**County Government of Kakamega  
County Revenue Fund**

**Annual Report and Financial Statements For the financial year ended 30<sup>th</sup> June 2025**

Reference No.	Issue / Observations from Auditor	Management comments	Status	Time frame:	
	approved budget of Kshs.16,786,428,004 resulting to an under-performance of Kshs.2,827,767,435 or 17% of the budget.	Return to CRF issues	886,166,543	7,205,694	878,960,849
	The under-funding and under-performance affected the planned activities and may have impacted negatively on service delivery to the public	<b>Total Receipts</b>	<b>16,786,428,004</b>	<b>13,340,375,585</b>	<b>3,446,052,419</b>
		The underfunding of Kshs. 3,446,052,419 was caused by late exchequer disbursement from the National Treasury (The last exchequer was disbursed after closure of the financial year i.e. on 26 <sup>th</sup> July 2024 of Kshs.1, 033,011,703). Some of the development partners did not honor their commitments by not disbursing Kshs.96, 346,867. Short fall of own source revenue by Kshs. 850,310,954 and non-transfers of FIF receipts to County Revenue Fund of Kshs. 587,422,046 which are treated as Appropriations in Aid (AIA). <b>Explanation of under-performance of Kshs.2, 827,767,435 or 17% of the budget.</b> The under absorption of Kshs.2, 827,767,435 was caused by delays in Exchequer disbursement non disbursement of the commitments from donors and under collection of own source of revenue.			

**County Government of Kakamega  
County Revenue Fund**

**Annual Report and Financial Statements For the financial year ended 30<sup>th</sup> June 2025**

Reference No	Issue / Observations from Auditor	Management comments	Status	Time frame:
	<p><b>Unresolved Prior Year Matters</b></p> <p>In the audit of the previous year, one issue each was reported under the Report on the Financial Statements and Emphasis of Matter. However, Management has not resolved the issues or given reasons for the delay in resolving the issues.</p>	<p><b>Management response</b></p> <p>Management has implemented recommendations made by the auditor on the issue of unsupported returns to the County Revenue Fund (CRF) waiting for senate resolution.</p> <p>Budgetary control and performance is still outstanding, management is in talks with the National Treasury through the council of Governors to ensure timely release of exchequers.</p>	Waiting for senate resolution	June 2026

.....  
 Name **Dr. Jeophita June Mwajuma**  
 Chief Officer Finance

Date *25/11/2025*

**County Government of Kakamega  
County Revenue Fund**

**Annual Report and Financial Statements For the financial year ended 30<sup>th</sup> June 2025**

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

<b>Period 2025</b>	<b>quarter 1 (kshs.)</b>	<b>quarter 2 (kshs.)</b>	<b>quarter 3 (kshs.)</b>	<b>quarter 4 (kshs.)</b>	<b>total (kshs.)</b>
Equitable Share	2,130,586,635	4,289,334,168	1,038,440,308	6,555,154,447	14,013,515,558
NAVCDP	0	0	0	107,706,293	107,706,293
DANIDA - Universal Healthcare in Devolved Units Programme	0	0	0	16,038,750	16,038,750
KELCOP	0	0	0	33,423,508	33,423,508
KFW FFLoCA	0	0	0	43,606,229	43,606,229
Abolishment of user fees in health centres and dispensaries	0	0	0	81,318,878	81,318,878
Kenya Urban Support Programme	0	0	0	32,309,300	32,309,300
County Aggregation and Industrial Park Programme	0	0	0	200,000,000	200,000,000
AFD KISIP II	0	0	0	108,661,317	108,661,317
<b>Total</b>	<b>2,130,586,635</b>	<b>4,289,334,168</b>	<b>1,038,440,308</b>	<b>7,178,218,722</b>	<b>14,636,579,833</b>

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

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

**(a) Exchange own source revenue**

<b>Period 2025</b>	<b>Quarter 1 (Kshs.)</b>	<b>Quarter 2 (Kshs.)</b>	<b>Quarter 3 (Kshs.)</b>	<b>Quarter 4 (Kshs.)</b>	<b>Total (Kshs.)</b>
Cess	20,390,734	9,546,547	51,500,000	38,953,830	120,391,111
Land Rates	4,852,602	2,271,894	1,500,000	20,108,135	28,732,631
Single/Business Permits	38,909,652	18,216,745	114,964,782	25,071,758	197,162,937
Conservancy Administration	1,000,775	-	-	-	1,000,775
Administration Control Fees and Charges	6,604,651	4,512,471	1,500,000	2,166,518	14,783,640
Other Fines, Penalties, And Forfeiture Fees	1,239,961	-	-	600,000	1,839,961
Physical Planning and Development	5,158,600	3,804,303	-	31,837,048	40,799,951
Parking Fees	8,624,031	4,037,604	1,900,000	42,519,274	57,080,909
Market Fees	287,995	134,834	1,900,000	23,261,670	25,584,499
Property Rent	1,916,520	897,278	1,900,000	13,217,812	17,931,610
Advertising	10,375,813	3,238,459	6,400,000	44,295,332	64,309,604
Hire of County Assets	301,340	-	1,000,000	119,410	1,420,750
Miscellaneous receipts	85,149	39,865	1,000,000	2,281,905	3,406,919
<b>Total</b>	<b>99,747,823</b>	<b>46,700,000</b>	<b>183,564,782</b>	<b>244,432,692</b>	<b>574,445,297</b>

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

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

<b>Period -2025</b>	<b>Quarter 1 (Kshs.)</b>	<b>Quarter 2 (Kshs.)</b>	<b>Quarter 3 (Kshs.)</b>	<b>Quarter 4 (Kshs.)</b>	<b>Total (Kshs.)</b>
County Executive -Rec	915,132,444	3,397,561,745	2,108,228,194	4,117,842,129	10,538,764,512
County Executive -Dev	237,988,845	666,069,050	479,260,173	1,350,437,697	2,733,755,765
County Assembly -Rec	50,750,635	444,542,799.00	220,358,630	629,423,846	1,345,075,910
Special Purpose A/c (Specify)	31,000,000	102,766,000	60,000,000	436,881,995	630,647,995
<b>Total</b>	<b>1,234,871,924</b>	<b>4,610,939,594</b>	<b>2,867,846,997</b>	<b>6,534,585,667</b>	<b>15,248,244,182</b>