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**RECEIVER OF REVENUE**  
*(County Government of Isiolo)*

**REVENUE STATEMENTS**

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

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**Transitional Revenue Statements Prepared in accordance with 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*

CA	County Assembly
COB	Controller of Budget
CRF	County Revenue Fund
FY	Financial Year
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OSR	Own Source Revenue
PFMA	Public Finance Management Act
PSASB	Public Sector Accounting Standards Board
ROR	Receiver of Revenue

### *b) Key terms*

Comparative FY      Comparative Prior Financial Year

Fiduciary Management The key management personnel who had financial responsibility.

## **2. Key Entity Information and Management**

### **(a) Background information**

The receiver of revenue is under the Department of Revenue Services. At the Isiolo County Executive Committee level, the receiver of revenue is represented by the County Executive committee member for Finance, who is responsible for the general policy and strategic direction of the receiver of revenue. The receiver of revenue was designated as a receiver on 30<sup>th</sup> April, 2024 by the County Executive Committee member for Finance, in accordance with section 157 of the PFM Act, 2012.

### **(b) Principal activities**

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

### **(c) Key Management Team**

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

- County Executive Committee Member for Finance – Lucy Kagwiria Kaburu
- Chief Officer, Finance – Habiba J. Galgalo
- Chief Officers, in charge of Revenue – Hassan Abdullahi

**Key Entity information and Management (continued)**

**Key Entity information and Management (continued)**

**(d) County Headquarters**

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### **3. Foreword By the CECM Finance and Economic Planning**

Article 209 Of the Constitution of Kenya, 2010 gives powers to the county government to impose taxes, fees and charges to mobilize resources to finance the budget.in addition, section 104(d), of the PFM Act 2012, empowers the county treasury to mobilize resources.

The county resources comprise of the equitable share, conditional allocations in form of either loans or grants and Own Source Revenue. The county projected to generate **Kshs.350,088,180** from own source revenue during the FY 2024/2025 accounting for 5.9% of the total projected revenue of **Kshs. 6,270,889,218.70** for the year. The own source revenue realised was **Kshs. 219,361,047** which accounted for 3.8 % of the total revenues actualized of **Kshs. 5,751,608,438**. The most improved revenue streams were Park Fees, Cess, Hospital Fees among others which was as a result of strict control measures and empowerment of revenue Officers by His Excellence the Governor to maximize on collection of our own source generated revenue.

The county has over the years been unable to achieve set revenue targets on own source revenue principally due to lack of appropriate data to assess revenue potential, weak enforcement for compliance as well as lack of requisite laws to facilitate enforcement. Towards this end, the county has undertaken business establishment census for all businesses, enhancing synergies within departments responsible for own source revenue mobilization, deepening automation through use of cashless payment methods and enhancing the capacity of enforcement and compliance unit among others.



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

## 4. Management Discussion and Analysis

### Introduction

The financial year ending 30th June 2024 marks a significant milestone for the County Government of Isiolo. With a total revenue collection of **Kshs, 219,361,047** the county experienced a downfall in its revenue generation compared to the previous financial year. This discussion provides a detailed analysis of revenue performance, key drivers behind these numbers, the challenges we faced, and an outlook on how we plan to improve revenue collection in the coming years.

### Financial Overview

For the financial year 2024/2025, Isiolo County collected **Kshs 219,361,047** in revenue, representing **22 % decrease** compared to the **Ksh 281,624,246** collected in the previous year.

Despite this shortfall, Isiolo is committed to improve financial management, expand economic activities, and enhance revenue collection strategies. These efforts by the county government will improve collection efficiency, and foster economic development within the region.

### Revenue Performance Breakdown

#### 1. Park Fees

Game Park fees remain one of the key sources of revenue for the county, driven by the steady growth in the number of local and foreign tourists visiting our game parks and reserves. However this year we had a slight decrease in Park fees, which totalled **Kshs, 108,747,428** down from **Ksh 135,575,916** in the previous financial year. This fall represents a **19 % decrease**, reflecting a negative impact of Isiolo resident's livelihood.

#### 2. Cess

Sand Cess and livestock auction also contributed **Ksh 15,175,530**, a **31 % decrease** from the last year's **Ksh 22,297,125**. This fall was attributed by the increased political instability experienced during the last quarter of the financial year where movement was made impossible to demonstrations within the county Central business District. On the other hand, livestock auction has in the past year increased its operations due to the rise in demand for livestock products.

#### 3. Business Permits and Fees

Business permits and fees contributed **Kshs 13,900,537**, a **34 % increase** from last year's **Kshs 10,299,385**. This growth can be attributed to the county's efforts to formalize and license more businesses, especially in emerging sectors like tourism and trade. New markets and business hubs also contributed to the expansion of this revenue stream.

**4. Service Charges and Other Fees**

Revenue from land rates charges and other administrative fees amounted to **Kshs,7,265,166** which is a slight change from the **Kshs.7,593,959** collected in the previous year. This is linked to improvements in service delivery and increased demand for county services, particularly in the health and licensing departments.

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**Challenges and Shortfalls**

While the county achieved significant revenue growth, we faced several challenges that impacted our ability to meet the budgeted target:

**1. Economic Environment**

The regional economic slowdown, caused by inflationary pressures and reduced business activity, hampered growth in some key sectors such as retail trade and transport. The high cost of living also affected disposable incomes, leading to lower consumer spending and a subsequent decline in revenue from businesses.

**2. Drought and Environmental Factors**

Isiolo County, like other arid and semi-arid regions, has been affected by persistent drought conditions that have adversely impacted agricultural activity. Many local businesses, particularly those in the agricultural sector, struggled to stay afloat, leading to delays and defaults in tax payments.

**3. Compliance and Collection Challenges**

Although tax compliance improved, some sectors of the economy remain largely informal and difficult to tax. In addition, inefficient collection mechanisms, particularly in remote areas, continue to pose a challenge in reaching our full revenue potential. The county has been working to modernize its collection systems, but more work remains to close this gap.

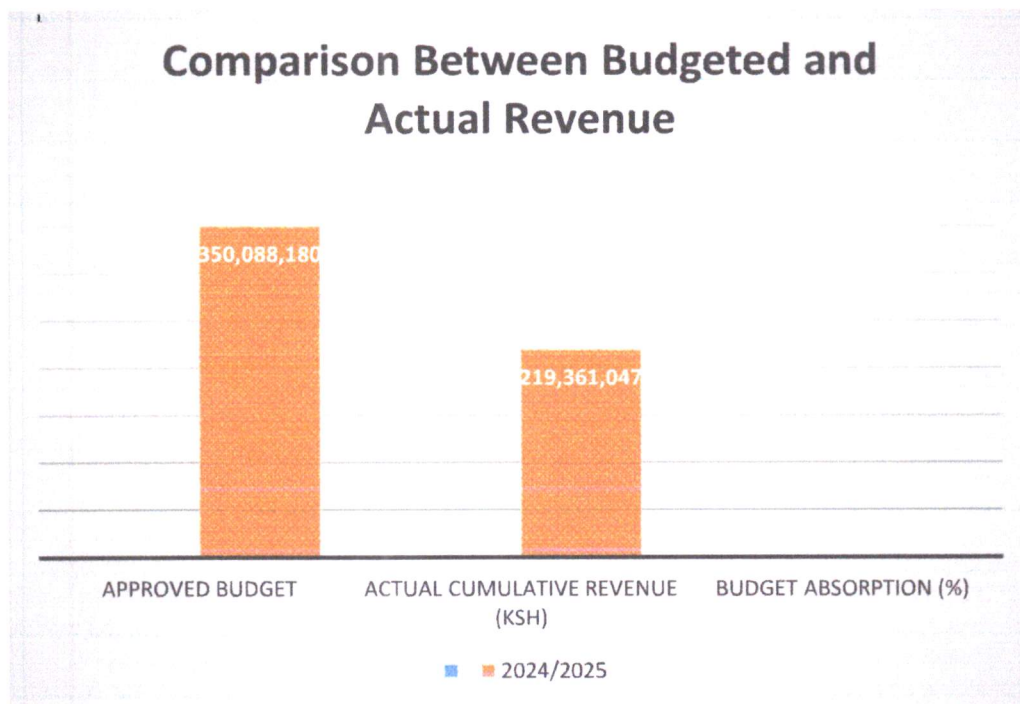
**Comparison with Budgeted Revenue**

Our actual revenue collection of **Kshs 219,361,047** was **63 %** below the budgeted figure of **Ksh 350,088,180**

Henceforth, the county government will focus on improving compliance, expanding the tax base, and leveraging new technology to enhance revenue collection and reduce leakages.

<b>Financial year</b>	<b>Approved Budget (Ksh)</b>	<b>Actual Cumulative Revenue (Ksh)</b>	<b>Budget Absorption (%)</b>
<b>2024/2025</b>	<b>350,088,180</b>	<b>219,361,047</b>	<b>63%</b>

The graph below represents the budgeted against actual revenue collected during the year



**The financial year 2024/2025 reported an absorption rate of 63%.**

### Opportunities and Future Outlook

Looking ahead, Isiolo County has several opportunities to further enhance its revenue collection:

1. **Economic Diversification**

The ongoing infrastructure development in Isiolo, including road upgrades and the expansion of Isiolo International Airport, is expected to attract more investments and businesses. This growth in tourism, real estate, and trade sectors will create new revenue streams for the county.

2. **Improved Tax Compliance and Automation**

The county is in the process of implementing a modernized revenue collection system, which will digitize processes and make it easier for residents and businesses to comply with tax regulations. This initiative is expected to increase both the volume and efficiency of collections, especially in previously underserved areas.

3. **Collaboration with National and International Partners**

Continued collaboration with national government agencies and international donors will provide additional funding and resources for critical projects. This not only enhances service delivery but also strengthens our overall revenue generation capacity.

**4. Enhanced Enforcement**

Stricter enforcement of tax regulations, along with public awareness campaigns, will encourage better compliance among taxpayers. The county also plans to introduce new revenue streams by exploring untapped areas such as tourism levies and land rents.

**Conclusion**

In summary, the County Government of Isiolo has made significant strides in improving its revenue collection for the financial year ended 30th June 2025. Despite the challenges faced, and revenue downfall from the previous year, Isiolo county is committed to financial sustainability and efficient service delivery. While we fell short of the budgeted target, the measures we have put in place offer hope for continued growth and better performance in the coming fiscal year.

Moving forward, Isiolo County remains focused on enhancing revenue collection, improving tax compliance, and expanding its revenue base to ensure the sustainable development of our county and the provision of quality services to our residents.

Sign... *Hassan Hassan* .....

**Name: Hassan Hassan**

**County Receiver of Revenue**

**5. Statement of the Receiver of Revenue’s responsibilities**

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

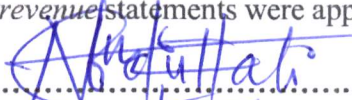
The Receiver of Revenue is responsible for the preparation and presentation of the Receiver of Revenue account, which gives a true and fair view of the state of affairs of the Receiver of Revenue for and as at the end of the financial year period ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,(ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the statement of assets and liabilities of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

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

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

**Approval of the Revenue Statements**

The revenue statements were approved and signed by the Receiver of Revenue on 25<sup>th</sup> August ,2025



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**Name: Hassan Hassan**

**County Receiver of Revenue**

# REPUBLIC OF KENYA

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE REVENUE STATEMENTS

#### Qualified Opinion

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

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

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS revenue statements present fairly, in all material respects, the financial position of the Receiver of Revenue – County Government of Isiolo as at 30 June, 2025 and of its revenues and disbursements 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. Unsupported Market Fees**

The statement of receipts and disbursements and Note 16 to the revenue statements reflect an amount of Kshs.1,450,493 from market fees. However, Management did not maintain cashbooks, ledgers and daily or weekly revenue summaries and reports prepared by revenue clerks to support the collections. The only documents provided were manual revenue receipts and bank statements, which were inadequate to verify the accuracy of the reported collections.

In the circumstances, the accuracy and completeness of market fees of Kshs.1,450,493 could not be confirmed.

#### **2. Unsupported Park Fees**

The statement of revenue and disbursements and Note 22 to the revenue statements reflect an amount of Kshs.108,747,428 in respect of park fees collected through the County's designated agent. However, key documents including a register of receipt books issued to the agent for park fees collections, lists of designated park entry points and copies of official revenue collection receipts used at park entry points to support the actual collections, were not provided for audit review.

In the circumstances, the accuracy, occurrence and completeness of the park fee revenue of Kshs.108,747,428 could not be confirmed.

#### **3. Unsupported Street Parking Fees**

The statement of revenues and disbursements and Note 15 to the revenue statements reflect parking fees of Kshs.2,535,950. However, the amount was not supported with official receipt books and daily summary records detailing mobile money transfer and cash deposit references to confirm the collections. Further, no reconciliation schedules or

revenue monitoring reports were provided to confirm whether amounts collected were promptly and fully banked. In addition, although the mobile money transfer was designated as the primary mode of collection, cash payments were still being accepted and revenue clerks did not remit collections on a daily basis, increasing the risk of non-banking and misappropriation of cash collections.

In the circumstances, the accuracy, occurrence and completeness of parking fees of Kshs.2,535,950 could not be confirmed.

#### **4. Unsupported Land Rates Records**

The statement of revenue and disbursements and Note 7 to the revenue statements reflect land rates of Kshs.7,265,166. However, as previously reported, Management did not maintain an updated record of all landowners within the County. Further, there was no evidence of a comprehensive valuation exercise having been conducted to capture all ratable properties, nor the existence of an updated valuation roll or landowner register. This was contrary to Section 30(1) of the National Rating Act, 2024, which requires every county government to undertake preparation of a valuation roll every five (5) years for all ratable properties within its jurisdiction. In addition, Management did not provide supporting documentation including invoicing records, billing statements, or detailed register showing the amounts assessed, billed, and collected.

Also, Appendix 2 of the revenue statements and review of land rates and property rent records indicated that the Receiver of Revenue had arrears of Kshs.183,583,972 in land rates as at 30 June, 2025 that have been outstanding for over one (1) year. Management failed to maintain a ledger of billings and outstanding payment by defaulters and demonstrated no effective actions taken to recover the arrears.

In the circumstances, the accuracy and completeness of land rates could not be confirmed.

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

#### **Emphasis of Matter**

##### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final County own source revenue budget and actual amounts on comparable basis of Kshs.350,088,180 and Kshs.219,361,047 respectively, resulting to a shortfall of Kshs.130,727,133, or 37% of the budget. It was also noted that the revenue collection of Kshs.219,361,047 when compared to Kshs.281,624,246 collected in the prior year, is a decrease of 22%, indicating a downward trend in revenue mobilization efforts.

The County's continued failure to meet its own-source revenue targets undermines its ability to finance budgeted programs and deliver essential services effectively. My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the revenue statements. 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 Information**

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

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

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Collection of Revenue without a Finance Act**

The statement of revenue and disbursements reflects total own source revenue of Kshs.219,361,047. However, it was established that the County Government relied on the Isiolo County Finance Act, 2023 as the legal basis for revenue collection during the 2024/2025 financial year. The County had not enacted or operationalized the Finance Act, 2024 as required of Sections 132(1) of the Public Finance Management Act, 2012, that each financial year, the County Executive Committee Member (CECM) for

Finance, with the approval of the County Executive Committee, to pronounce the revenue raising measures for the County Government.

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

## **2. Non-Transfer of Revenue to the County Revenue Fund**

The statement of financial position and Note 31 to the revenue statements reflect cash and cash equivalents balance of Kshs.20,750,316 as at 30 June, 2025. Audit review established that the reported balances were retained in various revenue collection accounts instead of being transferred to the County Revenue Fund (CRF) as required, comprising of untransferred amounts of Kshs.3,767,174 related to collections from the year under review and Kshs.16,983,141 which had not been transferred to the CRF for over one (1) year. This was contrary to Regulation 81(2) of the Public Finance Management (County Governments) Regulations, 2015 requiring the Receivers of Revenue to promptly pay the revenue received into the County Revenue Fund as soon as possible and not later than five (5) working days after receipt thereof.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Lack of Automation in Revenue Collection Processes**

The statement of revenue and disbursements reflects total own source revenue of Kshs.219,361,047. However, audit review revealed that most revenue streams were collected manually, with no functional end-to-end automation in place. The County has not deployed an integrated digital platform to facilitate real-time revenue collection, reconciliation, and financial reporting.

Further, Point-of-Sale (POS) devices had not been introduced to enhance transaction efficiency and traceability, while handwritten receipts and excel-based summaries

remained the main tools used by revenue clerks. This manual and fragmented approach is not linked to a centralized financial management system, thereby undermining transparency and accountability.

In the circumstances, the lack of automation weakened internal controls and exposed the County to potential revenue leakages, fraud, and operational inefficiencies.

## **2. Non-Collection of Liquor Licensing Fees**

Audit review of revenue reports and estimates revealed that Management had set a revenue target of Kshs.8,800,000 from liquor license fees for the year under review. However, analysis of actual performance showed that no revenue was collected from this revenue stream during the reporting period. Further review established that liquor license fees were omitted from the approved revenue streams in the Isiolo County Finance Act, 2023, due to the absence of an enacted Liquor Licensing Bill, thereby depriving the County of legal authority to charge or collect such revenue. Field inspection confirmed that numerous bars and liquor outlets were operational across the County without valid licensing or regulation.

In the circumstances, the existence of effective internal controls on revenue collection could not be confirmed.

## **3. Weaknesses in Revenue Collection from Single Business Permits**

The statement of revenue and disbursements and Note 8 to the revenue statements reflect Single Business Permits revenue of Ksh.13,900,537. However, audit review of the collection procedures and supporting revenue reports revealed that the County relied on the Local Authorities Integrated Financial Operations Management System (LAIFORMS), which operates largely manual, requiring revenue officers to collect cash, issue manual receipts, post transactions in LAIFORMS, and bank the revenue before reconciliation. The system is heavily reliant on human intervention between the collection and banking of revenue thus its prone to manipulation and error which could have contributed to the under collection of Kshs.13,621,557 for the period between July to December, 2024.

Further, there were deficiencies in internal controls governing the revenue cycle of single business permit collections including lack of mapping of businesses within the County's jurisdiction, lack of an updated single business permit register, lack of segregation of duties in banking whereby collection of money, issuance of receipts, banking and reconciliation is done by one person and collectors issuing manual receipts hence the risk of fraud, errors and misreporting.

In the circumstances, existence of effective revenue collection measures from Single Business Permits could not be confirmed.

## **4. Lack of Performance Monitoring and Evaluation of Park Fees Collection Agent**

The statement of revenue and disbursements and Note 22 to the revenue statements reflect park fees collections of Kshs.108,747,428. The County Government engaged an agent for park ticketing and revenue collection. However, no monitoring and evaluation

reports were provided to demonstrate how the agent's performance was assessed. There was no documented analysis of revenue trends, efficiency of collections, or reconciliation of remittances against actual park activity.

Further, no evidence was provided to confirm periodic performance reviews, value-for-money assessments, or benchmarking against alternative service providers or digital platforms to determine operational effectiveness or cost-efficiency.

In the circumstances, existence of effective mechanisms for measuring performance on revenue collection could not be confirmed.

## **5. Failure to Map Revenue Sources**

The statement of revenue and disbursements reflects total own source revenue of Kshs.219,361,047. However, audit review established that the County Government does not maintain a comprehensive and up-to-date register or mapping of all potential revenue streams such as land rates, property rents, single business permits, market stalls, bus parks, and other local revenue sources.

In the circumstances, effective planning, monitoring, and optimization of revenue collection by the County Government could not be confirmed.

## **6. Non-Collection of Motorcycle Parking Fees**

Audit review established that despite the high number of motorcycles operating within the County, there was no evidence of parking fees collection from motorcycle operators and subsequent banking during the year under review. Field inspection conducted, revealed that most motorcycle operators had not affixed valid parking stickers and were not paying the prescribed monthly fee of Kshs.100 as stipulated in Part X of the Second Schedule of the Isiolo County Finance Act, 2023.

In the circumstances, the effectiveness of existing revenue collection mechanisms on motorcycle parking fees 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 the Management and those Charged with Governance**

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

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

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

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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

15 December, 2025

*Receiver Of Revenue*  
*County Government Of Isiolo*  
*Revenue Statements for the Period Ended 30<sup>th</sup> June 2025*

**7. Statement of Revenue and Disbursements for the year ended 30th June 2025**

	Note	FY 2024/2025
		Kshs
<b>Revenue from non-exchange transactions</b>		
Cess	6	15,175,530
Land Rates	7	7,265,166
Single/Business Permits	8	13,900,537
Conservancy Administration	9	-
Administration Control Fees and Charges	10	-
Other Fines, Penalties, And Forfeiture Fees	11	-
Public Health Service Fees	12	2,372,756
Physical Planning and Development	13	524,714
Donations/Grants Not Received Through CRF	14	-
<b>Total Revenue from non-exchange transactions</b>		<b>39,238,703</b>
<b>Revenue from exchange transactions</b>		
Parking Fees	15	2,535,950
Market Fees	16	1,450,493
Property Rent	17	1,727,600
Advertising	18	710,660
Hospital Fees	19	64,886,563
Hire of County Assets	20	63,650
Sale of assets	21	-
Park Fees	22	108,747,428
Miscellaneous receipts	23	-
<b>Total Revenue from exchange transactions</b>		<b>180,122,344</b>
<b>Total Revenues (a)</b>		<b>219,361,047</b>
<b>Disbursements</b>		
Disbursements To CRF	24	(150,691,615)
Disbursements to another County Fund	25	(64,886,563)
Bank charges	26	(15,695)
Waivers and exemptions	27	-

**Receiver Of Revenue**  
**County Government Of Isiolo**  
**Revenue Statements for the Period Ended 30<sup>th</sup> June 2025**

Bad debts written off	28	-
Provision for bad debts	29	-
<b>Total Disbursements and other charges (b)</b>		<b>(215,593,873)</b>
<b>Other gains/(losses)</b>		
Gain/Loss on foreign exchange transactions	30	-
<b>Increase/Decrease in Dues to County Revenue Fund</b>		<b>3,767,174</b>

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on 25<sup>th</sup> August, 2025 and signed by:



**Name: Hassan Hassan**  
**County Receiver of Revenue**

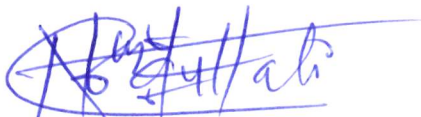


**Name: Monica Nkirote**  
**Head of Revenue Reporting**  
**ICPAK M/No 23115**

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

	Note	FY 2024/2025	Opening Statement 1 <sup>st</sup> July 2024
		Kshs	Kshs
<b>Current Assets</b>			
Cash and Cash Equivalents	31	20,750,316	16,983,141
Receivables from non-Exchange transactions	32	-	-
Receivables from Exchange transactions	33	-	-
<b>Total Current Assets</b>		<b>20,750,316</b>	<b>16,983,141</b>
<b>Total Assets</b>		<b>20,750,316</b>	<b>16,983,141</b>
<b>Financial Liabilities</b>			
Payables-Due to CRF	34	20,750,316	16,983,141
Revenue Received in Advance	35	-	-
<b>Total Financial Liabilities</b>		<b>20,750,316</b>	<b>16,983,141</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 25<sup>th</sup> August, 2025 and signed by:



Name: Hassan Hassan  
 County Receiver of Revenue



Name: Monica Nkirote  
 Head of Revenue Reporting  
 ICPAK M/No 23115

**Receiver Of Revenue**  
**County Government Of Isiolo**  
**Revenue Statements for the Period Ended 30<sup>th</sup> June 2025**

**9. Statement of Cash Flows for the Year Ended 2025**

	<b>Note</b>	<b>FY 2024/2025</b>
		<b>Kshs</b>
<b>Operating Activities</b>		
<b>Receipts</b>		
Cess		15,175,530
Land Rate		7,265,166
Single/Business Permits		13,900,537
Conservancy Administration		-
Administration Control Fees and Charges		-
Other Fines, Penalties, And Forfeiture Fees		-
Public Health Service Fees		2,372,756
Physical Planning and Development		524,714
Donations/Grants Not Received Through CRF		-
Parking Fees		2,535,950
Market Fees		1,450,493
Property Rent		1,727,600
Advertising		710,660
Hospital Fees		64,886,563
Hire of County Assets		63,650
Sale of assets		-
Park Fees		108,747,428
Miscellaneous receipts		-
<b>Total Receipts</b>		<b>219,361,047</b>
<b>Payments</b>		
Disbursements To CRF		(150,691,615)
Disbursements to another County Fund		(64,886,563)
Bank charges		(15,695)
<b>Total Payments</b>		<b>(215,593,873)</b>
<b>Net Cash from operating Activities</b>		<b>3,767,174</b>
Cash and Cash Equivalent as at 1 <sup>st</sup> July 2024	31	16,983,141
<b>Cash and Cash Equivalent as at 30<sup>th</sup> June 2025</b>	<b>31</b>	<b>20,750,316</b>

*Receiver Of Revenue  
County Government Of Isiolo  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2025*

**10. Statement of Comparison of Budget vs Actual Amounts for Year Ended 30<sup>th</sup> June 2025**

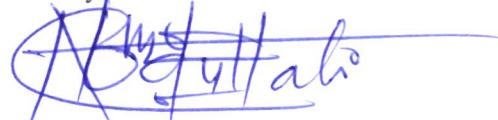
<b>Receipts</b>	<b>Original Targets</b>	<b>Adjustments</b>	<b>Final Targets</b>	<b>Actual On Comparable Basis</b>	<b>Budget Realization Difference</b>	<b>% of Realization</b>
	<b>A</b>	<b>B</b>	<b>C=A+B</b>	<b>D</b>	<b>E=C-D</b>	<b>F=D/C %</b>
<b>County Own Source Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Cess	32,407,149	-	32,407,149	15,175,530	17,231,619	47%
Land Rate	20,271,075	-	20,271,075	7,265,166	13,005,909	36%
Single/Business Permits	14,756,872	-	14,756,872	13,900,537	856,335	94%
Parking Fees	5,480,000	-	5,480,000	2,535,950	2,944,050	46%
Market Fees	3,432,446	-	3,432,446	1,450,493	1,981,953	42%
Property Rent	2,936,000	-	2,936,000	1,727,600	1,208,400	59%
Advertising	1,900,000	-	1,900,000	710,660	1,189,340	37%
Hospital Fees	103,573,785	-	103,573,785	64,886,563	38,687,222	63%
Public Health Service Fees	6,528,261	-	6,528,261	2,372,756	4,155,505	36%
Physical Planning and Development	1,600,619	-	1,600,619	524,714	1,075,905	33%
Hire of County Assets	1,200,000	-	1,200,000	63,650	1,136,350	5%
Conservancy Administration	-	-	-	-	-	
Administration Control Fees and Charges	5,100,000	-	5,100,000	-	5,100,000	0%
Proceeds from sale of assets	-	-	-	-	-	
Park Fees	150,901,973	-	150,901,973	108,747,428	42,154,545	72%
Other Fines, Penalties, and Forfeiture Fees	-	-	-	-	-	
Miscellaneous Receipts	-	-	-	-	-	
<b>Total County Own Source Revenue</b>	<b>350,088,180</b>	<b>-</b>	<b>350,088,180</b>	<b>219,361,047</b>	<b>130,727,133</b>	<b>63%</b>
<b>Other Receipts</b>			-		-	

**Receiver Of Revenue  
County Government Of Isiolo  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2025**

<b>Receipts</b>	<b>Original Targets</b>	<b>Adjustments</b>	<b>Final Targets</b>	<b>Actual On Comparable Basis</b>	<b>Budget Realization Difference</b>	<b>% of Realization</b>
	<b>A</b>	<b>B</b>	<b>C=A+B</b>	<b>D</b>	<b>E=C-D</b>	<b>F=D/C %</b>
Donations /Grants Not Received Through CRF	-	-	-	-	-	
<b>Total Other Receipts</b>	-	-	-	-	-	
<b>Total Receipts</b>	<b>350,088,180</b>	-	<b>350,088,180</b>	<b>219,361,047</b>	<b>130,727,133</b>	<b>63%</b>

- (a) The negative performance for the cess of 47% was attributed to prolonged drought which affected the agricultural production in the county.
- (b) The land rates negative performance of 36% was affected by non-automation of the collection system in different parts of the county.
- (c) The Park fees performance of 46% was due to the decrease in number of visitors and seasonal fluctuations on our county parks.
- (d) Promotion and advertising were affected mainly due to a shift towards digital media.
- (e) Hospital fees- The negative performance of 63% for this stream is attributable to political instability during the year.
- (f) Public Health Service fees- The significant negative performance of 36% due to low business performance
- (g) The market fees had a 42% performance as small-scale traders opted to sell commodities on open air markets rather than paying for markets stalls due to economic strains.
- (h) The Physical planning and development had a 33% performance way below expected due harsh economic challenges.
- (i) Hire of county assets had a performance of 5% due to minimum activities among the members of the public

The County Receiver of Revenue's financial statements were approved on 25<sup>th</sup> August,2025 and signed by:



**Name: Hassan Hassan  
County Receiver of Revenue**



**Name: Monica Nkirote  
Head of Revenue Reporting  
ICPAK M/No 23115**

## **11. Notes to the Financial Statements**

### **1. General Information**

Isiolo county Receiver of Revenue was appointed by the CEC member of Finance of Isiolo County Government in accordance with section 157 of the PFM Act. The Entity's principal activity is revenue collection and remit to County Revenue Fund as outlined in the appointment letter and section 157 of the PFM Act.

### **2. Statement of Compliance and Basis of Preparation**

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

#### **Guiding note during the transition period:**

*The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1<sup>st</sup>/ 2<sup>nd</sup>/ 3<sup>rd</sup>/year financial statements are transitional financial statements and the following elements of the financial statements have not been recognized as the entity has taken advantage of the transition provisions outlined in IPSAS 33.*

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

The Financial statements were authorized for issue by the Accounting Officer on 25<sup>th</sup> August 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*

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples.</p>

**Receiver Of Revenue**  
**County Government Of Isiolo**  
**Revenue Statements for the Period Ended 30<sup>th</sup> June 2025**

Standard	Effective date and impact:
	The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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>
IPSAS 48- Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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>
IPSAS 49- Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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</p>

**Receiver Of Revenue  
County Government Of Isiolo  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2025**

Standard	Effective date and impact:
	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	<b><i>Applicable 1<sup>st</sup> January 2027</i></b> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <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.

#### **4. Significant Accounting Policies**

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

##### **i) Revenue from non-exchange transactions**

###### **Fees, taxes, fines and charges**

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

##### **ii) Revenue from exchange transactions**

###### **Rendering of services**

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

###### **Sale of goods**

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

###### **Interest income**

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

###### **Dividends**

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

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Rental income**

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

**iii) Budget**

The County Revenue budget is developed on cash basis. The budget has the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by law. The original budget was approved by the County Assembly on 1<sup>st</sup> August 2024 for the period 1st July 2024 to 30 June 2025. There was one number of supplementary budgets passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

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

**iv) Cash and cash equivalents.**

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

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**v) Revenue in Arrears**

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

**vi) Disbursements to CRF**

The Receiver of Revenue has an arrangement for transfer of funds from its bank account to the CRF account. Total disbursements to the CRF are as a result of the transfer arrangement during the year.

**vii) Payables due to CRF**

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

**viii) Comparative Figures**

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

**ix) Subsequent Events**

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

**Notes to the financial statements**

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions.**

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

**Provisions**

Provisions will be raised and management determine an estimate based on the information available if need be. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to the Financial Statements

6. Cess

Description	FY 2024/2025
	Kshs
Farm produce	7,178,740
Quarrying	5,531,000
Livestock	2,465,790
Fish farming	-
Others ( <i>specify</i> )	-
<b>Total</b>	<b>15,175,530</b>

7. Land rates

Description	FY 2024/2025
	Kshs
Land rates	2,691,678
Land penalties and interest	159,270
Arrears	4,414,218
<b>Total</b>	<b>7,265,166</b>

8. Single /Business Permits

Description	FY 2024/2025
	Kshs
Business permit application fees	-
Annual Business permit fees	13,900,537
Business permit penalties and interest	-
Business permit fees arrears	-
<b>Total</b>	<b>13,900,537</b>

Notes to the Financial Statements (continued)

9. Conservancy Administration

Description	FY 2024/2025
	Kshs
Refuse disposal fees	-
Dumpsite fees	-
Sewerage fees	-
Sale of seedlings	-
Public cemetery	-
Disposal of carcasses	-
Noise control	-
Others ( <i>Specify</i> )	-
<b>Total</b>	-

10. Administration Control Fees and Charges

Description	FY 2024/2025
	Kshs
Weights and measures	-
Fire Services	-
Liquor licenses	-
Betting levy	-
Others ( <i>Specify</i> )	-
<b>Total</b>	-

11. Other Fines, Penalties and Forfeitures

Description	FY 2024/2025
	Kshs
Impounding Fees	-
Towing Fees	-
Others ( <i>Specify</i> )	-
<b>Total</b>	-

Notes to the Financial Statements (continued)

12. Public Health Service Fees

Description	FY 2024/2025
	Kshs
Inspection of buildings/premises/Institutions	1,324,756
Inspection for issuance of hygiene license	494,000
Vaccination: Yellow fever, Typhoid, etc	-
Applications for medical examination	554,000
Sanitation inspection for schools	-
Public health permit	-
Rodent Control/Fumigation	-
Others (Specify)	-
<b>Total</b>	<b>2,372,756</b>

13. Physical Planning and Development

Description	FY 2024/2025
	Kshs
Sale of County planning documents	-
Land valuation and registration fees	-
Change / Renewal of user	-
Building plans approval	524,714
Signboards	-
Occupational Permits	-
Enforcement / Demolition	-
Architectural designs by county officers	-
Hoarding fees	-
Others (Specify)	-
<b>Total</b>	<b>524,714</b>

Notes to the Financial Statements (continued)

14. Donations and Grants Not Received Through CRF

Description	FY 2024/2025
	Kshs
Donations	-
Grants	-
Others	-
<b>Total</b>	-

15. Parking Fees

Description	FY 2024/2025
	Kshs
Street parking fees	2,535,950
Monthly toll/sticker fees	-
Motorbike fees	-
Registration fees	-
Reserved parking	-
Bus Park fees	-
Others ( <i>Specify</i> )	-
<b>Total</b>	2,535,950

16. Market Fees

Description	FY 2024/2025
	Kshs
Market entry fees	1,450,493
Hawking fees	-
Others ( <i>Specify</i> )	-
<b>Total</b>	1,450,493

Notes to the Financial Statements (continued)

17. Property Rent

Description	FY 2024/2025
	Kshs
County Housing	-
Plot Rent	-
Tenancy Agreement	-
Transfer of Property	1,727,600
Stalls/kiosks rent	-
Others ( <i>Specify</i> )	-
<b>Total</b>	<b>1,727,600</b>

18. Advertising

Descriptions	FY 2024/2025
	Kshs
Branding	-
Billboard advertising	593,000
Signage	-
Roadshows	-
Banners	-
Posters	-
Tent advertising	117,660
Street pole/clock advertising	-
others ( <i>Specify</i> )	-
<b>Total</b>	<b>710,660</b>

19. Hospital Fees

Description	FY 2024/2025
	Kshs
Level 5 hospitals	-
Level 4 hospitals	64,886,563
Others ( <i>Specify</i> )	-
<b>Total</b>	<b>64,886,563</b>

Notes to the Financial Statements (continued)

20. Hire Of County Assets

Description	FY 2024/2025
	Kshs
Agricultural Mechanisation Services (AMS)	-
Hire of Machines and Equipment	34,850
Hire of County Stadia	-
Hire of County Halls	-
Conference facilities/Agricultural Training Centers (ATC)	-
Others ( <i>Specify</i> )	28,800
<b>Total</b>	<b>63,650</b>

21. Sale of assets.

	FY 2024/2025
	Kshs
Receipts from Sale of Buildings	-
Receipts from Sale of Vehicles and Transport Equipment	-
Receipts from Sale of Plant Machinery and Equipment	-
Receipts from Sale of Certified Seeds and Breeding Stock	-
Receipts from Sale of Strategic Reserves Stocks	-
Receipts from Sale of Inventories, Stocks and Commodities	-
Disposal and Sales of Non-Produced Assets	-
<b>Total</b>	<b>-</b>

22. Park Fees

Description	FY 2024/2025
	Kshs
Lodge Tariffs and levies	-
Park entry fees	108,747,428
Filming and Photography fees	-
Camping fees	-
Balloon landing fees	-
Others ( <i>Specify</i> )	-
<b>Total</b>	<b>108,747,428</b>

Notes to the Financial Statements (continued)

23. Miscellaneous Revenues

Description	FY 2024/2025
	Kshs
Dividends	-
Interest	-
Commissions	-
Others (Specify)	-
<b>Total</b>	<b>-</b>

24. Disbursements to CRF

Description	Period ended June 2025
	Kshs
Quarter 1	51,439,755
Quarter 2	45,827,220
Quarter 3	37,444,915
Quarter 4	15,979,725
<b>Total</b>	<b>150,691,615</b>

25. Disbursement to another County Fund

Description	Period ended June 2025
	Kshs
Quarter 1	11,666,252
Quarter 2	15,714,043
Quarter 3	15,361,437
Quarter 4	22,144,831
<b>Total</b>	<b>64,886,563</b>

Notes to the Financial Statements (continued)

26. Bank Charges

Description	FY 2024/2025
	Kshs
Bank Charges & commissions	15,695
<b>Total</b>	15,695

27. Waivers and Exemptions

Description	FY 2024/2025
	Kshs
Penalties	-
Interest	-
Others ( <i>Specify</i> )	-
<b>Total</b>	-

28. Bad debts written off.

Description	FY 2024/2025
	Kshs
Bad debts written off ( <i>Specify revenue stream</i> )	-
<b>Total</b>	-

29. Provision for bad debts

Description	FY 2024/2025
	Kshs
Provision for bad debts ( <i>Specify revenue stream</i> )	-
<b>Total</b>	-

Notes to the Financial Statements (continued)

30. Gain/Loss on Foreign Exchange Transactions

Description	FY 2024/2025
	Kshs
Gain or loss on foreign exchange transactions	-
Gain or loss on balances in foreign exchanges	-
<b>Total</b>	<b>-</b>

31. Cash and Cash Equivalents

Name of Bank, Account No. & currency	Amount	Exc. rate (if in foreign currency)	FY 2024/2025	Opening Statement 1 <sup>st</sup> July 2024
			Kshs	Kshs
Co-operative Bank, Acc No.01141437923000	4,581,805	1	4,581,805	61,941
National Bank, Acc No. 01040204720700	1,497,230	1	1,497,230	3,664,884
Consolidated Bank USD, Acc No.10112200000004	104,853	129.2343	13,550,556	85
Consolidated Bank Kes, Acc No.10111203000081	1,120,724	1	1,120,724	13,256,231
Cash at Hand			-	-
<b>Total</b>			<b>20,750,316</b>	<b>16,983,141</b>

32. Receivables for non-exchange transactions

Description	FY 2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Receivables</b>		
<i>Specify the various categories</i>	-	-
	-	-
Sub total		
Less impairment Allowance	-	-
<b>Total Current Receivables</b>	<b>-</b>	<b>-</b>

Ageing analysis for Receivables from Non-exchange transactions

Description	FY 2024/2025		Opening Statement 1 <sup>st</sup> July 2024	
	Current FY	% of the total	Opening Balance	% of the total
	Kshs		Kshs	
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (a+b)</b>	-	%	-	%

Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Impairment allowance/ provision	FY 2024/2025
	Kshs
At the beginning of the year	-
Additional provisions during the year	-
Recovered during the year	-
Written off during the year	-
At the end of the year	-

33. Receivables from exchange transactions

Description	FY 2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Total receivables</b>		
<i>Specify items the various category</i>	-	-
	-	-
Less: impairment allowance	-	-
<b>Total receivables</b>	-	-

Receiver Of Revenue  
County Government Of Isiolo  
Revenue Statements for the Period Ended 30<sup>th</sup> June 2025

Ageing analysis for total receivables in exchange transactions

Description	FY 2024/2025		FY 2023/2024	
	FY 2024/2025	% of the total	FY 2023/2024	% of the total
	Kshs		Kshs	
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (a+b)</b>	-		-	

Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/ provision	FY 2024/2025
	Kshs
At the beginning of the year	-
Additional provisions during the year	-
Recovered during the year	-
Written off during the year	-
At the end of the year	-

34. Payables- Due To CRF

Payables	FY 2024/2025	Opening Statement
	Kshs	1 <sup>st</sup> July 2024
Amount collected yet to be disbursed to CRF	20,750,316	16,983,141
Amount billed and yet to be collected for disbursement to CRF	-	-
<b>Total Due to CRF</b>	<b>20,750,316</b>	<b>16,983,141</b>

**Movement Disclosure on Dues to CRF**

Description	Amount
	Kshs
Opening Dues to CRF	16,983,141
Increase/Decrease in Dues to CRF	3,767,174
<b>Closing Dues to CRF</b>	<b>20,750,316</b>

**35. Revenue received in advance**

Description	Period ended 2025	Opening Statement 1st July 2024
	Kshs	Kshs
<i>Specify</i>	-	-
<b>Total</b>	-	-

## 12. Appendices

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
			(Resolved / Not Resolved)	(Put a date when you expect the issue to be resolved)
<b>Basis for Qualified Opinion</b>				
1	Lack of Valuation Roll and Land Rates Registers			
1.1	Statement of receipts and disbursements reflect land rates but there's no updated record of landowners	The management committed to Update and maintain a valuation roll	Not resolved awaiting senate sittings	Awaiting senate summon
2	Ineffective Revenue Collection from Single Business Permits	The management will ensure to maintain a comprehensive data base of all business activities operating in the county	Not resolved awaiting senate sittings	Awaiting senate summon
<b>Emphasis of Matter</b>				
1	Budgetary Control and Performance	The management have put in place mechanism to make a realistic budget estimate	Not resolved awaiting senate sittings	Awaiting senate summon
<b>Other Matter</b>				
1	Failure to automate Revenue Collection	The management is yet to automate Revenue collection	Not resolved awaiting senate sittings	Awaiting senate summon
<b>Report on Lawfulness and Effectiveness in Use of Public Resources</b>				
1	Delays in Transfer of Own Source Revenue	The management will ensure transfers to County Revenue funds are done promptly	Not resolved awaiting senate sittings	Awaiting senate summon
<b>Report on Effectiveness of internal controls, Risk management and governance</b>				
1.1	Failure to Enact County Finance Act 2023 and Liquor Licensing Act	The management has presented the Liquor bill to the County Assembly pending discussion and passing	Not resolved awaiting senate sittings	Awaiting senate summon



**Name: Hassan Hassan**

**County Receiver of Revenue**

**Date :25/08/2025**



**Name: Monica Nkirote**

**Head of Revenue Reporting**

**ICPAK M/No 23115**

**Date: 25/08/2025**

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

**Receiver Of Revenue**  
**County Government Of Isiolo**  
**Revenue Statements for the Period Ended 30<sup>th</sup> June 2025**

<b>Classification Of Receipts (Indicate As Applicable)</b>	<b>Balance as at The beginning of the current year (1<sup>st</sup> July 2024) A</b>	<b>Arrears received during the year. B</b>	<b>Additions in arrears for the current year to June 30, 2025 C</b>	<b>Total arrears as at 30 June 2025 D=A+(B)+C</b>	<b>Measures taken to recover the arrears</b>	<b>Assessment to the recoverability of arrears</b>
Cess	-	-	-	-		
Land rate	-	-	-	183,583,972		
Single/Business Permits	-	-	-	-		
Property Rent	-	-	-	-		
Parking Fees	-	-	-	-		
Market Fees	-	-	-	-		
Advertising	-	-	-	-		
Hospital Fees	-	-	-	-		
Public Health Service Fees	-	-	-	-		
Physical Planning and Development	-	-	-	-		
Hire Of County Assets	-	-	-	-		
Conservancy Administration	-	-	-	-		
Administration Control Fees and Charges	-	-	-	-		
Park Fees	-	-	-	-		
Other Fines, Penalties, And Forfeiture Fees	-	-	-	-		
Miscellaneous	-	-	-	-		
<b>Total Arrears</b>	-	-	-	<b><u>183,583,972</u></b>		



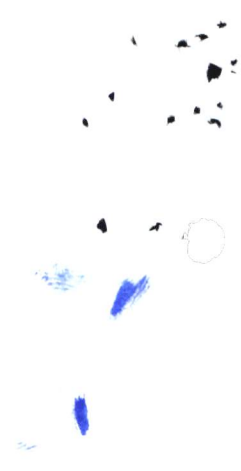
**Name: Hassan Hassan**  
**County Receiver of Revenue**



**Name: Monica Nkirote**  
**Head of Revenue Reporting**  
**ICPAK M/No 23115**

**Appendix 3: Ageing Analysis of Revenue in Arrears**

Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Cess	-	-	-	-	-
Land rate	8,534,599	15,722,150	22,623,356	136,703,867	183,583,972
Single/business permits	-	-	-	-	-
Property rent	-	-	-	-	-
Parking fees	-	-	-	-	-
Market fees	-	-	-	-	-
Advertising	-	-	-	-	-
Hospital fees	-	-	-	-	-
Public health service fees	-	-	-	-	-
Physical planning and development	-	-	-	-	-
Hire of County Assets	-	-	-	-	-
Conservancy administration	-	-	-	-	-
Administration control fees and charges	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-
Park fees	-	-	-	-	-
Other fines, penalties, and forfeiture fees	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-
Others ( <i>Specify</i> )	-	-	-	-	-
<b>Total</b>	<b>8,534,599</b>	<b>15,722,150</b>	<b>22,623,356</b>	<b>136,703,867</b>	<b>183,583,972</b>





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

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

Sign and date  
Accounting Officer

