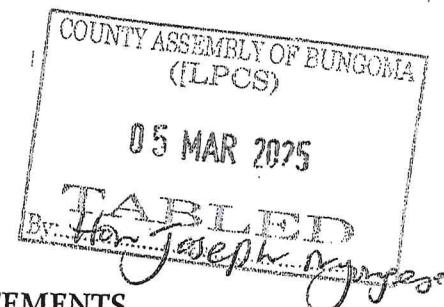




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## COUNTY REVENUE FUND

County Government of Bungoma



### QUARTERLY REPORT AND FINANCIAL STATEMENTS

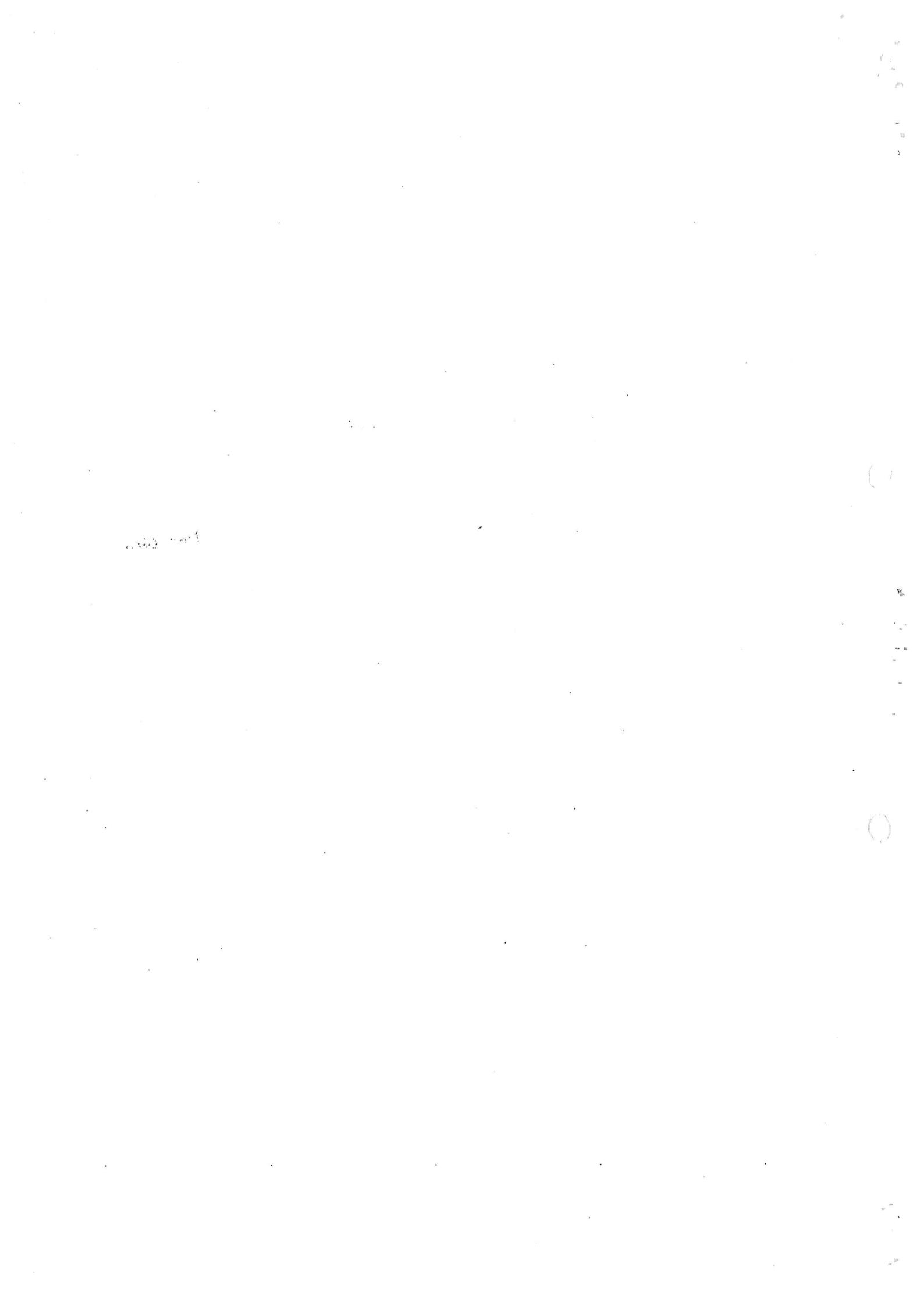
FOR THE PERIOD ENDED DECEMBER, 2024

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

*All Sectoral Com  
Committee - Finance Committee  
HBG to schedule  
12/2025*

*Received CABD  
05/03/2025*



**Table of contents**

**Page No.**

1. Acronyms and Definition of Key Terms.....	ii
2. Key Bungoma County Government Information and Management .....	iii
3. Statement by the CECM Finance .....	vi
4. Management Discussion and Analysis.....	ix
5. Overview of the County Revenue Fund Operations.....	xi
6. Statement of Management Responsibilities .....	xii
7. Statement of Financial Performance for the Period Ended Dec 31, 2024 .....	1
8. Statement of Financial Position as at Dec 31, 2024.....	2
9. Statement of Changes in Net Assets for the Period ended Dec 31, 2024 .....	3
10. Statement of Cash Flows for the Period ended Dec 31, 2024 .....	4
11. Statement of Comparison of Budget Actual Amounts for the Period Ended Dec 31, 2024.....	5
12. Notes To the Financial Statements .....	6
13. Annexes .....	14

**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
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
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-** Members of Management directly entrusted with the responsibility of the organization's financial resources.

**Comparative FY- Comparative Prior Financial Year.**

## 2. Key Bungoma County Government 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

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

No	Designation	Name
1.	CECM Finance and Economic planning	CPA Chrispinus Barasa
2.	C.O Finance	Robert Simiyu
3.	Director Accounting Services/Finance	CPA Ambrose Makokha

### c) Fiduciary Management

The key management personnel who held office during the period ended 31<sup>st</sup> December 2024 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	CECM Finance and Economic Planning	CPA Chrispinus Barasa
2.	Accounting Officer in charge of Finance	Robert Simiyu
3.	Director Accounting Services/Finance	CPA Ambrose Makokha

### d) Fiduciary Oversight Arrangements

#### i. Audit committee activities

The functions and responsibilities of the audit committee were as follows:

- Obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably or provide an independent review of the County Executive reporting functions to ensure the integrity of financial reports.
- Provide oversight of the implementation of the audit recommendations.
- Ensure that the County Executive effectively monitors compliance with legislative and regulatory requirements and promote a culture committed to lawful and ethical behaviour.

#### ii. Senate Committee Activities( PAC)

The responsibilities of the senate committee were as follows:

- Determining allocation of national revenue among counties as per Article 217 of the Constitution and overseeing allocation of national revenue to county governments

- To perform any other role as may be set out under the Constitution or legislation

***iii. County Assembly (PAC)***

The responsibilities of the County Assembly of Bungoma were as follows:

- Perform the roles set out under Article 185 of the Constitution;
- Approve the budget and expenditure of the county government in accordance with Article 207 of the Constitution, and the legislation contemplated in Article 220(2) of the Constitution, guided by Articles 201 and 203 of the Constitution;
- Approve the borrowing by the county government in accordance with Article 212 of the Constitution; and
- Approve county development planning.

***iv. Controller of Budget***

The responsibilities of Controller of Budget were as follows:

- Overseeing the implementation of the budgets of both national and county governments.
- Monitor the use of public funds and report to Parliament on how the funds have been utilized.

***v. Office of the Auditor General***

The responsibilities of the Auditor General as follows:

- Oversight or assurance role of ensuring accountability within the three arms of government (the Legislature, the Judiciary, and the Executive) as well as the Constitutional Commissions and Independent Offices.

**e) County Executive of Bungoma Headquarters**

P.O. Box 437-50200,  
Former Municipal Buildings,  
Moi Avenue Street  
Bungoma, Kenya

**f) County Executive of Bungoma Contacts**

Telephone: 0728039039  
E-mail: [info@bungoma.go.ke](mailto:info@bungoma.go.ke)  
Website: [www.bungoma.go.ke](http://www.bungoma.go.ke)

*County Government of Bungoma.*

*County Revenue Fund*

*Quarterly Report and Financial Statements for the Period ended December 31, 2024*

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**g) County Executive of Bungoma Bankers**

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000-00200

Nairobi, Kenya

**h) Independent Auditors**

Auditor-General

Office of the Auditor-General

Anniversary Towers, University Way

P.O. Box 30084-00100

Nairobi, Kenya

**i) Principal Legal Advisor**

The County Attorney

Bungoma Municipal Building

P.O. Box 437-50200

Bungoma, Kenya

### 3. Statement by the CECM Finance

The promulgation of the Constitution of Kenya, 2010, under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance consisting of the National Government and 47 County Governments. This necessitated that counties prepare and present annual statements showing their performance over the year.

#### Financing of the County Governments

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

The County also finances its operations through own generated revenues. The key local revenue sources for Bungoma County included business permits, land rates, cess, market fees, parking fees, administrative service fees, and public health facilities' fees, among others.

#### Financial Performance

##### a) Receipts

The County had planned to raise Kshs. 14,525,800,308 exclusive of level 4 & 5 revenues of ksh 1,063,647,395. The Kshs. 14,525,800,308 consists of; local revenue Kshs. 1,193,245,421 and Kshs. 13,332,554,887 from National Government and Development Partners through CARA. Of the target revenue of Kshs. 15,589,447,703, only Kshs. 14,525,800,308 was expected to be received through the CRF.

During the 6 months of FY 2024/25, the County realized income as follows:

Description	Budgeted income for entire FY	Actual Receipts for first half of FY	% realized
	Ksh	Ksh	
Equitable Share	11,543,041,769	5,505,420,465	48%
Conditional Grants & Development Partners	1,789,513,118	84,498,999	5%
Local revenues	1,193,245,421	132,146,474	11%
Returns from Crf	-	554,732	-
<b>Total</b>	<b>14,525,800,308</b>	<b>5,722,620,671</b>	<b>39%</b>

In view of this, specific measures have been proposed by the county to enhance revenue generation and collection. These include:

- The Department of Finance and Economic planning shall, in collaboration with the County Assembly, fast-track on the completion of relevant pieces of legislation to inform administration of various fees and charges.
- Collaboration between the Ministries, Departments and Agencies (MDAs), National Government, private sector, civil society and the general public for enhancement of the local revenue.
- Continuous performance appraisal for revenue collectors to monitor variations between collections and targets, this will bolster revenue from market fees and related streams;
- Proper and prompt accounting and reporting by receivers of revenue as per Section 157 (2) of PFMA, 2012.
- Utilization of services of the Office of County Attorney to assist in revenue enforcement through legal processes.
- Collaboration with the Law courts administration in setting up an express special court on County Revenue matters.
- Enhancing the BARMS system modules to 100% cashless payments on all revenue streams to avert challenges associated with cash handling.

**National and County economic outlook,**

- National Government revenues continue to form the largest part of the County Government budget, contributing 74% while locally generated revenues constitute 14.5% of the budget. Conditional grants and development partners accounted for 11.5%.
- The country experienced economic resilience and growth of 5.4% which is expected to be maintained in the medium term. This growth outlook will be supported by a broad-based private sector growth, strong performance of the services sector and recoveries in agriculture, while the public sector consolidates.
- The country's inflation is expected to be maintained at 6.6%. Interest and exchange rates are expected to remain stable, and this will be safeguarded over the medium term.

**b) Payments**

Total payments from the County Revenue Fund account within the first half of FY 2024/25 amounted to Kshs 4,983,312,209.

**c) Challenges**

During the implementation period, County Departments and Agencies encountered a number of challenges, including; Delay in fund disbursement by the exchequer; Failure to receive the December disbursement; and absence of continuous staff capacity development

*County Government of Bungoma.*

*County Revenue Fund*

*Quarterly Report and Financial Statements for the Period ended December 31, 2024*

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especially on E-procurement processes leading to delays. Mechanisms to address these challenges have been put in place.

This statement covers the operations of the CRF for the financial year ended 31<sup>st</sup> December 2024.



CPA Chrispinus Barasa

ICPAK NO. 19812

CEC Member – Finance and Economic Planning

County Government of Bungoma

#### 4. Management Discussion and Analysis

##### Operation of the Fund

The County Appropriation Act authorizes the withdrawal of funds from the County Revenue Fund. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution. The County 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. These entities are responsible for the administration of their respective approved budgets.

The County also finances its operations through own generated revenues. The key local revenue sources for Bungoma County included business permits, land rates, cess, market fees, parking fees, administrative service fees and public health facilities' fees.

##### Financial Performance

The total county's first half revenue has increased in FY 2024/25 compared to FY 2023/24 and FY 2022/23.

**Table 1: First half revenues from FY 2022/23 to FY 2024/25**

Revenue	1 <sup>st</sup> half FY 2024/25	1 <sup>st</sup> half FY 2023/24	1 <sup>st</sup> half FY 2022/23
Exchequer releases	5,589,919,464	3,666,954,592	3,517,613,613
Own Source Revenue	132,146,474	112,813,513	94,655,764
Return to CRF issues	554,732	606,980	1,111,963
<b>Total</b>	<b>5,722,620,670</b>	<b>3,780,375,085</b>	<b>3,613,381,340</b>

The County had planned to raise Kshs. 14,525,800,308 exclusive of level 4 & 5 revenues of ksh 1,063,647,395. The ksh 14.5B consists of, local Revenue Kshs. 1,193,245,421 and Kshs. 13,332,554,887 from National Government and Development Partners through CARA. Of the target revenue of Kshs. 15,589,447,703, only Kshs. 14,525,800,308 was expected to be received through the CRF.

County Government of Bungoma.

County Revenue Fund

Quarterly Report and Financial Statements for the Period ended December 31, 2024

**d) Payments**

Total payments from the County Revenue Fund a/c amounted to Kshs. 4,983,312,209, summarized in table 2:

**Table 2: Payments from the County Revenue Fund**

Item	1 <sup>st</sup> Half FY 2024/2025	1 <sup>st</sup> Half FY 2023/2024
	Kshs	Kshs
Transfer To executive Entities Accounts	4,591,216,225	3,453,698,301
Transfer to county Assembly	392,095,984	539,795,090
<b>Total Expenditure</b>	<b>4,983,312,209</b>	<b>3,993,493,391</b>

Table 3 provides depiction of budget vs actuals transfers for the period ended 31<sup>st</sup> December, 2024.

**Table 3: Budget vs Actuals Transfers**

Description	Budget FY 2024/25	1 <sup>st</sup> Half actual for FY 2024/25
	Kshs	Kshs
Transfer to County Executive	13,168,849,875	4,591,216,225
Transfer to County Assembly	1,356,950,433	392,095,984
<b>Total Expenditure</b>	<b>14,525,800,308</b>	<b>4,983,312,209</b>

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

### **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.

### **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, and other miscellaneous deposits in the County Revenue Fund Account.

### **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. These entities are responsible for the administration of their respective approved budgets.

### **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 period ended December 2024.



CPA Chrispinus Barasa

ICPAK NO. 19812

CEC Member – Finance and Economic Planning  
County Government of Bungoma

## **6. Statement of Management Responsibilities.**

Article 207 of the Constitution, Sections 109 and 168 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 quarterly financial statements for the Fund for each period 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 Dec 31, 2024. 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 (iv) Making accounting estimates that are reasonable in the circumstances.

The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, which have been prepared on the 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 Dec 31, 2024, 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 (where applicable). 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.

*County Government of Bungoma.*

*County Revenue Fund*

*Quarterly Report and Financial Statements for the Period ended December 31, 2024*

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**Approval of the Financial Statements**

The County Revenue Fund's financial statements were approved and signed on Jan 29, 2025 by.



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**Robert Simiyu**

**Chief Officer Finance**

**County Government of Bungoma**

County Government of Bungoma.

County Revenue Fund

Quarterly Report and Financial Statements for the Period ended December 31, 2024

7. Statement of Financial Performance for the Period Ended Dec 31, 2024

	Notes	Period ended Dec 2024 Kshs.
<b>Revenue from non-exchange transactions</b>		
Exchequer releases	5	5,510,115,598
Transfers from other government agencies	6	84,498,999
Return to CRF	7	554,732
Non-Exchange Own Source Revenue	8	65,348,782
<b>Revenue from exchange transactions</b>		
Exchange Own Source Revenue	9	74,648,853
<b>Total Revenue</b>		<b>5,735,166,964</b>
<b>Expenses</b>		
Transfers to County Executive	10	4,596,529,340
Transfers to County Assembly	11	392,095,984
<b>Total Expenses</b>		<b>4,988,625,324</b>
<b>Surplus for the period</b>		<b>746,541,640</b>

.....  
Robert Simiyu  
Chief Officer -Finance

Date.....29/1/2025.....

.....  
CPA Ambrose Makokha  
Head of Accounting Unit  
ICPAK M/No. 7929  
Date.....29/1/2025.....

### *County Government of Bungoma.*

### *County Revenue Fund*

*Quarterly Report and Financial Statements for the Period ended December 31, 2024*

## 8. Statement of Financial Position as at Dec 31, 2024.

	Note	Period ended Dec 2024	1st Position July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	12	812,798,165	73,489,703
Receivables from Non-Exchange Transactions	13	897,763,591	889,262,518
Receivables from Exchange Transactions	14	4,685,367	640,147
<b>Total Current Assets</b>		<b>1,715,247,123</b>	<b>963,392,368</b>
<b>Total Assets (A)</b>		<b>1,715,247,123</b>	<b>963,392,368</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	15	20,867,420	15,554,305
<b>Total Current Liabilities</b>		<b>20,867,420</b>	<b>15,554,305</b>
<b>Total Liabilities (B)</b>		<b>20,867,420</b>	<b>15,554,305</b>
<b>Net Assets (A-B)</b>		<b>1,694,379,703</b>	<b>947,838,063</b>
<b>Represented by:</b>			
Accumulated Surplus		1,694,379,703	947,838,063
<b>Net Assets</b>		<b>1,694,379,703</b>	<b>947,838,063</b>

**Robert Simiyu**  
**Chief Officer -Finance**

**Robert Simiyu**  
**Chief Officer -Finance**

291.122

Date.....

Date..... 29/1/2025.

CPA Ambrose Makokha  
Head of Accounting Unit

ICPAK M/No. 7030

SEARCHED NO. 1929  
Date 29/11/20

Date.....

*County Government of Bungoma.*

*County Revenue Fund*

*Quarterly Report and Financial Statements for the Period ended December 31, 2024*

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**9. Statement of Changes in Net Assets for the Period ended Dec 31, 2024**

		<b>Accumulated Surplus</b>
<b>As at July 1, 2024</b>		<b>947,838,063</b>
Surplus/ deficit for the Period		746,541,640
Additions during the Period		
<b>As at Dec 31, 2024</b>		<b>1,694,379,703</b>

County Government of Bungoma.

County Revenue Fund

Quarterly Report and Financial Statements for the Period ended December 31, 2024

**10. Statement of Cash Flows for the Period ended Dec 31, 2024**

	Notes	Period ended Dec 2024 Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Exchequer releases		5,505,420,465
Transfers from other government agencies		84,498,999
Return to CRF		554,732
Own Source Revenue		132,146,474
<b>Total receipts</b>		5,722,620,671
<b>Payments</b>		
Transfers to County Executive (operating activities)		(4,591,216,225)
Transfers to County Assembly (operating activities)		(392,095,984)
Other transfers		-
<b>Total Payments</b>		(4,983,312,209)
<b>Net cash flows from/(used in) operating activities</b>		739,308,462
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		739,308,462
Cash and cash equivalents at 1 July	12	73,489,703
<b>Cash and cash equivalents at the end of the period</b>	12	812,798,165

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

II. Statement of Comparison of Budget Actual Amounts for the Period Ended Dec 31, 2024.

Receipts/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realization Difference	% of Realization
	a Kshs	b Kshs	c=(a+b) Kshs	d Kshs	e=(c-d) Kshs	f=d/e%
Revenue						
Exchequer releases	11,543,041,769		11,543,041,769	5,595,426,465	6,037,621,304	48%
Transfers from other government agencies	1,789,513,118		1,789,513,118	84,498,999	1,705,014,119	5%
Return to CRF	-		-	554,732	-	554,732
Own Source Revenue	1,193,245,421		1,193,245,421	332,146,474	1,061,098,947	11%
<b>Total Revenue</b>	<b>14,525,800,308</b>		<b>14,525,800,308</b>	<b>5,722,620,671</b>	<b>8,803,179,637</b>	<b>39%</b>
Expenses						
Transfers to County Executive	13,168,849,875		13,168,849,875	4,591,216,225	8,577,633,650	35%
Transfers to County Assembly	1,356,950,433		1,356,950,433	392,095,984	964,854,449	29%
Other transfers	-		-	-	-	0%
<b>Total Payments</b>	<b>14,525,800,308</b>		<b>14,525,800,308</b>	<b>4,983,312,209</b>	<b>9,542,488,099</b>	<b>34%</b>
<b>Surplus/Deficit</b>				<b>0</b>	<b>739,308,462</b>	<b>-739,308,462</b>

a) Exchequer releases was under realized. It recorded 48% against a half year target of 50%. This is inclusive of balance b/f from June of FY 2023/24. It does not include exchequer release for December of FY 2024/25.

(b) Own source revenue has 11% realization. This is far below the half year target of 50%. Most of local revenue are collected in the 3rd quarter since a lot of business permit renewals fall during that time. Additionally, AIA collected are not transferred to the CRF, thus not captured herein

## **12. 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 Bungoma County Government and is domiciled in Kenya. The Fund's principal activity is Receipts of all county revenues and Disbursement to county operation accounts.

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

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

#### **a) Reporting Bungoma county Government**

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

#### **b) Revenues**

Revenues from non-exchange transactions with are measured at fair value and recognized on obtaining control of the asset, 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 Bungoma county Government and can be measured reliably.

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.

#### **c) Budget information**

The County Assembly approved the original budget for the FY 2024/25 on June 2024. The revenues collected include Exchequer releases, own source revenue, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Exchequer Account.

Transfers from the exchequer and own source revenue are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving Bungoma county Government.

**Notes to the financial statements**

**d) Expenses**

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

**3. 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 Bungoma County Government and can be measured reliably.

**ii. Revenue from exchange transactions**

**Own Source Revenue**

**b) 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. A financial instrument is any contract that gives rise to a financial asset of one Bungoma county Government and a financial liability or equity instrument of another Bungoma county Government. At initial recognition, the Bungoma county Government 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.

## **Notes to the financial statements**

### **Significant Accounting Policies**

#### **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 Bungoma county Government 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 Bungoma county Government 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.

*County Government of Bungoma.*

*County Revenue Fund*

*Quarterly Report and Financial Statements for the Period ended December 31, 2024*

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## **Notes to the financial statements**

### **Significant Accounting Policies**

#### **Fair value through net assets/ equity**

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

#### **Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the Bungoma county Government 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. *(less, bad debts)*

#### **Financial liabilities**

##### **Classification**

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

##### **c) 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

County Government of Bungoma.

County Revenue Fund

Quarterly Report and Financial Statements for the Period ended December 31, 2024

**Notes to the financial statements**

**Significant Accounting Policies**

**d) Events after the reporting period**

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

**e) Currency**

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

**4. 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.

**5. Exchequer releases**

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

Description	Period ended Dec 2024 Kshs
Equitable Share (a)	5,510,115,598
<b>Total (d=a+b+c)</b>	<b>5,510,115,598</b>

**6. Transfers from other government agencies\*\***

Description	Period ended Dec 2024 Kshs
Donor Funding	19,367,420
Industrial Park and Aggregation Grant	54,131,579
(IDA) World Bank Credit-Financing locally	11,000,000
Led climate programme (FFLoCA) <sup>1</sup>	
<b>Total</b>	<b>84,498,999</b>

County Government of Bungoma.

County Revenue Fund

Quarterly Report and Financial Statements for the Period ended December 31, 2024

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Notes to the financial statements

7. Return to CRF

Description	Period ended Dec 2024
	Kshs
Recurrent Account (County Executive)	456
Development Account (County Executive)	551,634
Recurrent Account (County Assembly)	100
Development Account (County Assembly)	51
County Assembly Imprest Account	2,491
<b>Total</b>	<b>554,732</b>

8. Non-Exchange own source revenue

Description	Period ended Dec 2024
	Kshs
Cess	23,784,723
Land Rates	3,914,119
Single/Business Permits	17,725,250
Conservancy Administration	3,598,300
Administration Control Fees and Charges	9,413,734
Other Fines, Penalties, And Forfeiture Fees	438,381
Public Health Service Fees	1,848,150
Physical Planning and Development	4,626,125
<b>Total</b>	<b>65,348,782</b>

9. Exchange Own Source Revenue

Description	Period ended Dec 2024
	Kshs
Property Rent	9,647,922
Parking Fees	39,507,881
Market Fees	20,953,069
Advertising	4,478,510
Hire of County Assets	40,500
Miscellaneous receipts	20,971
<b>Total</b>	<b>74,648,853</b>

10. Transfers to County Executive

Description	Period ended Dec 2024
	Kshs
Recurrent Account	3,866,033,097
Development Account	520,997,244
Special Purpose Accounts	209,498,999
<b>Total</b>	<b>4,596,529,340</b>

County Government of Bungoma.

County Revenue Fund

Quarterly Report and Financial Statements for the Period ended December 31, 2024

**Notes to the financial statements**

**11. Transfers to County Assembly**

Description	Period ended Dec 2024
	Kshs
Recurrent Account	333,390,550
Development Account	58,705,434
<b>Total</b>	<b>392,095,984</b>

**12. Cash and Cash equivalents**

Description	Period ended Dec 2024	1st July 2024
	Kshs	Kshs.
County Exchequer Account - (CBK Account number 1000171518)	812,798,165	73,489,703
<b>Total</b>	<b>812,798,165</b>	<b>73,489,703</b>

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

Description	Period ended Dec 2024	1st July 2024
	Kshs	Kshs.
Receivables Equitable share	893,653,821	888,958,688
Receivables Local revenue	4,109,770	303,830
<b>Net receivables</b>	<b>897,763,591</b>	<b>889,262,518</b>

**14. Receivables from Exchange Transactions**

Description	Period ended Dec 2024	1st July 2024
	Kshs	Kshs.
Receivables Local revenue	4,685,367	640,147
<b>Total</b>	<b>4,685,367</b>	<b>640,147</b>

**15. Accounts Payable**

Description	Period ended Dec 2024	1st July 2024
	Kshs	Kshs.
Payables to County Executive	20,867,420	15,554,305
<b>Total Accounts Payable</b>	<b>20,867,420</b>	<b>15,554,305</b>

County Government of Bungoma.

County Revenue Fund

Quarterly Report and Financial Statements for the Period ended December 31, 2024

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#### Notes to the financial statements

##### 16. 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	Period ended		Comparative Period	
		Dec-24			
		Kshs	Kshs		
Kenya Commercial Bank	1177737930	829,250	867,101		
National Bank of Kenya	7700058148	1,418,513	600		
Cooperative bank of Kenya	01141669167100	26	18,526		
Equity Bank	0480261006908	905,554	57,405		
M-pesa Paybill 337890		2,175,195	-		
<b>Total</b>		<b>5,328,538</b>	<b>943,632</b>		

*The balances are reconciled by those reported by CRORs as balances due for disbursement to the CRF at the end of the reporting period.*

### 13. Annexes

#### Annex 1: Analysis Of Receipts from The National Treasury Exchequer Releases

Item	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total
Equitable Share					
(IDA) World Bank Credit-Financing locally Led climate programme (FFLoCA) <sub>1</sub>	1,833,477,295	3,671,943,170			5,505,420,465
Industrial Park and Aggregation Project Grant	11,000,000				11,000,000
Others - Donor funding.	54,131,579				54,131,579
<b>Total</b>	<b>1,898,608,874</b>	<b>3,691,310,590</b>	<b>0</b>	<b>0</b>	<b>5,589,919,464</b>

**Annex 2. Analysis of Receipts from Own Source Revenue per Quarter**

**(a) Non-Exchange own source revenue**

Period: Dec 31, 2024	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Cess	5,189,967	18,594,756			23,784,723
Land Rates	1,347,871	2,566,248			3,914,119
Single/Business Permits	4,446,850	13,278,400			17,725,250
Conservancy Administration	269,309	3,328,991			3,598,300
Administration Control Fees and Charges	2,011,950	7,401,784			9,413,734
Other Fines, Penalties, And Forfeiture Fees	78,349	360,032			438,381
Public Health Service Fees	343,700	1,504,450			1,848,150
Physical Planning and Development	2,008,345	2,617,780			4,626,125
<b>Total</b>	<b>15,696,341</b>	<b>49,652,441</b>			<b>65,348,782</b>

**(b) Exchange own source revenue**

Period: Dec 31, 2024	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
Property Rent	1,783,530	7,864,392			9,647,922
Parking Fees	16,759,150	22,748,731			39,507,881
Market Fees	9,843,130	11,109,939			20,953,069
Advertising	1,161,350	3,317,160			4,478,510
Hire of County Assets	11,000	29,500			40,500
Miscellaneous receipts		20,971			20,971
<b>Total</b>	<b>29,558,160</b>	<b>45,090,693</b>			<b>74,648,853</b>

**Annex 3: Analysis of Transfers from the County Revenue Fund**

Period - Dec 2024	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive -Rec	783,289,583	3,082,743,514			3,866,033,097
County Executive -Dev	28,889,623	492,107,621			520,997,244
County Assembly -Rec	40,713,555	292,676,995			333,390,550
County Assembly -Dev	-	58,705,434			58,705,434
Special Purpose A/c (Specify)	204,185,884	-	-	-	204,185,884
County Education Support Scheme	125,000,000				125,000,000
KELCOP	15,554,305				15,554,305
Industrial Park	52,631,579				52,631,579
Climate	11,000,000				11,000,000
<b>Total</b>	<b>1,057,078,645</b>	<b>3,926,233,564</b>	<b>-</b>	<b>-</b>	<b>4,983,312,209</b>

Annex 4: Explained Variances between Receipts& Payment and the cash flow.

	Receipts& Payments		Reconciling Items		Cashflow Appropriation (Ksh)
	ReceivablesB/f (Ksh)	Receivables during the Quarter (Ksh)	PayablesB/f (Ksh)	Payables for the statements/budget Quarter (Ksh)	
Revenue from non-exchange transactions					
Exchequer releases	5,510,115,598	888,958,688	(893,653,821)		5,505,420,465
Transfers from other government agencies	84,498,999				84,498,999
Return to CRF	554,732				554,732
Non-Exchange Own Source Revenue	65,348,782	3,178,105	-		68,526,887
Revenue from exchange transactions					-
Exchange Own Source Revenue	127,600,545	6,696,020	(5,328,193)		128,968,372
Total Revenue	5,788,118,656	898,832,813	(898,982,014)		5,787,969,455
Expenses					-
Transfers to County Executive	4,577,161,920		1,500,000	(20,867,420)	4,557,794,500
Transfers to County Assembly	392,095,984				392,095,984
Other Transfers	-				-
Total Expenses	4,969,257,904	-	1,500,000	(20,867,420)	4,949,892,484
Surplus for the period	818,860,752	898,832,813	(898,982,014)	(1,500,000)	838,073,971

### *County Government of Bungoma.*

### *County Revenue Fund*

*Quarterly Report and Financial Statements for the Period ended December 31, 2024*

## Annex 5: Bank Reconciliation (F.O 30).

I certify that I have verified the bank balances in the cashbook and the bank balance and confirm the above reconciliation is correct.

	Prepared by	ACE	
Signature	Designation		Date
	Approved by	DNA	22.01.25
Signature	Designation		Date

