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## COUNTY GOVERNMENT OF BUNGOMA



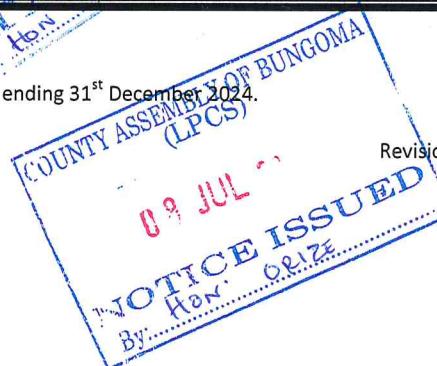
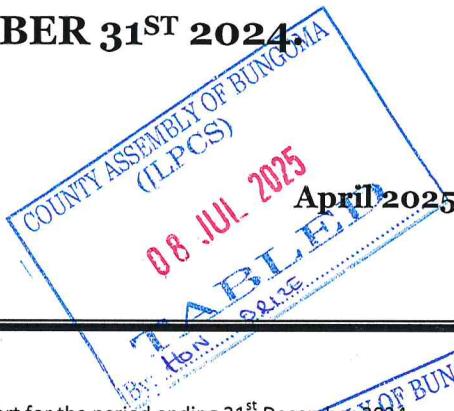
## COUNTY ASSEMBLY OF BUNGOMA OFFICE OF THE CLERK

### THIRD ASSEMBLY FOURTH SESSION

### FINANCE AND ECONOMIC PLANNING COMMITTEE

### REPORT ON COUNTY REVENUE FUND QUARTERLY REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31<sup>ST</sup> 2024

Clerks Chambers  
County Assembly Buildings  
P.O BOX 1886 - 50200  
BUNGOMA, KENYA



Bungoma County Revenue fund financial statement report for the period ending 31<sup>st</sup> December 2024.

Version : A

Revision : 00

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## CHAPTER ONE

### 1.1 preface

**Mr. Speaker,**

The County Revenue Fund quarterly report and financial statement for the period ending December 31<sup>st</sup> 2024, was tabled in the House by the Majority Leader on 5<sup>th</sup> March 2025 and committed to the Committee on Finance and Economic Planning. The report has highlighted on the general performance on Equitable share and own source revenue collection including Appropriation in Aid (AIA) by the Bungoma County. The Committee analyzed the report in comparison with performance of previous year that aided in making critical observations with clear and specific workable recommendations for the house to consider.

### 1.2 Mandate of the Committee.

**Mr. Speaker,**

The Sectorial Committee on Finance and Economic Planning is constituted pursuant to the provisions of Standing Order No. 217 of the County Assembly of Bungoma and executes its mandate in accordance with Standing order 217(5) which provides as follows:

- a) Investigate, inquire and report all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments.
- b) Study the programme and policy objectives of departments and the effectiveness of the implementation;
- c) study and review all county legislation referred to it;
- d) study, assess and analyze the relative success of the departments as measured by the results obtained as compared with their stated objectives;
- e) investigate and inquire into all matters relating to the assigned departments as they may deem necessary, and as may be referred to them by the County Assembly;
- f) to vet and report on all appointments where the constitution or any law requires the County Assembly to approve, except those under Standing order 208(Committee on Appointments); and
- g) make reports and recommendations to the County Assembly as often as possible, including recommendations of proposed legislation

### 1.3 Committee Membership

**Mr. Speaker,**

The Committee on Finance and Economic Planning as currently constituted comprises of the following members:-

1. Hon. James Mukhongo	Chairperson
2. Hon. Orize Kundu	Vice Chairperson
3. Hon. Stephen Wamalwa	Member
4. Hon. Everlyne Mutiembu	Member
5. Hon. Vitalis Wangila	Member
6. Hon. Violet Makhanu	Member
7. Hon. Jack Kawa	Member
8. Hon. Francis Chemion	Member
9. Hon. Tony Barasa	Member
10. Hon. George Makari	Member
11. Hon. Jeremiah Kuloba	Member
12. Hon. Godfrey Wanyama	Member
13. Hon. Everton Nganga	Member
14. Hon. Christine Mukhongo	Member
15. Hon. Jerusa Aleu	Member

### 1.4 LEGAL FRAMEWORK

#### 1.4.1 CONSTITUTION PROVISION ON THE ESTABLISHMENT OF THE COUNTY REVENUE FUND

**Mr. Speaker,**

Article 207 of the constitution of Kenya 2010 establishes for each County, County Revenue Fund (CRF). Further this provision sets the parameters upon which any money from the Fund may be withdrawn and mandates the controller of budget to approve any expenditure from the Fund. For the avoidance of doubt article 207 states as follows:-

*“207. (1) There shall be established a Revenue Fund for each county*

*Government, into which shall be paid all money raised or received by or on behalf of the county government, except money reasonably excluded by an Act of Parliament.*

*(2) Money may be withdrawn from the Revenue Fund of a county government only—*

*(a) as a charge against the Revenue Fund that is provided for by an Act of Parliament or by legislation of the county; or*

*(b) as authorized by an appropriation by legislation of the county.*

(3) Money shall not be withdrawn from a Revenue Fund unless the Controller of Budget has approved the withdrawal.

(4) An Act of Parliament may—

(a) make further provision for the withdrawal of funds from a county Revenue Fund; and

(b) provide for the establishment of other funds by counties and the management of those funds.

#### **1.4.2 PUBLIC FINANCE MANAGEMENT ACT PROVISION ON THE ESTABLISHMENT OF COUNTY REVENUE FUND**

**Mr. Speaker,**

*Section 109 of the Public Finance Management Act 2012 establishes the County Revenue Fund for each county government.*

*109. (1) there is established, for each county a County Revenue Fund in accordance with Article 207 of the Constitution.*

*(2) The County Treasury for each county government shall ensure that all money raised or received by or on behalf of the county government is paid into the County Revenue Fund, except money that—*

*(a) is excluded from payment into that Fund because of a provision of this Act or another Act of Parliament, and is payable into another county public fund established for a specific purpose;*

*(b) may, in accordance with other legislation, this Act or County legislation, be retained by the county government entity which received it for the purposes of defraying its expenses; or*

*(c) is reasonably excluded by an Act of Parliament as provided in Article 207 of the Constitution.*

*(3) The County Treasury shall administer the County Revenue Fund and ensure that the county government complies with the provisions of Article 207 of the Constitution.*

#### **1.4.3 SOURCES OF THE COUNTY REVENUE FUND**

**Mr. Speaker,**

*The county Revenue Fund comprises of money received from the exchequer and own source revenues. The following is the legal provision that guides on how the county government to access funds from the exchequer:-*

*Article 202 of the constitution provides that “Revenue raised nationally shall be shared equitably among the national and county governments”*

*Article 203 of the constitution laid down the criteria and basis of the sharing of revenue between the two levels of the government;*

*(1) The following criteria shall be taken into account in determining the equitable shares provided for under Article 202 and in all national legislation concerning county government enacted in terms of this Chapter—*

- (a) the national interest;*
- (b) any provision that must be made in respect of the public debt and other national obligations;*
- (c) the needs of the national government, determined by objective criteria;*
- (d) the need to ensure that county governments are able to perform the functions allocated to them;*
- (e) the fiscal capacity and efficiency of county governments;*
- (f) developmental and other needs of counties;*
- (g) economic disparities within and among counties and the need to remedy them;*
- (h) the need for affirmative action in respect of disadvantaged areas and groups;*
- (i) the need for economic optimization of each county and to provide incentives for each county to optimize its capacity to raise revenue;*
- (j) the desirability of stable and predictable allocations of revenue; and*
- (k) the need for flexibility in responding to emergencies and other temporary needs, based on similar objective criteria.*

*(2) For every financial year, the equitable share of the revenue raised nationally that is allocated to county governments shall be not less than fifteen per cent of all revenue collected by the national government.*

*(3) The amount referred to in clause (2) shall be calculated on the basis of the most recent audited accounts of revenue received, as approved by the National Assembly*

*Mr., Speaker, on the basis the senate shall enact the Division of Revenue Act for each financial year. The provisions of Article 218 states that:-*

*218. (1) At least two months before the end of each financial year,*

*There shall be introduced in Parliament--*

*(a) a Division of Revenue Bill, which shall divide revenue raised by the national government among the national and county levels of government in accordance with this Constitution; and*

*(b) a County Allocation of Revenue Bill, which shall divide among the counties the revenue allocated to the county level of government on the basis determined in accordance with the resolution in force under Article 217.*

*(2) Each Bill required by clause (1) shall be accompanied by a memorandum setting out--*

*(a) an explanation of revenue allocation as proposed by the Bill;*

*(b) an evaluation of the Bill in relation to the criteria mentioned in Article 203 (1); and*

*(c) a summary of any significant deviation from the Commission on Revenue Allocation's recommendations, with an explanation for each such deviation.*

**Mr. Speaker,**

*In addition the county government is mandated under the following provisions to generate their own source revenue:*

**1.4.4 Power to impose taxes and charges by County Government**

Article 209(3) (4) & (5) of the Constitution provides that:

- 3) A county may impose;
  - a) Property rates
  - b) Entertainment taxes; and
  - c) Any other tax that is authorized to impose by an Act of parliament.
- 4) The National and County Governments may impose charges for the services they offer.
- 5) The taxations and other revenue raising power of the County shall not be exercised in a way that prejudices national economic policies, economic activities across County boundaries or the national mobility of goods, services, capital or labor

Article 210 of the constitution states that:-

- 1) No tax or licensing fee may be imposed, waived or varied except as provided by legislation
- 2) If legislation permits the waiver of any tax or licensing fee—
  - (a) a public record of each waiver shall be maintained together with the reason for the waiver; and
  - (b) each waiver, and the reason for it, shall be reported to the Auditor-General.
- (3) No law may exclude or authorize the exclusion of a State officer from payment of tax by reason of—
  - (a) the office held by that State officer; or
  - (b) the nature of the work of the State officer

**1.4.5 Administration of the County Revenue Fund**  
**Mr. Speaker,**

Regulation 80 and 81 of the Public Finance Management (County Governments) Regulations 2015 stipulates as follow:

80. (1) The County Treasury shall administer the County Revenue Fund in accordance with the Constitutional provisions in Article 207 and 209 (3) and (4) in controlling revenue receipts to ensure that;

(a) all revenue receipts by the county government are paid into the County Exchequer Account, except revenue receipts reasonably excluded by the Act, or any other Act of Parliament or an Act of County Assembly ; and

(b) Withdrawals from the County Revenue Fund are done-

(i) In accordance with an appropriation by an Act of County Assembly; or

(ii) As a direct charge against the County Revenue Fund authorized by the Act, an Act of Parliament or an Act of County Assembly.

(1) The administrator of the County Revenue Fund shall keep proper books of accounts of the County Revenue Fund in accordance with standards and formats prescribed by the Public Sector Accounting Standards Board.

81(1) Receivers of revenue shall promptly deposit into the county exchequer account all receipts due to the County Revenue Fund.

(2) The receivers of revenue shall promptly pay the revenue received into the County Revenue Fund, as soon as possible and in any case not later than five (5) working days after receipt thereof.

(3) The County Treasury shall issue a receipt to a receiver of revenue to acknowledge the receipt of revenue thereof.

#### **1.4.6 County Government responsibilities in public finance;**

102. (1) Each County government shall ensure adherence to—

(a) The principles of public finance set out in Chapter Twelve of the Constitution;

(b) The fiscal responsibility principles provided in section 107 under this Act;

(c) National values set out in the Constitution;

(d) Any other requirements of this Act.

(2) The County Executive Committee shall observe principles of collective responsibility in exercising their functions under this Act.

(3) In making decisions a county assembly shall take cognizance of Article 216 (2) of the Constitution.

Establishment of county treasuries;

103. (1) there is established for each county government, an entity to be known as County Treasury. (2) The County Treasury shall comprise—

(a) The County Executive Committee member for finance;

(b) The Chief Officer; and

(c) The department or departments of the County Treasury responsible for financial and fiscal matters.

(3) The County Executive Committee member for finance shall be the head of the County Treasury.

Responsibilities and Powers of a County Treasury General responsibility of a County Treasury;

104. (1) Subject to the Constitution, a County Treasury shall monitor, evaluate and oversee the management of public finances and economic affairs of the county government including—

(a) Developing and implementing financial and economic policies in the county;

(b) Preparing the annual budget for the county and coordinating the preparation of estimates of revenue and expenditure of the county government;

(c) Co-coordinating the implementation of the budget of the county government;

(d) Mobilizing resources for funding the budgetary requirements of the county government and putting in place mechanisms to raise revenue and resources;

(e) Managing the county government's public debt and other obligations and developing a framework of debt control for the county;

(f) Consolidating the annual appropriation accounts and other financial statements of the county government in a format determined by the Accounting Standards Board;

(g) Acting as custodian of the inventory of the county government's assets except where provided otherwise by other legislation or the Constitution;

(h) Ensuring compliance with accounting standards prescribed and published by the Accounting Standards Board from time to time;

- (i) Ensuring proper management and control of, and accounting for the finances of the county government and its entities in order to promote efficient and effective use of the county's budgetary resources;
- (j) Maintaining proper accounts and other records in respect of the County Revenue Fund, the County Emergencies Fund and other public funds administered by the county government;
- (k) Monitoring the county government's entities to ensure compliance with this Act and effective management of their funds, efficiency and transparency and, in particular, proper accountability for the expenditure of those funds;
- (l) Assisting county government entities in developing their capacity for efficient, effective and transparent financial management, upon request;
- (m) Providing the National Treasury with information which it may require to carry out its responsibilities under the Constitution and this Act;
- (n) Issuing circulars with respect to financial matters relating to county government entities;
- (o) Advising the county government entities, the County Executive Committee and the county assembly on financial matters;
- (q) Strengthening financial and fiscal relations between the national government and county governments in performing their functions;
- (r) Reporting regularly to the county assembly on the implementation of the annual county budget; and (s) taking any other action to further the implementation of this Act in relation to the county.

#### **1.4.7 Powers of a County Treasury.**

**Mr. Speaker,**

105. (1) A County Treasury has such powers as are necessary to enable it to carry out its functions and responsibilities under this Act including—

- (a) With prior notice, access any system of public financial management used by any of the county government entities and the internal controls used to monitor the system;
- (b) Taking appropriate measures, including the stoppage of funds, to deal with any failure of a county government entity to comply with this Act;

- (c) With prior notice, accessing the premises of a county government entity and inspecting all records and other documents relating to the financial affairs of that county government entity, kept by that entity;
- (d) Requiring county government entities to comply with all applicable norms or standards regarding accounting practices, budget classification systems and other public financial management systems as prescribed by the Accounting Standards Board;
- (e) Requiring any public officer employed by a county government or county government entity to provide explanations, information and assistance in respect to matters relating to the county government's public finances: Provided that a person providing the information shall not be liable if at the time of providing the information, that person, in writing, objected to providing such information on grounds that the information may incriminate him or her;
- (f) Issuing guidelines to accounting officers for the county government entities, or public officers employed by those entities, with respect to the financial affairs of that Government or those entities, and monitoring compliance with those guidelines; and
- (g) Ensuring that county government entities operate a financial management system that complies with national standards as prescribed by the Accounting Standards Board.

(2) A County Treasury may, in writing, authorize any of its officers to carry out a specified responsibility, or exercise a specified power, on its behalf.

(3) When carrying out a responsibility, or exercising a power, on behalf of a County Treasury, an authorized officer shall, if requested to do so by the person in relation to whom the responsibility or power is being carried out or exercised, produce the officer's authorization for inspection and failure to comply with such a request invalidates any subsequent action purporting to be taken under the authority of the authorization.

(4) An authorization given under subsection (3) remains in force for such period as is specified in it or, if no such period is specified, until it is revoked by the County Treasury concerned.

(5) A County Treasury may, in writing, revoke or vary an authorization given under subsection (3).

## **1.5 Acknowledgement**

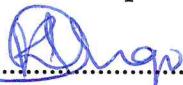
**Mr. Speaker,**

Let me take this opportunity to express my gratitude and sincere thanks to the members of the committee and its Secretariat for dedicating their time to analyze the County Revenue Fund quarterly report and financial statement for the period ending December 31<sup>st</sup> 2024.

The committee is grateful to the offices of Honorable Speaker and Clerk of the County Assembly of Bungoma for the logistical support received while discharging its mandate.

Lastly, the committee lauds the County Executive Committee Member of Finance and Economic Planning and his team for appearing before it and availing the necessary information that ensured successful compilation of this report.

**Mr. Speaker**, it is therefore my singular duty, on behalf of the Committee of Finance and Economic Planning, to table this report and recommend it to the house for consideration and adoption.

Signed .....  Date ..... 30<sup>th</sup> April 2025

**Hon. James Barasa Mukhongo, MCA Chwele/Kabuchai Ward  
Chairperson, Committee on Finance and Economic Planning**

## CHAPTER TWO

### 2.0 Examination of Bungoma County Revenue Fund Statement Fy2024/2025 for period ended December 31st, 2024.

#### 2.1 Financial performance

**Mr. Speaker,**

In the FY 2024/25 the County planned to raise Kshs.14,525,800,308 exclusive of Kshs.1,063,647,395 relating to level 4 and 5 hospital facilities. Revenue collected by hospital facilities is used at source and therefore not transferred to CRF. Kshs.13,332,554,887 is expected from the National Government and Development partners through CARA, while Kshs.1,193,245,421 from local revenue sources.

In the period ending December 2024, the County realized revenue as tabulated below.

Equitable share received relating to the period was Kshs.5,505,420,465, which is 48% of the total expected amount. Conditional grants Kshs.84m which is 5% of the total Kshs.1,789,513,118 expected Revenue

Local revenue collected, Kshs.132,146,474 out of a total of Kshs.1,193,245,421 representing 11% of the expected amount in the period under review. This figure differs with the one given in Receivers of Revenue report and CFSP which indicated that Kshs.174,856,140 and Kshs.141,906,269 was received respectively.

Description	Budget	Actual received	Variance	%
	Kshs	Kshs	Kshs	
Equitable share	11,543,041,769	5,505,420,465	6,037,621,304	48
Conditional grants & Development partners	1,789,513,118	84,498,999	1,705,014,119	5
Local revenue	1,193,245,421	132,146,474	1,061,098,947	11
Returns to CRF	-	554,732	(554,732)	
<b>Total</b>	<b>14,525,800,308</b>	<b>5,722,620,670</b>	<b>8,803,179,638</b>	<b>39</b>

#### 2.2 First half revenues from FY 2022/23 to FY 2024/25

Hon. Speaker,

The total revenue collected by the department in the first half year increased in FY 2024/25 as compared to FY 2023/24 and FY 2022/23 as shown in the table below:

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>

### 2.3 Payments

**Mr. Speaker Sir,**

The total payments from the County Revenue Fund account within the first half of FY 2024/25 amounted to Kshs 4,983,312,209, which differs from the amount stated in CFSP.

The expenditure for the period ending December 2024 amounted to Kshs. 6.11 Billion against the half year target of Kshs. 8.68 Billion consisting of Kshs 7.79 B of the approved budget estimates FY 2024/25 and a total of Kshs. 888.96 M as balance brought forward from FY 2023/24 Equitable share representing an under spending of Kshs. 2.57 billion.

### 2.4 Payments from County Revenue Fund

**Hon. Speaker,**

Out of the money received, Kshs. 4.5m was transferred to the County entities accounts and Kshs.392m to County Assembly. According to CFSP, Kshs.353.76m was transferred to County Assembly, which gives a variance of Kshs.38.2m.

The executive used Kshs.520, 997,244 on development and Kshs.209, 498,999 for special purpose accounts, Kshs.3, 866,033,097 on recurrent expenditure

For the County Assembly, Kshs.333, 390,550 was utilized on recurrent expenditure and Kshs.58,705,434 on development.

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 5 (CFSP) Fiscal performances as at 31<sup>st</sup> December 2024

Revenue type	24-Dec		
	Target	Actual	Deviation
<b>A. Total Revenue including External Grants</b>	<b>7,794,723,851</b>	<b>6,107,915,060</b>	<b>-1,686,808,791</b>
<b>Total Revenue 1+2</b>	<b>6,368,143,594</b>	<b>5,647,326,734</b>	<b>-720,816,860</b>
(1) Equitable share	5,771,520,884	5,505,420,465	-266,100,419
(2) Own source revenue: As per Finance Act	596,622,710	141,906,269	-454,716,441
(3) Own source revenue: AIA	531,823,696	325,686,327	-206,137,369
(4) Funds	20,000,000	11,306,457	-8,693,543
(5) Conditional grants – National Government	423,952,499	0	-423,952,499
(6) Conditional grants – Development partners	650,804,060	64,131,579	-586,672,481
<b>B. Total Expenditure</b>	<b>7,794,723,851</b>	<b>6,107,915,060</b>	<b>-1,686,808,791</b>
1. Recurrent Expenditure	4,727,068,300	4,995,152,755	268,084,455
2. Development Expenditure	2,389,180,334	700,291,889	-1,688,888,445

3. County Assembly	678,475,217	412,470,416	-266,004,801
4. Emergency Fund	50,000,000		-50,000,000
C. Balance Exclusive of Grants			0
D. Grants	894,756,559	64,131,579	-830,624,980
E. Balance inclusive of Grants			0
Discrepancy			0
F. Total Financing	7,794,723,851	6,107,915,060	-1,757,579,211

Source: County Treasury

**2.5 Statement of Financial performance for the period ended December 31<sup>st</sup> 2024(receipts & payments)**

	Period ended December 2024 Kshs.
<b>Revenue from non -exchange transaction</b>	
Exchequer releases	5,510,115,598
Transfers from other government agencies	84,498,999
Non -Exchange own source revenue	65,348,782
Return to CRF issues	554,732
<b>Revenue from exchange transactions</b>	
Exchange Own source revenue	74,648,853
<b>Total revenue</b>	<b>5,735,166,964</b>
<b>Expenses</b>	
Transfers to County Executive	4,596,429,340
Transfers to County Assembly	392,095,984
<b>Total expenses</b>	<b>4,988,525,324</b>
<b>surplus for the period</b>	<b>746,641,640</b>

Mr. Speaker sir,

The Exchequer released in the period was Kshs. 5, 505,420,465 ,this includes the balance brought forward of Kshs.888,958,688 , which means cash relating to the period was Kshs.4,616,461,777 , 40% of the exchequer release expected .

The Total cash received relating to the period was Kshs.4, 833,661,982 and transfer to County Executive was Kshs.4.5B while Assembly Kshs.392m .The transfers from other Government agencies was Kshs.84.4 m against a target of Kshs.1.7b (5%). This is made up of Kshs.19, 367,420 donors funding, Kshs.54, 131,579 Industrial Park and Aggregation grant Kshs.11m (IDA) World Bank Credit –Financing Locally Led Climate program (FFLoCA)

**Non -Exchange own source revenue received** was Kshs.65,348,782 as broken down as;Kshs.18, 050,433 of the Cess collected relates to arrears from previous periods, therefore Cess collected for the period is Kshs. 5,734,290 .Kshs.1,425,549 of the land rates, relate to arrears from previous period, hence collection for the period was Kshs.2,488,570. The table below shows the breakdowns:

<b>Description</b>	<b>Quarter 1 Kshs.</b>	<b>Quarter 2 Kshs.</b>	<b>Total</b>
Cess	5,189,967	18,594,756	23,784,723
Land Rate	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>

## **2.6 Exchange own source revenue**

**Hon. Speaker,**

The total exchange of own source revenue collected was Kshs.74, 648, 853. Only Kshs.1, 783, 530 was collected from property rent in the 1<sup>st</sup> quarter compared to Kshs.7, 864, 392 collected in quarter 2. Hire of County assets collected Kshs.40, 500 which differs from amount in Receivers of Revenue report of Kshs.14, 866,471

<b>Description</b>	<b>Quarter 1 Kshs.</b>	<b>Quarter 2 Kshs.</b>	<b>Total</b>
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
<b>Total Receipts</b>	<b>29,558,160</b>	<b>45,069,722</b>	<b>74,648,853</b>

## **2.7 Statement of Financial position as at December 31st 2024**

**Hon. Speaker,**

The Cash and cash equivalent of Kshs.812, 798,165 is balance the on County Exchequer account at the Central Bank of Kenya. The Receivables from non-exchange transactions include Kshs.893, 653,821 from equitable share, Kshs. 4,109,770 from local revenue (property rates, Cess, single business permits, Physical planning),

The receivables from exchange transaction include Kshs.4, 685,367 expected from local revenue though the particular source was not disclosed (property rent, reserved parking fees, market fees). The Accounts payable is Kshs.20.8m payable to the County Executive.

	<b>Period ended</b>	<b>1st position July 2024</b>
	<b>December 2024</b>	
<b>Assets</b>	<b>Kshs.</b>	<b>Kshs</b>

<b>Current Assets</b>		
Cash and Cash equivalent	812,798,165	73,489,703
Receivables from non-exchange transactions	897,763,591	889,262,518
Receivables from exchange transactions	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	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>
Represented by		
Accumulated surplus	1,694,379,703	947,838,063
<b>Net Assets</b>	<b>1,694,379,703</b>	<b>947,838,063</b>

**2.8 Statement of comparison of Budget vs. Actual amounts for period ended December 31st 2024**

Receipts/payments	Final Budget	Actual Comparable Basis	On Budget Realization Difference	% of Realization
	Kshs	Kshs	Kshs	Kshs
<b>County Own Source Revenue</b>				
<b>Revenue</b>				
Exchequer releases	11,543,041,769	5,505,420,465	6,037,621,304	48
Transfer from other Government agencies	1,789,513,118	84,498,999	1,705,014,119	5
Return to CRF		554,732	(554,732)	

	-			
Owns source revenue	1,193,245,421	132,146,474	1,061,098,947	11
<b>Total Revenue</b>	<b>14,525,800,308</b>	<b>5,722,620,670</b>	<b>8,803,179,638</b>	<b>39</b>
<b>Expenses</b>				
Transfer to County Executive	13,168,849,875	4,591,216,225	8,577,633,650	35
Transfer to County Assembly	1,356,950,433	392,095,984	964,854,449	29
Other transfers	-	-	-	-
<b>Total payments</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>-</b>	<b>739,308,461</b>	<b>(739,308,461)</b>	

## CHAPTER THREE

### 3.0 Committee Observations and recommendations

#### 3.1 Committee observations

1. That the Local revenue received in the period under review was Kshs.132,146,474 which differs with the one given in Receivers of Revenue report that indicated that Kshs.174,856,140 was received out of which Kshs.135,613,419 was transmitted to County Revenue Fund.
2. That the Exchequer released in the period was Kshs. 5,505,420,465 which includes the balance brought forward of Kshs.888,958,688 , which means cash relating to the period was Kshs.4,616,461,777 translating to 40% of the exchequer expected to be released as compared to 48% indicated in this report.
3. That the total payments from the County Revenue Fund account within the first half of FY 2024/25 amounted to Kshs 4,983,312,209 which differs from the amount stated in County Fiscal Strategy Paper that indicated Kshs 6.11b
4. That there is inconsistency in reporting, where the report of County Revenue Fund captured Kshs.392m as transferred to the county Assembly while in the County Fiscal Strategy indicates Kshs.353.76m giving a variance of Kshs.38.2m.
5. That there is a big variance of property rent collected in the first quarter where Kshs.1,783,530 and Kshs.7,864,392 was collected respectively. The report has

not declared any arrears owing from rental income in this report and Receivers of Revenue report.

6. That there is inconsistency in reporting where hire of county assets, the report indicated that Kshs.40,500 was collected compared to the Receivers of Revenue report which indicated Kshs.14,866,471.
7. That there are no details of receivables from local revenue, Kshs. 4,109,770 (property rates, Cess, single business permits, Physical planning),
8. That there are no details of source of receivables from exchange transactions of Kshs.4, 685,367 expected from local revenue (property rent ,reserved parking fees, market fees )
9. That the report do not have explanatory notes of Accounts payable of Kshs.20.8m payable to the County Executive.

### **3.2 Committee Recommendations**

Mr. Speaker sir, arising from the observation, the committee the following recommendations;

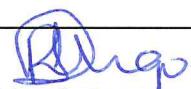
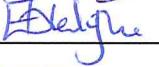
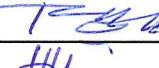
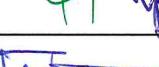
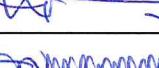
1. The committee notes that the department continues to report different figure in differed statutory reports, for instance the department reported Kshs.132,146,474 as local revenue in the revenue Fund report while Kshs.174,856,140 reported in the receivers of Revenue for the same period ending 31<sup>st</sup> June 2024. Further insistencies are noted in paragraphs; 3, 5, 6 and 7 of the committee observations. These inconsistencies in reporting are tantamount to professional negligence on the officers involved. The committee further notes that despite several recommendations to the department to put mechanisms in the reporting unit so as give accurate and consistent reports has not born fruits.

The committee therefore finds the department to have flouted the provisions of section 197 (n) of the Public Finance Management Act 2012 as read together with Section 9 of the Proceeds of Crime and Anti Money Laundering Act 2009. Consequently County Executive Committee Member and the Accounting officer are hereby directed to institute remedial action including taking disciplinary action on officers involved in the reporting unit and file a compliance report to the County Assembly within 14 days from the adoption of this report, failure to take action on the aforesaid recommendation, the County Assembly will hold them jointly and severally liable.

2. The Committee expresses reservation on accuracy of the exchequer released for the period under review and directs the reconciliation to be done and the report submitted to the County Assembly 14 days from the adoption of this report.
3. That the department should at all-time annex explanatory notes on County Revenue Fund statement for ease of understanding and clarification on some of the entries captured in the statement.

### Adoption schedule

The following members of Finance and Economic Planning Committee append our signatures confirming the contents there in the Revenue Fund financial statement report for the period ending 31<sup>st</sup> December 2024.

NO	NAME	DESIGNATION	SIGNATURE
1	Hon James Mukhongo	Chairman	
2	Hon Orize Kundu	Vice Chair	
3	Hon Stephen Wamalwa	Member	
4	Hon Jeremiah Kuloba	Member	
5	Hon Everlyne Mutiembu	Member	
6	Hon Tony Barasa	Member	
7	Hon Vitalis Wangila	Member	
8	Hon Jack Kawa	Member	
9	Hon Violet Makhanu	Member	
10	Hon George Makari	Member	
11	Hon Francis Chemion	Member	
12	Hon Godfrey Mukhwana	Member	
13	Hon Everton Nganga	Member	
14	Hon Christine Mukhongo	Member	
15	Hon Jerusa Aleu	Member	

## **ANNEXURES**

1. County Revenue Fund Quarterly Report and Financial Statements for the Period ended December 31, 2024.