

REPUBLIC OF KENYA

GOVERNMENT OF MAKUENI COUNTY



COUNTY TREASURY

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Makueni County  
P.O. Box 78-90300,  
MAKUENI



REF: GMC/FIN/ASS.36/VOL.17(92)

Date: 11<sup>th</sup> July, 2025

Makueni County Assembly,  
P.O Box 572-90300,  
Makueni.



**RE: SUBMISSION OF MAKUENI COUNTY RECEIVER OF REVENUE QUARTERLY REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2025.**

Pursuant to Section 166 of the Public Finance Management Act, 2012 we hereby submit Quarterly Report and Financial Statements for the period ended 30<sup>th</sup> June 2025.

Yours Sincerely,

MAKUENI COUNTY GOVERNMENT  
EXECUTIVE COMMITTEE MEMBER  
FINANCE & PLANNING

Damaris Mumo Kavoi

**CECM- FINANCE, PLANNING, BUDGET AND REVENUE**



Cc.

1. Office of the Auditor General
2. National Treasury
3. Office of the Controller of Budget
4. Commission on Revenue Allocation
5. Internal Audit-Makueni County

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
MACHAKOS HUB.  
14 JUL 2025  
**RECEIVED**

OFFICE OF THE CONTROLLER  
OF BUDGET  
**REGISTRY**  
14 JUL 2025  
**COPY**  
TIME:.....  
P. O. Box 35616 - 00100, NAIROBI



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14 JUL 52

OFFICE OF THE AUDITOR GENERAL  
RECEIVED  
14 JUL 52



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

**QUARTERLY REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED JUNE 30, 2025**

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**Transitional IPSAS Financial Statements /Prepared in accordance with the Accrual Basis of Accounting Method Under International Public Sector Accounting Standards (IPSAS)**



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*Receiver of Revenue  
County Government of Makueni  
Quarterly Reports and Financial Statements  
For the period ended June 30, 2025*

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*County Government of Makueni*  
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**1. Acronyms and Definition of Key Terms**

**A. Acronyms**

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

**B. Definition of Key Terms**

**Comparative FY-** Comparative Prior Financial Year

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the entity.

## 2. Key Entity Information and Management

### (a) Background information

The receiver of revenue is under the Department of Finance and Socio-Economic Planning. At the County Executive Committee level, the receiver of revenue is represented by the County Executive Committee member for Finance and Socio-Economic Planning, 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 8<sup>th</sup> January 2025 by the County Executive Committee member for Finance, in accordance with Section 157 of the PFM Act.

### (b) Principal activities

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

### (c) Key Management Team

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

No.	Designation	Name
1.	CEC Member --Finance	CPA Damaris Mumo Kavoi
2.	Chief Officer-Planning, Budget and Revenue	Boniface Musyoki Mutua
3.	Director, Revenue	Mark Wambua Muthoka
4.	Head of Revenue Reporting	CPA Kiniva Benson Mwendwa

### (d) Fiduciary Management

No.	Designation	Name
1.	Chief Officer-Finance.	CPA John Nguni
2.	Director Accounting services	CPA Slyvia Mbevi
3.	Head of Financial Reporting	CPA Faith Matheka
4.	Head of Procurement	Fidel Peter Muema
5.	Head of Budget	Annastacia Muendo
6.	Head of Planning	Stanlus Matheka

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**Fiduciary Oversight Arrangements**

**Makueni County Assembly;** Enacted the various legislation and oversight required, approval of Makueni County budget(s), Appropriation bills and Finance Act, oversight of county projects, reviewed external audit reports and financial statements with recommendations for the County Executive.

**Makueni County Audit Committee;** Reviewed the internal audit reports and ensured corrective actions were taken to safeguard the internal controls of the County's financial operations.

**Controller of Budget;** Provided the required guidelines in budget execution, processed requisition for funds and provided oversight in budget implementation.

**National Treasury;** Processed exchequer funds, provided technical support and quality review of the financial statements.

**Commission on Revenue Allocation;** Provided support in revenue allocation and undertook the County Credit Rating.

**Public Sector Accounting Standards Board;** Developed the financial reporting templates and guidance on the accounting standards to be adopted by the County Government.

**Office of the Auditor General;** Audited the Makueni County Receiver of Revenue financial statements FY 2023/24 and currently handling Q1, Q2 and Q3 reports for FY 2024/25.

**Senate Committee Activities;** Offered oversight to the County Government through follow up of FY2022/23 audit queries.

**(e) County Government of Makueni Headquarters**

P.O. Box 78-90300  
County Headquarters Building  
Off Wote - Makindu Highway  
Makueni-KENYA

**(f) County Government of Makueni Contacts**

Telephone: (254) 202 034 944  
E-mail: [contact@makueni.go.ke](mailto:contact@makueni.go.ke)  
Website: [www.makueni.go.ke](http://www.makueni.go.ke)

**(g) Independent Auditor**

Office of The Auditor General  
Anniversary Towers, University Way  
P. O. Box 30084  
GPO 00100  
Nairobi, Kenya



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**(h) Bankers**

**1. Central Bank of Kenya**

Telephone: (254) 202 860 000

Email: [comms@centralbank.go.ke](mailto:comms@centralbank.go.ke)

Website: [www.centralbank.go.ke](http://www.centralbank.go.ke)

**2. Kenya Commercial Bank- Wote Branch**

Telephone: (254) 711 070 000

Email: [ccarewote@kcbgroup.com](mailto:ccarewote@kcbgroup.com)

Website: [www.kcbbankgroup.com](http://www.kcbbankgroup.com)

**(i) Principal Legal Adviser**

**1. The Attorney General State Law Office**

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

**2. County Attorney**

P.O. Box 78

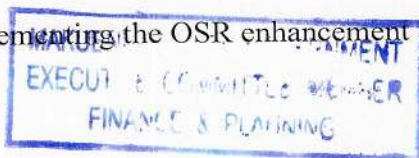
County Government of Makueni

### **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 PFMA, 2012 assigns obligatory roles to the County Treasury on matters relating to resource mobilization. The Public Finance Management Act Section 157 provides for the designation of county receiver of revenue whose mandate as in section 165 is to prepare the receiver of revenue financial statements in the manner prescribed by PSASB.

The county resources comprise of the equitable share, conditional allocations in form of either loans or grants and Own Source Revenue. The county has projected to generate Kshs 1,471,433,323 from own source revenue during the FY 2024/2025 accounting for 13% of the total projected revenue of Kshs 11,224,298,331 for the year. The Own Source Revenue realised was Kshs. 1,231,335,998 which accounts for 84% of the total projected own source revenues. Own source revenue performance registered a growth of 18% from Kshs 1,045,086,845 recorded in the fourth quarter of FY 2023/24 to Kshs 1,231,335,998 in FY 2024/25.

Over the years, the County has been unable to achieve set revenue targets on own-source revenue principally due to depressed economic conditions. The county is continually carrying out sensitization on voluntary compliance through market clinics and media. The management will continue implementing the OSR enhancement strategies.



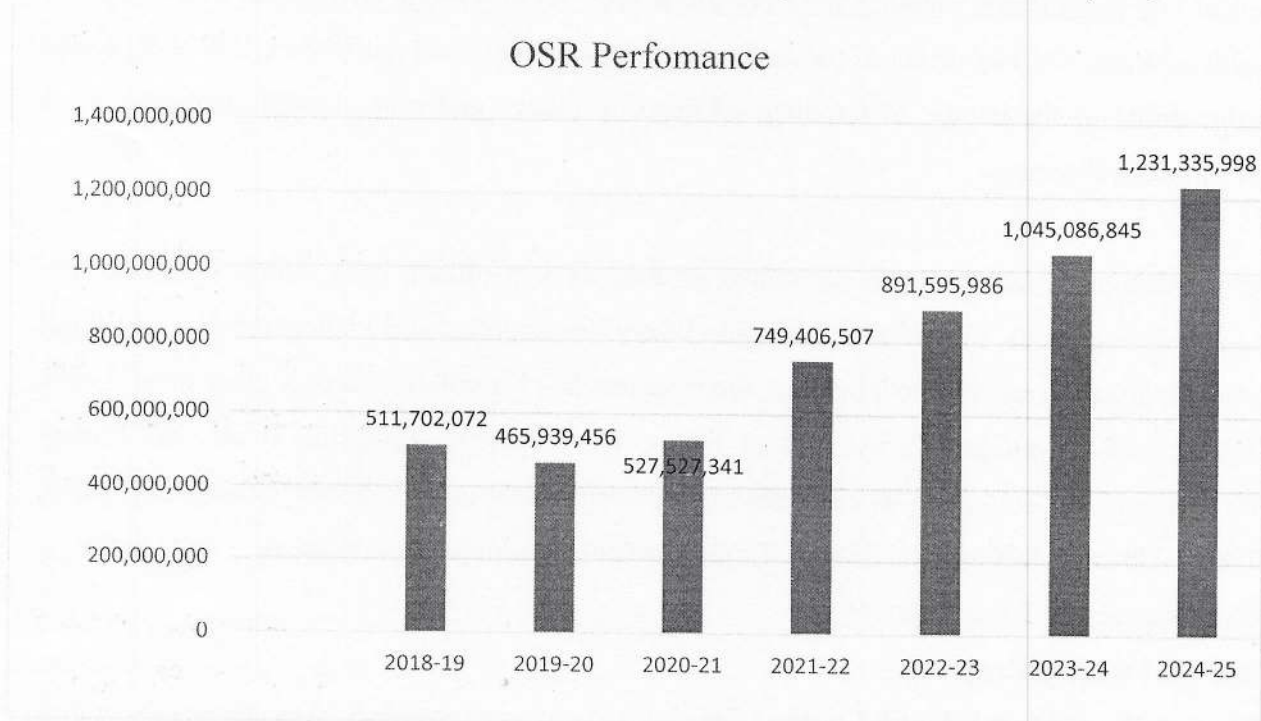
.....  
**CPA Damaris Mumo Kavoi**  
**CECM Finance and Economic Planning**  
**County Government of Makueni**

4. Management Discussion and Analysis

Section A

*The entity's operational and financial performance*

The county has progressively recorded steady growth in own source revenue since 2013 from a collection of Kshs 189,188,000 in 2013/2014 to 1,045,086,845 in the FY 2023/2024. For the Quarter, ending 30<sup>th</sup> June 2025 the county has managed to grow OSR by 18% from Kshs 1,045,086,845 recorded in fourth quarter of FY 2023/24 to Ksh 1,231,335,998 in financial year 2024/2025. The graph below illustrates the OSR trend for Quarter 4 for the last six years;



The key strategies include optimizing land-based revenue, adopting a coordinated approach to business licensing, implementing unified billing, broadening revenue streams, automating revenue processes, reducing leakages through increased supervision and staff rotation.

Section B

**Entity's compliance with statutory requirements**

The county is continuously implementing the provisions of the relevant statutory bodies such as The Constitution of Kenya, 2010, Public Finance Management Act, 2012, County Government Act, Makueni County Finance Act, 2023

**Section C**

**Key projects and investment decisions the entity is planning/implementing.**

The third generation Makueni County Integrated Development Plan (CIDP) 2023-2027 under the theme ‘**A resilient economy for sustainable development.**’ sets out development priorities for five years. These priorities intend to empower the Makueni county citizenry to increase productivity and thereby enhance their economic well-being through saving and investment for wealth creation. The key driver in the realization of the priorities set out in the CIDP is depended on the ability of the county to mobilize adequate resources and seek strategic partnerships to accelerate development.

The realization of this theme is structured around six key pillars, each firmly rooted in five foundational elements. The pillars encompass Water Development and Management, Agricultural Commercialization and Industrialization, Environment and Natural Resource Management, Urban Planning and Development, and Social Sector Development, alongside Road and Energy Infrastructure. The foundational elements underpinning these pillars include Good Governance, Climate Change Mitigation, Youth Empowerment, Resource Mobilization and Strategic Partnership, and ICT and Innovation

**CIDP III Flagship Projects**

- 1. County Ward Model Health Centres:** This initiative aims to establish 30 model health centres, one in each ward, equipped with modern infrastructure offering essential 24-hour care. It includes the provision of necessary supportive infrastructure such as roads, electricity, and water, along with ensuring adequate staffing and financing for the health facilities.
- 2. Automation of Government Services:** This program targets the automation of 80% of government services and processes through a unified approach across all sectors. Key activities involve linking stand-alone systems into one, automating services and processes, integrating technology in service delivery, and fostering innovation and research.
- 3. Urban Development:** This program strategically positions urban areas as development and growth nodes, recognizing the need for infrastructural development due to increasing urbanization. Wote will serve as a model town, focusing on water provision, creating safe spaces and recreational centres, developing road and electricity infrastructure, and enhancing social services such as day care centres and homes for the elderly.

**4. Water Development:** This initiative includes the construction of six mega dams in the county, with four by the National Government and two by the County Government. The goal is to provide water to major urban areas and support irrigation for rural agricultural communities. Additionally, it involves establishing a Water Fund and emphasizing water governance and environmental conservation.

**5. Public Service Re-engineering:** This program involves transforming the public service to align with county goals. Key focuses include decentralizing services, establishing service centres, rationalizing staff, implementing a performance management system, and automating human resource processes.

**6. Industrialization Development:** This initiative aims to provide infrastructure and incentives for industrial development. It involves establishing the Makueni Industrial Park, developing essential infrastructure (roads, water, electricity), setting up incubation centres, and focusing on marketing and branding.

**7. Agricultural Value Chains Development:** This program aims to optimize production and productivity for global food security. It involves developing and commercializing key value chains, including fruit, grain, poultry, dairy, and industrial crops, through the revitalization of agricultural extension services.

**8. Social Protection and Pro-Poor Investment:** This program seeks to invest in pro-poor initiatives to reduce vulnerabilities and enhance participation in economic activities. Key areas of focus include cash transfer programs, rural development initiatives, and local economic development.

**9. Own Source Revenue (OSR):** The goal is to mobilize Own Source Revenue to ensure at least 20% of the county budget is funded by OSR by 2027, up from the current 13%. Key strategies include optimizing land-based revenue, adopting a coordinated approach to business licensing, implementing unified billing, broadening revenue streams, automating revenue processes, and reducing leakages.

**10. Green Energy Development and Promotion:** This program intends to collaborate with Private development partners to establish three solar plants and an energy centre, aiming to increase the county's power resources through the promotion of green energy.

***Receiver of Revenue***  
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***Quarterly Reports and Financial Statements for the period ended June 30, 2025***

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The plan will be implemented through five Annual Development Plans (ADPs). It is estimated to cost a total of Ksh 92.3 Billion, which will be raised from the National Government equitable share and grants, Own Source Revenue (OSR) and support from Development Partners (DPs)

**Section D**

**Major risks facing the entity**

The major risks facing the entity are;

**Operational Risk**

Advancement in Technology and Systems-Technological advancement may render the current systems in use obsolete.

**Strategic Risk**

Shortfall in revenue collection- Not meeting revenue targets may result to financial constraints and under development in the county

**Compliance Risk**

Weak laws to enforce revenue collection may result to significant revenue shortfall

**Financial Risk**

Inadequate funding might result to inability to fulfil financial obligations.

**Section E**

**Material arrears in statutory/financial obligations**

There are no material arrears in statutory/financial obligation for the Receiver of Revenue.

**Section F**

**The entity's financial probity and serious governance issues**

The county government has engaged in fair practises across all the county departments. The fair practises involve implementation of strategies such as Automating government services, Instituting Full Cashless mode of payment, encouraging voluntary compliance, conducting public participation, creating awareness to the public on all government activities and projects, Publishing financial record and accounting for all resources.

**Receiver of Revenue**

**County Government of Makueni**

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**5. Statement of Receiver of Revenue's responsibilities**

Section 158 (3) of the Public Finance Management Act, 2012 requires that, at the end of each Quarter, 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 period.


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 Quarter (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 Makueni 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 relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the County Government of Makueni receiver of revenue account gives a true and fair view of the state of the County Government of Makueni receiver of revenue transactions during the financial period ended June 30, 2025 and of the entity's 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 Makueni has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable). 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 11/07/2025

  
Name; **Mark Wambua Muthoka**  
County Receiver of Revenue



*Receiver of Revenue  
County Government of Makueni  
Quarterly Reports and Financial Statements  
For the period ended June 30, 2025*

**6. Statement of Revenue and Disbursements for the Period Ended June 30, 2025**

	Note	June 30 <sup>th</sup> 2025
		Kshs
<b>Revenue from non-exchange transactions</b>		
Cess	5	70,452,230
Land Rates	6	141,518,885
Single/Business Permits	7	176,673,891
Conservancy Administration	8	5,994,400
Administration Control Fees and Charges	9	61,662,642
Other Fines, Penalties, And Forfeiture Fees	10	240,195
Public Health Service Fees	11	35,998,165
Physical Planning and Development	12	18,718,675
Donations/Grants Not Received Through CRF	13	0
<b>Total Revenue from non-exchange transactions</b>		<b>511,259,083</b>
<b>Revenue from exchange transactions</b>		
Property Rent	14	13,393,600
Parking Fees	15	39,185,610
Market Fees	16	36,780,979
Advertising	17	27,603,873
Hospital Fees	18	719,118,909
Hire of County Assets	19	7,383,700
Miscellaneous receipts	20	45,095,365
<b>Total Revenue from exchange transactions</b>		<b>888,562,036</b>
<b>Total Revenues (a)</b>		<b>1,399,821,119</b>
<b>Disbursements</b>		
Bank charges	21	-75,798
Disbursements To CRF	22	-497,060,664
Hospital fees retained as AIA	18	-719,118,909
Makueni Fruit Processing Plant Fees	20	-11,782,425



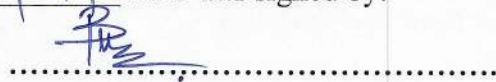
**Receiver of Revenue**  
**County Government of Makueni**  
**Quarterly Reports and Financial Statements for the period ended June 30, 2025**

Sand Authority	5	-3,450,064
Waivers and exemptions	23	
Bad debts written off	24	
Provision for bad debts	25	
<b>Total Disbursements and other charges (b)</b>		<b>-1,231,487,860</b>
Balance Due for Disbursement (collected amounts) (c)		1,253,946
Balance Due for Disbursement (uncollected Amounts) (d)		168,485,121
<b>Balance Due for Disbursement and Collection (e = c + d)</b>		<b>169,739,067</b>

These revenue statements were approved on 11/07 2025 and signed by:



Name: Mark Wambua Muthoka  
 County Receiver of Revenue



Name: CPA Kiniva Benson Mwendwa  
 Head of Revenue Reporting  
 ICPAK M/No: 16512




*Receiver of Revenue  
County Government of Makueni  
Quarterly Reports and Financial Statements for the period ended June 30, 2025*

**7. Statement of Financial Position as at June 30, 2025**

	Note	Period as at June 30 <sup>th</sup> , 2025	Opening Statement 1st July 2024
		Kshs	Kshs
<b>Current Assets</b>			
Cash and Cash Equivalents	26	1,253,946	1,405,808
Receivables from non-Exchange transactions	27	162,465,921	475,319,465
Receivables from Exchange transactions	28	6,019,200	9,684,803
<b>Total Current Assets</b>		<b>169,739,067</b>	<b>486,410,073</b>
<b>Total Assets</b>		<b>169,739,067</b>	<b>486,410,073</b>
<b>Financial Liabilities</b>			
Payables-Due to CRF	29	169,739,067	486,410,073
Revenue received in advance	30		
<b>Total Financial Liabilities</b>		<b>169,739,067</b>	<b>486,410,073</b>

The entity's financial statements were approved on 11/07 2025 and signed by:



Name: Mark Wambua Muthoka  
County Receiver of Revenue



Name: CPA Kiniva Benson Mwendwa  
Head of Revenue Reporting  
ICPAK M/No: 16512



*Receiver of Revenue  
County Government of Makueni  
Quarterly Reports and Financial Statements for the period ended June 30, 2025*

**8. Statement of Cash Flows for the Period Ended June 30, 2025**

	Note	Period ended June 30 <sup>th</sup> 2025 Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Cess		67,002,166
Land Rate		28,276,264
Single/Business Permits		127,450,591
Property Rent		10,077,900
Conservancy Administration		5,994,400
Administration Control Fees and Charges		61,662,642
Other Fines, Penalties, And Forfeiture Fees		240,195
Public Health Service Fees		35,998,165
Physical Planning and Development		18,718,675
Donations/Grants Not Received Through CRF		0
Parking Fees		39,185,610
Market Fees		36,780,979
Advertising		27,603,873
Hire of County Assets		7,383,700
Miscellaneous receipts		33,312,940
<b>Total Receipts</b>		<b>496,984,600</b>
<b>Payments</b>		
Disbursements To CRF		(497,060,664)
Bank charges		(75,798)
<b>Total Payments</b>		<b>(497,136,462)</b>
<b>Net Cash Flows from/ (used in) Operating Activities</b>		<b>(151,862)</b>
Cash and cash equivalents at Period Start	26	1,405,808
<b>Cash and cash equivalents at Period End</b>	26	<b>1,253,946</b>

*(PSASB has prescribed the direct method of cash flow presentation for all entities under the IPSAS Accrual basis of accounting)*

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**9. Statement of Comparison of Budget and Actual Amounts for Period Ended June 30, 2025**

Receipts	Original Targets	Adjustments	Final Targets	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/C*100 Kshs
<b>County Own Source Revenue</b>						
Cess	75,000,000		75,000,000	70,452,230	4,547,770	94%
Land Rate	177,000,000	26,855,153	203,855,153	28,276,264	175,578,889	14%
Single/Business Permits	200,000,000		200,000,000	127,450,591	72,549,409	64%
Property Rent	8,700,000		8,700,000	7,374,400	1,325,600	85%
Parking Fees	47,500,000		47,500,000	39,185,610	8,314,390	82%
Market Fees	56,000,000		56,000,000	36,780,979	19,219,021	66%
Advertising	20,922,470		20,922,470	27,603,873	-6,681,403	132%
Hospital Fees	566,255,700		566,255,700	719,118,909	-152,863,209	127%
Public Health Service Fees	36,000,000		36,000,000	35,998,165	1,835	100%
Physical Planning and Development	48,000,000		48,000,000	18,718,675	29,281,325	39%
Hire of County Assets	7,000,000		7,000,000	7,383,700	-383,700	105%
Conservancy Administration	9,500,000		9,500,000	5,994,400	3,505,600	63%
Administration Control Fees and Charges	91,400,000		91,400,000	61,662,642	29,737,358	67%
Other Fines, Penalties, and Forfeiture Fees	1,000,000		1,000,000	240,195	759,805	24%
Miscellaneous Receipts	100,300,000		100,300,000	45,095,365	55,204,635	45%
<b>Total County Own Source Revenue</b>	<b>1,444,578,170</b>	<b>26,855,153</b>	<b>1,471,433,323</b>	<b>1,231,335,998</b>	<b>240,097,325</b>	<b>84%</b>

Receiver of Revenue  
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Receipts	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% of Realization
	A	B	C=(A+B)	D	E=(C-D)	F=D/C*100
<b>Other Receipts</b>						
Donations /Grants Not Received Through CRF	0		0	0	0	0
<b>Total Other Receipts</b>	0		0	0	0	0
<b>Total Receipts</b>	<b>1,444,578,170</b>	<b>26,855,153</b>	<b>1,471,433,323</b>	<b>1,231,335,998</b>	<b>240,097,325</b>	<b>84%</b>

- (a) Cess, advertising, and administration and control fees registered a significant improvement compared to the same period in the previous financial year. This improvement is attributed to early compliance with advertisement fee requirements and enhanced control measures at cess collection points and the slaughterhouses.
- (b) Hospital fees registered a significant performance attributed to tightening controls in collecting facility improvement fund and frequent follow up of SHIA/SHIF claims.
- (c) Despite most of streams recording improvement as compared to last financial year, there was under realisation majorly due to depressed economy and low uptake of voluntary payment mechanism.

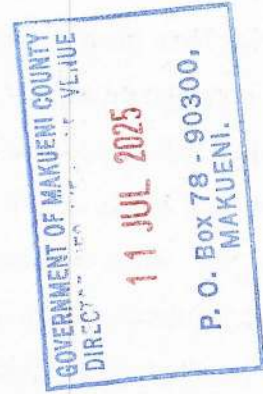
The County Receiver of revenue's financial statements were approved on 11/07/2025 and signed by:

  
.....

Name: Mark Wambua Muthoka  
County Receiver of Revenue

  
.....

Name: CPA Kiniva Benson Mwendwa  
Head of Revenue Reporting  
ICPAK M/No: 16512



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

### **1. General Information**

County Government of Makueni Receiver of Revenue was appointed by the CEC member of Finance of Makueni County Government in accordance with section 157 of the PFM Act. The Receiver of Revenue principal activity is collect and remit revenue to the CRF as outlined in the appointment letter and section 157 of the PFM Act.

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

#### **Statement of compliance**

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

#### **Basis of Preparation**

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. These financial statements have been prepared on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognized when rights to assets are earned or levied rather than when cash is received, and expenses are recognized when obligations are incurred rather than when they are settled. The financial statements have been prepared and 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.

#### **Reporting period**

The reporting period for these financial statements is for the period ended June 30, 2025.

### **3. 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.

**Notes to the financial statements**

**ii) Revenue from exchange transactions**

**Rendering of services**

The *Receiver of Revenue* recognizes revenue from 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.

**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.

**Notes to the financial statements**

**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 26<sup>th</sup> June 2024 for the period 1<sup>st</sup> July 2024 to 30<sup>th</sup> June 2025. There were two supplementary budget passed in the period. A high-level assessment of the County's actual performance against the comparable budget for the financial period under review has been included in these financial statements.

The *County Government of Makueni* 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 cash flows has been presented under section 8 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**

**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 period. Funds are transferred to the CRF on weekly basis.

**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) Comparatives**

In preparing these financial statements the entity has elected to apply paragraph 79 of IPSAS 33, which allows for the election by an entity to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of first time adoption of the accrual basis of accounting.

**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**

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

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

*State all significant judgements, estimates and assumptions made:*

**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 period, 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 were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 25. 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**

**5. Cess**

Description	Period ended June 2025
Farm produce	19,532,146
Building material cess	3,585,000
Livestock	4,596,420
Others (sand cess)	42,738,664
<b>Total</b>	<b>70,452,230</b>

**6. Land rates**

Description	Period ended June 2025
Land rates	135,745,385
Renewal Fees	5,773,500
<b>Total</b>	<b>141,518,885</b>

**7. Single /Business Permits**

Description	Period ended June 2025
Annual Business permit	175,090,920
Business permit penalties and interest	1,582,971
<b>Total</b>	<b>176,673,891</b>

**8. Conservancy Administration**

Description	Period ended June 2025
Conservancy	4,972,800
Water and Environment	1,021,600
<b>Total</b>	<b>5,994,400</b>

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Notes to the financial statements

9. Administration Control Fees and Charges

Description	Period ended June 2025
Weights and measures	1,092,095
Fire Services	3,548,660
Liquor licenses	45,422,940
Veterinary Services	11,598,947
<b>Total</b>	<b>61,662,642</b>

10. Other Fines, Penalties and Forfeitures

Description	Period ended June 2025
Impounding Fees	240,195
<b>Total</b>	<b>240,195</b>

11. Public Health Service Fees

Description	Period ended June 2025
Public Health Service Fees	35,998,165
<b>Total</b>	<b>35,998,165</b>

12. Physical Planning and Development

Description	Period ended June 2025
Change of use	1,550,000
Building plans approval	17,168,675
<b>Total</b>	<b>18,718,675</b>

Notes to the financial statements

13. Donations and Grants Not Received Through CRF

Description	Period ended June 2025
Donations	0
<b>Total</b>	<b>0</b>

14. Property Rent

Description	Period ended June 2025
Stalls/kiosks rent	13,393,600
<b>Total</b>	<b>13,393,600</b>

15. Parking Fees

Description	Period ended June 2025
Registration fees	3,077,500
Bus Park fees	36,108,110
<b>Total</b>	<b>39,185,610</b>

16. Market Fees

Description	Period ended June 2025
Market entry fees	27,662,427
Others ( <i>Stock Market fees</i> )	9,118,552
<b>Total</b>	<b>36,780,979</b>

17. Advertising

Descriptions	Period ended June 2025
Outdoor Advertisement	27,603,873
<b>Total</b>	<b>27,603,873</b>

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Notes to the financial statements

18. Hospital Fees

Description	Period ended June 2025
Level 4 hospitals	719,118,909
<b>Total</b>	<b>719,118,909</b>

19. Hire of County Assets

Description	Period ended June 2025
Agricultural Mechanisation Services (AMS)	566,100
Hire of Machines and Equipment	1,566,650
Conference facilities/Agricultural Training Centers (ATC)	4,776,820
Community Information Centers fees	474,130
<b>Total</b>	<b>7,383,700</b>

20. Miscellaneous Revenues

Description	Period ended June 2025
Coop Audit Service fees	184,790
Direct Deposits	15,399,347
Makueni Fruit Processing Plant Fees	29,511,228
<b>Total</b>	<b>45,095,365</b>

21. Bank Charges

Description	Period ended June 2025
Bank Charges & commissions	75,798
<b>Total</b>	<b>75,798</b>

Notes to the financial statements

22. Disbursements to CRF

Description	Period ended June 2025 Kshs
Quarter 1	85,502,569
Quarter 2	59,953,918
Quarter 3	192,770,461
Quarter 4	158,833,716
<b>Total</b>	<b>497,060,664</b>

23. Waivers and Exemptions

Description	Period ended June 2025
Penalties	0
Interest	0
<b>Others</b>	<b>0</b>
<b>Total</b>	<b>0</b>

24. Bad debts written off.

Description	Period ended June 2025
Bad debts written off	0
<b>Total</b>	<b>0</b>

25. Provision for bad debts

Description	Period ended June 2025
Provision for bad debts	0
<b>Total</b>	<b>0</b>

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**Notes to the financial statements**

**26. Cash and Cash Equivalents**

Name of Bank, Account No. & currency	Period ended June 2025	Statement 1st July 2024
	Kshs	Kshs
KCB Makueni County Revenue Account-1140751719	61,868	932,756
KCB Directorate of Cooperatives Account-1168389127	0	0
KCB Makueni County Demonstration Revenue collection Account-1169183565	0	5,500
KCB Mkn County Sand Consv&Util A Rev Ac-1173940030	1,868	
Cash in hand- Mpesa Makueni Sand Conservation Utility a/c	1,900	
Cash in hand- Mpesa Revenue Utility a/c	1,188,311	467,552
<b>Total</b>	<b>1,253,946</b>	<b>1,405,808</b>

**27. Receivables for non-exchange transactions**

Description	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
<b>Receivables</b>		
Land rates	113,242,621	451,055,464
Single/ Business permits	49,223,300	24,264,000
<b>Sub total</b>	<b>162,465,921</b>	<b>475,319,464</b>
Less impairment Allowance	(0)	(0)
<b>Total Current Receivables</b>	<b>162,465,921</b>	<b>475,319,464</b>

*(Over 50% of the current receivables are recoverable through the implementation of OSR enhancement strategies)*



Notes to the financial statements

27 a) Ageing analysis for Receivables from Non-exchange transactions

Description	Period ended June 2025		Opening Statement 1 <sup>st</sup> July 2024	
	Period ended June 30, 2025	% of the total	Opening Balance	% of the total
	Kshs		Kshs	
Less than 1 year	162,465,921	26%	133,304,857	28%
Between 1- 2 years	123,230,622	20%	102,175,022	21%
Between 2-3 years	98,504,850	16%	83,075,211	17%
Over 3 years	232,317,973	38%	156,764,375	33%
<b>Total (a+b)</b>	<b>616,519,366</b>	<b>100%</b>	<b>475,319,465</b>	<b>100%</b>

27 b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Impairment allowance/ provision	Period ended June 2025	Opening Statement 1 <sup>st</sup> July 2024
		Kshs
At the beginning of the period	0	0
Additional provisions during the period	0	0
Recovered during the period	(0)	(0)
Written off during the period	(0)	0
At the end of the period	<b>0</b>	<b>0</b>

28. Receivables from exchange transactions

Description	Period ended June 2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Total receivables</b>		
Property rent	6,019,200	9,684,800
<b>Sub total</b>	<b>6,019,200</b>	<b>9,684,800</b>
Less: impairment allowance	(0)	(0)
<b>Total receivables</b>	<b>6,019,200</b>	<b>9,684,800</b>

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**Notes to the financial statements**

**28 a) Ageing analysis for Receivables from exchange transactions**

Description	Period ended June 2025		Opening Statement 1st July 2024	
	Period ended June 30, 2025,	% of the total	Opening Statement 1st July 2024	% of the total
	Kshs		Kshs	
Less than 1 year	6,015,700	49%	4,969,800	51%
Between 1- 2 years	5,095,300	41%	2,859,500	30%
Between 2-3 years	1,201,300	10%	1,391,000	14%
Over 3 years	76,000	1%	464,500	5%
<b>Total (a+b)</b>	<b>12,388,300</b>	<b>100%</b>	<b>9,684,800</b>	<b>100%</b>

**28 b) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions**

Impairment allowance/ provision	Period ended June 2025
At the beginning of the year/period	0
Additional provisions during the period	0
Recovered during the period	0
Written off during the period	0
At the end of the period	<b>0</b>

**29. Payables- Due To CRF**

Payables	Period ended June 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Amount collected yet to be disbursed to CRF	1,253,946	1,405,808
Amount billed and yet to be collected for disbursement to CRF	168,485,121	571,164,914
<b>Total undisbursed funds to CRF</b>	<b>169,739,067</b>	<b>572,570,722</b>

Appendixes

11. Appendix 1: Statement of Arrears of Revenue as at 30<sup>th</sup> June, 2025

Classification Of Receipts	Balance as at The beginning of the current year (1 <sup>st</sup> July 2024) A	Arrears received during the Period. B	Additions in arrears for the current Period to June 30, 2025 C	Total arrears as at June 30 <sup>th</sup> , 2025 D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Land rates	451,055,465	(12,643,021)	113,242,621	551,655,065	Public sensitization to plot owners through market clinics, bulk sms, social media and mainstream media. -Issuance of demand notes.	Over 30% is recoverable.
Single/Bus in Permits	24,264,000	(8,623,000)	49,223,300	64,864,300	-Continuous reminders through bulk sms and market clinics. -Use of revenue champions in the markets to encourage voluntary compliance	Over 60% is recoverable.
Property Rent	9,684,800	(3,315,700)	6,019,200	12,388,300	-Issuance of legal notice by County Attorney to enhance compliance. -Public sensitization to plot owners through Municipalities.	Over 70% is recoverable.
<b>Total Arrears</b>	<b>485,004,265</b>	<b>(24,581,721)</b>	<b>168,485,121</b>	<b>628,907,665</b>		

.....  
 Name: Mark Wambua Muthoka  
 County Receiver of Revenue  
 (Ref: PFM ACT section 165, 2(a))

.....  
 Name: CPA Kiniva Benson Mwendwa  
 Head of Revenue Reporting  
 ICPAK M/No:16512



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**Appendix 2: 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
Land rates	113,242,621	107,589,622	98,504,850	232,317,973	551,655,065
Single/business permits	49,223,300	15,641,000			64,864,300
Property rent	6,015,700	5,095,300	1,201,300	76,000	12,388,300
<b>Total (agree to statement of arrears above)</b>	<b>168,481,621</b>	<b>128,325,922</b>	<b>99,706,150</b>	<b>232,393,973</b>	<b>628,907,665</b>

Appendix 3: 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 benefiting 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
	Not Applicable				

(PFM ACT section 165 subsection 4, 5)

*P. Bwani* 11/7/25

Sign and date  
 Accounting Officer

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