RECEIVER OF REVENUE

COUNTY GOVERNMENT OF ELGEYO MARAKWET

QUARTERLY REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST DECEMBER, 2024

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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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. 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 Economic Planning. At the County Executive Committee level, the *receiver of revenue* is represented by the County Executive Committee member for Finance and Economic Planning, who is responsible for the general policy and strategic direction of the *receiver of revenue.* The *receiver of revenue* is designated as a receiver 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 Elgeyo Marakwet's day-to-day management of revenue is under the following:

No.	Designation	Name
1.	CEC member -Finance	**Alphaeus K. Tanui**
2.	Chief Officer, Finance	**Peter Chesos**
3.	Director, Revenue	**Solomon Kandie**
4.	Head of Revenue Reporting	**JohnKeen M. Jairo**

(d) Fiduciary Management

No.	Designation	Name
1.	Chief Officer, Finance.	**Peter Chesos**
2.	Director Accounting services	**JohnKeen M. Jairo**
3.	Head of Procurement	**Peter Maiyo**
4.	Director Economic Planning and Budgeting	**John Maritim**
5	Ag. Director Internal Audit	**Barnabas Chemesis**

Fiduciary Oversight Arrangements

The County Government of Elgeyo Marakwet has put in place adequate measures to ensure that there are necessary oversight arrangements to ensure that receiver of revenue operations adhere to the laid down collection, accounting and reporting procedures.

The Receiver of Revenue holds monthly meetings with County Treasury management to brief on the status of revenue collection, accounting and reporting. In addition, the Internal Audit Directorate routinely carries out audits of the receiver of revenue financial statements and operations. These audits usually provide important feedback on improvement of receiver of revenue processes.

The receiver of revenue, through the office of CECM Finance and Economic Planning, occasionally appears before the Elgeyo Marakwet County Assembly Committee on Finance and Economic Planning which carries out regular oversight on reports and operations on revenue collection in the county.

(e) Entity Headquarters

P.O. Box 220-30700
Elgeyo Marakwet County Treasury Building, Iten
Eldoret Iten Road
ITEN, KENYA

(f) Entity Contacts

Telephone: (254) 053-4142277
E-mail: Info@elgeyomarakwet.go.ke
Website: www.elgeyomarakwet.go.ke

(g) Independent Auditor

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

(h) Bankers

(i) Kenya Commercial Bank
Iten Branch

(ii) Access Bank LTD
Iten Branch

(j) Principal Legal Adviser

1. The Attorney General State Law Office
   Harambee Avenue
   P.O. Box 40112
   City Square 00200
   Nairobi, Kenya

2. The County Attorney
   P.O. Box 220-30700
   Elgeyo Marakwet County Treasury Building, Iten
   Eldoret-Iten Road

3. Foreword By the CECM Finance and Economic Planning

The County Government of Elgeyo Marakwet budgeted Kshs 300,784,971 in the financial year 2024/2025, out of which Sh. 200,000,000 will be collected as public health hospital fees while sh. 100,784,971 will be collected from ordinary revenue. During the period under review, the county government collected sh. 179,311,856 compared to Ksh. 124,057,382 collected in the same period in FY 2023/24. This translated to 59.8% growth in revenue.
The county government aims to sustain this revenue growth trajectory by fully rolling out the Integrated Revenue Management System to include all revenue streams. The county government will also upscale efforts for compliance and enforcement in order to seal leakages.

During the period, the county executive approved the implementation of the Facility Improvement Financing Act, 2023 which provides for collection and retention of the user fees by the health facilities without being transferred to the CRF. This will ensure that the health facilities are able to access funds easily to defray their expenses. This will improve service delivery in the hospitals.

With the economy recovering from external shocks, it is expected that the business environment will be favourable for businesses to grow and attract more businesses the Ongoing construction of fresh produce markets at Iten and Kapcherop towns will, in the medium term, increase revenues collected from market entry fees.
In order to align the own source revenue collections to the legal requirements that govern collection of county taxes, the county government will be seeking to enact the relevant tax laws which include Revenue Administration Act, Valuation for Rating Act, Trade Licensing and Markets Act, Agricultural Produce Cess Act among others.

The Revenue performance against the approved Budget for the FY 2024/2025 is tabulated below;

Performance of County Own Source Revenue against the Budget

	Budget 2024/25	**Actual**	**variance**	**% performance**
Revenue Source	**Kshs.**	**Kshs.**	**Kshs.**	
Cess	24,200,000	9,816,466	14,383,534	40.56%
Land Rate	3,000,000	167,224	2,832,776	5.57%
Single Business Permits	25,500,000	2,487,836	23,012,164	9.76%
Property Rent	5,000,000	1,572,350	3,427,650	31.45%
Parking Fees	7,500,000	2,152,729	5,347,271	28.70%
Market Fees	5,500,000	3,703,611	1,796,389	67.34%
Advertising	7,000,000	298,800	6,701,200	4.27%
Hospital Fees	195,000,000	150,570,814	44,429,186	77.22%
Public Health Service Fees	5,000,000	817,695	4,182,305	16.35%
Physical Planning and Development	4,219,999	1,175,750	3,044,249	27.86%

Hire of Count Assets	550,000	-	0	0
Conservancy Administration	3,500,000	220,500	3,279,500	6.30%
Administration Control Fees and charges	456,614	61,800	394,814	13.53%
Proceeds from sale of assets	-	-	0	0
Park Fees	2,500,000	192,200	2,307,800	7.69%
Other Fines, Penalties and forfeiture Fees	2,000,000	161,375	1,838,625	8.07%
Water Supply	0	0	0	0
Hide and Skin	100,000	700	99,300	0.70%
Miscellaneous Receipts Not classified elsewhere	9,958,358	5,912,006	4,046,352	59.37%
TOTAL	**300,784,971**	**179,311,856**	**121,473,115**	**59.61%**

During the period, a total of Ksh. 29,058,592 was transferred to County Revenue Fund.

ELGEYO MARAKWET COUNTY
C.E.C FINANCE & PLANNING
P. O. Box 220-30700 ITEN
Tel: 053-42277

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CECM Finance and Economic Planning

County Government of Elgeyo Marakwet

4. Management Discussion and Analysis

The revenue performance for FY 2024/2025 compared to FY 2023/2024 is tabulated below,

Revenue Performance for Quarter 2 for 3 years

Revenue Stream	Qtr. 2-2024-2025 Kshs	Qtr. 2-2023-2024 Kshs	Qtr 2 2022-2023 Kshs
Cess	9,816,466	8,958,938	4,396,513
Land Rate	167,224	315,723	152,445
Single/Business Permits	2,487,836	1,619,915	1,129,260
Property Rent	1,572,350	2,800,615	588,433
Parking Fees	2,152,729	2,230,250	1,030,250
Market Fees	3,703,611	3,561,594	2,810,165
Advertising	298,800	370,600	110,900
Hospital Fees-FIF	150,570,814	98,068,415	57,966,372
Public Health Service Fees	817,695	667,500	408,625
Physical Planning and Development	1,175,750	1,156,430	238,000
Hire Of County Assets	-	-	0
Conservancy Administration	220,500	47,350	35,100
Administration Control Fees and Charges	61,800	22,900	21,600
Proceeds from sale of assets	-	-	-
Park Fees	192,200	310,190	60,650
Other Fines, Penalties, And Forfeiture Fees	161,375	172,660	38,430
Miscellaneous receipts	5,912,706	3,754,302	5,254,172
Total County Own Source Revenue for the quarter	**179,311,856**	**124,057,382**	**74,240,915**

Section A

The third generation County Integrated Development Plan (CIDP III), the first under the new county administration, sets out programs, policies, strategies, and projects whose implementation will be underpinned on the new administration's theme of 'creating opportunities and nurturing potentials for all citizens. CIDP III aims to transform Elgeyo Marakwet into a progressive county championing citizen-oriented development status through empowerment, participation, innovative sustainable development, and enhanced climate resilience.

CIDP III aims at addressing the following priority programs, projects, policies, and strategies

i. An efficient and high-quality healthcare system
ii. A modern roads and transport infrastructure
iii. A water secure community in habitable environment
iv. Accelerated growth through human settlement and urban development
v. Food security and wealth creation
vi. Commercial empowerment for investments and industrialization
vii. Quality, equitable and accessible education and training

The financial capacity of delivering on the targets set in this Plan is estimated to be Ksh 107. 048B. Of this amount, Ksh 17.589B. is expected to be from the county annual budget as allocated from the annual equitable share by Commission on Revenue Allocation (CRA) and collections from the county own revenue sources. The remainder of the Ksh 89.459B, worth of programmes will be financed from resource mobilisation strategies targeting National Government Agencies, Non-Governmental Organizations, Development Partners, other non-state development actors and the private sector.

The county government will put in place measures to enhance own source revenue in order to reduce dependence of the equitable share from the national government.

According to the CRA's Comprehensive Own Source Revenue Potential and Tax Gap Study report, Elgeyo Marakwet county has a potential of collecting Ksh. 1.078billion in own source revenue every year. In the 2023/2024 FY, the county collected Ksh. 274million representing 25.7% of the potential.

Section B

Entity's compliance with statutory requirements

The county government of Elgeyo Marakwet is compliant to all the requirements relating to operations of the receiver of revenue.

Section C

Key projects and investment decisions the entity is planning/implementing.
The county government has earmarked several projects and programs to be implanted through the CIDP III for the period 2023-2027. The programs and projects aim at Creating opportunities and nurturing potentials, being the overall objective of the CIDP. The plan identifies key programs and projects to be implemented across the five sectors of the county's economy. These sectors are; Social, Health and Sanitation, Infrastructure and Public administration and governance.

These programs will be implemented through the Wealth Creation Strategy that aims at improving Agriculture and Livestock values chains in an effort to increase community empowerment through promotion of high value crop and livestock value chains.
The programs identified are capital intensive and require a lot of resources to implement them. The financial capacity of delivering on the targets set in this Plan is estimated to be Ksh 107. 048B. Of this amount, Ksh 17.589 billion. is expected to be from the county annual budget as allocated from the annual equitable share by Commission on Revenue Allocation (CRA) and collections from the county own revenue sources. The remainder of the Ksh 89.459 billion, worth of programmes will be financed from resource mobilisation strategies targeting National Government Agencies, Non-Governmental Organizations, Development Partners, other non-state development actors and the private sector.
The county government will put in place measures to enhance own source revenue in order to reduce dependence of the equitable share from the national government.

Section D

Major risks facing the entity

Category Description	Category Description
Strategy risks	Risks arising from identifying and pursuing a strategy, which is poorly defined, is based on flawed or inaccurate data or fails to support the delivery of commitments, plans or objectives due to a changing macro-environment (e.g. political, economic, social, technological, environment and legislative change).
Governance risks	Risks arising from unclear plans, priorities, authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance.
Operations risks	Risks arising from inadequate, poorly designed or ineffective/inefficient internal processes resulting in fraud, error, impaired customer service quality and/or quantity of service), non-compliance and/or poor value for money
Legal risks	Risks arising from a defective transaction, a claim being made (including a defense to a claim or a counterclaim) or some other legal event occurring that results in a liability or other loss, or a failure to take appropriate measures to meet

	legal or regulatory requirements or to protect assets (for example, intellectual property).
Property Risk	Risks arising from property deficiencies or poorly designed or ineffective/ inefficient safety management resulting in non-compliance and/or harm and suffering to employees, contractors, service users or the public.
Financial Risks	Risks arising from not managing finances in accordance with requirements and financial constraints resulting in poor returns from investments, failure to manage assets/liabilities or to obtain value for money from the resources Deployed, and/or non-compliant financial reporting.
Commercial Risks	Risks arising from weaknesses in the management of commercial partnerships, supply chains and contractual requirements, resulting in poor performance, inefficiency, poor value for money, fraud, and /or failure to meet business requirements/objectives.
People risks	Risks arising from ineffective leadership and engagement, suboptimal culture, inappropriate behaviour, the unavailability of sufficient capacity and capability, industrial action and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance.
Technology risks	Risks arising from technology not delivering the expected services due to inadequate or deficient system/process development and performance or inadequate resilience.
Information risks	Risks arising from a failure to produce robust, suitable and appropriate data/information and to exploit data / information to its full potential.
Security risks	Risks arising from a failure to prevent unauthorized and/or inappropriate access to the estate and information, including cyber security and noncompliance with General Data Protection Regulation requirements.

Failure to manage risks in any of these categories may lead to financial, reputational, legal, regulatory, safety, security, environmental, employee, customer and operational consequences.

(The entity should include under this section the key risks facing the entity ranging from Operational Risks, Market Risks, Capital Risk, Credit risks, Liquidity risks etc). This should be emanating from the entity's risk management framework.

Section E

Material arrears in statutory/financial obligations

(This should include but not limited to items such as tax default, and outstanding staff payables).

Section F

The entity's financial probity and serious governance issues

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 30th Sep, 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 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 *entity's 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 *entity's receiver of revenue* account gives a true and fair view of the state of the *entity's receiver of revenue* transactions during the financial period ended 30th September 2024, 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 *entity* 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 **13th January, 2025**

……………………………

Name: Solomon Kandie
County Receiver of Revenue

COUNTY GOVERNMENT OF ELGEYO MARAKWET
HEAD OF REVENUE OFFICE
Sign:……………………
P. O. Box 220 - 30700, ITEN

6. Statement of Revenue and Disbursements for the Period Ended 31st December, 2024

	Note	December 31st, 2024
		Kshs
Revenue from non-exchange transactions		
Cess	5	9,816,466
Land Rates	6	167,224
Single/Business Permits	7	2,487,836
Conservancy Administration	8	220,500
Administration Control Fees and Charges	9	61,800
Other Fines, Penalties, And Forfeiture Fees	10	161,375
Public Health Service Fees	11	817,695
Physical Planning and Development	12	1,175,750
Donations/Grants Not Received Through CRF	13	-
Total Revenue from non-exchange transactions		**14,908,646**
Revenue from exchange transactions		
Property Rent	14	1,572,350
Parking Fees	15	2,152,729
Market Fees	16	3,703,611
Advertising	17	298,800
Hospital Fees	18	150,570,814
Hire of County Assets	19	-
Sale of assets	20	-
Park Fees	21	192,200
Miscellaneous receipts	22	5,912,706
Total Revenue from exchange transactions		**164,403,210**
Total Revenues (a)		**179,311,856**
Disbursements		
Disbursements To CRF	23	(29,058,592)
Disbursement to another County Fund-FIF	24	(148,617,737.6)
Bank charges	25	(186,917.50)

Waivers and exemptions	26	(-)
Bad debts written off	27	(-)
Provision for bad debts	28	(-)
Total Disbursements and other charges (b)		**177,863,247.1**
Balance Due for Disbursement (collected amounts) (c)		**1,448,608.89**
Balance Due for Disbursement (uncollected Amounts) (d)		-
Balance Due for Disbursement and Collection (e = c + d)		**1,448,608.89**

These revenue statements were approved on **13th January 2025** and signed by:

....

Name: Solomon Kandie **Name:** John Keen M. Jairo

County Receiver of Revenue **Head of Revenue Reporting**

ICPAK M/No 8112

COUNTY GOVERNMENT OF ELGEYO MARAKWET HEAD OF REVENUE OFFICE Sign:............ P. O. Box 220 - 30700, ITEN

COUNTY GOVERNMENT OF ELGEYO MARAKWET COUNTY TREASURY CHIEF FINANCE OFFICER 13 JAN 2025 Sign:............ P. O. Box 220 - 30700, ITEN

Notes:

7. Statement of Financial Position as at 31st December, 2024

	Note	Period as at December 31st 2024	Opening Statement 1st July 2024
		Kshs	Kshs
Current Assets			
Cash and Cash Equivalents	29	1,448,608.89	3,150,467.54
Receivables from non-Exchange transactions	30	14,908,646	2,872,730
Receivables from Exchange transactions	31	164,403,210	63,041,601
Total Current Assets		**180,760,464.9**	**69,064,799**
Total Assets		**180,760,464.9**	**69,064,799**
Financial Liabilities			
Payables-Due to CRF	32	1,448,608.89	3,150,467.54
Revenue received in advance	33	179,311,856	**65,914,331.46**
Total Financial Liabilities		**180,760,464.9**	**69,064,799**

The entity's financial statements were approved on **15th January, 2025** and signed by:

....

Name: Solomon Kandie **Name: JohnKeen M. Jairo**
County Receiver of Revenue **Head of Revenue Reporting**
ICPAK M/No: 8112

COUNTY GOVERNMENT OF ELGEYO MARAKWET
HEAD OF REVENUE OFFICE
Sign:....................
P. O. Box 220 - 30700, ITEN

COUNTY GOVERNMENT OF ELGEYO MARAKWET
COUNTY TREASURY
CHIEF FINANCE OFFICER
13 JAN 2025
Sign:....................
P. O. Box 220 - 30700, ITEN

8. Statement of Cash Flows for the Period Ended 31st December, 2024

	Note	Period ended 31st December 2024
		Kshs
Cash flows from operating activities		
Receipts		
Cess		9,816,466
Land Rate		167,224
Single/Business Permits		2, 487,836
Property Rent		1,572,350
Conservancy Administration		220,500
Administration Control Fees and Charges		61,800
Other Fines, Penalties, And Forfeiture Fees		161,375
Public Health Service Fees		817,695
Physical Planning and Development		1,175,750
Donations/Grants Not Received Through CRF		-
Parking Fees		2,152,729
Market Fees		3,703,611
Advertising		298,800
Hospital Fees		150,570,814
Hire of County Assets		-
Sale of assets		-
Park Fees		192,200
Miscellaneous receipts		5,912,706
Total Receipts		**179,311,856**
Payments		
Disbursements To CRF		(29,058,592)
Bank charges		(186,917.50)
Total Payments		**(29,245,509.5)**
Net Cash Flows from/ (used in) Operating Activities		**150,066,346.5**
Cash and cash equivalents at Period Start	29	3,150,457.54
Cash and cash equivalents at Period End	29	**1,448,608.89**

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

9. Statement of Comparison of Budget and Actual Amounts for Period Ended 31st December, 2024

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
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
County Own Source Revenue						
Cess	24,200,000	-	24,200,000	9,816,466	14,183,534	40.56%
Land Rate	3,000,000	-	3,000,000	167,224	2,832,776	5.57%
Single/Business Permits	25,500,000	-	25,500,000	2,487,836	23,012,164	9.76%
Property Rent	5,000,000	-	5,000,000	1,572,350	3,427,650	31.45%
Parking Fees	7,500,000	-	7,500,000	2,152,729	5,347,271	28.70%
Market Fees	5,500,000	-	5,500,000	3,703,611	1,796,389	67.34%
Advertising	7,000,000	-	7,000,000	298,800	6,701,200	4.24%
Hospital Fees	195,000,000	-	195,000,000	150,570,814	44,429,186	77.22%
Public Health Service Fees	5,000,000	-	5,000,000	817,695	4,182,305	16.35%
Physical Planning and Development	4,219,999	-	4,219,999	1,175750	3,044,249	27.86%
Hire of County Assets	550,000	-	550,000	-	550,000	0%
Conservancy Administration	3,500,000	-	3,500,000	220,500	3,279,500	6.3%
Administration Control Fees and Charges	456,614	-	456,614	61,800	441814	13.53%
Proceeds from sale of assets	-	-	-	-	-	-
Park Fees	2,500,000	-	2,500,000	192,200	2,307,800	7.69%
Other Fines, Penalties, and Forfeiture Fees	2,000,000	-	2,000,000	161,375	1,838,625	8.07%
Miscellaneous Receipts	9,858,358	-	9,858,358	5,912,706	4,046,352	59.37%
Total County Own Source Revenue	**300,784,971**		**300,784,971**	**179,311,856**	**121,473,115**	**59.61%**

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
Other Receipts						
Donations /Grants Not Received Through CRF	-	-	-	-	-	-
Total Other Receipts	-	-	-	-	-	-
Total Receipts	300,784,971	-	**300,784,971**	**179,311,856**	**121,473,115**	**59.61 %**

Many of the streams' performance are within the quarterly target of at least 59.61%. However, there was a general drop in revenues from Agricultural produce cess due to unfavourable weather conditions in the Highlands of Marakwet West.

The County Receiver of revenue's financial statements were approved on **13th January, 2025** and signed by:

COUNTY GOVERNMENT OF ELGEYO MARAKWET HEAD OF REVENUE OFFICE
Sign:................................
P.O. Box 220 - 30700, ITEN

....
Name: Solomon Kandie
County Receiver of Revenue

COUNTY GOVERNMENT OF ELGEYO MARAKWET COUNTY TREASURY CHIEF FINANCE OFFICER
13 JAN 2025
Sign:................................
P.O. Box 220 - 30700, ITEN

....
Name: JohnKeen M. Jairo
Head of Revenue Reporting
ICPAK M/N: 8112

10. Notes to the Financial Statements

1. General Information

Elgeyo Marakwet County Receiver of Revenue was appointed by the CEC member of Finance and Economic Planning of County Government in accordance with section 157 of the PFM Act. The Entity's principal activity is Receiver of Revenue 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).

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ years financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the entity has taken advantage of the transition provisions outlined in IPSAS 33. (entity to state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual).

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 recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised 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 31st December, 2024.

Notes to the financial statements

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.

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.

Notes to the financial statements

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.

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 27th June, 2024 for the period 1st July 2024 to 30 June 2025. There were no supplementary budgets 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 *Entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cashflows has been presented under section *9* 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. The disbursements to CRF are done 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, 2024

Notes to the financial statements

4. Significant Judgments and Sources of Estimation Uncertainty

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

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 xxx. 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.

(include provisions applicable for your organisation e.g. provision for bad debts, and how management estimates these provisions).

Notes to the Financial Statements

5. Cess

Description	Period ended 31st December 2024	Period ended 31st December 2023
Farm produce	4,136,523	5,165,957
Quarrying	110,700	168,250
Livestock	586,800	575,401
Fish farming	-	-
Brick Cess	2,050	2,200
Charcoal Cess	78,010	71,700
Manure Cess	82,000	76,800
Sand Cess	1,377,300	2,171,470
Scrap Metal	2200	9,930
Timber/Logs Cess	3,440,883	717,230
Total	**9,816,466**	**8,958,938**

6. **Land rates**

Description	Period ended 31st December 2024	Period ended 31st December 2023
Land rates	167,224	315,723
Land penalties and interest	-	-
Arrears	-	-
Total	**167,224**	**315,723**

7. **Single /Business Permits**

Description	Period ended 31st December 2024	Period ended 3st December 2023
Business permit application fees	75,900	177,400
Annual Business permit fees	2,411,936	1,144,515
Business permit penalties and interest	.	-
Business permit fees arrears		-
Total	**2,487,836**	**1,321,915**

Notes to the financial statements

8. Conservancy Administration

Description	**Period ended 31st December 2024**	**Period ended 31ST December 2023**
Refuse disposal fees	220,500	140,550
Dumpsite fees	-	-
Sewerage fees	-	-
Sale of seedlings	-	-
Public cemetery	-	-
Disposal of carcasses	-	-
Noise control		-
Others (*Specify)*		-
Total	**220,500**	**140,550**

9. Administration Control Fees and Charges

Description	**Period ended 31st December 2024**	**Period ended 31st December 2024**
Weights and measures	14,800	22,900
Fire Services	47,000	-
Liquor licenses		-
Betting levy		-
Others (*Specify)*		-
Total	**61,800**	**22,900**

Notes to the financial statements

10. Other Fines, Penalties and Forfeitures

Description	Period ended 31st December 2024	Period ended 31st December 2023
Impounding Fees	161,375	172,660
Towing Fees		-
Others *(Specify)*		-
Total	**161,375**	**172,660**

11. Public Health Service Fees

Description	Period ended 31st December 2024	Period ended 31st December 2023
Inspection of buildings/premises/Institutions		-
Inspection for issuance of hygiene license		-
Vaccination: Yellow fever, Typhoid, etc		-
Applications for medical examination		-
Sanitation inspection for schools		-
Public health permit	817,695	667,500
Rodent Control/Fumigation		-
Others *(Specify)*		-
Total	**817,695**	**667,500**

Notes to the financial statements

12. Physical Planning and Development

Description	Period ended 31st December, 2024	Period ended 31st December 2023
Sale of County planning documents	-	-
Land valuation and registration fees	-	-
Change / Renewal of user	244,000	338,000
Building plans approval	-	18,500
Signboards	-	-
Occupational Permits		-
Enforcement / Demolition		-
Architectural designs by county officers		-
Hoarding fees		
Physical Planning fees and Public works	134,000	104,000
Clearance certificate fees	17,400	25,900
Site value charges	-	19,450
Transfer fees	125,500	36,000
PPA 1 forms	52,000	61,000
Search fees		-
Total	**572,900**	**602,850**

13. Donations and Grants Not Received Through CRF

Description	Period ended 31st December 2024	Period ended 31st December 2023
Donations *(Specify Based on Source)*	-	-
Grants *(Specify Based on Source)*	-	-
Others *(Specify)*	-	-
Total	-	-

Notes to the financial statements

14. Property Rent

Description	Period ended 31st December 2024	Period ended 31st December 2023
County Housing-House Rent	695,280	226,260
Plot Rent	778,570	431,170
Tenancy Agreement	-	-
Transfer of Property	-	-
Stalls/kiosks rent	98,500	15,000
Others *(Specify)*	-	-
Total	**1,572,350**	**672,430**

15. Parking Fees

Description	Period ended 31st December 2024	Period ended 31st December 2023
Street parking fees	259,643	311,932
Monthly toll/sticker fees	438,600	596,160
Motorbike fees	882,400	948,410
Registration fees	-	-
Reserved parking	-	-
Bus Park fees /Matatu Park fees	572,086	373748
Others (*Specify*)		
Total	**2,152,729**	**2,230,250**

Notes to the financial statements

16. Market Fees

Description	Period ended 31st December 2024	Period ended 31st December 2023
Market entry fees	3,159,536	3,499,694
Hawking fees	544,075	201,300
Others *(Specify)*		-
Total	**3,703,611**	**3,700,994**

17. Advertising

Descriptions	Period ended 31st December 2024	Period ended 31st December 2023
Branding	287,900	359,600
Billboard advertising		-
Signage		-
Roadshows	10,900	11,000
Banners		-
Posters		-
Tent advertising		-
Street pole/clock advertising		-
others *(Specify)*		-
Total	**298,800**	**370,600**

18. Hospital Fees

Description	Period ended 31st December 2024	Period ended 31st December 2023
Level 5 hospitals		-
Level 4 hospitals –FIF	150,570,814	98,068,415
Others (*Specify*)		-
Total	**150,570,814**	**98,068,415**

Notes to the financial statements

19. Hire Of County Assets

Description	Period ended 31st December 2024	Period ended 31st December 2023
Agricultural Mechanisation Services (AMS)	-	-
Hire of Machines and Equipment	-	-
Hire of County Stadia	-	-
Hire of County Halls	-	-
Conference facilities/Agricultural Training Centers (ATC)	-	-
Others (*Hire of store*)	-	-
Total	-	-

20. Sale of assets.

Description	Period ended 31st December2024	Period ended 31st December 2023
Receipts from Sale of Buildings	-	-
Receipts from Sale of Vehicles and Transport Equipment	-	-
Receipts from Sale of Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from Sale of Strategic Reserves Stocks	-	-
Receipts from Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	-	-

Notes to the financial statements

21. Park Fees

Description	Period ended 31st December 2024	Period ended 31st December 2023
Lodge Tariffs and levies	-	-
Park entry fees	192,200	310,190
Filming and Photography fees		-
Camping fees		-
Balloon landing fees		-
Others *(Specify)*		-
Total	**192,200**	**310,190**

22. Miscellaneous Revenues

Description	Period ended 31st December 2024	Period ended 31st December 2023
Dividends	-	-
Interest	-	-
Commissions	1,575,566	-
Hides &skin	700	300
Water Supply	-	-
Slaughter fees	345,600	478,990
VSD	368,920	364,330
Agriculture	12,000	4,200
Co-operative	9,900	-
Recoveries	2,116,407	919,880
Others –Not Classified elsewhere	1,492,413	2,452,609
TOTAL	**5,921,506**	**4,220,309**

23. Bank Charges

Description	Period ended 31st December 2024	Period ended 31st December 2023
Bank Charges & commissions	186,917.50	617,456.71
Total	**186,917.50**	**617,456.71**

Notes to the financial statements

24. Disbursements to CRF

Description	Period ended 31st December 2024
	Kshs
Quarter 1	15,587,010
Quarter 2	13,471,582
Quarter 3	-
Quarter 4	-
Total	**29,058,592**

25. Disbursement to another County Fund

Description	Period ended 31st December 2024	Period ended 31st December 2023
		Kshs
Quarter 1	61,551,388	-
Quarter 2	87,066,349.6	-
Quarter 3	-	-
Quarter 4	-	-
Total	**148,6147,737.6**	-

26. Waivers and Exemptions

Description	Period ended 31st December 2024	Period ended 31ST December 2023
Penalties	-	-
Interest	-	-
Others *(Specify)*	-	-
Total	-	-

Notes to the financial statements

27. Bad debts written off.

Description	Period ended 31st December 2024	Period ended 31st December 2023
Bad debts written off (*Specify revenue stream*)	-	-
Total	-	-

28. Provision for bad debts

Description	Period ended 31st December 2024	Period ended 31st December 2023
Provision for bad debts (*Specify revenue stream*)	-	-
Total	-	-

29. Cash and Cash Equivalents

Name of Bank, Account No. & currency	Period ended 30th Sep 2024	Statement 1st July 2024
	Kshs	Kshs
KCB County Revenue collection A/C No. 1140751360	52,575.89	674,517.54
ACCESS Bank County Revenue collection A/C 0180130000044	1,260,793	2,161,478
Cash in Transit (Access to CRF)	134,340	311,472
Paybill Account-MPESA	900	3,000
Total	**1,448,608.89**	**3,150,467.54**

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

Notes to the financial statements

30. Receivables for non-exchange transactions

Description	Period ended 31st December 2024	Opening Statement 1st July 2024
	Kshs	Kshs
Receivables		
Cess	9,816,466	-
Land Rates	167,224	-
Single/Business Permits	2,487,836	-
Conservancy Administration	220,500	-
Administration Control Fees and Charges	61,800	-
Other Fines, Penalties, And Forfeiture Fees	161,375	-
Public Health Service Fees	817,695	-
Physical Planning and Development	1175750	-
Donations/Grants Not Received Through CRF	-	-
Sub total	**14,908,646**	-
Less impairment Allowance	(-)	(-)
Total Current Receivables	**14,908,646**	-

(Provide brief explanation on current receivables)

Ageing analysis for Receivables from Non-exchange transactions

Description	2024/2025		Opening Statement 1st July 2024	
	Current FY	% of the total	Opening Balance	% of the total
Land Rate	**Kshs**		**Kshs**	
Less than 1 year	2,587,223	3.03%	2,587,223	3.03%
Between 1- 2 years	3,193,438	3.75%	3,193,438	3.74 %
Between 2-3 years	3,193,438	3.75 %	3,193,438	3.74 %
Over 3 years	76,179,461	89.46 %	76,336,252	89.48%
Total (a+b)	**85,153,560**		**85,310,351**	

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

Impairment allowance/ provision	Period ended 31st Dec 2024	Opening Statement 1st July 2024
	Kshs	Kshs
At the beginning of the period	-	-
Additional provisions during the period	-	-
Recovered during the period	(-)	(-)
Written off during the period	(-)	(-)
At the end of the period	-	-

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

Notes to the financial statements

31. Receivables from exchange transactions

Description	Period ended 31st December 2024	Opening Statement 1st July 2024
	Kshs	Kshs
Total receivables		
Property Rent	1,572,350	-
Parking Fees	2,152,729	-
Market Fees	3,703,611	-
Advertising	298,800	-
Hospital Fees	150,570,814	-
Hire of County Assets	-	-
Sale of assets	0	-
Park Fees	192,200	-
Miscellaneous receipts	5,912,706	-
Total Revenue from exchange transactions	**164,403,210**	-
Less: impairment allowance		-
Total Receivables	**164,403,210**	-

31 a) Ageing analysis for Receivables from Exchange transactions

Description	Period ended 31st Dec 2024		Opening Statement 1st July, 2024	
	Current FY	% of the total	Opening Statement 1st July 2024	% of the total
Plot rent	Kshs		Kshs	
Less than 1 year	1,300,511	1.6%	1,300,511	1.6%
Between 1- 2 years	6,455,403	8 %	6,455,403	8 %
Between 2-3 years	6,455,403	8 %	6,455,403	8 %
Over 3 years	65,651,066	82.20%	66,429,636	82.37%
Total (a+b)	**79,862,383**		**80,640,953**	

31 b) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/ provision	Period ended 31st December 2024	Period ended 31st December 2024
At the beginning of the year/period	-	-
Additional provisions during the period	-	-
Recovered during the period	(-)	(-)
Written off during the period	(-)	(-)
At the end of the period	-	-

Notes to the financial statements

32. Payables- Due To CRF

Payables	Period ended 31st December, 2024	Opening Statement 1st July 2024
	Kshs	Kshs
Amount collected yet to be disbursed to CRF	1,448,608.89	3,150,467.54
Amount billed and yet to be collected for disbursement to CRF	-	-
Total undisbursed funds to CRF	**1,448,608.89**	**3,150,467.54**

These amounts should tie to the total of bank balances (amount collected yet to be disbursed to CRF) and total receivables (amount yet to be collected and disbursed to CRF).

33. Revenue received in advance

Description	Period ended 31st December 2024	Opening Statement 1st July 2024
	Kshs	Kshs
Total Receipts	**179,311,856**	-
Total	**179,311,856**	-

Appendixes

11. Appendix 1: Statement of Arrears of Revenue As at 31st December 2024

Classification Of Receipts (Indicate As Applicable)	Balance as at The beginning of the current year (1st July 2024) A	Arrears received during the Period. B	Additions in arrears for the current Period to 31st December, 2024 C	Total arrears as at 31st December 2024 D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Cess					e.g., *the Governor has waived interest and penalties*	
Land rate	85,310,351	156,791	-	85,153,560		
Single/Business Permits						
Property Rent	80,640,953	778,570	-	79,862,383		
Parking Fees						
Market Fees						
Advertising						
Hospital Fees						
Public Health Service Fees						
Physical Planning and Development						
Hire Of County Assets						
Conservancy Administration						
Administration Control Fees and Charges						
Park Fees						

Other Fines, Penalties, And Forfeiture Fees						
Miscellaneous						
Total Arrears	165,951,304	935,361	-	165,015,943		

(Total arrears as at the end of the year should be the total of receivables from exchange and non- exchange transactions)

COUNTY GOVERNMENT OF ELGEYO MARAKWET HEAD OF REVENUE OFFICE
Sign:..............
P. O. Box 220 - 30700, ITEN

....
Name: Solomon Kandie
County Receiver of Revenue
(Ref: PFM ACT section 165, 2(a))

COUNTY GOVERNMENT OF ELGEYO MARAKWET COUNTY TREASURY CHIEF FINANCE OFFICER
13 JAN 2025
Sign:..............
P. O. Box 220 - 30700, ITEN

....
Name: JohnKeen M. Jairo
Head of Revenue Reporting
ICPAK M/No 8112

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
Cess					
Land rate	2,587,223	3,193,438	3,193,438	76,179,461	85,153,560
Single/business permits	-	-	-		
Property rent	1,300,511	6,455,403	6,455,403	65,651,066	79,862,383
Parking fees					
Market fees					
Advertising					
Hospital fees					
Public health service fees					
Physical planning and development					
Hire of County Assets					
Conservancy administration					
Administration control fees and charges					
Proceeds from sale of assets					
Park fees					
Other fines, penalties, and forfeiture fees					
Miscellaneous receipts					
Others *(Specify)*					
Total (*agree to statement of arrears above)*	**3,887,734**	**9,648,841**	**9,648,841**	**141,830,527**	**165,015,943**

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 benefitting from waiver/ variation	Year in which waiver/ variation relates	Amount of variation/ waiver (fee or charge)	Reasons for waiver/ variation	The law in terms of which the variation/waiver was granted

There were no waivers granted during the reporting period
(PFM ACT section 165 subsection 4, 5)

Sign and date
Accounting Officer