RECEIVER OF REVENUE
COUNTY GOVERNMENT OF ELGEYO MARAKWET
REVENUE STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2026

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

OFFICE OF THE AUDITOR GENERAL
ELDORET REGIONAL OFFICE
31 AUG 2026
RECEIVED
P. O. Box 2774 - 30100, ELDORET

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1. List of Tables and Charts

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2. Acronyms and Definition of Key Terms

a) Acronyms

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

b) Key terms

Comparative FY	Comparative Prior Financial Year

Fiduciary Management The key management personnel who had financial responsibility.

3. Who we are

(a) Background information

The *receiver of revenue* is under the Department of Finance and Economic Planning. At the County Executive Committee level, the *County Executive committee member represents the receiver of revenue* 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 on 24th November 2022 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 to the County Revenue Fund (CRF).

(c) Key Management Team

The County Government of Elgeyo Marakwet 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.	Ag. Director, Revenue/Receiver of Revenue	**Solomon Kandie**
4.	Head of Revenue Reporting	**JohnKeen M. Jairo**

Key Entity information and Management (continued)

(d) County Headquarters

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

(e) Entity Contacts

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

(f) Entity Auditor

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

(g) Bankers

(i) Kenya Commercial Bank
Iten Branch
(ii) Access Bank Ltd
Iten Branch

(h) Principal Legal Adviser

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

(i) County Attorney

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

4. Foreword by the CECM Finance and Economic Planning

In FY 2025/26, the County Government of Elgeyo Marakwet targeted to collecting Ksh. 457,429,871. During the period under review, the county government collected Ksh. 458,771,251 compared to Ksh. 368,933,238 collected in the same period in FY 2024/25. This translated to 24.4% growth in revenue.

The growth in revenue was driven by expansion in trading activities in the county which saw a rise in revenue from Trading licenses. The county government will aim to sustain this revenue growth trajectory by fully rolling out the Integrated Revenue Management System to include all revenue streams. In order to enhance compliance and enforcement, the county government will upscale efforts for spot checks in order to seal leakages. The county government will also be implementing mapping of all revenue streams with the aim of categorizing and defining existing and potential revenue streams for broadening the revenue base.

With the county's economy recovering from external shocks such as rising fuel costs, unpredictable weather conditions, 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, Chepkorio, Chebiemit and Cheptongei towns will, in the medium term, increase revenues collection from market entry fees.

The anticipated reopening of Flouspar mining company in Kerio Valley is also expected to spur transport sector, growth of businesses in the region and enhance agricultural productivity.

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 complete the development of Valuation Roll, the Tariffs and Pricing Policy and Revenue Forecasting models.

The Revenue performance against the approved Budget for the FY 2025/2026 is as tabulated below;

Table 1: Performance of County Own Source Revenue against the Budget

	Budget 2025/26	Actual	variance	% performance
Revenue Source	**Kshs.**	**Kshs.**	**Kshs.**	
Cess	29,300,000	17,577,737	11,722,263	59.99
Land Rate	2,000,000	486,204	1,513,796	24.31
Single Business Permits	26,700,000	22,554,995	4,145,005	84.48
Property Rent	5,300,000	4,030,500	1,269,500	76.05
Parking Fees	7,500,000	4,144,250	3,355,750	55.26
Market Fees	7,550,000	6,136,496	1,413,504	81.28
Advertising	7,800,000	4,100,540	3,699,460	52.57
Hospital Fees	345,000,000	383,120,736	-38,120,736	111.05
Public Health Service Fees	5,000,000	4,071,300	928,700	81.43
Physical Planning and Development	4,920,000	1,708,700	3,211,300	34.73
Hire of County Assets	0	20,600	-20,600	
Conservancy Administration	3,000,000	1,357,800	1,642,200	45.26
Administration Control Fees and charges	456,614	366,500	90,114	80.26
Park Fees	1,000,000	357,600	642,400	35.76
Other Fines, Penalties and forfeiture Fees	1,900,000	243,766	1,656,234	12.83

Miscellaneous Receipts Not classified elsewhere	10,003,258	8,493,526	1,509,732	84.91
TOTAL	**457,429,872**	**458,771,251**	**-1,341,379**	**100.29**

During the period, a total of **Ksh. 67,738,872** was transferred to the County Revenue fund.

ELGEYO MARAKWET COUNTY GOVERNMENT
CECM - FINANCE AND ECONOMIC PLANNING
P. O. Box 220 - 30700, ITEN
Tel: 053-42277

.....

CECM Finance and Economic Planning

County Government of Elgeyo Marakwet

5. Financial Performance Overview

Own Source Revenue earnings in Elgeyo Marakwet County have continued to grow over time. In FY 2025/26, total revenue collected amounted to Ksh. 458,771,251 as compared to Ksh. 368,933,238 in FY 2024/25. This growth is attributed to reforms made in revenue collection which include automation of revenue collection through various digital channels, enhanced compliance and enforcement, setting individual performance targets for the revenue collectors, widening of revenue base, increased collaboration between Revenue Directorate and other revenue generating departments.
The table below shows revenue performance trends for the last four years.

Table 2: Revenue Performance for the last 4 financial Years

	FY2025/26	FY2024/25	FY2023/24	FY2022/23
Revenue Stream	**Kshs**	**Kshs**	**Kshs**	**Kshs**
Cess	17,577,737	21,931,973	23,007,911	11,113,053
Land Rate	486,204	545,019	788,607	583,881
Single Business Permits	22,554,995	20,590,117	17,710,111	16,716,265
Property Rent	4,030,500	4,225,552	5,993,811	2,245,389
Parking fees	4,144,250	4,517,719	4,553,600	3,336,580
Market Fees	6,136,496	6,777,596	7,159,451	6,455,098
Advertising	4,100,540	5,358,730	5,157,920	1,500,300
Hospital Fees-FIF	383,120,736	288,021,595	194,062,724	157,018,816
Public Health Services	4,071,300	3,439,561	2,727,950	2,488,526
Physical Planning& Development	1,708,700	2,468,250	2,326,545	1,764,000
Hire of County Asset	20,600	353,000	840,000	-
Conservancy Administration	1,357,800	1,382,400	1,204,610	878,460
Administration Control Fees and Charges	366,500	169,900	162,700	30,600
Park Fees	357,600	263,550	496,640	153,200
Other Fines, Penalties, and Forfeitures Fees	243,766	635,316	533,992	393,979
Miscellaneous receipts	8,493,527	8,252,960	8,256,183	8,885,984
Total County Own Source Revenue for the year	**458,771,251**	**368,933,238**	**274,982,755**	**213,564,131**

Despite this positive trend, revenue collection is still way below the potential of KSh. 1.078 billion. A number of challenges still exist which hampers revenue collection. These include;

a) Lack of relevant revenue primary laws to give legal backing for collection of various revenue streams
b) Inadequate number of revenue collectors in various revenue collection points
c) Lack of automated weighbridges for determining weights of various goods being transported in order to determine the cess chargeable.
d) Weak enforcement actions and prosecution of offenders
e) Tax payer apathy, which hampers collection of land rates, and plot rent.
f) Dilapidated market infrastructure in various open air and livestock markets
g) Climatic changes affected the Agricultural produce thus leading to drop in produce cess

Despite these challenges, the county government has put in place measures to enhance own source revenue collection. These include; completion of automation of collection of all revenue streams, continuous training and capacity building of all revenue collectors, mapping of all revenue streams.

Table 3: Revenue collections since start of Devolution

From the table, County Government revenue has continued to grow from Ksh. 62.4 million in FY 2013/14 to Ksh. 458.8 million in FY 2025/26 graphically represented below.

FY	TOTAL COLLECTION	TARGET	% PERFORMANCE
2013/14	62,375,617	130,000,000	47.98
2014/15	119,021,105	132,000,000	90.17
2015/16	128,055,734	150,000,000	85.37
2016/17	97,323,973	160,121,113	60.78
2017/18	105,482,226	160,021,113	65.92
2018/19	141,609,140	130,000,000	108.93
2019/20	104,633,978	144,000,000	72.66
2020/21	141,267,030	144,000,000	98.1
2021/22	162,253,072	266,100,000	60.97
2022/23	213,564,135	246,339,212	86.7
2023/24	274,982,755	270,327,132	101.72
2024/25	368,933,238	357,429,871	103.78
2025/26	458,771,251	457,429,872	100.29

Own source revenue in Elgeyo Marakwet County Government has continued to grow despite the many challenges. The county government will continue to put in place measures to sustain the growth.

Sign.....

Name.....Solomon Kandie

County Receiver of Revenue

COUNTY GOVERNMENT OF
ELGEYO MARAKWET
HEADQUARTERS OFFICE
P.O. Box 30700, ITEN

6. Statement of the Receiver of Revenue's responsibilities

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

The Receiver of Revenue is responsible for the preparation and presentation of the *Receiver of Revenue account*, which gives a true and fair view of the state of affairs of the *Receiver of Revenue* for and as at the end of the financial year ended on June 30, 2026. 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 county *government of Elgeyo Marakwet receiver of revenue* accounts, which have been prepared on the Accrual Basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and the relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the *Elgeyo Marakwet county receiver of revenue* account gives a true and fair view of the state of the *Elgeyo Marakwet county's receiver of revenue* transactions during the financial year ended June 30, 2026, and of the *Elgeyo Marakwet county* statement of assets and liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the *Receiver of Revenue account* as well as the adequacy of the systems of internal financial control.

The Receiver of Revenue confirms that *Elgeyo Marakwet county government* 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 **25th August 2026**

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

COUNTY GOVERNMENT OF ELGEYO MARAKWET HEAD OF REVENUE OFFICE P.O. Box 30700, ITEN

7. Report of the Auditor General on the Elgeyo Marakwet County Receiver of Revenue for the Year Ended 30th June 2026

8. Statement of Revenue and Disbursements for the year ended 30th June 2026

	Note	Period ended 30th June 2026	Period ended 30th June 2025
		Kshs	Kshs
Revenue from non-exchange transactions			
Cess	6	17,577,737	21,931,973
Land Rates	7	486,204	545,019
Single/Business Permits	8	22,554,995	20,590,117
Conservancy Administration	9	1,357,800	1,382,400
Administration Control Fees and Charges	10	366,500	169,900
Other Fines, Penalties, And Forfeiture Fees	11	243,766	635,316
Public Health Service Fees	12	4,071,300	3,439,561
Physical Planning and Development	13	1,708,700	2,468,250
Donations and Grants Not Received Through CRF	14	-	-
Total Revenue from non-exchange transactions		**48,367,002**	**51,162,536**
Revenue from exchange transactions			
Parking Fees	15	4,144,250	4,517,719
Market Fees	16	6,136,496	6,777,596
Property Rent	17	4,030,500	4,225,552
Advertising	18	4,100,540	5,358,730
Hospital Fees	19	383,120,736	288,021,595
Hire of County Assets	20	20,600	353,000
Sale of assets	21	-	-
Park Fees	22	357,600	263,550
Miscellaneous receipts	23	8,493,527	8,252,960
Total Revenue from exchange transactions		**410,404,249**	**317,770,702**
Total Revenues (a)		**458,771,251**	**368,933,238**
Disbursements			
Disbursements To CRF	24	-67,738,872	-79,259,416
Disbursements to another County Fund	25	-387,192,036	-288,184,453
Other deductions			
Bank charges	26	-243,208	-248,030
Waivers and exemptions	27	(-)	(-)
Bad debts written off	28	(-)	(-)

Provision for bad debts	29	(-)	(-)
Total Disbursements and other charges (b)		**-455,174,116**	**-367,691,899**
Other gains/(losses)			
Gain/Loss on foreign exchange transactions	30	-	-
Increase/Decrease in Dues to County Funds		**3,597,135**	**1,909,128**

The accounting policies and explanatory notes to these revenue statements form an integral part of the revenue statements. These revenue statements were approved on **25th August 2026** and signed by:

COUNTY GOVERNMENT OF ELGEYO MARAKWET HEAD OFFICE P.O. Box 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
Sign: ..... 25 AUG 2026
P.O. Box 220 - 30700, ITEN

Name
Director Revenue/Head of Revenue (Reporting)
ICPAK M/No 8128

9. Statement of Financial Position as at 30th June 2026

	Note	FY Period ended 30th June 2026	FY Period ended 30th June 2025
		Kshs	Kshs
Current Assets			
Cash and Cash Equivalents	31	4,838,474	1,241,339
Receivables from non-Exchange transactions	32	92,573,872	88,912,704
Receivables from Exchange transactions	33	87,702,175	84,208,348
Total Current Assets		185,114,521	174,362,391
Total Assets		**185,114,521**	**174,362,391**
Financial Liabilities			
Payables-Due to County Revenue funds	34	185,114,521	174,362,391
Payables Due to Other County Funds	35	-	-
Revenue Received in Advance	36	-	-
Total Financial Liabilities		**185,114,521**	**174,362,391**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on **25th August 2026**and signed by:

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

.....
Name Soloman Handie
County Receiver of Revenue

COUNTY GOVERNMENT OF ELGEYO MARAKWET
COUNTY TREASURY
CHIEF FINANCE OFFICER
25 AUG 2026
Sign: .....
P.O. Box 220 - 30700, ITEN

.....
Name
Director Revenue/ Head of Revenue Reporting
ICPAK M/No 8112

10. Statement of Cash Flows for the Year Ended 2026

	Note	Period ended 30th June 2026	Period ended 30th June 2025
		Kshs	
Operating Activities			
Receipts			
Cess		17,577,737	21,931,973
Land Rate		486,204	545,019
Single/Business Permits		22,554,995	20,590,117
Conservancy Administration		1,357,800	1,382,400
Administration Control Fees and Charges		366,500	169,900
Other Fines, Penalties, And Forfeiture Fees		243,766	635,316
Public Health Service Fees		5,000	126,236
Physical Planning and Development		1,708,700	2,468,250
Donations/Grants Not Received Through CRF		-	-
Parking Fees		4,144,250	4,517,719
Market Fees		6,136,496	6,777,596
Property Rent		4,030,500	4,225,552
Advertising		4,100,540	5,358,730
Hospital Fees		-	-
Hire of County Assets		20,600	353,000
Sale of assets		-	-
Park Fees		357,600	263,550
Miscellaneous receipts		8,488,527	8,252,960
Total Receipts		**71,579,215**	**77,598,318**
Payments			
Disbursements To CRF		(67,738,872)	(79,259,416)
Bank charges		(243,208)	(248,030)
Total Payments		**(67,982,080)**	**(79,507,446)**
Net Cash from operating Activities		**3,597,135**	**(1,909,128)**
Cash and Cash Equivalent as at 1st July 2025	**31**	1,241,339	3,150,467
Cash and Cash Equivalent as at 30th June 2026	**31**	4,838,474	1,241,339

11. Statement of Comparison of Budget vs Actual Amounts for Year Ended 30th June 2026

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 %
County Own Source Revenue	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**
Cess	28,700,000	600,000	29,300,000	17,577,737	11,722,263	59.99%
Land Rate	2,700,000	-700,000	2,000,000	486,204	1,513,796	24.31%
Single/Business Permits	25,800,000	900,000	26,700,000	22,554,995	4,145,005	84.5%
Parking Fees	7,500,000	-	7,500,000	4,144,250	3,355,750	55.26%
Market Fees	6,000,000	1,550,000	7,550,000	6,136,496	1,413,504	81.28%
Property Rent	5,000,000	300,000	5,300,000	4,030,500	1,269,500	76.05%
Advertising	7,800,000	-	7,800,000	4,100,540	3,699,460	52.6%
Hospital Fees	345,000,000	-	345,000,000	383,120,736	-38,120,737	111.05%
Public Health Service Fees	5,000,000	-	5,000,000	4,071,300	928,700	81.43%
Physical Planning and Development	4,920,000	-	4,920,000	1,708,700	3,211,300	34.73%
Hire of County Assets	550,000	-550,000	-	20,600	-20,600	
Conservancy Administration	3,800,000	-800,000	3,000,000	1,357,800	1,642,200	45.26%
Administration Control Fees and Charges	456,614	-	456,614	366,500	90,114	80.26%
Park Fees	2,000,000	-1,000,000	1,000,000	357,600	642,400	35.76%
Other Fines, Penalties, and Forfeiture Fees	2,200,000	-300,000	1,900,000	243,766	1,656,234	12.83%
Miscellaneous Receipts	10,003,258	-	10,003,258	8,493,527	1,509,731	84.92%
Total County Own Source Revenue	**457,429,872**	**0**	**457,429,872**	**458,771,251**	**-1,341,379**	**100.29**
Other Receipts					0	**0**
Donations /Grants Not Received Through CRF	-	-	-	-	0	**0**

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 %
Total Other Receipts	-	-	-	-	0	0
Total Receipts	**457,429,872**	**0**	**457,429,872**	**458,771,251**	**-1,341,379**	**100.29**

(a) **Cess**: Collection of cesses declined due to unpredictable weather conditions which affected crop production in the highlands of Marakwet west and Keiyo South sub counties. In addition, closure of Kamwosor quarry led to reduction in stone cess. Similarly, there was notable decline in Livestock cess due to closure of livestock saleyards as a result of outbreak of Foot and Mouth disease.

(b) **land rates**: Tax payer apathy and lack of awareness on the need to pay land rates led to under collection of land rates.

(c) Conservancy Administration: The planed collection of conservancy fees in Flax, Chepkorio, Kamwosor, Chebiemit, Biretwo and Chesoi towns did not take place due to unavailability of refuse collection trucks as earlier planned.

(d) **Single business permits**. Slow reopening of businesses along Kerio Valley as security continued to improve. In addition, the expected reopening of Flouspar mines delayed resulting to under collection of trading license fees. Mapping of businesses within the county did not take place resulting to uncollected trading license fees.

(e) **Public health**. Enhanced enforcement and compliance efforts by the public Health officers lead to increased collection of public health fees.

(f) **Parking fee**: Few parking slots in the county and reserved parking. Weak enforcement led to unpaid parking, matatu and motorcycle seasonal stickers.

(g) **Physical Planning**: Approval of building plans, sub division has not been digitized. In addition, weak enforcement and compliance checks on un approved constructions affected collection of Physical Planning fees.

(h) **Market fee:** Rainy weather conditions affected collection of market fees in many open-air markets in the county. In addition, delayed opening of Chebiemit, Cheptongei, Iten, Kapyego and Chepkorio markets led to the drop in market fees.

(i) **Advertising fees**: There are few billboards and advertisement sites in the county.

(j) **Administration control fees**: The roll out of Integrated County Revenue management system enabled billing of fire inspection fees together with trade licenses therefore increasing collection of fire inspection fees.

(k) **Park fee**: poor access roads to and within Rimoi Game Reserve affected the number of visitors to the park.

e County Receiver of Revenue's financial statements were approved on **25th August 2026**

COUNTY GOVERNMENT OF ELGEYO MARAKWET
COUNTY TREASURY
CHIEF FINANCE OFFICER
25 AUG 2026
P.O. Box 220 - 30700, ITEN

Name: Solomon Kandie
County Receiver of Revenue
P. O. Box 220 - 30700, ITEN

Name
Director Revenue/ Head of Revenue Reporting
ICPAK M/No

Notes to the Financial Statements

1.General Information

Elgeyo Marakwet Receiver of Revenue was appointed by the CEC member of Finance of Elgeyo Marakwet County Government in accordance with section 157 of the PFM Act. The Elgeyo Marakwet county principal activity is collection, accounting and reporting of county government revenue as outlined in the appointment letter and section 157 of the PFM Act.

2.Statement of Compliance and Basis of Preparation

Under the historical cost basis, assets are recorded at the amount of cash or cash equivalents paid, or the fair value of the consideration given to acquire them at the time of acquisition, plus directly attributable transaction costs. Liabilities are recorded at the amount of consideration received to assume the obligation, less transaction costs incurred when the liability was assumed.

For those assets and liabilities measured at fair value, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Entity uses market-to-observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Entity using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs (e.g., by use of the market comparable approach that reflects recent transaction prices for similar items, or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account.

Fair values are categorized into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the Entity can access at the measurement date.
- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

- The Entity's accounting policy is to recognize transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred. This policy is consistently applied to transfers into and out of each level.

a) Use of Estimates

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the Entity's accounting policies. No estimates were used in these financial statements.

1. Adoption of New and Revised Standards

i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2026.*

Standard	Effective date and impact:
IPSAS 43 Leases	***Applicable 1st January 2025*** The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	***Applicable 1st January 2025*** The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45-Property Plant and Equipment	***Applicable 1st January 2025*** The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	***Applicable 1st January 2025*** The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.

Standard	Effective date and impacts
	The standard also introduces a public sector specific measurement bases called the current operational value.

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2026

Standard	Effective date and impacts
IPSAS 47- Revenue	***Applicable 1st January 2026*** This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an MDA shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	***Applicable 1st January 2026*** The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	***Applicable 1st January 2026*** The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	***Applicable 1st January 2027*** The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of

Standard	Effective date and impact
	those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.
IPSAS 51: Tangible Natural Resources Held For Conservation	***Applicable 1st January 2028*** The objective of this standard is to establish the principles that an entity shall apply to report relevant information to users of financial statements about the nature, amounts, timing, and uncertainties arising from tangible natural resources held for conservation. A tangible natural resource held for conservation is a naturally occurring tangible asset that is managed to prevent its degradation.
IPSASB SRS 1: Climate Related Disclosures	***Applicable 1st January 2028*** This standard provides principles for an entity to address climate-related risks and opportunities arising from an entity's activities and operations. The standard provides disclosures on governance, strategy, risk management, and metrics and targets.

iii) Early adoption of standards

Elgeyo Marakwet County did not early – adopt any new or amended standards in the financial year

2. Significant Accounting Policies

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

i) Revenue from non-exchange transactions

Fees, taxes, fines and charges

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Dividends

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

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 25th June 2025 for the period 1st July 2025 to 30 June 2026. There was one supplementary budget passed in the year. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

Elgeyo Marakwet County 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.

iv)Cash and cash equivalents.

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

v) Revenue in Arrears

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

vi) Disbursements to CRF

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

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

ix) Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended June 30, 2026

Notes to the financial statements

3. 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 year, are described below. The Entity based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

Provisions

Provisions 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.

Notes to the Financial Statements

4. Cess

Description	Period ended 30th June 2026	Period ended 30th June 2025
	Kshs	Kshs
Farm produce	10,031,987	11,919,559
Quarrying	289,500	291,150
Livestock	864,240	1,176,960
Fish farming	-	-
Bricks cess	-	3,050
Charcoal cess	604,000	161,150
Manure cess	150,390	234,150
Sand cess	2,847,100	3,037,140
Scrap metal	-	4,250
Timber cess/logs	2,790,520	5,104,514
Total	**17,577,737**	**21,931,973**

5. Land rates

Description	Period ended 30th June 2026	Period ended 30th June 2025
	Kshs	
Land rates	486,204	545,019
Land penalties and interest		
Arrears		
Total	**486,204**	**545,019**

6. Single /Business Permits

Description	Period ended 30th June 2026	Period ended 30th June 2025
	Kshs	
Business permit application fees	**756,500**	**726,815**
Annual Business permit fees	**21,798,495**	**19,863,302**
Business permit penalties and interest		
Business permit fees arrears		

Total	**22,554,995**	**20,590,117**

Notes to the Financial Statements (continued)

7. Conservancy Administration

Description	Period ended 30th June 2026	Period ended 30th June 2025
	Kshs	Kshs
Refuse disposal fees	1,357,800	1,382,400
Dumpsite fees		
Sewerage fees		
Sale of seedlings		
Public cemetery		
Disposal of carcasses		
Noise control		
Others (*Specify)*		
Total	**1,357,800**	**1,382,400**

8. Administration Control Fees and Charges

Description	Period ended 30th June 2026	Period ended 30th June 2025
	Kshs	Kshs
Weights and measures	20,500	25,900
Fire Services	346,000	144,000
Liquor licenses	-	-
Betting levy	-	-
Others (*Specify)*	-	-
Total	**366,500**	**169,900**

9. Other Fines, Penalties and Forfeitures

Description	Period ended 30th June 2026	Period ended 30th June 2025
	Kshs	Kshs
Impounding Fees	243,766	635,316
Towing Fees		
Others (*Specify)*		
Total	**243,766**	**635,316**

Notes to the Financial Statements (continued)

10. Public Health Service Fees

Description	Period ended 30th June 2026	Period ended 30th June2025
	Kshs	Kshs
Inspection of buildings/premises/Institutions	1,427,960	150,000
Inspection for issuance of hygiene license	1,337,970	2,053,061
Vaccination: Yellow fever, Typhoid, etc	-	119,000
Applications for medical examination	1,123,900	1,057,500
Sanitation inspection for schools	-	60,000
Public health permit	107,639.50	0
Rodent Control/Fumigation		0
Others *(Specify)*	73,830	
Total	4,071,300	3,439,561

11. Physical Planning and Development

Description	Period ended 30th June 2026	Period ended 30th June 2025
	Kshs	Kshs
Sale of County planning documents	-	-
Land valuation and registration fees	-	-
Change / Renewal of user	780,200	1,227,000
Building plans approval	75,500	29,000
Signboards	-	-
Occupational Permits	-	-
Enforcement / Demolition	-	-
Architectural designs by county officers	-	-
Hoarding fees	-	-
Physical Planning and Public works	404,000	592,000
Clearance certificate fees	115,500	111,500
Site value charges	-	68,550
Transfer fees	109,000	228,200
PPA 1 forms	224,500	212,000
Search fees	-	-

Total	**1,708,700**	**2,468,250**

Notes to the Financial Statements (continued)

12. Donations and Grants Not Received Through CRF

Description	Period ended 30th June 2026 Kshs	Period ended 30th June 2025 Kshs
Donations *(Specify Based on Source)*	-	-
Grants *(Specify Based on Source)*	-	-
Others *(Specify)*	-	-
Total	-	-

13. Parking Fees

Description	Period ended 30th June 2026 Kshs	Period ended 30th June 2025 Kshs
Street parking fees	**1,222,300**	**1,020,943**
Monthly toll/sticker fees	**1,054,400**	**899,300**
Motorbike fees	**1,056,250**	**1,505,090**
Registration fees	-	-
Reserved parking	-	-
Bus Park fees	**811,300**	**1,092,386**
Others (*Specify*)	-	-
Total	**4,144,250**	**4,517,719**

14. Market Fees

Description	Period ended 30th June 2026 Kshs	Period ended 30th June 2025 Kshs
Market entry fees	**5,264,696**	**5,838,601**
Hawking fees	**871,800**	**938,995**
Others (*Specify*)	-	
Total	**6,136,496**	**6,777,596**

Notes to the Financial Statements (continued)

15. Property Rent

Description	Period ended 30th June 2026	Period ended 30th June 2025
	Kshs	Kshs
County Housing	1,103,660	1,259,580
Plot Rent	2,745,840	2,672,272
Tenancy Agreement	-	-
Transfer of Property	-	-
Stalls/kiosks rent	181,000	293,700
Others *(Specify)*		
Total	**4,030,500**	**4,225,552**

16. Advertising

Descriptions	Period ended 30th June 2026	Period ended 30th June 2025
	Kshs	Kshs
Branding	4,095,540	5,343,430
Billboard advertising		
Signage		
Roadshows	5,000	15,300
Banners		
Posters		
Tent advertising		
Street pole/clock advertising		
others *(Specify)*		
Total	**4,100,540**	**5,358,730**

17. Hospital Fees

Description	Period ended 30th June 2026	Period ended 30th June 2025
	Kshs	Kshs
Level 5 hospitals		
Level 4 hospitals	**322,241,652**	**288,021,595**

Others (*Specify*)-Health Centres	**60,879,084**	
Total	**383,120,736**	**288,021,595**

18. Hire Of County Assets

Description	Period ended 30th June 2026	Period ended 30th June 2025
	Kshs	Kshs
Agricultural Mechanisation Services (AMS)		
Hire of Machines and Equipment		
Hire of County Stadia	**20,600**	**3000**
Hire of County Halls		
Conference facilities/Agricultural Training Centers (ATC)		
Others (*Specify*)		**350,000**
Total	**20,600**	**353,000**

19. Sale of assets.

	Period ended 30th June 2026	Period ended 30th June 2025
	Kshs	Kshs
Receipts from Sale of Buildings	-	-
Receipts from Sale of Vehicles and Transport Equipment	-	-
Receipts from Sale of Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from Sale of Strategic Reserves Stocks	-	-
Receipts from Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Other (Specify)		
Total	-	-

20. Park Fees

Description	Period ended 30th June 2026	Period ended 30th June 2025
	Kshs	Kshs
Lodge Tariffs and levies		
Park entry fees	**357,600**	**263,550**
Filming and Photography fees		
Camping fees		
Balloon landing fees		
Others *(Specify)*		

Total	**357,600**	**263,550**

21. Miscellaneous Revenues

Description	Period ended 30th June 2026 Kshs	Period ended 30th June 2025 Kshs
Dividends	-	-
Interest	-	-
Commissions	3,556,210	2,695,185
Hide &skin	2,000	700
Water supply	-	-
Slaughter fees	1,286,200	993,750
VSD	587,415	729,525
Agriculture	85,950	28,000
Cooperative	96,760	32,370
Recoveries	1,566,493	3,035,996
Others not classified everywhere	1,312,499	737,434
Total	**8,493,527**	**8,252,960**

22. Disbursements to CRF

Description	Period ended 30th June 2026 Kshs	Period ended 30th June 2025 Kshs
Quarter 1	10,731,894	15,587,010
Quarter 2	7,765,000	13,471,582
Quarter 3	26,684,336	22,114,800
Quarter 4	22,557,642	28,086,024
Total	**67,738,872**	**79,259,416**

23. Disbursements to another County Fund

Description	Period ended 30th June 2026 Kshs	Period ended 30th June 2025 Kshs
Quarter 1	86,619,107	61,551,388
Quarter 2	67,920,485	87,066,349.6
Quarter 3	122,931,147	55,401,044.6
Quarter 4	109,721,297	84,165,670
Total	**387,192,036**	**288,184,453**

24. Bank Charges

Description	Period ended 30th June 2026 Kshs	Period ended 30th June 2025 Kshs
Bank Charges & commissions	**243,208**	**248,030**
Total	**243,208**	**248,030**

25. Waivers and Exemptions

Description	Period ended 30th June 2026 Kshs	Period ended 30th June 2025 Kshs
Penalties	-	-
Interest	-	-
Others *(Specify)*	-	-
Total	-	

26. Bad debts written off.

Description	Period ended 30th June 2026 Kshs	Period ended 30th June 2025 Kshs
Bad debts written off (*Specify revenue stream*)	-	-
Total	-	-

27. Provision for bad debts

Description	Period ended 30th June 2026	Period ended 30th June 2025
	Kshs	Kshs
Provision for bad debts (*Specify revenue stream*)	-	-
Total	-	-

28. Gain/Loss on Foreign Exchange Transactions

Description	Period ended 30th June 2026	Period ended 30th June 2025
	Kshs	Kshs
Gain or loss on foreign exchange transactions	-	-
Gain or loss on balances in foreign exchanges	-	-
Total	-	-

29. Cash and Cash Equivalents

Name of Bank, Account No. & currency	Amount	Exc. rate (if in foreign currency)	Period ended 30th June 2026	Statement Balance 1st July 2025
			Kshs	Kshs
KCB County Revenue Collection A/C No.11****1360	3,840,026	0	3,840,026	6,719
ACCESS Bank County Revenue Collection A/C0180******0044	842,733	0	842,733	1,025,635
Cash in Transit (Access Bank to CRF)	152,915	0	152,915	208,985
Paybill Account-MPESA	2,800	0	2,800	0
Total	**4,838,474**		**4,838,474**	**1,241,339**

30. Receivables for non-exchange transactions

Description	Period ended 30th June 2026	Opening statement 1st July 2025
	Kshs	Kshs
Receivables		
Land rates	92,573,872	88,912,704
Sub total	92,573,872	88,912,704
Less impairment Allowance	(-)	(-)
Total Current Receivables	**92,573,872**	**88,912,704**

These are outstanding arrears from land owners within the county who are required to pay the annual land rates as stipulated in the County Finance Act 2025

Ageing analysis for Receivables from Non-exchange transactions

Description	FY 2025/26		Opening Statement 1st July 2025	
	Current FY	**% of the total**	**Comparative FY**	**% of the total**
Land Rates	**Kshs**		**Kshs**	
Less than 1 year	2,587,223	2.9%	2,587,223	2.904%
Between 1- 2 years	3,193,438	3.58%	3,193,438	3.58%
Between 2-3 years	3,193,438	3.58%	3,193,438	3.58%
Over 3 years	83,599,773	90.3%	79,938,605	89.9%
Total (a+b)	**92,573,872**	**100%**	**88,912,704**	**100%**

Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Impairment allowance/ provision	Period ended 30th June 2026	Period ended 30th June2025
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	(-)	(-)
Written off during the year	(-)	(-)
At the end of the year	-	-

31. Receivables from exchange transactions

Description	Period ended 30th June 2026	Opening Statement 1st July 2025
	Kshs	Kshs
Total receivables		
Plot Rent	**87,702,175**	**84,208,348**
Less: impairment allowance	(-)	(-)
Total receivables	**87,702,175**	**84,208,348**

Ageing analysis for total receivables in exchange transactions

Description	FY 2025/26		Opening statement 1st July 2025	
	Current FY	**% of the total**	**Comparative FY**	**% of the total**
	Kshs		**Kshs**	
Less than 1 year	1,300,511	1.5%	1,300,511	1.5%
Between 1- 2 years	6,455,403	7.4%	6,455,403	7.56%
Between 2-3 years	6,455,403	7.4%	6,455,403	7.56%
Over 3 years	73,490,858	83.8%	69,997,031	83.12%
Total (a+b)	**87,702,175**	**100%**	**84,208,348**	**100%**

Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/ provision	Period ended 30th June 2026	Period ended 30th June2025
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

32. Payables- Due To County funds

Payables	Period ended 30th June 2026	Opening statement 1st July 2025
	Kshs	Kshs
Amount collected yet to be disbursed to CRF	4,838,474	1,241,339
Amount yet to be collected from Land rates and Plot rent	180,276,047	173,121,052
Total Due to CRF	**185,114,521**	**174,362,391**

35. Payables Due to Other County funds

Payables	Period ended 30th June 2026	Opening tatement 1st July 2025
	Kshs	Kshs
Amount collected yet to be disbursed to CRF	-	-
Total Due to CRF	-	-

Movement Disclosure on Dues to County funds

Description	Period ended 30th June 2026	Period ended 30th June 2025
	Kshs	Kshs
Opening Dues to CRF	1,241,339	3,150,467
Increase/Decrease in Dues to CRF	3,597,135	(1,909,128)
Closing Dues to CRF	**4,838,474**	**1,241,339**

36. *Revenue* received in advance

Description	Period ended 30th June 2026	Opening statement 1st July 2025
	Kshs	Kshs
Total Receipts	0	0
Total	0	0

12. Appendices

Appendix I: Progress on follow-up of prior Year Auditor Recommendations.

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1. Report on Financial statements	The statement of financial position reflects payables to the County Revenue Fund (CRF) balance of Kshs. 1,241,339 as disclosed in Note 34 to the revenue statements. However, the County Revenue Fund revenue statements reflect Nil receivables balance In the circumstances, the accuracy of the payables balance of Kshs. 1,241,339 could not be confirmed.	reconciliation of the two sets of financial statements had revealed an omission of Kshs. 1,241,339, which was reflected in the Statement of Financial Position (Note 34) of the Receiver of Revenue as at 30th June 2025 but was not recognized in the County Revenue Fund financial statements. The amount of Kshs. 1,241,339 was transferred and received into the County Revenue Fund as tabulated in the Committee report. Management stated that the amount had been transferred and received into the County Revenue Fund as indicated in the tabulated records. Management further reported that the County Revenue Fund financial statements would be restated in the FY 2025/26 to correct the omission		31st, August 2026
	The statement of revenue and disbursement reflects disbursement to County Revenue Fund of **Kshs. 79,259,416** as disclosed in Note 24 to the revenue statements.	Management confirmed that the amount of **Kshs. 79,259,416** transferred from the ROR, as disclosed in Note 24 of the Revenue Statements, has been fully reflected in the County Revenue Fund (CRF) financial statements.	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	However, the statement of performance of County Revenue Fund did not disclose this amount. In the circumstances, disbursement of **Kshs. 79,259,416** to the County Revenue Fund could not be confirmed	Breakdown of the amount in the CRF Statement of Financial Performance: . Non-Exchange Own Source Revenue: **Kshs. 58,229,049** (Note 10) Exchange Own Source Revenue: **Kshs. 21,030,367** (Note 11) **Total: Kshs. 79,259,416** An extract of the CRF Statement of Financial Position for the period ended 30 June 2025 was provided. Management has ensured proper recording and alignment between the ROR and CRF		
	The statement of financial position reflects receivables from non-exchange transactions balance of **Kshs. 88,912,704** as disclosed in Note 32 to the revenue statements. However, analysis of ageing balances revealed the status as follows; less than one (1) year **Kshs. 2,587,223**: between 1-2 years Kshs. 3,193,438; between 2-3 years **Kshs. 3,193,438** and over 3 years **Kshs. 83.,132,043.** There was no evidence that Management had instituted appropriate interventions to collect the long outstanding receivables. In addition, Management did not provide for impairment loss on long outstanding receivables. In the circumstances, the accuracy and recoverability of the receivables from non- exchange	The long outstanding receivables from Non-Exchange of **Kshs 83,132,043** relates to accumulated land rates arrears. The prolonged outstanding balances are largely attributable to low compliance levels among landowners in settling historical arrears and current annual rates. However, the county government has put in place measures to enhance recoverability of the outstanding arears. These include; a) Updating the valuation roll to facilitate the preparation and implementation of revised rate schedules as approved under the County Finance Act. b) Undertaking taxpayer sensitization and public awareness campaigns through public barazas across all sub-locations. The Receiver of Revenue is working closely with village elders, assistant chiefs, town committees, and town administrators to improve outreach and engagement with landowners. c) Initiating arrears recovery and enforcement measures in accordance with the provisions of the National Rating Act, 2024. In this regard, the County Government has issued a	Not resolved	31st December, 2026

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	transactions balance of **Kshs. 88,912,704** could not be confirmed	sixty (60)-day statutory notice to all land and plot owners requiring settlement of outstanding rates arrears, failure to which enforcement actions will be undertaken.		
	The statement of financial position reflects receivables from exchange transactions balance of **Kshs. 84,208,348** as disclosed in **Note 33** to the revenue statements. However, analysis of ageing balances revealed the status as follows; less than one (1) year **Kshs. 1,300,511;** between one to two (l-2) years **Kshs. 6,455,403;** between two to three (2- 3) years **Kshs.6,455,403** and over three (3) years **Kshs. 69,997,03 l.** There was no evidence that Management had instituted appropriate interventions to collect the long outstanding receivables. In addition, Management did not provide for impairment loss on long outstanding receivables. In the circumstances, the accuracy and recoverability of the receivables from non-exchange transactions balance of **Kshs. 84,208,348** could not be confirmed	Management stated that the long outstanding receivables from non-exchange transactions amounting to **Kshs. 83,132,043** relate to accrued revenues such as rents, user fees, and other charges for services rendered. Management attributed the persistence of these balances to low.	**Not resolved**	**30th June, 2027**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2. Report on lawfulness and effectiveness in use public funds	**Breach of Data Protection Law** Review of revenue system revealed that the Receiver of Revenue was piloting a Revenue Management System that was developed, implemented, and maintained by a local technology expert. The pilot system operates the following revenue modules; street parking, single business permit, cess, park fees, promotion and advertisement, fire compliance, slaughter fees, market fees, clamping fees and penalties. The data collected by the system such as; bank account details, mobile money account, date of birth of tax payers, car registration numbers and national identification numbers was personal and sensitive in nature. Further, the piloted Revenue Management System revealed the following breaches of the data protection laws; The County Executive had not registered with the Data Commissioner as a data controller or data processor respectively despite having unlimited access to public personal data hence breaching data confidentiality principle of the Data Protection Act, 2019.	The County Executive recognises the importance of safeguarding personal and sensitive data and has undertaken corrective measures to address the identified gaps, as outlined below: i) The County Executive is in the process of registering with the Office of the Data Protection Commissioner as a data controller and data processor, in compliance with the requirements of the Data Protection Act, 2019. ii) Management has developed a draft Data Protection Policy for the Revenue Management System, which outlines data retention schedules, periodic review timelines, and requirements for conducting Data Protection Impact Assessments prior to processing personal data. The draft policy is currently undergoing approval by the County Executive Committee. iii) Management has entered into a formal contract with Safaricom PLC for the provision of an integrated County Revenue Management System. Clause 15 of the contract provides for data handling obligations, including data access controls, storage, retention, permitted use, and secure destruction of personal data held within the system. iv) The County Executive is in the process of developing and publishing a comprehensive personal data handling and privacy notice to clearly communicate the entity's data processing practices to data subjects, in line with statutory requirements. v) Management has commenced the implementation of information security measures to safeguard personal data, including risk assessment procedures, system access controls, and periodic system reviews to identify and address potential vulnerabilities.	Not resolved	31st December, 2026

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	ii. Management had not established personal data retention schedule, appropriate time limits for the periodic review of the need for the continued storage and protection impact assessment prior to processing of the data as required by data protection regulations. The Receiver of Revenue had not developed and published a policy reflecting the entity's personal data handling practices. Management did not enter into a written contract relating to data handling obligations by the vendor on behalf of the County Government. The County Executive had not implemented the elements necessary to safeguard the principle of storage limitation including having in place means of managing policies and procedures for information security, assessing the risks against the security of personal data and putting in place measures to counter identified risks	vi) The County Executive is developing internal procedures for data retention, deletion, and secure destruction of personal data, including defining the categories of data to be retained and the applicable retention periods in accordance with legal and operational requirements. Management remains committed to ensuring full compliance with the Data Protection Act, 2019 and will continue to strengthen governance, policies, and controls over personal data processed through the Revenue Management System		

<table>
<tr><th>Reference No. on the external audit Report</th><th>Issue / Observations from Auditor</th><th>Management comments</th><th>Status: (Resolved / Not Resolved)</th><th>Timeframe: (Put a date when you expect the issue to be resolved)</th></tr>
<tr><td></td><td>and regularly reviewing and testing the revenue management system to uncover vulnerabilities.

The County Executive had not implemented the elements necessary to safeguard the principle of storage limitation including having in place a clear internal procedure for deletion and destruction of personal data of subjects, determining what data and length of storage of personal data that is necessary for the purpose and formulating internal retention statements of implementing them.

In the circumstances, Management of the Receiver of Revenue was in breach of the law.</td><td></td><td></td><td></td></tr>
<tr><td>3. Report on effectiveness of internal controls, Risk Management and Governance</td><td>1. The audit observed that the receiver of revenue has maintained a register of parking slots. However, the register did not indicate the specific parking slot numbers and corresponding client identities making it difficult to link or trace parking revenue to a particular client or reserved parking. In the circumstances, there was ineffective management of the reserved street parking.</td><td>The County Government has currently reserved a total of twenty (20) parking slots for various business entities and institutions within Iten Town, as detailed below:<table><tr><td>Organization o</td><td>n
o</td></tr><tr><td>Cooperative Bank</td><td>5</td></tr><tr><td>Kenya Power</td><td>7</td></tr></table></td><td>Resolved</td><td></td></tr>
</table>

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Transnational Bank	2
Kenya Revenue Authority	3
DOS Stores	1
Keiyo Distributors	1
Berur Agrovet	1
Total	**20**

Management notes that while a register of reserved parking slots exists, the absence of clearly marked, numbered slots and corresponding client identifiers limited effective traceability and monitoring of revenue.
To address this weakness, the Management of the Receiver of Revenue, in collaboration with the Iten Municipality Administration, will:

- Clearly mark and physically number all reserved parking slots; and
- Update the reserved parking register to include specific slot numbers, assigned clients, and applicable charges to enhance accountability, monitoring, and revenue tracking.

These measures will strengthen control over reserved street parking and improve the effectiveness of revenue management.

2. The audit observed that the receiver of revenue and the market master did not maintain proper records and register of traders that included; name,

1) The County Development control committee was established as a delegated responsibility from County Executive Committee Member

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	location allocated and payment status. In addition, traders' information for 2024/2025 and 2023/2024 were mixed up making it difficult to separate the market fee for the two years. In addition, the Receiver of Revenue budgeted to collect Kshs.4,419,999 from Physical Planning Department during the year. However, the Department collected Kshs.2,468,250 resulting to a variance of Kshs.1,951,749 or 44.1% of the projected revenue. Further, the approval process in the Physical Planning Department required the maintenance of Approval Committee Minutes and a register of all approvals processed. However, verification of both the details of approval register and Development Committee Minutes revealed that the property records were not maintained as detailed below; Parcel No. / Typology Em/Chepsigot "A"/720 / Commercial Development	for Lands, physical planning, housing and urban developments. The committee is composed of technical officers from physical planning, public health, survey, engineers, architects and environmental officers. The development control records all the applications and will approve in committee meetings all the building plans that have met the requisite documentation. 2)The committee records its register both in hard and soft copies. The excel version captures all the building approval plans highlighted above. The requisite fees/revenue from the plans have been ascertained as having been paid to the revenue office. 3)We acknowledge the audit observations regarding inadequate maintenance of trader records, mixing of information for 2023/2024 and 2024/2025, revenue shortfall in the Physical Planning Department, and lack of proper approval documentation. To address these issues, a comprehensive traders' register has been introduced with segregation by financial year, staff have been directed to update records regularly and will undergo training. With regard to the Physical Planning Department's budgeted revenue projections, future estimates will be aligned with historical trends, monitoring of collections strengthened, and stakeholder engagement enhanced to improve compliance with planning approvals. Additionally, standardized approval registers have been implemented, and in the long term the county plans to digitize property records to ensure accuracy and accountability.	**Not resolved**	**31st December, 2026**

Reference No. on the external audit Report	Issue / Observations from Auditor		Management comments		Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Irong/Sergoit/721	Residential Development	30 October, 2024			
	Irong/Iten/3569	Residential Development	30 October, 2024	Approved by Committee but not in register of physical planning		
	Irong/Iten/871	Residential Development	30 October, 2024	Approved by Committee but not in register of physical planning		
	Irong/Iten/5008	Residential Development	30 October, 2024	Approved by Committee but not in register of physical planning		
	Irong/Iten/1744	Commercial Development	30 October, 2024	Approved by Committee but not in register of physical planning		
	Irong/Iten/777	Residential Development	30 October, 2024	Approved by Committee but not in register of physical planning		
	Moiben/Chebara/143	Church	11 February, 2025	Approved by Committee but not in register of physical planning		
	Irong/Iten/4870	Residential Development	11 February, 2025	Approved by Committee but not in register of physical planning		
	In the circumstances, the internal controls on revenue management could not be confirmed.					

COUNTY GOVERNMENT OF ELGEYO MARAKWET
HEAD OF REVENUE OFFICE
P.O. Box 30700, ITEN

Name Soloman Kandie

Sign

County Receiver of Revenue

Date 25/08/2026

COUNTY GOVERNMENT OF ELGEYO MARAKWET
COUNTY TREASURY
CHIEF FINANCE OFFICER
25 AUG 2026
P. O. Box 220 - 30700, ITEN

Name

Director Revenue/ Head of Revenue Reporting

ICPAK M/No 8112

Date 25/8/26

Appendix 2: Statement of Arrears of Revenue As at 30th June, 2026

Classification Of Receipts (Indicate As Applicable)	Balance as at the beginning of the current year (1st July 2025) A	Arrears received during the year B	Additions in arrears for the current year to June 30, 2026 C	Total arrears as at 30 June 2026 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	88,912,704	(486,204)	4,147,372	92,573,872	The county government has issued demand notices to all land owners with arrears. In addition, the county government will be invoking the provisions of The National Rating Act 2024 and Finance Act 2025 to enforce payment of rates from all rateable properties	Variable probability of recovery.
Single/Business Permits						
Property Rent	84,208,348	(2,745,840)	6,239,667	87,702,175	The county government has issued demand notices to all land	High recovery probability through issuance of demand

Classification Of Receipts (Indicate As Applicable)	Balance as at the beginning of the current year (1st July 2025) A	Arrears received during the year. B	Additions in arrears for the current year to June 30, 2026 C	Total arrears as at 30 June 2026 D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
					owners with arrears. In addition, the county government will be invoking the provisions of The National Rating Act 2024 and Finance Act 2025 to enforce payment of rates from all rateable properties	notices and repossession of the properties with huge arrears
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						

Appendix 3: Ageing Analysis of Revenue in Arrears

Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Cess					
Land rate	2,587,223	3,193,438	3,193,438	83,599,773	92,573,872
Single/business permits					
Property rent	1,300,511	6,455,403	6,455,403	73,490,858	87,702,175
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**	**157,090,631**	**180,276,047**

Classification Of Receipts (Indicate As Applicable)	Balance as at the beginning of the current year (1st July 2025) A	Arrears received during the year. B	Additions in arrears for the current year to June 30, 2026 C	Total arrears as at 30 June 2026 D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Miscellaneous						
Total Arrears	**173,121,052**	**(3,232,044)**	**10,387,039**	**180,276,047**		

(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 Kardie

County Receiver of Revenue

(Ref: PFM ACT section 165, 2(a)

COUNTY GOVERNMENT OF ELGEYO MARAKWET
COUNTY TREASURY
CHIEF FINANCE OFFICER
25 AUG 2026
Sign: .....
P.O. Box 220 - 30700, ITEN

.....

Name

Director Revenue/ Head of Revenue Reporting

ICPAK M/No 8 11

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

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

(PFM ACT section 165 subsection 4, 5)

Name: Solomon Kandie

County Receiver of Revenue

Sign: .....

COUNTY GOVERNMENT OF ELGEYO MARAKWET HEAD OFFICE P. O. Box 30700, ITEN