

REPUBLIC OF KENYA



GOVERNMENT OF MAKUENI COUNTY



THE COUNTY TREASURY

P.O BOX 78-90300 MAKUENI Tel No. 020-2034944

Email: finance@makueni.go.ke contact@makueni.go.ke web: www.makueni.go.ke

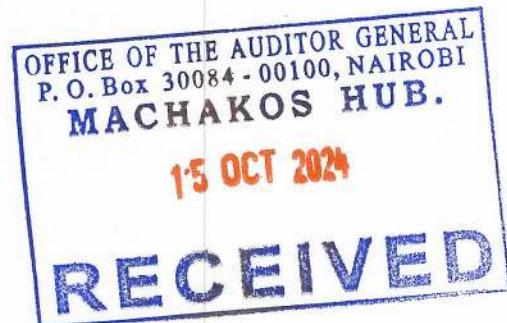
Ref: GMC/FIN/ASS.36/Vol.16 (20)

Date: 14th October, 2024

The Clerk,
Makueni County Assembly
P.O BOX 572-90300
MAKUENI

RE: MAKUENI COUNTY QUARTER ONE RECEIVER OF REVENUE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER, 2024

Pursuant to section 166 of the Public Financial Management Act, 2012 we hereby submit Quarter One Receiver of Revenue Financial Statements for the County Government of Makueni for the period ended 30th September, 2024.



Yours Sincerely,

EXECUTIVE COMMITTEE MEMBER
DEPT. OF FINANCE & PLANNING
GOVERNMENT OF MAKUENI COUNTY

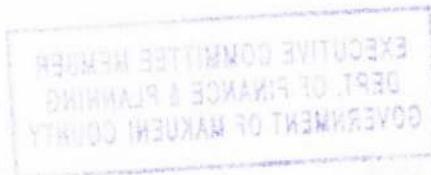
DAMARIS MUMO KAVOI
COUNTY EXECUTIVE COMMITTEE MEMBER – FINANCE, PLANNING, BUDGET & REVENUE AND HEAD OF COUNTY TREASURY

Encl.

cc.

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





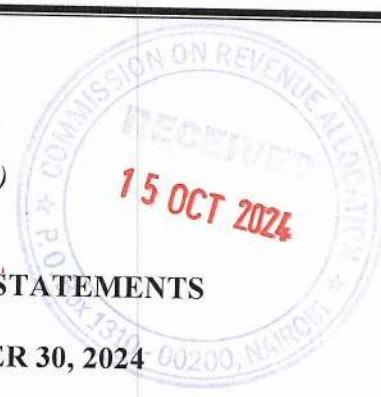


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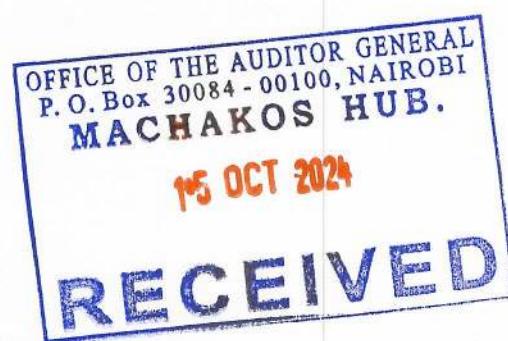
RECEIVER OF REVENUE
(County Government of Makueni)

QUARTERLY REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 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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Receiver Of Revenue
County Government Of Makueni
Quarterly Reports and Financial Statements
For the period ended September 30, 2024

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Receiver Of Revenue

County Government Of Makueni

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

Comparative FY- Comparative Prior Financial Year

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

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2. Key Entity Information and Management

(a) Background information

The *receiver of revenue* is under the Department of Finance and Socio-Economic Planning. At the County Executive Committee level, the *receiver of revenue* is represented by the County Executive Committee member for Finance and Socio-Economic Planning, who is responsible for the general policy and strategic direction of the *receiver of revenue*. The *receiver of revenue* was designated as a receiver on 17th October 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 it to the County Revenue Fund (CRF).

(c) Key Management Team

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

No.	Designation	Name
1.	CEC Member –Finance	CPA Damaris Mumo Kavoi
2.	Chief Officer, Finance	Boniface Musyoki Mutua
3.	Director, Revenue	CPA Stephen Thiong'o Moses
4.	Head of Revenue Reporting	CPA Kiniva Benson Mwendwa

(d) Fiduciary Management

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

Fiduciary Oversight Arrangements

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

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

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

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

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

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

Office of the Auditor General; Audited the Makueni County Receiver of Revenue financial statements FY 2022/23 and currently finalising on FY 2023/24.

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

(e) County Government of Makueni Headquarters

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

(f) County Government of Makueni Contacts

Telephone: (254) 202 034 944
E-mail: contact@makueni.go.ke
Website: www.makueni.go.ke

(g) Independent Auditor

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

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(h) Bankers

1. Central Bank of Kenya

Telephone: (254) 202 860 000

Email: comms@centralbank.go.ke

Website: www.centralbank.go.ke

2. Kenya Commercial Bank- Wote Branch

Telephone: (254) 711 070 000

Email:ccarewote@kcbgroup.com

Website: www.kcbbankgroup.com

(i) Principal Legal Adviser

1. The Attorney General State Law Office

Harambee Avenue

P.O. Box 40112

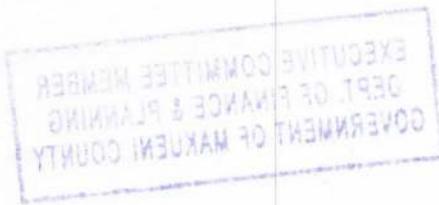
City Square 00200

Nairobi, Kenya

2. County Attorney

P.O. Box 78

County Government of Makueni



3. Foreword by the CECM Finance and Economic Planning

Article 209 of the Constitution of Kenya, 2010 gives powers to the county government to impose taxes, fees, and charges to mobilize resources to finance the budget. In addition, section 104(d), of the PFMA, 2012 assigns obligatory roles to the County Treasury on matters relating to resource mobilization. The Public Finance Management Act Section 157 provides for the designation of county receiver of revenue who is mandated by section 165 to prepare the receiver of revenue financial statement in the manner prescribed by PSASB.

The county resources comprise of the equitable share, conditional allocations in form of either loans or grants and Own Source Revenue. The county has projected to generate Kshs 1,444,578,170 from own source revenue during the FY 2024/2025 accounting for 13% of the total projected revenue of Kshs 11,197,443,178 for the year. The Own Source Revenue realised was Kshs. 221,406,054 which accounts for 15% of the total projected own source revenues. Own source revenue performance registered a growth of 18% from Kshs 188,055,016 recorded in first quarter of FY 2023/24 to Kshs 221,406,054 in FY 2024/25.

The county has over the years been unable to achieve set revenue targets on own-source revenue principally due to depressed economic conditions. The county is continually carrying out sensitization on voluntary compliance through market clinics and media. The management will implement installment and discounted payment of permits and licenses in the Finance Act 2024.



CPA Damaris Mumo Kavoi

CECM Finance and Economic Planning

County Government of Makueni

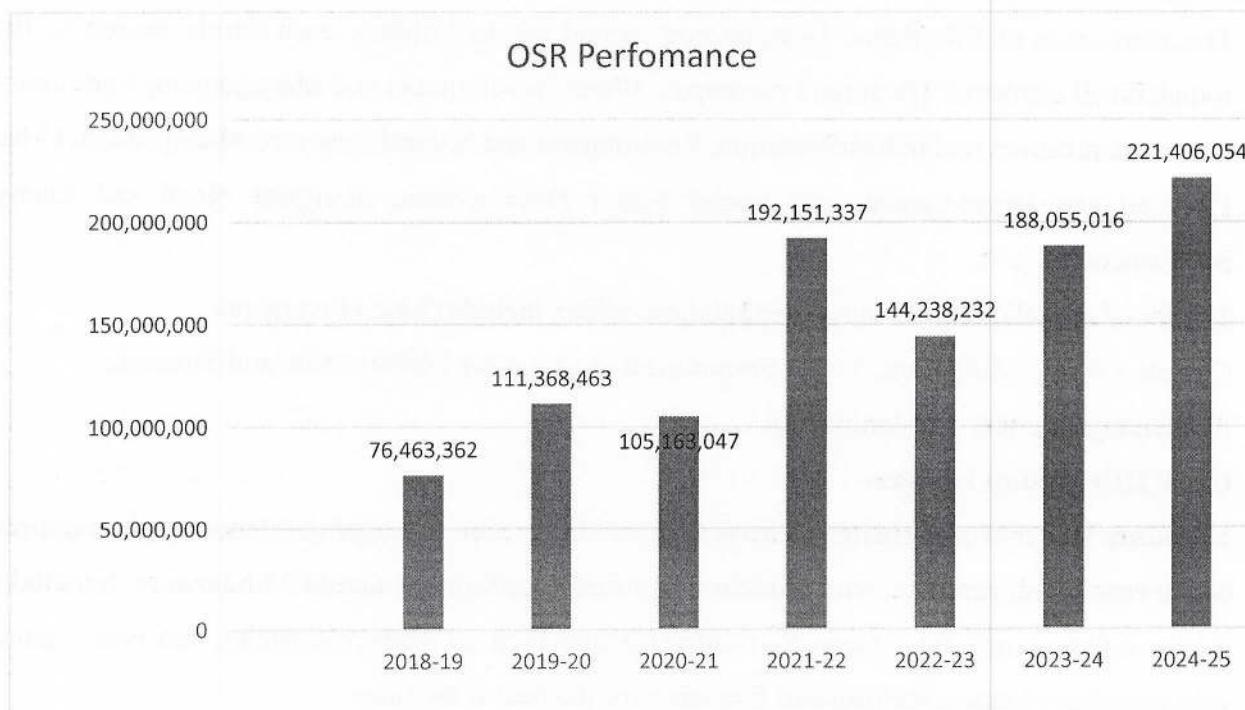


4. Management Discussion and Analysis

Section A

The entity's operational and financial performance

The county has progressively recorded steady growth in own source revenue since 2013 from a collection of Kshs 189,188,000 in 2013/2014 to 1,045,086,845 in the FY 2023/2024. For the Quarter, ending 30th September 2024 the county has managed to grow OSR by 18% from ksh Kshs 188,055,016 recorded in first quarter of FY 2023/24 to Ksh 221,406,054 in financial year 2024/2025. The OSR trend for Quarter 1 for the last six years has been illustrated in the graph below;



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

Section B

Entity's compliance with statutory requirements

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

Section C

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

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

The realization of this theme is structured around six key pillars, each firmly rooted in five foundational elements. The pillars encompass Water Development and Management, Agricultural Commercialization and Industrialization, Environment and Natural Resource Management, Urban Planning and Development, and Social Sector Development, alongside Road and Energy Infrastructure.

The foundational elements underpinning these pillars include Good Governance, Climate Change Mitigation, Youth Empowerment, Resource Mobilization and Strategic Partnership, and ICT and Innovation

CIDP III Flagship Projects

1. County Ward Model Health Centres: This initiative aims to establish 30 model health centres, one in each ward, equipped with modern infrastructure offering essential 24-hour care. It includes the provision of necessary supportive infrastructure such as roads, electricity, and water, along with ensuring adequate staffing and financing for the health facilities.

2. Automation of Government Services: This program targets the automation of 80% of government services and processes through a unified approach across all sectors. Key activities involve linking stand-alone systems into one, automating services and processes, integrating technology in service delivery, and fostering innovation and research.

3. Urban Development: This program strategically positions urban areas as development and growth nodes, recognizing the need for infrastructural development due to increasing urbanization. Wote will serve as a model town, focusing on water provision, creating safe spaces and recreational centres, developing road and electricity infrastructure, and enhancing social services such as day care centres and homes for the elderly.

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

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

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

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

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

9. Own Source Revenue (OSR): The goal is to mobilize Own Source Revenue to ensure at least 20% of the county budget is funded by OSR by 2027, up from the current 10%. Key strategies include optimizing land-based revenue, adopting a coordinated approach to business licensing, implementing unified billing, broadening revenue streams, automating revenue processes, and reducing leakages.

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

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

Section D

Major risks facing the entity

The major risks facing the entity are;

Operational Risk

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

Strategic Risk

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

Compliance Risk

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

Financial Risk

Inadequate funding might result to inability to fulfil financial obligations.

Section E

Material arrears in statutory/financial obligations

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

Section F

The entity's financial probity and serious governance issues

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

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 September 30, 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 County Government of Makueni receiver of revenue accounts, which have been prepared on the Accrual Basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the County Government of Makueni receiver of revenue account gives a true and fair view of the state of the County Government of Makueni receiver of revenue transactions during the financial period ended September 30, 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 County Government of Makueni has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable). The Receiver of Revenue confirms that the revenue statements have been prepared in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

Receiver Of Revenue

County Government Of Makueni

Quarterly Reports and Financial Statements For the period ended September 30, 2024

Approval of the Revenue Statements

The revenue statements were approved and signed by the Receiver of Revenue on

14/10/2024

Name; CPA Stephen Thiong'o Moses
County Receiver of Revenue



Receiver Of Revenue
County Government Of Makueni
Quarterly Reports and Financial Statements
For the period ended September 30, 2024

6. Statement of Revenue and Disbursements for the Period Ended September 30, 2024

	Note	September 30 th 2024
		Kshs
Revenue from non-exchange transactions		
Cess	5	18,940,896
Land Rates	6	5,762,879
Single/Business Permits	7	11,604,229
Conservancy Administration	8	642,769
Administration Control Fees and Charges	9	7,039,793
Other Fines, Penalties, And Forfeiture Fees	10	21,269
Public Health Service Fees	11	3,409,871
Physical Planning and Development	12	4,437,940
Donations/Grants Not Received Through CRF	13	0
Total Revenue from non-exchange transactions		51,859,646
Revenue from exchange transactions		
Property Rent	14	1,861,800
Parking Fees	15	8,332,120
Market Fees	16	9,531,727
Advertising	17	7,804,150
Hospital Fees	18	131,428,891
Hire of County Assets	19	5,530,055
Miscellaneous receipts	20	5,057,665
Total Revenue from exchange transactions		169,546,408
Total Revenues (a)		221,406,054
Disbursements		
Bank charges	21	(8,820)
Disbursements To CRF	22	(85,502,569)
Hospital fees retained as AIA		(131,428,891)
Waivers and exemptions	23	0

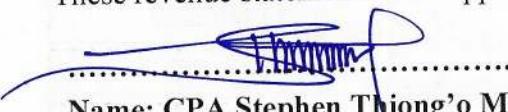
Receiver Of Revenue

County Government Of Makueni

Quarterly Reports and Financial Statements For the period ended September 30, 2024

Bad debts written off	24	0
Provision for bad debts	25	0
Total Disbursements and other charges (b)		(216,940,280)
Balance Due for Disbursement (collected amounts) (c)		5,871,582
Balance Due for Disbursement (uncollected Amounts) (d)		544,524,535
Balance Due for Disbursement and Collection (e = c + d)		550,396,117

These revenue statements were approved on 14/10/2024 and signed by:


Name: CPA Stephen Thiong'o Moses
County Receiver of Revenue
ICPAK M/No: 18114


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



Receiver Of Revenue
County Government Of Makueni
Quarterly Reports and Financial Statements For the period ended September 30, 2024

7. Statement of Financial Position as at September 30, 2024

	Note	Period as at	Opening
		September 30, 2024	Statement 1st July 2024
		Kshs	Kshs
Current Assets			
Cash and Cash Equivalents	26	5,871,582	1,405,808
Receivables from non-Exchange transactions	27	534,075,635	0
Receivables from Exchange transactions	28	10,448,900	0
Total Current Assets		550,396,117	1,405,808
Total Assets		550,396,117	1,405,808
Financial Liabilities			
Payables-Due to CRF	29	550,396,117	1,405,808
Revenue received in advance	30	0	0
Total Financial Liabilities		550,396,117	1,405,808

The entity's financial statements were approved on 14/10/2024 and signed by:


Name: CPA Stephen Thiong'o Moses
County Receiver of Revenue
ICPAK M/No: 18114


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



Receiver Of Revenue**County Government Of Makueni****Quarterly Reports and Financial Statements For the period ended September 30, 2024****8. Statement of Cash Flows for the Period Ended September 30, 2024**

	Note	Period ended September 30 th 2024 Kshs
Cash flows from operating activities		
Receipts		
Cess		18,940,896
Land Rate		5,762,879
Single/Business Permits		11,604,229
Property Rent		1,861,800
Conservancy Administration		642,769
Administration Control Fees and Charges		7,039,793
Other Fines, Penalties, And Forfeiture Fees		21,269
Public Health Service Fees		3,409,871
Physical Planning and Development		4,437,940
Donations/Grants Not Received Through CRF		0
Parking Fees		8,332,120
Market Fees		9,531,727
Advertising		7,804,150
Hire of County Assets		5,530,055
Miscellaneous receipts		5,057,665
Total Receipts		89,977,163
Payments		
Disbursements To CRF		(85,502,569)
Bank charges		(8,820)
Total Payments		(85,511,389)
Net Cash Flows from/ (used in) Operating Activities		4,465,774
Cash and cash equivalents at Period Start	26	1,405,808
Cash and cash equivalents at Period End	26	5,871,582

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

9. Statement of Comparison of Budget and Actual Amounts for Period Ended September 30, 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	75,000,000		75,000,000	18,940,896	56,059,104	25%
Land Rate	177,000,000		177,000,000	5,762,879	171,237,121	3%
Single/Business Permits	200,000,000		200,000,000	11,604,229	188,395,771	6%
Property Rent	8,700,000		8,700,000	1,861,800	6,838,200	21%
Parking Fees	47,500,000		47,500,000	8,332,120	39,167,880	18%
Market Fees	56,000,000		56,000,000	9,531,727	46,468,273	17%
Advertising	20,922,470		20,922,470	7,804,150	13,118,320	37%
Hospital Fees	566,255,700		566,255,700	131,428,891	434,826,809	23%
Public Health Service Fees	36,000,000		36,000,000	3,409,871	32,590,129	9%
Physical Planning and Development	48,000,000		48,000,000	4,437,940	43,562,060	9%
Hire of County Assets	7,000,000		7,000,000	5,530,055	1,469,945	79%
Conservancy Administration	9,500,000		9,500,000	642,769	8,857,231	7%
Administration Control Fees and Charges	91,400,000		91,400,000	7,039,793	84,360,207	8%
Proceeds from sale of assets	100,000,000		100,000,000		100,000,000	0%
Other Fines, Penalties, and Forfeiture Fees	1,000,000		1,000,000	21,269	978,731	2%
Miscellaneous Receipts	300,000		300,000	5,057,665	(4,757,665)	1686%

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County Government Of Makueni
Quarterly Reports and Financial Statements For the period ended September 30, 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
Total County Own Source Revenue	1,444,578,170		1,444,578,170	221,406,054	1,223,172,116	15%
Other Receipts						
Donations /Grants Not Received Through CRF	0		0	0	0	0
Total Other Receipts	0		0	0	0	0
Total Receipts	1,444,578,170		1,444,578,170	221,406,054	1,223,172,116	15%

- (a) Parking fee, cess, market fees registered a significant improvement compared to the same period last financial year. This is as a result of full implementation of cashless payment mode for the streams.
- (b) Hospital fees registered a significant performance attributed to tightening controls in collecting facility improvement fund and frequent follow up of NHIF claims.
- (c) Despite most of streams recording improvement as compared to last financial year, there was under realisation majorly due to depressed economy and resistance to comply by business community.
- (d)

The County Receiver of revenue's financial statements were approved on 14/10/2024 and signed by:

Name: CPA Stephen Thiong'o Moses
 County Receiver of Revenue
ICPAK M/No: 18114



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

10. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

Statement of compliance

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

Basis of Preparation

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

Reporting period

The reporting period for these financial statements is for the period ended September 30, 2024.

3. Significant Accounting Policies

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

i) Revenue from non-exchange transactions

Fees, taxes, fines and charges

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

Notes to the financial statements

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Dividends

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

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

Notes to the financial statements

iii) Budget

The County Revenue budget is developed on cash basis. The budget has the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by law. The original budget was approved by the County Assembly on 26th 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 *County Government of Makueni* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cash flows has been presented under section 8 of these financial statements.

iv) Cash and cash equivalents.

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

Notes to the financial statements

v) Revenue in Arrears

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

vi) Disbursements to CRF

The Receiver of Revenue has an arrangement for transfer of funds from its bank account to the CRF account. Total disbursements to the CRF are as a result of the transfer arrangement during the period. Funds are transferred to the CRF on weekly basis.

vii) Payables due to CRF

These relate to amounts yet to be disbursed to the County Revenue Fund at the end of the period. The amount also includes monies that are yet to be collected by the receiver of revenue at the end of the reporting period.

viii) Comparatives

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

ix) Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended September 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 25. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Receiver Of Revenue

County Government Of Makueni

Quarterly Reports and Financial Statements For the period ended September 30, 2024

Notes to the Financial Statements

5. Cess

Description	Period ended September 30, 2024
Farm produce	5,479,087
Building material cess	679,000
Livestock	1,248,500
Others (<i>sand cess</i>)	11,534,309
Total	18,940,896

6. Land rates

Description	Period ended September 30, 2024
Land rates	5,251,179
Renewal Fees	511,700
Total	5,762,879

7. Single /Business Permits

Description	Period ended September 30, 2024
Annual Business permit	10,231,677
Annual Business Permit application fees	604,100
Business permit penalties and interest	768,452
Total	11,604,229

8. Conservancy Administration

Description	Period ended September 30, 2024
Conservancy	456,469
Water and Environment	186,300
Total	642,769

Receiver Of Revenue

County Government Of Makueni

Quarterly Reports and Financial Statements For the period ended September 30, 2024

Notes to the financial statements

9. Administration Control Fees and Charges

Description	Period ended September 30, 2024
Weights and measures	381,140
Fire Services	159,950
Liquor licenses	3,555,182
Veterinary Services	2,943,521
Total	7,039,793

10. Other Fines, Penalties and Forfeitures

Description	Period ended September 30, 2024
Impounding Fees	21,269
Total	21,269

11. Public Health Service Fees

Description	Period ended September 30, 2024
Public Health Service Fees	3,409,871
Total	3,409,871

12. Physical Planning and Development

Description	Period ended September 30, 2024
Change of use	460,000
Building plans approval	3,977,940
Total	4,437,940

Receiver Of Revenue

County Government Of Makueni

Quarterly Reports and Financial Statements For the period ended September 30, 2024

Notes to the financial statements

13. Donations and Grants Not Received Through CRF

Description	Period ended September 30, 2024
Donations	0
Total	0

14. Property Rent

Description	Period ended September 30, 2024
Stalls/kiosks rent	1,861,800
Total	1,861,800

15. Parking Fees

Description	Period ended September 30, 2024
Registration fees	162,500
Bus Park fees	8,169,620
Total	8,332,120

16. Market Fees

Description	Period ended September 30, 2024
Market entry fees	7,121,575
Others (Stock Market fees)	2,410,152
Total	9,531,727

17. Advertising

Descriptions	Period ended September 30, 2024
Outdoor Advertisement	7,804,150
Total	7,804,150

Receiver Of Revenue

County Government Of Makueni

Quarterly Reports and Financial Statements For the period ended September 30, 2024

Notes to the financial statements

18. Hospital Fees

Description	Period ended September 30, 2024
Level 4 hospitals	131,428,891
Total	131,428,891

19. Hire Of County Assets

Description	Period ended September 30, 2024
Agricultural Mechanisation Services (AMS)	10,000
Hire of Machines and Equipment	998,650
Conference facilities/Agricultural Training Centers (ATC)	4,474,865
Community Information Centers fees	46,540
Total	5,530,055

20. Miscellaneous Revenues

Description	Period ended September 30, 2024
Coop Audit Service fees	25,800
Salary refund	5,660
Direct Deposits	5,026,205
Total	5,057,665

21. Bank Charges

Description	Period ended September 30, 2024
Bank Charges & commissions	8,820
Total	8,820

Receiver Of Revenue

County Government Of Makueni

Quarterly Reports and Financial Statements For the period ended September 30, 2024

Notes to the financial statements

22. Disbursements to CRF

Description	Period ended September 30, 2024
	Kshs
Quarter 1	85,502,569
Total	85,502,569

23. Waivers and Exemptions

Description	Period ended September 30, 2024
Penalties	0
Interest	0
Others	0
Total	0

24. Bad debts written off.

Description	Period ended September 30, 2024
Bad debts written off	0
Total	0

25. Provision for bad debts

Description	Period ended September 30, 2024
Provision for bad debts	0
Total	0

Receiver Of Revenue

County Government Of Makueni

Quarterly Reports and Financial Statements For the period ended September 30, 2024

Notes to the financial statements

26. Cash and Cash Equivalents

Name of Bank, Account No. & currency	Period ended September 30, 2024		Statement 1st July 2024
	Kshs	Kshs	
KCB Makueni County Revenue Account- 114075719	239,468		932,756
KCB Directorate of Cooperatives Account- 1168389127	25,800		0
KCB Makueni County Demonstration Revenue collection Account- 1169183565	854,205		5,500
KCB Mkn County Sand Consv&Util A Rev Ac- 1173940030	1,218,274		
Cash in hand- Mpesa Makueni Sand Conservation Utility a/c	2,753,060		
Cash in hand- Mpesa Revenue Utility a/c	780,775		467,552
Total	5,871,582		1,405,808

27. Receivables for non-exchange transactions

Description	Period ended September 30, 2024		Opening Statement 1st July 2024
	Kshs	Kshs	
Receivables			
Land rates	475,638,435		480,889,614
Single/ Business permits	58,437,200		64,290,100
Sub total	534,075,635		545,179,714
Less impairment Allowance	(0)		(0)
Total Current Receivables	534,075,635		545,179,714

(Provide brief explanation on current receivables)

Notes to the financial statements**27 a) Ageing analysis for Receivables from Non-exchange transactions**

Description	Period ended September 30, 2024		Opening Statement 1st July 2024	
	Period ended September 30, 2024	% of the total	Opening Balance	% of the total
	Kshs		Kshs	
Less than 1 year	179,448,304	34%	185,359,924	34%
Between 1- 2 years	109,688,003	21%	111,292,917	20%
Between 2-3 years	90,587,316	17%	91,762,497	17%
Over 3 years	154,352,012	29%	156,764,375	29%
Total (a+b)	534,075,635	100%	545,179,713	100%

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

Impairment allowance/ provision	Period ended September 30, 2024	Opening Statement 1st July 2024
		Kshs
At the beginning of the period	0	0
Additional provisions during the period	0	0
Recovered during the period	(0)	(0)
Written off during the period	(0)	0
At the end of the period	0	0

28. Receivables from exchange transactions

Description	Period ended September 30, 2024	Opening Statement 1st July 2024
		Kshs
Total receivables		
Property rent	10,448,900	9,344,100

Receiver Of Revenue**County Government Of Makueni****Quarterly Reports and Financial Statements For the period ended September 30, 2024**

Sub total	10,448,900	9,344,100
Less: impairment allowance	(0)	(0)
Total receivables	10,448,900	9,344,100

Notes to the financial statements**28 a) Ageing analysis for Receivables from exchange transactions**

Description	Period ended September 30, 2024		Opening Statement 1st July 2024	
	Period ended September 30, 2024	% of the total	Opening Statement 1st July 2024	% of the total
	Kshs		Kshs	
Less than 1 year	5,339,900	51%	4,629,100	50%
Between 1- 2 years	2,932,000	28%	2,859,500	31%
Between 2-3 years	1,498,500	14%	1,391,000	15%
Over 3 years	678,500	6%	464,500	5%
Total (a+b)	10,448,900	100%	9,344,100	100%

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

Impairment allowance/ provision	Period ended September 30, 2024
At the beginning of the year/period	0
Additional provisions during the period	0
Recovered during the period	0
Written off during the period	0
At the end of the period	0

29. Payables- Due To CRF

Payables	Period ended September 30, 2024		Opening Statement 1st July 2024
	Kshs	Kshs	
Amount collected yet to be disbursed to CRF	5,871,582		1,405,808
Amount billed and yet to be collected for disbursement to CRF	544,524,535		

Receiver Of Revenue

County Government Of Makueni

Quarterly Reports and Financial Statements For the period ended September 30, 2024

Total undisbursed funds to CRF	550,396,117	1,405,808
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30. Revenue received in advance

Description	Period ended September 30, 2024	Opening Statement 1st July 2024
	Kshs	Kshs
<i>Specify</i>	0	0
Total	0	0

*Receiver Of Revenue
County Government Of Makueni
Quarterly Reports and Financial Statements
For the period ended September 30, 2024*

Appendices

11. Appendix 1: Statement of Arrears of Revenue As at 30th September, 2024

Classification Of Receipts	Balance as at The beginning of the current year (1 st July 2024) A	Arrears received during the Period. B	Additions in arrears for the current Period to September 30, 2024. C	Total arrears as at September 30, 2024 D=A+(B)+C	Assessment to the recoverability of arrears	Measures taken to recover the arrears
Land rate	480,889,614	(5,251,179)	0	475,638,435	Over 30% is recoverable.	Public sensitization to plot owners through market clinics, bulk sms, social media and mainstream media. -Issuance of demand notes.
Single/Business Permits	64,290,100	(5,852,900)	0	58,437,200	Over 40% is recoverable.	-Continuous reminders through bulk sms and market clinics. -Use of revenue champions in the markets to encourage voluntary compliance
Property Rent	9,344,100	(1,613,800)	2,718,600	10,448,900	Over 70% is recoverable.	-Issuance of legal notice by County Attorney to enhance compliance. -Public sensitization to plot owners through Municipalities.
Total Arrears	554,523,814	(12,717,879)	2,718,600	544,524,535		

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<i>Amato</i>	<i>GOVERNMENT OF MAKUENI COUNTY DIRECTOR OF REVENUE ICPAK M/No:18114 (Ref: PFM ACT section 165, 2(a))</i>	<i>Name: CPA Stephen Thiong'o Moses County Receiver of Revenue ICPAK M/No:18114 (Ref: PFM ACT section 165, 2(a))</i>	<i>Name: CPA Kiniwa Benson Mwendwa Head of Revenue Reporting ICPAK M/No:16512</i>
1 ; OCT 2024		P. O. Box 78 - 90300, MAKUENI.	

**Receiver Of Revenue
County Government Of Makueni
Quarterly Reports and Financial Statements For the period ended September 30, 2024**

Appendix 2: Ageing Analysis of Revenue in Arrears

Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Land rate	121,011,104	109,688,003	90,587,316	154,352,012	475,638,435
Single/business permits	58,437,200	0	0	0	58,437,200
Property rent	5,339,900	2,932,000	1,498,500	678,500	10,448,900
Total (agree to statement of arrears above)	184,788,204	112,620,003	92,085,816	155,030,512	544,524,535

Receiver Of Revenue
County Government Of Makueni
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Appendix 3: A Report of Waivers and Variations of Fees or charges granted by the Receiver of Revenue during the year.

SNo	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
	Not Applicable				

(PFM ACT section 165 subsection 4, 5)

Makueni 10.10.2024

*Sign and date
Accounting Officer*

