

REPUBLIC OF KENYA



GOVERNMENT OF MAKUENI COUNTY

THE COUNTY TREASURY



OFFICE OF THE AUDITOR GENERAL
Box 30084 - 00100, NAIROBI
MACHAKOS HUB.
15 APR 2025

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Makueni County

P.O. Box 78-90300

MAKUENI

Ref: GMC/FIN/ASS.36/Vol.17 (43)

Makueni County Assembly

P.O Box 572-90300

Makueni.

OFFICE OF THE CONTROLLER
OF BUDGET
REGISTRY

Date: 14th April, 2025

15 APR 2025

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**RE: SUBMISSION OF MAKUENI COUNTY RECEIVER OF REVENUE
QUARTER THREE REPORT AND FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 31ST MARCH, 2025.**

Pursuant to section 158 of the Public Financial Management Act, 2012 we hereby submit
Quarter Two Receiver of Revenue Financial Statements for the County Government of
Makueni for the period ended 31st March, 2025.

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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GOVERNMENT OF MARYLAND
DEPT. OF FINANCE & PLANNING
EXECUTIVE COMMITTEE MEMBER



RECEIVER OF REVENUE
(County Government of Makueni)

QUARTERLY REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2025

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 March 31, 2025***

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Receiver of Revenue

County Government of Makueni

Quarterly Reports and Financial Statements for the period ended March 31, 2025

1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

Comparative FY- Comparative Prior Financial Year

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

2. Key Entity Information and Management**(a) Background information**

The *receiver of revenue* is under the Department of Finance and Socio-Economic Planning. At the County Executive Committee level, the *receiver of revenue* is represented by the County Executive Committee member for Finance and Socio-Economic Planning, who is responsible for the general policy and strategic direction of the *receiver of revenue*. The *receiver of revenue* was designated as a receiver on 8th January 2025 by the County Executive Committee member for Finance, in accordance with Section 157 of the PFM Act.

(b) Principal activities

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

(c) Key Management Team

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

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

(d) Fiduciary Management

No.	Designation	Name
1.	Chief Officer, Finance.	CPA John Nguni
2.	Director Accounting services	CPA 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

Receiver of Revenue

County Government of Makueni

Quarterly Reports and Financial Statements for the period ended March 31, 2025

Fiduciary Oversight Arrangements

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

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

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

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

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

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

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

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

(e) County Government of Makueni Headquarters

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

(f) County Government of Makueni Contacts

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

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OFFICE OF THE ATTORNEY GENERAL
STATE LAW OFFICE
Nairobi

3. Foreword by the CECM Finance and Economic Planning

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

The county resources comprise of the equitable share, conditional allocations in form of either loans or grants and Own Source Revenue. The county has projected to generate Kshs 1,471,433,323 from own source revenue during the FY 2024/2025 accounting for 13% of the total projected revenue of Kshs 11,224,298,331 for the year. The Own Source Revenue realised was Kshs. 835,834,785 which accounts for 57% of the total projected own source revenues. Own source revenue performance registered a growth of 17% from Kshs 716,057,547 recorded in third quarter of FY 2023/24 to Kshs 835,834,785 in FY 2024/25.

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



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

CPA Damaris Mumu Kavoi

CECM Finance and Economic Planning

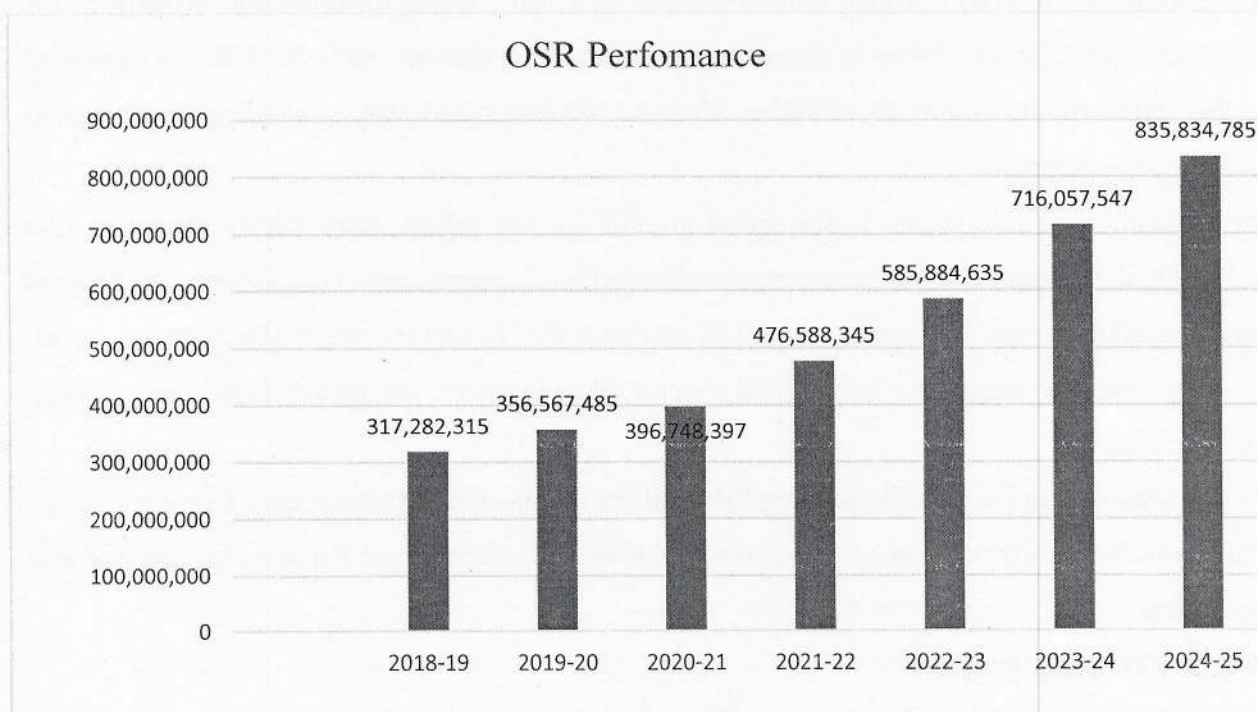
County Government of Makueni

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 31st March 2025 the county has managed to grow OSR by 17% from Kshs 716,057,547 recorded in third quarter of FY 2023/24 to Ksh 835,834,785 in financial year 2024/2025. The graph below illustrates the OSR trend for Quarter 3 for the last six years;



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

Section B

Entity's compliance with statutory requirements

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

Section C

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

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

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

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

CIDP III Flagship Projects

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

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

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

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

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

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

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

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

9. Own Source Revenue (OSR): The goal is to mobilize Own Source Revenue to ensure at least 20% of the county budget is funded by OSR by 2027, up from the current 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.

Receiver of Revenue

County Government of Makueni

Quarterly Reports and Financial Statements for the period ended March 31, 2025

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.

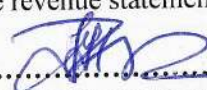
The Receiver of Revenue is responsible for the preparation and presentation of the *receiver of revenue account*, which gives a true and fair view of the state of affairs of the *receiver of revenue* for and as at the end of the Quarter (period) ended on March 31, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the statement of assets and liabilities of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Receiver of Revenue in charge accepts responsibility for the County Government of Makueni receiver of revenue accounts, which have been prepared on the Accrual Basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Receiver of Revenue is of the opinion that the County Government of Makueni receiver of revenue account gives a true and fair view of the state of the County Government of Makueni receiver of revenue transactions during the financial period ended March 31, 2025, and of the entity's statement of assets and liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained, which have been relied upon in the preparation of the Receiver of Revenue account as well as the adequacy of the systems of internal financial control.

The Receiver of Revenue confirms that the County Government of Makueni has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable). The Receiver of Revenue confirms that the revenue statements have been prepared in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the Revenue Statements

The revenue statements were approved and signed by the Receiver of Revenue on 14/04/2025


Name; Mark Wambua Muthoka
County Receiver of Revenue



*Receiver of Revenue
County Government of Makueni
Quarterly Reports and Financial Statements
For the period ended March 31, 2025*

6. Statement of Revenue and Disbursements for the Period Ended March 31, 2025

	Note	March 31 st 2025
		Kshs
Revenue from non-exchange transactions		
Cess	5	55,413,231
Land Rates	6	20,507,247
Single/Business Permits	7	88,756,311
Conservancy Administration	8	3,736,169
Administration Control Fees and Charges	9	34,051,856
Other Fines, Penalties, And Forfeiture Fees	10	115,173
Public Health Service Fees	11	22,394,648
Physical Planning and Development	12	14,867,262
Donations/Grants Not Received Through CRF	13	
Total Revenue from non-exchange transactions		239,841,897
Revenue from exchange transactions		
Property Rent	14	5,752,700
Parking Fees	15	31,458,630
Market Fees	16	27,471,631
Advertising	17	17,185,493
Hospital Fees	18	473,839,713
Hire of County Assets	19	6,967,300
Miscellaneous receipts	20	33,317,421
Total Revenue from exchange transactions		595,992,888
Total Revenues (a)		835,834,785
Disbursements		
Bank charges	21	(56,464)
Disbursements To CRF	22	(338,226,948)
Hospital fees retained as AIA	18	(473,839,713)
Makueni Fruit Processing Plant Fees	20	(13,281,053)

Receiver of Revenue

County Government of Makueni

Quarterly Reports and Financial Statements for the period ended March 31, 2025

Waivers and exemptions	23	0
Bad debts written off	24	0
Provision for bad debts	25	0
Total Disbursements and other charges (b)		(825,404,178)
Balance Due for Disbursement (collected amounts) (c)		11,836,415
Balance Due for Disbursement (uncollected Amounts) (d)		617,620,308
Balance Due for Disbursement and Collection (e = c + d)		629,456,723

These revenue statements were approved on 14/04/ 2025 and signed by:

.....
Name: Mark Wambua Muthoka

County Receiver of Revenue

.....
Name: CPA Kiniva Benson Mwendwa

Head of Revenue Reporting

ICPAK M/No: 16512



*Receiver of Revenue
County Government of Makueni
Quarterly Reports and Financial Statements for the period ended March 31, 2025*

7. Statement of Financial Position as at March 31, 2025

	Note	Period as at March 31, 2025	Opening Statement 1st July 2024
		Kshs	Kshs
Current Assets			
Cash and Cash Equivalents	26	11,836,415	1,405,808
Receivables from non-Exchange transactions	27	609,025,808	495,594,720
Receivables from Exchange transactions	28	8,594,500	9,344,100
Total Current Assets		629,456,723	506,344,628
Total Assets		629,456,723	506,344,628
Financial Liabilities			
Payables-Due to CRF	29	629,456,723	506,344,628
Revenue received in advance	30		
Total Financial Liabilities		629,459,723	506,344,628

The entity's financial statements were approved on 14/04/ 2025 and signed by:



Name: Mark Wambua Muthoka
County Receiver of Revenue



Name: CPA Kiniva Benson Mwenda
Head of Revenue Reporting



8. Statement of Cash Flows for the Period Ended March 31, 2025

	Note	Period ended March 31 st 2025 Kshs
Cash flows from operating activities		
Receipts		
Cess		55,413,231
Land Rate		20,507,247
Single/Business Permits		88,756,311
Property Rent		5,752,700
Conservancy Administration		3,736,169
Administration Control Fees and Charges		34,051,856
Other Fines, Penalties, And Forfeiture Fees		115,173
Public Health Service Fees		22,394,648
Physical Planning and Development		14,867,262
Donations/Grants Not Received Through CRF		
Parking Fees		31,458,630
Market Fees		27,471,631
Advertising		17,185,493
Hire of County Assets		6,967,300
Miscellaneous receipts		33,629,409
Total Receipts		362,307,060
Payments		
Disbursements To CRF		(338,226,948)
Bank charges		(56,464)
Total Payments		(338,283,412)
Net Cash Flows from/ (used in) Operating Activities		10,430,607
Cash and cash equivalents at Period Start	26	1,405,808
Cash and cash equivalents at Period End	26	11,836,415

(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 March 31, 2025

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
County Own Source Revenue									
Cess	75,000,000								
Land Rate	177,000,000	26,855,153	75,000,000	55,413,231	19,586,769	74%			
Single/Business Permits	200,000,000		203,855,153	20,507,247	183,347,906	10%			
Property Rent	8,700,000		200,000,000	88,756,311	111,243,689	44%			
Parking Fees	47,500,000		8,700,000	5,752,700	2,947,300	66%			
Market Fees	56,000,000		47,500,000	31,458,630	16,041,370	66%			
Advertising	20,922,470		56,000,000	27,471,631	28,528,369	49%			
Hospital Fees	566,255,700		20,922,470	17,185,493	3,736,977	82%			
Public Health Service Fees	36,000,000		566,255,700	473,839,713	92,415,987	84%			
Physical Planning and Development	48,000,000		36,000,000	22,394,648	13,605,352	62%			
Hire of County Assets	7,000,000		48,000,000	14,867,262	33,132,738	31%			
Conservancy Administration	9,500,000		7,000,000	6,967,300	32,700	100%			
Administration Control Fees and Charges	91,400,000		9,500,000	3,736,169	5,763,831	39%			
Other Fines, Penalties, and Forfeiture Fees	1,000,000		91,400,000	34,051,856	57,348,144	37%			
Miscellaneous Receipts	100,300,000		1,000,000	115,173	884,827	12%			
Total County Own Source Revenue	1,444,578,170	26,855,153	1,471,433,323	835,834,785	635,598,538	57%			

Receiver of Revenue
County Government of Makueni
Quarterly Reports and Financial Statements for the period ended March 31, 2025

Receipts	Original Targets A	Adjustments B	Final Targets C=(A+B)	Actual On Comparable Basis D	Budget Realization Difference E=(C-D)	% of Realization F=D/C*100
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	26,855,153	1,471,433,323	835,834,785	635,598,538	57%

- (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.

The County Receiver of revenue's financial statements were approved on 14/04/2025 and signed by:



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

.....

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



10. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

Statement of compliance

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

Basis of Preparation

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

Reporting period

The reporting period for these financial statements is for the period ended March 31, 2025.

3. Significant Accounting Policies

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

i) Revenue from non-exchange transactions

Fees, taxes, fines and charges

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

Notes to the financial statements

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

Notes to the financial statements

iii) Budget

The County Revenue budget is developed on cash basis. The budget has the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by law. The original budget was approved by the County Assembly on 26th June 2024 for the period 1st July 2024 to 30 June 2025. There was one supplementary budget passed in the period. A high-level assessment of the County's actual performance against the comparable budget for the financial period under review has been included in these financial statements.

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

iv) Cash and cash equivalents.

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

Notes to the financial statements

v) Revenue in Arrears

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

vi) Disbursements to CRF

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

vii) Payables due to CRF

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

viii) Comparatives

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

ix) Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended March 31, 2025.

Notes to the financial statements

4. Significant Judgments and Sources of Estimation Uncertainty

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

State all significant judgements, estimates and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are described below. The Entity based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 25. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to the Financial Statements

5. Cess

Description	Period ended March 2025
Farm produce	15,109,373
Building material cess	2,772,300
Livestock	3,085,595
Others (sand cess)	34,445,963
Total	55,413,231

6. Land rates

Description	Period ended March 2025
Land rates	17,098,547
Renewal Fees	3,408,700
Total	20,507,247

7. Single /Business Permits

Description	Period ended March 2025
Annual Business permit	87,310,387
Business permit penalties and interest	1,445,924
Total	88,756,311

8. Conservancy Administration

Description	Period ended March 2025
Conservancy	3,100,069
Water and Environment	636,100
Total	3,736,169

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Notes to the financial statements

9. Administration Control Fees and Charges

Description	Period ended March 2025
Weights and measures	1,087,995
Fire Services	2,467,450
Liquor licenses	22,895,279
Veterinary Services	7,601,132
Total	34,051,856

10. Other Fines, Penalties and Forfeitures

Description	Period ended March 2025
Impounding Fees	115,173
Total	115,173

11. Public Health Service Fees

Description	Period ended March 2025
Public Health Service Fees	22,394,648
Total	22,394,648

12. Physical Planning and Development

Description	Period ended March 2025
Change of use	1,130,000
Building plans approval	13,737,262
Total	14,867,262

Notes to the financial statements

13. Donations and Grants Not Received Through CRF

Description	Period ended March 2025
Donations	0
Total	0

14. Property Rent

Description	Period ended March 2025
Stalls/kiosks rent	5,752,700
Total	5,752,700

15. Parking Fees

Description	Period ended March 2025
Registration fees	2,846,500
Bus Park fees	28,612,130
Total	31,458,630

16. Market Fees

Description	Period ended March 2025
Market entry fees	20,877,904
Others (<i>Stock Market fees</i>)	6,593,727
Total	27,471,631

17. Advertising

Descriptions	Period ended March 2025
Outdoor Advertisement	17,185,493
Total	17,185,493

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Notes to the financial statements

18. Hospital Fees

Description	Period ended March 2025
Level 4 hospitals	473,839,713
Total	473,839,713

19. Hire of County Assets

Description	Period ended March 2025
Agricultural Mechanisation Services (AMS)	565,100
Hire of Machines and Equipment	1,322,250
Conference facilities/Agricultural Training Centers (ATC)	4,754,820
Community Information Centers fees	325,130
Total	6,967,300

20. Miscellaneous Revenues

Description	Period ended March 2025
Coop Audit Service fees	129,440
Salary refund	5,660
Direct Deposits	11,243,268
Makueni Fruit Processing Plant Fees	21,939,053
Total	33,317,421

21. Bank Charges

Description	Period ended March 2025
Bank Charges & commissions	56,464
Total	54,464

Notes to the financial statements

22. Disbursements to CRF

Description	Period ended March 2025 Kshs
Quarter 1	85,502,569
Quarter 2	59,953,918
Quarter 3	192,770,461
Total	338,226,948

23. Waivers and Exemptions

Description	Period ended March 2025
Penalties	0
Interest	0
Others	0
Total	0

24. Bad debts written off.

Description	Period ended March 2025
Bad debts written off – Single Business Permits	0
Total	0

25. Provision for bad debts

Description	Period ended March 2025
Provision for bad debts	0
Total	0

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County Government of Makueni
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Notes to the financial statements

26. Cash and Cash Equivalents

Name of Bank, Account No. & currency	Period ended March 2025 Kshs	Statement 1st July 2024 Kshs
KCB Makueni County Revenue Account-1140751719	208,368	932,756
KCB Directorate of Cooperatives Account-1168389127	128,105	0
KCB Makueni County Demonstration Revenue collection Account-1169183565	1,131,496	5,500
KCB Mkn County Sand Consv&Util A Rev Ac-1173940030	1,867	
Cash in hand- Mpesa Makueni Sand Conservation Utility a/c	146,700	
Cash in hand- Mpesa Revenue Utility a/c	10,219,879	467,552
Total	11,836,415	1,405,808

27. Receivables for non-exchange transactions

Description	Period ended March 2025 Kshs	Opening Statement 1st July 2024 Kshs
Receivables		
Land rates	554,582,708	433,845,320
Single/ Business permits	54,443,100	61,749,400
Sub total	609,025,808	495,594,720
Less impairment Allowance	(0)	(0)
Total Current Receivables	609,025,808	495,594,720

(Provide brief explanation on current receivables)

Notes to the financial statements

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

Description	Period ended March 2025		Opening Statement 1 st July 2024	
	Period ended March 31, 2025	% of the total	Opening Balance	% of the total
	Kshs		Kshs	
Less than 1 year	155,395,086	26%	152,716,279	31%
Between 1- 2 years	121,076,140	19%	112,179,050	23%
Between 2-3 years	99,020,562	16%	82,622,302	17%
Over 3 years	233,534,020	39%	148,077,089	30%
Total (a+b)	609,025,808	100%	495,594,720	100%

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

Impairment allowance/ provision	Period ended March 2025	Opening Statement 1 st 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 March 2025	Opening Statement 1 st July 2024
	Kshs	Kshs
Total receivables		
Property rent	8,594,500	9,344,100
Sub total	8,594,500	9,344,100
Less: impairment allowance	(0)	(0)
Total receivables	8,594,500	9,344,100

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Notes to the financial statements

28 a) Ageing analysis for Receivables from exchange transactions

Description	Period ended March 2025		Opening Statement 1st July 2024	
	Period ended March 31, 2025,	% of the total	Opening Statement 1st July 2024	% of the total
	Kshs		Kshs	
Less than 1 year	5,444,900	63%	4,629,100	50%
Between 1- 2 years	2,139,800	25%	2,859,500	31%
Between 2-3 years	746,000	9%	1,391,000	15%
Over 3 years	263,800	3%	464,500	5%
Total (a+b)	8,594,500	100%	9,344,100	100%

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

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

29. Payables- Due To CRF

Payables	Period ended March 2025	Opening Statement 1st July 2024
	Kshs	Kshs
Amount collected yet to be disbursed to CRF	11,836,415	1,405,808
Amount billed and yet to be collected for disbursement to CRF	617,620,308	
Total undisbursed funds to CRF	629,456,723	1,405,808

Appendixes

11. Appendix 1: Statement of Arrears of Revenue As at 31st March, 2025

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 March 31, 2025 C	Total arrears as at March 31, 2025 D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Land rates	433,845,320	(12,250,042)	132,987,430	554,582,708	Public sensitization to plot owners through market clinics, bulk sms, social media and mainstream media. -Issuance of demand notes.	Over 30% is recoverable.
Single/Bus iness Permits	61,749,400	(7,306,300)	0	54,443,100	-Continuous reminders through bulk sms and market clinics. -Use of revenue champions in the markets to encourage voluntary compliance	Over 40% is recoverable.
Property Rent	9,344,100	(2,663,200)	1,913,600	8,594,500	-Issuance of legal notice by County Attorney to enhance compliance. -Public sensitization to plot owners through Municipalities.	Over 70% is recoverable.
Total Arrears	504,938,820	(22,219,542)	134,901,030	617,620,308		

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

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



Receiver of Revenue
County Government of Makueni
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Appendix 2: Ageing Analysis of Revenue in Arrears

Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Land rates	113,844,786	108,183,340	99,020,562	233,534,020	554,582,708
Single/business permits	41,550,300	12,892,800			54,443,100
Property rent	5,444,900	2,139,800	746,000	263,800	8,594,500
Total (agree to statement of arrears above)	160,839,986	123,215,940	99,766,562	233,797,820	617,620,308

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

S/No	Name of person / organisation benefitting from waiver/ variation	Year in which waiver/ variation relates	Amount of variation/ waiver (fee or charge)	Reasons for waiver/ variation	The law in terms of which the variation/waiver was granted
	Not Applicable				

(PFM ACT section 165 subsection 4, 5)

Bani 18/04/25

Sign and date
Accounting Officer



