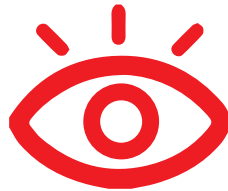


AUDITOR-GENERAL'S SUMMARY REPORT ON COUNTY GOVERNMENTS REVENUE FUNDS

2022-2023



VISION

Making a difference in the lives and livelihoods of the Kenyan people



MISSION

Audit services that impact on effective and sustainable service delivery



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AUDITOR-GENERAL'S SUMMARY REPORT

ON

COUNTY GOVERNMENTS

REVENUE FUNDS

2022/2023

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Foreword by the Auditor-General

This summary report summarizes the audit issues and compiles cross cutting issues arising from the audit of the forty-seven (47) County Government Receivers of Revenue and County Revenue Funds for the year ended 30 June, 2023.

The Auditor-General is mandated by the Kenyan Constitution, under Article 229, to audit and report on the use of public resources by all entities funded from public funds. These entities include the National Government, County Governments, the Judiciary, Parliament, Statutory Bodies/State Corporations, Commissions, Independent Offices, Public Debt, Political Parties funded from public funds, other Government Agencies and any other entity funded from public funds. In addition, Article 229(6) requires the Auditor-General to confirm whether or not public resources have been applied lawfully and effectively. The mandate of the Auditor-General is further expounded by the Public Audit Act, 2015.

Article 229(7) of the Constitution requires the Auditor-General to audit and submit reports to Parliament or the relevant County Assembly within six (6) months after the end of the financial year. However, Section 81(4) of the Public Finance Management Act, 2012, reduces the timeline to three (3) months by giving entities leeway to prepare and submit financial statements for audit at the end of September each year. This reduces the duration of audit and reporting from the six (6) months given by the Constitution to three (3) months. This has adversely affected the timelines for reporting, leading to backlogs and affecting the efficiency and effectiveness of oversight by Parliament, the Senate and the County Assemblies.

Further, as previously reported, an effective mechanism for follow-up on the implementation of audit recommendations is lacking. As a result, most audit queries recur in subsequent audit reports due to a lack of requisite action. As outlined in Section 204(1)(g) of the Public Finance Management Act, 2012, a National Government entity that fails to address issues relating to finance raised by the Auditor-General, to the satisfaction of the Auditor-General, may be sanctioned by the Cabinet Secretary for Finance.

However, despite numerous reports indicating a lack of accountability and adequate documents to support the legality and effectiveness in the use of public resources, failure to apply the requisite sanctions and consequences has resulted in some Accounting Officers not adequately accounting for the management and use of public resources with impunity. Lack of action and sanctions has also led to fiscal indiscipline including misallocations, wastage of resources, lack of value for money in the implementation of projects and loss of public funds, thereby impacting negatively on development programmes. This in turn threatens economic growth and service delivery sustainability. There are also instances where some Accounting Officers are in breach of Section 62 of the Public Audit Act, 2015 by failing to adequately prepare for audit which is exhibited by

numerous inaccuracies in financial statements presented for audit, lack of requisite supporting documents, several revisions of financial statements and, in some cases, reluctance to cooperate with the auditors during the audit process.

The Office of the Auditor-General has, however, continuously improved the effectiveness and quality of the audit process to ensure that the audit results and the recommendations thereof are credible, relevant, reliable and value-adding. This is geared towards influencing an improved decision-making process and making a difference in the lives and livelihoods of the Kenyan people through a positive impact on the lives and livelihoods of citizens and other stakeholders. The provision of quality and effective audit services and confirmation of the lawfulness and effectiveness in programme implementation requires comprehensive scrutiny and evaluation of supporting documents. Most critical is the physical confirmation of the existence and utilization of projects or programmes implemented throughout the country. Achieving this requires an independent and well-resourced audit office with guaranteed adequate funding to enable efficient, effective and timely execution of the audit cycle as well as retention of optimal professional staffing levels to ensure continuous, quality and sustainable audit operations.

The Office continues to seek financial independence and support from Parliament and The Executive through The National Treasury for the enhancement of resources. This will enable it to build technical capacity, expand its presence in the counties, and widen the scope and comprehensiveness of audits. I continue to devolve my services closer to the people through the establishment of regional offices and the construction of office premises to address the audit needs at the grassroots level.

Currently, we have fifteen (15) regional offices following the establishment of two (2) additional regional offices in Kilifi and Kericho during the year under review. We have constructed our own offices in Garissa, Kakamega and Eldoret. Construction works in Embu are almost complete, and the procurement process for the Mombasa offices has commenced. Plans for the construction of our Headquarters in Nairobi, currently at the design stage, have been delayed due to a lack of funding. However, the Office continues to appeal to Parliament and The National Treasury to provide adequate funds to enable us to perform our functions and achieve our mandate in enhancing accountability across Government, both at the national and county levels and in all other entities funded from public funds.

Over the years, the audit scope has been expanding due to the expansion of Government programs to ensure sustainable development and delivery of continuous and quality services to the citizens. This has led to the growth in the national budget and the formation of additional entities that I am required to audit and report on. Over nine thousand (9,000) Public Secondary Schools were directed by the Principal Secretary for the State Department for Basic Education, to prepare and submit financial statements to the Auditor-General for audit from 30 June, 2021.

Further, I am required to separately audit and report on financial statements for all three hundred and fifty-eight (358) Level 4 hospitals and fourteen (14) Level 5 hospitals. I am also required to audit a total of two hundred and eighteen (218) Technical and Vocational Education and Training (TVET) Institutions. This number continues to increase as we are currently undertaking an evaluation exercise with the State Department for Technical, Vocational Education and Training to identify all institutions funded through the Exchequer which will include Community Vocational Training Institutions that are estimated to be over one thousand two hundred (1,200).

During the period under review, the Office of the Auditor-General made significant strides in enhancing audit services delivery to Kenyans. The Office entered into partnerships with other Supreme Audit Institutions (SAIs) regionally and globally and with local oversight institutions such as the Ethics and Anti-Corruption Commission (EACC), the State Corporations Advisory Committee (SCAC) and the Salaries and Remuneration Commission (SRC) among other organizations, to enhance the impact of audit through learning, knowledge sharing, innovation and collaboration.

Specific reports together with my opinion for each Revenue Fund are contained in the respective County Governments Revenue Fund's audited revenue statement for the year ended 30 June, 2023, which I have already submitted to the Senate, County Assemblies and each Accounting Officer.

I wish to sincerely thank the entire staff of the Office of the Auditor-General for their commitment, passion and professionalism in carrying out their duties despite the challenges posed by the lack of proper accommodation and adequate funding. Special appreciation goes to the team that prepared this Summary Report.

I wish also to appreciate my audit clients for the cooperation they accorded my staff during the audit.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

25 May, 2024

1.0 Introduction

1.1. Constitutional Mandate of the Auditor-General

The Auditor-General is mandated by the Constitution of Kenya, under Article 229, to audit and report on the use of public resources by all entities funded from public funds. These entities include; the National Government, County Governments, the Judiciary, Parliament, Statutory Bodies/State Corporations, Commissions, Independent Offices, Public Debt, Political Parties funded from public funds, other government agencies and any other entity funded from public funds. The mandate of the Auditor-General is further expounded by the Public Audit Act, 2015.

The Constitution requires the Auditor-General to audit and submit the audit reports of the public entities to Parliament and the relevant County Assemblies by 31 December, every year. In carrying out the mandate, the Auditor-General, is also required by the Constitution under Article 229(6) to assess and confirm whether the public entities have used the public resources entrusted to them lawfully and in an effective way.

Further, the objects and authority of the Auditor-General, as outlined in Article 249 of the Constitution, are: to protect the sovereignty of the people; to secure the observance by all State Organs of democratic values and principles; and to promote constitutionalism. The Auditor-General has also been given powers by the Constitution, under Article 252, to conduct investigations, conciliations, mediations and negotiations and to issue summons to witnesses for the purpose of investigations.

The mandate of the Auditor-General as enshrined in the Constitution, has been operationalized by the Public Audit Act, 2015 and the Public Finance Management Act, 2012. In addition, the Auditor-General carries out audit in accordance with the International Organization of Supreme Audit Institutions (INTOSAI) Framework of Professional Pronouncements.

1.2. Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Public Sector Accounting Standards (IPSAS), as prescribed by the Public Sector Accounting Standards Board (PSASB). Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of the Public Finance Management Act, 2012 and Section 47 of the Public Audit Act, 2015.

Management is also responsible for maintaining effective internal control environment, necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for the assessment of the effectiveness of internal control, risk management and governance.

Further, Management is required to ensure that the activities, financial transactions and information reflected in the financial statements are in compliance with the law and other relevant or applicable authorities, and that public resources are applied in an effective way.

Those charged with governance are responsible for; overseeing the financial reporting process; reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements; ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management; and ensuring the adequacy and effectiveness of the control environment.

1.3. Auditor-General's Responsibility

My responsibility is to conduct an audit of the financial statements in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), and to issue an auditor's report. The audit report includes my opinion as provided by Section 48 of the Public Audit Act, 2015, and the report is submitted to Parliament in compliance with Article 229(7) of the Constitution.

In addition, Article 229(6) of the Constitution requires me to express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the law and other authorities that govern them, and that public resources are applied in an effective way. I also consider the entities' control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems, in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

I am independent in accordance with Article 249(2) of the Constitution of Kenya and ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of public entities in the Republic of Kenya.

1.4. Regulatory Framework

Regulation 61 of the Public Finance Management (County Governments) Regulations, 2015 requires a receiver of revenue designated by the County Executive Committee Member to be responsible for the collection of, and accounting for, such items of all the County Governments revenues. Further all public moneys collected by a receiver of revenue or collector of revenue or collected and retained by a county government entity, shall be paid into the designated bank accounts of the County Government and shall not be used by any public officer in any manner between the time of their receipts and payment into the bank except as provided by law.

All County Governments are required to establish County Revenue Funds as per Section 109 of Public Finance Management Act, 2012. County Treasury shall administer the County Revenue Fund and ensure that the County Government complies with the provisions of Article 207 of the Constitution. The purpose of the Fund is to ensure that all

money authorised to be paid by the County Government or any of its entities for a public purpose is paid from that account without undue delay.

1.5. Reporting Framework

Revenue Funds for County Governments were established as per Article 207 (1) of the Constitution of Kenya, which provides that there shall be established a Revenue Fund for each county government into which shall be paid all money raised or received by or on behalf of the county government except money reasonably excluded by an Act of Parliament. The administration of the county public funds is guided under Section 167(1) of the Public Finance Management Act, 2012, which provides that the administrator of the county public fund shall prepare financial statements for the fund for each financial year in a form prescribed by the Public Accounting Standards Board.

The Public Sector Accounting Standards Board (PSASB) in May, 2022 prescribed the International Public Sector Accounting (IPSAS Cash) for application by County Governments Funds.

1.6. Structure of the Report

The structure of my report addresses the reporting requirements of Article 229(6) of the Constitution of Kenya, which requires that an audit report shall confirm whether or not public money has been applied lawfully and in an effective way. Section 7(1)(a) of the Public Audit Act, 2015 also requires that I provide assurance on the effectiveness of internal controls, risk management and overall governance in National and County Governments entities. In addition, the International Standards of Supreme Audit Institutions (ISSAIs), require the incorporation of Key Audit Matters in the report on the financial statements, which are those matters that I determine in my professional judgment, are of most significance in the audit of the financial statements as a whole, for the year under review. In order to address these requirements, my audit reports contain the following:

- i. **Report on Financial Statements**, in which I give an audit opinion on whether the financial statements present fairly, in all material respects the financial position and performance of the entity.
- ii. **Report on Lawfulness and Effectiveness in Use of Public Resources**, in which I give a conclusion on whether or not public money has been applied lawfully and in effective way.
- iii. **Report on Effectiveness of Internal Controls, Risk Management and Governance**, in which I give a conclusion on whether internal controls, risk management and overall governance were effective.

1.7. Audit Opinions

I have expressed different audit opinions based on the following criteria –

(i) Unmodified Opinion

The books of accounts and underlying records agree with the financial statements and no material misstatements were found. The financial statements present fairly, in all material respects the operations of the County Governments Revenues Funds. The number of revenue and financial statements with unmodified opinions were twenty-five (25) out of which four (4) were for revenue statements for receiver of revenue while twenty-one (21), related to financial statements for county revenue funds as listed in **Appendix 1** and **Appendix 2** respectively.

(ii) Qualified Opinion

Financial transactions recorded were to a large extent in agreement with the underlying records, except for cases where material misstatements or omissions in the financial statements were noted. The issues though material, were not widespread or persistent. The financial statements with qualified opinion were fifty (50) out of which, thirty (30) financial statements were revenue statements for receiver of revenue while twenty (20) related to financial statements for county revenue funds as listed in **Appendix 3** and **Appendix 4** respectively.

(iii) Adverse Opinion

The financial statements exhibit significant misstatements with the underlying accounting records. There is significant disagreement between the financial statements and the underlying books of accounts and/or standards. These problems are widespread, persistent and require considerable intervention by the management to rectify. The financial statements with adverse opinion were sixteen (16), out of which eleven (11) were revenue statements for receiver of revenue while five (5) related to financial statements for county revenue funds as listed in **Appendix 5** and **Appendix 6** respectively.

(iv) Disclaimer of Opinion

The financial statements exhibit serious and significant misstatement that may arise from inadequate information, limitation of scope, inadequacy or lack of proper records such that, I was not able to form an opinion on the financial operations. The financial statements with disclaimer of opinion is as indicated in **Appendix 7** relating to receiver of revenue.

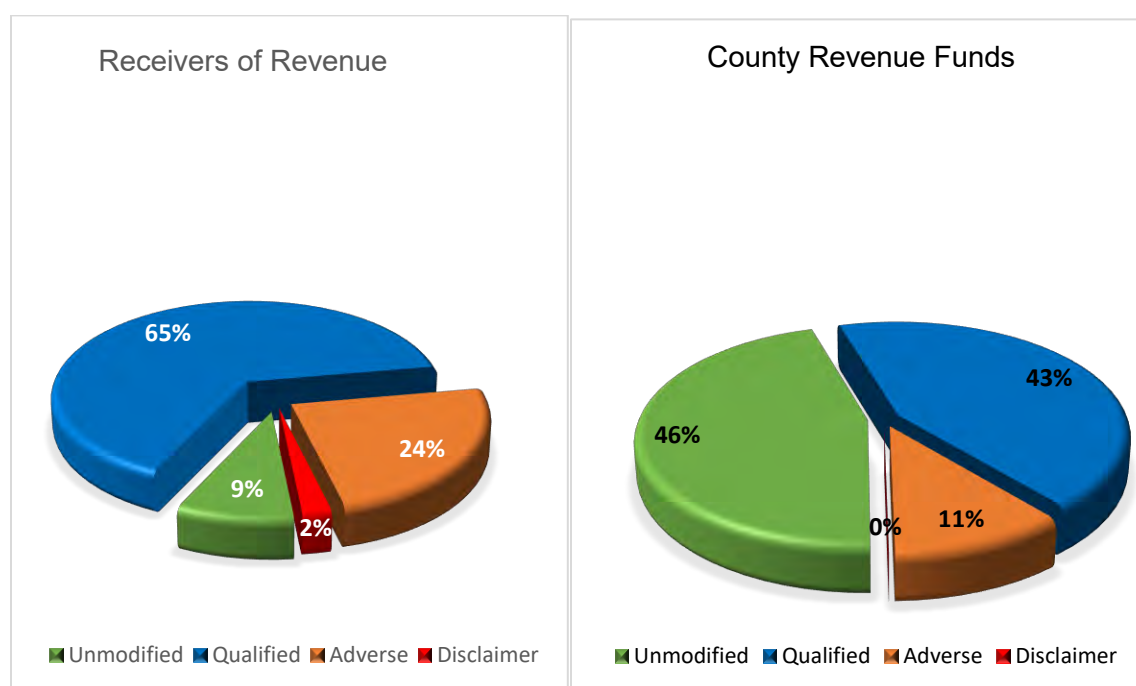
The summary report covers forty-six (46) County Receivers of Revenue and forty-six (46) County revenue funds for the year ended 30 June, 2023. The County Government of Isiolo did not submit revenue statements for the receiver of revenue, and financial statements for the county revenue fund for audit.

The audit opinions issued for the receivers of revenue and the county revenue funds are summarized in Table 1 and Figure 1 below;

Table 1: Audit Opinions

S/No.	Opinion	Number of Receivers of Revenue	%	Number of County Revenue Funds	%
1	Unmodified	4	9	21	46
2	Qualified	30	65	20	43
3	Adverse	11	24	5	11
4	Disclaimer	1	2	0	0
	Total	46	100	46	100

Figure 1: Summary of Audit Opinions



2. Key Audit Findings

This report has identified a number of cross-cutting issues which require urgent attention as they have serious implications on service delivery to the public. These issues include:

- i. Budgetary control and performance weaknesses
- ii. Financial reporting weaknesses
- iii. Exceptions in revenue receipts and recognition
- iv. Compliance and internal controls weaknesses

These issues are summarized in the subsequent paragraphs:

2.1. Budgetary Control and Performance

2.1.1 Revenue Analysis

The approved County Government's Revenue Budget for 2022/2023 for forty-six (46) counties amounted to Kshs.519,262,178,625 which comprised of Kshs.469,646,032,166 or 90% for the County Executives and Kshs.49,616,146,459 or 10% for the County Assemblies as detailed in **Appendix 8**. However, the budget amount of Kshs.519,262,178,625 differs with the recorded budget estimate in county revenue funds amount of Kshs.505,062,908,516 resulting to a variance of Kshs.14,199,270,109.

2.1.2 Analysis of Receiver of Revenue

Review of financial statements for County receivers of revenue from forty-six (46) Counties revealed total own source revenue budget of Kshs.64,231,945,370 which differed with the approved budget of Kshs.53,827,820,740 by an unreconciled variance of Kshs.10,404,124,630 as tabulated in **Appendix 9**.

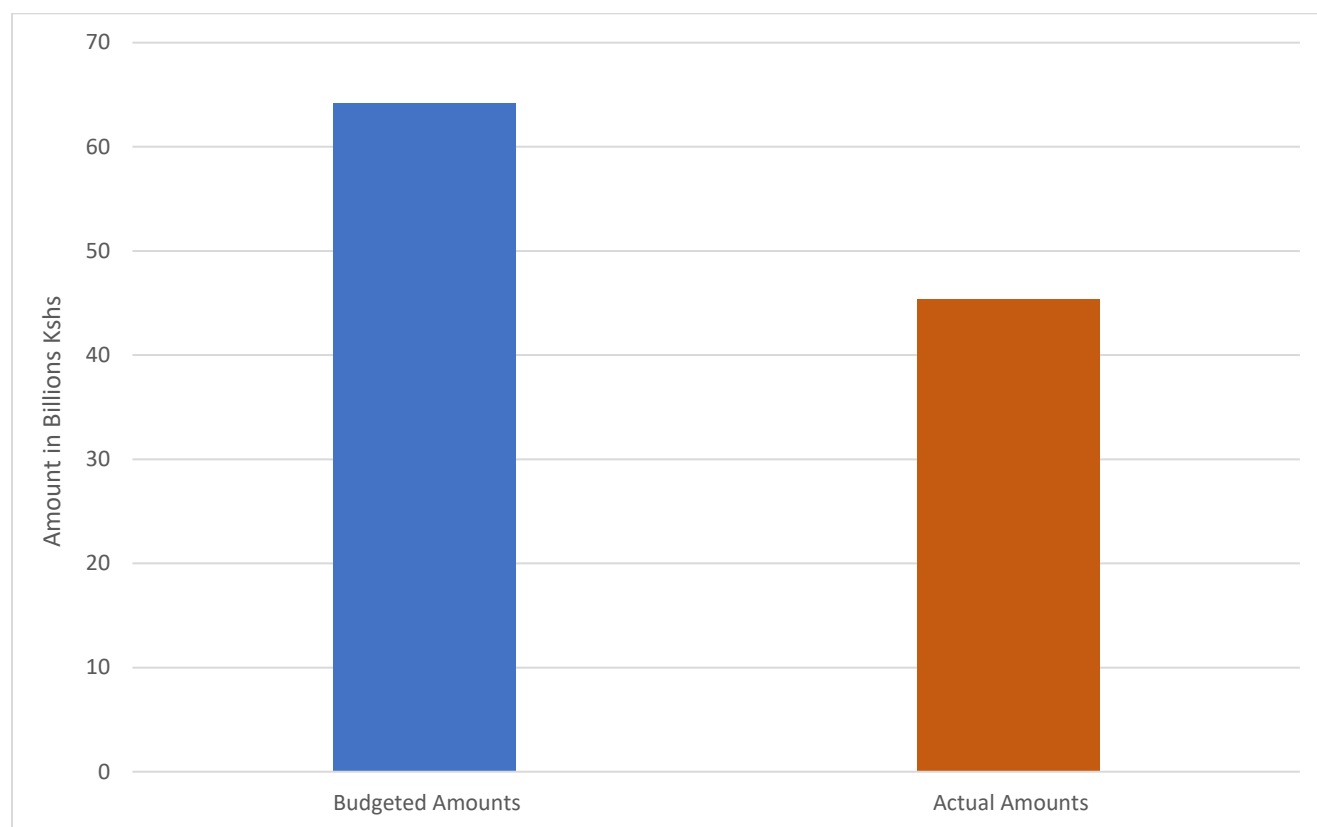
Further, receivers of revenue statements reported collected revenue amounting to Kshs.45,411,237,764. However, review of the actual exchequer receipts recorded in the County Governments financial statements amounted to Kshs.41,887,536,592. On the other hand, the county revenue fund statements reflected own source revenue amount of Kshs.36,063,524,411. The County Governments, therefore, failed to record, disclose or reconcile all revenues collected in the financial year as analysed in **Appendix 10**.

In addition, review of the forty-six (46) revenue statements for the receivers of revenue submitted for audit established that the Counties in aggregate collected own source revenue amounting to Kshs.45,411,237,764 against a budget of Kshs.64,231,945,370 resulting in a shortfall of Kshs.18,820,707,606 or 29% of the budget as tabulated in Table 2 and Figure 2 below:

Table 2: Budget Versus Actual Collections of Receiver of Revenue

Budgeted Amounts Kshs.	Actual Amounts Kshs.	Shortfall Kshs.	% Shortfall
64,231,945,370	45,411,237,764	18,820,707,606	29

Figure 2: Budgeted Collections Versus Actual Collections



In addition, receivers of revenue in four counties exceeded the budgeted receipts by an aggregate amount of Kshs.164,631,047 as indicated in Table 3 below:

Table 3: Counties with Excess Receipts in Receiver of Revenue

S/No.	County Name	Budgeted Receipts Kshs.	Actual Receipts Kshs.	Excess Receipts Kshs.	% Exceeded
1.	Lamu	131,000,000	154,574,526	23,574,526	18
2.	Kitui	420,000,000	473,138,519	53,138,519	13
3.	Kirinyaga	550,000,000	596,719,790	46,779,790	9
	Homa Bay	818,315,811	859,454,023	41,138,212	5
	Total	1,919,315,811	2,083,886,858	164,631,047	

In contrast, receivers of revenue in forty-two (42) counties registered under-collection of revenue amounting to Kshs.18,985,338,654 as indicated in Table 4 below:

Table 4: Counties with Receipts Shortfall

S/No.	County Name	Budgeted Amounts Kshs.	Actual Amounts Kshs.	Shortfall in Receipts Kshs.	% Shortfall
1	Nairobi City	18,277,834,347	10,561,592,493	7,716,241,854	42%
2	Mombasa	5,004,354,326	3,998,628,848	1,005,725,478	20%
3	Narok	4,516,596,907	3,067,671,084	1,448,925,823	32%
4	Kiambu	4,436,821,507	3,608,767,153	828,054,354	19%
5	Nakuru	3,580,000,000	3,290,572,261	289,427,739	8%
6	Kakamega	1,800,000,000	1,328,868,974	471,131,026	26%
7	Kisumu	1,762,226,587	1,209,024,497	553,202,090	31%
8	Machakos	1,717,118,593	1,429,791,259	287,327,334	17%
9	Kajiado	1,583,536,109	908,053,798	675,482,311	43%
10	Murang'a	1,500,000,000	682,310,169	817,689,831	55%
11	Uasin Gishu	1,400,471,851	979,779,764	420,692,087	30%
12	Kilifi	1,371,385,905	1,003,644,804	367,741,101	27%
13	Bungoma	1,347,382,860	1,110,829,943	236,552,917	18%
14	Laikipia	1,307,000,000	1,002,253,650	304,746,350	23%
15	Makueni	1,085,000,000	891,595,987	193,404,013	18%
16	Kericho	1,019,388,053	501,291,247	518,096,806	51%
17	Embu	932,247,612	680,779,467	251,468,145	27%
18	Nyeri	800,000,000	610,737,307	189,262,693	24%
19	Kisii	750,000,000	415,285,664	334,714,336	45%
20	Siaya	700,998,234	501,561,621	199,436,613	28%
21	Nyandarua	660,000,000	505,913,305	154,086,695	23%
22	Trans Nzoia	629,500,000	493,366,861	136,133,139	22%
23	Migori	600,000,000	406,364,908	193,635,092	32%
24	Meru	595,140,000	396,641,415	198,498,585	33%
25	Taita Taveta	541,118,780	424,845,006	116,273,774	21%
26	Busia	469,156,699	355,592,469	113,564,230	24%
27	Kwale	454,276,121	393,294,651	60,981,470	13%
28	Baringo	387,429,514	312,102,220	75,327,294	19%
29	Tharaka-Nithi	380,000,000	286,737,650	93,262,350	25%
30	Nandi	373,234,444	196,596,982	176,637,462	47%
31	Bomet	300,000,000	244,066,652	55,933,348	19%
32	Mandera	290,436,786	123,310,531	167,126,255	58%
33	Vihiga	284,073,208	229,848,536	54,224,673	19%
34	Elgeyo/Marakwet	246,139,212	213,564,131	32,575,081	13%

S/No.	County Name	Budgeted Amounts Kshs.	Actual Amounts Kshs.	Shortfall in Receipts Kshs.	% Shortfall
35	Samburu	240,330,500	226,323,887	14,006,613	6%
36	Turkana	198,000,003	177,717,811	20,282,192	10%
37	Marsabit	170,000,000	142,663,012	27,336,988	16%
38	West Pokot	170,000,000	128,691,150	41,308,850	24%
39	Garissa	130,000,000	78,741,423	51,258,577	39%
40	Nyamira	113,585,401	97,262,572	16,322,829	14%
41	Wajir	100,000,000	46,563,994	53,436,006	53%
42	Tana River	87,846,000	64,041,750	23,804,250	27%
	Total	62,312,629,559	43,327,290,906	18,985,338,654	

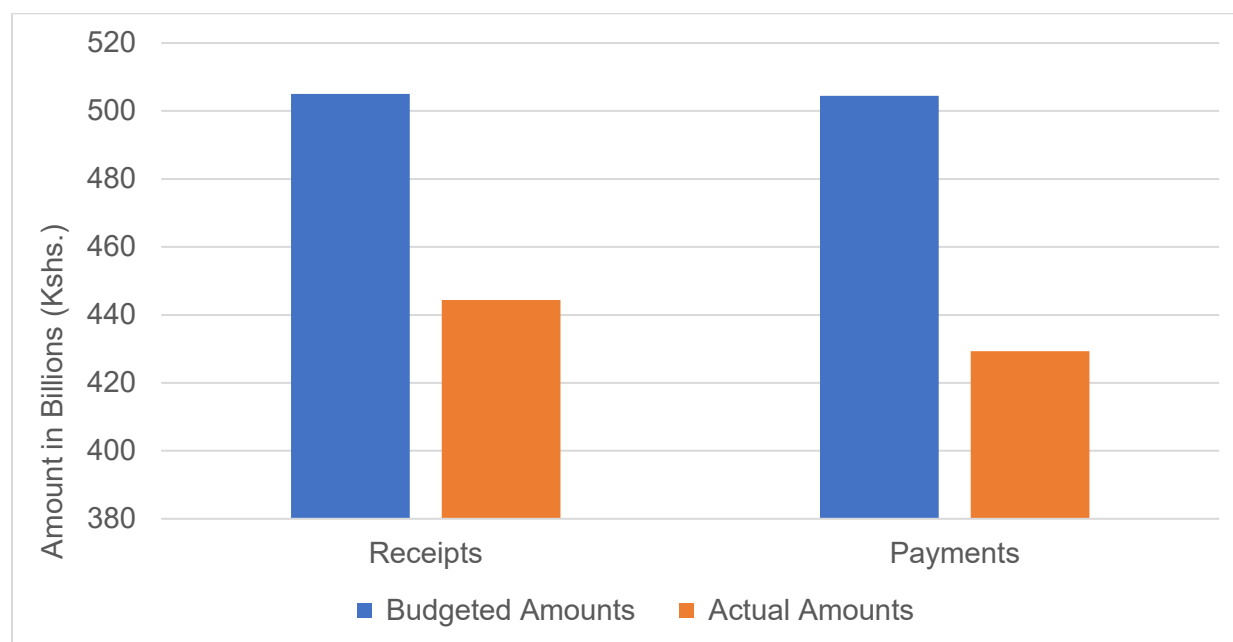
2.1.3 County Revenue Funds

The statement of comparison of budget and actual amounts reflected budgeted and actual receipts totalling Kshs.505,062,908,516 and Kshs.444,362,092,148 respectively resulting to a shortfall of Kshs.60,700,816,368 or 12% of the budget. Similarly, the budgeted and actual payments amounted to Kshs.504,450,802,719 and Kshs.429,280,132,909 respectively resulting to under-performance of Kshs.75,170,669,810 or 15% of the budget as tabulated in Table 5 and Figure 3 below:

Table 5: Budgeted Versus Actual Receipts and Payments

	Budgeted Receipts Kshs.	Actual Receipts Kshs.	Under Performance Kshs.	% Under Performance
Receipts	505,062,908,516	444,362,092,148	60,700,816,368	12%
Payments	504,450,802,719	429,280,132,909	75,170,669,810	15%

Figure 3: Budgeted Versus Actual Receipts



Further, review of the statement of comparison of budget and actual amounts for county revenue funds revealed that, three (3) out of forty-six (46) counties exceeded their budgeted revenue receipts, as indicated in Table 6 below:

Table 6: Counties with Excess Receipts in County Revenue Fund

S/No.	County Name	Budgeted Amounts Kshs.	Actual Amounts Kshs.	Excess County Revenue Fund Receipts Kshs.
1	Lamu	4,367,634,672	4,393,118,713	25,484,041
2	Kitui	12,306,052,565	12,374,934,873	68,882,308
3	Busia	8,302,724,013	8,421,963,171	119,239,158
	Total	24,976,411,250	25,190,016,757	213,605,507

However, forty-three (43) county revenue funds received a total of Kshs.429,280,132,909 against a budget of Kshs.505,062,908,516 as indicated in Table 7 below which resulted to under-performance of Kshs.75,782,775,607.

Table 7: Underperformance of County Revenue Funds

S/No.	County Name	Budgeted Amounts Kshs.	Actual Amounts Kshs.	Under Performance Kshs.
1	Mombasa	14,000,000,000	10,961,662,643	3,038,337,357
2	Kwale	11,929,409,906	9,609,349,880	2,320,060,026
3	Kilifi	15,701,765,714	13,079,336,120	2,622,429,594
4	Tana	7,980,017,205	6,825,819,057	1,154,198,148
5	Lamu	4,367,634,672	3,386,225,339	981,409,333
6	Taita/Taveta	7,193,658,663	6,143,184,159	1,050,474,504
7	Garissa	9,370,153,475	8,182,907,873	1,187,245,602
8	Wajir	11,234,680,752	10,057,722,198	1,176,958,554
9	Mandera	12,713,853,986	11,930,234,649	783,619,337
10	Marsabit	8,832,676,815	7,901,068,759	931,608,056
11	Isiolo	-	-	-
12	Meru	11,791,705,228	11,108,766,718	682,938,510
13	Tharaka-Nithi	5,681,363,406	5,007,901,760	673,461,646
14	Embu	7,301,073,049	6,121,666,634	1,179,406,415
15	Kitui	12,306,052,565	10,496,504,550	1,809,548,015
16	Machakos	12,544,591,439	10,308,353,241	2,236,238,198
17	Makueni	10,764,741,885	9,213,486,764	1,551,255,121
18	Nyandarua	7,582,066,350	6,635,729,299	946,337,051
19	Nyeri	7,608,472,106	6,645,044,483	963,427,623
20	Kirinyaga	7,032,508,973	6,446,037,126	586,471,847
21	Murang'a	9,803,879,955	8,445,289,754	1,358,590,201
22	Kiambu	16,431,808,798	12,881,934,167	3,549,874,631
23	Turkana	18,409,129,261	15,736,250,628	2,672,878,633
24	West Pokot	7,664,537,189	7,099,396,838	565,140,351
25	Samburu	6,336,272,493	6,297,553,000	38,719,493
26	Trans Nzoia	9,116,682,520	7,752,954,391	1,363,728,129
27	Uasin Gishu	11,823,658,569	10,244,866,133	1,578,792,436
28	Elgeyo/Marakwet	6,256,186,220	5,194,962,959	1,061,223,261
29	Nandi	8,500,533,590	7,968,332,687	532,200,903
30	Baringo	10,122,573,371	7,396,661,429	2,725,911,942
31	Laikipia	7,171,206,457	6,554,379,508	616,826,949
32	Nakuru	21,209,696,916	16,184,472,703	5,025,224,213
33	Narok	14,981,115,820	12,849,594,249	2,131,521,571
34	Kajiado	10,642,675,897	9,340,858,619	1,301,817,278
35	Kericho	8,447,182,783	7,596,092,605	851,090,178
36	Bomet	8,287,338,500	7,042,824,061	1,244,514,439
37	Kakamega	16,198,042,547	14,385,097,134	1,812,945,413

S/No.	County Name	Budgeted Amounts Kshs.	Actual Amounts Kshs.	Under Performance Kshs.
38	Vihiga	6,488,021,634	5,548,569,606	939,452,028
39	Bungoma	14,026,308,243	11,863,518,430	2,162,789,813
40	Busia	8,302,724,013	7,388,822,692	913,901,321
41	Siaya	8,602,864,673	7,454,537,955	1,148,326,718
42	Kisumu	12,045,283,582	9,403,320,968	2,641,962,614
43	Homa Bay	10,079,114,198	9,438,156,388	640,957,810
44	Migori	10,356,987,742	8,615,837,245	1,741,150,497
45	Kisii	11,113,855,495	10,331,361,445	782,494,050
46	Nyamira	7,094,885,582	5,718,236,200	1,376,649,382
47	Nairobi	39,613,916,279	30,485,249,863	9,128,666,416
	Total	505,062,908,516	429,280,132,909	75,782,775,607

2.2. Unutilized Fund Balances

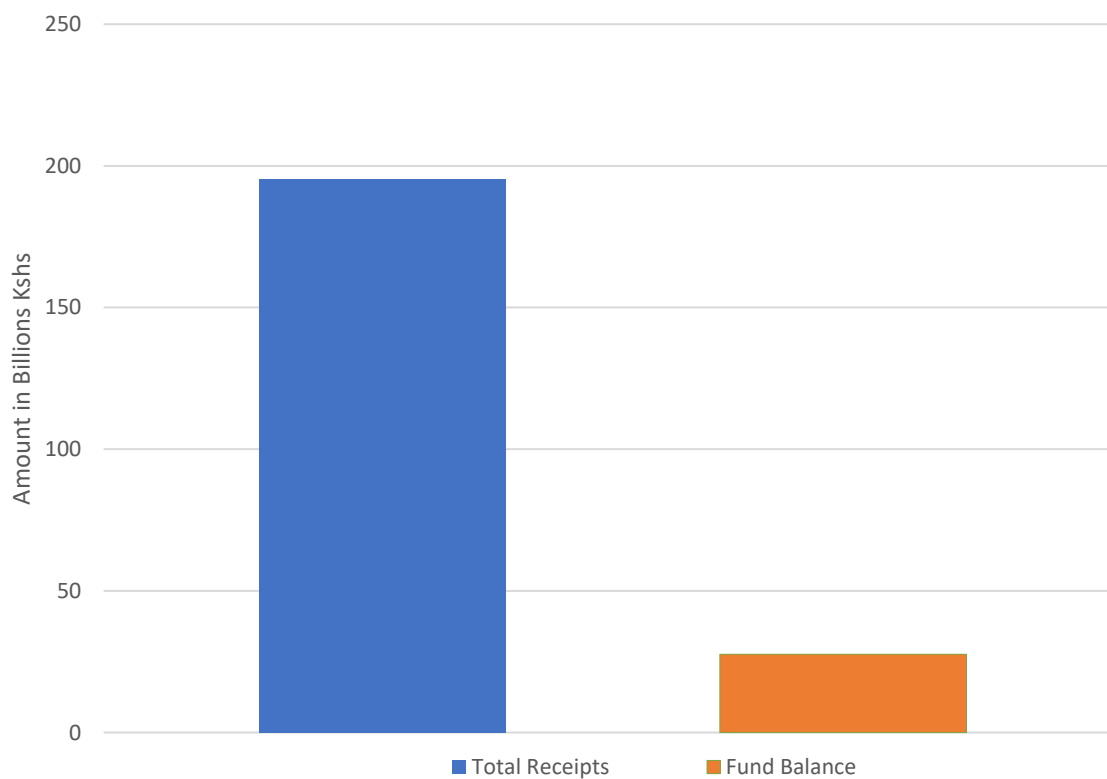
Review of the statement of receipts and payments for forty-six (46) county revenue funds revealed that nineteen (19) counties had unutilized fund balances of more than 10 % of their total revenue receipts as indicated in Table 8 and Figure 4 below;

Table 8: Unutilized Fund Balances

S/No.	County Revenue Fund	Total Receipts Kshs.	Fund Balance Kshs.	% of Balance to Total Revenue
1	Kisii	10,331,361,445	2,303,913,257	22%
2	Lamu	3,630,554,933	779,667,820	21%
3	Kisumu	9,691,906,112	2,021,612,102	21%
4	Kitui	12,374,934,874	2,209,387,481	18%
5	Kiambu	15,364,208,806	2,548,373,211	17%
6	Nakuru	16,184,472,703	2,566,480,916	16%
7	Turkana	14,233,559,725	2,239,861,197	16%
8	Busia	8,421,963,171	1,217,406,348	14%
9	Tana River	7,332,934,932	1,041,624,735	14%
10	Nyeri	7,606,783,280	982,671,939	13%
11	Machakos	11,591,488,432	1,452,317,614	13%
12	Garissa	9,267,054,422	1,071,985,637	12%
13	Kilifi	14,556,341,320	1,653,874,742	11%
14	Baringo	7,334,314,709	816,643,394	11%

S/No.	County Revenue Fund	Total Receipts Kshs.	Fund Balance Kshs.	% of Balance to Total Revenue
15	Kwale	10,265,703,703	1,072,925,789	10%
16	Siaya	7,867,722,638	796,354,585	10%
17	Kajiado	9,646,178,780	937,886,447	10%
18	Wajir	10,294,451,404	1,000,328,595	10%
19	Migori	9,276,444,931	895,602,125	10%
	Total	195,272,380,320	27,608,917,934	

Figure 4: Total Receipts Versus Fund Balance



The under-utilization of funds may have resulted in non-implementation of planned programmes, negatively impacting on service delivery to the public.

2.3. Financial Reporting Weaknesses

2.3.1 Incomplete Statement of Arrears of Revenue

Thirteen (13) counties did not include the statement of arrears of revenue in their financial statements contrary to the provisions of Section 165(2) (b) of the Public Finance Management Act, 2012 which provides that, the account under Sub-Section 1 shall include a statement of arrears of revenue. The receiver of revenue is further required to submit the accounts to the Auditor-General. The counties that did not include the statement of arrears of revenue are as tabulated in Table 9 below:

Table 9: Counties which did not submit the Statement of Arrears of Revenue

No.	County Name
1	Mombasa
2	Tana River
3	Taita/Taveta
4	Garissa
5	Wajir
6	Mandera
7	Marsabit
8	Isiolo
9	Machakos
10	West Pokot
11	Narok
12	Homa Bay
13	Nyamira

2.3.2 Uncollected Revenue

Audit review revealed that thirty-four (34) counties had uncollected revenue of Kshs.1,586,618,824,093 in respect to the balance brought forward at the beginning of the year and revenue of Kshs.1,477,227,809,059 at the end of the year which was predominantly a result of long outstanding receivables. The counties with uncollected revenue are as tabulated in Table 10 below:

Table 10: Counties with Uncollected Revenue

S/No.	County Name	Total Arrears at Year End Kshs.
1	Nairobi City	1,370,824,623,200
2	Kilifi	46,738,989,910
3	Trans Nzoia	20,026,950,155
4	Kajiado	12,007,761,090

S/No.	County Name	Total Arrears at Year End Kshs.
5	Nakuru	8,997,461,398
6	Kiambu	4,744,682,248
7	Kakamega	2,435,499,723
8	Uasin Gishu	2,415,830,567
9	Nyeri	1,418,262,002
10	Kisumu	1,247,369,194
11	Kitui	843,096,397
12	Kirinyaga	588,068,456
13	Nyandarua	548,508,160
14	Laikipia	604,095,325
15	Embu	405,379,664
16	Kisii	495,446,662
17	Siaya	323,674,531
18	Bomet	411,333,918
19	Nandi	406,769,135
20	Bungoma	226,212,061
21	Makueni	300,305,734
22	Baringo	168,509,647
23	Elgeyo/Marakwet	159,923,743
24	Kericho	168,143,057
25	Samburu	119,252,791
26	Murang'a	87,434,762
27	Migori	198,081,091
28	Tharaka-Nithi	57,052,171
29	Busia	119,236,332
30	Vihiga	28,840,733
31	Kwale	91,886,542
32	Meru	12,108,000
33	Turkana	6,820,660
34	Lamu	200,000
	Total	1,477,227,809,059

2.3.3 Non-Disclosure of Hospital Revenue

Review of statement of receipts and disbursement revealed that ten (10) counties collected revenue totalling Kshs.7,481,218,829 as indicated in Table 11 below. However, the ten counties did not report revenue from hospital facilities.

Table 11: Counties with Undisclosed Hospital Revenue

S/No	County Name	Collected Actual Amounts Kshs.
1	Mombasa	3,998,628,848
2	Garissa	78,741,423
3	Wajir	46,563,994
4	Machakos	1,429,791,259
5	Nyeri	610,737,307
6	Turkana	177,717,811
7	Vihiga	229,848,536
8	Kisii	415,285,664
9	Nyamira	97,262,572
10	Meru	396,641,415
	Total	7,481,218,829

2.3.4 Non-Disclosure of Liquor License Fees

Review of statement of receipts and disbursement revealed that forty-three (43) Counties as tabulated in Table 12 below, budgeted to collect liquor licensing fees. However, no liquor license fee was disclosed in their revenue statements.

Table 12: Counties without Liquor License Fees

S/No	County Name
1	Mombasa
2	Kwale
3	Kilifi
4	Tana River
5	Lamu
6	Taita/Taveta
7	Garissa
8	Wajir
9	Mandera
10	Meru
11	Embu
12	Kitui
13	Machakos
14	Makueni
15	Nyandarua
16	Nyeri

S/No	County Name
17	Kirinyaga
18	Murang'a
19	Kiambu
20	Turkana
21	West Pokot
22	Samburu
23	Trans Nzoia
24	Uasin Gishu
25	Elgeyo/Marakwet
26	Nandi
27	Baringo
28	Laikipia
29	Nakuru
30	Narok
31	Kajiado
32	Kericho
33	Bomet
34	Kakamega
35	Vihiga
36	Bungoma
37	Busia
38	Siaya
39	Kisumu
40	Homa Bay
41	Migori
42	Kisii
43	Nyamira

2.3.5 Counties which did not Receive Arrears of Revenue During the Year

Review of statement of arrears revealed that twenty-three (23) counties did not account for arrears received during the year. This was contrary to the provisions of Section 165 (1) of Public Finance Management Act, 2012 which states 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. Table 13 below lists counties which did not receive any arrears of revenue.

Table 13: Counties which Received Nil Arrears of Revenue During the Year

S/No	County Name
1	Mombasa
2	Kilifi
3	Tana River
4	Taita/Taveta
5	Garissa
6	Wajir
7	Mandera
8	Marsabit
9	Isiolo
10	Machakos
11	Turkana
12	West Pokot
13	Trans Nzoia
14	Nandi
15	Nakuru
16	Narok
17	Kajiado
18	Kericho
19	Kakamega
20	Bungoma
21	Kisumu
22	Homa Bay
23	Nyamira

2.3.6 Unsupported Revenue

Regulation 104 (1) of the Public Finance Management (County Government) Regulations, 2015 requires, that all receipts and payment vouchers of public moneys shall be properly supported by pre-numbered receipt and payment vouchers and shall be supported by the appropriate authority and documentation. However, audit review established that receiver of revenue amounting to Kshs.119,220,753,637 from twenty-five (25) Counties were not supported by the relevant documentation and supporting schedules as indicated in Table 14 below:

Table 14: Unsupported Revenue – Receiver of Revenue

S/No	County Name	Amount in Kshs.	Description
1	Nairobi City	107,575,792,511	Unsupported revenue
2	Kiambu	3,608,767,153	Non-provision of supporting schedules for itemized components
3	Narok	2,972,455,081	Unsupported revenue affecting nine (9) components
4	Kakamega	2,435,499,723	Land/Poll rate arrears - lack of aging analysis
5	Kisumu	612,285,307	Unsupported other receipts
6	Kisii	1,864,852	Unsupported revenue from administration control fees and charges totalling Kshs.1,864,852
7	Uasin Gishu	391,779,042	Unsupported cess revenue, land rates, property rent, market fees, advertising fees, public health service fees and other fines, penalties and forfeiture fees
8	Marsabit	221,927,688	Unsupported balances
9	Lamu	154,574,526	Unsupported own source revenue
10	Kericho	142,500,000	Unsupported land rates
11	Garissa	139,814,264	Kshs.78,741,423 Unsupported by primary revenue documents such as revenue registers and Kshs.61,072,841 hospital fee not supported.
12	West Pokot	81,601,690	Unsupported revenue
13	Laikipia	74,410,569	The collections were not supported by assessments from the department of lands and physical planning
14	Busia	64,080,118	Unsupported revenue from sing business permit
15	Bomet	48,037,288	Unsupported for revenues on sale of tea, single business permit fees, parking fees and hospital fees. of Kshs.43,164,088;
16	Nandi	43,092,730	Unsupported land rates (Kshs.4,613,618) and street parking fees (Kshs.38,479,112)
17	Kilifi	37,904,921	Unsupported physical planning and conservancy administration revenues
18	Bungoma	19,457,432	Unsupported receipts-hire of County assets
19	Nakuru	14,547,463	Unsupported unreceipted payments
20	Baringo	3,203,644	Unsupported receipts from hire of County assets
21	Siaya	20,176,756	Lack of general valuation roll
22	Kirinyaga	197,458,744	Unsupported hospital fees

S/No	County Name	Amount in Kshs.	Description
23	Kericho	165,256,453	Failure to map revenue sources from single business permit, land rate and property rent
24	Machakos	120,317,958	Public health fees which was not supported by Mpesa paybill and collection bank account statements.
25	Siaya	73,947,724	Unsupported revenue from single business permit
	Total	119,220,753,637	

Further, the review established that county revenue funds amounting to Kshs.6,313,677,867 from two (2) counties were not supported by the relevant documentation and supporting schedules as indicated in Table 15 below:

Table 15: Unsupported Revenue - County Revenue Fund

S/No	County Number	Financial Statement	Amount in Kshs.	Description
1	14	Embu County Revenue Fund	5,676,831,059	Financial statements for 2021/2022 not submitted.
2	14	Embu County Revenue Fund	1,521,115	Return to CRF of Kshs.1,521,115 was not supported with cash books and irregularly include Kshs.1,426,160.
3	14	Embu County Revenue Fund	593,759,434	Lack of monthly summaries of actual cash receipts
4	37	Kakamega County Revenue Fund	41,566,259	Bank statements in support of the amount were not provided for audit.
		Total	6,313,677,867	

2.3.7 Unreconciled Variances

2.3.7.1 Analysis of County Revenue Fund Versus County Government Financial Statements

The actual revenue transfers to the County Executive and County Assemblies as per the county revenue funds amounting to Kshs.377,702,757,176 and Kshs.43,756,115,002 were at variance with exchequer receipts recorded in the County Executive and County Assembly financial statements amount of Kshs.397,416,621,891 and

Kshs.44,641,682,085 respectively as summarized in Table 16 below and detailed in **Appendix 11 and Appendix 12** respectively.

Table 16: Analysis of County Revenue Fund and County Governments Financial Statements

	County Executive Kshs.	County Assembly Kshs.	Total Kshs.
County Revenue Fund	377,702,757,176	43,756,115,002	421,458,872,178
County Government Financial Statements	397,416,621,891	44,641,682,085	442,058,303,976
Variance	(19,713,864,715)	(885,567,083)	(20,599,431,798)

2.3.7.2 Unreconciled Variances - Receiver of Revenue

Review of the revenue statements revealed that thirty-eight (38) counties had unreconciled variances between the financial statements and the supporting schedules amounting to Kshs.22,519,954,332 as shown in Table 17 below:

Table 17: Unreconciled Variances - Receiver of Revenue

S/No.	Name of County	Amount (Kshs.)	Description
1	Nairobi City	10,608,403,279	Variance in amount transferred to CRF between financial statements and CRF financial statements- Kshs.46,810,787. Lack of supporting ledgers- Kshs.10,561,592,492. Unsupported single permit fees Kshs.274,489,000
2	Nairobi City	2,945,956,216	Variance in own source revenue between revenue statements and monthly collection report Kshs.1,230,546,257. Variance between receipt records and monthly collection report for the period October, 2022 to June, 2023 Kshs.1,715,409,959
3	Nyamira	4,829,160	Unexplained variance of Kshs.2,459,600 in revenue from advertising with revenue schedule amount of Kshs.7,288,760

S/No.	Name of County	Amount (Kshs.)	Description
4	Kisii	415,285,664	Unexplained variance of Kshs.272,258,506 in revenue from revenue streams report generated from the system of Kshs.143,032,158
5	Kisumu	85,385,447	Variances between ledger and statement of receipts and disbursements
6	Kisumu	80,444,157	Inaccuracies in the statement of receipts and disbursements
7	Busia	163,436,619	Variances between financial statements and supporting schedules in respect of 3 own source revenue items.
8	Bungoma	93,989,084	Variance between statement of receipts and disbursements and supporting schedules.
9	Vihiga	4,171,784	Variances in some of the own source revenue items
10	Bomet	31,724,169	Unexplained variances in; (a) own source revenues disbursements and CRF of Kshs.23,855,759 and (b) parking fees supporting schedules and revenue statements of Kshs.7,868,410
11	Kericho	501,291,247	Inaccuracies in own source revenue reported in financial statements
12	Kajiado	21,980,282	Unreconciled variances between financial statements and the schedules of Kshs.19,355,945 and Kshs.2,624,337 between statement of receipts and disbursements and comparison of budget and actual amounts
13	Kajiado	2,624,337	Inconsistencies between the statements of receipts and disbursements and comparison of budget and actuals on reported own source revenue

S/No.	Name of County	Amount (Kshs.)	Description
14	Narok	61,114,022	Variance in hospitals fees reflected in the financial statements and the amount reflected in collection summaries
15	Nakuru	145,601,079	The own source revenue amount of Kshs.3,290,572,261 differs with recast amount of Kshs.3,144,971,183
16	Baringo	198,416,704	Differences between financial statements and the recomputed balances
17	Elgeyo/Marakwet	159,923,743	The opening balance of Kshs.152,507,342 differs with the prior year closing balance of Kshs.10,880,000
18	Elgeyo/Marakwet	8,885,984	Unreceipted direct deposits treated as Miscellaneous revenue
19	Uasin Gishu	979,779,764	Unreconciled variances in county own source revenue, advertising fees and public health service fees
20	Trans Nzoia	39,794,932	Unconfirmed balance brought forward
21	Turkana	5,557,800	Excludes unsupported balance in the statements of arrears of revenue
22	Kiambu	3,608,767,153	Variance between revenue statements and Kiambu Pay Records
23	Kiambu	1,669,064	Inconsistencies in the Revenue statements
24	Murang'a	2,231,650	Variance between receiver of revenue statement and county revenue fund statement
25	Nyandarua	505,913,305	Long outstanding arrears, variance in own source revenue, uncollected revenue
26	Makueni	300,305,734	Inaccuracies in the statement of arrears of revenue
27	Machakos	46,435,121	Revenue collected after the close of the financial year but accounted for in the year under review.

S/No.	Name of County	Amount (Kshs.)	Description
28	Embu	313,791,873	Variances between statement of receipts and disbursements and the revenue summary
29	Embu	33,529,924	Difference between what was disbursed from ROR and what was received by CRF
30	Meru	129,343,568	No disclosure on penalties and interest accrued on business permit penalties and interest and permit fees arrears
31	Meru	2,993,910	Variance between own source revenue between ROR and CRF financial statements
32	Marsabit	16,239	Variance as a result of incorrect computation of receipts and disbursements
33	Garissa	593,748	Variance between ROR Kshs.82,592,800 and CRF Kshs.81,999,052
34	Taita/Taveta	12,122,766	unexplained variances between the revenue statements and the revenue systems reports
35	Kilifi	1,003,644,804	Unexplained variances between the revenue statements and the revenue systems reports
	Total	22,519,954,332	

2.3.7.3 Unreconciled Variances - County Revenue Funds

Similarly, review of county revenue funds revealed that twelve (12) counties had unreconciled variances between the financial statements and the supporting schedules amounting to Kshs.13,819,473,072 as shown in the Table 18 below;

Table 18: Unreconciled Variances in County Revenue Funds

S/No	County Name	Amount in Kshs.	Description
1.	Nakuru	6,634,922,020	Variance in transfers Kshs.1,770,069,191, variance in opening balance Kshs.2,567,773,861. Variances between approved budget and Actual exchequer Kshs.1,042,089,307, unsupported cash 1,042,089,307, inaccurate own source revenue Kshs.193,894,211, variance in comparative year Kshs.19,006,143
2.	Baringo	160,348,609	Reported amount varies with the disbursements reported under receiver of revenue
3.	Meru	1,382,715,481	Variance between receipts and payments and own source revenue collection records and fund balance inaccuracy
4.	Narok	93,025,292	Variance between total receipts reflected in the statement of receipts and payments and the amount reflected in the report of the Controller of Budget
5.	Nyamira	20,433,500	Inaccuracies in transfers from other Government agencies resulting to unexplained variance of Kshs.20,433,500
6.	Uasin Gishu	979,779,764	Amount differs with disbursements to Exchequer account at CBK
7.	Kericho	477,246,120	Unreconciled variance of Kshs.11,915,000 between bank statements transfers of Kshs.489,161,120 and statement of receipts and payments amount of Kshs.477,246,120
8.	Kisumu	44,246,488	Unexplained variances between CRF and ROR on six revenue streams
9.	Kajiado	274,555,824	Reported amount varies with the disbursements reported under receiver of revenue
10.	Bomet	2,604,951,574	Variance in comparative amounts and transfers from other Government Agencies
11	Vihiga	123,041,354	Own source revenue amounts reflected in the statement of receipts and payments Kshs.106,807,182, statement of comparison of budget and actual amounts Kshs.229,848,536 and Note 3 Kshs.107,355,436 are all different.

S/No	County Name	Amount in Kshs.	Description
12	Embu	1,024,207,046	Various variances in revenue amounts relating to comparative amounts and current year's amount.
	Total	13,819,473,072	

2.3.8 Inaccuracies in Cash and Cash Equivalents

The audit revealed that the accuracy and completeness of cash and cash equivalents balances for sixteen (16) counties could not be confirmed. These Counties had inaccuracies of cash and cash equivalents totalling Kshs.864,191,568 as indicated in Table 19 below:

Table 19: Inaccuracies in Cash and Cash Equivalents

S/No	County Name	Amount (Kshs.)	Description
1	Kajiado	203,969,392	Unreconciled comparative cash in hand and bank balances
2	Nakuru	184,039,139	Failure to prepare bank reconciliation statements
3	Narok	150,934,233	Unconfirmed bank balance and Unsupported bank charges
4	Bungoma	126,836,649	Bank reconciliation statements not provided.
5	Trans Nzoia	57,148,256	Lack of cash books, bank balance certificate and reconciliation statements
6	Kisumu	53,582,514	Unsupported bank balances of Kshs.53,582,514
7	Baringo	39,948,034	Difference between balance reflected in statement of financial assets and liabilities and the statement of receipts and disbursements
8	Kericho	24,089,226	Unsupported cash and cash equivalent balance
9	Kitui	11,404,760	Unreconciled balance between bank balance and cash book
10	Busia	6,253,294	Unsupported bank balances in respect of 3 of the 13 bank accounts.

S/No	County Name	Amount (Kshs.)	Description
11	Nandi	2,626,016	The cash book and bank reconciliation statement were not provided
12	Kitui	1,168,340	No cash book, bank reconciliation and certificate of bank balance were provided for audit review
13	Bungoma	978,600	Cash in hand - lack of board of survey report.
14	Baringo	469,820	Cash books and M-pesa statements were not provided.
15	Uasin Gishu	401,516	Cash in hand (M-pesa) balance not supported with M-pesa statement
16	Kwale	341,779	Cash balance not supported with cash count certificate
	Total	864,191,568	

2.4. Weaknesses in Lawfulness and Effectiveness in Use of Public Resources

2.4.1 Excess Transfers to County Assemblies

Review of county revenue fund financial statements for forty-six (46) counties revealed that forty-one (41) counties transferred more than 7 % of the total county revenue to the County Assemblies. This was contrary to Regulation 25(1)(f) of the Public Finance Management (County Governments) Regulations, 2015, which states that the approved expenditure of a County Assembly shall not exceed seven per cent of the total revenue of the county government. The counties affected are indicated in Table 20 and Figure 5 below:

Table 20: Excess Transfers to County Assemblies

S/No	County Government	Total Revenue Kshs.	Transfers to County Assembly Kshs.	Transfers - Percentage %	Expected Transfers Kshs	Excess Transfers to County Assembly Kshs.
1	Nakuru	16,184,472,703	1,770,069,191	11	1,132,913,089	637,156,102
2	Nyamira	5,915,335,084	872,447,972	15	414,073,456	458,374,516
3	Taita/Taveta	6,327,041,046	902,223,168	14	442,892,873	459,330,295
4	Bomet	7,682,213,143	1,075,872,839	14	537,754,920	538,117,919
5	Tana River	7,332,934,932	997,412,490	14	513,305,445	484,107,045
6	Embu	6,478,194,463	880,026,980	14	453,473,612	426,553,368

S/No	County Government	Total Revenue Kshs.	Transfers to County Assembly Kshs.	Transfers - Percentage %	Expected Transfers Kshs	Excess Transfers to County Assembly Kshs.
7	Baringo	7,334,314,709	995,850,097	14	513,402,030	482,448,067
8	Siaya	7,867,722,638	1,066,513,106	14	550,740,585	515,772,521
9	Elgeyo/ Marakwet	5,395,831,542	717,385,935	13	377,708,208	339,677,727
10	Nyandarua	6,852,446,496	876,225,353	13	479,671,255	396,554,098
11	Kisii	10,331,361,445	1,316,794,471	13	723,195,301	593,599,170
12	Kericho	7,601,952,324	914,130,822	12	532,136,663	381,994,159
13	Homa Bay	9,543,269,969	1,143,479,244	12	668,028,898	475,450,346
14	Kirinyaga	6,040,103,415	720,052,788	12	422,807,239	297,245,549
15	Meru	11,063,811,914	1,316,083,088	12	774,466,834	541,616,254
16	West Pokot	6,715,402,844	776,775,899	12	470,078,199	306,697,700
17	Marsabit	8,349,942,479	956,446,603	11	584,495,974	371,950,629
18	Bungoma	11,247,736,528	1,256,268,326	11	787,341,557	468,926,769
19	Trans Nzoia	8,351,964,347	909,439,764	11	584,637,504	324,802,260
20	Vihiga	5,732,418,280	620,381,222	11	401,269,280	219,111,942
21	Tharaka-Nithi	5,053,707,966	534,983,755	11	353,759,558	181,224,197
22	Makueni	8,871,089,409	935,101,972	11	620,976,259	314,125,713
23	Samburu	6,336,272,493	664,192,066	10	443,539,075	220,652,991
24	Busia	8,421,963,171	873,322,539	10	589,537,422	283,785,117
25	Laikipia	6,652,801,452	687,428,881	10	465,696,102	221,732,779
26	Murang'a	8,793,360,250	884,406,088	10	615,535,217	268,870,871
27	Lamu	3,630,554,933	362,476,400	10	254,138,845	108,337,555
28	Machakos	11,591,488,432	1,132,140,390	10	811,404,190	320,736,200
29	Garissa	9,267,054,422	903,302,421	10	648,693,810	254,608,611
30	Nyeri	7,606,783,280	734,121,427	10	532,474,830	201,646,597
31	Uasin Gishu	9,957,582,794	942,000,494	9	697,030,796	244,969,698
32	Kwale	10,265,703,703	955,008,190	9	718,599,259	236,408,931
33	Migori	9,276,444,931	855,459,607	9	649,351,145	206,108,462
34	Nandi	7,586,087,493	689,072,186	9	531,026,125	158,046,061
35	Kajiado	9,646,178,780	866,717,976	9	675,232,515	191,485,461
36	Kisumu	9,691,906,112	869,794,309	9	678,433,428	191,360,881
37	Narok	12,847,763,528	1,085,575,144	8	899,343,447	186,231,697
38	Kitui	12,374,934,874	1,029,936,698	8	866,245,441	163,691,257
39	Wajir	10,294,451,404	846,725,953	8	720,611,598	126,114,355
40	Kakamega	15,034,020,103	1,179,197,154	8	1,052,381,407	126,815,747
41	Kiambu	15,364,208,806	1,186,374,088	8	1,075,494,616	110,879,472
Total		360,912,828,637	38,301,217,096		25,263,898,007	13,037,319,089

Figure 5: Excess Transfers to County Assemblies



2.4.2 Revenue not Transferred to the County Revenue Fund

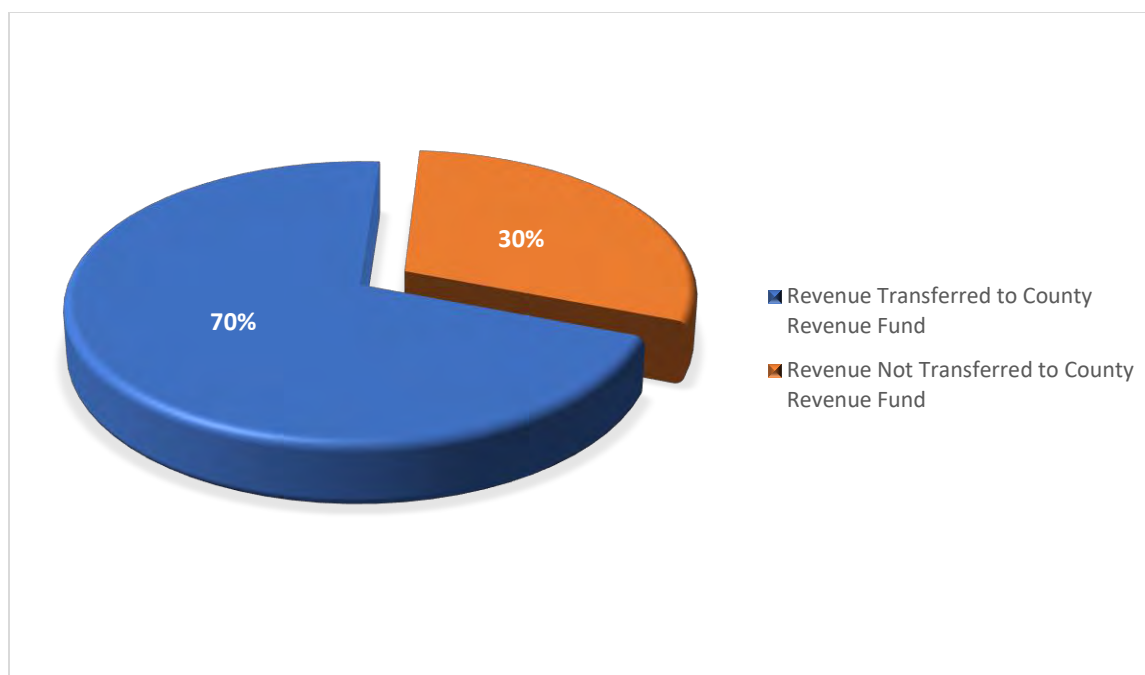
Audit review revealed that actual own source revenue collected was Kshs.45,265,618,679. However, Kshs.13,477,523,529 from forty-two (42) counties was not disbursed to county revenue funds. This is contrary to Section 109(2) of the Public Finance Management Act, 2012 which requires the County Treasury for each County Government to ensure that all money raised or received by or on behalf of the County Government is paid into the county revenue fund. Revenue not transferred to county revenue fund is indicated in Table 21 below:

Table 21: Revenue not Transferred to County Revenue Fund

S/No.	County Name	Balance Due for Disbursements (Kshs)
1	Nairobi City	10,534,034,133
2	Kilifi	676,044,262
3	Kisumu	665,969,871
4	Kajiado	340,578,813
5	Nakuru	184,319,532
6	Migori	171,575,909
7	Narok	150,956,083
8	Bungoma	127,539,093
9	Kakamega	83,651,495

S/No.	County Name	Balance Due for Disbursements (Kshs)
10	Kirinyaga	78,026,228
11	Mombasa	72,192,823
12	Trans Nzoia	64,248,256
13	Embu	62,919,534
14	Baringo	39,674,212
15	Busia	38,798,596
16	Tharaka-Nithi	33,922,721
17	Kericho	24,089,226
18	Marsabit	18,514,246
19	Laikipia	16,564,468
20	Taita/Taveta	12,344,895
21	Nyandarua	12,019,674
22	Makueni	11,296,550
23	Nyamira	7,851,038
24	Homa Bay	7,580,182
25	Meru	7,332,581
26	Tana River	6,012,709
27	Nandi	5,503,601
28	Wajir	5,010,996
29	Turkana	3,668,136
30	Elgeyo/Marakwet	2,804,966
31	Samburu	2,201,279
32	Kiambu	1,824,076
33	Kitui	1,805,102
34	Vihiga	1,747,709
35	Kisii	1,595,312
36	Nyeri	954,020
37	Uasin Gishu	858,257
38	Lamu	476,934
39	West Pokot	474,991
40	Kwale	342,844
41	Bomet	116,676
42	Murang'a	81,500
	Total	13,477,523,529

Figure 6: Revenue Disbursements



Further, all the forty-six (46) counties did not transfer revenue collected from the liquor licenses to the County revenue fund.

2.4.3 Lack of Updated Valuation Rolls

Review of records relating to land rates revealed that during the financial year under review, twenty-one (21) County Governments used old and outdated valuation rolls inherited from the defunct local authorities to collect plot rents and land rates revenue. This was contrary to Section 3 of the Valuation for Rating Act, (Revised 2015) which provides that at least once in every ten years or such longer period, a valuation to be made of every rateable property in respect of which a rate on the value of land is, or is to be imposed and the values to be entered in a valuation roll. The affected Counties are listed in Table 22 below.

Table 22: Counties using Outdated Valuation Rolls

S/No.	County
1	Trans Nzoia
2	Lamu
3	Taita Taveta
4	Mandera
5	Marsabit

6	Embu
7	Nyeri
8	Murang'a
9	Uasin Gishu
10	Nandi
11	Laikipia
12	Kajiado
13	Kericho
14	Bomet
15	Bungoma
16	Siaya
17	Kisumu
18	Homa Bay
19	Kisii
20	Nyamira
21	Tana River

2.4.4 Irregular Expenditure of Collected Revenue at Source

Review of records revealed that revenue amounting to Kshs.2,356,929,729, that was collected by various health facilities and other collectors in eleven (11) counties, was spent at source by the collectors, contrary to Regulation 63(4) of the Public Finance Management (County Governments) Regulations, 2015. The Regulation requires that all public moneys collected by a receiver of revenue or collector of revenue or collected and retained by a County Government entity, shall be paid into a designated bank account of the County Government and shall not be used by any public officer in any manner between the time of their receipt and payment into the bank except as provided by law. Table 23 below details revenue spent at source by various Counties.

Table 23: Irregular Expenditure of Collected Revenue at Source

S/No	Name of County Government	Collector(s)	Amount (Kshs.)
1	Meru	Alcoholic Licensing and Control Board	59,260,515
2	Bungoma	Mabanga Agricultural Training Centre	852,194,429
3	Siaya	Health facilities	281,331,381
4	Homa Bay	Health facilities	394,183,495
5	Migori	Health facilities	118,109,909
6	Embu	Health facilities	29,011,887
7	Makueni	Health facilities	454,968,896
8	Makueni	Sand Authority	25,590,132
9	Makueni	Cess revenue collector	27,721,334

S/No	Name of County Government	Collector(s)	Amount (Kshs.)
10	Trans Nzoia	Health facilities	7,100,000
11	Narok	Health facilities	46,384,910
12	Garissa	Health facilities	61,072,841
	Total		2,356,929,729

2.4.5 Irregular Waivers

Review of waiver records revealed that waivers amounting to Kshs.5,860,393,997 were granted in four (4) counties. The amount comprises of medical expenses waivers totalling Kshs.13,111,538 granted by Managements of two (2) Level 4 hospitals in two (2) counties and land /poll rate waivers amounting to Kshs.5,847,282,459 granted by Management of two (2) counties, contrary to the provisions of Section 159(1) of the Public Finance Management Act, 2012. Table 24 details the irregular waivers by County Governments.

Table 24: Irregular Waivers

S/No	County Name	Revenue Waived	Amount (Kshs.)
1	Murang'a	Medical charges at Murang'a Level 4 Hospital	11,833,676
2	Laikipia	Land rates	5,842,944,626
3	Kisumu	Land rates	4,337,833
4	Lamu	Medical charges at Mpeketoni Level 4 Hospital	1,277,862
	Total		5,860,393,997

2.4.6 Collection of Revenue Without Finance Acts

During the year under review, six (6) County Governments collected own source revenues amounting to Kshs.1,823,610,911 without Finance Acts, 2022. This was contrary to Section 132 (1) and 133 of the Public Finance Management Act, 2012, which provides that, each financial year, the County Executive Member for Finance shall, with the approval of the County Executive Committee, make a pronouncement of the revenue raising measures for the County Government and that not later than ninety days after passing the Appropriation Bill, the County Assembly shall consider and approve the Finance Bill with or without amendments. The Counties which did not enact Finance Acts are identified in Table 25 below:

Table 25: Counties which Collected Revenue Without the Enabling Finance Acts

S/No.	County Name	Remarks	Amount (Kshs.)
1	Taita Taveta	Finance Act, 2020 was used to collect revenue	424,845,006
2	Garissa	Finance Bill was not approved by County Assembly	78,741,423
3	Wajir	Finance Bill, 2022 was approved late on 13 March, 2023	32,136,116
4	Uasin Gishu	Finance Act, 2022 was not provided for audit	979,779,764
5	Bomet	Finance Act, 2021 was used to collect revenue	244,066,852
6	Tana River	Finance Act, 2020 was used to collect revenue	64,041,750
Total			1,823,610,911

2.4.7 Non-Compliance with the Financial Reporting Template

Review of the annual report and financial statements revealed that the County Governments of Kitui, Kajiado and Tana River did not comply with the reporting template for receiver of revenue, issued by the Public Sector Accounting Standards Board (PSASB).

2.5. Internal Control Weaknesses

2.5.1 Weaknesses in Revenue Collection Systems

Review of revenue collection systems used by County Governments during the year under review revealed that sixteen (16) County Governments had weak revenue collection systems. The weaknesses included lack of automated revenue collection system where revenue collection was done manually, partially automated revenue collection system where some modules were missing, faulty Point of Sale (POS) machines, lack of inventories of houses owned by counties and the respective tenants, and other related control gaps. The counties with weak revenue collection systems are listed in Table 26 below:

Table 26: Counties with Weak in Revenue Collection Systems

S/No.	County Name
1	Tana River
2	West Pokot
3	Vihiga
4	Busia
5	Migori
6	Garissa
7	Mandera
8	Meru
9	Embu

S/No.	County Name
10	Machakos
11	Kirinyaga
12	Kiambu
13	Kisii
14	Nairobi
15	Lamu
16	Wajir

3. Conclusion

The objective of County Revenue audits was to establish whether the County Governments receive and manage public funds in accordance with the law.

Review of revenue statements and financial statements for receiver of revenue and county revenue funds, respectively, revealed accountability gaps that need to be addressed in areas of budgetary control and performance, financial reporting, compliance and internal control and governance.

Some of the key gaps in budgetary control and performance included forty-two (42) counties that had shortfalls in revenue collections while only four (4) counties exceeded their budgeted receipts. Cases of underutilization of fund balances were noted in nineteen (19) counties which may have negatively impacted on service delivery to the public.

Financial reporting weaknesses included sixteen (16) counties with financial inaccuracies totalling Kshs.864,191,568 and thirty-four (34) counties reporting arrears of revenue amounting to Kshs.1,477,227,809,059. Further, the counties reported unaccounted for hospital revenue amounting to Kshs.7,481,218,829 and unsupported revenue in twenty-seven (27) counties totalling Kshs.125,534,431,504. In addition, thirty-eight (38) counties had unreconciled variances amounting to Kshs.26,697,156,608.

In regards to compliance, forty-one (41) County Governments transferred excess funds to county assemblies totalling Kshs.110,879,472 while forty-two (42) County Governments failed to transfer a total of Kshs.13,477,523,529 to their respective county revenue funds. Eleven (11) County Governments spent revenue at source totalling Kshs.2,356,929,729. Further, four (4) counties irregularly waived fees totalling Kshs.5,860,393,997 and six (6) County Governments collected own source revenues amounting to Kshs.1,823,610,911 without an established legal framework.

In addition, fourteen (14) County Governments had various weaknesses in their revenue collection systems while twenty-one (21) County Governments were using outdated valuation rolls that may have negatively affected their revenue collections.

4. Recommendations

To address the challenges identified in the audit of County Government Revenue Funds, there is need to strictly adhere to the reporting framework and template provided by the Public Sector Accounting Standards Board. Secondly, Counties should build capacity of the Management of County Funds to ensure compliance with Public Finance Management Frameworks and the reporting requirements including having automated revenue collection systems.

The capacity building should emphasize on specific requirements of the Public Finance Management Act, 2012 in budgetary control and performance and preparation of financial statements that are free from material mis-statements.

The counties need to put in place necessary internal control mechanisms to deter further mismanagement of county revenues.

5. Appendices

Appendix 1: Unmodified Opinion - Receiver of Revenue

S/N	County Code	County Name
1.	8	Wajir
2.	9	Mandera
3.	43	Homa Bay
4.	44	Migori

Appendix 2: Unmodified Opinion - County Revenue Fund

S/N	County Code	County Name
1.	1	Mombasa
2.	2	Kwale
3.	6	Taita/Taveta
4.	9	Mandera
5.	10	Marsabit
6.	13	Tharaka-Nithi
7.	17	Makueni
8.	18	Nyandarua
9.	19	Nyeri
10.	20	Kirinyaga
11.	23	Turkana
12.	25	Samburu

S/N	County Code	County Name
13.	26	Trans Nzoia
14.	28	Elgeyo/Marakwet
15.	29	Nandi
16.	31	Laikipia
17.	39	Bungoma
18.	41	Siaya
19.	43	Homa Bay
20.	44	Migori
21.	45	Kisii

Appendix 3: Qualified Opinion - Receiver of Revenue

S/N	County Code	County Name
1.	1	Mombasa
2.	2	Kwale
3	6	Taita/Taveta
4	7	Garissa
5	13	Tharaka-Nithi
6	15	Kitui
7	16	Machakos
8	17	Makueni
9	18	Nyandarua
10	19	Nyeri

S/N	County Code	County Name
11	20	Kirinyaga
12	21	Murang'a
13	23	Turkana
14	24	West Pokot
15	25	Samburu
16	26	Trans Nzoia
17	27	Uasin Gishu
18	28	Elgeyo/Marakwet
19	29	Nandi
20	30	Baringo
21	31	Laikipia
22	34	Kajiado
23	36	Bomet
24	37	Kakamega
25	38	Vihiga
26	39	Bungoma
27	40	Busia
28	41	Siaya
29	45	Kisii
30	46	Nyamira

Appendix 4: Qualified Opinion - County Revenue Fund

S/N	County Code	County Name
1.	3	Kilifi
2.	4	Tana River
3.	5	Lamu
4.	7	Garissa
5.	12	Meru
6.	14	Embu
7.	15	Kitui
8.	16	Machakos
9.	21	Murang'a
10.	22	Kiambu
11.	24	West Pokot
12.	27	Uasin Gishu
13.	30	Baringo
14.	32	Nakuru
15.	33	Narok
16.	34	Kajiado
17.	37	Kakamega
18.	38	Vihiga
19.	40	Busia
20.	42	Kisumu

Appendix 5: Adverse Opinion - Receiver of Revenue

S/N	County Code	County Name
1.	3	Kilifi
2.	4	Tana River
3.	5	Lamu
4.	12	Meru
5.	14	Embu
6.	22	Kiambu
7	32	Nakuru
8	33	Narok
9	35	Kericho
10	42	Kisumu
11	47	Nairobi City

Appendix 6: Adverse Opinion - County Revenue Fund

S/N	County Code	County Name
1.	8	Wajir
2.	35	Kericho
3.	36	Bomet
4.	46	Nyamira
5.	47	Nairobi City

Appendix 7: Disclaimer of Opinion - Receiver of Revenue

S/N	County Code	County Name
1	10	Marsabit

Appendix 8: Analysis of Budgeted County Revenue Funds Versus Approved Estimates

S/N	Name of County	Budgeted County Revenue Funds Kshs.	Approved Estimates Book Kshs.	Variance Kshs.
1	Mombasa	14,000,000,000	14,000,000,000	-
2	Kwale	11,929,409,906	11,929,409,906	-
3	Kilifi	15,701,765,714	15,765,880,712	(64,114,998)
4	Tana	7,980,017,205	7,980,017,206	(1)
5	Lamu	4,367,634,672	4,367,634,672	-
6	Taita/Taveta	7,193,658,663	7,193,560,663	98,000
7	Garissa	9,370,153,475	9,370,153,475	-
8	Wajir	11,234,680,752	11,662,196,313	(427,515,561)
9	Mandera	12,713,853,986	12,840,656,227	(126,802,241)
10	Marsabit	8,832,676,815	8,832,676,814	1
11	Isiolo	-	-	-
12	Meru	11,791,705,228	12,649,025,164	(857,319,936)
13	Tharaka-Nithi	5,681,363,406	5,681,363,406	-
14	Embu	7,301,073,049	7,301,073,051	(2)
15	Kitui	12,306,052,565	13,835,930,184	(1,529,877,619)
16	Machakos	12,544,591,439	14,052,937,620	(1,508,346,181)
17	Makueni	10,764,741,885	10,764,741,886	(1)
18	Nyandarua	7,582,066,350	7,582,066,351	(1)
19	Nyeri	7,608,472,106	7,608,472,106	-
20	Kirinyaga	7,032,508,973	7,032,508,973	-
21	Murang'a	9,803,879,955	9,907,204,956	(103,325,001)
22	Kiambu	16,431,808,798	17,662,040,029	(1,230,231,231)
23	Turkana	18,409,129,261	18,206,033,899	203,095,362
24	West Pokot	7,664,537,189	7,664,537,189	-
25	Samburu	6,336,272,493	6,442,337,957	(106,065,464)
26	Trans Nzoia	9,116,682,520	10,049,983,113	(933,300,593)
27	Uasin Gishu	11,823,658,569	11,823,658,569	-
28	Elgeyo/Marakwet	6,256,186,220	6,256,186,221	(1)
29	Nandi	8,500,533,590	8,527,941,378	(27,407,788)
30	Baringo	10,122,573,371	9,257,421,708	865,151,663
31	Laikipia	7,171,206,457	7,191,415,699	(20,209,242)
32	Nakuru	21,209,696,916	23,053,061,945	(1,843,365,029)
33	Narok	14,981,115,820	16,190,071,413	(1,208,955,593)
34	Kajiado	10,642,675,897	10,634,968,128	7,707,769
35	Kericho	8,447,182,783	8,453,573,101	(6,390,318)
36	Bomet	8,287,338,500	8,287,338,500	-

37	Kakamega	16,198,042,547	16,176,257,362	21,785,185
38	Vihiga	6,488,021,634	6,488,021,713	(79)
39	Bungoma	14,026,308,243	14,159,252,597	(132,944,354)
40	Busia	8,302,724,013	9,577,880,926	(1,275,156,913)
41	Siaya	8,602,864,673	8,602,864,673	-
42	Kisumu	12,045,283,582	12,045,283,582	-
43	Homa Bay	10,079,114,198	10,079,114,197	1
44	Migori	10,356,987,742	11,302,459,951	(945,472,209)
45	Kisii	11,113,855,495	10,727,944,339	385,911,156
46	Nyamira	7,094,885,582	8,021,956,169	(927,070,587)
47	Nairobi	39,613,916,279	42,023,064,582	(2,409,148,303)
	Total	505,062,908,516	519,262,178,625	(14,199,270,109)

Appendix 9: Analysis of Receiver of Revenue Budget and Approved Budget

S/N	Name of County	Budgeted Amounts in Receiver of Revenue (Kshs.)	Approved Budget (Kshs.)	Variance (Kshs.)
1	Mombasa	5,004,354,326	5,004,354,326	-
2	Kwale	454,276,121	454,276,121	-
3	Kilifi	1,371,385,905	1,371,385,905	-
4	Tana	87,846,000	87,846,000	-
5	Lamu	131,000,000	131,000,000	-
6	Taita/Taveta	541,118,780	389,402,624	151,716,156
7	Garissa	130,000,000	130,000,000	-
8	Wajir	100,000,000	100,000,000	-
9	Mandera	290,436,786	290,436,786	-
10	Marsabit	170,000,000	170,000,000	-
11	Isiolo	-	-	-
12	Meru	595,140,000	595,140,000	-
13	Tharaka-Nithi	380,000,000	380,000,000	-
14	Embu	932,247,612	932,247,612	-
15	Kitui	420,000,000	420,000,000	-
16	Machakos	1,717,118,593	1,850,610,939	(133,492,346)
17	Makueni	1,085,000,000	1,085,000,000	-
18	Nyandarua	660,000,000	670,000,000	(10,000,000)
19	Nyeri	800,000,000	800,000,000	-
20	Kirinyaga	550,000,000	500,000,000	50,000,000
21	Murang'a	1,500,000,000	1,000,000,000	500,000,000
22	Kiambu	4,436,821,507	4,870,502,687	(433,681,180)
23	Turkana	198,000,003	198,000,000	3
24	West Pokot	170,000,000	170,000,000	-
25	Samburu	240,330,500	240,330,500	-
26	Trans Nzoia	629,500,000	629,500,000	-
27	Uasin Gishu	1,400,471,851	1,400,471,851	-
28	Elgeyo/Marakwet	246,139,212	246,139,212	-
29	Nandi	373,234,444	373,234,444	-
30	Baringo	387,429,514	387,429,514	-
31	Laikipia	1,307,000,000	1,297,000,000	10,000,000
32	Nakuru	3,580,000,000	2,280,000,000	1,300,000,000
33	Narok	4,516,596,907	4,516,596,908	(1)
34	Kajiado	1,583,536,109	1,583,536,109	-
35	Kericho	1,019,388,053	1,019,388,053	-
36	Bomet	300,000,000	300,000,000	-
37	Kakamega	1,800,000,000	1,942,426,514	(142,426,514)

S/N	Name of County	Budgeted Amounts in Receiver of Revenue (Kshs.)	Approved Budget (Kshs.)	Variance (Kshs.)
38	Vihiga	284,073,208	181,484,444	102,588,764
39	Bungoma	1,347,382,860	1,347,382,860	-
40	Busia	469,156,699	469,156,699	-
41	Siaya	700,998,234	700,998,234	-
42	Kisumu	1,762,226,587	1,762,226,587	-
43	Homa Bay	818,315,811	818,315,811	-
44	Migori	600,000,000	600,000,000	-
45	Kisii	750,000,000	750,000,000	-
46	Nyamira	113,585,401	382,000,000	(268,414,599)
47	Nairobi	18,277,834,347	9,000,000,000	9,277,834,347
	Total	64,231,945,370	53,827,820,740	10,404,124,630

**Appendix 10: Analysis of Own Source Revenue vis-a-vis Receiver of Revenue,
County Executive and County Revenue Funds**

S/N	Name of County	Approved Budget (Kshs.)	Actual Amounts- Receiver of Revenue (Kshs.)	Actual amounts - County Executive (Kshs.)	Actual Own Source Revenue - County Revenue Fund (Kshs.)
1	Mombasa	5,004,354,326	3,998,628,848	3,998,628,848	2,631,235,770
2	Kwale	454,276,121	393,294,651	393,294,651	393,679,040
3	Kilifi	1,371,385,905	1,003,644,804	1,008,361,868	603,675,375
4	Tana	87,846,000	64,041,750	64,041,750	59,173,171
5	Lamu	131,000,000	154,574,526	156,484,041	156,484,041
6	Taita/Taveta	389,402,624	424,845,006	263,882,456	263,882,456
7	Garissa	130,000,000	78,741,423	81,999,052	81,999,052
8	Wajir	100,000,000	46,563,994	46,563,994	46,789,602
9	Mandera	290,436,786	123,310,531	123,268,177	123,268,177
10	Marsabit	170,000,000	142,663,012	142,663,012	142,663,012
11	Isiolo	-	-	-	-
12	Meru	595,140,000	396,641,415	396,641,415	393,647,505
13	Tharaka-Nithi	380,000,000	286,737,650	286,737,650	263,519,894
14	Embu	932,247,612	680,779,467	679,114,640	593,759,434
15	Kitui	420,000,000	473,138,519	462,592,692	462,592,621
16	Machakos	1,850,610,939	1,429,791,259	1,438,246,673	1,429,791,259
17	Makueni	1,085,000,000	891,595,987	891,595,987	407,888,330
18	Nyandarua	670,000,000	505,913,305	491,561,964	491,561,964
19	Nyeri	800,000,000	610,737,307	610,136,503	600,136,503
20	Kirinyaga	500,000,000	596,779,790	596,779,790	551,873,167
21	Murang'a	1,000,000,000	682,310,169	682,260,619	682,260,619
22	Kiambu	4,870,502,687	3,608,767,153	3,742,296,990	2,426,605,897
23	Turkana	198,000,000	177,717,811	177,717,811	174,374,614
24	West Pokot	170,000,000	128,691,150	128,691,150	128,198,339
25	Samburu	240,330,500	226,323,887	226,323,887	226,516,961
26	Trans Nzoia	629,500,000	493,366,861	493,306,859	295,819,000
27	Uasin Gishu	1,400,471,851	979,779,764	979,779,764	979,779,764
28	Elgeyo/Marakwet	246,139,212	213,564,131	213,564,131	210,939,613
29	Nandi	373,234,444	196,596,982	196,596,982	198,831,772
30	Baringo	387,429,514	312,102,220	312,102,220	160,348,609
31	Laikipia	1,297,000,000	1,002,253,650	980,163,461	980,163,461
32	Nakuru	2,280,000,000	3,290,572,261	1,611,062,682	1,618,950,541
33	Narok	4,516,596,908	3,067,671,084	3,067,692,934	2,969,338,112

S/N	Name of County	Approved Budget (Kshs.)	Actual Amounts- Receiver of Revenue (Kshs.)	Actual amounts - County Executive (Kshs.)	Actual Own Source Revenue - County Revenue Fund (Kshs.)
34	Kajiado	1,583,536,109	908,053,798	908,053,798	905,429,461
35	Kericho	1,019,388,053	501,291,247	501,291,247	477,246,120
36	Bomet	300,000,000	244,066,652	244,066,652	244,066,652
37	Kakamega	1,942,426,514	1,328,868,974	1,309,633,895	1,309,633,895
38	Vihiga	181,484,444	229,848,536	108,347,381	106,807,182
39	Bungoma	1,347,382,860	1,110,829,943	1,110,929,943	330,427,054
40	Busia	469,156,699	355,592,469	355,797,718	422,920,000
41	Siaya	700,998,234	501,561,621	468,556,711	215,553,285
42	Kisumu	1,762,226,587	1,209,024,497	1,209,024,497	695,113,273
43	Homa Bay	818,315,811	859,454,023	859,454,023	461,496,551
44	Migori	600,000,000	406,364,908	406,364,908	342,320,326
45	Kisii	750,000,000	415,285,664	413,988,596	413,988,596
46	Nyamira	382,000,000	97,262,572	89,321,500	89,321,500
47	Nairobi	9,000,000,000	10,561,592,493	8,958,551,070	9,299,452,841
	Total	53,827,820,740	45,411,237,764	41,887,536,592	36,063,524,411

Appendix 11: Analysis of County Revenue Fund and County Executive Financial Statements

S/N	County Name	County Revenue Fund Kshs.	Executive Financial Statements Kshs.	Variance Kshs.
1	Mombasa	10,153,060,276	10,153,060,276	-
2	Kwale	8,654,341,690	8,654,341,690	-
3	Kilifi	12,116,136,115	12,182,480,254	(66,344,139)
4	Tana	5,828,406,567	5,828,406,567	-
5	Lamu	3,023,748,939	3,252,498,399	(228,749,460)
6	Taita/Taveta	5,240,960,991	5,240,960,991	-
7	Garissa	7,279,605,452	7,279,605,452	-
8	Wajir	9,056,500,335	9,301,992,414	(245,492,079)
9	Mandera	11,002,912,245	11,129,724,483	(126,812,238)
10	Marsabit	6,864,425,711	6,918,935,047	(54,509,336)
11	Isiolo	-	-	-
12	Meru	9,792,683,630	10,242,588,658	(449,905,028)
13	Tharaka-Nithi	4,472,918,005	4,472,918,005	-
14	Embu	5,241,639,654	5,241,639,654	-
15	Kitui	9,466,567,852	12,374,934,873	(2,908,367,021)
16	Machakos	9,176,212,851	11,969,212,702	(2,792,999,851)
17	Makueni	8,278,384,792	8,739,955,374	(461,570,582)
18	Nyandarua	5,759,503,946	6,048,451,172	(288,947,226)
19	Nyeri	5,910,923,056	6,208,240,451	(297,317,395)
20	Kirinyaga	5,725,984,338	5,731,270,125	(5,285,787)
21	Murang'a	7,558,543,751	7,558,543,751	-
22	Kiambu	11,695,560,079	12,983,549,247	(1,287,989,168)
23	Turkana	14,729,287,895	14,729,287,895	-
24	West Pokot	6,322,620,936	6,322,620,940	(4)
25	Samburu	5,633,360,935	5,776,006,230	(142,645,295)
26	Trans Nzoia	6,894,514,627	6,843,514,627	51,000,000
27	Uasin Gishu	9,302,865,638	9,302,865,638	-
28	Elgeyo/Marakwet	4,479,577,023	4,479,577,024	(1)
29	Nandi	7,279,260,501	7,485,589,652	(206,329,151)
30	Baringo	6,400,811,332	6,400,811,332	-
31	Laikipia	5,866,950,627	5,899,159,869	(32,209,242)
32	Nakuru	12,751,235,858	16,252,255,225	(3,501,019,367)
33	Narok	11,764,019,105	11,764,019,105	-
34	Kajiado	8,474,140,643	8,614,812,503	(140,671,860)

S/N	County Name	County Revenue Fund Kshs.	Executive Financial Statements Kshs.	Variance Kshs.
35	Kericho	6,681,961,783	6,681,961,783	-
36	Bomet	5,966,951,222	5,966,951,222	-
37	Kakamega	13,205,899,980	13,231,761,689	(25,861,709)
38	Vihiga	4,928,188,384	4,928,188,384	-
39	Bungoma	10,607,250,059	11,078,876,881	(471,626,822)
40	Busia	6,503,000,153	7,293,544,081	(790,543,928)
41	Siaya	6,388,024,849	6,388,024,849	-
42	Kisumu	8,533,526,659	8,533,526,659	-
43	Homa Bay	8,294,677,144	8,294,677,144	-
44	Migori	7,760,377,638	7,962,977,852	(202,600,214)
45	Kisii	6,779,072,657	7,217,626,057	(438,553,400)
46	Nyamira	4,845,788,228	5,718,236,200	(872,447,972)
47	Nairobi	25,010,373,025	28,736,439,465	(3,726,066,440)
	Total	377,702,757,176	397,416,621,891	19,713,864,715

Appendix 12: Analysis of County Revenue Fund and County Assemblies Financial Statements

S/N	County	County Revenue Fund Kshs.	Assembly Financial Statements Kshs.	Variance Kshs.
1	Mombasa	808,602,367	808,684,687	(82,320)
2	Kwale	955,008,190	955,008,190	-
3	Kilifi	963,200,005	963,200,005	-
4	Tana	997,412,490	947,412,490	50,000,000
5	Lamu	362,476,400	362,476,400	-
6	Taita/Taveta	902,223,168	902,223,168	-
7	Garissa	903,302,421	903,302,421	-
8	Wajir	846,725,953	846,725,953	-
9	Mandera	927,322,403	927,322,403	-
10	Marsabit	956,446,603	956,446,603	-
11	Isiolo	-	-	-
12	Meru	1,316,083,088	1,316,083,088	-
13	Tharaka-Nithi	534,983,755	534,983,755	-
14	Embu	880,026,980	880,026,980	-
15	Kitui	1,029,936,698	1,029,936,698	-
16	Machakos	1,132,140,390	1,132,140,390	-
17	Makueni	935,101,972	935,101,972	-
18	Nyandarua	876,225,353	897,532,346	(21,306,993)
19	Nyeri	734,121,427	734,121,427	-
20	Kirinyaga	720,052,788	720,052,788	-
21	Murang'a	884,406,088	884,406,088	-
22	Kiambu	1,186,374,088	1,186,374,088	-
23	Turkana	1,006,962,733	1,028,867,369	(21,904,636)
24	West Pokot	776,775,899	776,775,899	-
25	Samburu	664,192,066	664,192,066	-
26	Trans Nzoia	909,439,764	909,439,764	-
27	Uasin Gishu	942,000,494	942,000,494	-
28	Elgeyo/Marakwet	717,385,935	715,385,935	2,000,000
29	Nandi	689,072,186	689,072,186	-
30	Baringo	995,850,097	995,850,095	2
31	Laikipia	687,428,881	687,464,050	(35,169)
32	Nakuru	1,770,069,191	1,770,141,255	(72,064)
33	Narok	1,085,575,144	1,085,575,145	(1)
34	Kajiado	866,717,976	941,094,383	(74,376,407)

S/N	County	County Revenue Fund Kshs.	Assembly Financial Statements Kshs.	Variance Kshs.
35	Kericho	914,130,822	914,130,822	-
36	Bomet	1,075,872,839	1,075,872,839	-
37	Kakamega	1,179,197,154	1,227,482,154	(48,285,000)
38	Vihiga	620,381,222	640,717,760	(20,336,538)
39	Bungoma	1,256,268,326	1,256,271,335	(3,009)
40	Busia	873,322,539	873,322,539	-
41	Siaya	1,066,513,106	1,041,741,656	24,771,450
42	Kisumu	869,794,309	869,794,309	-
43	Homa Bay	1,143,479,244	1,149,920,107	(6,440,863)
44	Migori	855,459,607	895,459,607	(40,000,000)
45	Kisii	1,316,794,471	1,316,794,471	-
46	Nyamira	872,447,972	872,447,972	-
47	Nairobi	1,748,810,398	1,884,769,276	(135,958,878)
	Total	43,756,115,002	44,641,682,085	(885,567,083)

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