

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PARLIAMENT
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OF

THE AUDITOR-GENERAL

ON

**COUNTY REVENUE FUND – COUNTY
GOVERNMENT OF NAIROBI CITY**

**FOR THE YEAR ENDED
30 JUNE, 2024**

PAPERS LAID	
DATE	19/2/2025
TABLED BY	majority leader
COMMITTEE	
CLERK AT THE TABLE	Angela



COUNTY REVENUE FUND

County Government of Nairobi City

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

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

County Government of Nairobi City County
County Revenue Fund
For the financial year ended 30th June 2024

	Page No.
Table of contents.....	
1. Acronyms and glossary of terms.....	ii
2. Key Entity Information and Management.....	iii
3. Statement by the CECM Finance.....	vi
4. Management Discussion and Analysis.....	viii
5. Overview of the County Revenue Fund Operations	ix
6. Statement of Management Responsibility	x
7. Report of the Independent Auditor on the County Revenue Fund of County Government of Nairobi City for the Year ended 30 th June 2024	xi
8. Statement of Receipts and Payments for the Year Ended 30 th June 2024.....	1
9. Statement of Comparison of Budget Actual Amounts for the Year Ended 30 th June, 2024	2
10. Significant Accounting Policies.....	4
11. Notes to the Financial Statements.....	6
Notes to the Financial Statements (Continued)	10
11. Annexes.....	10

County Government of Nairobi City County
County Revenue Fund
For the financial year ended 30th June 2024

1. Acronyms and glossary of terms

a) Acronyms

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

b) glossary of terms

Comparative FY	Comparative Prior Financial Year
Fiduciary Management	The key management personnel who had financial responsibility

2. Key Entity Information and Management

a) Background information

Article 207 of the Constitution of Kenya provides for the establishment of the County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government.

b) Key Management Team

The County Revenue Funds day-to-day management is under the following key organs:

No.	Designation	Name
1.	CECM Finance and Economic planning	Charles K. Kerich
2.	C.O Finance	Asha Abdi
3.	Head of County Treasury (Accounting)	Martha K. Wambugu

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CECM Finance and Economic Planning	Charles K. Kerich
2.	Accounting Officer in charge of Finance	Asha Abdi
3.	Head of County Treasury (Accounting)	Martha K. Wambugu

d) Fiduciary Oversight Arrangements

The Nairobi City County Assembly Budget and Appropriations Committee and Public Accounts Committee provide oversight on County Financial Management. The Budget and Appropriations committee oversees and monitors budget preparation and implementation while the Public Accounts Committee reviews all reports of the Auditor-general in matters related to the management of finances. The County has an established audit committee which strengthens the independence and the processes around internal auditing.

County Government of Nairobi City County
County Revenue Fund
For the financial year ended 30th June 2024

The Controller of budget provides oversight in the execution of budget of the county. This ensures compliance with the legal provisions and ensuring financial discipline in the execution of budget.

The county submitted quarterly financial reports that gave the status of budget implementation on quarterly basis.

Office of the Auditor General continues to offer oversight through conduct of annual audits comprising system audit and financial statements audit. The Auditor General prepares report which includes recommendations aimed at improving compliance with legal provision and ensuring service delivery.

The Senate continues to offer oversight on the County. The senate receives the Audited Annual Financial Statements of the county and through its Public Accounts committee seeks explanation on the issues raised in the report.

e) County Executive Headquarters

P.O. Box 30075 – 00100,
City Hall Building,
City Hall Way,
Nairobi, Kenya

f) County Contacts

Telephone: (254) 20 224281, (254) 20 2216151
E-mail: info@nairobi.go.ke
Website: www.nairobi.go.ke

g) County Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

Other Commercial Banks

- (i) Equity Bank,
Equity Centre Branch,
P.O Box 75104-00200,

County Government of Nairobi City County
County Revenue Fund
For the financial year ended 30th June 2024

Nairobi, Kenya

(ii) National Bank,
Kenyatta Avenue Branch,
P.O Box 30645 -00100,
Nairobi, Kenya.

(iii) Co-operative Bank
City Hall Branch
P.O Box 44805 - 00100
Nairobi, Kenya

h) Independent Auditor

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

i) Principal Legal Adviser

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

j) County Attorney

P.O. Box 30075 – 00100,
City Hall Building,
City Hall Way,
Nairobi, Kenya

County Government of Nairobi City County
County Revenue Fund
For the financial year ended 30th June 2024

3. Statement by the CECM Finance

Nairobi City County finances its functions through two main sources of revenue i.e., Equitable share and Own Source Revenue. Over the years, equitable share has been dominantly higher than Own Source Revenue despite the targets being almost equal in the approved budget. The relevance and significance of OSR to meet the enormous and ever-increasing resource requirement cannot be over emphasized. The county has therefore continuously pursued the path of strengthening the revenue mobilisation ecosystem, both legislatively, operationally and in leveraging on alternative resource raising measures.

The revenue fortunes of Nairobi City County are highly influenced by prevailing national economic conditions. Both global and Kenyan economy decelerated significantly in 2022 largely due to a slowdown in global economic activities, due to tightening of monetary policies by most economies to contain high inflation largely attributed to the negative spillover from the war in Ukraine that continues to destabilize economic activities. Other macroeconomic variables that were detrimental to the county economy were high inflation rates and depreciating exchange rate. This was coupled by high unemployment and low incomes which has continued to darken the hopes of most households in the city.

The county's revenue budget and actual performance is analyzed in the table below;

	Final Budget	Actuals	% of Realization
Receipts	Kshs.	Kshs.	
Exchequer Releases	20,072,059,113	20,072,059,113	100%
County Own Generated Receipts	19,419,630,278	11,538,305,577	59%
Hospitals/City Mortuary - AIA	270,000,000	-	0%
Liquor Fees - AIA	300,000,000	-	0%
DANIDA Grant-Project	29,048,250	29,048,250	100%
Agricultural Sector Development Support Programme II	6,507,770	6,507,770	100%
Kenya Informal Settlement Improvement Project II	400,000,000	398,671,470	100%
Finance Locally Led Climate Action	11,000,000	-	0%

County Government of Nairobi City County
County Revenue Fund
For the financial year ended 30th June 2024

Plans (FFLoCA)			
Provision of fertilizer subsidy programme	14,721,991	-	0%
Allocations for court fines	70,740,842	-	0%
Allocation for mineral royalties	3,884	-	0%
Unutilized balances from Special Purpose accounts	698,933,493	44,727,335	6%
Unutilized balances from County Revenue Fund account	994,291,212	395,404,941	40%
TOTAL	42,286,936,833	32,484,724,455	77%

Overall performance of 77% was recorded with entire equitable share being received in the year. Own source revenues recorded 59% performance which was an improvement from the previous year. Disbursements from the County Revenue Fund amounted to Kshs. 31,006,479,217 with Kshs. 29,061,463,470 transferred to County Executive and Kshs. 1,945,015,747 transferred to finance the operations of the county assembly



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CECM Finance and Economic Planning
County Government of Nairobi

County Government of Nairobi City County
County Revenue Fund
For the financial year ended 30th June 2024

4. Management Discussion and Analysis

The equitable share for the financial year 2023 -2024 amounting to Kshs 20,072,059,115 was received within the year and Kshs11,538,305,577 of own source revenues were deposited in the County revenue fund bank account. The county has not been meeting own source revenue targets over the years and the County Government is concerned about this trend. To address the poor performance of own source revenues, the county government has operationalised the Nairobi County Revenue Administration Act, 2021 which establishes Nairobi City County Revenue Authority as an independent organ responsible for efficient and effective collection of revenues.

The table below shows the budgets and Actuals of Exchequer releases and Own source revenues in the past four years

	Equitable Share	Transfers from Other Government Entities	Proceeds from Domestic and Foreign Grants	Returned CRF issues	County Own Generated Receipts	Total
Budget 19-20	15,919,950,000	947,167,125	217,697,898	2,741,050,231	17,155,525,634	36,981,390,888
Actuals 19-20	12,419,252,740	495,270,781	227,460,972	2,580,279,980	8,819,040,246	24,541,304,719
Budget 20-21	19,500,070,512	1,027,534,933	182,730,217	711,888,103	16,459,511,170	37,881,734,935
Actuals 20-21	19,500,070,511	-	74,527,819	168,031,327	9,711,076,181	29,453,705,838
Budget 21-22	19,250,000,000	-	166,791,329	600,000,000	19,610,744,671	39,627,536,000
Actuals 21-22	19,249,677,414	-	-	1,442,555	8,958,551,070	28,209,671,039
Budget 22-23	19,249,677,412	1,127,000,000	159,404,625	800,000,000	18,277,834,347	39,613,916,384
Actuals 22-23	19,249,677,414	927,334,931	131,569,932	9,038	9,299,452,841	29,608,044,156
Budget 23-24	20,072,059,113	-	446,556,020	1,245,044,473	18,710,365,412	40,474,025,018
Actuals 23-24	20,072,059,115	-	434,227,490	44,727,335	11,538,305,577	32,089,319,517

5. Overview of the County Revenue Fund Operations

Background

Article 207 of the Constitution of Kenya provides for the establishment of a County Revenue Fund into which shall be paid all money raised or received by or on behalf of the County Government. As outlined under Section 109 of the Public Finance Management (PFM) Act, 2012 the County Treasury is responsible for administration of the County Revenue Fund. The County Revenue Fund is maintained as the County Exchequer Account at the Central Bank of Kenya.

Receipts into the County Revenue Fund

County Government revenue is received through appointed County Receiver of Revenue by the County Executive Committee Member for finance to the County Treasury pursuant to Section 157 (1) of the PFM Act 2012. Receipts include Exchequer releases, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Revenue Fund Account.


Transfers from the County Revenue Fund

The withdrawal of funds from the County Revenue Fund is authorized by the County Appropriation Act. The County Treasury is required to seek the Controller of Budget's approval for withdrawal of funds from the County Revenue Fund to the County Executive and County Assembly bank accounts. These entities are responsible for the administration of their respective approved budgets.

Financial Reporting requirements

The Accounting Officer for the County Revenue Fund is required to prepare and submit the financial statements to the Auditor-General and a copy to the Controller of Budget, and the Commission on Revenue Allocation.

This statement therefore covers the operations of the County Exchequer Account for the financial year ended 30th June 2024.


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CEC Member – Finance and Economic Planning
County Government of Nairobi City

6. Statement of Management Responsibility

Article 207 of the Constitution, Sections 109 and 167 of the Public Finance Management Act, 2012 requires a County Revenue Fund established by the Constitution, an Act of Parliament or county legislation to prepare financial statements for the Fund for each financial year in a form prescribed by the Public Sector Accounting Standards Board and submit to the Auditor General and a copy to the Commission on Revenue Allocation and the Controller of Budget.

The Accounting Officer at the County Treasury is responsible for the preparation and presentation of the County Revenue Fund financial statements, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year ended on *June 30, 2024*. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Revenue Fund; (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 County Revenue Fund; (v) Selecting and applying appropriate accounting policies; and (iv) Making accounting estimates that are reasonable in the circumstances.

The Accounting Officer accepts responsibility for the County Revenue Fund's financial statements, which have been prepared on the Cash Basis Method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the County Revenue Fund's financial statements give a true and fair view of the state of the County Revenue Fund's transactions during the financial year ended June 30, 2024, and of its financial position as at that date.

The Accounting Officer further confirms the completeness of the accounting records maintained for the County Revenue Fund which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control. The Accounting Officer confirms that the County Revenue Fund has complied fully with applicable Government Regulations. Further, Accounting Officer confirms that the County Revenue Fund's Financial Statements have been prepared in a form that complies with relevant Accounting Standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the Financial Statements

The County Revenue Fund's financial statements were approved and signed on 2nd December 2024.

Signature _____


Name Asha Abdi
County Chief Officer Finance
County Government of Nairobi City

REPUBLIC OF KENYA



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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY REVENUE FUND FOR THE YEAR ENDED 30 JUNE, 2024 - COUNTY GOVERNMENT OF NAIROBI CITY

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Revenue Fund-County Government of Nairobi City set out on pages 1 to 11, which comprise of the statement of

Report of the Auditor-General on County Revenue Fund - County Government of Nairobi City for the year ended 30 June, 2024

receipts and payments and the statement of comparison of budget and actual amounts for the year ended 30 June, 2024 and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Revenue Fund - County Government of Nairobi City as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unremitted Revenue

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects own source revenue amount of Kshs.11,538,305,577. However, review of records provided revealed that the amount excluded Kshs.270,747,747 collected by the Nairobi City County Alcoholic Drinks and Licensing Board. This is contrary to Regulation 80 of the Public Finance Management (County Governments) Regulations, 2015 which states that the receipts comprise revenue of the County Government and ought to have been remitted to the County Revenue Fund (CRF) and disclosed in the financial statements.

In the circumstances, the accuracy and completeness of own source revenue amount of Kshs.11,538,305,577 could not be confirmed.

2. Inaccuracies in the Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects a receipts budget realization difference of Kshs.300,000,000 in respect of Liquor Board. However, the nil actual amount reflected differed with the amount realized by the Board of Kshs.270,747,747 resulting in an unreconciled variance of Kshs.29,252,253.

In the circumstances, the accuracy and completeness of the statement of comparison of budget and actual amounts could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the County Revenue Fund - County Government of Nairobi City Management in accordance with 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 financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total revenue budget and actual on comparable basis of Kshs.42,286,936,833 and Kshs.32,484,724,455 respectively, resulting to an under-funding of Kshs.9,802,212,378 or 23% of the budget. Similarly, the statement reflects final budget payments and actuals on comparable basis of Kshs.42,286,936,833 and Kshs.31,006,479,217 respectively, resulting in under-absorption of Kshs.11,280,457,616 or 27 % of the budget.

The under-funding and under-absorption affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several matters were raised under the Report on Financial Statements and Report on Effectiveness of Internal Controls, Risk Management and Governance. Annex I to the financial statement on progress on follow up of prior year Auditor's recommendations indicate that the issues have not been resolved. However, Management has not provided evidence on why the matters remain unresolved.

Other Information

Management is responsible for the other information set out on page iii to x which comprise of Key Entity Information and Management, Statement by the CECM Finance, Management Discussion and Analysis, Overview of the County Revenue Fund Operations and Statement of Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the County Revenue Fund – County Government of Nairobi City financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Late Exchequer Releases

The statement of receipts and payments reflects that the County Revenue Fund (CRF) received equitable share of revenue totaling Kshs.20,072,059,115. However, review of revenue records indicated that funds amounting to Kshs.1,605,764,726 or 8% of the Exchequer releases were received on 26 July, 2024 after the end of the financial year under review. This was contrary to Regulation 97(4) of the Public Finance Management (County Governments) Regulations, 2015 which provides that actual cash transactions taking place after 30 June shall not be treated as pertaining to the previous financial year even though the accounts for that year may be open for end of year procedures and adjustments.

In the circumstances, the late disbursement of Exchequer affects timely implementation of approved projects and activities which may impact negatively on service delivery to the citizens and management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of an intention to terminate the Fund or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's 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.

Auditor-General's Responsibilities for the Audit


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I 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 authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 December, 2024

County Government of Nairobi City County
County Revenue Fund
For the financial year ended 30th June 2024

8. Statement of Receipts and Payments for the Year Ended 30th June 2024


		2023-2024	2022/23
	Notes	Kshs.	Kshs.
Receipts			
Equitable Share	1	20,072,059,115	19,249,677,414
Transfers from other government agencies	2	-	927,334,931
Other grants	3	434,227,490	131,569,932
Own Source Revenues	4	11,538,305,577	9,299,452,841
Return to CRF issues	5	44,727,335	9,038
Total Receipts		32,089,319,516	29,608,044,156
Payments			
Transfers to County Executive	6	29,061,463,470	25,010,373,025
Transfers to County Assembly	7	1,945,015,747	1,748,810,398
Transfers to Nairobi Metropolitan Services (NMS)	8	-	3,726,066,440
Total Payments		31,006,479,217	30,485,249,863
Net increase (decrease) in cash for the year		1,082,840,299	(877,205,707)
Add Opening fund balance b/f	9	395,404,941	1,272,610,648
Closing Fund balance for the period	9	1,478,245,241	395,404,941



Name: Asha Abdi

Chief Officer - Finance

Date: 2nd December 2024.



Name: Martha K. Wambugu

Head of County Treasury (Accounting)

ICPAK Member No: 5435

Date: 2nd December 2024.

9. Statement of Comparison of Budget Actual Amounts for the Year Ended 30th June, 2024

Receipt/Payments	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realization Difference	% of Realization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Exchequer Releases	20,072,059,113	-	20,072,059,113	20,072,059,113	-	100%
County Own Generated Receipts	19,420,072,415	(442,137)	19,419,630,278	11,538,305,577	7,881,324,701	59%
Hospitals/City Mortuary - AIA	270,000,000	-	270,000,000	-	270,000,000	0%
Liquor Fees - AIA	300,000,000	-	300,000,000	-	300,000,000	0%
DANIDA Grant-Project	29,048,250	-	29,048,250	29,048,250	-	100%
Agricultural Sector Development Support Programme II	5,507,770	1,000,000	6,507,770	6,507,770	-	100%
Kenya Informal Settlement Improvement Project II	550,000,000	(150,000,000)	400,000,000	398,671,470	1,328,530	100%
Finance Locally Led Climate Action Plans (FFLoCA)	22,000,000	(11,000,000)	11,000,000	-	11,000,000	0%
Provision of fertilizer subsidy programme	-	14,721,991	14,721,991	-	14,721,991	0%
Allocations for court fines	-	70,740,842	70,740,842	-	70,740,842	0%
Allocation for mineral royalties	-	3,884	3,884	-	3,884	0%

County Government of Nairobi City County
County Revenue Fund
For the financial year ended 30th June 2024

Unutilized balances from Special Purpose accounts	667,491,356	182,148,176	698,933,493	44,727,335	654,206,158	6%
Unutilized balances from County Revenue Fund account	994,291,212	-	994,291,212	395,404,941	598,886,271	40%
TOTAL	42,330,470,116	107,172,756	42,286,936,833	32,484,724,455	9,802,212,378	77%
Payments						
Transfers to County Executive	38,800,679,836	(1,221,188,101)	39,306,936,833	29,061,463,470	10,245,473,363	74%
Transfers to County Assembly	3,239,000,000	(559,000,000)	2,680,000,000	1,945,015,747	734,984,253	73%
Liquor Board	290,571,299	9,428,701	300,000,000	-	300,000,000	0%
Total Payments	42,330,251,135	(1,770,759,400)	42,286,936,833	31,006,479,217	11,280,457,616	73%

10. Significant Accounting Policies

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the Cash-Basis of accounting, as prescribed by the PSASB and Section 167 of the PFM Act 2012.

The Financial Statements are presented in Kenya Shillings, which is the functional and reporting currency of the Fund, all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

b) Reporting entity

This report relates to financial operations of the County Revenue Fund domiciled at the County Treasury and bank account maintained at Central Bank of Kenya.

c) Receipts

Receipts include funds deposited in the County Revenue Fund pursuant to Article 207 of the Constitution of Kenya and Section 109 of the PFM Act 2012.

The receipts collected include Exchequer releases, own source revenue, grants from development partners, proceeds from domestic and foreign borrowings, and other miscellaneous deposits in the County Exchequer Account.

Transfers from the exchequer and own source revenue are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

d) Payments

Payments are based on the County Government Appropriation Act. The exchequer requests are received by County Treasury, which rationalizes the requests based on the available balance, consolidates the requests and forwards them to Controller of Budget (COB) for approval. Once the approval of COB is obtained, the funds are released to the County Assembly and County Executive operational accounts appropriately.

County Government of Nairobi City County
County Revenue Fund
For the financial year ended 30th June 2024

Significant Accounting Policies (Continued)

e) Fund Balances

Fund balances comprise bank balances in County Exchequer Account held at Central Bank of Kenya.

f) Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. There were no restrictions on cash during the year.

County Government of Nairobi City County
County Revenue Fund
For the financial year ended 30th June 2024

11. Notes to the Financial Statements

1. Exchequer releases

The following is an analysis by revenue type of the receipts collected in the County Revenue Fund:

	2023-2024	2022-2023
	Kshs.	Kshs.
Equitable Share	20,072,059,115	19,249,677,414
Total	20,072,059,115	19,249,677,414

2. Transfers from other government agencies

	2023-2024	2022-2023
	Kshs.	Kshs.
Transfers from Central government entities		
Kenya Roads Board - Road Maintenance Fuel Levy Fund	-	927,334,931
Total	-	927,334,931

3. Other grants

	2023-2024	2022-2023
	Kshs.	Kshs.
DANIDA Grant-Project	29,048,250	-
World Bank-ADSP II	6,507,770	31,569,932
World Bank-Kenya Informal Settlement Improvement Project II	398,671,470	100,000,000
Total	434,227,490	131,569,932

4. Own Source Revenue

	2023-2024	2022-2023
	Kshs.	Kshs.
RECEIPTS		
Land Rate	3,483,511,667	2,866,395,246
Single/Business Permits	2,394,575,767	1,633,513,224
Property Rent	503,392,053	450,419,350

County Government of Nairobi City County
County Revenue Fund
For the financial year ended 30th June 2024

Parking Fees	1,971,655,353	1,861,601,275
Market Fees	214,271,356	250,509,468
Advertising	661,616,854	593,283,759
Public Health Service Fees	106,789,406	132,717,178
Physical Planning and Development	1,234,773,822	963,349,767
Administration Control Fees and Charges	-	202,611,108
Park Fees	-	52,378,454
Miscellaneous receipts	909,380,942	292,674,012
Administration/fire inspection certificate/park fee	58,338,357	
Total	11,538,305,577	9,299,452,841

5. Return to CRF Issues

	2023-2024	2022-2023
	Kshs.	Kshs.
Recurrent Account (County Executive)	25	-
Development Account (County Executive)	684	-
Recurrent Account (County Assembly)	2,702	288
Development Account (County Assembly)	166,380	-
Commercial Banks (County Executive)	44,557,544	8,750
Total	44,727,335	9,038

6. Transfers to County Executive

	2023-2024	2022-2023
	Kshs.	Kshs.
Recurrent Account	26,476,984,808	20,481,838,377
Development Account	2,477,970,892	3,537,611,860
Special purpose Account - ASDSP II	6,507,770	63,587,857
Special purpose Account - KISIP	100,000,000	927,334,931
Total	29,061,463,470	25,010,373,025

County Government of Nairobi City County
County Revenue Fund
For the financial year ended 30th June 2024

Notes to the Financial Statements (Continued)

7. Transfers to County Assembly

	2023-2024	2022-2023
	Kshs.	Kshs.
Recurrent Account	1,945,015,747	1,728,651,942
Development Account	-	20,158,456
Total	1,945,015,747	1,748,810,398

8. Transfers to Nairobi Metropolitan Services (NMS)

	2023-2024	2022-2023
	Kshs.	Kshs.
Recurrent Account	-	3,726,066,440
Total	-	3,726,066,440

9. Fund balance

	2023-2024	2022-2023
	Kshs.	Kshs.
Central Bank of Kenya- Revenue A/C No: 1000171863	1,478,245,240	395,404,941
Total	1,478,245,240	395,404,941

10. Disclosure of Balances in Revenue Collection Accounts

County Government Own source revenue is recognized in the financial statements when it has been swiped to CRF. Revenue collection account balances are disclosed as at the end of the reporting period as below.

Name Of Bank, Account No. & Currency	Amount in bank account currency*	Ex. rate (if in foreign currency)	2023 - 2024	2022 - 2023
			Kshs.	Kshs.
Cooperative Bank, KRA - Nairobi County Revenue Collection, 01141709410000.	Kshs	-	22,042,110	34,104,710
Equity Bank, KRA - Nairobi County Revenue Collection, 1770279910476.	Kshs	-	1,459,744	2,906,946

County Government of Nairobi City County
County Revenue Fund
For the financial year ended 30th June 2024

Cooperative Bank, KRA - Nairobi City County Revenue Account,01141232396600.	Kshs	-	3,481,353	68,268,371
Cooperative bank, Solid Waste Management Account, 01141232396606.	Kshs	-	-	257
Equity Bank,- Nairobi County Revenue Collection Account,1600284509139.	Kshs	-	1,767,398	-
National Bank, KRA - Nairobi County Revenue Collection Account, 01071225251100	Kshs	-	-	-
Total			28,750,605	105,280,283

Notes to the Financial Statements (Continued)

11. Annexes

Annex 1: Progress on follow up of Auditor's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Variances Between the Financial Statements and the Bank Statement	Variances The variance of Kshs 3,776,642,707 constituted withdrawals from County Revenue Fund after 30th June 2023. The National Treasury allows extension of closure of a financial year to enable government entities to settle commitments which may not have been paid by 30th June 2024. These Delayed equitable shares necessitate extension of the financial year.		
2.	Inaccuracies in the Statement of Comparison of Budget and Actual Amounts	The underfunding and under absorption were as a result of the county not realizing the entire own source budget where only 53% of total budgeted revenues of Kshs 17,505,011,668 was collected. The County has however come up with various revenue enhancement measures to address the underperformance in own source revenues.		

County Government of Nairobi City County
County Revenue Fund
For the financial year ended 30th June 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.	Unsupported Total Receipts	<p>The variance of Kshs. 34,068,779 was a wrong credit entry done on 14th March 2023 which was rectified by Central Bank of Kenya on 15th March 2023 as per the bank statement.</p> <p>The total amount of own source revenues swept to CRF in the year under review amounted to Kshs Kshs.9,299,452,841, the mentioned figure of Kshs.9,331,046,235 which was as reported in the Receiver of Revenue Financial Statements included uncleared cheques as of 30th June 2024.</p>		
4.	Unremitted Revenue to the County Revenue Fund	<p>Nairobi City County Alcoholic Drinks and Liquor Board prepares its own financial statements after year end and are audited separately by the office of Auditor General. The liquor board receipts were utilized as Appropriation in Aid (AIA) as per The Nairobi City County Alcoholic Drinks Control and Licensing Act, 2014</p>		

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Name: Asha Abdi
County Chief Officer - Finance
Date: 2nd December 2024.

County Government of Nairobi City County
County Revenue Fund
For the financial year ended 30th June 2024

Annex 2. Analysis of Receipts from The National Treasury Exchequer Releases

Period 2023 -2024	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)
Equitable Share	3,311,889,754	5,018,014,779	3,311,889,755	8,430,264,827	20,072,059,115
Total	3,311,889,754	5,018,014,779	3,311,889,755	8,430,264,827	20,072,059,115

Annex 3. Analysis of Receipts from Own Source Revenue per Quarter

Period 2023 -2024	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)
Business Permits	174,792,999	262,517,586	1,367,622,789	593,119,642	2,398,053,016
Poll Rates	202,152,680	451,069,878	2,014,755,498	815,115,901	3,483,093,957
Plot Rents	116,447,441	117,059,047	134,044,929	135,840,635	503,392,053
Other Miscellaneous Receipts	325,165,035	80,041,713	217,981,202	283,297,898	906,485,847
Market/Trade Centre Fee	43,514,847	56,855,140	58,046,982	55,854,386	214,271,356
Vehicle Parking Fees	427,924,169	476,396,684	595,640,770	471,436,968	1,971,398,591
Public Health Services	42,629,299	48,910,735	39,794,479	33,793,250	165,127,763
Physical Planning and Development	281,290,679	304,699,606	376,334,999	272,540,858	1,234,866,142
Advertising	77,566,337	181,745,754	227,115,140	175,189,623	661,616,854
Total	1,691,483,485	1,979,296,143	5,031,336,788	2,836,189,161	11,538,305,577

County Government of Nairobi City County
County Revenue Fund
For the financial year ended 30th June 2024

Annex 4: Analysis of Transfers from the County Revenue Fund

Period 2023 -2024	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)
County Executive - Recurrent	4,243,504,613	5,017,208,788	7,636,137,588	9,580,133,819	26,476,984,808
County Executive - Development	-	233,529,607	600,606,844	1,643,834,441	2,477,970,892
County Executive - Kenya Informal Sector Improvement Programme (KISIP)	-	-	100,000,000	-	100,000,000
County Executive -Agricultural Sector Development Support Programme (ASDSP)II	-	-	3,000,000	3,507,770	6,507,770
County Assembly - Recurrent	434,801,441	551,494,834	379,813,374	578,906,098	1,945,015,747
Total	4,678,306,054	5,802,233,229	8,719,557,806	11,806,382,128	31,006,479,217