(F)

OFFICE OF THE AUDITOR ...AL
NANYUKI REGIONAL OFFICE
22 SEP 2025
1688
P. O. BOX 1027 - 10400 NANYUKI
RECEIVED

RECEIVER OF REVENUE

(county government of laikipia)

REVENUE STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2026.

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

Table of Contents Page

1. List of Tables and Charts ii
2. Acronyms and Definition of Key Terms iii
3. Who we are iv
4. Foreword By the CECM Finance and Economic Planning viii
5. FinancialPerformance Overview xi
6. Statement of the Receiver of Revenue's responsibilities xv
7. Report of the Auditor General on the County Receiver of Revenue for the Year Ended 30th June 2026. xvii
8. Statement of Revenue and Disbursements for the year ended 30th June 2026 1
9. Statement of Financial Position as at 30th June 2026 3
10. Statement of Cash Flows for the Year Ended 2026 4
11. Statement of Comparison of Budget vs Actual Amounts for Year Ended 30th June 2026 5
12. Notes to the Financial Statements 8
13. Appendices 30

1. List of Tables and Charts

Table 1:The key revenue sources over the last five financial cycles are structured below: ix
Table 2:The performance baseline against approved budget estimates is structured below:.....xi

Figure 1:Bidget vs Actual Revenue collections xii
Figure 2:Share of Revenue stream in OSR FY 2025/26 xiii

2. Acronyms and Definition of Key Terms

a) Acronyms.

A.I. A	Appropriation in Aid
CA	County Assembly
COB	Controller of Budget
CRF	County Revenue Fund
L.C.R.B	Laikipia County Revenue Board
FY	Financial Year
FIF	Facility Improvement Financing
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OSR	Own Source Revenue
PFMA	Public Finance Management Act
PSASB	Public Sector Accounting Standards Board
ROR	Receiver of Revenue

b) Key terms

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

3. Who we are

Background information

The Receiver of Revenue operates under the Department of Finance and Economic Planning in the County Government of Laikipia. At the County Executive Committee level, the Receiver of Revenue is represented by the County Executive Committee Member for Finance and Economic Planning, who is responsible for providing strategic directions and overseeing the overall policy framework guiding revenue collection.

In accordance with Section 157 of the Public Finance Management (PFM) Act, the Chief Executive Officer was formally designated by the County Executive Committee Member for Finance as the county Receiver of Revenue. The role of revenue collection is done by the Laikipia County Revenue Board which was established pursuant to the Laikipia County Revenue Board Act, 2014, and was enacted on 19th June 2014. The Board derives its legal mandate and operational authority from this Act. It is a corporate entity wholly owned by the County Government of Laikipia, one of the 47 counties in the Republic of Kenya.

The Board is mandated to:

- Collect and receive all revenue due to the County Government.
- Administer and enforce county laws related to revenue.
- Assess, collect, and account for all revenue in accordance with applicable county laws.
- Advise the County Executive Committee Member for Finance on all matters related to revenue administration and collection.
- Perform any other functions necessary to achieve the objectives and purposes of the Laikipia County Revenue Board Act, 2014.

The governance structure of the Board comprises the Chairperson, the Chief Executive Officer, six board members who includes the Chief Officer for Finance. The day-to-day operations and administration of the Board are entrusted to the Chief Executive Officer.

(a) Principal activities

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

(b) Key Management Team

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

S/NO	Name	Position
1	Samuel Wachira Gachigi	CECM Finance and County Planning and Development
2	Daniel K Ngumi	Chief Officer Finance and County Treasury
3	Caleb Mwangi	Director of Accounting Services
4	Elijah Kamunya	Chief Executive Officer
5	Charles Githinji	Head of ICT
6	Ann Kinyua	Head of Finance and Reporting
7	Teresa Kagure Githua	Head of procurement
8	Eunice Gacheba	Head of Human Resource
9	Elizabeth Gathoni	Head of Revenue Administration

(c) Laikipia County Headquarters

P.O. Box 131-20321

County Headquarters

Government Road, Opposite DCCs Office

Rumuruti, Kenya.

(d)Entity Contacts

Telephone:(254)7577010

E-mail;lcrb@laikipia.go.ke

Website:laikipia.go.ke

(c) Entity Auditor

Office of The Auditor General

Anniversary Towers, University Way

P. O. Box 30084

GPO 00100

Nairobi, Kenya.

(d) Bankers

Central Bank of Kenya Haile Selassie

Website;https://www.centralbank.go.ke

Telephone: (254) 20 286 0000

E-mail: comms@centralbank.go.ke

P.O Box 60000-00200

Nairobi.

Co-operative Bank of Kenya

P.O. Box 1463-10400

Nanyuki, Kenya

Email: customerservice@co-opbank.co.ke

Website: www.co-opbank.co.ke

(e) County Attorney

County Attorney

Telephone: (254) 740 031 031

E-mail:info@laikipia.go.ke

Website: www.laikipia.go.ke

P.O Box 1271-10400

Nanyuki, Kenya.

4. Foreword By the CECM Finance and Economic Planning

1. Introduction and Overview

It is my distinct privilege to present the County Annual Financial Report for the financial year FY 2025-26. This comprehensive statement provides an in-depth accounting of the County Own Source Revenue (OSR) performance, detailing our primary revenue streams, comparative historical trends, and progress regarding fund transfers to the County Revenue Fund (CRF).

During the period under review, the County administration stayed committed to fostering local macroeconomic stability, streamlining public finance management, and expanding structural efficiencies to broaden our revenue collection base. Despite facing unpredictable macroeconomic shifts, targeted investments in digital revenue systems and strict enforcement mechanisms yielded vital growth across our primary economic sectors.

2. General Economic Outlook and Local Business Environment

The local business environment showed strong resilience, characterized by a steady recovery in key revenue-driving areas such as health infrastructure, commercial real estate development, and regional commerce.

- **Revenue Accelerators:** The primary catalyst for our financial expansion was the aggressive automation of county services.This tech-driven transformation greatly optimized revenue tracking within our primary commercial hubs, transport networks, and municipal facilities.
- **Impediments to Collection:** On the other hand, the county economy experienced persistent headwinds, notably from fluctuating agricultural performance affecting secondary revenue lines, inflationary impacts on small and medium enterprises (SMEs), and initial compliance friction from properties undergoing land valuation.

3. Review of the Receiver of Revenue's Performance

The Total County Own Source Revenue reached an impressive KShs1,367,883,740.7 in FY 2025/26. This performance marks a steady multi-year upward trajectory, growing from KShs 1,239,504,562 in FY 2024/25, KShs 1,085,142,997 in FY 2023/24, KShs 997,324,350 in FY 2022/23, and KShs 902,354,455 in FY 2021/22.

Table 1:The key revenue sources over the last five financial cycles are structured below:

County Own Source Revenue	FY 2025/26.	FY 2024/25	FY 2023/24	FY 2022/23.	FY 2021/22
	Kshs	Kshs	Kshs	Kshs	Kshs
Cess	97,215,080	110,252,596	107,337,872	88,941,991	106,113,452
Land Rate	75,114,638	61,488,862	53,136,498	74,410,569	46,390,622
Single/Business Permits	87,383,225	86,598,873	88,139,887	96,016,847	76,072,888
Property Rent	26,499,635	26,374,108	22,550,048	27,253,392	19,314,700
Parking Fees	71,119,441	75,646,010	67,973,831	66,967,727	69,343,987
Market Fees	11,924,645	13,977,614	11,825,589	8,011,696	9,494,210
Advertising	15,772,400	18,965,405	26,126,921	19,406,369	18,565,056
Hospital Fees	855,988,886	695,623,383	560,402,055	467,253,034	398,880,236
Public Health Service Fees	10,847,900	11,598,116	15,756,203	16,968,809	13,083,750
Physical Planning and Development	22,248,567	25,029,624	35,281,479	21,971,406	37,016,840
Education fees	18,008,534	17,895,890	16,616,000	10,385,000	29,755,791
Hire of County Assets	375,000	405,518	307,500	341,020	279,000
Conservancy Administration	14,878,913	18,553,987	29,328,761	22,473,794	17,336,477
Administration Control Fees and Charges	44,314,101	52,857,642	36,847,113	62,905,628	48,392,924
Park Fees	15,872,776	17,729,958	12,866,885	13,185,498	11,396,532
Sale of assets	-	6,093,492	-		
Other Fines, Penalties, And Forfeiture Fees	320,000	413,484	646,355	831,570	917,990
Total County Own Source Revenue	**1,367,883,741**	**1,239,504,562**	**1,085,142,997**	**997,324,350**	**902,354,455**

4. Variances & Mitigating Measures

Overperformance Drivers: Hospital Fees remained the County's main revenue anchor, collecting KShs 855,988,886.37 - 63% of total revenue driven by improved collection management at health facilities. Land Rate also performed strongly, reaching KShs 75,114,638 following approval of the valuation roll.

Underperformance Streams: Cess collections came in at KShs 97,215,080 (85 % of target) and Parking Fees at KShs 71,119,441(91 % of target), both falling short of their full-year targets due to temporary transport disruptions .

5. **Disbursements to the CRF**

All collected revenues have been successfully and directly disbursed to the County Revenue Fund (CRF). This strong fiscal performance reduces our reliance on exchequer allocations and secures internal funding for critical, community-focused development projects.

COUNTY GOVERNMENT OF LAIKIPIA
COUNTY TREASURY
25 AUG 2026
COUNTY EXCUTIVE COMMITTEE MEMBER
SIGN.....

CECM Finance and Economic Planning

County Government of Laikipia.

Date:25/08/2026.

5.FinancialPerformance Overview.

1. Executive Summary & Core Mandate

The Laikipia County Revenue Board is legally mandated to optimize County Own Source Revenue (OSR) mobilization through fair, transparent, and technology-driven administration. Over the past three financial years, the county's revenue framework transitioned away from fragmented manual collections to an integrated digital revenue ecosystem. This systemic upgrade closed administrative leakages and expanded collection points across all departments.

2. Three-Year Financial Trend: Budgeted vs. Actual Collections

Between FY 2023/24 and FY 2025/26, the County set progressive growth targets for internal revenues. Total annual collections rose steadily from KShs 1,085,142,997 to KShs 1,367,883,740.70, registering a 26% overall growth over three financial cycles.

Table 2:The performance baseline against approved budget estimates is structured below:

County Own Source Revenue	Final Targets	FY 2025/26.	Final Targets	FY 2024/25	Final Targets	FY 2023/24
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Cess	113,918,104	97,215,080	157,500,000	110,252,596	157,500,000	107,337,872
Land Rate	102,004,746	75,114,638	135,000,000	61,488,862	135,000,000	53,136,498
Single/Business Permits	92,451,872	87,383,225	123,000,000	86,598,873	123,032,621	88,139,887
Property Rent	26,828,465	26,499,635	36,500,000	26,374,108	36,467,379	22,550,048
Parking Fees	77,993,036	71,119,441	103,500,000	75,646,010	103,500,000	67,973,831
Market Fees	15,465,116	11,924,645	16,000,000	13,977,614	16,000,000	11,825,589
Advertising	25,891,536	15,772,400	30,000,000	18,965,405	30,000,000	26,126,921
Hospital Fees	700,000,000	855,988,886	602,500,000	695,623,383	602,500,000	560,402,055
Public Health Service Fees	21,956,741	10,847,900	22,100,000	11,598,116	22,100,000	15,756,203
Physical Planning and Development	40,019,656	22,248,567	64,000,000	25,029,624	64,000,000	35,281,479
Education fees	25,208,804	18,008,534	30,100,000	17,895,890	30,100,000	16,616,000
Hire of County Assets	1,030,578	375,000	600,000	405,518	600,000	307,500

Conservancy Administration	18,864,044	14,878,913	40,000,000	18,553,987	40,000,000	29,328,761
Administration Control Fees and Charges	67,445,516	44,314,101	84,600,000	52,857,642	84,600,000	36,847,113
Park Fees	16,921,786	15,872,776	17,600,000	17,729,958	17,600,000	12,866,885
Sale of assets	-		10,000,000	6,093,492	-	-
Other Fines, Penalties, And Forfeiture Fees	5,000,000	320,000	2,000,000	413,484	12,000,000	646,355
Total County Own Source Revenue	**1,351,000,000**	**1,367,883,741**	**1,475,000,000**	**1,239,504,562**	**1,475,000,000**	**1,085,142,997**

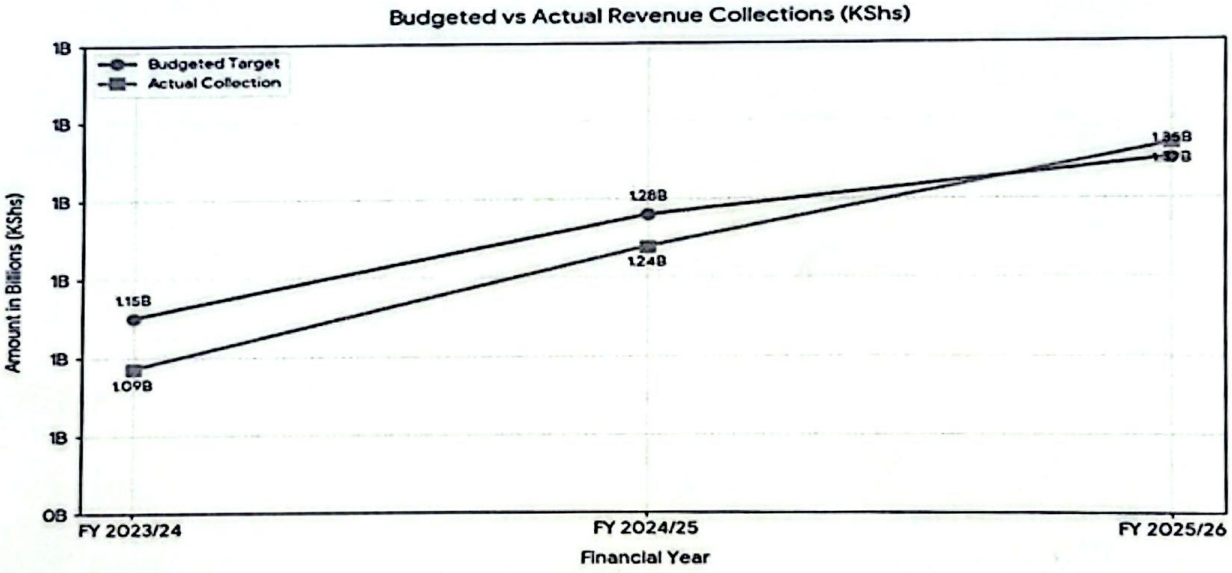

Figure 1:Bidget vs Actual Revenue collections

Critical Performance Trends

- Budget Realization Growth: For FY 2023/24 and FY 2024/25, actual collections faced significant deficits against an ambitious target of KShs 1.475 Billion.

- The FY 2025/26 Milestone: The county broke through its target ceiling in the final year under review, achieving 101% of its revised budget goal due to realistic forecasting and a complete rollout of cashless transactional barriers.

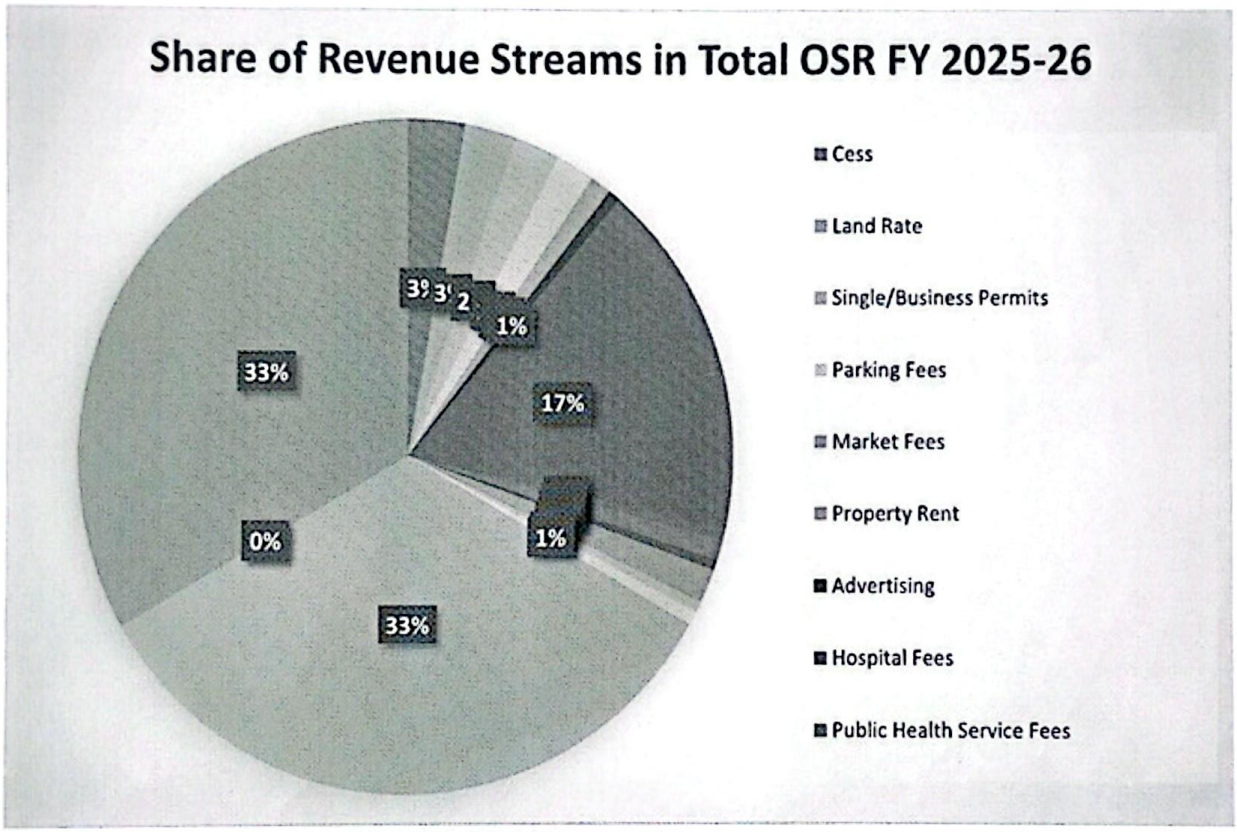

Figure 2:Share of Revenue stream in OSR FY 2025/26

3. Detailed Sector Analysis by Revenue Stream

The performance across our core internal revenue lines shows variable growth trajectories depending on the sector:

Sign……..

Name:Elijah Kamunya Karundo.

County Receiver of Revenue.

Date:25/08/2026.

6. Statement of the Receiver of Revenue's responsibilities

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

The Receiver of Revenue is responsible for the preparation and presentation of the financial statements which gives a true and fair view of the state of affairs of the Receiver of Revenue for and as at the end of the financial year ended on June 30, 2026. This responsibility includes:

(i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,

(ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the statement of assets and liabilities of the entity,

(iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud.

(iv) safeguarding the assets of the entity,

(v) selecting and applying appropriate accounting policies, and

(vi) making accounting estimates that are reasonable in the circumstances.

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

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

Approval of the Revenue Statements

The revenue statements were approved and signed by the Receiver of Revenue on 25th August 2026.



.....

Name:Elijah Kamunya Karundo.

County Receiver of Revenue.

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

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

Description	Note	Period ended FY 2025-26	FY 2024-25
Revenue from non-exchange transactions			
Cess	6	97,215,080	110,252,596
Land Rates	7	405,890,138	82,859,869
Single/Business Permits	8	87,383,225	86,598,873
Conservancy Administration	9	14,878,913	18,553,987
Administration Control Fees and Charges	10	44,314,101	52,857,642
Other Fines, Penalties, And Forfeiture Fees	11	320,000	413,484
Public Health Service Fees	12	10,847,900	11,598,116
Physical Planning and Development	13	22,248,567	25,029,624
Total Revenue from non-exchange transactions		**683,097,924**	**388,164,191**
Revenue from exchange transactions			
Parking Fees	14	71,119,441	76,811,259
Market Fees	15	11,924,645	13,977,614
Property Rent	16	31,112,604	26,200,644
Advertising	17	15,772,400	18,965,405
Hospital Fees	18	1,058,659,166	695,623,384
Hire of County Assets	19	375,000	405,518
Sale of assets	20	-	6,093,492
Park Fees	21	15,872,776	17,729,958
Education fees	26	18,008,534	17,895,890
Total Revenue from exchange transactions		**1,222,844,565**	**873,703,164**
Total Revenues (a)		**1,905,942,489**	**1,261,867,355**
Disbursements			
Disbursements To CRF	22	511,506,411	542,197,209
Disbursements to Health Facilities (FIF Collections)	23	855,988,886	695,135,936
Other deductions			
Bank charges	24	388,443	411,510
Waivers and exemptions	25	31,735,783	-
Total Disbursements and other charges (b)		**1,399,619,523**	**1,237,744,655**
Other gains/(losses)			
Increase in Dues to County Funds		**506,322,966**	**24,122,700**

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



.....

Name:Elijah Kamunya Karundo.

County Receiver of Revenue



.....

Name:Ann Njoki Kinyua.

Director Revenue

ICPAK M/No 24979

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

Description	Note	Period ended FY 2025-26	Re-stated FY2024-25	FY 2024-25
		Kshs	Kshs	Kshs
Current Assets				
Cash and Cash Equivalents	27	1,878,323	1,759,907	1,759,907
		1,878,323	**1,759,907**	**1,759,907**
Receivables from non-Exchange transactions	28	1,028,075,974	729,036,257	729,036,257
Receivables from Exchange transactions	29	303,559,385	314,805,591	12,877,214
Total Current Assets		**1,331,635,359**	**1,043,841,848**	**741,913,471**
Total Assets		**1,333,513,682**	**1,045,601,755**	**743,673,378**
Financial Liabilities				
Payables-Due to County Revenue Fund	30	1,034,287,391	743,673,378	743,673,378
Payables-Due to Other County Revenue Fund(F.I.F)	31	299,226,291	301,928,377	-
Total Financial Liabilities		**1,333,513,682**	**1,045,601,755**	**743,673,378**

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

.....

Name;Elijah Kamunya Karundo,

County Receiver of Revenue

.....

Name;Ann Njoki Kinyua.

Accountant-Revenue

ICPAK M/No;24979.

10.Statement of Cash Flows for the Year Ended 2026.

Description	Note	Period ended FY 2025-26	FY 2024-25
		Kshs	Kshs
Operating Activities			
Receipts			
Cess		97,215,080	110,252,596
Land Rate		75,114,638	61,488,862
Single/Business Permits		87,383,225	86,598,873
Conservancy Administration		14,878,913	18,553,987
Administration Control Fees and Charges		44,314,101	52,857,642
Other Fines, Penalties, And Forfeiture Fees		320,000	413,484
Public Health Service Fees		10,847,900	11,598,116
Physical Planning and Development		22,248,567	25,029,624
Parking Fees		71,119,441	75,646,010
Market Fees		11,924,645	13,977,614
Property Rent		26,499,635	26,374,108
Advertising		15,772,400	18,965,405
Hospital Fees		855,988,886	695,623,383
Hire of County Assets		375,000	405,518
Sale of assets		-	6,093,492
Park Fees		15,872,776	17,729,958
Education fees		18,008,534	17,895,890
Total Receipts		**1,367,883,741**	**1,239,504,562**
Payments			
Disbursements To CRF		511,387,995	544,467,209
Disbursements To FIF		855,988,886	698,024,831
Bank charge & refund		388,443	411,510
Total Payments		**1,367,765,325**	**1,242,903,550**
Net Cash from operating Activities		**118,416**	**- 3,398,988**
Cash and Cash Equivalent as at 1st July 2025	**27**	1,759,907	5,158,895
Cash and Cash Equivalent as at 30th June 2026	**27**	1,878,323	1,759,907

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

Receipts	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% of Realization
County Own Source Revenue	A	B	C=A+B	D	E=C-D	F=D/C %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Cess	113,918,104	-	113,918,104	97,215,080	16,703,024	85
Land Rate	102,004,746	-	102,004,746	75,114,638	26,890,108	74
Single/Business Permits	92,451,872	-	92,451,872	87,383,225	5,068,647	95
Parking Fees	77,993,036	-	77,993,036	71,119,441	6,873,595	91
Market Fees	15,465,116	-	15,465,116	11,924,645	3,540,471	77
Property Rent	26,828,465	-	26,828,465	26,499,635	328,830	99
Advertising	25,891,536	-	25,891,536	15,772,400	10,119,136	61
Hospital Fees	700,000,000	-	700,000,000	855,988,886	- 155,988,886	122
Public Health Service Fees	21,956,741	-	21,956,741	10,847,900	11,108,841	49
Physical Planning and Development	40,019,656	-	40,019,656	22,248,567	17,771,089	56
Hire of County Assets	1,030,578	-	1,030,578	375,000	655,578	36
Conservancy Administration	18,864,044	-	18,864,044	14,878,913	3,985,131	79
Administration Control Fees and Charges	67,445,516	-	67,445,516	44,314,101	23,131,415	66
Park Fees	16,921,786	-	16,921,786	15,872,776	1,049,010	94
Other Fines, Penalties, and Forfeiture Fees	5,000,000	-	5,000,000	320,000	4,680,000	6

Education fees	25,208,804	-	25,208,804	18,008,534	7,200,270	71
Total County Own Source Revenue	**1,351,000,000**	**-**	**1,351,000,000**	**1,367,883,741**	**-16,883,741**	**101**
					-	
Donations /Grants Not Received Through CRF	-	-	-	-	-	-
Total Other Receipts	-	-	-	-	-	
Total Receipts	**1,351,000,000**	**-**	**1,351,000,000**	**1,367,883,741**	**-16,883,741**	**101**

Under/over-realization of the budget

a) ***Hospital Fees — a standout performer (122%).*** *Collections exceeded target by Kshs 155.9M, the single largest contributor to the County's overall over-realization. This points to strong demand for health services and effective fee collection at facility level, and is worth highlighting as good practice that could inform collection strategies in other revenue streams.*

(b) Property Rent, Park Fees, Single/Business Permits, Parking Fees. *These lines came close to full realization, indicating that the underlying targets were realistically set and collection systems for permits and facility-based fees are functioning well. With modest enforcement improvements, these are well-positioned to reach full realization next year.*

(c) Cess, Conservancy Administration, Market Fees, Land Rate, Education Fees, Administration Control Fees & Charges. *These streams collected the majority of their targets and represent the clearest opportunity for incremental gains — through, strengthened follow-up on billings, and closer collaboration with the relevant sub-county offices.*

(d) Advertising, Physical Planning & Development, Public Health Service Fees, Hire of County Assets, Other Fines/Penalties/Forfeitures. *These lines have the greatest upside for improvement in the coming financial year. Targeted interventions — reviewing whether targets reflect current demand, strengthening enforcement capacity, and streamlining billing processes — could meaningfully lift performance here, and management's input on the specific operational drivers would sharpen this commentary further.*

The County Receiver of Revenue's financial statements were approved on 25th August 2026 and signed by:



.....

Name;Elijah Kamunya Karundo.

County Receiver of Revenue



.....

Name;Ann Njoki Kinyua.

Director Revenue

ICPAK M/No;24979.

12. Notes to the Financial Statements

1. General Information

The Receiver of Revenue was appointed by the CEC member of Finance of Laikipia County Government in accordance with section 157 of the PFM Act. The Entity's principal activity is collection of revenue as outlined in the appointment letter and section 157 of the PFM Act.

2. Statement of Compliance and Basis of Preparation

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

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

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

- **Level 1** fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities that the Entity can access at the measurement date.
- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.
- The Entity's accounting policy is to recognize transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred. This policy is consistently applied to transfers into and out of each level.

a) Use of Estimates

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the Entity's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed from Note 6 of these financial statements.

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43 Leases	***Applicable 1st January 2025*** The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	***Applicable 1st January 2025*** The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	***Applicable 1st January 2025*** The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles

Standard	Effective date and impact:
	e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	***Applicable 1st January 2025*** The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.

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

Standard	Effective date and impact:
IPSAS 47- Revenue	***Applicable 1st January 2026*** This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an MDA shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.

Standard	Effective date and impact:
IPSAS 48- Transfer Expenses	***Applicable 1st January 2026*** The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	***Applicable 1st January 2026*** The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	***Applicable 1st January 2027*** The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.
IPSAS 51: Tangible Natural	***Applicable 1st January 2028*** The objective of this standard is to establish the principles that an entity shall apply to report relevant information to users of financial statements about the

Standard	Effective date and impact:
Resources Held For Conservation	nature, amounts, timing, and uncertainties arising from tangible natural resources held for conservation. A tangible natural resource held for conservation is a naturally occurring tangible asset that is managed to prevent its degradation.
IPSASB SRS 1: Climate Related Disclosures	*Applicable 1st January 2028* This standard provides principles for an entity to address climate-related risks and opportunities arising from an entity's activities and operations. The standard provides disclosures on governance, strategy, risk management, and metrics and targets.

iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or the entity adopted the following standards early .

4. Significant Accounting Policies

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

Basis of Preparation

The financial statements have been prepared in accordance with the accrual basis of accounting. Under this method, revenue is recognized when earned and expenses are recognized when incurred, regardless of when cash is received or paid.

Receivables

Receivables are accounted for using the First-In, First-Out (FIFO) method. This assumes that the oldest outstanding receivables are collected or written off first, ensuring that the remaining balance represents the most recent transactions.

Revenue Recognition

Revenue is recognized when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably, in accordance with the accrual basis. Specific recognition criteria for major revenue streams are as follows:

Revenue from non-exchange transactions

Fees, taxes, fines and charges

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

i) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

ii) Budget

The County Revenue budget is developed on cash basis. The budget has the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by law.The original budget was approved by the County Assembly on 1st July 2025 for the period 1st July 2025- to 30 June 2026. There was two number of supplementary budgets passed in the year which did not affect the receiver of revenue budget. A high-level assessment of the County's actual performance against the comparable budget for the financial year under review has been included in these financial statements.

The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

iii) Cash and cash equivalents.

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

iv) Revenue in Arrears

Revenue in arrears relate to revenue earned and is yet to be received or collected by the receiver of revenue. These arrears are presented as receivables from exchange and non-exchange transactions in the statement of financial position. These receivables are assessed for impairment on a continuous basis. The details of these arrears are presented as an

appendix to the financial statements under the statement of arrears as required under the PFM Act, 2012 Section 165 (2) (b).

v) Disbursements to CRF

The Receiver of Revenue has an arrangement for transfer of funds from its bank account to the CRF account. Total disbursements to the CRF are as a result of the transfer arrangement during the year. The receiver of revenue policy is to disusburse revenue on daily basis to the CRF.

vi) Payables due to CRF

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

vii) Comparative Figures

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

viii) Subsequent Events

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

5. Significant Judgments and Sources of Estimation Uncertainty .

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

Estimates and assumptions.

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

market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

Provisions

Provisions were raised and management determined an estimate based on the information available.Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to the Financial Statements

6. Cess

Description	Period ended FY 2025-26	FY 2024-25
	Kshs	Kshs
Farm produce	24,978,000	24,779,621
Quarrying	48,666,280	54,751,424
Livestock	10,360,000	13,109,270
Slaughter fees	13,204,400	17,604,681
Log cess	6,400	7,600
Total	**97,215,080**	**110,252,596**

7. Land rates

Description	Period ended FY 2025-26	FY 2024-25
	Kshs	Kshs
Land rates	405,890,138	82,859,869
Total	**405,890,138**	**82,859,869**

8. Single Business Permits

Description	Period ended FY 2025-26	FY 2024-25
	Kshs	Kshs
Business permit application/current year fees	84,248,625	83,537,951
Business permit renewal,penalties and interest fees	2,729,000	2,504,272
Business permit fees current	405,600	556,650
Total	**87,383,225**	**86,598,873**

9. Conservancy Administration.

Description	Period ended FY 2025-26	FY 2024-25
	Kshs	Kshs
Sewerage fees	14,850,913	18,518,807
Public Toilet	28,000	35,180
Total	**14,878,913**	**18,553,987**

10. Administration Control Fees and Charges.

Description	Period ended FY 2025-26	FY 2024-25
	Kshs	Kshs.
Weights and measures	953,530	1,049,802
Fire Services	5,936,700	5,613,760
Liquor licenses	23,215,985	26,889,061
Debt &Clearance Fee Certificate	1,102,000	1,220,400
Application Fees	4,858,000	6,404,976
Plot Transfer	2,320,000	2,274,858
Plot Sub division fees	5,339,886	8,765,180
Business Subletting/Transfer Fees	568,000	624,405
Search fees	20,000	15,200
Total	**44,314,101**	**52,857,642**

11. Other Fines, Penalties and Forfeitures.

Description	Period ended FY 2025-26	FY 2024-25
	Kshs	Kshs.
Impounding Fees	280,000	337,484
Towing Fees	40,000	76,000
Total	**320,000**	**413,484**

12. Public Health Service Fees

Description	Period ended FY 2025-26	FY 2024-25
	Kshs	Kshs.
Sanitation inspection for schools	196,400	212,515
Public health permit	10,533,900	10,920,291
Burial fees.	117,600	465,310
Total	**10,847,900**	**11,598,116**

13. Physical Planning and Development

Description	Period ended FY 2025-26	FY 2024-25
	Kshs	Kshs.
Buildings Inspection Fee	3,482,628	4,482,628
Building preparation fees	2,100,000	2,492,620
Building plans approval	13,698,939	14,797,200
Consent to charge	14,000	13,416
Survey Fees	20,000	25,000
Right-of-Way / Way-Leave Fee (KPLN, Telkom, etc.)	1,525,000	1,710,760
Hoarding fees	1,408,000	1,508,000
Total	**22,248,567**	**25,029,624**

14. Parking Fees

Description	Period ended FY 2025-26	FY 2024-25
	Kshs	Kshs.
Street parking fees	21,297,916	23,489,504
Monthly toll/sticker fees	7,500,800	8,016,664
Reserved parking	2,550,200	2,910,609
Bus Park fees	35,924,525	38,272,935
Clamping fees	3,846,000	4,121,547
Total	**71,119,441**	**76,811,259**

15. Market Fees

Description	Period ended FY 2025-26	FY 2024-25
	Kshs	Kshs
Market entry fees	10,516,617	12,143,725
Market shop rents	1,408,028	1,833,889
Total	**11,924,645**	**13,977,614**

16. Property Rent.

Description	Period ended FY 2025-26	FY 2024-25
	Kshs	Kshs
County Housing	30,752,154	26,200,644
Market Stall Rent	360,450	-
Total	**31,112,604**	**26,200,644**

The market stall rent for FY 2024-25 was reported under County Housing.

17. Advertising.

Descriptions	Period ended FY 2025-26	FY 2024-25
	Kshs	Kshs
Branding	475,600	767,618
Billboard advertising	15,296,800	18,197,787
Total	**15,772,400**	**18,965,405**

18. Hospital Fees.

Description	Period FY2025-26	FY 2024-25
	Kshs	Kshs
Level 5		
Nanyuki Teaching & Referral Hospital	558,361,320	310,778,201
Nyahururu Teaching &Referral Hospital	348,644,547	298,766,366
Level 4	**907,005,867**	**609,544,567**
Rumuruti Hospital	21,405,370	12,743,802
Ndindika Hospital	21,389,637	12,412,371
Doldol Hospital	1,862,526	1,417,929
Level 3	**44,657,533**	**26,574,102**
Kimanjo Hospital	389,215	21,500

Lamuria Hospital	4,462,045	3,131,492
Level 2	**4,851,260**	**3,152,992**
Laikipia West	50,082,478	30,258,969
Laikipia East	40,489,337	15,083,282
Laikipia North	11,572,690	11,009,472
	102,144,506	**56,351,723**
Total	**1,058,659,166**	**695,623,384**

The increase you are seeing for FY 2025–26 is a standard accounting outcome when shifting from a cash basis to an accrual basis.Cash Basis (FY 2024-25): Only records hospital fees when the cash is actually received from patients or insurers. Any services provided but not yet paid for are omitted.

Accrual Basis (FY 2025-26): Records fees as soon as the medical service is delivered, regardless of when the bill is paid. This includes all outstanding patient debts, pen

19. Hire Of County Assets.

Description	Period ended FY 2025-26	FY 2024-25
	Kshs	Kshs
Hire of County Stadia	150,000	149,000
Hire of County Halls	45,000	51,500
Library fees	180,000	205,018
Total	**375,000**	**405,518**

20. Sale of assets.

Description	Period ended FY 2025-26	FY 2024-25
	Kshs	Kshs
Receipts of Tender documents	-	2,789,249
Disposal and Sales of Non-Produced Assets	-	3,304,243
Total	-	**6,093,492**

21. Park Fees.

Description	Period ended FY 2025-26	FY 2024-25
	Kshs	Kshs
Park entry fees	15,872,776	17,729,958
Total	**15,872,776**	**17,729,958**

22. Disbursements to CRF.

Description	Period ended FY 2025-26	FY 2024-25
	Kshs	Kshs
Quarter 1	65,155,517	86,280,599
Quarter 2	79,679,355	72,172,441
Quarter 3	226,391,942	207,329,584
Quarter 4	140,279,597	176,414,585
Total	**511,506,411**	**542,197,209**

The disbursement excludes a cash &cash equivalent at the beginning of Kshs 1,759,907 which has been included in cash flow statement and includes the closing balance of kshs 1,878,323.

23. Disbursements To Health Facilities (FIF collections)

Description	Period ended FY 2025-26	FY 2024-25
	Kshs	Kshs
Quarter 1	171,110,458	126,581,518
Quarter 2	136,391,686	152,865,978
Quarter 3	200,686,280	172,333,820
Quarter 4	347,800,463	243,354,622
Total	**855,988,886**	**695,135,937**

24. Bank Charges.

Description	Period ended FY 2025-26	FY 2024-25
	Kshs	Kshs
Bank Charges & commissions	388,443	411,510
Total	**388,443**	**411,510**

25. Waivers and Exemptions

Description	Period ended FY 2025-26	FY 2024-25
	Kshs	Kshs
Penalties &Interest	29,961,415	-
Duplicates	1,774,368	
Total	**31,735,783**	-

26. Education fees.

Description	Period ended FY 2025-26	FY 2024-25
	Kshs	Kshs
Salama	87,195	77,525
Muhotetu	1,130,872	4,257,754
Sipili	643,000	-
Wiyumiririe	277,000	559,310
Marmanet	68,500	11,380,775
Rumuruti	453,500	407,444
Tigithi	1,022,285	44,694
Nanyuki	7,513,621	1,083,388
Nyahururu	6,502,049	85,000
Olmoran	310,511	-
Total	**18,008,534**	**17,895,890**

In FY2024-25the fees collected under Muhotetu and Marmanet to Nyahururu and Nanyuki respectively and vice versa.

27. Cash and Cash Equivalents

Name of Bank, Account No. & currency	Amount	Period ended FY 2025-26	Restated-FY20254/25	FY 2024-25
		Kshs	Kshs	Kshs
Co-operative A/c No.01141****78700	1,323,226	1,323,226	828,017	828,017
Cooperative A/C No.01129****99800	1,255	1,255	936	936
Cooperative A/C No.01129****95000	501,214	501,214	279,839	279,839
Cooperative A/C No. 01129****34800	12,482	12,482	338,254	338,254
Cooperative A/C No. 01129****22000	1,061	1,061	300,887	300,887
Cooperative A/C No. 01129*****99900	1,989	1,989	-	-
Cooperative A/C No. 01129****21700	2,143	2,143	2,444	2,444
Cooperative A/C No. 01129****02100	325	325	2,524	2,524
Cooperative A/C No. 01129****95100	1,114	1,114	695	695
Cooperative A/C No. 01129****00000	1,891	1,891	6,311	6,311
Cooperative A/C No.01129****35000	31,624	31,624	-	-
Total	**1,878,323**	**1,878,323**	**1 ,759,907**	**1,759,907**

28. Receivables for non-exchange transactions .

Description	Period ended FY 2025-26	Restated-FY2024/25	FY 2024-25
	Kshs	Kshs	Kshs
Receivables			
Landrates	1,028,075,974	729,036,257	729,036,257
Sub total	**1,028,075,974**	**729,036,257**	**729,036,257**
Less impairment Allowance	-		-
	1,028,075,974	**729,036,257**	**729,036,257**
Total Current Receivables	**1,028,075,974**	**729,036,257**	**729,036,257**

The receivable from non-receivable exchange moved from kshs729,036,257 to kshs 1,028,075,974 as aresult of valuation rollwhich identified approximately 90,000 additional properties,making our properties increasing to 119,000.

These newly identified properties were brought into the billing system and charged the current-year rates,which captured significant value in properties that had previously been billed under the former Valuation roll.

Therefore, the increase in the current year's property-rate revenue is not necessarily attributable solely to an increase in the rate; it also reflects the expansion of the valuation roll and the inclusion of previously unbilled or differently valued properties.

The reason for restatement is to incorporate the closing balance FY2024-25 for hospital fees which has been reported under cash basis previously.

(i) Ageing analysis for Receivables from Non-exchange transactions.

Description	Period ended FY 2025-26			FY2024-25	
	Current FY	% of the total	Restated-FY2024/25	Previous YR	% of the total
	Kshs		Kshs	Kshs	
Less than 1 year	375,928,268	37%	145,807,251	145,807,251	20%
Between 1- 2 years	229,093,884	22%	218,710,877	218,710,877	30%
Between 2-3 years	133,649,877	13%	364,518,129	364,518,129	50%
Over 3 years	289,403,946	28%	-	-	
Total (a+b)	**1,028,075,974**	**100%**	**729,036,257**	**729,036,257**	**100%**

(ii) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Impairment allowance	Period ended FY 2025-26	Restated-FY2024/25	FY 2024-25
	Kshs	Kshs	Kshs
At the beginning of the year	729,036,257	707,603,502	707,603,502
Additional Receivable during the year	405,890,138	32,184,371	32,184,371
Recovered during the year	- 75,114,638	- 10,751,616	- 10,751,616
Waiver during the year	- 31,735,783		-
At the end of the year	**1,028,075,974**	**729,036,257**	**729,036,257**

29. Receivables from exchange transactions.

Description	Period ended FY 2025-26	Re-stated FY2024-25	FY 2024-25
	Kshs	Kshs	Kshs
Total receivables			
Housing	4,333,094	12,877,214	12,877,214
Hospital fees	299,226,291	301,928,377	-
	303,559,385	**314,805,591**	**12,877,214**
Total receivables	**303,559,385**	**314,805,591**	**12,877,214**

The restatement has been done to incorporate hospital fee(F.I.F) receivable cumulatively upto the year ended FY2024-25 (opeming balance FY 2025-26), hospital fees amounting to kshs 301,928,377 .

(i) Breakdown of Receivables from exchange transactions-(Hospital fees)

Description	Period ended FY 2025-26	Restated-FY2024/25	Opening balance FY 2025-26
	Kshs	Kshs	Kshs
Level 5			
Nanyuki Teaching & Referral Hospital	182,847,660	191,150,791	191,150,791
Nyahururu County &Referral Hospital	97,078,680	96,436,268	96,436,268
	279,926,340	**287,587,059**	**287,587,059**
Level 4			
Rumuruti Hospital	10,758,718	6,923,467	6,923,467
Ndindika Hospital	6,778,989	5,679,260	5,679,260
Doldol Hospital	1,762,244	1,738,591	1,738,591
	19,299,951	**14,341,318**	**14,341,318**
Total	**299,226,291**	**301,928,377**	**301,928,377**

(ii) Ageing analysis for total receivables in exchange transactions.

Description	Period ended FY 2025-26			FY 2024-25		
	Current FY	% of the total	Restated-FY2024/25	% of the total	Previous YR	% of the total
	Kshs		Kshs			
Less than 1 year	91,067,816	30%	5,408,430	42	5,408,430	42%
Between 1- 2 years	121,423,754	40%	3,863,164	30	3,863,164	30%
Between 2-3 years	91,067,816	30%	3,605,620	20	3,605,620	20%
Total (a+b)	303,559,385		12,877,214		12,877,214	

(iii) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance	Period ended FY 2025-26	Restated-FY2024/25	FY 2024-25
	Kshs	Kshs	Kshs
At the beginning of the year	314,805,591	313,875,554	11,947,177.00
Additional Receivables during the year	102,552,259	6,075,187	6,075,187.00
Recovered during the year	- 110,535,977	- 5,145,150	- 5,145,150.00
Written off during the year	3,262,488	-	
At the end of the year	303,559,385	314,805,591	12,877,214

D. Payables- Due To County Revenue Fund

Payables	Period ended FY 2025-26	Restated-FY2024/25	FY 2024-25
	Kshs	Kshs	Kshs
Amount collected yet to be disbursed to CRF	1,878,323	1,759,907	1,759,907
Amount billed but not collected yet	1,032,409,068	741,913,471	741,913,471
Total Due to CRF	1,034,287,391	743,673,378	743,673,378

The Amount billed but not collected yet consist of Receivable from non exchange amounting to Kshs 1,028,075,974 and Receivable from exchange amounting Kshs 4,333,094,totaling to Kshs1,032,409,068

(i)*Movement Disclosure on Dues to County funds.*

Description	Period ended FY 2025-26	Restated-FY2024/25	FY 2024-25
	Kshs	Kshs	Kshs
Opening Dues to CRF	1,759,907	2,270,000	2,270,000
Increase(Decrease) in Dues to CRF	1,032,527,484	- 510,093	- 510,093
Closing Dues to CRF	**1,034,287,391**	**1,759,907**	**1,759,907**

31. Payables Due to Other County Funds (F.I.F).

Payables Due to Other County Funds	Period ended FY 2025-26	Restated-FY2024/25	FY 2024-25
	Kshs	Kshs	Kshs
Amount billed but not collected yet.	299,226,291	301,928,377	-
Amount collected yet to be disbursed to F.I.F	-	-	-
Closing Dues to CRF	**299,226,291**	**301,928,377**	-

(i)Movement Disclosure on Dues to County funds (F.I.F)

Payables Due to Other County Funds	Period ended FY 2025-26	Restated-FY2024/25	FY 2024-25
	Kshs	Kshs	Kshs
Amount collected yet to be disbursed to F.I.F	-	-	-
Amount billed but not collected yet.	299,226,291	301,928,377	-
Total Due to other County funds	**299,226,291**	**301,928,377** -	-

13. Appendices

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

Reference No. on the external audit Report	Issue /Observations from Auditor	Management comments	Timeframe:
Report on Financial statements	Issue Budgetary Control and Performance	*In the Financial Year 2024/2025, the Laikipia County Revenue Board had set an OSR target of Kshs. 1,475,000,000 and achieved Kshs1,239,504,563 that resulted in a 16% shortfall which is attributed to among other reasons,* *i. Adverse weather conditions affected the realization of market fees due to low produce, market inaccessibility and produce prices.* *ii. Low sand cess revenue due to inaccessibility/ poor condition of the Nanyuki-Doldol road resulting in transporters opting for sand from Isiolo and the alternative of crusher dust.* *iii. An unforeseen decline in the construction industry due to rising costs of construction materials lead to a significant decline on expected revenues from building approval fees.* *iv. The expected implementation of a County Court to litigate and enforce County legislations is yet to be fully functional thereby affecting realization of this revenue stream.*	Resolved

Report on effectiveness of internal controls, Risk Management and Governance	Inadequate Segregation of Duties	*Currently, management has addressed the weakness by establishing a Standard Operating Procedure (SOP) to strengthen segregation of duties and controls over revenue rate changes. Revenue rate adjustments are undertaken annually following approval of amendments to the Finance Act. Under the SOP, proposed rate changes are initiated by the Ward Revenue Receiver using a standardized form, reviewed by the Monitoring Team and the ICT Unit for accuracy and compliance with the approved Finance Act, and subsequently approved by the Chief Executive Officer. All approved documentation is retained for record-keeping and audit purposes.*	Resolved
	Lack of Service Level Agreement	*During the period under review, the Laikipia County Revenue Board was in the implementation phase of the Revenue Collection System. The system has since been fully handed over to the County Government of Laikipia and is currently operational on the on-premise server housed in the County server room.*	Resolved
	Duplicate Reference Numbersin Client Accounts	*The revenue system automatically assigns unique invoice numbers to all invoices. The instances of duplicate reference numbers mainly arose during ownership transfer processes, where an invoice number is retained and reflected under both the outgoing and incoming client accounts to preserve ownership history and audit trail. A few isolated cases were noted where duplicate invoices were issued to the same client for the same year; this issue has since been resolved. The system has*	Resolved

		been enhanced to restrict invoice generation to one invoice per client per year, thereby preventing recurrence.	
	Lack of Test Environment for Data	*The management has since implemented a dedicated test environment for the Revenue Collection System, effective December 2025. The test environment is now used to validate system updates, configuration changes, and enhancements before deployment to the production environment, thereby minimizing the risk of system downtime, user disruption, and data inaccuracies.*	Resolved

CHIEF EXECUTIVE OFFICER ★ LAIKIPIA COUNTY REVENUE BOARD ★ 25 AUG 2026

.....

Name;Elijah Kamunya Karundo.

County Receiver of Revenue

Date:25/08/2026.

LAIKIPIA COUNTY REVENUE BOARD ★ 25 AUG 2026 ★ ACCOUNTS DEPARTMENT

.....

Name;Ann Njoki Kinyua.

Head of Finance Receiver ofRevenue

ICPAK M/No:24979

Date:25/08/2026

		In addition, the County Government has since reviewed its F/Y 2025/2026 revenue target downward to Kshs.1.351 billion, reflecting a more realistic projection based on current economic conditions, enforcement capacity, and collection trends.	
Report on lawfulness and effectiveness in use public funds	Un-disbursed Collections to the County Revenue Fund	The County Government of Laikipia has clear instructions and established procedures to sweep all funds from the collection accounts into the County Revenue Fund (CRF) on a daily basis. Consequently, no funds remained unpaid to the CRF for more than five (5) days after receipt, and the requirement of Section 81(2) of the Public Finance Management (County Governments) Regulations, 2015 was fully complied with. In this case, reported balance of Kshs. 1,759,907 relates to collections received through M-Pesa and on the last day of the financial year and uncleared bank effects at year-end which was swept the following day.	
	Use of Outdated Valuation Roll in Assessing Land Rates	*The County Government of Laikipia prepared a Comprehensive Valuation Roll (2021), which was duly approved by the County Assembly. The Valuation Roll covers all ratable properties within Laikipia County and reflects current property market values. The approved Valuation Roll has since been operationalized through the Finance Act, 2025 for purposes of assessing land rates.*	Resolved

	Long Outstanding Receivables from Exchange Transaction	*The Laikipia County Revenue Board manages its property rents as guided by the General Provisions of the Finance Act 2025 which gives guidelines on house/stall allocation processes, automated rent collection and reconciliation, rent demand mechanism and eventual eviction processes for defaulters. See below listing of the procedural documents followed during the allocation, rent collection and enforcement of rent arrears in line with the four stages of these provisions.*	Not Resolved
	Long Outstanding Receivables from Non-Exchange Transactions	*Management acknowledges the outstanding land rates of Kshs. 583,229,006 which are categorized on ageing analysis format. The ageing analysis is the primary document that guides the required debt recovery actions by the Board which include the following.*	Not Resolved
	Operating Manual Systems in Sub-County Hospitals	*During the period under review, the County Government of Laikipia was assessing and identifying an appropriate hospital management system in line with the Facility Improvement Financing Act (FIFA), which provides for increased financial autonomy of health facilities.*	Resolved

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

Description	Balance as at The beginning of the current year (1st July 2025)	Arrears received during the year.	Waiver/Duplicate	Additional for the year	Total arrears as at 30 June 2026	Measures taken to recover the arrears	Assessment to the recoverability of arrears
	A	B	C	D	E=A+(B)-C+D		
Land rate	729,036,257.00	75,114,638.00	31,735,783.00	405,890,138.00	1,028,075,974		
Property Rent	12,877,214.00	26,499,635.03		17,955,515.03	4,333,094		
Hospital fees	301,928,377.00	84,036,342.00	3,262,488.00	84,596,744.00	299,226,291		
Total Arrears	**1,043,841,848.00**	**185,650,615.03**	**34,998,271.00**	**508,442,397.03**	**1,331,635,359.00**		

b)Hospital fees-Stament of Arrears of revenue as at 30th june 2026

Description	Balance as at The beginning of the current year (1st July 2025)	Arrears received during the year.	Waiver/Duplicate	Additional for the year	Total arrears as at 30 June 2026	Measures taken to recover the arrears
	A	B	C	D	E=A-B-C+D	
Level 5						
Nanyuki Teaching & Referral Hospital	191,150,791.00	14,429,601.00	-	6,126,470.00	182,847,660.00	
Nyahururu County &Referral Hospital	96,436,268.00	53,561,544.00	2,270,580.00	56,474,536.00	97,078,680.00	
TotalAmount	**287,587,059.00**	**67,991,145.00**	**2,270,580.00**	**62,601,006.00**	**279,926,340.00**	
Level 4						
Rumuruti Hospital	6,923,467.00	7,432,169.00		11,267,420	10,758,718.00	
Ndindika Hospital	5,679,260.00	7,624,053.00	2,933.00	8,726,715.00	6,778,989.00	
Doldol Hospital	1,738,591.00	988,975.00	988,975.00	2,001,603.00	1,762,244.00	
Sub-Total	**14,341,318.00**	**16,045,197.00**	**991,908.00**	**21,995,738.00**	**19,299,951.00**	
Total Amount	**301,928,377.00**	**84,036,342.00**	**3,262,488.00**	**84,596,744.00**	**299,226,291.00**	

Appendix 3: Ageing Analysis of Revenue in Arrears

Description	Less than 1 year	Between 1-2 years	2-3years	Over 3 years	Total
Land rate	375,928,268.00	229,093,883.88	133,649,876.62	289,403,945.50	1,028,075,974.00
Property rent	4,333,094.00	-	-	-	4,333,094.00
Hospital fees	86,734,721.50	121,423,754.00	91,067,815.50		299,226,291.00
Total	**466,996,083.50**	**350,517,637.88**	**224,717,692.12**	**289,403,945.50**	**1,331,635,359.00**

CHIEF EXECUTIVE OFFICER

LAIKIPIA COUNTY REVENUE BOARD

25 AUG 2026

LAIKIPIA COUNTY REVENUE BOARD

ACCOUNTS DEPARTMENT

.....

Name;Elijah Kamunya Karundo.

County Receiver of Revenue

Date:25/08/2026.

.....

Name;Ann Njoki Kinyua.

Head of Finance Receiver of Revenue

ICPAK M/No:24979.

Date:25/08/2026.

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

S/No	Name of person / organisation benefitting from waiver/ variation	Year in which waiver/ variation relates	Amount of variation/ waiver (fee or charge)	Reasons for waiver/ variation	The law in terms of which the variation/waiver was granted
1.	Laikipia Land Owner	FY 2025-26	29,961,415.00	To ease the burden of the tax payer who has accumalated peneties/interest over time.	laikipia County Administration Act
2.	Laikipia Land Owner	FY 2025-26	1,774,368.00	Annual System clean up	
			31,735,783.00		

The primary reason a complete list of individuals who received tax waivers is not released to the public domain is to safeguard the fundamental right to privacy of the data subjects. Publicly exposing individual names coupled with their financial hardships or default histories violates the principles of lawful data processing.(Kenya Data Protection Act, 2019)

CHIEF EXECUTIVE OFFICER
COUNTY REVENUE BOARD

Name:Elijah Kamunya Karundo.
Designation;County Receiver of Revenue
Date; 25/08/2026