REPUBLIC OF KENYA **GOVERNMENT OF MAKUENI COUNTY**

COUNTY TREASURY

Tel No.: 020-2034944
Email: finance@makueni.go.ke
contact@makueni.go.ke
Web: www.makueni.go.ke

Makueni County
P.O. Box 78-90300,
MAKUENI

REF: GMC/FIN/ASS.36/VOL.19 (10) **Date:** 13th July, 2026

Makueni County Assembly,
P.O Box 572-90300,
Makueni.

RECEIVED
15 JUL 2026
MAKUENI COUNTY ASSEMBLY OFFICE OF THE CLERK

RECEIVED
15 JUL 2026

RE: SUBMISSION OF MAKUENI COUNTY RECEIVER OF REVENUE QUARTERLY REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2026.

Pursuant to Section 158 of the Public Finance Management Act, 2012 we hereby submit quarterly report and financial statements for the period ended 30th June 2026.

THE NATIONAL TREASURY
REGISTRY RECEIVED
15 JUL 2026
P.O. Box 30007 - 00100 NAIROBI
ACCOUNTING SERVICES DEPARTMENT

Yours Sincerely,

MAKUENI COUNTY GOVERNMENT
EXECUTIVE COMMITTEE MEMBER
FINANCE & PLANNING

DAMARIS MUMO KAVOI
COUNTY EXECUTIVE COMMITTEE MEMBER-FINANCE AND SOCIO-ECONOMIC PLANNING & HEAD OF COUNTY TREASURY

Cc.

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

OFFICE OF THE AUDITOR GENERAL
P.O. Box 30084-00100, NAIROBI
15 JUL 2026
RECEIVED

OFFICE OF THE CONTROLLER OF BUDGET
REGISTRY
15 JUL 2026
COPY
TIME:..............................
P O. Box 35616 - 00100, NAIROBI

Received by:
Internal Audit
15th July 2026

RECEIVER OF REVENUE

(County Government of Makueni)

QUARTERLY REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED JUNE 2026

Transitional Financial Statements Under International Public Sector Accounting Standards (IPSAS)

Table of Contents **Page**

1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

Comparative FY- Comparative Prior Financial Year

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

2. Key Entity Information and Management

(a) Background information

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

(b) Principal activities

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

(c) Key Management Team

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

No.	Designation	Name
1.	CEC Member –Finance	CPA Damaris Mumo Kavoi
2.	Chief Officer- Planning, Budget, Revenue & M&E	Dr Geoffrey Ngovi Muthoka
3.	Director, Revenue	Mark Wambua Muthoka
4.	Head of Revenue Reporting	CPA Kiniva Benson Mwendwa

(d) Fiduciary Management

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

Fiduciary Oversight Arrangements

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

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

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

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

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

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

Office of the Auditor General; Audited the Makueni County Receiver of Revenue financial statements for the Financial Year 2023/2024 and FY 2024/25.

Senate Committee Activities; Offered oversight to the County Government through follow up of FY2024/25 audit queries.

(e) **County Government of Makueni Headquarters**
P.O. Box 78-90300
County Headquarters Building
Off Wote - Makindu Highway
Makueni-KENYA

(f) **County Government of Makueni Contacts**
Telephone: (254) 202 034 944
E-mail: contact@makueni.go.ke
Website: **www.makueni.go.ke**

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

(h) Bankers

1. **Central Bank of Kenya**
   Telephone: (254) 202 860 000
   Email: comms@centralbank.go.ke
   Website: www.centralbank.go.ke
2. **Kenya Commercial Bank- Wote Branch**
   Telephone: (254) 711 070 000
   Email:ccarewote@kcbgroup.com
   Website: www.kcbbankgroup.com

(i) Principal Legal Adviser

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

2. **County Attorney**
   P.O. Box 78
   County Government of Makueni

3. Foreword By the CECM Finance and Economic Planning

Pursuant to Article 209 of the Constitution of Kenya, 2010, county governments are mandated to impose and collect taxes, fees, and charges as authorized by law. Section 104(d) of the Public Finance Management Act, 2012 assigns the County Treasury responsibility for mobilization of county government resources. Further, Sections 157 and 165 of the Public Finance Management Act, 2012 provide for the appointment of a County Receiver of Revenue and require the preparation and submission of Receiver of Revenue financial statements in accordance with the reporting framework and guidelines issued by the Public Sector Accounting Standards Board (PSASB).

The County Government's revenue comprises equitable share transfers, conditional grants, loans, and Own Source Revenue (OSR). In the approved budget for the financial year 2025/2026, OSR was projected at Kshs. 1,667,556,464, representing 13% of the total approved revenue budget of Kshs. 12,862,921,264. During the year under review, actual OSR collections amounted to Kshs. 1,692,087,617, translating to a performance rate of 101% against the approved target and an over collection of Kshs. 24,531,153.

The improved performance was supported by continued implementation of revenue enhancement measures, including automation of revenue collection processes, strengthening of revenue administration, broadening of the revenue base through legal and policy interventions, and ongoing taxpayer sensitization and compliance initiatives. These measures were aimed at improving efficiency, accountability, and revenue collection across the County's major revenue streams.

Revenue collected during the quarter under review was deposited into the County Revenue Fund (CRF) in accordance with the provisions of the Public Finance Management Act, 2012.

MAKUENI COUNTY GOVERNMENT
EXECUTIVE COMMITTEE MEMBER
FINANCE & PLANNING

....

CPA Damaris Mumo Kavoi

CECM Finance and Economic Planning

County Government of Makueni

4. Management Discussion and Analysis

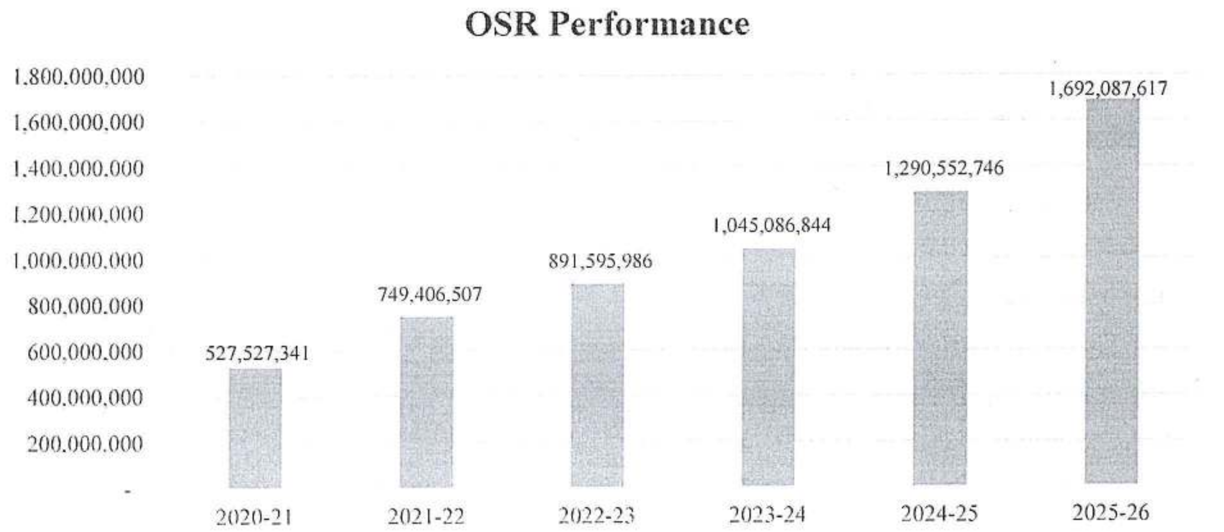
Section A

The entity's operational and financial performance

The County has recorded a generally increasing trend in Own Source Revenue (OSR) over the years, with collections rising from Kshs. 189,188,000 in FY 2013/2014 to Kshs. 1,290,552,746 in FY 2024/2025. This upward trajectory reflects strengthened revenue mobilization strategies and improved administrative efficiency.

For the quarter ended 30 June 2026, the County realized Own Source Revenue amounting to Kshs. 1,692,087,617 against an approved target of Kshs. 1,667,556,464, representing a performance rate of 101% and an over collection of Kshs. 24,531,153.

The trend in OSR performance for the fourth quarter over the past six financial years is illustrated in the graph below.



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

Section B

Entity's compliance with statutory requirements

The county is continuously implementing the provisions of the relevant statutory bodies such as The Constitution of Kenya, 2010, Public Finance Management Act, 2012, County Government Act, Makueni County Finance Act, 2025

Section C

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

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

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

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

CIDP III Flagship Projects

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

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

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

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

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

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

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

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

9. Own Source Revenue (OSR): The goal is to mobilize Own Source Revenue to ensure at least 20% of the county budget is funded by OSR by 2027, up from the current 13%. Key strategies include optimizing land-based revenue, adopting a coordinated approach to business licensing, implementing unified billing, broadening revenue streams, automating revenue processes, and reducing leakages.

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

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

Section D

Major risks facing the entity

The major risks facing the entity are;

Operational Risk

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

Strategic Risk

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

Compliance Risk

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

Financial Risk

Inadequate funding might result to inability to fulfil financial obligations.

Section E

Material arrears in statutory/financial obligations

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

Section F

The entity's financial probity and serious governance issues

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

5. Statement of Receiver of Revenue's responsibilities

Section 158 (3) of the Public Finance Management Act, 2012 requires that, at the end of each Quarter, a receiver of revenue for a county government shall prepare an account in respect of the revenue collected, received and recovered by the receiver during that financial period.

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

Approval of the Revenue Statements

The *revenue* statements were approved and signed by the Receiver of Revenue on 13/07/2026

....

Name: Mark Wambua Muthoka
County Receiver of Revenue

GOVERNME... OF MA...NI COUNTY
DIR... ...NUE
13 JUL 2026
P. O. Box 78 - 90300,
MAKUENI.

6. Statement of Revenue and Disbursements for the Period Ended June 30, 2026

	Note	June 2026	June 2025
		Kshs	Kshs
Revenue from non-exchange transactions			
Cess	5	31,711,187	27,713,566
Land Rates	6	156,455,922	141,518,885
Single/Business Permits	7	204,013,459	176,673,891
Conservancy Administration	8	5,733,005	5,994,400
Administration Control Fees and Charges	9	64,849,206	61,662,642
Other Fines, Penalties, And Forfeiture Fees	10	105,304	240,195
Public Health Service Fees	11	35,851,065	35,998,165
Physical Planning and Development	12	15,828,786	18,718,675
Donations/Grants Not Received Through CRF	13	1,482,840.00	0
Total Revenue from non-exchange transactions		**516,030,774**	**468,520,419**
Revenue from exchange transactions			
Property Rent	14	8,648,080	13,393,600
Parking Fees	15	34,628,570	39,185,610
Market Fees	16	35,131,918	36,780,979
Advertising	17	23,382,418	27,603,873
Hospital Fees	18	1,165,357,149	719,118,909
Hire of County Assets	19	2,377,635	7,383,700
Miscellaneous receipts	20	112,798,574	87,834,029
Total Revenue from exchange transactions		**1,382,324,344**	**931,300,700**
Total Revenues (a)		**1,898,355,118**	**1,399,821,119**
Disbursements			
Bank Charges	21	(75,836)	(75,798)
Disbursements To CRF	22	(505,215,203)	(497,060,664)
Makueni Fruit Processing Plant transferred to CRF relating to FY24/25		4,044,000	

Mbooni Sub-County Hospital FY 24/25 Account Balance Refund to CRF		10,000	
Hospital fees retained as AIA		(1,165,357,149)	(719,118,909)
Makueni Fruit Processing Plant not transferred to CRF		(992,955)	(11,782,425)
Sand Authority Fees not transferred to CRF		(2,060,773)	(3,450,064)
MCEF - Tetheka interest revenue retained by the Fund		(24,067,077)	
Total Disbursements and other charges (b)		**(1,693,714,993)**	**(1,231,487,860)**
Other gains/(losses)			
Gain/losses on foreign exchange transactions			
Increase/Decrease in Dues to CRF/Other Funds		**204,640,125**	**168,333,259**

These revenue statements were approved on 13/07/26 and signed by:

....

Name: Mark Wambua Muthoka
County Receiver of Revenue

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

GOVERNMENT OF MAKUENI COUNTY
13 JUL 2026
P. O. Box 78 - 90300
MAKUENI.

7. Statement of Financial Position as at June 30, 2026

	Note	Period as at June 30th 2026	FY 2024/2025
		Kshs	Kshs
Current Assets			
Cash and Cash Equivalents	23	1,109,410	1,253,946
Receivables from non-Exchange transactions	24	939,452,320	737,185,759
Receivables from Exchange transactions	25	14,943,400	12,425,300
Total Current Assets		**955,505,130**	**750,865,005**
Total Assets		**955,505,130**	**750,865,005**
Financial Liabilities			
Payables-Due to CRF	26	955,505,130	750,865,005
Total Financial Liabilities		**955,505,130**	**750,865,005**

The entity's financial statements were approved on 13/07/ 2026 and signed by:

GOVERNME... OF MA...NI COUNTY
DIR... ...UE
13 JUL 2026
P. O. Box 78 - 90300
MAKUENI.

....	....
Name: Mark Wambua Muthoka	**Name: Benson Mwendwa Kiniva**
County Receiver of Revenue	**Head of Revenue Reporting**
	ICPAK M/No: 16512

8. Statement of Cash Flows for the Period Ended June 30, 2026

	Note	Period ended June 30th 2026	June 2025
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Cess		31,711,187	27,713,566
Land Rate		30,766,561	28,276,264
Single/Business Permits		127,436,259	127,450,591
Property Rent		6,129,980	7,374,400
Conservancy Administration		5,733,005	5,994,400
Administration Control Fees and Charges		64,849,206	61,662,642
Other Fines, Penalties, And Forfeiture Fees		105,304	240,195
Public Health Service Fees		35,851,065	35,998,165
Physical Planning and Development		15,828,786	18,718,675
Donations/Grants Not Received Through CRF		1,482,840	0
Parking Fees		34,628,570	39,185,610
Market Fees		35,131,918	36,780,979
Advertising		23,382,418	27,603,873
Hospital Fees		1,165,357,149	719,118,909
Hire of County Assets		2,377,635	7,383,700
Miscellaneous receipts		112,798,574	87,834,029
Total Receipts		**1,693,570,457**	**1,231,335,998**
Payments			
Disbursements To CRF		(505,215,203)	(497,060,664)
Makueni Fruit Processing Plant transferred to CRF relating to FY24/25		4,044,000	
Mbooni Sub-County Hospital FY 24/25 Account Balance Refund to CRF		10,000	
Bank charges		(75,836)	(75,798)
Hospital fees retained as AIA		(1,165,357,149)	(719,118,909)
Makueni Fruit Processing Plant not transferred to CRF		(992,955)	(11,782,425)
Sand Authorirty Fees not transferred to CRF		(2,060,773)	(3,450,064)
MCEF - Tetheka interest revenue retained by the Fund		(24,067,077)	
Total Payments		**(1,693,714,993)**	**(1,231,487,860)**
Net Cash Flows from/ (used in) Operating Activities		(144,536)	(151,862)
Cash and cash equivalents at Period Start	27	**1,253,946**	1,405,808
Cash and cash equivalents at Period End	27	**1,109,410**	**1,253,946**

9. Statement of Comparison of Budget and Actual Amounts for Period Ended June 30, 2026

Receipts	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% of Realization
	A	B	C=(A+B)	D	E=(C-D)	F=D/C*100
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
County Own Source Revenue						
Cess	33,570,000	10,440,871	44,010,871	31,711,187	12,299,684	72%
Land Rate	108,830,000	33,848,082	142,678,082	30,766,561	111,911,521	22%
Single/Business Permits	176,000,000	54,739,157	230,739,157	127,436,259	103,302,898	55%
Property Rent	9,220,000	2,867,585	12,087,585	6,129,980	5,957,605	51%
Parking Fees	55,100,000	17,137,088	72,237,088	34,628,570	37,608,518	48%
Market Fees	63,180,000	19,650,113	82,830,113	35,131,918	47,698,195	42%
Advertising	23,960,000	7,451,990	31,411,990	23,382,418	8,029,572	74%
Hospital Fees	700,000,000	- 100,000,000	600,000,000	1,165,357,149	(565,357,149)	194%
Public Health Service Fees	39,530,000	12,294,539	51,824,539	35,851,065	15,973,474	69%
Physical Planning and Development	50,000,000	15,550,897	65,550,897	15,828,786	49,722,111	24%
Hire of County Assets	8,380,000	2,606,331	10,986,331	2,377,635	8,608,696	22%
Conservancy Administration	9,770,000	3,038,645	12,808,645	5,733,005	7,075,640	45%
Administration Control Fees and Charges	94,940,000	29,528,044	124,468,044	64,849,206	59,618,838	52%
Other Fines, Penalties, and Forfeiture Fees	1,200,000	373,222	1,573,222	105,304	1,467,918	7%
Miscellaneous Receipts	126,320,000	58,029,900	184,349,900	112,798,574	71,551,326	61%
Total County Own Source Revenue	**1,500,000,000**	**167,556,464**	**1,667,556,464**	**1,692,087,617**	**(24,531,153)**	**101%**
Other Receipts						

Receipts	Original Targets	Adjustments	Final Targets	Actual On Comparable Basis	Budget Realization Difference	% of Realization
	A	B	C=(A+B)	D	E=(C-D)	F=D/C*100
Donations /Grants Not Received Through CRF				1,482,840	(1,482,840)	
Total Other Receipts	-	-	-	**1,482,840**	**(1,482,840)**	-
Total Receipts	**1,500,000,000**	**167,556,464**	**1,667,556,464**	**1,693,570,457**	**(26,013,993)**	**102%**
Disbursements						
Disbursements to CRF				505,215,203		
Bank Charges				75,836		
Total Disbursements and other charges				505,291,039		
Surplus				1,188,279,418		

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	1,188,279,418
	Cash and cash equivalents at Period Start	1,253,946
	Makueni Fruit Processing Plant transferred to CRF relating to FY24/25	4,044,000
	Mbooni Sub-County Hospital FY 24/25 Account Balance Refund to CRF	10,000
	Hospital fees retained as AIA	(1,165,357,149)
	Makueni Fruit Processing Plant not transferred to CRF	(992,955)
	Sand Authority Fees not transferred to CRF	(2,060,773)
	MCEF - Tetheka interest revenue retained by the Fund	(24,067,077)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	1,109,410

(a) **Cess:** Slightly underperformed due to low agricultural produce within the County.

(b) **Land Rates:** Land rates underperformed primarily due to the rural nature of Makueni County, where a majority of the land parcels remain undeveloped. Property owners, many of whom derive their livelihoods from subsistence agriculture, often struggle to meet payment obligations. Additionally, the prolonged economic downturn further exacerbated non-compliance.

(c) **Single business permits:** This stream was adversely affected by reduced economic activity, largely driven by a depressed macroeconomic environment. Many small businesses either scaled down operations or shut down completely, leading to fewer permits being issued or renewed.

(d) **Property Rent:** Shortfall attributed to lack of business by the tenants thus defaulting payments and others even closing businesses down.

(e) **Parking fees:** The shortfall is attributed majorly to disruptions caused by Matatu strikes and a court case.

(f) **Market Entrance Fee:** Market revenues declined due to two main factors: the overall depressed economy and low agricultural produce. Poor rainfall patterns significantly reduced farm produce volumes, resulting in lower market activity and, consequently, reduced entrance fee collections.

(g) **Advertising.** This stream declined due to delay in payment by a key client, Safaricom PLC, for its advertising activities within the County.

(h) **Hospital Fees:** Hospital revenue over performed due to timely reimbursements of Social Health Authority (SHA)/Social Health Insurance Fund (SHIF) claims. The on boarding of more health facilities, coupled with stricter financial controls and enhanced collections under the Facility Improvement Fund (FIF), contributed to the impressive performance.

(i) **Physical Planning and Development:** This stream underperformed due to a noticeable decline in construction and development activities. The economic slump led to reduced investments in real estate and infrastructure.

(j) **Hire of Country Assets**: This stream underperformed due to low demand for the hire of county-owned assets throughout the year.

(k) **Conservancy**; The underperformance was mainly attributed to reduced economic activities as a result of the depressed economy.

(l) **Administration Control Fees and Charges**: This stream was adversely affected by reduced economic activity, largely driven by a depressed economy.

(m) **Other Fines, Penalties, and Forfeiture Fees:** The underperformance in this stream was not due to weak enforcement but rather a positive increase in compliance levels. Improved adherence to regulations resulted in fewer violations, and therefore, fewer fines being issued.

(n) **Miscellaneous Receipts:** This stream underperformed mainly due to a combination of poor rainfall, which affected agricultural produce, and a sluggish economy.

The County Receiver of revenue's financial statements were approved on 13/07/ 2026 and signed by:

....	GOVERNME[illegible] COUNTY DIR[illegible] [illegible]UE 13 JUL 2026 P. O. Box 78 - 90300, MAKUENI.	....
Name: Mark Wambua Muthoka		**Name: Benson Mwendwa Kiniva**
County Receiver of Revenue		**Head of Revenue Reporting**
		ICPAK M/No: 16512

10. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

Statement of compliance

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and the entity has taken advantage of the transitional provisions under IPSAS 33.

Basis of Preparation

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

Reporting period

The reporting period for these financial statements is for the period ended June 30th, 2026.

Notes to the financial statements

3. Significant Accounting Policies

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

i) Revenue from non-exchange transactions

Fees, taxes, fines and charges

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Notes to the financial statements

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.

iii)Budget

The County Revenue budget is developed on cash basis. The budget has the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by law. The original budget was approved by the County Assembly on 24th June 2025 for the period 1st July 2025 to 30 June 2026. There were two supplementary budget passed in the period. A high-level assessment of the County's actual performance against the comparable budget for the financial period under review has been included in these financial statements.

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

iv)Cash and cash equivalents.

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

Notes to the financial statements

v) Revenue in Arrears

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

vi) Disbursements to CRF

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

vii) Payables due to CRF

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

viii) Payables due to other County Fund(s)

These represent amounts that have not yet been disbursed to another County Fund by the end of the period. The balance also includes funds that the receiver of revenue has not yet collected as of the reporting date.

ix) Comparatives

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

x) 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, 2025.

Notes to the financial statements

4. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Provisions

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

Notes to the Financial Statements

5. Cess

Description	Period ended June 2026	Period ended June 2025
	Kshs	Kshs
Farm produce	22,247,732	19,532,146
Building material cess	3,120,900	3,585,000
Livestock	6,342,555	4,596,420
Total	**31,711,187**	**27,713,566**

6. Land rates

Description	Period ended June 2026	Period ended June 2025
	Kshs	Kshs
Land rates	151,052,582	135,745,385
Renewal Fees	5,403,340	5,773,500
Total	**156,455,922**	**141,518,885**

7. Single /Business Permits

Description	Period ended June 2026	Period ended June 2025
	Kshs	Kshs
Business permit application fees	5,542,886	
Annual Business permit fees	198,247,442	175,090,920
Business permit penalties and interest	223,131	1,582,971
Total	**204,013,459**	**176,673,891**

8. Conservancy Administration

Description	Period ended June 2026	Period ended June 2025
	Kshs	Kshs
Conservancy	4,827,805	4,972,800
Water and Environment	905,200	1,021,600
Total	**5,733,005**	**5,994,400**

Notes to the financial statements

9. Administration Control Fees and Charges

Description	Period ended June 2026	Period ended June 2025
	Kshs	Kshs
Weights and measures	979,740	1,092,095
Fire Services	3,559,100	3,548,660
Liquor licenses	48,063,091	45,422,940
Veterinary Services	12,247,275	11,598,947
Total	**64,849,206**	**61,662,642**

10. Other Fines, Penalties and Forfeitures

Description	Period ended June 2026	Period ended June 2025
	Kshs	Kshs
Impounding Fees	105,304	240,195
Total	**105,304**	**240,195**

11. Public Health Service Fees

Description	Period ended June 2026	Period ended June 2025
	Kshs	Kshs
Public Health Service Fees	35,851,065	35,998,165
Total	**35,851,065**	**35,998,165**

12. Physical Planning and Development

Description	Period ended June 2026	Period ended June 2025
	Kshs	Kshs
Change of use	1,585,000	1,550,000
Building plans approval	14,243,786	17,168,675
Total	**15,828,786**	**18,718,675**

Notes to the financial statements

13. Donations and Grants Not Received Through CRF

Description	Period ended June 2026	Period ended June 2025
	Kshs	Kshs
Donations – Unicef	1,482,840	0
Total	**1,482,840**	**0**

14. Property Rent

Description	Period ended June 2026	Period ended June 2025
	Kshs	Kshs
Stalls/kiosks rent	8,648,080	13,393,600
Total	**8,648,080**	**13,393,600**

15. Parking Fees

Description	Period ended June 2026	Period ended June 2025
	Kshs	Kshs
Registration fees	2,614,500	3,077,500
Bus Park fees	32,014,070	36,108,110
Total	**34,628,570**	**39,185,610**

16. Market Fees

Description	Period ended June 2026	Period ended June 2025
	Kshs	Kshs
Market entry fees	25,171,826	27,662,427
Others (*Stock Market fees)*	9,960,092	9,118,552
Total	**35,131,918**	**36,780,979**

Notes to the financial statements

17. Advertising

Descriptions	Period ended June 2026	Period ended June 2025
	Kshs	Kshs
Outdoor Advertisement	23,382,418	27,603,873
Total	**23,382,418**	**27,603,873**

18. Hospital Fees

Description	Period ended June 2026 Kshs	Period ended June 2025 Kshs
Level 5 Hospital	381,845,019	
Level 4 Hospital	587,677,938	719,118,909
Level 3 Facility	77,482,597	
Level 2 Facility	118,351,596	
Total	**1,165,357,149**	**719,118,909**

19. Hire Of County Assets

Description	Period ended June 2026 Kshs	Period ended June 2025 Kshs
Agricultural Mechanisation Services (AMS)	809,245	566,100
Hire of Machines and Equipment	485,050	1,566,650
Conference facilities/Agricultural Training Centers (ATC)	768,730	4,776,820
Community Information Centers fees	314,610	474,130
Total	**2,377,635**	**7,383,700**

Notes to the financial statements

20. Miscellaneous Revenues

Description	Period ended June 2026 Kshs	Period ended June 2025 Kshs
Coop Audit Service fees	214,340	184,790
Direct Deposits	16,256,885	15,399,347
Makueni Fruit Development Revenue	31,057,555	29,511,228
Makueni Sand Authority Revenue	41,202,717	42,738,664
MCEF - Tetheka interest revenue	24,067,077	
Total	**112,798,574**	**87,834,029**

21. Bank Charges

Description	Period ended June 2026 Kshs	Period ended June 2025 Kshs
Bank Charges & commissions	75,836	75,798
Total	**75,836**	**75,798**

22. Disbursements to CRF

Description	Period ended June 2026 Kshs	Period ended June 2025 Kshs
Quarter 1	69,159,662	85,502,569
Quarter 2	62,824,471	59,953,918
Quarter 3	183,362,258	192,770,461
Quarter 4	189,868,812	158,833,716
Total	**505,215,203**	**497,060,664**

Notes to the financial statements

23. Cash and Cash Equivalents

Name of Bank, Account No. & currency	Period ended June 2026	FY 2024/2025
	Kshs	Kshs
KCB Makueni County Revenue Account-114075719	407,641	61,868
KCB Directorate of Cooperatives Account-1168389127	0	-
KCB Makueni County Demonstration Revenue collection Account- 1169183565	0	-
KCB Mkn County Sand Consv&Util A Rev Ac-1173940030	236,319	1,868
Cash in hand- Mpesa Makueni Sand Conservation Utility a/c	33,600	1,900
Cash in hand- Mpesa Revenue Utility a/c	431,850	1,188,311
Total	**1,109,410**	**1,253,946**

24. Receivables for non-exchange transactions

Description	Period ended June 2026	FY 2024/2025
	Kshs	Kshs
Receivables		
Land rates	724,388,720	598,699,359
Single/ Business permits	215,063,600	138,486,400
Sub total	**939,452,320**	**737,185,759**
Less impairment Allowance		
Total Current Receivables	**939,452,320**	**737,185,759**

Ageing analysis for Receivables from Non-exchange transactions

Description	FY 2025/2026		FY 2024/2025	
	June 2026	% of the total	Opening Balance	% of the total
	Kshs		Kshs	
Less than 1 year	218,180,671	23%	196,630,966	27%
Between 1- 2 years	184,458,087	20%	191,904,489	26%
Between 2-3 years	173,262,045	18%	107,645,045	15%
Over 3 years	363,551,517	39%	241,005,259	33%
Total (a+b)	**939,452,320**	**100%**	**737,185,759**	**100%**

Notes to the financial statements

Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Impairment allowance/ provision	Period ended June 2026	Prior Year
		Kshs
At the beginning of the period		
Additional provisions during the period		
Recovered during the period		
Written off during the period		
At the end of the period		

25. Receivables from exchange transactions

Description	Period ended June 2026	FY 2024/2025
	Kshs	Kshs
Total receivables		
Property rent	14,943,400	12,425,300
Less: impairment allowance	(0)	(0)
Total receivables	**14,943,400**	**12,425,300**

Ageing analysis for Receivables from exchange transactions

Description	Period ended June 2026		Prior Year	
	FY 2025/2026	**% of the total**	**Opening Statement 1st July 2025**	**% of the total**
	Kshs		**Kshs**	
Less than 1 year	6,080,400	34%	6,384,400	51%
Between 1- 2 years	4,095,100	33%	4,756,100	38%
Between 2-3 years	2,874,600	18%	1,215,800	10%
Over 3 years	1,893,300	15%	69,000	1%
Total (a+b)	**14,943,400**	**100%**	**12,425,300**	**100%**

Notes to the financial statements

Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/ provision	Period ended June 2026
At the beginning of the year/period	
Additional provisions during the period	
Recovered during the period	
Written off during the period	
At the end of the period	

26. Payables- Due To CRF

Payables	Period ended June 2026	FY 2024/2025
	Kshs	Kshs
Amount collected yet to be disbursed to CRF	1,109,410	1,253,946
Amount billed and yet to be collected for disbursement to CRF	954,395,720	749,611,059
Total undisbursed funds to CRF	**955,505,130**	**750,865,005**

11. Appendix 1: Statement of Arrears of Revenue As at 30th June 2026

Classification Of Receipts (Indicate As Applicable)	Balance as at The beginning of the current year (1st July 2025) A	Arrears received during the Period. B	Additions in arrears for the current Period to June 30, 2026 C	Total arrears as at June 30, 2026 D=A+(B)+C	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Land rates	598,699,359	(6,463,810)	132,153,171	724,388,720	Public sensitization to plot owners through market clinics, bulk sms, social media and mainstream media. -Issuance of demand notes.	Over 20% is recoverable.
Single/Business Permits	138,486,400	(9,450,300)	86,027,500.00	215,063,600	-Continuous reminders through bulk sms and market clinics. -Use of revenue champions in the markets to encourage voluntary compliance	Over 40% is recoverable.
Property Rent	12,425,300	(3,562,300)	6,080,400	14,943,400	-Issuance of legal notice by County Attorney to enhance compliance. -Public sensitization to plot owners through Municipalities.	Over 40% is recoverable.
Total Arrears	**749,611,059**	**(19,476,410)**	**224,261,071**	**954,395,720**		

....

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

GOVERNME... COUNTY
DIR... ...UE
13 JUL 2026
P. O. Box 78 - 90300,
MAKUENI.

....

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

Appendix 2: Ageing Analysis of Revenue in Arrears

Description (indicate as applicable)	Less than 1 year	Between 1-2 years	Between 2-3 years	Over 3 years	Total
Land rates	132,153,171	127,376,687	117,899,445	346,959,417	724,388,720
Single/business permits	86,027,500	57,081,400	55,362,600	16,592,100	215,063,600
Property Rent	6,080,400	4,095,100	2,874,600	1,893,300	14,943,400
Total	**224,261,071**	**188,553,187**	**176,136,645**	**365,444,817**	**954,395,720**

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

S/No	Name of person / organisation benefitting from waiver/ variation	Year in which waiver/ variation relates	Amount of variation/ waiver (fee or charge)	Reasons for waiver/ variation	The law in terms of which the variation/waiver was granted

(PFM ACT section 165 subsection 4, 5)

13/7/2026

Sign and date
Accounting Officer