

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF THARAKA NITHI



RECEIVER OF REVENUE

ANNUAL REVENUE STATEMENTS

FOR THE FINANCIAL ENDED

30th JUNE, 2024

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

COUNTY GOVERNMENT OF THARAKA NITHI

COUNTY TREASURY



Telephone: 1513

Email: treasury@tharakanithi.go.ke

REF: TNCG/ACC/VOL.II/26



P. O. BOX 10-60406

KATHWANA

Date: 12th July, 2024

The Auditor General
Office of Auditor General
Embu Hub
P.O. Box 113 - 60100
EMBU

RE: THARAKA NITHI COUNTY RECEIVER OF REVENUE ANNUAL REPORT AND FINANCIAL STATEMENTS FY 2023/24

In accordance to Public Financial Management Act 2012, Section 165 (1), we hereby submit Tharaka Nithi County Receiver of Revenue Annual Reports and Financial Statements for the Year ended 30th June 2024.

Kindly find enclosed copy of the report for your necessary action

Thank you

Lawrence K. Ireri Rweria

CECM- Finance, Economic Planning and Revenue Mobilization

cc

- The Assembly Clerk
- The Director General, Accounting Services and Quality Assurance
- The Commission on Revenue Allocation
- The Controller of Budget

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1. ACRONYMS AND GLOSSARY OF TERMS

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

2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The **Receiver of Revenue** is under the Department of Revenue and Resource Mobilization. At the County Executive Committee level, the **Receiver of Revenue** is represented by the County Executive committee member for County Executive Committee Member Finance, Economic Planning and Revenue Mobilization 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 04th April 2023 by the County Executive Committee member for Finance, in accordance with section 157 of the PFM Act, 2012.

(b) Principal Activities

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

(c) Key Management

The County Government of Tharaka Nithi day-to-day management is under the following key organs:

- County Executive Committee Member Finance, Economic Planning and Revenue Mobilization
- Chief Officer Revenue and Resource Mobilization
- Director Revenue
- Director Accounting Services

(d) Entity Headquarters

County Headquarters Building
Kathwana Town
P.O. Box 10-60406
KATHWANA

(e) County Executive Contacts

Telephone: 1513
Email: info@tharakanithi.go.ke
Website: www.tharakanithicounty.go.ke

(f) Independent Auditors

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

(g) Principal Legal Adviser

The County Attorney
County Government Tharaka Nithi
P.O. Box 10- 60406
KATHWANA

(h) Entity Bankers

- i. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000 - 00200
City Square
NAIROBI

- ii. Co-operative Bank
Chuka Branch
P.O Box 101 - 60400
CHUKA

- iii. Trans Nation Sacco Society Limited
Chuka Branch
P.O. Box 15-60400
CHUKA

- iv. Equity Bank
Chuka Branch
P.O. Box 213 - 60400
CHUKA

3. FOREWARD BY THE CEC MEMBER FINANCE AND ECONOMIC PLANNING

It is my pleasure to present the County Government of Tharaka Nithi – Receiver of Revenue Report and Financial Statements for the year ended **30th June 2024**. The Financial Statements present the financial performance of the Receiver of Revenue over the past three months.

During the year under review, the total own sources revenue amounted to Ksh. 417,346,034 against approved budget of Ksh. 450,570,000 translating to 93% performance level.

The amount remitted to County Revenue Fund (CRF) during the financial year amounted to Ksh. 448,844,478 which included balances brought forward from previous year of Ksh. 33,922,721. The amount yet to be remitted as at end of the year amount to Ksh. 2,295,409

The County Government Own Sources of Revenue recorded significant improvement from the previous year with and the recovery is expected to continue in the following year as more effort is made to achieve the set target. The County has instituted mechanism to seal off leakages of revenue and also persuading the public to honour their bills.

Finally, I take this opportunity to thank His Excellency Governor Muthomi Njuki, Members of County Assembly, county government of Tharaka Nithi employees and all stakeholders including tax payers for supporting the government in its execution of its mandate.

Thank you very much and God bless Tharaka Nithi County



Sign.....

Lawrence K. Ireri Rweria

CECM – Finance, Economic Planning and Resource Mobilization

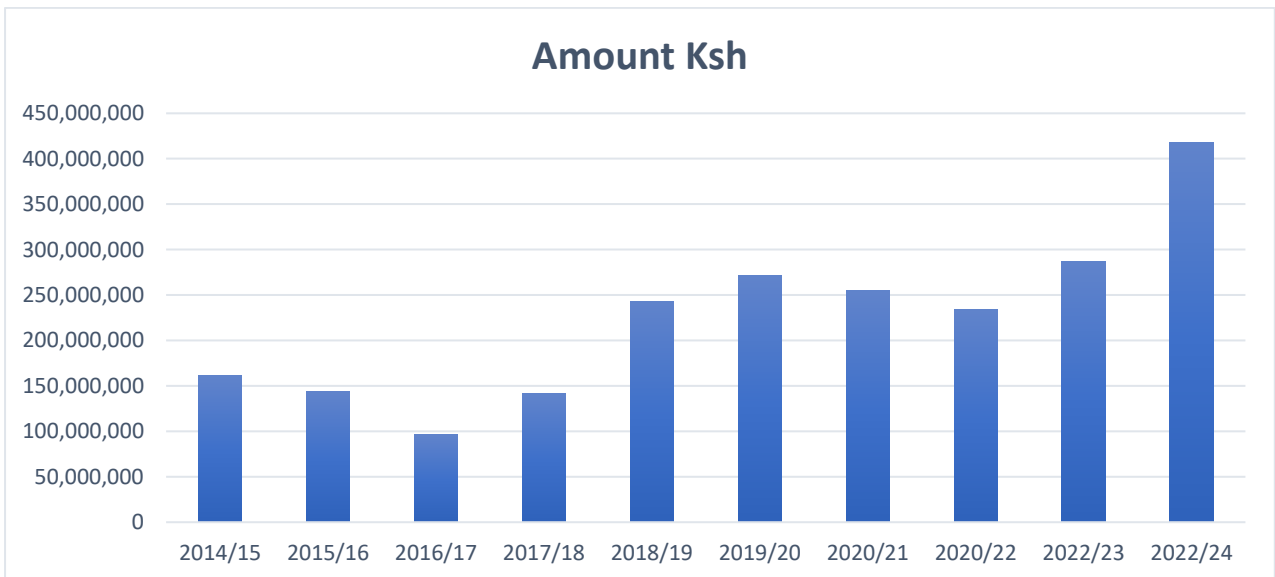
4. MANAGEMENT DISCUSSION AND ANALYSIS

County Government of Tharaka Receiver of Revenue, Revenue Statements for the year ended **30th June 2024**. The Statements present the financial performance of the County Government over the past six months.

The County finances its operations through own generated revenues. These are revenues collected within the County as approved under County Finance Act. The key own source revenue for Tharaka Nithi County included business permits, land rates, building plan approval, advertising fees, cess and various other administrative charges. The County continues to explore new and more innovative ways of increasing its own source of revenue collections.

During the period under review, the own sources of revenue amounted to Ksh. 417,346,034 (Ksh. 286,737,651 FY 2022/23). The Own Sources of revenue has continued to recorded significant recovery compared with previous years. The revenue increased by 65%

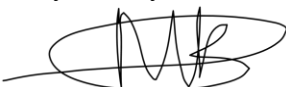
The chart below shows the performance on revenue over last nine years.



Recommended Way Forward

The county government will continue exploring more revenue streams and also enhance collection by enforcing and sealing any leakages

Thank you very much and God bless Tharaka Nithi County


Sign.....
Moses Bundi
Receiver of Revenue

5. STATEMENT OF MANAGEMENT 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 period.

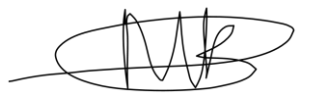
The Receiver of Revenue is responsible for the preparation and presentation of the Receiver of Revenue Account, which give a true and fair view of the state of affairs of the Receiver of Revenue for and as at **30th June, 2024**. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 County Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Receiver of Revenue accepts responsibility for the County Government of Tharaka Nithi financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Receiver of Revenue is of the opinion that the Receiver of Revenue Account give a true and fair view of the state of County Government's transactions during the year ended **30th June, 2024**, and of the County Government's Statement of Assets and Liabilities as at that date. The Receiver of Revenue further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the Receiver of Revenue Accounts as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Revenue Statements were approved and signed by the Receiver of Revenue on **12th July 2024**



Moses Bundi
County Receiver of Revenue

**6. REPORT OF INDEPENDENT AUDITOR ON THE REVENUE STATEMENTS FOR THE
YEAR ENDED 30th JUNE 2024**


The Report of the Auditor General on the County Government of Tharaka Nithi Receiver of Revenue Financial Statement will be published once the exercise is completed

Receiver of Revenue
County Government of Tharaka Nithi
Annual Revenue Statement for the Year Ended 30 June, 2024

7. STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED 30th
JUNE 2024

		2023/2024	2022/2023
County Own Sources of Revenue	Note	Ksh	Ksh
Parking Fees	1	19,823,583	8,684,840
Plot Rent / Land Rates	2	5,952,449	2,789,883
Single Business Permit and Advertisement	3	99,490,434	69,084,571
Barter Market and Slaughter Fees	4	17,934,134	9,688,716
Rent / Lease County Houses and Stalls	5	2,741,160	2,892,341
Livestock and Agriculture Produce Cess	6	7,818,640	1,720,230
Natural Resources Excavation Cess	7	55,827,623	37,432,401
Hospital Fees	8	162,305,020	125,046,463
Property Fees	9	4,396,269	2,178,508
Technical Services (Building Plan Approval)	10	4,704,434	4,246,180
Administration Fees and Charges	11	247,059	1,737,626
Liquor License	12	22,614,311	14,558,000
Veterinary Services	13	6,717,364	5,963,438
Miscellaneous	14	6,773,554	714,454
Total Receipts		417,346,034	286,737,651
Balance B/f at the Beginning of the Year		33,922,721	10,821,176
Less: Bank Charges		(128,868)	(116,232)
Disbursements To CRF		(448,844,478)	(263,519,874)
Balance Due for Disbursement		2,295,409	33,922,721

The accounting policies and explanatory notes to these financial statements form an integral part of the Financial Statements. The Revenue Statements were approved on **12th July 2024** and signed by:



Moses Bundi
County Receiver of Revenue

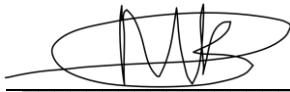


CPA. E.K Nduati
Director Accounting Services
ICPAK Reg No.6720

8. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30th JUNE 2024

	Note	2023/2024	2022/2023
		Ksh	Ksh
Financial Assets			
Cash and Cash Equivalents			
Cash and Bank Balances	15	2,295,409	33,922,721
Total Financial Assets		2,295,409	33,922,721
Financial Liabilities			
Payables-Due to CRF	16	2,295,409	33,922,721
Total Financial Liabilities		2,295,409	33,922,721

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. Tharaka Nithi County Receiver of Revenue Financial Statements were approved on **12th July 2024** and signed by:



Moses Bundi
 Receiver of Revenue



CPA. Nduati E.K.
 Director Accounting Services
 ICPAK Reg.No.6720

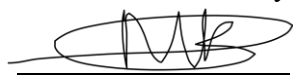
Receiver of Revenue
 County Government of Tharaka Nithi
 Annual Revenue Statement for the Year Ended 30 June, 2024

9. STATEMENT OF COMPARISON OF BUDGET VS ACTUAL AMOUNTS FOR THE YEAR ENDED 30th JUNE 2024

Receipts	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Realisation Difference	% of Realisation
	A	B	c=a+b	d	e=c-d	f=d/c %
County Own Source Revenue	Ksh	Ksh	Ksh	Ksh	Ksh	
Parking Fees	25,000,000	-	25,000,000	19,823,583	(5,176,417)	79%
Plot Rents and Stand Premium	11,672,000	(3,000,000)	8,672,000	5,952,449	(2,719,551)	69%
Single Business Permit, Advertisement	70,000,000	-	70,000,000	99,490,434	29,490,434	142%
Barter Market / Slaughter Fees	24,000,000	3,000,000	27,000,000	17,934,134	(9,065,866)	66%
Rent / Lease County Houses and Stalls	5,000,000	-	5,000,000	2,741,160	(2,258,840)	55%
Livestock and Agriculture Produce Cess	500,000	2,000,000	2,500,000	7,818,640	5,318,640	313%
Natural Resources Excavation Cess	57,000,000	18,000,000	75,000,000	55,827,623	(19,172,377)	74%
Hospital Fees and Charges	122,800,000	27,000,000	149,800,000	162,305,020	12,505,020	108%
Property Fees (Transfer, Search)	12,150,000	(4,330,000)	7,820,000	4,396,269	(3,423,731)	56%
Technical Services and Plan Approvals	3,900,000	6,000,000	9,900,000	4,704,434	(5,195,566)	48%
Administration Fees and Charges	20,000,000	-	20,000,000	247,059	(19,752,941)	1%
Tourism (Mt. Kenya Lodge)	978,000	-	978,000	-	(978,000)	0%
Weights and Measures	300,000	-	300,000	-	(300,000)	0%
Liquor License	22,000,000	-	22,000,000	22,614,311	614,311	103%
Veterinary Services	8,600,000	-	8,600,000	6,717,364	(1,882,636)	78%
Co-operative Services	100,000	-	100,000	-	(100,000)	0%
Miscellaneous	16,000,000	2,000,000	18,000,000	6,773,554	(11,226,446)	38%
Total	400,000,000	50,670,000	450,670,000	417,346,034	(33,323,966)	93%

The accounting policies and explanatory notes to these financial statements form an integral part of the Financial Statements.

Tharaka Nithi County Receiver of Revenue Financial Statements were approved on 12th July 2024 and signed by:



Moses Bundi
 Director Revenue



CPA. Nduati E.K
 Director Accounting Services
 ICPAK Reg. No. 6720

