

REPUBLIC OF KENYA



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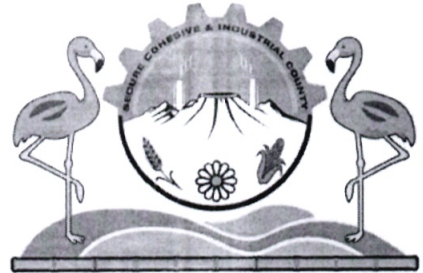
THE AUDITOR-GENERAL

ON

NAKURU COUNTY EMERGENCY
FUND

FOR THE YEAR ENDED
30 JUNE, 2023

PAPERS LAID	
DATE	19/03/2024
TABLED BY	ML
COMMITTEE	-
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NAKURU COUNTY EMERGENCY FUND

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2023**

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

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1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
CEO	Chief Executive Officer
NAWASCO	Nakuru Water and Sanitation Company
CECM	County Executive Committee Member
DoB	Date of Birth
CO	Chief Officer
PGH	Provincial General Hospital
TUK	Technical University of Kenya

b) Glossary of Terms

Fiduciary Management The key management personnel who had financial responsibility
Provide a list of Acronyms and Key terms used in the financial report as per above example. The list to be exhaustive)

NAKURU COUNTY EMERGENCY FUND

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2. Key Entity Information and Management

a) Background information

Nakuru County Emergency Fund derives its authority and accountability from Section 167 of The Public Finance Management Act (No. 18 of 2012). It was established by The Nakuru County Emergency Act 2016, on 24th March 2016. The Fund is wholly owned by the County Government of Nakuru and is domiciled in Kenya.

The fund's objective is to enable payments to be made by the county when an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority or appropriation of funds.

The Fund's principal activity is to administer the County Government Emergency fund for the county government in accordance with a framework and criteria approved by the county assembly.

b) Principal Activities

The principal activity/mission/ mandate of the Fund are:

- The management of the fund and approval of expenditure
- Ensuring the maintenance of books of account for the fund
- Ensuring that any withdrawal of money from the fund meets the requirements of the Act and regulations

In consultation with the county secretary, ensuring that the sub-county disaster response teams are adequately facilitated to perform their functions.

c) Fund Administration Committee

Ref	Name	Position
1	Mr. S. Iribe Njogu	Chairman
2	Joseph Malinda	Fund Secretary
3	Wilson Mungai	Fund Accountant
4	Kennedy Barasa	Member
5	Margaret Wanjiru	Member
6	Dr. John Mwangi Murima	Member
7	Charles Koech	Member
8	Alice Abuki	Member
9	Catherine Changwony	Member
10	Kamau Kuria	Member
11	Bernard Sang	Member
12	Kennedy Kambo	Member
13	Joyce Ncece	Member
14	Bernard Kurgat	Member
15	Michael Kiplan'gat	Member
16	Everline Kakai	Member
17	Newton Mwaura	Member

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d) Key Managements team

Ref	Name	Position
1.	Mr. S. Iribe Njogu	Chairman
2.	Joseph Malinda	Fund Secretary
3.	Wilson Mungai	Fund Accountant

e) Fiduciary Oversight Arrangements

SN	Position	Description
1	Directorate Internal Audit	The County has Internal Audit department responsible for ensuring proper recording of all books of Account
2	Emergency Fund Advisory Committee	-The County Assembly is vested with oversight role of all activities in the County. - Audit and finance committee activities

f) Registered Offices

P.O. Box 2870-20100
New town hall building
Moi road
Nakuru, Kenya

g) Fund Contacts

Telephone: (254) 0512216472

E-mail: info@nakuru.go.ke

Website: www.nakuru.go.ke

h) Fund Bankers

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

2. National Bank of Kenya
Head Office National Bank Building
Harambee Avenue
P.O Box 72866-00200
Nairobi

i) Independent Auditors

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

j) Principal Legal Adviser

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



k) County Attorney

P.O. Box 2870-20100
New town hall building
Moi road
Nakuru, Kenya

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3. Fund Administration Committee

Ref	Name	Position
1	 <p>S. Iribe Njogu Fund Chairman/Administrator D.o.B 20/06/1983</p>	<p>Mr S. Iribe Njogu holds an Associate of Science from Kwame Nkruma University of Science & Technology in Business Administration</p> <p>He also holds a Diploma in Applied Biology from Mombasa Polytechnic University College.</p> <p>He is a former Managing Director at XPD Limited Accra.</p> <p>Former CEO Soft Ventures East African Limited; Nakuru, Nairobi, Kampala.</p> <p>He has over 10 years' experience in private sector.</p> <p>He is currently the CECM Finance and Economic Planning.</p>
2	 <p>Joseph Malinda Fund Secretary DoB: 27/12/1969</p>	<p>Joseph Malinda Holds a Master's Degree in Business Management from Kenyatta University, A Bachelors of Law Degree from University Of Nairobi, Diploma in-Law from Kenya School of Law.</p> <p>He is a Certified Public Secretary (CPS (K)) and an Advocate of the High Court of Kenya.</p> <p>He has served the County Assembly of Nakuru as Clerk and Secretary to the County Assembly Service Board. He has previously service various Defunct Local Authorities as the Chief Executive/ Clerk to Council, Kenya Anti-Corruption Authority as an Attorney and Office of the Attorney General as a State Counsel (Public Prosecutions).</p> <p>He currently is the Chief Officer – Finance</p>

<p>3</p>	 <p>Mr. Charles Koech DoB: 12/12/1968 Member</p>	<p>Charles Koech holds an Education degree from University of Nairobi, a diploma in education from Kisii University.</p> <p>He has been an Education Administrator, Principal with 15 of years' experience and 13 years' experience as a teacher in various levels.</p> <p>He currently is the Chief Officer Administration & Devolution</p>
<p>4</p>	 <p>Mr. Kennedy Barasa DoB: 21/01/1989 Member</p>	<p>Kennedy Barasa holds a Bsc. Fisheries and Aquatic Sciences degree from University of Eldoret.</p> <p>He Currently is undertaking Masters in Business Administration (Strategic Management) at Kabarak University.</p> <p>Previously, he worked as the lead team for Youth Affairs and Education in the NG-CDF, Molo Constituency as a Board Member.</p> <p>Currently, he is the Chief Officer for Environment, Energy, Natural Resources and Climate Change.</p>
<p>5</p>		<p>Dr John Murima, is a chief Medical Specialist in Obstetrics & Gynaecologist.</p> <p>He holds a Bachelor of Medicine & Bachelor of Surgery, Master of Medicine (OB/GYN), Master of Business Administration in Healthcare Management.</p> <p>He has a wide experience in management of Health facilities having been Medical superintendent of, Chuka, Naivasha, Nakuru PGH, Othaya level 6 & Pumwani Maternity Hospitals.</p>

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	<p>Dr. John Mwangi Murima DoB: 26/09/1968 Member</p>	<p>Currently, Chief Officer Medical services, Nakuru County</p>
<p>6</p>	 <p>Ms Alice Abuki DoB: 26/02/1985 Member</p>	<p>Ms Alice Abuki holds a Bachelor's of commerce degree, and Master of Business administration with specialization in strategic management from Kenyatta University. She also has a Higher Diploma and Master of Community Health and Development from Great Lakes University of Kisumu. She has previously worked as a Chief Officer of Health and Medical Services in Kisii County. She served as a Lecturer and Academics Coordinator at the Tropical Institute of Community Health and Development of Great Lakes University of Kisumu. She is currently the Chief Officer Public Health</p>
<p>7</p>	 <p>Ms Catherine Changwony DoB: 20/04/1976 Member</p>	<p>Ms Catherine Changwony holds a MSC. Geographical Information System(GIS)&Remote Sensing from Dedan Kimathi University of Technology(DeKUT), Bachelor of Philosophy Land Surveying Technology-Technical University of Kenya (TUK), Diploma and Higher National Diploma in Land Surveying-Kenya Institute of Surveying & Mapping (KISM). She is also a graduate member of Institution of Surveyors of Kenya(ISK) Previous she worked in the Ministry of Land & Physical Planning-Land Surveyor (Department of Land Adjudication & Settlement) & Former Chief Officer Land Housing & Urban Development (Baringo County)</p> <p>Currently Chief Officer Lands & Physical Planning(Nakuru county)</p>



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8	 <p>Mr. Kamau Kuria DoB: 01/06/1972 Member</p>	<p>Mr Kamau Kuria holds a Bachelors degree in Architecture, from Jomo Kenyatta University of Agriculture and Technology, Master in Business Administration from KCA University and currently finalizing PhD in Project management from JKUAT. He is an Aspen Fellow and has worked previously with Nairobi City Planning, and Urban Head of Practical Action (UK). He has served as a non-executive director of Geothermal Development Company and also Nakuru City Board.</p> <p>Currently serving as Chief Officer, Housing and Urban Development.</p>
9	 <p>Mr. Bernard Sang DoB: 25/09/1968 Member</p>	<p>Bernard Sang holds a Bachelor of Arts Degree in Building Economics from the University of Nairobi and is a Registered Quantity Surveyor with the Board of Architects and Quantity Surveyors (BORAQS)</p> <p>He has practised Quantity surveying and project management for over 30 years. He has served in the past as a board member in the Boards of Kenya Pipeline Company and Kenya Forest Services</p> <p>He is currently the Chief Officer Public Works</p>
10	 <p>Mr. Mugo Kennedy Kambo DoB: 15/08/1985 Member</p>	<p>Mr. Mugo Kennedy Kambo Holds a Bachelor of Commerce (Finance) degree from the Jomo Kenyatta University of Agriculture and Technology. He is currently pursuing Certified Public Accountants Examinations.</p> <p>He is also undertaking Masters in Business Administration at the Strathmore University.</p> <p>He has worked at the Kenya Wildlife Service at the Credit controller's office, the National Hospital Insurance Fund and The Rural</p>



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	<p>Mr. Kennedy Kambo DoB: 14/11/1990 Member</p>	<p>Electrification and Renewable Energy Corporation as an Accountant. He is currently serving as the County Chief Officer for Roads and Public Transport in Nakuru County.</p>
<p>11</p>	 <p>Margaret Wanjiru DoB: 04/11/1984 Member</p>	<p>Engineer Margaret Kinyanjui holds a Bachelor’s degree in water and environmental engineering from Egerton university and a master’s degree in project management from Jomo Kenyatta University of Science and Technology (JKUAT) and currently pursuing PHD in project management at JKUAT.</p> <p>She has over 10 years of experience in the Kenyan water service provision sector in management level. Previously she was the technical manager for Nyahururu water and sanitation co. ltd , as technical manager at Nanyuki water and sanitation co. ltd and most recently as the technical manager at NAWASCO .</p> <p>She is currently the chief officer - Water and Sanitation department in Nakuru county</p>
<p>12</p>	 <p>Joyce Neece DoB: 11/11/1974</p>	<p>Ms Joyce Neece holds Degree in Clinical Medicine and community health - Mt kenya university Master’s degree in health economics and policy from the University of Nairobi.</p> <p>Diploma in clinical medicine and surgery - Kenya medical training college and diploma in project management- Kenya institute of management (KIMS)</p> <p>She has previously Worked at, City park hospital, Nairobi Sulmac cottage hospital- Naivasha, Sher hospital - Naivasha Beautyline flower farm, Naivasha</p>



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	Member	St. Francis girls Xavier girls, She is currently the Chief Officer Disaster preparedness
13	 Richard Kurgat DoB: 01/05/1989 Member	Mr. Richard Kurgat Holds a Diploma in Farm Resource Management, BSc Agribusiness Management and MSc in Agricultural and Applied Economics from Egerton University. He is the immediate former MCA Kiptororo ward Kuresoi North and was the Vice Chair Finance committee at County Assembly Currently Chief Officer Agriculture
14	 Dr. Michael Kiplan'gat DoB: 01/01/1960 Member	Dr. Michael Kiplangat holds a degree in Veterinary Medicine from the University of Nairobi, Masters in Environmental science, Business administration and PHD in Disaster management and humanitarian assistance He previously worked as a veterinary officer in; Nyeri Nyandarua in Kinangop division, in Kericho at Sotik, Bomet and Koibatek district. In Nakuru District as District Veterinary officer and in Kabete as a Senior deputy director veterinary services . He is the Chief Officer Livestock Development & Veterinary Services

NAKURU COUNTY EMERGENCY FUND

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15	 <p>Everline Kakai DoB: 09/05/1972 Member</p>	<p>Ms Everline Kakai holds a Bachelor of commerce from Egerton University and Masters in Business Administration in Kabarak University (On-going). She is a Certified Public Accountant (CPAK), Certified Secretary (CS) and Certified Procurement and Supply Professional (CPSP). She has previously worked at Nakuru County Government as Head of Accounting Unit, Bungoma County Government as the County Executive Committee Member for Gender, Youth Culture, Sports and Social Services. She is currently the Chief Officer Economic planning.</p>
16	 <p>Mr. Newton Mwaura DoB: 28/08/1985 Member</p>	<p>Newton Mwaura holds a Bachelor's Degree in Finance from Egerton University currently finalizing an MBA in Strategic Management from Jomo Kenyatta University of Agriculture and Technology.</p> <p>He has previously worked with Standard Chartered Bank, NGO's in Puntland State of Somalia and is an experienced Administrator with Nakuru County Government.</p> <p>In the community he has been the Chairperson Board of Management King David Secondary School Bahati.</p> <p>He is currently serving as the Chief Officer Office Of The Governor, Nakuru County</p>

4. Management Team

	Name	Details of qualifications and experience
1	 <p>S. Iribe Njogu Fund Chairman/Administrator</p>	<p>Mr S. Iribe Njogu holds an Associate of Science from Kwame Nkruma University of Science & Technology in Business Administration</p> <p>He also holds a Diploma in Applied Biology from Mombasa Polytechnic University College.</p> <p>He is a former Managing Director at XPD Limited Accra.</p> <p>Former CEO Soft Ventures East African Limited; Nakuru, Nairobi, Kampala.</p> <p>He has over 10 years' experience in private sector.</p> <p>He is currently the CECM Finance and Economic Planning.</p>
2	 <p>Joseph Malinda Fund Secretary</p>	<p>Mr. Joseph Malinda Holds a Master's Degree in Business Management from Kenyatta University, A Bachelors of Law Degree from University Of Nairobi, Diploma in-Law from Kenya School of Law.</p> <p>He is a Certified Secretary (CS) and an Advocate of the High Court of Kenya.</p> <p>He has served the County Assembly of Nakuru as Clerk and Secretary to the County Assembly Service Board. He has previously service various Defunct Local Authorities as the Chief Executive/ Clerk to Council, Kenya Anti-Corruption Authority as an Attorney and Office of the Attorney General as a State Counsel (Public Prosecutions).</p> <p>He currently is the Chief Officer – Finance</p>

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3	 <p>Wilson Mungai Fund Accountant</p>	<p>Wilson Mungai holds a Master’s Degree from KEMU university and a Bachelor of Arts Degree from the University of Nairobi.</p> <p>He is a Certified Public Accountant- CPA (K) and Certified Secretary-CS.</p> <p>He previously was the treasurer Naivasha Municipal Council and was Ag. Chief Officer Finance from August 2022 to Dec 2022.</p> <p>He currently is the Director of Finance Nakuru County a position he has held from 2013 to date.</p>
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5. Fund Chairperson's Report

I am pleased to present to you the Chairman's report for the financial year 2022-2023. During the year, the fund was managed by two chairmen namely Mr Joseph Kiuna (1st July 2022- 15 Dec 2022) and Mr Stephen Njogu Iribe (15 Dec 2022- 30 June 2023).

Changes in the Fund during the year

There were no changes in the Key Management team of the fund

Review of the Fund's performance

Kshs 10,000,000 paid to merchants for good supplied to the needy cases against Kshs 84,929,422 of last financial. This was occasioned by delayed settling in of fund committee members and delayed disbursement form the county treasury.

The fund accounts for the period ended 30th June 2023 showed a surplus of Ksh. 59,988,592.

Future outlook of the Fund

The Fund will strive to ensure that it is managed prudently and ensuring the Nakuru County community at large obtain assistance from the County Government as and when needed.

Name Mr. S. Iribe Njogu

Signature.....Date.....

Chairperson of the Fund

NAKURU COUNTY EMERGENCY FUND
Annual Report and Financial Statements For the ended Year ended June 30, 2023

6. Report of the Fund Administrator

I wish to present to you my report as the fund administrator of Nakuru County Emergency Fund for the financial year ended 30th June 2023. I will start by highlighting the formation and activities of the fund.

This scheme was established through The Public Finance and Management (Nakuru County Emergency Fund) Act of, 2016. The sole objective of the fund is availing funds for emergency use. The fund is administered through National Bank who are the Bankers and managed by the fund management committee.

The fund management committee comprise of the following:

Ref	Name	Position
1.	Mr. S. Iribe Njogu	Chairman
2.	Joseph Malinda	Fund Secretary
3.	Wilson Mungai	Fund Accountant

Being that the fund handles emergencies, occurrences are vetted by the management committee to ensure they fall within the threshold of being an emergency. Payments to contractors/ Merchants are done on a timely manner.

The fund accounts for the period ended 30th June 2023 showed a surplus of Ksh. 59,988,592.

Kshs 10,000,000 paid to merchants for good supplied to the needy cases against Kshs 84,929,422 of last financial..

It is the responsibility of the committee to ensure that the Act adhered to.

Finally, I wish to assure all members that we are committed in ensuring that the fund in managed in a transparent and accountable manner.

Name: Mr. S. Iribe Njogu

Signature.....Date.....

Chairperson of the Fund

7. Statement of Performance against the County Fund’s Predetermined Objectives

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity’s performance against predetermined objectives.

The key development objectives of the Fund as per the strategic plan for (2023-2027) are to:

- a) *Ensure availability of emergency resources in case of an emergency occurrence it is handled promptly*

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Nakuru County Emergency Fund	To ensure all Emergencies are handled as they occur	Emergencies handled	Successful Management of an emergency	During FY ,5 emergencies occurred and were handled successfully

8. Corporate Governance Statement

Section 166 of the PFM Act 2012 requires that an Accounting Officer for a Nakuru County Emergency Fund prepares a report for each quarter of the financial year in respect of the Nakuru County Emergency Fund. The County Executive Committee (CEC) member for finance being the head of the County Treasury is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the Quarter ended on June 30th 2023. This responsibility includes:

- Roles and Functions of the Board

The fund is managed by Board of trustees and a Management board whose role is:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Government;
- (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.

- Committee Members

Being a new fund, currently no Remuneration is paid out to the Members and the Management team

- Committee meetings held and those in-attendance

There were a number of committee meetings held to approve expenses as situations occurred

A total of Kshs 10,000,000 was approved for expenses and purchases that were incurred

9. Management Discussion and Analysis

• Financial Performance and Operations

Financial operations in broader sense refer to the degree to which financial objectives being or have been accomplished. It is used to measure firm's overall financial health over a given period of time.

Financial performance analysis includes analysis and interpretation of financial statements in such a way that it undertakes full diagnosis of the financial soundness of the fund. As it is, the fund is performing well financially and its operations within the scoop of the fund.

• Compliance with statutory requirements

The fund Committee and Management team have generally complied with statutory requirements

• Major Risks facing the fund

- Risk Management Techniques: One key to controlling financial management risks is the development and use of effective internal controls. Which involve general management controls and accounting controls.
- Misuse of funds: The board is responsible for ensuring that the fund expenditure/expenses stays focused on its mission. An excellent way to monitor progress is through its use of funds.
- General Management control: General management controls consist of the board's and senior management's responsibilities for establishing the proper oversight of financial operations. The board should require clear and informative financial reports and statements on a regular basis.

10. Environmental and Sustainability Reporting

➤ Sustainability strategy and profile

Nakuru County Emergency Fund will focus on sustainability as a key driver in its own activities. We are committed to improving the environmental performance of our office-based activities, and to be leaders in best practice environmental management of these. This forms a key component of our commitment to demonstrate good environmental practice in our own operations.

To do this we will establish appropriate procedures and practices to minimise the consumption of energy, water, paper and minimise the generation of waste, associated with our office- based activities. These will include:

- Reducing energy, water and paper intensity of our office-based operations.
- Reducing the amount of waste we produce, and maximising the amount reused and recycled.
- Separating our office waste into reusable, recyclable, compost and true waste components.
- Communicating our environmental performance through regular reporting.
- Striving for continual improvement in our environmental performance through generating awareness, and encouraging participation and feedback.

➤ Environmental performance

It is believed that the environment is the most significant global issue in a way that societal demands are, alongside legislative rules, becoming a greater force in the environmental work made by companies. Adoption of Environmental management assists in:

- Helps in identifying opportunities,
- Can improve efficiency

With consequences of non -compliance being fines and sanctions

➤ Employee welfare

Nakuru County Emergency fund has no employees directly under the fund.

➤ Market place practices

The organisation should outline its efforts to:

- a) Responsible competition practice.
 - A healthy competitive environment is done through open bids whereby all stakeholders are present during tender opening
 - During Emergencies we purchase commodities at the prevailing market prices as guided by Public Procurement and Regulatory Authority (PPRA).
- b) Responsible Supply chain and supplier relations-
 - Nakuru County Emergency fund ensures competitive bidding during the sourcing of items to be supplied.
 - Payments are done in a timely manner on a first in first out basis.
- c) Product stewardship-
 - Nakuru County emergency fund committee ensures that items purchased are priced fairly as per the existing market prices

- They also ensure that items purchased are fit for human consumption and usage

Corporate Social Responsibility / Community Engagements

Corporate social responsibility is a corporate initiative to assess and take responsibility to the society for our impact on social welfare. The term generally applies to the efforts that go beyond what may be required by regulators or environmental protection groups.

As a Corporate Social Responsibility of the County Government of Nakuru Emergency Fund, the following activities were undertaken:

- Supply of foodstuff and household items to Nakuru County constituents as donations.
- Emergency response to individuals affected by sporadic flooding.

NAKURU COUNTY EMERGENCY FUND

Annual Report and Financial Statements For the ended Year ended June 30, 2023

The Trustee submit their report together with the audited Financial Statements for the year ended June 30, 2023 which shows the state of the Fund Affairs

Principal activities

The principal activities of the fund are:

- The management of the fund and approval of expenditure
- Ensuring the maintenance of books of account for the fund
- Ensuring that any withdrawal of money from the fund meets the requirements of the Act and Regulations

Results

The result of the Fund for the year ended June 30, 2023 are as set out on page 1-6

Trustee

The members of the Fund Administration Committee and management who served during the era are shown on pages (vii- xiii) and (xiv-xv) respectively. The changes in the board during the financial year are as shown below

Auditors

The auditor General is responsible for the statutory audit of the Fund in accordance with article 229 of the Constitution of Kenya and the Public Audit Act 2015

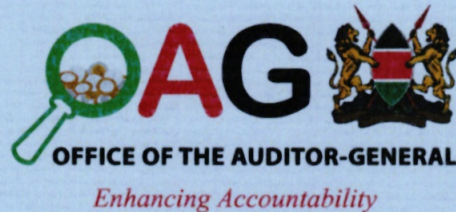
By Order of the Board



.....
Chair of the Board/Fund Administration Committee
Date

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NAKURU COUNTY EMERGENCY FUND FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Nakuru County Emergency Fund set out on pages 1 to 39, which comprise the statement of financial position as at

30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Nakuru County Emergency Fund as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Public Finance Management Act, 2012 and the Nakuru County (Emergency Fund) Regulations, 2016.

Basis for Qualified Opinion

Unsupported Transfers from County Government

The statement of financial performance and as disclosed in Note 2 to the financial statements reflects Kshs.70,000,000 in respect to transfers from the County Government. However, receipt vouchers and bank statements in support of the receipt were not provided for audit review.

In the circumstance, the accuracy and completeness of transfers from the County Government of Kshs.70,000,000 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Nakuru County Emergency Fund Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my Qualified Opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no other key audit matters to report in the year under review.

Other Matter

Unresolved Prior year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or given any explanation

for the failure to adhere to the provisions of the Public Sector Accounting Standards Board template.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unapproved Emergency Fund Expenditure

The Statement of Financial Performance reflects use of goods and services amounting to Kshs.10,011,408. However, the Executive Committee Member for Finance and Economic Planning did not seek approval from the County Assembly on the monies withdrawn from the Fund. Further, the Executive Committee Member did not cause a draft of the Appropriation Bill to the County Assembly for the appropriation of the money paid and for the replenishment of the Emergency Fund to the extent of the amount of payment. This is contrary to Section 13(1)(3) of the Nakuru County (Emergency Fund) Regulations, 2016 which requires Executive Committee Member for Finance and Economic Planning to seek approval of the County Assembly within two months after payment have been made from the Emergency Fund.

In the circumstances, Management was in breach of the law.

2. Irregular Emergency Expenditure

The statement of financial performance reflects use of goods and services totalling to Kshs.10,011,408 relating to general office expenses (emergency supplies) as disclosed in Note 7 to the financial statements. The amount includes an expenditure of Kshs.10,000,000 incurred on the purchase of goods whose expenditure was not of emergency nature. This is contrary to Section 112(1) of the Public Finance Management Act, 2012 which requires the County Executive Committee member for finance to make payments from the county government's Emergency Fund only if he or she is satisfied that there is an urgent and unforeseen need for expenditure for which there is no legislative authority. Further, the goods were directly procured. This is contrary to Section 103 (2) (b) of the Public Procurement and Asset Disposal Act, 2015 which allows use of direct procurement method owing to a catastrophic event, there is an urgent need for the goods, works or services, making it impractical to use other methods of procurement because of the time involved in using those methods.

Under the circumstances, Management was in breach of the law.

3. Under-Funding of the Emergency Fund

The statement of financial performance reflects transfers from the County Government amount of Kshs.70,000,000 or 0.33 % of County Executive approved budget of Kshs.21,209,698,916. This is lower than the threshold set of at least 0.5 per cent of the county's budget by Section 3 (3) of the Nakuru County Emergency Fund regulations, 2016 states that the County Assembly shall in appropriating monies ensure that the monies within the Fund. In the year under review the funding would have been at least Kshs.106,048,495 resulting to underfunding of Kshs.36,048,495.

In the circumstances, Management was in breach of the law.

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

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that Internal Controls, Risk Management and Governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective Internal Controls as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of Internal Controls, Risk Management and Governance.

In preparing the financial statements, the Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to

sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of Internal Controls, Risk Management and Governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the Internal Controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not

reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, Internal Controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

21 February, 2024

12. Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by *Emergency Fund Act of 2016* shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2023. 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 Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *Emergency Fund Act of 2016*. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2023, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

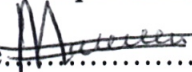
In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. OR

Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund’s financial statements were approved by the Board on _____ 2023 and signed on its behalf by:

Name Mr. Joseph Malinda

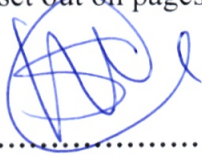
Signature:  Date: 8.12.23


Administrator of the County Public Fund

12.1. STATEMENT OF FINANCIAL PERFORMANCE FOR YEAR ENDED ON June 30 2023

	Note	FY 2022/2023	FY 2021/2022
		KShs	KShs
Revenue from non-exchange transactions			
Public contributions and donations	1	-	-
Transfers from the County Government	2	70,000,000	70,000,000
Fines, penalties and other levies	3	-	-
Revenue from exchange transactions			
Interest income	4	-	-
Other income	5	-	-
Total revenue		70,000,000	70,000,000
Expenses			
Fund administration expenses	6	-	-
Use of Goods and Services	7	10,011,408	84,929,422
Depreciation and Amortization Expense	8		
Finance costs	9	-	-
Total expenses		10,011,408	84,929,422
Other gains/losses			
Gain/loss on disposal of assets	10	-	-
Gain/loss on disposal on fair value of investments	11		
Surplus/(deficit) for the period		59,988,592	(14,929,422)

The notes set out on pages 20 to 30 form an integral part of these Financial Statements

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 Fund Chairperson
 Name: Mr. S. Iribe Njogu
 CECM-Finance & Economic Planning

.....

 Fund Accountant
 Name: Wilson Mungai
 ICPAK Member Number: 7241

NAKURU COUNTY EMERGENCY FUND

Annual Report and Financial Statements For the ended Year ended June 30, 2023

13. Statement of Financial Position As at 30 June 2023

	Note	FY 2022/2023	FY 2021/2022
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	12	60,086,330	97,738.00
Current portion of long term receivables from exchange transactions	13	-	-
Prepayments	14	-	-
Inventories	15	-	-
Investment in financial assets	16		
Non-current assets			
Property, plant and equipment	17	-	-
Intangible assets	18	-	-
Long term receivables from exchange transactions	13		-
Investment property	19		
Total assets		60,086,330	97,738.00
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	20	-	-
Current portion of borrowings	21	-	-
Employee benefit obligations	22	-	-
Social Benefit Liabilities	23	-	-
Total Current Liabilities			
Non-current liabilities			
Long term portion of borrowings	21	-	-
Non-current employee Benefit Obligations	22	-	-
Social Benefit Liabilities	23		
Total liabilities		-	-
Net assets			
Revolving Fund		-	-
Reserves		-	-
Accumulated surplus		60,086,330	97,738.00
Total net assets and liabilities		60,086,330	97,738.00

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 _____ 2023 and signed by:

.....
Fund Chairperson
Name: Mr. S. Iribe Njogu
CECM-Finance & Economic Planning

.....
Fund Accountant
Name: Wilson Mungai
ICPAK Member Number: 7241

NAKURU COUNTY EMERGENCY FUND**Annual Report and Financial Statements For the ended Year ended June 30, 2023****14. Statement Of Changes in Net Assets for the year ended 30th June 2023**

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2022	-	-	97,738.00	97,738.00
Surplus/(deficit) for the period	-	-	-	-
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2022	-	-	97,738.00	97,738.00
Balance as at 1 July 2022	-	-	97,738.00	97,738.00
Surplus/(deficit) for the period	-	-	59,988,592.00	59,988,592.00
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2023	-	-	60,086,330 .00	60,086,330.00

NAKURU COUNTY EMERGENCY FUND**Annual Report and Financial Statements For the ended Year ended June 30, 2023****15. Statement of Cash Flows for The Year Ended 30 June 2023**

	Note	FY 2022/2023	FY 2021/2022
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the County Government		70,000,000	70,000,000
Interest received		-	-
Receipts from other operating activities		-	-
Total Receipts		70,000,000	70,000,000
Payments			
Fund administration expenses		-	-
General expenses		10,011,408	84,929,422
Finance cost		-	-
Total Payments		10,011,408	84,929,422
Net cash flows from operating activities	21	59,988,592	-14,929,422
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		59,988,592.00	-14,929,422
Cash and cash equivalents at 1 JULY 2022	11	97,738.00	15,027,160.00
Cash and cash equivalents at 30 JUNE 2023	11	60,086,330.00	97,738

16. Statement Of Comparison Of Budget And Actual Amounts For The Period

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilisation
	2023	2023	2023	2023	2023	2023
	KShs	KShs	KShs	KShs	KShs	
Revenue						
Public contributions and donations	-	-	-	-	-	#DIV/0!
Transfers from County Govt.	70,000,000.00	97,738.00	70,097,738.00	70,097,738.00	-	1
Interest income	-	-	-	-	-	#DIV/0!
Other income	-	-	-	-	-	#DIV/0!
Total income	70,000,000.00	97,738.00	70,097,738.00	70,097,738.00	-	1
Expenses						
Fund administration expenses	-	-	-	-	-	#DIV/0!
General expenses	70,000,000.00	97,738.00	70,097,738.00	10,011,408.00	60,086,330.00	0
Finance cost	11,408.00	-	11,408.00	-	-	-
Total expenditure	70,011,408.00	97,738.00	70,109,146.00	10,011,408.00	60,086,330.00	0
Surplus for the period	(11,408)	-	(11,408)	60,086,330.00	60,086,330.00	-

Budget notes

- Balance at the end of the financial year was Kshs 60,086,330 having spent Kshs 10,000,000 on Merchants for emergency items supplied and Kshs 11,408 on Bank charges.

17. Notes to the Financial Statements

1. General Information

Emergency Fund is established by and derives its authority and accountability from 2016 Act. The entity is wholly owned by the Nakuru County Government and is domiciled in Kenya. The entity's principal activity is:

- a) The management of the fund and approval of expenditure
- b) Ensuring the maintenance of books of account for the fund
- c) Ensuring that any withdrawal of money from the fund meets the requirements of the Act and regulations
- d) In consultation with the county secretary, ensuring that the sub-county disaster response teams are adequately facilitated to perform their functions.

2. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

- (i) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023*

Standard	Effective date and impact
IPSAS 41: Financial Instruments	Applicable: 1st January 2023 The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.

Standard	Effective date and impact
	<p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.</p>

(ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
<p>IPSAS 43</p>	<p>Applicable 1st January 2025</p> <p>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</p>

NAKURU COUNTY EMERGENCY FUND

Annual Report and Financial Statements For the ended Year ended June 30, 2023

Standard	Effective date and impact:
	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.

(iii) Early adoption of standards

The Nakuru County Emergency Fund did not adopt any amended standards in year 2023.

2. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

ii. Revenue from exchange transactions

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.

b) Budget information

The original budget for the period ending 30th June 2023 was approved by the County Assembly on 8th June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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.

Summary of Significant Accounting Policies (Continued)

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 financial performance has been presented under section 13.1 of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

a) Intangible Assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

b) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Summary of Significant Accounting Policies (Continued)

c) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Summary of Significant Accounting Policies (Continued)

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Significant Accounting Policies (Continued)

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

d) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

e) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

f) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

h) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

i) Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

j) Employee benefits – Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

Summary of Significant Accounting Policies (Continued)

k) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

l) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

m) Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

n) 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 amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

o) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

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.

State all judgements, estimates and assumptions made e.g.

a) 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 consolidated 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. IPSAS 1.140.

b) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

c) 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.

NAKURU COUNTY EMERGENCY FUND
Annual Report and Financial Statements For the ended Year ended June 30, 2023

6. Notes To The Financial Statements

1. Public contributions and donations

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

(Provide brief explanation for this revenue)

2. Transfers from County Government

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Transfers From County Govt. –Operations	70,000,000	70,000,000
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	70,000,000	70,000,000

3. Fines, penalties and other levies

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

(Provide brief explanation for this revenue)

4. Interest income

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Interest Income from Mortgage Loans	-	-
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-
Total Interest Income	-	-

NAKURU COUNTY EMERGENCY FUND
Annual Report and Financial Statements For the ended Year ended June 30, 2023

(Provide brief explanation for this revenue)

Notes to the Financial Statements Continued

5. Other income

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified. Disclose write backs if any or recoveries from write offs).

6. Employee Costs

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other <i>(Specify)</i>	-	-
Total	-	-

7. Use of Goods and Services

Description	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
General Office Expenses(Emergency Supplies)	10,011,408.00	84,929,422.00
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	-	-
Bank Charges	-	-
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-

NAKURU COUNTY EMERGENCY FUND**Annual Report and Financial Statements For the ended Year ended June 30, 2023**

Description	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (<i>Specify</i>)	-	-
Social benefit expenses*	-	-
Total	10,011,408.00	84,929,422.00

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42

8. Depreciation and Amortization Expense

Description	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

9. Finance costs

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Bank Ledger Fee Charges	-	-
Interest On Loans From Banks	-	-
Total	-	-

10. Gain/(loss) on disposal of assets

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-

NAKURU COUNTY EMERGENCY FUND**Annual Report and Financial Statements For the ended Year ended June 30, 2023**

Total	-	-
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11. Gain/ (loss) on Fair Value Investments

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

12. Cash and cash equivalents

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Car Loan Account	-	-
County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	60,086,330.00	97,738.00
Others (<i>Specify</i>)	-	-
Total Cash And Cash Equivalents	60,086,330.00	97,738.00

NAKURU COUNTY EMERGENCY FUND**Annual Report and Financial Statements For the ended Year ended June 30, 2023****Notes to the Financial Statements Continued**

Detailed analysis of the cash and cash equivalents are as follows:

Financial Institution	Account number	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
Sub- Total		-	-
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
c) Current Account			
National Bank of Kenya	01001124684400	60,086,330	97,738
Bank B		-	-
Sub- Total		60,086,330	97,738
d) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		60,086,330	97,738

13. Receivables from exchange transactions

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Current Loan Repayments Due	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables		
Non-Current Receivables		
Long Term Loan Repayments Due	-	-
Total Non- Current Receivables	-	-
Total Receivables From Exchange Transactions	-	-

NAKURU COUNTY EMERGENCY FUND
Annual Report and Financial Statements For the ended Year ended June 30, 2023

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due	-	-
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

14. Prepayments

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

15. Inventories

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (<i>Specify</i>)	-	-
Total Inventories at The Lower of Cost and Net Realizable Value	-	-

Notes to the Financial Statements Continued

16. Investments in financial assets

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c. Equity investments (specify)		
Equity/ shares in Entity xxx	-	-
Sub- total	-	-
Grand total	-	-

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

Movement of Equity Investments

Impairment allowance/ provision	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

e) Shareholding in other entities

For investments in equity share listed above, list down the equity investments under the following categories:

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Current year Kshs	Prior year Kshs

NAKURU COUNTY EMERGENCY FUND

Annual Report and Financial Statements For the ended Year ended June 30, 2023

Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

NAKURU COUNTY EMERGENCY FUND

Annual Report and Financial Statements For the ended Year ended June 30, 2023

Notes To The Financial Statements (Continued)

17. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July (Previous FY)	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30th June (Previous FY)	-	-	-	-	-
At 1st July (Current FY)					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
At 30th June (Current FY)	-	-	-	-	-
Depreciation And Impairment					
At 1st July (Previous FY)	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th June (Previous FY)	-	-	-	-	-
At 1st July (Current FY)					
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
At 30th June (Current FY)	-	-	-	-	-
Net Book Values					
At 30th June (Previous FY)	-	-	-	-	-
At 30th June (Current FY)	-	-	-	-	-

NAKURU COUNTY EMERGENCY FUND
Annual Report and Financial Statements
For the ended Period ended June 30, 2023

Notes To The Financial Statements (Continued)

18. Intangible assets

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Cost		
At Beginning of The Year	-	-
Additions	-	-
At End of The Year	-	-
Amortization And Impairment		
At Beginning of The Year	-	-
Amortization	-	-
At End of The Year	-	-
Impairment Loss	-	-
At End of The Year	-	-
NBV	-	-

19. Investment Property

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
At end of the year	-	-

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

NAKURU COUNTY EMERGENCY FUND

Annual Report and Financial Statements

For the ended Period ended June 30, 2023

Notes To The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description	FY 2022/2023		FY 2021/2022	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

(NB: Amount under deposits and retentions should tie to cash held in deposit account)

NAKURU COUNTY EMERGENCY FUND
Annual Report and Financial Statements
For the ended Period ended June 30, 2023
Notes To The Financial Statements (Continued)

21. Current portion of Borrowings

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Balance At Beginning of The Period	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments Of External Borrowings During the Period	-	-
Repayments Of Domestic Borrowings During the Period	-	-
Balance At End of The Period	-	-

The table below shows the classification of borrowings into external and domestic borrowings:

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
Domestic Borrowings		
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
Total Balance at End of The Year	-	-

The table below shows the classification of borrowings long-term and current borrowings:

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

(NB: the total of this statement should tie to note 22 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed). Borrowings should be measured at amortised cost as per IPSAS 41)

NAKURU COUNTY EMERGENCY FUND
Annual Report and Financial Statements
For the ended Period ended June 30, 2023
Notes To The Financial Statements (Continued)

22. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

23. Social Benefit Liabilities

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.

NAKURU COUNTY EMERGENCY FUND

Annual Report and Financial Statements

For the ended Period ended June 30, 2023

Notes To The Financial Statements (Continued)

24. Cash generated from operations

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	-	-
Adjusted For:	-	-
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
Working Capital Adjustments		
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow From Operating Activities	-	-

(The total of this statement should tie to the cash flow section on net cash flows from operating activities)

NAKURU COUNTY EMERGENCY FUND
Annual Report and Financial Statements
For the ended Period ended June 30, 2023
Notes To The Financial Statements (Continued)

25. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Board of Trustees; etc.

b) Related party transactions

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

NAKURU COUNTY EMERGENCY FUND
Annual Report and Financial Statements
For the ended Period ended June 30, 2023

Other Disclosures Continued

e) Due to related parties

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

26. Contingent assets and contingent liabilities

Contingent Liabilities	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Court Case Xxx Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

(Give details)

NAKURU COUNTY EMERGENCY FUND

Annual Report and Financial Statements

For the ended Period ended June 30, 2023

Notes To The Financial Statements (Continued)

27. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2021				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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Notes To The Financial Statements (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due from xxxx

The board of trustees sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June (Current FY)				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June (Comparative FY)				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

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Notes To The Financial Statements (Continued)

e) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Fund's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

i. Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June (Current FY)			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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The Fund manages foreign exchange risk form future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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Foreign currency sensitivity analysis

The following table demonstrates the effect on the Fund's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
(Current FY)			
Euro	10%	-	-
USD	10%	-	-
(Comparative FY)			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (2022: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (2021 – Kshs xxx).

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Notes To The Financial Statements (Continued)

d) Capital risk management.

The objective of the Fund's capital risk management is to safeguard the Fund's ability to continue as a going concern. The entity capital structure comprises of the following funds:

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-	-

28. Events after the reporting period

There were no material adjusting and non- adjusting events after the reporting period.

29. Ultimate and Holding Entity

The entity is a County Public Fund established by 2016 Act under the Ministry of Finance. Its ultimate parent is the County Government of Nakuru.

30. Currency

The financial statements are presented in Kenya Shillings (Kshs).

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18. Annexes

Annex I: Progress on Follow Up Of Prior Year Auditor’s Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Fund responsible for implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Fund Manager/Accounting Officer (enter title of head of Fund)

Date.....

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Annex II: Inter-Fund Confirmation Letter

Nakuru County Emergency Fund
P.o Box 2870 Nakuru

The *Nakuru County Emergency Fund* wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 th June 20xx							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 20xx				Amount Received by [beneficiary Fund] (KShs) as at 30 th June 20xx (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
		70,000,000.00	0.00	0.00	70,000,000.00	70,000,000.00	0.00
Total		70,000,000.00	0.00	0.00	70,000,000.00	70,000,000.00	0.00

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Fund:

Name **Sign** **Date**

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Annex III: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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Annex IV: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments