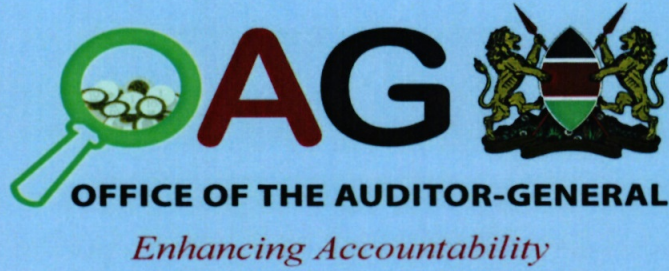


REPUBLIC OF KENYA

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# REPORT

PARLIAMENT  
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OF

**THE AUDITOR-GENERAL**

ON

**KERICHO COUNTY EMERGENCY FUND**

**FOR THE YEAR ENDED  
30 JUNE, 2015**

PAPERS LAID	
DATE	28/04/2022
TABLED BY	SMK
COMMITTEE	—
CLERK AT THE TABLE	NTHIRI

DATE	
TIME	
PLACE	
REMARKS	

**COUNTY GOVERNMENT OF KERICHO**

**Financial statement**

**As at 30th Jun 2015**

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**COUNTY GOVERNMENT OF KERICHO**  
**FINANCIAL STATEMENTS FOR**  
**KERICHO COUNTY EMERGENCY FUND**  
**AS AT 30.06.2015**

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



**I. FOREWORD**

The Constitution of Kenya Articles 2010 gives a constitutional right and requirement for the public to participate in budgetary process and prudent financial management of the public resources. According to the County Government Act, 2012 each county shall prepare a county integrated plan which shall be the basis for all budgeting and spending of public funds. The acts clearly states that “A county government shall plan for the county and no public funds shall be appropriated outside a planning framework developed by the County Executive Committee and approved by the County Assembly” The county integrated plan shall focus on economic, physical, social, environmental and spatial planning.

The guiding legislation is the Kericho County Emergency Fund Act, 2014 which was assented and commenced on 21st November, 2014. The Fund Administrator is CEC Finance and Economic Planning and its primary purpose is Payments for urgent and unforeseen needs which don't have a specific legislative authority.

It is expected that this report will enable the county government to adequately monitor the challenges faced in budget implementation and use the lessons learnt in future economic forecasts. In addition, the report expounds on the actionable steps to be taken by all stakeholders in the subsequent reporting periods.

**CHALLENGES, WAY FORWARD AND CONCLUSION**

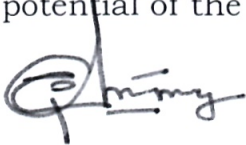
**Key challenges**

The following key challenges were noted.

- a) Re-classification of Emergency Fund from Development to Recurrent which delayed release of funds
- b) Unfavourable weather condition e.g unexpected heavy rains

**Conclusion**

The operationalization of the 2014-2015 financial cycles will be greatly determined by the procurement processes. In addition, delay in funding from the national government continues to impact negatively on execution projects which may eventually lead to pending bills. The execution of the budget and the service delivery for citizens of the County Government will be achieved through collaboration of all the stakeholders in the national and county levels to bring out the potential of the County Government of Kericho.



Patrick Mutai

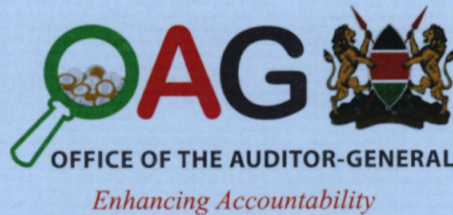
**County Executive Committee Member- Finance and Economic Planning and  
Head of County Treasury**

**KERICHO COUNTY EMERGENCY FUND  
STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2014-15	2013-14
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CFR	1	9,000,000.00	0
Unspent funds		0	0
<b>TOTAL RECEIPTS</b>		<b>9,000,000.00</b>	<b>0</b>
<b>PAYMENTS</b>			
Use of goods and services	2	1,006,030.00	0
Acquisition of Assets		0	0
Other Payments (Bank Charges)	3	2010.00	0
<b>TOTAL PAYMENTS</b>		<b>1,008,040.00</b>	<b>0</b>
<b>SURPLUS/DEFICIT</b>		<b>6,537,800.00</b>	<b>0</b>

# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON KERICHO COUNTY EMERGENCY FUND FOR THE YEAR ENDED 30 JUNE, 2015**

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### REPORT ON THE FINANCIAL STATEMENTS

#### **Disclaimer of Opinion**

I have audited the accompanying financial statements of Kericho County Emergency Fund set out on pages 4 to 5, which comprise the statement of financial assets as at 30 June, 2015 and the statement of receipts and payments for the year then ended in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003.

I do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

#### **Basis for Disclaimer of Opinion**

##### **1. Presentation of Financial Statements**

The financial statements for the year ended 30 June, 2015 were prepared on cash basis as opposed to accrual basis. Further, the following statements and reports were not prepared and included in the financial statements:

- (i) The statement of changes in net assets
- (ii) The Statement of cash flows
- (iii) Statement of comparison of budget and actual amounts
- (iv) A summary of significant accounting policies and other explanatory notes
- (v) Statement of performance against County entity's predetermined objectives
- (vi) Key entity information and management
- (vii) Report of the Fund Administrator
- (viii) Statement of Management's Responsibilities

Consequently, the financial statements do not conform to the reporting requirements prescribed by the Public Sector Accounting Standards Board template for the year ended 30 June, 2015.

## **2. Cash and Cash Equivalents**

The statement of financial assets for the year ended 30 June, 2015 reflects bank balances of Kshs.6,537,800. However, this balance was not supported with bank reconciliation statements or bank confirmation certificate.

In the circumstances, the accuracy and validity of the cash and cash equivalents balance of Kshs.6,537,800 as at 30 June, 2015 could not be confirmed.

## **3. Use of Goods and Services**

The statement of receipts and payments reflects use of goods and services of Kshs.1,006,030 for the year ended 30 June, 2015. However, this amount was not supported with ledgers, schedules, payment vouchers or other relevant documents. Further, the expenditure includes cash withdrawals of Kshs.900,000 that were explained to be emergency assistance for transfer of students due to Garissa terror attack. However, the criteria used to pay this money was not explained.

In the circumstances, the propriety of use of goods and services expenditure of Kshs.1,006,030 for the year ended 30 June, 2015 could not be confirmed.

## **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, 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 either intends to terminate the Fund or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 7 of the Public Audit Act, 2003.

## **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 9 of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient



appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

I am independent of the Kericho Emergency Fund Management in accordance with ISSAI 130 on 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.

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**13 October, 2021**

## II. STATEMENT OF FINANCIAL ASSETS

	Note	2014-15	2013-14
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances	4	6,537,800.00	0
<b>TOTAL FINANCIAL ASSETS</b>		<b>6,537,800.00</b>	<b>0</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables – Deposits and retentions			
<b>NET FINANCIAL ASSETS</b>			
<b>REPRESENTED BY</b>			
Fund balance b/fwd			
Surplus/Deficit for the quarter		6,537,800.00	0



To,

**KERICHO COUNTY EMERGENCY FUND**  
**P.O.BOX 112**  
**KERICHO**  
**KE**  
**20200**

**Branch ID : 028**  
**Customer Name : KERICHO COUNTY EMERGENCY FUND**  
**Product Name : CAA**  
**Currency : KES**

**Account Statement 0280263500766**  
**Statement Period (From 01-07-2014 To 30-06-2015)**

Tran Date	Value Date	Tran Particulars	Debit	Credit	Balance
07-01-2015	07-01-2015	RTGS/RMT KERICHO COUNTY		6,500,000.00	6,500,000.00
13-01-2015	13-01-2015	Cheque Book Issue Charges	1,650.00		6,498,350.00
13-01-2015	13-01-2015	chbk Issue Stamp Charges	250.00		6,498,100.00
27-01-2015	27-01-2015	ChequeNo.000006 Presented	200,000.00		6,298,100.00
27-01-2015	27-01-2015	Inward Clearing Charge	55.00		6,298,045.00
30-01-2015	30-01-2015	ChequeNo.000007 Presented	57,250.00		6,240,795.00
30-01-2015	30-01-2015	Inward Clearing Charge	55.00		6,240,740.00
30-01-2015	30-01-2015	ChequeNo.000004 Presented	150,000.00		6,090,740.00
30-01-2015	30-01-2015	Inward Clearing Charge	55.00		6,090,685.00
02-02-2015	02-02-2015	ChequeNo.000001 Presented	150,000.00		5,940,685.00
02-02-2015	02-02-2015	Inward Clearing Charge	55.00		5,940,630.00
06-02-2015	06-02-2015	ChequeNo.000008 Presented	66,560.00		5,874,070.00
06-02-2015	06-02-2015	Inward Clearing Charge	55.00		5,874,015.00
16-02-2015	16-02-2015	ChequeNo.000010 Presented	108,370.00		5,765,645.00
16-02-2015	16-02-2015	ChequeNo.000009 Presented	221,050.00		5,544,595.00
16-02-2015	16-02-2015	Inward Clearing Charge	55.00		5,544,540.00
16-02-2015	16-02-2015	Inward Clearing Charge	55.00		5,544,485.00
03-03-2015	03-03-2015	ChequeNo.000011 Presented	87,500.00		5,456,985.00
03-03-2015	03-03-2015	Inward Clearing Charge	55.00		5,456,930.00
03-03-2015	03-03-2015	ChequeNo.000012 Presented	151,700.00		5,305,230.00
03-03-2015	03-03-2015	Inward Clearing Charge	55.00		5,305,175.00

Note: Any omission or errors in this statement should be promptly advised in writing to the Branch Manager within 30 days from the date of receipt otherwise the account will be presumed to be in order.

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**EQUITY BANK (KENYA) LTD.**  
**KERICHO BRANCH**  
**CERTIFIED TRUE COPY**  
**OF THE ORIGINAL.**  
 Sign: *CR* Date: *16/2/2015*



HEAD OFFICE P.O. Box 75104 - 00200 Nairobi, Tel: 020-2262900 Fax: 2757276, Mobile: 0711 926000, 9732 112000, Email: info@equitybank.co.ke, Website: www.equitybank.co.ke

Account No. : 0280263500766

Customer Name : KERICHO COUNTY EMERGENCY FUND

Tran Date	Value Date	Tran Particulars	Debit	Credit	Balance
19-05-2015	19-05-2015	ChequeNo 32 Presented	50,000.00		4,586,510.00
19-05-2015	19-05-2015	Inward Clearing Charge	55.00		4,586,455.00
20-05-2015	20-05-2015	ChequeNo 000019 Presented	50,000.00		4,536,455.00
20-05-2015	20-05-2015	Inward Clearing Charge	55.00		4,536,400.00
28-05-2015	28-05-2015	ChequeNo.29 Presented	50,000.00		4,486,400.00
28-05-2015	28-05-2015	Inward Clearing Charge	55.00		4,486,345.00
30-05-2015	30-05-2015	ChequeNo 33 Presented	50,000.00		4,436,345.00
30-05-2015	30-05-2015	Inward Clearing Charge	55.00		4,436,290.00
02-06-2015	02-06-2015	ChequeNo.34 Presented	50,000.00		4,386,290.00
02-06-2015	02-06-2015	Inward Clearing Charge	55.00		4,386,235.00
02-06-2015	02-06-2015	ChequeNo 25 Presented	50,000.00		4,336,235.00
02-06-2015	02-06-2015	Inward Clearing Charge	55.00		4,336,180.00
09-06-2015	09-06-2015	ChequeNo.000035 Presented	48,160.00		4,288,020.00
09-06-2015	09-06-2015	Inward Clearing Charge	55.00		4,287,965.00
11-06-2015	11-06-2015	CHQ ISSUED TO JOHN CHERUIYOT TONUI	100,000.00		4,187,965.00
11-06-2015	11-06-2015	INWARD CLEARING CHARGESQ	55.00		4,187,910.00
12-06-2015	12-06-2015	ChequeNo.000036 Presented	100,000.00		4,087,910.00
12-06-2015	12-06-2015	Inward Clearing Charge	55.00		4,087,855.00
18-06-2015	18-06-2015	CHQ ISSUED TO GIDEON CHERUIYOT KORIR	50,000.00		4,037,855.00
18-06-2015	18-06-2015	INWARDS CLEARING CHARGES	55.00		4,037,800.00
30-06-2015	30-06-2015	RTGS/RMT KERICHO COUNTY		2,500,000.00	6,537,800.00
<b>Grand Total</b>			<b>2,462,700.00</b>	<b>9,000,500.00</b>	<b>6,537,800.00</b>

EQUITY BANK (KENYA) LTD.  
 KERICHO BRANCH  
 CERTIFIED TRUE COPY  
 OF THE ORIGINAL.  
 Sign: *OR* Date: 18/2/2020

Note: Any omission or errors in this statement should be promptly advised in writing to the Branch Manager within 30 days from the date of receipt otherwise the account will be presumed to be in order.  
 END

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