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OF

THE AUDITOR-GENERAL

ON

LAIKIPIA COUNTY EMERGENCY FUND

**FOR THE YEAR ENDED
30 JUNE, 2023**



OFFICE OF THE AUDITOR GENERAL
PUBLIC SERVICE COMMISSION
EASTERN REGIONAL OFFICE - ISIOLO

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LAIKIPIA 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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**Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

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1. Acronyms and Glossary of Terms

a) Acronyms

LCEF	Laikipia County Emergency Fund
CIDP	County Integrated Development Plan
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
COVID-19	Coronavirus Disease 19
CECM	County Executive Committee Member
CSR	Corporate Social Responsibility
KNBS	Kenya National Bureau of Statistics
Kshs	Kenya Shillings
CECM	County Executive Committee Member
COVID 19	Corona Virus 2019

b) Glossary of Terms

Fiduciary Management The key management personnel who had financial responsibility

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2. Key Entity Information and Management

a) Background information

a) Background information

The Quarterly Report and Financial statements relate to two funds and reported in one, as follows;

- Laikipia County Emergency Fund was established on 4th May 2020 and derives its authority and accountability from The Public Finance Management (Laikipia County Emergency Fund) Regulations, 2020. The Fund is wholly owned by the County Government of Laikipia - Executive and is domiciled in Kenya.
- COVID- 19 Emergency Response Fund was established and derives its authority and accountability from The Public Finance Management (COVID -19 Emergency Response Fund) Regulations, 2020. The Fund is wholly owned by the County Government of Laikipia - Executive and is domiciled in Kenya.

The Funds' principal activity is to co-ordinate, respond and finance Emergencies in Laikipia County.

b) Principal Activities

The principal activities of the Funds are to:

- i) Enable payments to be made in respect of the county when an urgent and unforeseen need arises for which there is no specific legislative authority or budget allocation.
- ii) Facilitate preparedness and time response to emergencies to reduce and minimize its negative effects.
- iii) Enable purchase, issuance of contracts, supplies of necessities like emergency protective gear and kits, food, water, fodder, farm input, hiring personnel on contract basis, increase spending in case of threat, epidemic to human life. Animals (livestock and wildlife), vegetation, crops and environment by epidemics. Catastrophe, drought, fire, floods, war or otherwise and setting up makeshift facilities to mitigate the emergencies.
- iv) A common reserve emergency fund that can facilitate faster transparent, predictable and accountable release of funds for emergency management.

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c) Emergency Fund Administration Committee

Ref	Position	Name	Designation
1	Chairperson	Koinange Wahome	County Secretary
2	Fund Administrator	Samuel Wachira	CECM for Finance and Economic Planning
3	Secretary	Daniel Ngumi	Chief Officer for Finance and County Treasury
4	Member	Alexander Muchemi	County Attorney

d) Key Management

Ref	Position	Name
1	Fund Administrator CECM for Finance and Economic Planning	Samuel Wachira
2	Chief Officer for Finance and County Treasury	Daniel Ngumi
3	Chief Officer for Health	Dr. Timothy Panga
4	County Attorney	Alexander Muchemi
5	Fund Accountant	Caleb Mwangi

e) Covid-19 Emergency Response Committee

No.	Name	Sector	Title
1	James Mworira	Overall	Chairman
2	Michael Dyer	Ranchers	Member
3	Margaret Lesuuda	Education	Member
4	Irene Wamithi	Legal Member	Member
5	Wangari Macharia	Hospitality	Member
6	Wilfred Kimotho	Transport	Member
7	Josh Perret	Tourism	Member
8	Fr John Nene	Religious	Member
9	Bishop Joel Waiguru	Religious	Member

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f) Fiduciary Oversight Arrangements

Ref	Position	Officer
1.	Directorate of Internal Audit	Head of Internal Audit
2.	County Assembly of Laikipia	Clerk to the County Assembly
3.	Office of the Controller of Budget.	Controller of Budget
4.	Office of the Auditor-General	Auditor-General

g) Registered Offices

County Government of Laikipia
P.O Box 1271-10400
County Interim Headquarters
Nanyuki, Kenya Kenyatta Highway

h) Fund Contacts

Telephone: (254) 716-031031
E-mail: info@laikipia.go.ke
Website: www.laikipia.go.ke

i) Fund Bankers

Central Bank of Kenya
P.O Box 60000 -00100
Nairobi, Kenya

Other Commercial Banks

ABSA Bank Nanyuki

j) Independent Auditors

Office of Auditor General
Anniversary Towers, University Way
Email: oag@oagkenya.go.ke, Fax +254-20-311482 Tel
ISDN NO. +254-020 3214000
P.O. Box 30084 – 0100 Nairobi, Kenya

k) Principal Legal Adviser

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

l) The County Attorney

County Government of Laikipia
Kenyatta Avenue, P.O. Box 1271-10400
Nanyuki, Kenya



Laikipia County Emergency Fund
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3. Emergency Fund Committee

Name	Details of qualifications and experience
<p>1. Koinange Wahome - Chairperson</p> 	<p>Born in 1978. Mr. Koinange Wahome is currently the County Secretary of the County government of Laikipia. He is a dedicated public servant and design thinker with an unwavering commitment to resolving social complexities and ongoing human problems through active citizen engagement, empathetic redress, and unending support for the formation of inspired teams.</p> <p>He has extensive experience in Public Safety Administration, Trade Policy Development, Human Enterprise Management, Diplomacy, Best Practices in International Relations, Public Finance Policy, and Community Development.</p> <p>He holds a Master's Degree in International Relations and Diplomacy among other academic and professional qualifications. He has a distinguished public service record in Kenya's disciplined forces, as well as private consultancies in Diplomacy, Public Safety Administration, Technology-Aided Security Surveillance, Logistics and International Trade.</p>
<p>2. Samuel Gachigi - Fund Administrator</p> 	<p>Born in 1976.</p> <p>Currently the CECM Finance and Economic Planning. Has worked with National Treasury for 16 years in various departments as head of Supply Chain Management; Has also worked with County Government of Nyeri and County Government of Nakuru as Director of Supply Chain Management.</p> <p>He holds Bachelors degree in Business Administration – Economics and Sociology and a post graduate Diploma in Supply Chain management services.</p>
<p>3. Daniel Ngumi - Secretary</p> 	<p>Mr. Ngumi Daniel is currently the Chief Officer Finance and County Treasury. Holds Bachelors Degree in Economics and Public Administration and Masters Degree in Accounting and Finance. He is also a CPA(K).</p> <p>Currently the Chief Officer for Finance and County Treasury. Has previously worked with National Treasury for six years in various Departments as Chief Accountant; Has also worked with County Government of Laikipia as Head of County Treasury Accounting and County Government of Kiambu as Director of Finance.</p>

Laikipia County Emergency Fund




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<p>4. Dr. Timothy Panga - Chief Officer for Health</p> 	<p>Dr. Timothy Panga is the Chief Officer of Health, in the Laikipia Health Service of the third administration County Government of Laikipia. He has previously served in the same position in the first administration of the County Government at the inception of Devolution in Kenya as well as he has served as the Chief Executive Officer of the Nanyuki Teaching and Referral Hospital, the largest (280-bed) hospital within the same Laikipia Health Service.</p> <p>Previously he has worked at Getrude's Children's Hospital in Nairobi as the Paediatric Critical Care Pharmacist. While in this role, he was admitted as a Fellow of the Joanna Briggs Institute (JBI) after successfully completing an Evidence-Based Healthcare Project in the hospital. Much earlier on, in the first years of his career, Panga worked in the Kenyan public service as a pharmacist in the districts of Laikipia, Nakuru and Baringo.</p> <p>He serves in the National Executive Committee of the Pharmaceutical Society of Kenya and is regularly engaged as a consult on matters pharmaceutical policy or in the establishment of a surveillance system to combat Antimicrobial Resistance. He currently is one of the Leads of a GBP 90,000 grant, in conjunction with Bristol Royal Infirmary (BRI) of the United Kingdom to implement Antimicrobial Stewardship at Secondary Care (Nanyuki Teaching and Referral Hospital), Primary Care (Lewa Community Health Clinics) and the Community (Leparua Community) in Laikipia County.</p> <p>He holds a Bachelor of Pharmacy and Master of Pharmacy in Clinical Pharmacy.</p>
<p>5. County Attorney -Member Alexander Muchemi</p> 	<p>Born in 1986.</p> <p>He is currently the County Attorney to the County Executive Committee (Chaired by His Excellency the Governor of Laikipia). He holds a Bachelor's Degree in Law from Moi University and a Post Graduate in The Kenya School of Law Advocates Training Program (ATP).</p> <p>He was a lecturer with experience in lecturing Commercial Law at Cooperative University College. He has marketing experience was in charge of marketing in Nyahururu region.</p>

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4. Key Management Team

Name	Details of qualifications and experience
<p>1. Samuel Gachigi - Fund Administrator</p> 	<p>Born in 1976.</p> <p>Currently the CECM Finance and Economic Planning. Has worked with National Treasury for 16 years in various departments as head of Supply Chain Management; Has also worked with County Government of Nyeri and County Government of Nakuru as Director of Supply Chain Management.</p> <p>He holds Bachelors degree in Business Administration – Economics and Sociology and a post graduate Diploma in Supply Chain management services.</p>
<p>2. Daniel Ngumi - Secretary</p> 	<p>Mr. Ngumi Daniel is currently the Chief Officer Finance and County Treasury. Holds Bachelors Degree in Economics and Public Administration and Masters Degree in Accounting and Finance. He is also a CPA(K).</p> <p>Currently the Chief Officer for Finance and County Treasury. Has previously worked with National Treasury for six years in various Departments as Chief Accountant; Has also worked with County Government of Laikipia as Head of County Treasury Accounting and County Government of Kiambu as Director of Finance.</p>
<p>3. Caleb Mwangi – Accountant Financial Reporting</p> 	<p>Born in 1980.</p> <p>Mr. Caleb is the Accountant in charge of Financial Reporting for the Fund. Holds Bachelors Degree in Commerce (Finance) for KCA University and Post Graduate Diploma in Project Management (DKUT). He is a Certified Public Accountant of Kenya (CPA -K).</p>

**Laikipia County Emergency Fund
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5. Fund Chairperson’s Report

The Laikipia County Emergency Fund was established in May 2020 in line with the PFM Act and by The Public Finance Management (Laikipia County Emergency Fund) Regulations, 2020, (Laikipia County Legislative Supplement No. 4) Legal Notice No 4. The establishment of this Fund arose from the need to institutionalise and fund the measures to combat the advents of emergencies including pandemics; A case in point being Covid-19 pandemic whose effects were felt since December 2019.

Financial Performance of the Fund

In FY 2022/2023 the Fund operated on a budget of kshs. 50 million and prioritized the activities geared towards reduction of starvation, that is, essential activities related to the prevailing drought that continued to ravage human and animals in Laikipia County. Most businesses and families have experienced the negative effects of the drought.

The Fund received Kshs. 23,969,824 from the County executive. Moreover, the Fund incurred an expenditure of Kshs. 22,877,459.

Future outlook

In the budget for Financial Year 2023/2024 the Fund has been allocated Kshs. 50,071,625.

Changes in the Fund Administration Committee and Key Management

The composition of the committee and key management are a creation whose members change with the government Administration, and are as follows:

a) Fund Administration Committee

Key	Position	Name	Status
1	Chairman of the Fund	Koinange Wahome	Incoming
2	Fund Administrator/ CECM Finance & Economic Planning	Samuel Wachira	Incoming
3	Chief Officer – Finance & Economic Planning	Daniel Ngumi	Incoming
4	County Attorney - Committee Member	Alexander Muchemi	Existing
5	Fund Administrator/ CECM Finance & Economic Planning	Murungi Ndai	Outgoing
6	Chairman of the Fund	Karanja Njora	Outgoing
7	Chief Officer – Finance & Economic Planning	Paul Njenga	Outgoing

**Laikipia County Emergency Fund
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b) Key Management

Ref	Position	Name	Status
1	Fund Administrator/ CECM Finance Economic Planning	Samuel Wachira	Incoming
2	Chief Officer - Finance & Economic Planning	Daniel Ngumi	Incoming
3	Chief Officer - Health and Medical Services	Dr. Timothy Panga	Incoming
4	Chief Officer - Finance & Economic Planning	Paul Njega	Outgoing
5	Chief Officer - Health and Medical Services	Dr. Donald Mogoi	Outgoing
6	Fund Administrator/ CECM Finance & Economic Planning	Murungi Ndai	Outgoing
7	Fund Accountant - Reporting	Caleb Mwangi	Existing

Conclusion

We look forward to greater preparedness to combat emergencies that may arise in future. This will encompass more strategic measures to be put in place in managing emergencies.

Thank you.



.....
Koinange Wahome

Chair, Laikipia County Emergency Fund

**Laikipia County Emergency Fund
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6. Report of The Fund Administrator

The Laikipia County Emergency Fund was established in May 2020 in line with the PFM Act and by The Public Finance Management (Laikipia County Emergency Fund) Regulations, 2020, (Laikipia County Legislative Supplement No. 4) Legal Notice No 4. The establishment of this Fund arose from the need to institutionalise and fund the measures to combat the advents of emergencies including pandemics; A case in point being Covid-19 pandemic whose effects were felt since December 2019.

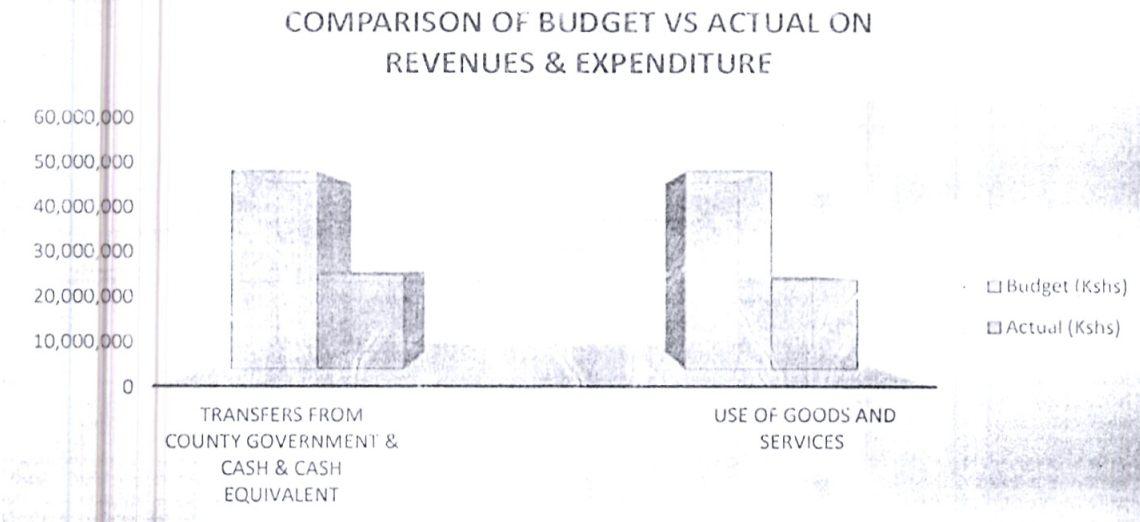
Financial Performance of the Fund

In FY 2022/2023 the Fund operated on a budget of kshs. 50 million and prioritized the activities geared towards reduction of starvation, that is, essential activities related to the prevailing drought that continued to ravage human and animals in Laikipia County. Most businesses and families have experienced the negative effects of the drought.

The Fund received Kshs. 24,284,456 from the County Executive. Moreover, the Fund incurred an expenditure of Kshs. 22,877,459 on the draught-related mitigation measures as shown below;

Revenues	Budget (Kshs)	Actual (Kshs)
Transfers from County Government and cash & cash equivalent	50,529,126	24,284,524
Expenditure		
Use of Goods and Services	50,529,126	24,284,456

Table 1: Comparison of budget vs Actual on revenue & expenditure



Laikipia County Emergency Fund

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Future outlook

In the budget for Financial Year 2023/2024 the Fund has been allocated Kshs.50,071,625 to combat emergencies in the year. The County continues to intervene through elaborate response plans.

Risk management

The Fund's commitment to risk management has also been evidenced by the awareness and continuous training offered to the Members of the Fund, management and staff of the Fund throughout the year.



Laikipia County Emergency Fund

**Laikipia County Emergency Fund
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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 Laikipia County emergency Fund are to:

- i) Enhance compliance with set procedures and standards on usage of Emergency Funds.
- ii) Mitigate emergencies in the County.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Public Safety, Security, Enforcement and Disaster Risk Management	To enhance compliance with provisions of PFM Act relating to utilization of emergency funds	Efficiency in utilization of emergency funds and accountability of utilised emergency funds	100% efficiency	100 % accountability of the Emergency funds for drought
	Mitigating emergencies in the County	Well-coordinated emergency response	100% response to emergencies	100% response to drought

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

8. Corporate Governance Statement

Establishment of emergency Fund committee

The Public Finance Management (Laikipia County Emergency Fund) Regulations, 2020 established an Emergency Fund Committee for the Fund. The committee shall consist of—

- a) The County secretary who shall be the Chairperson to the committee;
- b) County Executive Member in charge of Finance who is the fund administrator
- c) Chief Officer for Finance who shall be the Secretary to the Committee;
- d) The County Attorney;
- e) County Executive Member responsible for the department where the emergency lies.

Further, the Chairperson of the Emergency Committee may co-opt a maximum of three persons of expertise depending on the emergent issues at hand into the committee.

The Roles and Functions of the Emergency Fund Committee

Functions of the Committee relating to administration of the Fund shall be to—

- a) Oversee timely and efficient disbursement of the funds from the Fund to finance approved emergencies and programs;
- b) Receive, review and approve statutory and management reports of the Fund before submission to third parties.
- c) Solicit for grants, donations or gifts and to undertake any fundraising activities to enhance the finances of the fund.

Emergency Fund Committee Meetings

The Public Finance Management (Laikipia County Emergency Fund) Regulations, 2020 that established the Emergency Fund Committee does not spell out the mode of the committee meetings. The emergency Fund Committee meets on ad hoc basis when need arises.

Conflict of Interest

The Emergency Fund Committee is by law consisting of the members who subscribe to the constitution and other laws of Kenya. The members declared to have no conflict of interest.

**Laikipia County Emergency Fund
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9. Management Discussion and Analysis

Operational Performance

Major revenue sources for the fund are from National Government, The County Government, Donations from the Business Community, Residents and Staff donations.

In FY 2022/23 the Fund had a budget of kshs. 50 million and prioritized the activities geared towards reduction of starvation, that is, essential activities related to the prevailing drought that continued to ravage human and animals in Laikipia County. Most businesses and families have experienced the negative effects of the drought.

Laikipia County received very little October 2022 short rains which were not uniformly distributed. Some parts including Mukogodo east and parts of Mukogodo West did not get rains at all. Foods and Pastures did not regenerate leading to severe shortages. This escalated the prices of foodstuffs, especially for staple foods like grains – maize, beans, and green grams etc, thus negatively affected education arising from starvation especially with the school-going-children. According to National Drought Management Authority (NDMA), about 183,000 people in Laikipia County faced starvation due to the prolonged drought in the region in the reporting period.

Laikipia already slid into the alarming drought stage. The assessment of the affected persons was done in August 2022. Laikipia North and East sub counties have been the hardest hit due to the drought, herders from Laikipia moved to Mount Kenya forest in search of water and pasture for their livestock.

Interventions

However, the National Government jointly with the Kenya Red Cross Society were addressing the crisis through distribution of relief food, and offering cash stipends as well as undertaking off-take programmes. Between July and September Kenya Red Cross assisted 1500 households in Laikipia North with maize, beans, rice, cooking oil, green grams, and salt.

i) Relief Food Donation

It is in light of the above information that necessitated urgent intervention by the County Government of Laikipia in curbing starvation especially with the school-going children in primary schools particularly during the KCPE and KAPSEA examinations at a cost of Kshs. 7,584,160 as per the table below;

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FOODSTUFFS DONATED TO PRIMARY SCHOOLS DURING KEPSEA, KCPE & KCSE EXAMINATIONS						
Zone	Number of Schools	No. of Students	Maize (90kg bag)	Beans (90kg bag)	Oil (Liters)	Rice 25kg bag
Laikipia North	25	8825	6	32	182	329
Laikipia East	21	4537	19	32	205	244
Laikipia West	35	10065	19	45	263	432
Laikipia Central	35	6228	19	51	289	428
Nyahururu	29	10715	26	46	295	381
Kirima	16	3435	11	21	151	186
Total	161	43805	100	227	1385	2000

Table 2: Donation of Relief Food

ii) Repair of ruined Access roads

In the advent of heavy rains experienced around April and May 2023, several roads were extensively damaged in Mukogondo East, Segera and Olmorán Wards, causing several villages to be cut-off from the main roads. In light of the foregoing, the fund financed the maintenance of the following roads at a cost of Kshs.5,803,758 as shown herebelow:

	Name of Ward	Name of Road
1	Olmorán	Olmorán-Catholic – Miharati Primary School Road
2	Mukogondo East	Rotasha Primary school – Ethi Centre
3	Segera	Fresh Gold – Segera Gate Road

Table 3: Repaired Access roads

iii) Water Related Emergencies and mitigations

Some boreholes wind pumps and water reticulation infrastructure were exposed to damaging conditions during the drought, necessitating immediate repair. Additionally, most of the nursery and primary schools were affected by drought as well, this called for immediate water trucking to the schools.

iv) Agriculture related Drought mitigation

The animal health sector under the county department of Agriculture, carried out county wide emergency vaccination campaign due to drought related diseases. The fund also facilitated the distribution of National Government subsidized fertilizer to expedite the planting during the long rains season assisting farmers in Laikipia to maximize the rains in their farming.

**Laikipia County Emergency Fund
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Financial Performance of the Fund

In FY 2022/23 the Fund was allocated a budget of kshs.50 million. The Fund received Kshs. 24,284,524 from the County Executive. Moreover, the Fund incurred an expenditure of Kshs. 24,284,456 as represented in the table below. This translates to 49% budget absorption rate.

The table below shows the financial performance for Period ended 30 June 2023;

Description	FY 2022-2023	FY 2021-2022
Revenue		
Cash contributions and donations	-	-
In kind contributions and donations	-	-
Transfers from the County Executive-received	24,284,524	24,785,872
Transfers from the County Executive-receivable	-	-
Opening Bank Balances	529,126	728,426
Total Revenue	24,813,650	25,514,298
Expenditure		
Repairs of ruined Access roads	5,803,758	9,349,982
Consumables (Drought Household supplies)	7,584,160	-
Drought mitigation (Water related expenses)	7,999,903	12,184,890
Drought mitigation (Agriculture related expenses)	2,896,635	
Consumables (Peacekeeping hospitality supplies)	-	2,800,000
Total Expenditure	24,284,456	21,334,872
Cash and cash equivalents	529,344	529,126
Receivables from County Executive	-	-
Outstanding Imprest	-	-
Accounts Payables	-	-

Table 4: Financial Performance FY 2022/23

• **Revenues of the Fund**

The Fund received a total of Kshs. 24,284,524 from the County Executive against a budget of Kshs. 50 Million for the period ending 30 June 2023. This is depicted in the table above and graph below:

**Laikipia County Emergency Fund
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Financial Performance

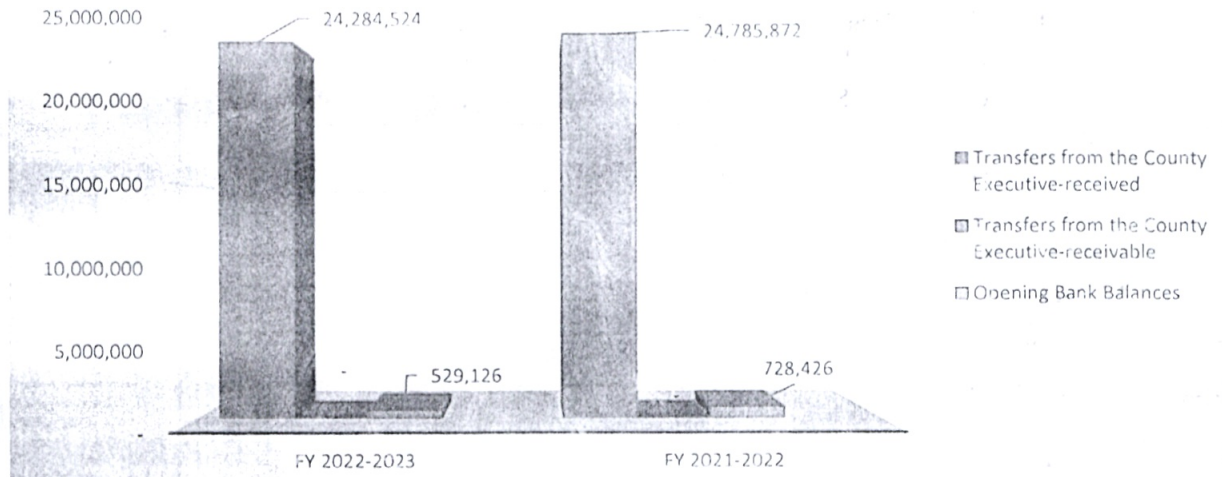


Figure 1: Fund Revenues FY 2022/23

• Expenditure of the Fund

The fund incurred and paid a total expenditure of Kshs. 24,284,456 on emergencies that arose during the Financial year.

Below is a diagrammatic representation of the expenditure as per the table above:

EXPENDITURE ON COMPARATIVE BASIS

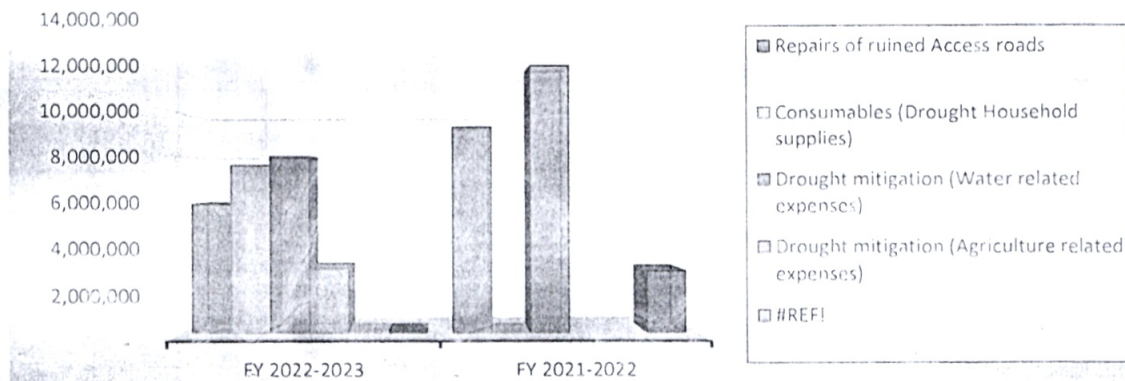


Figure 2: Financial Performance FY 2022/23

The graph and chart depict the financial performance of the fund for the Financial Year 2022/2023.

Laikipia County Emergency Fund
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Funds compliance with statutory requirements

The Fund is subject to statutory obligations to which it complies, including Section 110 -115 of The Public Finance Management Act, 2012 regarding the administration of Emergency Fund and Preparation of Financial Statements for the Fund on quarterly & annual basis in conformity with the International Public Sector Accounting Standards (IPSAS) and format prescribed by the Public Sector Accounting Standards Board.

The Fund also will continue to comply with any other laws and policies that will be in place from time to time.

Major Risks facing the Fund

The Fund is faced with inherent risk of inadequate funding to finance emergency events as they arise. However, no amount of money can be enough for unknown risks.

Risk categories

The Fund has identified and categorised risks as follows:

- a) **Financial risks:** They are associated with the financial operations of the Fund.
- b) **Operational risks:** These are risks associated with the operations of the Fund.
- c) **Legal and regulatory risks:** Legal risks can arise from non-compliance with the legal and regulatory requirements.

Risk management

The Fund's commitment to risk management has also been evidenced by the awareness and continuous training offered to the Members of the Fund, management and staff of the Fund throughout the year.

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10. Environmental and Sustainability Reporting

Laikipia County Emergency Fund exists to transform lives. This is our purpose; the driving force behind everything we do.

The Public Finance Management Act 2012, Sections 110 to 115 gives guidance on;

- i) Establishment of an Emergency Fund (Section 110)
- ii) Administration of the Emergency Fund (Section 111)
- iii) Power of County Executive Committee member to make payments from Emergency Fund (Section 112)
- iv) Limitation on power of County Executive Committee member for finance to make payments from Emergency Fund. (Section 113)
- v) Seeking approval for payments from the Emergency Fund (Section 114)
- vi) Preparation of financial statements and submission for audit (Section 115)

The Laikipia County Emergency Fund was established in May 2020 in line with the above PFM guidelines.

The Emergency kitty receives income in cash and in-kind contributions from various sources including the National Government, County Executive, Staff Contributions, Institutions, Public, business community and development partners.

The object and purpose of the Fund is to—

- (a) enable payments to be made in respect of the County when an urgent and unforeseen need arises for which there is no specific legislative authority or budgetary allocation;
- (b) facilitate preparedness and timely response to emergencies to reduce and minimize its negative effects;
- (c) enable purchase, issuance of contracts, supplies of necessities like emergency protective gears and kits, food, water, fodder, farm inputs, hiring personnel on contract basis, increase spending in case of threat of damage to human life, animal (livestock and wildlife), vegetation, crops and environment by epidemics, catastrophes, draught, fire, floods, war or otherwise and setting up makeshift facilities to mitigate the emergencies;
- (d) a common reserve emergency Fund that can facilitate faster, transparent, predictable and accountable release of funds for emergency management. Sources of the Fund

Sustainability strategy and profile

The Laikipia County Emergency Fund is keen on posterity; The County's top management has activated various sustainability strategies for the County including but not limited to:

- Ensuring continuous compliance with government laws, regulations, policies and standards.

Laikipia County Emergency Fund Annual Report and Financial Statements for the year ended June 30, 2023

- Completed the formulation of a County Risk Management Framework Policy that help the County identify and mitigate risks.
- Engaging citizens through public participation to incorporate their ideas and contributions on County development matters.

Employees' welfare

The Laikipia County Emergency Fund does not have its employees; but relies on employees of the Public Service Board that is charged with the responsibility of developing and implementing human resource policies and framework for the County Executive in line with the relevant laws. Empowering its employees through continued skills development and training.

Market place practices

The Laikipia County Emergency Fund is guided by the Public Procurement and Disposal of Assets Act 2015 on procurement matters to ensure compliance with laws and regulations which leads to fair competition, good business practices, honouring contracts and ethical project supervision.

The Laikipia County Emergency Fund also adheres to the 30% procurement requirement on Access to Government Procurement Opportunities (AGPO) to youth, women and persons living with disability as well as the use of E-procurement in IFMIS.

The Laikipia County Emergency Fund also practices responsible marketing and advertisement as well as respecting payment practices.

Corporate Social Responsibility and Community Engagements

The Laikipia County Emergency Fund has been Engaging citizens to identify their demands and needs, holding social community activities e.g. Sports, leaders and elders' engagements.

Importantly, the fund engaged to alleviate the effects of draught and hunger with feeding the school-going children during their KCPE and KAPSEA examinations in Laikipia County. This reasonably circumscribed the absenteeism and aided higher transition of students to secondary schools.

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

11. Report of The Fund Administration Committee

The Fund Administration Committee submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are to;

- i) Enable payments to be made in respect of the county when an urgent and unforeseen need arises for which there is no specific legislative authority or budget allocation.
- ii) Facilitate preparedness and time response to emergencies to reduce and minimize its negative effects.
- iii) Enable purchase, issuance of contracts, supplies of necessities like emergency protective gear and kits, food, water, fodder, farm input, hiring personnel on contract basis, increase spending in case of threat, epidemic to human life. Animals (livestock and wildlife), vegetation, crops and environment by epidemics. Catastrophe, drought, fire, floods, war or otherwise and setting up makeshift facilities to mitigate the emergencies.
- iv) A common reserve emergency fund that can facilitate faster transparent, predictable and accountable release of funds for emergency management.

Results

The results of the Fund for the year ended June 30, 2023 are set out on page 1 to 6.

Members

The members of the Fund Administration Committee who served during the year are shown on page iv. The changes in the Fund Administration Committee during the financial year are as shown below:

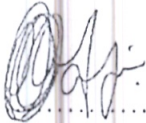
Ref	Position	Name	Status
1	Chairman of the Fund	Koinange Wahome	Incoming
2	Fund Administrator/ CECM Finance & Economic Planning	Samuel Wachira	Incoming
3	Chief Officer – Finance & Economic Planning	Daniel Ngumi	Incoming
4	County Attorney - Committee Member	Alexander Muchemi	Existing
5	Fund Administrator/ CECM Finance & Economic Planning	Murungi Ndai	Outgoing
6	Chairman of the Fund	Karanja Njora	Outgoing
7	Chief Officer – Finance & Economic Planning	Paul Njenga	Outgoing

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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 Fund Administration Committee



.....
Koinange Wahome

Chair of the Fund Administration Committee

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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 PFM (Laikipia County Emergency Fund) Regulations 2020 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 PFM (Laikipia County Emergency Fund) Regulations 2020. 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.

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

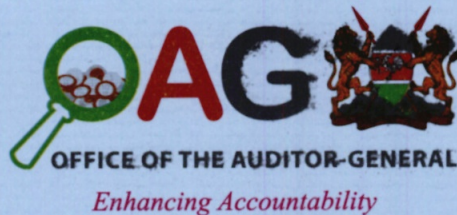
The Fund's financial statements were approved by the Board on 25/09 2023 and signed on its behalf by:


.....
Samuel Kibet
COUNTY EXECUTIVE COMMITTEE MEMBER

Administrator of the Laikipia County Emergency Fund

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 LAIKIPIA 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 Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on 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, the risk management environment and the 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

Opinion

I have audited the accompanying financial statements of Laikipia County Emergency Fund set out on pages 1 to 37, 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, the financial statements present fairly, in all material respects, the financial position of Laikipia 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 the Public Finance Management Act, 2012 and the Public Finance Management (Laikipia County Emergency Fund) Regulations, 2020.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Laikipia County 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

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 matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, 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

Unapproved Emergency Payments

The statement of financial performance as disclosed in Note 7 to the financial statements reflects use of goods and services amounting to Kshs.24,284,456 being payments for emergencies. However, the payments were not supported by any approval from the County Assembly contrary to Section 114. (1) of the Public Finance Management Act, 2012 which requires the County Executive Committee Member for Finance to seek

approval of the county assembly within two months after payments are made from the Emergency Fund.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 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 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, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its 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.

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, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance 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 control 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 control 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 Fund's 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 control.
- 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 Fund's 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 continue to sustain its 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 the 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 to 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

10 January, 2024

**Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

14. Statement of Financial Performance for the Year Ended 30 June 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	24,284,524	24,785,872
Fines, Penalties and Other Levies	3	-	-
		24,284,524	24,785,872
Total Revenue		24,284,524	24,785,872
Expenses			
Use of goods and services	7	24,284,456	24,334,872
Total Expenses		24,284,456	24,334,872
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
Surplus/(Deficit) for the Period		68	451,000

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 25/09/2023 and signed by:



Samuel Wachira
Administrator of the Fund



Caleb Mwangi
Fund Accountant
ICPAK Member No:10187

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

15. Statement of Financial Position As at 30 June 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	529,344	529,126
Current Portion of Long- Term Receivables From Non Exchange Transactions	13	-	-
Total current assets		529,344	529,126
Non-Current Assets		-	-
Total Assets		529,344	529,126
Liabilities		-	-
Total Liabilities		-	-
Net Assets		529,344	529,126
Accumulated Surplus		529,344	529,126
Total Net Assets and Liabilities		529,344	529,126

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 25/09 2023 and signed by:



Samuel Wanjau
Administrator of the Fund

Caleb Mwangi
Fund Accountant
ICPAK Member No:10187

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

16. Statement Of Changes in Net Assets for the year ended 30 June 2023

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2021	-	-	(563,694)	(563,694)
Surplus/(Deficit) For the Period	-	-	451,000	451,000
Funds Received During the Year	-	-	-	-
Prior year adjustment (Unrecognized refundable payment to department)	-	-	641,820	641,820
Revaluation Gain	-	-	-	-
Balance As At 30 June 2022	-	-	529,126	529,126
Balance As At 1 July 2022	-	-	529,126	529,126
Surplus/(Deficit) For the Period		-	68	68
Funds Received During the Year	-	-	-	-
Prior year adjustment (unrecognized other income ABSA bank account)	-	-	150	150
Revaluation Gain	-	-	-	-
Balance As At 30 June 2023	-	-	529,344	529,344

Notes

- a) The Kshs. 150 is a Prior year adjustment and relates to the unrecognized other income at ABSA bank account number 1176375156.

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

17. Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		24,284,524	24,785,872
Total receipts		24,284,524	24,785,872
Payments			
Use of Goods and Services		24,284,456	24,334,872
Accounts Receivables from Non-Exchange Transactions		-	-
Total payments		24,284,456	24,334,872
Net cash flows from operating activities	25	68	(199,300)
Cash flows from investing activities			
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		68	(199,300)
Cash and cash equivalents at 1 July 2022		529,126	728,426
Prior year adjustment (unrecognized other income ABSA bank account)		150	-
Cash and cash equivalents at 30 June 2023		529,344	529,126

**Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

18. Statement Of Comparison Of Budget And Actual Amounts For The Period Ended 30 June 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Public Contributions and Donations	-	-	-	-	-	-
Transfers From County Govt.	20,000,000	30,000,000	50,000,000	24,284,456	25,715,544	49%
Opening Bank balance	529,126	-	529,126	529,126	-	100%
Other Income	-	-	-	-	-	-
Total Income	20,529,126	30,000,000	50,529,126	24,813,582	25,715,544	
Expenses						
Use of goods and services	20,529,126	30,000,000	50,529,126	24,284,456	26,244,670	48%
Total expenditure	20,529,126	30,000,000	50,529,126	24,284,456	26,244,670	
Surplus For the Period	-	-	-	529,126		

Budget notes

1. *Explanation for underutilization (below 90% of utilization) (IPSAS 24.14)*
 - a) Transfers from County Government: The fund realized 49% of the budgeted allocation, this was equivalent to the amounts required for the emergencies.
 - b) Use of goods and services: The fund spent 48% of the budget nevertheless, it responded to the emergencies as they arose.
2. *Explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)*
 - a) The difference of Kshs. 30 Million between the final budget and original budget was due to more allocation on the supplementary budget.

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

19. Notes to the Financial Statements

1. General Information

Laikipia County Emergency Fund is established by and derives its authority and accountability from PFM (Laikipia County Emergency Fund) Regulations 2020. The entity is wholly owned by the County Government of Laikipia and is domiciled in Kenya. The entity's principal activity is co-ordinate, respond and finance Emergencies in Laikipia County.

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	<p>Applicable: 1st January 2023</p> <p>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.</p> <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;

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact
	<ul style="list-style-type: none"> • 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> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact
	Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other improvements to IPSAS	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</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:
IPSAS 43	<p><i>Applicable 1st January 2025</i></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 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.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p>

Standard	Effective date and impact
Discontinued Operations Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.	

(iii) Early adoption of standards

The Entity did not early -- adopt any new or amended standards in the financial year.

3. 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 FY 2023 was approved by the County Assembly on 29/06/2022. 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.

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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 18 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.

d) 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.

e) 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. No Investment property was acquired through any non-exchange transaction to be 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.

Laikipia County Emergency Fund
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Summary of Significant Accounting Policies (Continued)

f) 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. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. 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.

Laikipia County Emergency Fund
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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 N/A*.

**Laikipia County Emergency Fund
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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.

g) 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.

h) 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. The fund did not have any provisions.

i) 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.

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

j) 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.

k) Nature and purpose of reserves

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

l) 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.

m) 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.

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

n) 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.

o) 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.

p) 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.

q) 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.

r) 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 21.

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. The fund did not have any provisions in the year.

Laikipia County Emergency Fund
Annual Report and Financial Statements for the 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	-	-

2. Transfers from County Government

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Transfers From County Govt. –Operations	24,284,524	24,135,572
Payments By County On Behalf Of The Entity	-	650,300
Unconditional Development grants	-	-
Total	24,284,524	24,785,872

This relates to the transfers from county government earned as per the Financial Year budget allocation.

3. Fines, penalties and other levies

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

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	-	-

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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	-	-

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.
Repairs of ruined Access roads	5,803,758	9,349,982
Consumables (Drought Household supplies)	7,584,160	-
Drought mitigation (Water related expenses)	7,999,903	12,184,890
Drought mitigation (Agriculture related expenses)	2,896,635.	-
Consumables (Peacekeeping hospitality supplies)	-	2,800,000
Total	24,284,456	24,334,872

This relates to expenditure incurred on operations of the fund.

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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
Interest On Bank Overdrafts	-	-
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	-	-
Total	-	-

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 2021/22
	Kshs	Kshs
Emergency Fund CBK Account	71,693	71,625
Covid-19 Emergency Fund ABSA Account	457,651	457,501
Total cash and cash equivalents	529,344	529,126

Laikipia County Emergency Fund
Annual Report and Financial Statements for the 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) Current accounts			
Emergency Fund CBK Account	1000451181	71,693	71,625
Covid-19 Emergency Fund ABSA Account	1176375156	457,651	457,501
Grand total		529,344	529,126

13. Receivables from exchange transactions

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Current Receivables		
Receivables from Departments	-	(641,820)
Total receivables from non-exchange transactions	-	(641,820)
Non-Current Receivables		
Long Term Loan Repayments Due	-	-
Total Non- Current Receivables	-	-
Total Receivables From Exchange Transactions	-	(641,820)

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	-	-

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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	-	-
Sub- total	-	-
Grand total	-	-

Laikipia County Emergency Fund
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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		Current year	Prior year
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

17. Property, plant and equipment

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

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year 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	-	-

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year 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)	-	-	-	-

21. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At the Beginning Of The Year	-	-	-	-
Additional Provisions	-	-	-	-
Provision Utilised	-	-	-	-
Change Due To Discount And Time Value For Money	-	-	-	-
Transfers From Non -Current Provisions	-	-	-	-
Balance At The End of The Year	-	-	-	-

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

22. 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	-	-

Laikipia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

23. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	FY 2022-2023	FY 2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

24. 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)	-	-

Laikipia County Emergency Fund
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Notes To The Financial Statements (Continued)

25. Cash generated from operations

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	68	451,000
Adjusted For:	-	-
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
Working Capital Adjustments	-	-
Increase In Inventory	-	-
Increase In Receivables	-	-
(Decrease)/increase in Accounts Payable	-	(650,300)
Net Cash Flow From Operating Activities	68	(199,300)

Laikipia County Emergency Fund
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Notes To The Financial Statements (Continued)

26. 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'	24,284,524	24,785,872
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	Insert Comparative FY
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

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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	-	-

27. Contingent assets and contingent liabilities

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

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Notes To The Financial Statements (Continued)

28. 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 2023				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2022				
Receivables From Exchange Transactions	(641,820)	(641,820)	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	(641,820)	(641,820)	-	-

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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 no significant concentration of credit risk on amounts.

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 2023				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2022				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

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Notes To The Financial Statements (Continued)

c) 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 2023			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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

Notes To The Financial Statements (Continued)

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 0 (2022: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (2021 – Kshs 0).

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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	2022-2023	2021-2022
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	529,344	529,126
Total funds	529,344	529,126
Total borrowings	-	-
Less: cash and bank balances	529,344	529,126
Net debt/(excess cash and cash equivalents)	(529,344)	(529,126)
Gearing	-	-

29. Events after the reporting period

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

30. Ultimate and Holding Entity

The entity is a County Public Fund established by Laikipia county emergency fund regulations 2020 under the department of Finance and economic planning. Its ultimate parent is the County Government of Laikipia.

31. Currency

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

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20. 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)
Nil	Nil	Nil	Nil	Nil



Samuel Gachigi
 Laikipia County Emergency Fund
 Fund Administrator

**Laikipia County Emergency Fund
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Annex II: Inter-Fund Confirmation Letter

Laikipia County Emergency Fund

The Laikipia 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 Nil as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed Nil (Kshs) as at 30 th June 2023				Amount Received by [beneficiary Fund] (KShs) as at 30 th June 2023 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
-	-	-	-	-	-	-	
Total							

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 Programme	Column II Sub-programme	Column III Disaster Type	Column IV Category of disaster related activity that require expenditure reporting (response/ recovery/ mitigation/ preparedness)	Column V Expenditure item	Column VI Amount (Kshs.)	Column VII Comments
Public Safety, Security, Enforcement and Disaster Risk Management	Public Safety, Security, Enforcement and Disaster Risk Management	Floods	Repairs of ruined Access roads	Repairs of ruined Access roads	5,803,758	Achieved
		Drought	Consumables (Drought Household supplies)	Consumables (Drought Household supplies)	7,584,160	Achieved
		Drought	Drought mitigation (Water related expenses)	Drought mitigation (Water related expenses)	7,999,903	Achieved
		Drought	Drought mitigation (Agriculture related expenses)	Drought mitigation (Agriculture related expenses)	2,896,635	Achieved