

REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

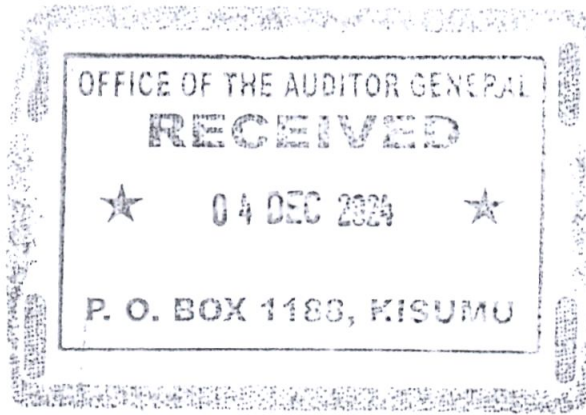
THE AUDITOR-GENERAL

ON

SIAYA COUNTY EMERGENCY FUND

**FOR THE YEAR ENDED
30 JUNE, 2024**

PAPERS LAID	
DATE	5/3/25
TABLED BY	M.O.L
COMMITTEE	-
CLERK AT THE TABLE	M.G. Lim



SIAYA COUNTY EMERGENCY FUND

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2024**

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

Siaya County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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1. Acronyms and Definition of Key Terms

a) Acronyms

CECM	County Executive Committee Member
CIDP	County Integrated Development Plan
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
Kshs	Kenya Shillings
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board

b) Definition of Key Terms

Siaya County Emergency Fund Act, 2020: legislation for establishing of County Emergency Fund, its management and operations

Fiduciary Management: The key management personnel who had financial responsibility.

CECM: County Executive Committee Member responsible for matters relating to Finance

2. Key Entity Information and Management

a) Background information

Siaya County Emergency Fund is established by and derives its authority and accountability from The Siaya County Emergency Fund Act, 2020 enacted on 7th July, 2020. The Fund is wholly owned by the County Government of Siaya and is domiciled in Kenya.

The Fund's principal activity is to enable payments to be made when an urgent and unforeseen need for the expenditure arises for which there is no specific legislative authority.

An executive member shall only pay monies out of the Fund after approval and ascertaining of the emergency by the County Executive Committee.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to enable payments to be made when an urgent and unforeseen need for the expenditure arises for which there is no specific legislative authority

c) Fund Administration Committee

Siaya County Emergency fund does not have Administration Committee since it's not provided for in the Act.

d) Key Management Team

Ref	Name	Position
1.	Hon. CPA, Benedict Abonyo Omollo	CECM-Finance and Economic Planning
2.	Mr. Maurice Owira	Accountant- Finance and Economic Planning

e) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies at the County for the period ended 30th June 2024 were;

1. Siaya County Assembly
2. Siaya County Public Accounts and Investment Committee; and
3. Siaya County Budget and Appropriations Committee
4. Office of the Auditor General
5. Office of the Controller of Budget

f) Registered Offices

P.O. Box 803-40600
Siaya County Headquarters
Siaya, KENYA

Siaya County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Key Entity and Management (Continued)

g) Fund Contacts

Telephone: (+254) 792 631 619

E-mail: inf@siaya.go.ke

Website: www.siaya.go.ke

h) Fund Bankers

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

i) Independent Auditors

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

j) Principal Legal Advisor

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

3. Fund Administration Committee (Any Other Governance Body for The Fund)

Siaya County Emergency fund does not have Administration Committee since it's not provided for in the Siaya Emergency Fund Act,2020

Siaya County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

4. Key Management Team

Siaya County Emergency fund does not have Administration Committee since it's not provided for in the Siaya Emergency Fund Act 2020.

5. Report of the Chairman of the Fund

Siaya County Emergency fund does not have Administration Committee since it's not provided for in the Siaya Emergency Fund Act 2020

Siaya County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

6. Report of The Fund Administrator

I have the pleasure of presenting the Annual Report and Financial Statements for the year ended 30th June 2024. During the year under review, the management discharged its mandate as stipulated in the Siaya County Emergency Fund Act, 2020. Siaya County Emergency Fund was created by the Siaya County Emergency Fund Act, 2020. The purpose of the Fund is to enable payments to be made when an **urgent and unforeseen** need for expenditure arises for which there is no specific legislative authority.

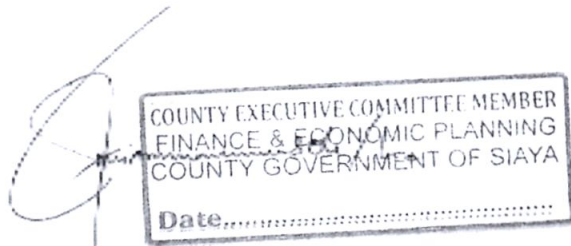
An emergency condition generates extensive damage and destruction to life or property. These events may lead to overwhelming social and physical disruption of functioning of society or community and overwhelms their sources of the affected community or country to provide a timely and effective response to meet the needs of the situation. The emergency aspect of such an event requires immediate attention to alleviate threats to life, pain, distress, anxiety and the destruction to the environment. The County's disaster profile is dominated by droughts, fires, floods, diseases and epidemics that disrupt people's livelihoods, destroy the infrastructure, divert planned use of resources, interrupt economic activities and retard development

Our progressive Constitution has provided for devolution, not only of functions but also of resources, under county governments. In this regard, the county governments are the first point of response to calamities such as drought, fires, flood diseases and accidents It is with this in mind that we need to work together and take far-reaching measures that can mitigate the impact of the emergencies

While our achievements are substantial, they are still insufficient. I laud the Government's move to institutionalise the Disaster Management as a risk financing instrument and, therefore, appeal for fast-tracking of its operationalization

In a bid to entrench the gains made thus far, the management also commits to a collective institutional resolve to adhere to our core values of integrity and accountability, responsiveness to vulnerable groups and participatory approaches in executing our mandate whilst addressing emergencies.

Signed: _____



COUNTY EXECUTIVE COMMITTEE MEMBER
FINANCE & ECONOMIC PLANNING
COUNTY GOVERNMENT OF SIAYA
Date:

Acting CECM- Finance and Economic Planning

7. Statement of Performance Against the Fund's Predetermined Objectives

Section 164 (2) (f) of the Public Finance Management Act, 2012, requires that the Accounting Officer include a statement of performance against predetermined objectives when preparing financial statements at the end of each financial year.

The key development objectives of the Fund as per the County Integrated Development Plan (CIDP) 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 Fund doesn't have predetermined objectives since the purpose of the Fund is to enable payments to be made when an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority.

An emergency condition generates extensive damage and destruction to life or property. These events may lead to overwhelming social and physical disruption of functioning of society or community and overwhelms their sources of the affected community or country to provide a timely and effective response to meet the needs of the situation. The emergency facet of such an event requires immediate attention to alleviate threats to life, pain, distress, anxiety and the destruction to the environment.

Siaya County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

8. Statement of Corporate Governance

Siaya County Emergency fund does not have Administration Committee since it's not provided for in the Act.

9. Management Discussion and Analysis

It is my pleasure to present the Siaya County Emergency Fund financial statements for the year ended 30th June 2024. The financial statements present the financial performance of the Fund over the past year.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments.

a. Financing of the County Governments

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue sources for Siaya County included business permits, land rates, business plan approval, plot rents, cesses and various other administrative charges.

Financial Performance

i. Revenue

In the year ended 30th June 2024 the Fund had a budget of Kshs. 87,671,874.80. The Fund was able to realize Kshs. 48,357,169.

ii. Payments

Our total expenditure for the year amounted to Kshs. 46,166,075.25 representing 53% absorption

10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile

Spatial Development Framework (SDF) sets out the principles to be used to decide the right development to promote economic growth within the county taking into consideration spatial disparities. The proposed strategies include:

- a) Setting industrial incubation centres and initiating agro-processing value addition;
- b) Pursuing mining resources to increase revenue generation;
- c) Revitalization of the blue economy to improve fishing resources;
- d) Undertake sustainable tourism and ecotourism;
- e) Targeted infrastructural development in trading centres such as markets to connect electricity (street lighting and solar power), establish stall markets, connect water and sanitation;
- f) Enhance financial capacity of local traders by availing credit facilities;
- g) Expand the resource base by pursuing resource mobilization from public finance, private finance and public-private financing;
- h) Expanding the role of SME and MSE contribution to the local economy, and
- i) Tapping into Foreign Direct Investments (FDI) as a driver of investment.

2. Environmental performance

Environment is a broad term representing the totality of the surrounding such as plants, animals, microorganisms, socio economic and cultural factors. It includes the physical factors of the surroundings of human beings such as land, water, atmosphere, sound, odour, taste; the biological factors of animals and plants and the social factors of aesthetics including both natural and built environment. The right to a clean and healthy environment is one of the rights safeguarded under the Constitution of Kenya, 2010. To ensure its protection not only for the present generation, but also the future generations as envisioned, it is critical that Siaya County puts in place measures to conserve the environment. The main activities contributing to environmental degradation in the County include unsustainable land use practices, poor soil and water management practices, unsustainable fishing, and deforestation, overgrazing, over exploitation of wetland resources, encroachment of riparian reserves, pollution and effects of climate change. To address the challenges, the county outlines a strategy to promote sustainable natural resource management in

Siaya County focusing on the following aspects: Reforestation of gazetted forests; Provision and protection of migratory corridors; Protection of water catchment and environmentally fragile ecosystems and Provision and protection of migratory corridors (areas connecting wildlife population but are separate from human activities or structures i.e. roads). This will help to re-establish population of wildlife (Crocodiles, Warthogs, Monkeys, Birds, Antelopes, Leopards, Hyenas, Squirrels and Snakes) which had been reduced due to events such as fires, human wildlife conflict arising from habitat fragmentation where urbanization splits up habitats. The county has also identified wetlands along the Lakes i.e. Lake Victoria and Lake Kanyaboli as well as County rivers as strategic migratory corridors. It also proposes the use of riparian areas along rivers, lakes and other water bodies for utilization as migratory corridors.

3. Employee welfare

The County has an approved structure and establishment; however, the establishment is yet to be implemented fully and with a big mismatch with the skills and competencies needed to drive the County's development agenda. The Agriculture led development model is a major paradigm shift that introduces approaches and innovations in execution. To realise this development goal, a change management approach is required and it involves the identification and assignment of champions across all sectors. The approach also requires realignment of roles and responsibilities and drawing a staff framework to support the desired change. Such a framework will lead to the restructuring and reorganisation of departments such as Agriculture, Trade and Enterprise. As a result of restructuring there will be the abolishment of offices that do not align with the desired Plan. It will also require strategic recruitment, training and tooling to align the staff to the desired change.

Currently, there is no established policy to guide Human Resource development, limited capacity in Directorate of Human Resource Management and the County Public Service Board; weaknesses in the recruitment and promotion processes; lack of clarity in career progression paths, skill development and relevant training plans. To address these challenges, the county will develop and implement a Human Resource Management and Development Policy, institute a performance management system, and review the staff establishment to align it to the new development approach for the County.

4. Market place practices

The weaknesses in the value chains for agriculture have an interactive relationship with weak market systems. The aggregation, bulking, wholesale and retail systems are under-developed. As part of the agenda to transform Siaya through investment in agriculture, one of the five priority areas is the development of market systems to support the anchor value chains.

The plan is to promote and facilitate the development of a strong network of direct market players such as producers, buyers, and consumers; suppliers of supporting goods and services such as finance, equipment and business consulting; and entities that influence the business environment such as regulatory agencies and County Government Departments, infrastructure providers and business associations. The envisaged market structures and systems will include storage, ICT support, road networks that facilitate movement and confluence of goods and people and a command area with an anchor value chain each linked to a market centre. In this respect, Yala is envisaged as the market centre for the dairy value chain, the Ugunja for the avocado value chain, Bondo for the fish value chain, Rarieda for the fruit and cotton value chain, Alego Usonga for the poultry and rice value chain.

Arising from less commercialization of agriculture in Siaya, the farmer-led producer organisations remain few and the existing ones are weak in their operations. This lack of high-capacity in farmer organisations limits smallholder integrations into value chains, raising transaction cost and reduces competitiveness. As a result of this, farmers end up with high post-harvest losses causing the farmers to engage in distress sales of produce at lower prices. The county will place a strong focus on the development of high capacity producer organisations, savings and credit (saccos) and cooperative unions to enhance commercialization and market participation for farmers while boosting productivity through improved access to quality input and extension services and finance and credit. The county will also focus on establishing thirty ward based cooperative SACCOs and federation of these ward based SACCOs into six cooperative unions at sub-county level. Critical to the success of these saccos will be training on corporate governance, linkage to market systems and input supply chains.

5. Community Engagements

The County Government is fostering interaction with businesses, NGOs and other key stakeholders to address social problems through Corporate Social Responsibility (CSR) agenda. Various sectors have partnered with NGO's to provide CSR services. In health sector, the county has partnered with NGO's to provide polio vaccine to new born in the communities, training of expectant mothers, providing mosquito nets and food supplements. In agriculture, through partners, farmers have benefitted from free extension services, provision of certified seeds and fertilizers, provision of fingerlings and fishing gears.

Siaya County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

11. Report of The Committee

Siaya County Emergency fund does not have Administration Committee since it's not provided for in the Act.

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 Fund 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 Emergency 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, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 Emergency 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 (*quote the applicable legislation establishing the Emergency Fund*). 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, 2024, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Emergency Fund has assessed the Fund's ability to continue as a going concern and disclosed as applicable. 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 and signed by the Administrator on 31st October 2024.


COUNTY EXECUTIVE COMMITTEE MEMBER
FINANCE & ECONOMIC PLANNING
COUNTY GOVERNMENT OF SIAYA
Date.....

Fund Administrator

REPUBLIC OF KENYA

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



Enhancing Accountability

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

DRAFT REPORT OF THE AUDITOR-GENERAL ON SIAYA COUNTY EMERGENCY FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on 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 the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Siaya County Emergency Fund set out on pages 1 to 44, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of net assets,

Draft Report of the Auditor-General on Siaya County Emergency Fund for the year ended 30 June, 2024

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

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Siaya County Emergency Fund as at 30 June, 2024 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 Siaya County Emergency Fund Act, 2020 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Property, Plant and Equipment Balance

The statement of financial position reflects an amount of Kshs.39,965,934 in respect of property, plant and equipment. However, review of the movement schedule under property plant and equipment disclosed in Note 11 to the financial statements reflects a balance of Kshs.104,203,084 resulting to an unexplained variance of Kshs.64,237,150. Further, the assets reflected in the movement schedule are not reflected in the fund's assets register. In addition, the property, plant and equipment comprise of Land and Buildings; Kshs.49,551,333, Refurbishment of Buildings; Kshs.7,008,916.80, Civil Works; Kshs.39,965,935, Furniture and Fittings; Kshs.7,217,000 and Medical Equipment; Kshs.459,900 totaling to Kshs.104,203,084, however, the Fund does not have ownership documents, the rights and obligations of these fixed assets because they are owned by the County Government of Siaya.

Similarly, these property, plant and equipment are capital in nature and payments were made contrary to Section 112(1), 3(a) and (b) of the Public Finance Management Act, 2012 which require the County Executive Committee member for Finance may make payments from the county government's Emergency Fund only if he or she is satisfied that there is an urgent and unforeseen need for expenditure for which there is no legislative authority. In addition, the civil works involved construction of dykes and renovation works.

Management has explained that they had delegated signing authority for professional opinion to Director of Public works and duly signed contract agreements were executed for construction of dykes, an indication that the civil works were not of emergency in nature.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.39,965,934 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget of Kshs.87,671,874 and actual comparable basis amount of Kshs.48,357,169 resulting in underfunding of Kshs.39,314,705 or 45% of the budget.

Similarly, the Fund expended Kshs.6,200,140 against approved budget of Kshs.87,671,874 resulting to an under expenditure of Kshs.81,471,734 or 93% of the total budget.

The under absorption and underfunding may have negatively impacted on service delivery. It is however, not clear and Management has not indicated how they could budget for emergencies.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matters

Non-Implementation of Prior Year Audit Recommendation

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues or given any explanation for failure to implement the recommendations.

Other Information

Conclusion

The Management is responsible for the Other Information set out on page i to xvii which comprise of Fund Information and Overall Performance, Statement of Performance Against the County Fund's Predetermined Objectives, Environmental and Sustainability

Reporting and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing 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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The Standards require 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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Internal Audit Review

During the year under review, there were no internal audit reviews of the Fund's activities contrary to Regulation 153(1)(c) of the Public Finance Management (County Governments) Regulations, 2015 which requires that the Internal Auditor should review

the effectiveness of the financial and non-financial performance management systems of the entities.

In the absence of constant reviews by the internal audit unit, the effectiveness of internal control and risk management in relation to the Fund could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial

statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

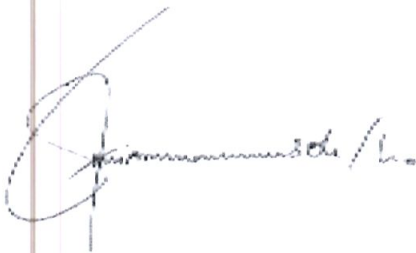
09 December, 2024

Siaya County Emergency Fund

Annual Report and Financial Statements for the year ended June 30, 2024

14. Statement of Financial Performance for the Year Ended 30th June 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	6	48,357,169.00	73,200,000.00
Revenue From Exchange Transactions			
Total Revenue		48,357,169.00	73,200,000.00
Expenses			
Emergency Expenses	7	6,200,140.70	-
Use of goods and services	8	-	27,332,036.85
Total Expenses		6,200,140.70	27,332,036.85
Surplus/(Deficit) for the Year		42,157,028.30	45,867,963.15



Name: George Nying'iro
Administrator of the Fund




Name: Maurice Owira
Fund Accountant

Siaya County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

15. Statement of Financial Position As at 30 June 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	9	49,862,968.20	47,690,927.75
Total current assets			
Non-Current Assets			
Property, Plant and Equipment	11	39,965,934.55	-
Total Assets (A)		89,828,902.75	47,690,927.75
Liabilities			
Current Liabilities			
Total current liabilities		-	-
Total Liabilities (B)			
Net Assets (A-B)		89,828,902.75	47,690,927.75
Represented By:			
Accumulated Surplus		89,828,902.75	47,671,874.45
Net Assets		89,828,902.75	47,671,874.45


 COUNTY EXECUTIVE COMMITTEE MEMBER
 FINANCE & ECONOMIC PLANNING
 COUNTY GOVERNMENT OF SIAYA
 Date.....

.....
 Name: Hon. George Nying'iro
 Administrator of the Fund



.....
 Name: Maurice Owira
 Fund Accountant

Siaya County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

16. Statement Of Changes in Net Assets for the year ended 30th June 2024

Description	Accumulated surplus/Deficit
	Kshs
Balance As At 1 July 2022	1,822,964.60
Surplus/(Deficit) For the Year	45,867,963.15
Balance As At 30 June 2023	47,690,927.75
Balance As At 1 July 2023	47,690,927.75
Surplus/(Deficit) For the Year	42,157,028.30
Balance As At 30 June 2024	89,847,956.05

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17. Statement of Cash Flows for The Year Ended 30 June 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Receipts From the County Government	6	48,357,169.00	73,200,000.00
Total receipts		48,357,169.00	73,200,000.00
Payments			
Emergency Expenses	9	6,200,140.70	-
Use of goods and services	10		27,332,036.85
Total Payments		6,200,140.70	27,332,036.85
Net cash flows from operating activities		42,157,028.30	45,867,963.15
Cash flows from investing activities	14	39,965,934.55	-
Net cash flows used in investing activities		-	
Cash flows from financing activities		19,053.30	-
Net cash flows used in financing activities			
Net increase/(decrease) in cash & cash Equivalents		2,172,040.45	45,867,963.15
Cash and cash equivalents at 1 July 2023	11	47,690,927.7	1,822,964.53
Cash and cash equivalents at 30 June 2024		49,862,968.20	47,690,927.7

18. Statement of Comparison Of Budget And Actual Amounts For The Period

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers From County Govt.	40,000,000.00	47,671,874.80	87,671,874.80	48,357,169.00	39,314,705.80	55
Public Contributions and Donations						
Interest Income						
Total Income	40,000,000.00	47,671,874.80	87,671,874.80	48,357,169.00	39,314,705.80	55
Expenses						
Emergency Expenses	40,000,000.00	47,671,874.80	87,671,874.80	46,166,075.25	41,505,799.55	53
Use of goods and services						
Total Expenditure	40,000,000.00	47,671,874.80	87,671,874.80	46,166,075.25	41,505,799.55	53
Surplus For the Period				2,191,093.75		

Note:

- i. The fund had a brought forward of Kshs.47,671,874.80 from the previous year which was adjusted in the supplementary budget
- ii. The fund incurred a total of Kshs.46,166,075.25 consisting of Capital expenditure of Kshs. 39,965,934.55 and expenses of Kshs. 6,200,140.70

Siaya County Emergency Fund
Annual Report and Financial Statements For the year ended 30th June 2024

19. Notes to the Financial Statements

1. General Information

The Emergency Fund is established by and derives its authority and accountability from Siaya County Emergency Fund Act, 2020. The fund is wholly owned by the Siaya County Government and is domiciled in Kenya. The fund's principal activity/mission/ mandate of the Fund is to enable payments to be made when an urgent and unforeseen need for the expenditure arises for which there is no specific legislative authority.

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 financial statements are prepared on accrual basis while the cashflow statement is prepared using the direct method.

3. Adoption of new and revised standards

(i) New and amended standards and interpretations in issue effective in the year ended 30 June 2024

There are no new standards effective in the financial year ended 30th June 2024.

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact:
IPSAS 43 Leases	<i>Applicable 1st January 2025</i> 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. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held	<i>Applicable 1st January 2025</i> The Standard requires,

Standard	Effective date and impact:
for Sale and Discontinued Operations	<p>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:</p> <p>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.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value</p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from</p>

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Standard	Effective date and impact:
	transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

(iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

4. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue Transfers

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.

b) Budget information

The original budget for FY 2023/24 was approved by the County Assembly on 30th June 2023. 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 Fund upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Kes 47,690,927.7 in FY 23/24 budget following the approval.

The Fund'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.

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 15 to 18 of these financial statements.

c) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The Fund does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* 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 Fund 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 fund'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.

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

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

Financial liabilities

Classification

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

d) Contingent liabilities

The Fund 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 probable.

e) Contingent assets

The Fund 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.

f) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

g) Changes in accounting policies and estimates

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

h) 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.

i) Related parties

The Fund 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.

j) 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.

k) Comparative figures

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

l) Events after the reporting period

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

m) Currency

The financial statements are presented in Kenya Shillings (Kshs) are rounded off to the nearest shilling.

5. Significant judgments and sources of estimation uncertainty

The preparation of the Fund'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

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:

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

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c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in **Note xxx**.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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6. Transfers from the County Government

Description	2023/2024	2022/2023
	Kshs	Kshs
Transfers From Siaya County Department	48,357,169.000	73,200,000.000
Others (<i>specify</i>)		
Total	48,357,169.000	73,200,000.000

7. Emergency Expenses

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Drought related expenses		
Fire related expenses		
Flood related expenses		
Health related expenses	6,200,140.70	
Total	6,200,140.70	

8. Use of Goods and Services

Description	2023/2024	2022/2023
	2023/2024 Kshs.	2022/2023 Kshs.
Bank Charges		
Audit Fees		
Fuel and Oil costs		300,000.00
Specialized Materials		7,033,251.20
Civil Works		19,998,785.65
Other (<i>Specify</i>)		
Total		27,332,036.85

9. Cash and cash equivalents

Description	2023/2024	2022/2023
	Kshs	Kshs
Emergency Fund Account (CBK)	49,862,968.20	47,671,874.45
Emergency Fund Account Faulu Bank	0.00	19,053.30
Total Cash and Cash Equivalents	49,862,968.20	47,690,927.75

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

Financial Institution	Account number	2023/2024 Kshs	2022/2023 Kshs
a) Fixed Deposit Account			
Central Bank of Kenya	1000468677	49,862,968.20	47,671,874.45
Sub- Total		49,862,968.20	47,671,874.45
b) On- Call Deposits			
Siaya County Emergency Faulu	1010825462		19,053.30
Cash In Hand			
Sub- Total			19,053.30
Grand Total		49,862,968.20	47,690,927.75

10. Cash generated from operations

Description	2023/2024	2022/2023
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	42,157,028.30	
Adjusted For:		
Working Capital Adjustments		
Increase In Receivables	-	
Increase In Payables	-	
Net Cash Flow From Operating Activities	42,157,028.30	

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11. Property Plant and Equipment

	Land and Buildings	Motor vehicles	Refurbishme nt of Building	Civil works	Furniture and fittings	Purchase of Medical Equipment	Total
Cost	Kshs	Kshs			Kshs	Kshs	Kshs
Balance As At 1 July 2022	49,551,333.00		7,008,916.80		7,217,000.00	459,900.00	64,237,149.80
Additions							
Disposals							
Transfers/Adjustments							
Balance As At 30th June 2023	49,551,333.00		7,008,916.80	-	7,217,000.00	459,900.00	64,237,149.80
Balance As At 1st July 2023	49,551,333.00		7,008,916.80	-	7,217,000.00	459,900.00	64,237,149.80
Additions				39,965,934.55			39,965,934.55
Disposals							
Transfer/Adjustments							
Balance As At 30th June 2024	49,551,333.00		7,008,916.80	39,965,934.55	7,217,000.00	459,900.00	104,203,084.35
Depreciation And Impairment							
Balance As At 1st July 2022	49,551,333.00		7,008,916.80		7,217,000.00	459,900.00	64,237,149.80
Depreciation							
Impairment							
Balance As At 30th June 2023	49,551,333.00		7,008,916.80		7,217,000.00	459,900.00	64,237,149.80
Balance As At 1 July 2023	49,551,333.00		7,008,916.80		7,217,000.00	459,900.00	64,237,149.80
Depreciation							
Disposals							
Impairment							
Transfer/Adjustment							
Balance As At 30th June 2024	49,551,333.00		7,008,916.80	39,965,934.55	7,217,000.00	459,900.00	104,203,084.35
Net Book Values							
Balance As At 30th June 2023	49,551,333.00		7,008,916.80		7,217,000.00	459,900.00	64,237,149.80
Balance As At 30th July 2024	49,551,333.00		7,008,916.80	39,965,934.55	7,217,000.00	459,900.00	104,203,084.35

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Annual Report and Financial Statements For the year ended 30th June 2024**

12. 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 of Siaya
- b) The Emergency Fund Administrator

b) Related party transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
Transfers From Related Parties'		
Transfers To Related Parties		

c) Due from related parties

Description	2023/2024	2022/2023
	Kshs	Kshs
Due From County Government		
Total		

d) Due to related parties

Description	2023/2024	2022/2023
	Kshs	Kshs
Due To County Government		
Total		

13. Contingent assets and contingent liabilities

Contingent Assets/Liabilities	2023/2024	2022/2023
	Kshs	Kshs
Court Case against the Fund		
Bank Guarantees		
Total		

(Give details)

14. 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

Siaya County Emergency Fund

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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 2024				
Receivables From Exchange Transactions				
Receivables From Non-Exchange Transactions				
Bank Balances				
Total				

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

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.

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

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 2024				
Trade Payables				
Total				
At 30 June 2023				
Trade Payables				
Total				

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.

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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			
Cash			
Debtors/ Receivables			
Liabilities			
Trade And Other Payables			
Net Foreign Currency Asset/(Liability)			

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
2022-2023			
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.

**Siaya County Emergency Fund
Annual Report and Financial Statements For the year ended 30th June 2024**

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (20xx: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20xx – Kshs xxx).

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	2023-2024	2022-2023
	Kshs	Kshs
Accumulated surplus		
Total funds		
Less: cash and bank balances		
Net debt/(excess cash and cash equivalents)		
Gearing		

15. Events after the reporting period

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

16. Currency

The financial statements are presented in Kenya Shillings (Kshs

Siaya County Emergency Fund
Annual Report and Financial Statements For the year ended 30th June 2024

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)
1	<p>Transfers from the County Government The statement of receipts and payments and as disclosed under Note 2 to the financial statements reflects an amount of Kshs.73,200,000 in respect of transfers from the County Government. However, the financial statements of the Siaya County Executive reflect transfers from the County of Kshs.22,328,125 resulting to an unreconciled variance of Kshs.50,871,875. It is not clear, and management has not provided a</p>	<p>Management Response We note your findings and wish to state as follows:</p> <ul style="list-style-type: none"> i. The County Treasury Transferred Kshs. 70,000,000 to Siaya County Emergency Fund Account on 3rd May 2023; ii. At the end of the financial year, Emergency Fund account had a balance of Kshs. 47,671,874.45 implying an expenditure of Kshs. 22,328,125; iii. It is this Expenditure of Kshs. 22,328,125 which was recognised and reported in Note 7 of Siaya County Executive financial statement for the year ended 30th June 2023 <p>Annex I; Bank Reconciliation statement</p>		

Siaya County Emergency Fund

Annual Report and Financial Statements For the year ended 30th June 2024

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)
	<p>reconciliation or any supporting documentation for the difference.</p> <p>In the circumstances, the accuracy of the transfers from the County Government of Kshs.73,200,000 could not be confirmed.</p>			
2	<p>Irregular Expenditure in the Fund</p> <p>The statement of financial performance and as disclosed under Note 8 of the financial statements reflects general expenses, electricity and water expenses and fuel and oil costs of Kshs.4,765,820, Kshs.300,000 and Kshs.2,267,431 respectively. However, the nature and purpose</p>	<p>Management Response</p> <p><i>We not your observations and wish to state that the expenditure of Kshs. 27,332,036.85 was sanctioned by the Cabinet as emergency in line with the Siaya County Emergency Act, 2020 as per the attached Cabinet minutes. Please note that according to the nature of the emergency that was at hand (Cholera outbreak and floods), these expenditures were properly incurred and were within the proper meaning of emergency expenditure.</i></p> <p>Annex2: Extracts of Cabinet Minutes</p>		

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Annual Report and Financial Statements For the year ended 30th June 2024

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)
	<p>of the items procured did not appear as an emergency. This was contrary to the Siaya County Emergency Fund Act which stipulates that "Emergency" shall be construed to mean an' urgent, unforeseen need. Further, the entire expenditure of Kshs.27,332,036 did not have any payment sanctioned by the County Executive Committee as on emergency in line with the Siaya County Emergency Act, 2020. The expenditure was mainly normal operations expenditure. In the circumstances, the validity and propriety of the expenditure totalling to Kshs.27,332,036.85</p>			

Siaya County Emergency Fund

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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)
	on general expenses could not be confirmed.			
3	<p>Unsupported Expenditure The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflect use of goods and services amount of Kshs.27,332,036. However, the following unsatisfactory observations were noted:</p> <p>i. The Department of Health requested for the funds for procurement of pharmaceutical items amounting to Kshs.4,185,820. However, review of the Programme Based</p>	<p>Management Response i. we note your observation and wish to state that, the optimum allocation as stated in the Health Commodities quantification report by the department indicates a figure of 943,218,083 while the allocation to the department was 225,556,993.30 implying a shortfall of Kshs.717,661,089.70. This health commodities short-fall justified additional funding. From the foregoing, please note that this was not a re-allocation of funds, but an additional funding to the department. Accordingly, County Assembly Budget and Appropriation committee made a deliberate attempt to bridge financing gap for acquisition of critical pharmaceutical and non-pharmaceutical products. We have attached health commodity</p>		

**Siaya County Emergency Fund
Annual Report and Financial Statements For the year ended 30th June 2024**

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)
	<p>Supplementary Budget Estimates II of Siaya County indicate that supply of pharmaceutical items had a budget allocation. No justification was rendered for the decision to reallocate funds already voted for the Emergency Fund. Further, Management did not provide stores records to support receipt and issuance of drugs and non-pharmaceuticals to the respective health facilities.</p> <p>ii. The Management procured food and non-food items from various suppliers totalling to Kshs. 2,847,431</p>	<p>quantification report and votes and proceedings of 25th January 2022. Further we also wish to state that store ledgers are available and are hereby attached for your verification.</p> <p>ii. On Kshs. 2,847,431 for supply of food and non-food items we wish to state the payment vouchers are supported by receipt and issue vouchers from the stores, approved list of beneficiaries, distribution list to final users. In addition, we wish to confirm that all Contract Documents in regards to supply of food and non-food items were attached to the Payment voucher and are hereby attached for your verification</p> <p>Annex 3: Health Commodity report 2021/2022-2024/2025 and Votes and Proceedings for 25th</p>		

Siaya County Emergency Fund

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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)
	<p>for flood disaster victims. However, the expenditure was not supported by receipt and issue vouchers from the stores, approved list of beneficiaries and distribution list to final users. Further, the management did not provide contract documents between the Management and the suppliers.</p> <p>In the circumstances, it has not been possible to confirm the propriety and validity of the expenditure of Kshs. 27,332,036 in respect of use of goods and services.</p>	<p><i>January 2022 , stores ledger cards and Payment Voucher</i></p>		
4	<p>Cash and Cash Equivalents</p>	<p><i>Management Response</i> We note your findings and wish to confirm that the bank balance as at 30th June 2023 was Kshs. 44,879,274.</p>		

Siaya County Emergency Fund
Annual Report and Financial Statements For the year ended 30th June 2024

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)
	<p>The statement of financial position reflects cash and cash equivalents balance of Kshs.47,690,927 which, as disclosed in Note 12 to the financial statements includes Central Bank of Kenya (CBK) and a commercial bank account balance of Kshs.47,671,874 and Kshs.19,053 respectively. However, the CBK reconciliation statement for 30 June, 2023 reflects balance of Kshs.47,671,874 while the certificate of bank balance confirmation reflects Kshs.44,879,274, resulting to an unreconciled and unexplained variance of Kshs.2,792,600. Further, the commercial</p>	<p><i>However, there was unrepresented cheque of Kshs. 580,000 and Refund of Kshs. 3,372,600 which when journalised in the cashbook results into a reconciled cashbook balance of Kshs. 47,671,874 as per the Bank reconciliation statement.</i></p> <p><i>We further wish to state that the Emergency Account held at Faulu Bank Ugunja has since been closed and the balance of Kshs. 19,053 transferred to County Revenue collection account held at KCB Siaya as per the attached letter and KCB bank statement.</i></p> <p><i>Annex 4: Bank Reconciliation Statement, letter of account closure and bank statement</i></p>		

Siaya County Emergency Fund

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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)
	<p>bank account had been dormant for over three (3) years and continues to incur unnecessary running expenses.</p> <p>In the circumstances, the accuracy and completeness of bank balances of Kshs.47,690,927 could not be confirmed.</p>			
5	<p>Statement of Financial Position The statement of financial position reflects a balance of Kshs.45,867,963 under accumulated surplus. However, the amount is at variance with the balance of Kshs.47,690,927 reflected in the statement of changes in net assets reflects, resulting to unexplained</p>	<p><i>Management Response</i> <i>We note your observation and wish to state as follows;</i></p> <ul style="list-style-type: none"> <i>i. The statement of financial position presented reflects a balance of Kshs. 47,690,927.68 and not Kshs. 45,867,963;</i> <i>ii. The statement of financial performance reflects a balance of Kshs. 45,867,963 as the surplus for the period under review;</i> 		

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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)
	<p>variance of Kshs.1,822,964. Further the statement of financial position reflects reserves balance of Kshs.1,822,964. However, the statement of changes in net assets reflects a nil balance.</p> <p>In the circumstances, the accuracy of accumulated surplus balance reported in the statement of financial position could not be confirmed.</p>	<p>iii. <i>The surplus brought forward for previous financial year is Kshs. 1,822,964 which the template in statement of financial position indicates as reserve in the period under review;</i></p> <p>iv. <i>The statement of financial position as per the prescribed template provided by IPSAS will recognize the surplus for the period of Kshs. 45,867,963 plus the brought forward for the previous year of Kshs. 1,822,964 bringing the total net assets and liabilities for the period to Kshs. 47,690,927.68</i></p> <p><i>Annex 6: Extract of the financial statement –(Statement of Financial Position</i></p>		
	<p>Budgetary Control and Performance</p> <p>The statement of comparison of budget</p>	<p>Management Response</p> <p><i>We note your observations and wish to state that Emergency expenditures are unforeseen and therefore cannot be expended as per the budget estimates.</i></p>		

Siaya County Emergency Fund

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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)
	<p>and actual amounts reflects a final expenditure budget of Kshs.70,000,000 against an actual of Kshs.27,332,036 resulting to under-expenditure of Kshs.42,667,964 or 39% of the budget. In addition, review of the statement of comparison of budget and actual amounts revealed that the explanatory notes to give the reasons for material differences between the budgeted and actual amounts has not been provided as prescribed by the Public Sector Accounting Standards Board (PSASB).</p> <p>The under-expenditure affected the planned activities and may have</p>	<p><i>Thus, we can only expend the budget estimates to the extent of the emergency at hand.</i></p>		

Siaya County Emergency Fund

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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)
	<p>impacted negatively on service delivery to the public. My opinion is however not modified in respect of the above matter</p>			
	<p>Progress on Follow Up of Prior Year Auditor's Recommendations</p> <p>As disclosed in the progress on follow up of auditor's recommendations section of the financial statements, the prior year audit issues remained unresolved as at 30 June, 2023. Management has not provided satisfactory reasons for the delay in resolving the issues.</p>	<p><i>Management Response</i> <i>We note your findings and wish to state that, the delays in resolving the prior year audit issues is as result of the timelines of the Public Accounts Committee (PAC). The prior audit issues were discussed on 5th and 6th October 2023, and by this date we had prepared and submitted financial statement. Please note that we are yet to receive the same report from the County Assembly (PAC) so that we can implement their recommendations.</i></p>		
1	<p>Non-Compliance with International Public</p>	<p><i>Management Response</i> <i>We note your observation and wish to state that the County Government of</i></p>		

Siaya County Emergency Fund

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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)
	<p>Sector Accounting Standards (IPSAS)</p> <p>The statement of financial position reflects nil balance on property, plant and equipment. However, Note 17 to the financial statements discloses property, plant and equipment balance of Kshs.64,237,149. The property, plant and equipment movement schedule at Note 17 has not been prepared in accordance with International Public Sector Accounting Standards (IPSAS) No. 17 which requires an entity to disclose each class of asset recognized in the statements; the measurement bases for determining the carrying amounts, depreciation</p>	<p><i>Siaya is yet to complete preparation of depreciation policy hence non-compliance with requirements of Note 17. We wish to confirm that the fixed assets are valued and reported at cost. Please note that the County is in the process of preparing Assets Management policy as per the attached list of appointed officers. The County Executive shall share this policy once approved by the County Executive Committee.</i></p> <p>Annex 7: Appointment letters2</p>		

Siaya County Emergency Fund

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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)
	<p>methods used, useful lives or depreciation rates used, accumulated depreciation at the beginning and end of the period, additions, depreciation and net book values.</p> <p>In the circumstances, Note 17 to the financial statements did not comply with the requirements of IPSAS No. 17.</p>			
2	<p>Renovation Works at Siaya County Referral Hospital</p> <p>The statement of financial performance reflects expenditure amount of Kshs.27,332,036 in respect to use of goods and services which, as disclosed in Note 7 to the financial statements</p>	<p><i>Management Response</i></p> <p>We note your observations and wish to respond as follows: -</p> <p>(i) <i>The entire Section 103 of the Public Procurement and Asset Disposal Act, 2015 (PPADA) deals with when direct procurement may be used. Sec. 103 (2) specifically provide that "A procuring entity may use</i></p>		

Siaya County Emergency Fund

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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)
	<p>include expenditure on civil works amounting to Kshs.19,998,785.</p> <p>Management awarded a contract to renovate and repair leaking roofs at the Siaya County Referral Hospital at a contract sum of Kshs.25,774,634.</p> <p>However, the contract documents were not provided to confirm whether the works were carried out as stipulated in the contract. In addition, it was noted that the Local Purchase Order (LPO) was issued on the same date as the supplier's invoice of 14 June, 2023. No explanation was provided for this anomaly.</p> <p>Further, review of minutes of the</p>	<p><i>direct procurement if any of the following are satisfied—</i></p> <p><i>(a) the goods, works or services are available only from a particular supplier or contractor, or a particular supplier or contractor has exclusive rights in respect of the goods, works or services, and no reasonable alternative or substitute exists;</i></p> <p><i>(b) due to war, invasion, disorder, natural disaster or there is an urgent need for the goods, works or services, and engaging in tendering proceedings or any other method of procurement would therefore be impractical, provided that the circumstances giving rise to the urgency were</i></p>		

Siaya County Emergency Fund

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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)
	<p>Implementation Committee dated 13 July, 2023 indicated that the original contract period and practical completion date were yet to be determined. As at the time of the audit in November, 2023, no completion and hand over certificate was provided for audit.</p> <p>In the circumstances, the propriety and value for money for the funds spent on renovation of Siaya Referral Hospital could not be confirmed and the Management was in breach of the law.</p>	<p><i>neither foreseeable by the procuring entity nor the result of dilatory conduct on its part;</i></p> <p><i>(c) owing to a catastrophic event, there is an urgent need for the goods, works or services, making it impractical to use other methods of procurement because of the time involved in using those methods;</i></p> <p><i>(d) the procuring entity, having procured goods, equipment, technology or services from a supplier or contractor, determines that additional supplies shall be procured from that supplier or contractor for reasons of standardization or because of the need for compatibility with existing goods, equipment, technology</i></p>		

Siaya County Emergency Fund

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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)
		<p><i>or services, taking into account the effectiveness of the original procurement in meeting the needs of the procuring entity, the limited size of the proposed procurement in relation to the original procurement, the reasonableness of the price and the unsuitability of alternatives to the goods or services in question;</i></p> <p><i>(e) for the acquiring of goods, works or services provided by a public entity provided that the acquisition price is fair and reasonable and compares well with known prices of goods, works or services in the circumstances."</i></p> <p>(ii) <i>As shown above, Sec. 103(2) has five (5) sub-sections and</i></p>		

Siaya County Emergency Fund

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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)
		<p><i>a procuring entity is required to satisfy any of the sub-sections. Direct procurement was used for the subject procurement pursuant to Sec. 103(2)(b) and not Sec. 103(2)(a) as cited in the audit observations.</i></p> <p><i>Direct Tender procurement method was used because of the urgent need for the works to avoid the health Hazzard to the patients and staff which posed a serios threat to Public Health. Justification for the emergency leading to the urgent need were documented in reports from the Referral Hospital, Public Works and Public Health.</i></p> <p><i>Sec. 2 of PPADA defines "<u>urgent need</u>" as the need for goods, works or services in circumstances where</i></p>		

Siaya County Emergency Fund
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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)
		<p><i>there is an <u>imminent or actual threat to public health, welfare, safety, or of damage to property, such that engaging in tendering proceedings or other procurement methods would not be practicable while Sec. 69(2) provides that no procurement approval shall be made to <u>operate retrospectively</u> to any date earlier than the date on which it is made <u>except on procurements in response to an urgent need</u></u></i></p> <p><i>The Heavy rainfall that necessitated the renovation were classified as a natural disaster which was not foreseeable and presented an urgent need for procurement of emergency renovations works for some leaking areas in the Hospital to contain the situation and avert imminent and actual</i></p>		

Siaya County Emergency Fund

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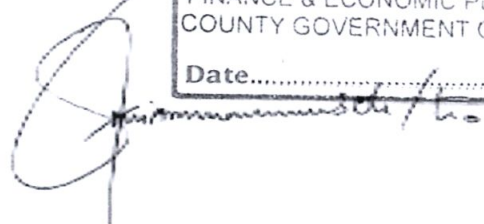
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p><i>threat to public health and welfare to the Patients and Staffs. Engaging in tendering proceedings or other procurement methods other than direct procurement as allowed under Sec. 103(2) was not practicable and procurement approvals were done retrospectively as allowed under Sec. 69(2).</i></p> <p>(iii) <i>We wish to clarify that Sec.103(2) cited in the audit observation actually refer Sec. 103(2)(a) and is not the only condition that may be satisfied to use direct procurement.</i></p> <p>(iv) <i>A contract was signed between the parties and is available for review. Works proceeded on the basis of the contract and BoQs. The Local Service Order (LSO) was raised to facilitate</i></p>		

Siaya County Emergency Fund

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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)
		<p><i>payment of the contractor's invoice after a payment certificate on works done had been raised.</i></p> <p>(v) <i>Therefore, the Conditions of Procurement Act and its Regulations were fully adhered to in the procurement.</i></p>		

COUNTY EXECUTIVE COMMITTEE MEMBER
 FINANCE & ECONOMIC PLANNING
 COUNTY GOVERNMENT OF SIAYA
 Date.....



Fund Administrator

Date

**XXX County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 20xx**

Annex II: Inter-Entity Confirmation Letter

Name of transferring entity:.....

Name of beneficiary entity:.....

Confirmation of amounts received by [XX County Emergency Fund] as at 30 th June 20xx						
Reference Number	Date Disbursed	Amounts Disbursed by [XXX County Department] (Kshs) as at 30 th June 20xx			Amount Received by XXX County Emergency Fund] (KShs) as at 30 th June 20xx (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
Total						

I confirm that the amounts shown above are correct as of the dates indicated.

Head of Accounts Department - Disbursing Entity:
 Name Sign Date

Head of Accounts Department - Beneficiary Entity:
 Name Sign Date.....

XXX County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 20xx

Annex III: Analysis of Emergency Expenditure

Date	Payee	Amount	Purpose of Payment	Status (spent/not spent)	Remarks

Name

Fund Administrator

Date