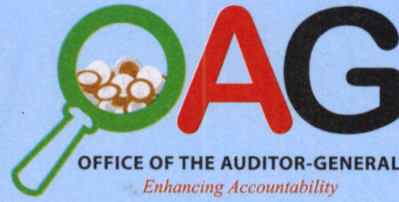
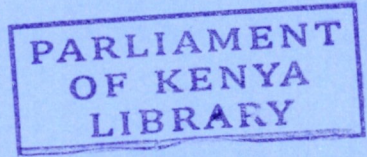


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

**THARAKA NITHI COUNTY
EMERGENCY FUND**

**FOR THE YEAR ENDED
30 JUNE, 2025**

PAPERS LAID	
DATE	18. 11. 25.
TABLED BY	Deputy Chief Whip Magaly Patsy
COMMITTEE	-
CLERK AT THE TABLE	Baronella Liffany

REPUBLIC OF KENYA



THARAKA NITHI COUNTY EMERGENCY FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE, 30th 2025

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

**Tharaka Nithi County Emergency Fund
Annual Report and Financial Statements
For the Year Ended 30 June, 2025**

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1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
CECM	County Executive Committee Member
CPA	Certified Public Accountant
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Ksh.	Kenya Shilling

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
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**Tharaka Nithi County Emergency Fund
Annual Report and Financial Statements
For the Year Ended 30 June, 2025**

2. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Tharaka Nithi County Emergency Fund is established by and derives its authority and accountability from Tharaka Nithi County Emergency Fund Act, 2016. The Fund is wholly owned by the County Government of Tharaka Nithi and is domiciled in Kenya.

The fund's objective is to enable payment of in respect of the County when an urgent and unforeseen need for expenditure arises for which there is no legislative authority.

The Fund's principal activity is to mobilise and provide funds for emergency responses.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to provide funds to mitigate on possible loss of life and property in an event of an emergency and the County has not made budgetary allocation to provide expenditure to manage the situation.

c) Key Management

Ref	Name	Position
1	Lawrence Ileri Rweria	CECM Finance and Econ. Planning / Fund Administrator
2	Wycliffe Kinyua Kabinga	CO Finance and Economic Planning
3	Humphrey Gitonga	Director Finance
4	CPA Nduati E.K.	Director Accounting Services

d) Registered Offices

Entity Headquarters

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

Entity Contacts

Telephone: **0721 900520**
E-mail treasury@tharakanithi.go.ke
Website: www.tharakanithicounty.go.ke

Entity Bankers

1. Family Bank
Chuka Branch
P.O. Box 60000 – 00400
CHUKA

**Tharaka Nithi County Emergency Fund
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For the Year Ended 30 June, 2025**

e) Independent Auditors

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

f) Principal Legal Adviser

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





g) County Attorney

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

3. THE FUND ADMINISTRATION COMMITTEE

Name	Details of qualifications and experience
 <p>Lawrence K. Ileri Rweria</p>	<p>Mr. Lawrence Ileri Rweria is the County CEC Member for Finance and Economic Planning and also the Fund Administrator.</p> <p>He holds a Master's Degree in Finance and Bachelor's Degree Education Arts (Economic and Business)</p> <p>He previously worked with Central Bank of Kenya in Banking Division with over 39 years work experience in bank operations management</p> <p>Year of birth;1964</p>
 <p>Wycliffe Kinyua Kabinga</p>	<p>Mr. Wycliffe Kinyua Kabinga is the County Chief Officer in charge of Finances and Economic Planning</p> <p>He holds bachelor's degree in Arts (Economics and Sociology) from University of Nairobi. Has extensive trained in information technology locally and abroad.</p> <p>He has over 10 years work experience in banking sector as Operations Manager.</p> <p>Year of birth 1982</p>
 <p>Humphrey Kinyua Gitonga</p>	<p>Mr. Humphrey Gitonga is the County Director of Finance.</p> <p>He holds degree in Bachelor of Commerce (Accounting) from Maseno University.</p> <p>He has over 20 years work experience in public sector finance management having previously worked in banking sector</p> <p>Year of Birth 1970</p>
 <p>CPA, CS Nduati E.K.</p>	<p>CPA, CS Nduati is the County Director - Accounting Services</p> <p>He is qualified Accountant and registered professional member of ICPAK (6720) and Certified Secretary, registered member ICPSK (2253). He holds Master's Degree in Finance (UON), B.A. Economics (UON).</p> <p>He has over 12 years work experience in public sector finance management and specialist in public accounting</p> <p>Year of birth 1980</p>

4. KEY MANAGEMENT TEAM


Name	Details of qualifications and experience
 <p>Lawrence Ileri Rweria</p>	<p>Mr. Lawrence Ileri Rweria is the County CEC Member for Finance and Economic Planning and also the Fund Administrator.</p> <p>He holds a Master's Degree in Finance and Bachelor's Degree Education Arts (Economic and Business)</p> <p>He previously worked with Central Bank of Kenya in Banking Division with over 39 years work experience in bank operations management</p> <p>Year of birth;1964</p>
 <p>Wycliffe Kinyua Kabinga</p>	<p>Mr. Wycliffe Kinyua Kabinga is the County Chief Officer in charge of Finances and Economic Planning</p> <p>He holds bachelor's degree in Arts (Economics and Sociology) from University of Nairobi. Has extensive trained in information technology locally and abroad.</p> <p>He has over 10 years work experience in banking sector as Operations Manager.</p> <p>Year of birth 1982</p>
 <p>Humphrey Kinyua Gitonga</p>	<p>Mr. Humphrey Gitonga is the County Director of Finance.</p> <p>He holds degree in Bachelor of Commerce (Accounting) from Maseno University.</p> <p>He has over 20 years work experience in public sector finance management having previously worked in banking sector</p> <p>Year of Birth 1970</p>
 <p>CPA, CS Nduati E.K.</p>	<p>CPA, CS Nduati is the County Director - Accounting Services</p> <p>He is qualified Accountant and registered professional member of ICPAK (6720) and Certified Secretary, registered member ICPSK (2253). He holds Master's Degree in Finance (UON), B.A. Economics (UON).</p> <p>He has over 12 years work experience in public sector finance management and specialist in public accounting</p> <p>Year of birth 1980</p>

5. REPORT OF THE CHAIRMAN OF THE FUND

During the year under review, the County Government of Tharaka Nithi allocated an amount of Ksh. 10,000,000 as grant to Emergency Fund. However, by end of the year, no funds had been received.

The Fund Management has put down plans for disaster management, drought mitigation and relief food supply to address emerging emergency issues within the County. During the year under review, the Fund utilised Ksh. 4,902,170 to undertake emergency electrical cabling repairs at Chuka Hospital after power surge resulted to damaged equipment and Ksh. 828 on bank charges and commissions.

Thank you

Signed: 
Lawrence K. Ileri Rweria
Fund Administrator

**Tharaka Nithi County Emergency Fund
Annual Report and Financial Statements
For the Year Ended 30 June, 2025**

6. REPORT OF THE FUND ADMINISTRATOR

The Fund was formed pursuant to Tharaka Nithi County Emergency Fund Act, 2016 to provide for resources to handle situation of urgent need for expenditure to alleviate human suffering or loss of life and destruction of property, in instances where there is no budgetary allocation under ordinary county appropriation and the expenditure cannot be deferred.

The County Government of Tharaka Nithi had set aside Ksh. 10,000,000 (Ten Million) for allocation to Tharaka Nithi County Emergency Fund during the financial year 2024/2025. However, the County Government had not transferred the funds as at **30th June 2025**. The performance of the Fund during the year was as follows;

a. Income

Description	Original Budget Ksh	Adjustment During the Year	Approved Budget	Actual Ksh.	Variance Ksh
County Government Allocation	10,000,000	-	10,000,000	-	(10,000,000)
Unspent Balance Brought Forward	5,739,534	-	5,739,534	5,739,534	-
Total Income	15,739,534	-	15,739,534	5,739,534	(10,000,000)


b. Expenditure

Particulars	Original Budget Ksh.	Adjustment During the Year	Approved Budget	Actual Ksh.	Variance Ksh
Use of Goods and Services	15,739,534	-	15,739,534	4,902,998	(10,836,536)
Total	15,739,534	-	15,739,534	4,902,998	(10,836,536)

During the year under review no matter was brought to attention of the Fund and hence no need for expenditure was identified.

I take this opportunity to appreciate H.E. The Governor, Members of County Assembly and the Management Team for your commitment and immense support accorded to the fund.

Thank you

Signed: 
Lawrence K. Ileri Rweria
Fund Administrator

7. STATEMENT OF PERFORMANCE AGAINST FUND'S PREDETERMINED OBJECTIVES

The Fund formed pursuant to Tharaka Nithi County Emergency Fund Act, 2016 to provide for resources to handle situation of urgent need for expenditure to alleviate human suffering or loss of life and destruction of property.

The County Government of Tharaka Nithi had set aside Ksh. 10,000,000 (Ten Million) for allocation to Tharaka Nithi County Emergency Fund during the financial year 2024/25. However, funds had not been received by the Emergency Fund for the year ended 30th June, 2025.

8. STATEMENT OF CORPORATE GOVERNANCE

The Fund is managed in accordance with the Tharaka Nithi County Emergency Fund Act, 2016. The Act states that the CECM in charge of the Finance shall be the Fund Administrator. The operation of the Fund is performed by the Management Team that meet on need basis to deliberate and consider matters affecting the county residents and emerging issues.

The Management Team work closely with County Government Department and also the Disaster Management office of the County.

The Management Committee considers any request for payment from the Emergency Fund and only if it is deemed to meet the criteria set out in the Act.

- (a) There is an urgent and foreseen need for expenditure if, in the opinion of the County Executive Committee Member-
 - i. Payment cannot be delayed until the next financial year without harming the general public interest of the County;
 - ii. The payment is necessary to alleviate the damage, loss, hardship or suffering which may be directly caused by the event; and
- (b) Need for expenditure is foreseen and has not been provided for in an appropriation law made by the County Assembly for the current financial year.

9. MANAGEMENT DISCUSSION AND ANALYSIS

During the financial year under review, the County Government of Tharaka Nithi allocated an amount of Ksh. 10,000,000 as grant to Emergency Fund. However, by end of the financial year, no funds had been received.

The Fund Management has put down plans for disaster management, drought mitigation and relief food supply to address emerging emergency issues within the County.

During the year under review, the Fund incurred an amount of Ksh. 4,902,170 to undertake electrical repairs at Chuka Hospital out of the balances brought forward. The expenditure was necessitated by an urgent and unforeseen need for which there was no specific legislative authority.

The detail of the expenditure is hereby disclosed in accordance to Public Finance Management Act, 2012 Section 115 as follows;

1	Date of Payment	13 th June 2025
2	Amount:	Ksh. 4,902,170
3	Recipient	Justin Electrical Limited
4	Purpose	Repair electrical fault at Chuka Referral Hospital
5	Compliance Statement	The expenditure aligns with the operational guidelines and criteria set forth under Section 112 of the Act.

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Tharaka Nithi County Emergency Fund exists to enable County respond to an urgent and unforeseen need for expenditure that may arise and for which there is no budget provision and the expenditure cannot be postponed without threat to human life or damage in property.

This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on five pillars: Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile -

The Fund management has put plans for fund sustainability through reimbursement of amount utilised from the county appropriation.

2. Environmental Performance

To ensure environmental sustainability, the fund has endeavoured to apply eco-friendly operations that minimise harmful effect on the environment. The Fund has in its policy to conserve the environment through use of electronic documents rather than printed copies.

3. Employee Welfare

The Fund has not hired its own staff but obtain necessary human resources from the County Executive. The Fund has ensured the employees seconded by the County Executive are adequately facilitated and provided with conducive working environment.

4. Market Place Practices-

The Fund being a Public funded entity is governed by The Public Procurement and Disposal Act, 2015. The Fund has endeavoured to adhere to the requirement of the law in the process of procurement of goods and services.

The Fund does not condone any unethical and corrupt practices in dealing with its suppliers. The highest level of integrity is mandatory among its employees. The supplies are paid within stipulated time including the remittance of tax to Kenya Revenue Authority.

The advertisement for supply of goods and services is done through public notices and widely circulated local newspaper. All bidders are given equal opportunity whereas certain category of goods and services is reserved for Youth, Women and People with Disabilities.

5. Community Engagements-

The Fund has a robust engagement with the community through response mechanism to emergency situation that may occur within the County.

**Tharaka Nithi County Emergency Fund
Annual Report and Financial Statements
For the Year Ended 30 June, 2025**

11. REPORT OF THE COMMITTEE

The Emergency Fund Administration Committee submit the annual report together with the Financial Statements for the financial year ended **30th June 2025**, which show the state of the Fund affairs.

10.1 Principal activities

The principal activity/mission/ mandate of the Fund is to provide funds to mitigate on possible loss of life and property in an event of an emergency and the County has not made budgetary allocation to provide expenditure to manage the situation.

10.2 Performance

The performance of the Fund for the financial year ended **30th June, 2025**, are set out on page 1 to 6


10.3 Administration Committee

The members of the Administration Committee who served during the year are shown on page iv. There were no changes in the Administration Committee during the year

10.4 Auditors

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

By Order of the Administration Committee

Signed: 
Lawrence K. Ileri Rweria
Fund Administrator

Date: 04th July 2025

12. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 167 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by the Tharaka Nithi County Emergency Fund Act, 2016 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the Tharaka Nithi County 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 **30th June 2025**. 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 Tharaka Nithi County 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 Tharaka Nithi County Emergency Fund Act, 2016 The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended **30th June 2025** 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 Tharaka Nithi County Emergency Fund d has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Administration Committee on **04th July, 2025** and signed on its behalf by:



Lawrence K. Ireri Rweria
Administrator Emergency Fund

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON THARAKA NITHI COUNTY EMERGENCY FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Tharaka Nithi County Emergency Fund set out on pages 1 to 18, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Tharaka Nithi County Emergency Fund as at 30 June, 2025 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 County Government Act, 2012, the Tharaka-Nithi County Emergency Fund Act, 2016 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Tharaka Nithi 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 opinion.

Emphasis of Matter

Inadequate Budget Allocation for Emergency Fund

The statement of financial position reflects cash and cash equivalents balance of Kshs.836,536 as disclosed in Note 8 to the financial statements which was the balance in the Emergency Fund Account. Review of budget records reveals that the County had a total approved budget of Kshs.6,466,615,529 but allocated only Kshs.10,000,000 in respect to Emergency Fund representing 0.15% of the budget against the required 0.5%. However, the amount allocated was not disbursed to the Fund. Further, the County Assembly ought to have appropriated an amount of Kshs.32,333,078 towards Emergency Fund in compliance with Section 3 of Tharaka-Nithi County Emergency Fund Act, 2016. However, no amount was disbursed by the County Government to the Emergency Fund during the year under review.

In the circumstances, it was not possible to confirm the preparedness of the Fund Management in case of an emergency.

My Opinion is not modified in respect of the above 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. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, the issue of inadequate budget allocation to Emergency Fund was raised under other matter. However, the Management had not resolved the issue or given any explanation for failure to implement the recommendation.

Other Information

The Management is responsible for the Other Information set out on page ii to xiii which comprise of Key Entity Information and Management, the Fund Administrative Committee, Key Management Team, Report of the Chairman of the Fund, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Statement of Corporate Governance and Management Discussion and Analysis. The Other Information does not include the financial statements and my audit report thereon.

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.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON THE LAWFULNESS AND EFFECTIVENESS IN 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.

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 THE 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, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

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 Fund Administrative Committee

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.

Fund Administrative Committee is 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 of Supreme Audit Institutions (ISSAIs). The ISSAIs 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 ISSAIs 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

04 November, 2025

Tharaka Nithi County Emergency Fund
Annual Report and Financial Statements
For the Year Ended 30 June, 2025

14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE
2025

	Note	2024/2025	2023/2024
		Ksh.	Ksh.
Revenue			
Transfers from the County Government	6	-	-
Total Income		-	-
Expenses			
Use of Goods and Services	7	4,902,998	-
Total Expenses		4,902,998	-
Surplus/(deficit) for the Year		(4,902,998)	-

The notes set out on pages 6 to 18 form an integral part of these Financial Statements. Emergency Fund Financial Statements were approved on 04th July 2025 and signed by:



Lawrence K. Ileri Rweria
Fund Administrator



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

**Tharaka Nithi County Emergency Fund
Annual Report and Financial Statements
For the Year Ended 30 June, 2025**

15. STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2025

	Note	2024/2025	2023/2024
		Ksh	Ksh
Assets			
Finance Assets			
Cash and Cash Equivalents	8	836,536	5,739,534
Total Current Assets		836,536	5,739,534
Liabilities			
Account Payables		-	-
Net assets		836,536	5,739,534
Reserves		-	-
Accumulated Surplus		836,536	5,739,534
Total Net Assets and Liabilities		836,536	5,739,534

The Emergency Fund Financial Statements were approved on **04th July 2025** and signed by:



Lawrence K. Ileri Rweria
Fund Administrator



CPA Nduati E.K
Director Accountant Services
ICPAK No. 6720

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16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30th JUNE 2025

	Accumulated Surplus	Total
	Ksh.	Ksh.
Balance as at 1st July 2023	5,739,534	5,739,534
Surplus/(deficit) for the Year	-	-
Funds received during the Year	-	-
Balance as at 30th June 2024	5,739,534	5,739,534
Balance as at 1st July 2024	5,739,534	5,739,534
Surplus/(deficit) for the Year	(4,902,998)	(4,902,998)
Funds received during the Year	-	-
Balance as at 30th June 2025	836,536	836,536

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17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30th JUNE 2025

	Note	2024/2025	2023/2024
		Ksh	Ksh
Cash Flows from Operating Activities			
Receipts			
Transfers from the County Government	6	-	-
Total Receipts		-	-
Payments			
Use of Goods and Services	7	4,902,998	-
		4,902,998	-
Adjusted for:			
Decrease/(Increase) in Accounts receivable:		-	-
Increase/(Decrease) in Accounts Payable:		-	-
Net Cash Flows from Operating Activities		(4,902,998)	
Net increase/(decrease) in Cash and Cash Equivalents		-	-
Cash and Cash Equivalents at Beginning of the Year		5,739,534	5,739,534
Cash and Cash Equivalents at End of the Year		836,536	5,739,534

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30th JUNE 2025

	Original budget	Adjustments	Final budget	Actual on comparable Basis	Performance Difference	% Utilisation
Revenue	Ksh	Ksh	Ksh	Ksh	Ksh	
Transfers from County Government	10,000,000	-	10,000,000	-	(10,000,000)	0%
Unspent Balance Carried Forward	5,739,534	-	5,739,534	5,739,534	-	100%
Total Revenue	15,739,534	-	15,739,534	5,739,534	(10,000,000)	36%
Use of Goods and Services	15,739,534	-	15,739,534	4,902,998	(10,836,536)	31%
Total Expenditure	15,739,534	-	15,739,534	4,902,998	(10,836,536)	31%
Surplus	-	-	-	836,536	836,536	

19. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Tharaka Nithi County Emergency Fund is established by and derives its authority and accountability from Tharaka Nithi County Emergency Fund Act, 2016. The Fund is wholly owned by the County Government of Tharaka Nithi and is domiciled in Kenya. The Fund's principal activity is to provide funds for emergency response.

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 Periods presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

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. <i>The standard not relevant to the Fund</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>No expected impact of the standard to the Fund</i>
IPSAS 45- Property Plant and Equipment	<i>Applicable 1st January 2025</i> 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

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Standard	Effective date and impact:
	<p>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> <p><i>No the expected impact of the standard to the Fund</i></p>
<p>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025</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> <p><i>No expected impact of the standard to the Fund</i></p>
<p>IPSAS 47- Revenue</p>	<p>Applicable 1st January 2026</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> <p><i>No expected impact of the standard to the Fund</i></p>
<p>IPSAS 48- Transfer Expenses</p>	<p>Applicable 1st January 2026</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 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.</p> <p><i>No expected impact of the standard to the Fund</i></p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p>Applicable 1st January 2026</p> <p>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.</p> <p><i>No expected impact of the standard to the Fund</i></p>

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(i) Early adoption of standards

The Fund did not early – adopt any new or amended standards in the financial year.

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 financial year.

(b) Budget Information

The original budget for FY 2024/2025 was approved by the County Assembly on 18th June 2024. There was no budget revision to the approved budget in accordance with specific approvals from the appropriate authorities.

The Emergency Fund 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.

(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. 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 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.

Significant Accounting Policies (Continued)

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.)

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. The Fund has maintained accumulative surpluses reserve

Significant Accounting Policies (Continued)

(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 Shilling (Ksh) are rounded off to the nearest shilling.

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Significant Accounting Policies (Continued)

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:

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available.

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

6. Transfers from County Government

Description	2024/2025	2023/2024
	Ksh.	Ksh.
Current Grants Transfers	-	-
Total	-	-

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Notes to the Financial Statements (Continued)

7. Use of Goods and Services

Description	2024/2025	2023/2024
	Ksh.	Ksh.
Repairs and Maintenance	4,902,170	
Bank Charges	828	-
Total	4,902,998	-

8. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	Ksh.	Ksh.
Emergency Fund – Family Bank a/c 054000007495	836,536	5,739,534
Total cash and cash equivalents	836,536	5,739,534

9. Cash Generated from Operations

	2024/2025	2023/2024
	Ksh.	Ksh.
Surplus/ (deficit) for the Year before Tax	(4,902,998)	-
Adjusted for:		
Depreciation	-	-
Working Capital Adjustments		
Increase in receivables	-	-
Increase in payables	-	-
Net cash flow from Operating Activities	(4,902,998)	-

10. Related Party Balances

a) Nature of related party relationships

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

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

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Notes to the Financial Statements (Continued)

b) Related party transactions

	2024/2025	2023/2024
	Ksh.	Ksh.
Transfers from County Government	-	-
Total	-	-

11. Financial Risk Management

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

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:

	Total amount Ksh.	Fully performing Ksh.	Past due Ksh.	Impaired Ksh.
At 30th June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	5,739,534	5,739,534	-	-
Total	5,739,534	5,739,534		
At 30th June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	836,536	836,536	-	-
Total	836,536	836,536	-	-

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Notes to the Financial Statements (Continued)

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

The entity has no significant concentration of credit risk.

The Administration Committee 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.

	Less than 1 Month	Between 1-3 Months	Over 5 Months	Total
	Ksh.	Ksh.	Ksh.	Ksh.
At 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30th June 2025				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

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Notes to the Financial Statements (Continued)

c) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

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:

	2024/2025	2023/2024
	Ksh.	Ksh.
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	536,536	5,739,534
Total funds	536,536	5,739,534
Total borrowings	-	-
Less: cash and bank balances	536,536	5,739,534
Net debt / (excess cash and cash equivalents)	-	-
Gearing	0%	0%

Notes to the Financial Statements (Continued)

12. Events after the reporting period

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

13. Currency

The financial statements are presented in Kenya Shilling (Ksh.).

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20. Appendices

I. Progress on Follow Up of Prior Year Auditor’s Recommendation


The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved as per the Auditor General Report FY 2023/2024

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)
1. Inadequate Budget Allocation for Emergency Fund	<p>The statement of financial position as at 30 June, 2023 reflects cash and cash equivalents balance of Ksh. 5,739,534 which as disclosed in Note 4 to the financial statements was the balance in the Emergency Fund Account. The County Government had a total approved budget of Ksh. 5,911,260,701 but allocated only Ksh. 5,000,000 in respect to Emergency Fund representing 0.08% of the budget against the required 0.5%. However, the amount allocated was never disbursed to the Fund.</p> <p>Further, according to Section 3 of Tharaka Nithi County Emergency Fund Act, 2016, the County Assembly ought to have appropriated Ksh. 23,816,770 towards Emergency Fund to ensure that the money in the Fund as per legal requirement was Ksh. 29,556,304 and not the Cash and Cash Equivalents balance of Ksh. 5,739,534 reflected in the statement of financial position. However, no amount was disbursed</p>	<p>The Management takes note of the Audit findings and necessary administrative procedures shall be undertaken to ensure the county allocates adequate budget towards Emergency Fund. This has however, been hindered revenue constraints.</p> <p>Besides the County allocation, the Fund will explore other sources of revenue that can supplement the exchequer transfers.</p>	Not Resolved	30 th June 2025

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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)
	by the County Government to the Emergency Fund during the year under review.			

Sign: 
 Lawrence K. Ileri Rweria
 Tharaka Nithi Emergency Fund Administrator


Date: 04th July 2025


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II. Inter – Entity Confirmation Letter

	ENTITY NAME:	THARAKA NITHI COUNTY EMERGENCY FUND		
	Break down of Transfers from the County Executive of Tharaka Nithi County Government			
	FY 2024/2025			
a.	Recurrent Grants	<u>Bank Statement Date</u>	<u>Amount (Ksh)</u>	<u>Relate to FY</u>
		Total		
b	Direct Payments	<u>Bank Statement Date</u>	<u>Amount (Ksh)</u>	<u>Relate to FY</u>
		Total		

The above amounts have been communicated to and reconciled with the County Government of Tharaka Nithi

Sign: 
Lawrence K. Ireri Rweria
Fund Administrator
Emergency Fund

Sign: 
Humphrey Gitonga Kinyua
Director Finance
County Government of Tharaka Nithi

Date: 04th July 2025

Date: 04th July 2025