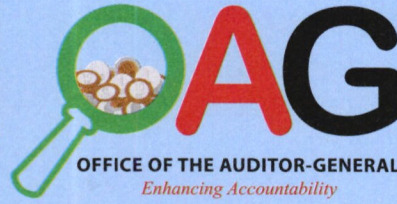


REPUBLIC OF KENYA



REPORT

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THE AUDITOR-GENERAL

ON

TURKANA COUNTY EMERGENCY
FUND

FOR THE YEAR ENDED

30 JUNE, 2025

PAPERS LAID	
DATE	27/11/25
TABLED BY	SML
COMMITTEE	—
CLERK AT THE TABLE	Ms Nabalayo.



TURKANA COUNTY EMERGENCY FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2025

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

Turkana County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings

2. Key Entity Information and Management

a) Background information

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

The fund's objective is to enable payments to be made in respect of a county when an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority. The budgetary allocation for the fund for the year was **KShs100,000,000** and the entire amount was requisitioned and received into the Fund's operational account Held at Equity Lodwar Branch on 7th April,2025

Comparatively the fund had a budget of **KShs 147,388,667** the previous financial Year 2023-2024

During the year ended June 2025, the Fund total expenditure is **Kshs99,501,725** compared to **Kshs448,994,500** incurred for the year ended 30th June, 2024

b) Principal Activities

The purpose of the Fund is to enable Payments to be made in respect of a county when an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority.

c) Fund Administration Committee

Turkana County Emergency Fund is administered by the County Executive Committee Member for Finance and Planning

d) Key Management team

Ref	Name	Position
1	FUND ADMINISTRATOR	DR. MICHAEL EKIDOR EREGAE
2	CHIEF OFFICER-FINANCE	MR. JAMES ILLIKWEL CYRUS
3	FUND ACCOUNTANT	CPA JULIUS EWOI LOKOPU

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit-Secretary Audit	Jeremiah Ngachekio
2	Member Audit Committee	Susan Amlango Aletia
3	Member Audit Committee	Lapur Lokuruka Sylvia
4	Member Audit Committee	Paul Lopodo Mutu
5	Member Audit Committee	Erukudi Marklevis Ekuam
6	Member Audit Committee	Amos Kiptui Kibet
7	Member Audit Committee	Francis Lokwar

f) Registered Offices

P.O. Box 11-30500
County Treasury Building
Nawoitorong Road,
Lodwar, Kenya.

g) Fund Contacts

Telephone: (254) 000
E-mail: tcg.go.ke
Website: www.tcg.go.ke

h) Fund Bankers

1. Equity Bank
Lodwar Branch

Key Entity and Management (Continued)

2. Independent Auditors

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

3. Principal Legal Adviser

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



4. County Attorney

OFFICE OF THE COUNTY ATTORNEY
P.O BOX 11-30500
LODWAR-KENYA


3. Fund Administration Committee

Turkana County Emergency Fund is administered by the County Executive Committee Member for Finance and Economic Planning

4. Management Team

Name	Details of qualifications and experience
 <p>1. DR. MICHAEL EKIDOR EREGAE- CECM FINANCE AND ECONOMIC PLANNING</p>	<p>Dr. Eregae is the County Executive Committee Member –Finance and Economic Planning and the Administrator of Turkana County Emergency Fund.</p> <p>He is holder of a Doctor of Philosophy degree in Veterinary Epidemiology from the University of Guelph, Ontario, Canada. In addition, he has an Msc in Veterinary Epidemiology and Economics, and a Bachelor of Veterinary Medicine degree from the University of Nairobi.</p> <p>The bulk of his past experience is in implementing and managing livestock development projects especially in pastoral areas of Africa (Kenya, Uganda, South Sudan, and Somalia). These projects focused on livestock disease control, livestock production, and livestock marketing. Eregae has worked for several development agencies including <i>Cooperazione Internazionale</i> (COOPI), VETAID, VSF-Germany and the Government of Kenya (GoK). Eregae also worked with the Turkana County Government as County Chief Officer for Livestock, Veterinary Services, and Fisheries, and Trade, Gender and Youth Affairs.</p>
 <p>2. JAMES ILLKWEL CYRUS CHIEF OFFICER-FINANCE</p>	<p>Mr. James Illikwel is the Chief Officer Finance. He Holds Maters of Business Administration(Accounting) option from Masinde Muliro University of Science and Technology(MMUST)</p> <p>He Holds B-COM(Accounting) option from MMUST</p> <p>Currently pursuing CPA Part 11</p>

**Turkana County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

 <p>3. CPA JULIUS EWOI LOKOPU PRINCIPAL ACCOUNTANT</p>	<p>CPA Lokopu serves as Principal Accountant in-charge of Turkana County Exchequer requisitions and Turkana County Emergency Fund</p> <p>He Holds Master of Business Administration(MBA)-Finance from The Catholic University of Eastern Africa (CUEA)</p> <p>He is a Full Member of the Institute of Certified Public Accountants of Kenya(ICPA(K) and an Associate Member of the Institute of Certified Secretaries of Kenya(ICPS(K), a certified Professional Mediator(CPM)</p> <p>He holds Bachelor of Commerce-Finance Option from The Catholic University of Eastern Africa(CUEA)</p> <p>He has 12 years' Experience as Accountant both in Private and Public sectors</p>

5. FORWARD BY CECM-FINANCE AND ECONOMIC PLANNING

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

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Comparatively the fund had a budget of **KShs 147,388,667** the previous financial Year 2023-2024


During the year ended June 30, 2024 the Fund received **KShs100,000,000** being the budgetary allocation for the year. Cumulative expenditure of **KShs 99,501,725** was incurred for the year ended June 30, 2025 compared to **KShs 448,994,500** incurred for the year ended June 30th June 2024.

There were no significant changes in the fund management during the year under review. The future outlook of the fund is expanded budget to support Emergency interventions

CONCLUSION

The Fund achieved the intended objectives. This was supported by timely release of fund from The National Treasury

.....
Name: *Raeline Ate Ojau*
CECM-FINANCE AND ECONOMIC PLANNING



Turkana County Emergency Fund

Annual Report and Financial Statements for the year ended June 30, 2025

6. Report of The Fund Administrator

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

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Analysis of Physical Progress

Turkana County Emergency Fund was established in 2016, the Fund objective is to enable payments to be made in respect of a county when an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority. The Fund has continuously ensured citizens do not suffer due to the impacts of Emergencies, Calamities, fires and or floods

Outputs Delivered	Outcomes Achieved	Impact Realised
Immediate relief food supplies, Non Food items, Fire response Materials	Supporting livelihoods, Emergency interventions- Non-food items, fire response materials, Flood response	-Reduced Migration of population -Protection of life and property

The Emergency response for the year ended June 2025 was well implemented and Value for Money was achieved

Understaffing was the Major implementation challenge

Key Risk Management Strategies include Continuous Sensitisation and Comprehensive Emergency Planning

There were no significant changes in the fund management during the year under review. The future outlook of the fund is expanded budget to support Emergency interventions


Name: *Reseline Ate Okoko*
Fund Administrator



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

Introduction

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

The purpose of the Fund is to enable Payments to be made in respect of a county when an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority.

8. Corporate Governance Statement

The Fund is domiciled within Finance department and is managed by administration committee appointed by the County Executive Committee Member for Finance and planning. The committee meets on a need basis to approve expenditure and financial statements. During the year under review the fund administration held 4 meetings during the year. All members were in attendance. The Fund administration committee members work voluntarily are not therefore remunerated or paid.

9. Management Discussion and Analysis

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

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There were no significant changes in the fund management during the year under review. The future outlook of the fund is expanded budget to support Emergency interventions

10. Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by *Turkana 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 *Turkana 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 June 30, 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 the *Turkana 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 *Turkana County Emergency Fund Act, 2016*. The Administrator of *Turkana County Emergency 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, 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 *Turkana County Emergency Fund* has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

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

Approval of the financial statements

The Fund’s financial statements were approved by the Board on 31st October 2025 and signed on its behalf by:

.....
.....

Fund Administrator



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 TURKANA 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 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.

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 Turkana County Emergency Fund set out on pages 1 to 38, 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 Turkana 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 Turkana 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 Turkana 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.

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

The following issue raised on internal borrowing by the County Executive in the previous audit report remain unresolved;

Irregular Lending of Funds to the County Executive

The statement of financial position and as disclosed at Note 13 to the financial statements reflects an amount of Kshs.60,799,134 in respect of current portion of short-term receivables from non-exchange transactions. The entire balance represents amount borrowed from the Fund by the County Executive of Turkana. However, the amount includes borrowings totalling Kshs.20,866,940 that had remained outstanding for more than twelve (12) months contrary to Section 142(3) of the Public Finance Management Act, 2012 which provides that a county government entity that has short term borrowing shall ensure that the money borrowed is repaid within a year from the date at which it was borrowed.

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

Other Information

The Management is responsible for the Other Information set out on page iv to xvii which comprise of Key Entity Information and Management, Fund Administration Committee, Management Team, Forward by CECM-Finance and Economic Planning, Report of the Fund Administrator, Statement of Performance Against County Fund's Predetermined Objective, Corporate Governance Statement, Management Discussion and Analysis, Statement of Management Responsibilities. 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 thereon.

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, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Lack of Approved Framework and Regulations for Administration of the Fund

Review the Fund's operations revealed that Management has not developed regulations, framework and criteria approved by the County Assembly as provided for in Section 6(3) of Turkana County Emergency Fund Act, 2016 which states that the County Executive Committee Member (CECM) shall administer the County Government Emergency Fund for the county government in accordance with a framework and criteria approved by County Assembly. In addition, the CECM has not put in place regulations for operationalization of the provisions of the Act in accordance with Section 12 of Turkana County Emergency Fund Act, 2016.

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

2. Delays in Refund of Funds Borrowed by the County Executive

The statement of financial position reflects current portion of short-term receivables from non-exchange transactions balance of Kshs.60,799,134 as disclosed in Note 13 to the financial statements. Examination of the receivables schedule revealed that the amount relates to borrowings by the Turkana County Executive that had remained outstanding for more than twelve months. This is contrary to Section 142(3) of the Public Finance Management Act, 2012 which provides that the county government entity that has short term borrowing shall ensure that the money borrowed is repaid within a year from the date at which it was borrowed.

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

3. Failure to Recover and Remit Public Procurement Capacity Building Levy

During the financial year under review, the Fund entered into and paid contracts amounting to Kshs.99,500,000. However, the Management did not deduct the public procurement capacity building levy of 0.03% of the contract amount paid. This was contrary to paragraph 3(1) of Legal notice 206 of the Levy Order 2023 which states that there shall be paid a Levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.

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

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 and based on the audit procedures performed, except for the effect of the matters 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

1. Non-Preparation of Quarterly Reports on Items Procured Through Framework Agreement

The statement of financial performance reflects use of goods and services expenditure of Kshs.99,501,725 as disclosed in Note 7 to the financial statements. The amount includes

general expenses of Kshs.99,500,000 relating to the purchase of white maize through framework agreements entered into in December, 2023 for a period of two (2) years.

However, Management did not provide the quarterly reports detailing an analysis of items procured through the framework agreements. This was contrary to Section 114(6) of the Public Procurement and Disposal Act, 2015 which states that a procurement management unit shall prepare and submit to the accounting officer with a copy to the internal auditor quarterly reports detailing an analysis of items procured through framework agreements and these reports shall include, an analysis of pattern of usage, procurement costs in relation to the prevailing market rates and any recommendations.

In the circumstances, the effectiveness of internal controls in implementation of framework contracts could not be confirmed.

2. Failure to Conduct Quarterly Internal Audits

During the year under review, Management did not conduct quarterly internal audits as required by Regulation 166(1) and (2) of the Public Finance Management (County Governments) Regulations, 2015 which requires that each head of internal audit unit shall prepare a quarterly internal audit report which shall cover areas provided for in guidelines and shall be in a format issued by the Cabinet Secretary.

In the circumstances, there was weak internal controls in the Fund's financial operations.

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 of 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 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

13 November, 2025

Turkana County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2025

12. Statement of Financial Performance for the Year Ended 30th June 2025

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	000	000
Transfers From the County Government	2	100,000,000	147,388,667
Fines, Penalties and Other Levies	3	000	000
		100,000,000	147,388,667
Revenue From Exchange Transactions			
Interest Income	4	000	000
Other Income	5	000	000
		000	000
Total Revenue		100,000,000	147,388,667
Expenses			
Employee Costs	6	000	000
Use of goods and services	7	99,501,725	448,994,500
Depreciation and Amortization Expense	8	000	000
Finance Costs	9	000	000
Total Expenses		99,501,725	448,994,500
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	000	000
Gain /Loss on fair value of investments	11	000	000
Surplus for the Period		498,275	(301,605,833)

.....
Name: *Rechie Atieno*
Administrator of the Fund



.....
Name: *CPA Julius Lokor*
Fund Accountant
ICPAK Member Number: *17438*

13. Statement of Financial Position as at 30 June 2025

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	1,291,859.15	793,584
Current Portion of short- Term Receivables From Non-Exchange Transactions	13	60,799,134	60,799,134
Prepayments	14	000	000
Inventories	15	000	000
Investments in financial assets	16	000	000
Total current assets		62,090,993	61,592,718
Non-Current Assets			
Property, Plant and Equipment	17	000	000
Intangible Assets	18	000	000
Long Term Receivables from Exchange Transactions	13	000	000
Investment Property	19	000	000
Total non- current assets		000	000
Total Assets		62,090,993	61,592,718
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	000	000
Current Portion of Borrowings	21	000	000
Employee Benefit Obligations	22	000	000
Social benefit liabilities	23	000	000
Total current liabilities		000	000
Non-Current Liabilities			
Long Term Portion of Borrowings	21	000	000
Non-Current Employee Benefit Obligation	22	000	000
Social benefit liabilities	23	000	000
Total Liabilities		000	000

Turkana County Emergency Fund

Annual Report and Financial Statements for the year ended June 30, 2025

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Net Assets		62,090,993	61,592,718
Revolving Fund		000	000
Reserves		000	000
Accumulated Surplus/deficit		62,090,993	61,592,718
Total Net Assets and Liabilities		62,090,993	61,592,718

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 31/10/25 2025 and signed by:

.....
 Name: Rosehe Ake
 Administrator of the Fund



.....
 Name: CPA JULIUS LOKOPU
 Fund Accountant
 ICPAK Member Number:17438

Turkana County Emergency Fund

Annual Report and Financial Statements for the year ended June 30, 2025

14. Statement of Changes in Net Assets for the year ended 30th June 2025

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
Balance As At 1 July 2023(Restated)	470,252	000	470,252-73,113	363,198,551
Surplus/(Deficit) For the Period			(301,605,833)	(301,605,833)
Funds Received During the Year				
Transfers-Restated	(470,252)		397,139	(73,113)
Revaluation Gain				
Balance As At 30 June 2024	000		61,592,718	61,592,718
Balance As At 1 July 2024	000		61,592,718	61,592,718
Balance As At 1 July 2024(Restated)	000		61,592,718	61,592,718
Surplus/(Deficit) For the Period	000		498,275	498,275
Funds Received During the Year	000		000	000
Transfers-Restated	000		000	000
Revaluation Gain	000		000	000
Balance As At 30 June 2025	000		62,090,993	62,090,993

Turkana County Emergency Fund
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15. Statement of Cash Flows for The Year Ended 30 June 2025

Description	FY 2024-2025		FY 2023-2024	
	Exp	KShs	Exp	KShs
Cash flows from operating activities				
Receipts				
Public contributions and donations		000		000
Transfers from the county government	2	100,000,000		147,388,667
Interest received		000		000
Receipts from other operating activities		000		000
Total receipts		100,000,000		147,388,667
Payments				
Fund administration expenses	7	000		
General expenses-Emergency	7	99,500,000		448,983,740
Finance cost		000		000
Other payments-Bank Charges		1,750		10,760
	7	99,501,750		448,994,500
Net cash flows from operating activities		498,250		(301,605,833)
Cash flows from investing activities				
Purchase of property, plant, equipment and Intangible assets		(000)		(000)
Proceeds from sale of property, plant & equipment		000		000
Proceeds from loan principal repayments		000		000
Loan disbursements paid out		(000)		(000)
Net cash flows used in investing activities		(00)		(00)
Cash flows from financing activities				
Proceeds from revolving fund receipts		000		000
Additional borrowings		(000)		(51,037,382)
Repayment of borrowings		000		32,552,768
Net cash flows used in financing activities		(000)		(18,484,614)
Net increase/(decrease) in cash & cash Equivalents		498,275		(320,090,447)
Cash and cash equivalents at 1 st July 2024		793,584		320,884,032
Cash and cash equivalents at 30th June 2025		1,291,859		793,584

Turkana County Emergency Fund

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16. 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						
Public Contributions and Donations	000	(000)	000	000	(000)	
Transfers From County Govt.	100,000,000	000	100,000,000	100,000,000	00	100%
Interest Income	000	-	000	000	(000)	
Other Income	000	-	000	000	000	
Total Income	100,000,000	000	100,000,000	100,000,000	00	100%
Expenses						
Fund Administration Expenses	3,000,000	000	3,000,000	1,725	2,998,275	
General Expenses-Emergency	97,000,000	(000)	97,000,000	99,500,000	00	100%
Finance Cost	000	(000)	000	000	(000)	
Total Expenditure	100,000,000	(000)	100,000,000	99,501,725	2,998,275	
Surplus	000	000	00	498,250		

17. Notes to the Financial Statements

1. General Information

Turkana County Emergency Fund is established by and derives its authority and accountability from Turkana County Emergency Fund Act. The entity is wholly owned by the Turkana County Government and is domiciled in Kenya. The entity’s principal activity is to enable Payments to be made in respect of a county when an urgent and unforeseen need for 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 cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

4. Adoption of new and revised standards

1. Adoption of new and revised standards

New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

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>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 44: Non- Current Assets Held for Sale and	<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:

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Discontinued Operations	<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> <p><i>State the expected impact of the standard to the Entity if relevant</i></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> <p><i>State the expected impact of the standard to the Entity if relevant</i></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> <ol 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>State the expected impact of the standard to the Entity if relevant</i></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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

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<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i> 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. <i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><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. <i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

(i) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year ended 30th June 2025

Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2024-2025 was approved by the County Assembly on June, 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded no additional appropriations on the FY 2024-2025 budget following the governing body's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

Summary of Significant Accounting Policies (Continued)

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 16 of these financial statements.

c) Property, plant and equipment

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

a) Intangible Assets

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

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

b) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition*, investment properties are measured using the cost model and are depreciated over an 10-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Summary of Significant Accounting Policies (Continued)

c) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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

f) Social Benefits

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

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

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

i) Changes in accounting policies and estimates

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

j) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

k) Foreign currency transactions

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

l) Borrowing costs

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

m) Related parties

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

n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

o) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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

a) Estimates and assumptions –

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

b) Useful lives and residual values

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

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

c) Provisions

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

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

6. Notes to The Financial Statements

1. Public contributions and donations

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Donation From Development Partners	000	000
Contributions From The Public	000	000
Total	000	000

2. Transfers from County Government

Description	FY2024-2024	FY2023-2023
	Kshs	Kshs
Transfers From County Govt. –Operations	100,000,000	147,388,667
Payments By County On Behalf Of The Entity	000	000
Unconditional Development grants	000	000
Total	100,000,000	147,388,667

3. Fines, penalties and other levies

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Late Payment Penalties	000	000
Fines	000	000
Total	000	000

4. Interest income

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Interest Income from Mortgage Loans	000	000
Interest Income From Car Loans	000	000
Interest Income From Investments in financial assets	000	000
Interest Income On Bank Deposits	000	000
Total Interest Income	000	000

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(Provide brief explanation for this revenue)

Notes to the Financial Statements Continued

5. Other income

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Insurance Recoveries	000	000
Income from Sale of Tender Documents	000	000
Bad debts recovered	000	000
Miscellaneous Income	000	000
Total Other Income	000	000

6. Employee Costs

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Salaries And Wages	000	000
Staff Gratuity	000	000
Staff Training Expenses	000	000
Social Security Contribution	000	000
Other <i>(Specify)</i>	000	000
Total	000	000

7. Use of Goods and Services

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
General Expenses-Emergency	99,500,000	448,983,740
Loan Processing Costs	000	000
Professional Services Costs	000	000
Administration Fees	000	000
Committee Allowances	000	000
Bank Charges	1,725	10,760
Electricity And Water Expenses	000	000
Fuel And Oil Costs	000	000
Insurance Costs	000	000
Postage And Courier	000	000

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Description	FY 2024-2025 Kshs.	FY 2023-2024 Kshs.
Printing And Stationery	000	000
Rental Costs	000	000
Security Costs	000	000
Telephone And Communication Expenses	000	000
Bank Charges	000	000
Audit Fees	000	000
Provision For Doubtful Debts	000	000
Other (<i>Specify</i>)	000	000
Social benefit expenses*		
Total	99,501,725	448,994,500

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

8. Depreciation and Amortization Expense

Description	FY 2024-2025 Kshs.	FY 2023-2024 Kshs.
Property Plant and Equipment	000	000
Intangible Assets	000	000
Total	000	000

9. Finance costs

Description	FY 2024-2025 Kshs.	FY 2023-2024 Kshs.
Interest On Bank Overdrafts	000	000
Interest On Loans From Banks	000	000
Total	000	000

10. Gain/(loss) on disposal of assets

Description	FY 2024-2025 Kshs.	FY 2023-2024 Kshs.
Property, Plant and Equipment	000	000
Intangible Assets	000	000
Total	000	000

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11. Gain/ (loss) on Fair Value Investments

Description	FY2024-2025	FY2023-2024
	KSh	KSh
Investments at Fair Value- Equity investments	000	000
Fair value – Investment property	000	000
Fair value- other financial assets (specify)	000	000
Total Gain	000	000

12. Cash and cash equivalents

Description	FY2024-2025	FY2023-2024
	KSh	KSh
Turkana County Emergency Fund Account-EQUITY	1,291,859.15	793,584.15
Fixed Deposits Account	000	000
On – Call Deposits	000	000
Current Account	000	000
Others (<i>Specify</i>)	000	000
Total Cash And Cash Equivalents	1,291,859.15	793,584.15

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Notes to the Financial Statements Continued

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

Financial Institution	Account number		
a) Fixed Deposits Account			
Kenya Commercial Bank		000	000
Equity Bank, Etc.		1,291,859.15	793,584.15
Sub- Total		1,291,859.15	793,584.15
b) On - Call Deposits			
Kenya Commercial Bank		000	000
Equity Bank - Etc.		000	000
Sub- Total		000	000
c) Current Account			
Equity Bank		000	793,584.15
Bank B		000	000
Sub- Total		000	000
d) Others(Specify)			
Cash In Transit		000	000
Cash In Hand		000	000
Sub- Total		000	000
Grand Total		1,291,859.15	793,584.15

13. Receivables from Non-exchange transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Current Receivables		
Interest Receivable	000	000
Current Loan Repayments Due	000	000
Other Exchange Debtors	000	000
Less: Impairment Allowance	(000)	(000)
Total Current Receivables		
Non-Current Receivables		
Long term receivables	60,799,134	60,799,134
Total Non- Current Receivables	000	000
Total Receivables From Non Exchange Transactions	60,799,134	60,799,134

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	000	000
Accrued interest receivable from of long-term loans of previous years	000	000
Interest receivable from current portion of long-term loans issued in the current year	000	000
Current loan repayments due		
Current portion of long-term loans from previous years	000	000
Accrued principal from long-terms loans from previous periods	000	000
Current portion of long-term loans issued in the current year	000	000

14. Prepayments

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Prepaid Rent	000	000
Prepaid Insurance	000	000
Prepaid Electricity Costs	000	000
Other Prepayments (<i>Specify</i>)	000	000
Total	000	000

15. Inventories

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Consumable Stores	000	000
Spare Parts And Meters	000	000
Catering	000	000
Other Inventories (<i>Specify</i>)	000	000
Total Inventories at The Lower of Cost and Net Realizable Value	000	000

Notes to the Financial Statements Continued

16. Investments in financial assets

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	000	000
CBK	000	000
Sub- total	000	000
b. Investment with Financial Institutions/ Banks		
Bank x	000	000
Bank y	000	000
Sub- total	000	000
c. Equity investments (specify)		
Equity/ shares in Entity xxx	000	000
Sub- total	000	000
Grand total	000	000

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

Movement of Equity Investments

Impairment allowance/ provision	FY2024-2025	FY2023-2024
	Kshs	Kshs
At the beginning of the year	000	000
Purchase of investments in the year	000	000
Sale of investments during the year	(000)	(000)
Gain/(loss) in fair value of investments through surplus or deficit	000	000
At the end of the year	000	000

e) Shareholding in other entities

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

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		Current year	Prior year
	%	%	%	Kshs	Kshs	Kshs
Entity A	000	000	000	000	000	000
Entity B	000	000	000	000	000	000
Entity C	000	000	000	000	000	000
	000	000	000	000	000	000

Turkana County Emergency Fund

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Notes to The Financial Statements (Continued)

17. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July (Previous FY)	000	000	000	000	000
Additions	000	000	000	000	000
Disposals	000	000	000	000	000
Transfers/Adjustments	000	000	000	000	000
At 30th June (Previous FY)	000	000	000	000	000
At 1st July (Current FY)					
Additions	000	000	000	000	000
Disposals	000	000	000	000	000
Transfer/Adjustments	000	000	000	000	000
At 30th June (Current FY)	000	000	000	000	000
Depreciation And Impairment					
At 1 st July 2024	000	000	000	000	000
Depreciation	000	000	000	000	000
Impairment	(000)	-	-	-	(xxx)
At 30th June (2024)	000	000	000	000	000
At 1st July (Current FY)					
Depreciation	000	000	000	000	000
Disposals	000	000	000	000	000
Impairment	000	000	000	000	000
Transfer/Adjustment	000	000	000	000	000
At 30th June 2025	000	000	000	000	000
Net Book Values	000	000	000	000	000
At 30th June 2024	000	000	000	000	000
At 30th June 2025	000	000	000	000	000

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

18. Intangible assets

Description	FY 2024-2025	FY 2023-2024
	KSh	KSh
Cost		
At Beginning of The Year	000	000
Additions	000	000
At End of The Year	000	000
Amortization And Impairment		
At Beginning of The Year	000	000
Amortization	000	000
At End of The Year	000	000
Impairment Loss	000	000
At End of The Year	000	000
NBV	000	000

19. Investment Property

Description	FY 2024-2025	FY 2023-2024
	KSh	KSh
At beginning of the year	000	000
Additions	000	000
Disposal during the year	(000)	(000)
Depreciation	(000)	(000)
Impairment	(000)	(000)
Gain/(loss) in fair value (if fair value is elected)	000	000
At end of the year	000	000

Turkana County Emergency Fund
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Notes to The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description	FY 2024-2025		FY 2023-2024	
	Kshs		Kshs	
Trade Payables	000		000	
Refundable Deposits	000		000	
Accrued Expenses	000		000	
Other Payables	000		000	
Total Trade and Other Payables	000		000	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	000	%	000	%
1-2 years	000	%	000	%
2-3 years	000	%	000	%
Over 3 years	000	%	000	%
Total (tie to above total)	000		000	

21. Provisions

Description	Leave provision	Pension provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At the Beginning Of The Year	000	000	000	000
Additional Provisions	000	000	000	000
Provision Utilised	(000)	(000)	(000)	(000)
Change Due To Discount And Time Value For Money	(000)	(000)	(000)	(000)
Transfers From Non -Current Provisions	000	000	000	000
Balance At The End of The Year	000	000	000	000

Turkana County Emergency Fund
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Notes to The Financial Statements (Continued)

22. Borrowings

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Balance At Beginning of The Period	60,799,134	60,799,134
External Borrowings During the Year	000	000
Domestic Borrowings During the Year	000	000
Repayments Of External Borrowings During the Period	(000)	(000)
Repayments Of Domestic Borrowings During the Period	(000)	(000)
Balance At End of The Period	60,799,134	60,799,134

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

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	000	000
Sterling Pound Denominated Loan From 'Y Organization'	000	000
Euro Denominated Loan from Z Organization'	000	000
Domestic Borrowings		
Kenya Shilling Loan From KCB	000	000
Kenya Shilling Loan from Barclays Bank	000	000
Kenya Shilling Loan from Consolidated Bank	000	000
Borrowings From Other Government Institutions	000	000
Total Balance at End of The Year	000	000

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

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	60,799,134	60,799,134
Long Term Borrowings	000	000
Total	60,799,134	60,799,134

Turkana County Emergency Fund
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Notes to The Financial Statements (Continued)

23. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	000	000	000	000	000
Non-Current Benefit Obligation	000	000	000	000	000
Total	000	000	000	000	000

24. Social Benefit Liabilities

Description	FY 2024-2025		FY 2023-2024	
	Kshs		Kshs	
Health social benefit scheme		000		000
Unemployment social benefit scheme		000		000
Orphaned and vulnerable benefit scheme		000		000
Elderly social benefit scheme		000		000
Bursary social benefits		000		000
Total		000		000
Current social benefits		000		000
Non-current social benefits		000		000
Total (tie to totals above)		000		000

Turkana County Emergency Fund
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Notes to The Financial Statements (Continued)

25. Cash generated from operations

Description	FY 2024-2025 KSh	FY 2023-2024 KSh
Surplus/ (Deficit) For the Year Before Tax	000	000
Adjusted For:		
Depreciation	000	000
Amortisation	000	000
Gains/ Losses On Disposal Of Assets	(000)	(000)
Interest Income	(000)	(000)
Finance Cost	000	000
Working Capital Adjustments		
Increase In Inventory	(000)	(000)
Increase In Receivables	(000)	(000)
Increase In Payables	000	000
Net Cash Flow From Operating Activities	000	000

Notes to The Financial Statements (Continued)

26. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Transfers From Related Parties'-The County Treasury	100,000,000	147,388,667
Transfers To Related Parties	000	000

c) Key management remuneration

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Board Of Trustees	000	000
Key Management Compensation	000	000
Total	000	000

d) Due from related parties

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Due From County Government	60,799,134	60,799,134
Total	60,799,134	60,799,134

Other Disclosures Continued

e) Due to related parties

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Due To Parent Ministry	000	000
Due To County Government	000	000
Due To Key Management Personnel	000	000
Total	000	000

27. Contingent assets and contingent liabilities

Contingent Liabilities	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Court Case Against the Fund	000	000
Bank Guarantees	000	000
Total	000	000

Notes to The Financial Statements (Continued)

28. Financial risk management

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

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

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables From Exchange Transactions	000	000	000	000
Receivables From Non-Exchange Transactions	000	000	000	000
Bank Balances	000	000	000	000
Total	000	000	000	000
At 30 June 2023				
Receivables From Exchange Transactions	000	000	000	000
Receivables From Non-Exchange Transactions	000	000	000	000
Bank Balances	000	000	000	000
Total	000	000	000	000

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

Notes to The Financial Statements (Continued)

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

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

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

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June (Current FY)				
Trade Payables	000	000	000	000
Current Portion Of Borrowings	000	000	000	000
Provisions	000	000	000	000
Employee Benefit Obligation	000	000	000	000
Total	000	000	000	000
At 30 June (Comparative FY)				
Trade Payables	000	000	000	000
Current Portion Of Borrowings	000	000	000	000
Provisions	000	000	000	000
Employee Benefit Obligation	000	000	000	000
Total	000	000	000	000

Notes to The Financial Statements (Continued)

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

Description	Other currencies		Total
	Kshs	Kshs	Kshs
At 30 June (Current FY)			
Financial Assets	000	000	000
Investments	000	000	000
Cash	000	000	000
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	000	000	000
Borrowings	000	000	000
Net Foreign Currency Asset/(Liability)	000	000	000

Notes To The Financial Statements (Continued)

Foreign currency sensitivity analysis

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

Description	Change in	Effect on surplus/	Effect on
	currency rate	deficit	equity
	Kshs	Kshs	Kshs
(Current FY)			
Euro	10%	000	000
USD	10%	000	000
(Comparative FY)			
Euro	10%	000	000
USD	10%	000	000

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Notes to The Financial Statements (Continued)

d) Capital risk management.

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

Description	2024 KSh	2023 KSh
Revaluation reserve	000	000
Revolving fund	000	000
Accumulated surplus	000	000
Total funds	000	000
Total borrowings	000	000
Less: cash and bank balances	(000)	(000)
Net debt/(excess cash and cash equivalents)	000	000
Gearing	00%	00%

29. Events after the reporting period

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

30. Ultimate and Holding Entity

The entity is a County Public Fund established by Turkana County Emergency Fund Act,2016 under the Ministry of Finance and planning. Its ultimate parent is the County Government of Turkana.

31. Currency

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

18. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Irregular lending of funds to County The County Executive	The money borrowed have been factored in the approved budget estimates and will be repaid	Not resolved	June 2026

Fund Administrator

Sign



Date

31/10/2025



Turkana County
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