

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF



THE AUDITOR-GENERAL

ON

**KISII COUNTY VETERINARY
SERVICES DEVELOPMENT FUND**

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

PAPERS LAID	
DATE	6/3/2025
TABLED BY	Dep May Kihip
COMMITTEE	
CLERK AT THE TABLE	Msalim



KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND

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

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

KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024



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KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
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1. Key Entity Information and Management

a) Background information

Kisii County Veterinary Services Development Fund is established by and derives its authority and accountability from Section 111 of the PFM Act, 2012 on 7th January, 2016. The Fund is wholly owned by the County Executive of Kisii and is domiciled in Kenya.

The fund's objective is to make payments when an urgent and unforeseen need for expenditure for which there is no legislative authority arises.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to help deal with unforeseen circumstances

c) Key Management

Ref	Name	Position
1	Fund Manager/ Administrator	Agnes Choti
2	Fund Accountant	John Nyandanyi
3	Chief Officer Finance	Vincent Nyang'wara

KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
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d) Registered Offices

P.O. Box 4550-40200
Municipal Building
Kisii Keroka Road
Kisii, Kenya

e) Fund Contacts

Telephone: (254) 582030005
E-mail: info@kisii.go.ke
Website: www.kisii.go.ke

f) Fund Bankers

Kenya Commercial Bank
Kisii Branch
P.O.BOX 476-4120
KISII

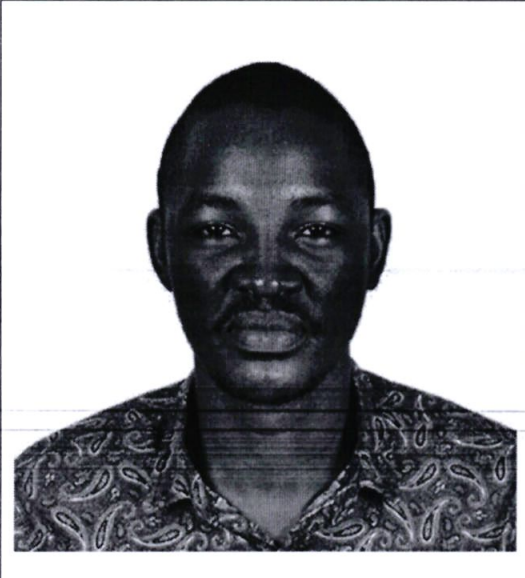
g) Independent Auditors


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

h) Principal Legal Adviser


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


2. Fund Administration Committee

	<p>Mr. VINCENT OKIOMA NYANGWARA—CO FINANCE, REVENUE & REVENUE MANAGEMENT</p> <p>Prior to his appointment, Mr. Nyangwara was a clerical officer II Kisii County Government. He had also served in various capacity as a Constituency Manager at Parliamentary Service Commission, IFMIS (Integrated Financial Management Information System as a procurement requestor</p> <p>He holds Bachelor’s Degree of Arts in International Relations from Kenya Methodist University.</p>
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	<p>AGNES CHOTI— CO VETERINARY SERVICES.</p> <p>Agnes Choti</p> <p>Heads the Livestock, Fisheries and veterinary services as the Chief Officer. Prior to her appointment, she was a teacher.</p> <p>She holds a degree in science-agriculture education & extension from Egerton university.</p> <p>Until her appointment, she was working with the Teachers Service Commission as a teacher.</p>
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3. Management Team

	<p>Mr. VINCENT NYANGWARA—CO FINANCE, REVENUE & ACCOUNTING SERVICES</p> <p>Mr. Vincent Okioma Nyangwara- CO Finance, Accounting services and Revenue Management. Prior to his appointment, Mr. Nyangwara was a clerical officer II Kisii County Government. He had also served in various capacity as a Constituency Manager at Parliamentary Service Commission, IFMIS (Integrated Financial Management Information System as a procurement requestor Kisii County.</p> <p>He holds Bachelor’s Degree of Arts in International Relations from Kenya Methodist University.</p>
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	<p>Agnes Choti – CO VETERINARY SERVICES.</p> <p>Mrs Agnes Choti heads the department of Livestock, Fisheries and Veterinary services as the Chief Officer. Prior to her appointment, she was a teacher.</p> <p>She holds a degree in science-agriculture education & extension from Egerton university.</p> <p>Until her appointment, she was working with the Teachers Service Commission as a teacher.</p>
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KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
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4. Report of the Fund Administrator

The fund through Directorate has a target of collecting Kshs.16 million annually. This effectively forms the fund's budget. The fund managed to collect Kshs. 11,848,930 from operating activities of the Directorate of Veterinary Services.

The disease control programme through the vaccination of dogs has led to a reduction in terms of people seeking prophylactic treatment against rabies by more than half. It is estimated that at least one dog bite is reported in Kisii daily. The cost of prophylactic treatment of one person is 20,000 Kenyan shillings translating to 8 million shillings annually. Fortunately, only half of the people require prophylactic treatment as some bites are from vaccinated dogs hence saving more than 4 million shillings among Kisii County households.

The fund has gone a long way in promoting the animal breeding programme where artificial insemination has seen over 30,000 heads of cattle inseminated and over 140,000 animals vaccinated against diseases such as Rabies, Foot and Mouth disease and New Castle Disease Virus under the disease control programme. Veterinary public health which is supported by the fund has gone a long way in ensuring that the residents of Kisii County have access to safe food of animal origin through meat inspection. Seventy-three thousand nine hundred and sixteen carcasses (73,916) were inspected during the financial year.

One of the major challenges of the fund is understaffing in the Directorate of Veterinary Services. This hinders Operations that contribute monies to the fund. The Directorate however targets to increase the budget to Kshs.16 million by increasing efficiency so as to access as many clients as possible

Signed: _____



Name: Agnes Choti

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

The County Government through the Directorate of Veterinary Services offers animal disease and pests control to livestock farmers in the County. Other services offered by the Directorate include provision of Veterinary public health, extension and animal breeding services. All these are geared towards increasing livestock productivity. The Directorate had the following objectives as outlined in its annual work plan.

KISHI COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024

Main Objective	Subject	Activities and targets	Actuals attained.
Promote access to Markets	Disease and pest control.	<ol style="list-style-type: none"> 1 Vaccinate 40,000 animals. 2 Process 300 laboratory samples. 3 Issue 1200 movement permits. 4 Capacity build 300 farmers. 	<p>1.148,931 animals vaccinate.</p> <p>2.197 laboratory samples processed</p> <p>3.1,062 movement permits issued.</p> <p>4.287 farmers capacity building.</p>
Increase productivity	Artificial insemination (A.I)	<ol style="list-style-type: none"> 1. Capacity build 65 Farmers and 20 A.I service providers. 2. Inseminate 35,000 heads of cattle. 	<ol style="list-style-type: none"> 1. 47 farmers trained on benefits of adopting A.I. 2. 32,432 heads of cattle vaccinated
Safeguarding animal and human health.	Veterinary Public health and routine meat inspection	<ol style="list-style-type: none"> 1. Inspect 25,000 carcasses. 2. Sensitize Stakeholders 3. Carry out 4 monthly spot checks in every sub- county. 	<ol style="list-style-type: none"> 1. 29,950 carcasses inspected. 2. Butchers trained on meat hygiene

KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
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			and relevant regulations. 3. monthly Spot checks done in every Sub-County HQ staff.
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KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024

6. Management Discussion and Analysis

The fund through Directorate has a target of collecting Kshs.16 Million. This effectively forms the fund's budget. The fund managed to collect Kshs. 11,848,930 million from operating activities of the Directorate of Veterinary Services.

The disease control programme through the vaccination of dogs has led to a reduction in terms of people seeking prophylactic treatment against rabies by more than half. It is estimated that at least one dog bite is reported in Kisii daily. The cost of prophylactic treatment of one person is 20,000 Kenyan shillings translating to 8 million shillings annually. Fortunately, only half of the people require prophylactic treatment as some bites are from vaccinated dogs hence saving more than 4 million shillings among Kisii County households.

The fund has gone a long way in promoting the animal breeding programme where artificial insemination has seen over 30,000 heads of cattle inseminated and over 140,000 animals vaccinated against diseases such as Rabies, Foot and Mouth disease and New Castle Disease Virus under the disease control programme.

One of the major challenges of the fund is understaffing in the Directorate of Veterinary Services. This hinders Operations that contribute monies to the fund. The Directorate however targets to increase the budget to 16 million by increasing efficiency to access as many clients as possible.

7. Corporate Governance Statement

In the course of the financial year, the Board managed holds five (5) sittings which were all attended by the Fund Administration Committee Members as a best practice and in line with the law relating to meetings, they were all presided by the chairman. In cases of his or her absence the members elect one of their members to preside over the meeting.

The Fund is a semi-autonomous entity being managed by the Fund Administrator. The management intends to develop Board Service Charter. The process of appointment and removal of Fund Administration Committee members, roles and functions of the Committee members and their remuneration are clearly stated in the Veterinary Services Development Fund Regulations, 1996.

The members of the board recommended that a programme be developed on induction and training members on their roles to enable them offer better services to the public and a budgetary provision to be made in the forward budget.



8. Environmental and Sustainability Reporting

Corporate social responsibility exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

1. Sustainability strategy and profile

The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

2. Environmental performance

Towards Biodiversity and environmental conservation, the Directorate applies the meat control act (Cap 356) that gives guidelines on structural requirement of slaughter facilities so as ensure proper waste management. The directorate requires a current Certification from National Environmental Management Authority (NEMA) before licencing any slaughter facility. The Directorate is currently sensitizing Farmers on climate smart agriculture.

3. Market place practices

The organisation should outline its efforts to:

a) Responsible competition practice.

All technical staff adheres to an ethical practise where Vaccines, drugs and reagents are requisitioned by use technical names or actives rather than trade names to avoid brand promotion.

b) Responsible Supply chain and supplier relations

There is an elaborate procurement process well explained to suppliers.

c) Responsible marketing and advertisement

The Directorate of Veterinary Services enforces the Veterinary code of ethics that govern advertisement of services or practices by practitioners. This is done during spot checks to sub-counties to ensure the public is not misled as they seek Veterinary services.

d) Product stewardship

The fund has facilitated activities in veterinary public health that goes along way ensuring safe and high quality animal proteins are available for the public.

4. Community Engagements

The Directorate has held Farmer`s field events and Veterinary Public Health sensitization campaigns.

KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024

9. Report of the Fund Administration Committee

The fund administrator prepares and submits their financial statements report together with the audited financial statements for the year ended 30 June 2024, which show the state of the Fund affairs.

8.1 Principal activities

The principal activities of the Fund Are Artificial inseminations and disease control.

8.2 Performance

The performance of the Fund for the year ended 30 June 2024, are set out on page 1-18

8.3 Fund administration committee

The members of the Fund administration committee who served during the year are shown on page iv.

8.4 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.

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 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 Veterinary services development 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 30 June 2024. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the fund; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the fund; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Administrator of the veterinary services development 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 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 30 June 2023, and of the Fund's financial position as at that date.

The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
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In preparing the financial statements, the Administrator of the veterinary services development 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 ___30TH JUNE___ 2024 and signed on its behalf by:

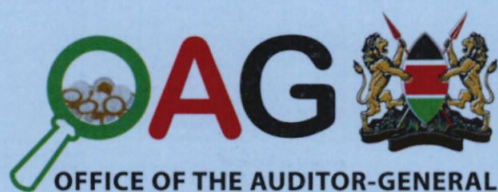


Agnes Choti.

Administrator of the County Public Fund

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



Enhancing Accountability

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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 does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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 Kisii County Veterinary Services Development Fund set out on pages 1 to 18, which comprise the statement of the

Report of the Auditor-General on Kisii County Veterinary Services Development Fund for the year ended 30 June, 2024

statement of financial position for as at 30 June, 2024 and the financial performance, statement of changes in net assets, the 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 Kisii County Veterinary Services Development Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kisii County Veterinary Services Development 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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2024 reflects final revenue budget of Kshs.16,617,500 and actual receipts of Kshs.10,765,278 resulting to under-funding of Kshs.5,852,222 (or 35.22% of the budget). Similarly, the fund spent an amount of Kshs.7,918,392 out of the approved budget of Kshs.6,617,500 resulting in an under-expenditure of Kshs.8,699,108 (or 52.35% of the budget).

The under- funding and under expenditure may have affected the planned activities and impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matter(s) described in the Basis for Conclusion, 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

Lack of Enabling Legislation for the Fund

The statement of financial performance as at 30 June, 2024 reflects total revenue of Kshs.11,848,930 and total expenses of Kshs.7,918,392 indicating that the Fund collected revenue and incurred expenses without the requisite legislation. Instead, the Fund relied on the outdated Legal Notice No. 109 of the Exchequer and Audit (Veterinary Services Development Fund) Regulations, 1996 for its operations. This is contrary to Section 196(1) and (2) of the Public Finance Management Act, 2012, which states that a public officer shall not raise revenue or spend public money otherwise than authorized by the Constitution, an Act of Parliament or an Act of a County Assembly.

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

The audit was conducted in accordance with ISSAIs 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

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 the 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, the 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, the 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.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The Framework requires 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 also 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/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL


Nairobi

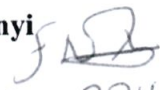
23 December, 2024

KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024

12 . Statement of Financial Performance for The Year Ended 30th June 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations		-	-
Transfers From the County Government		-	-
Fines, Penalties and Other Levies		-	-
		-	-
Revenue From Exchange Transactions			
Interest Income		-	
Other Income	1	11,848,930	4,627,037.5
		-	-
Total Revenue		11,848,930	4,627,037.5
Expenses			
Employee Costs		-	-
Use of goods and services	2	7,918,391.5	3,044,432
Depreciation and Amortization Expense		-	-
Finance Costs		-	-
Total Expenses		7,918,391.5	3,044,432
Other Gains/Losses			
Gain/Loss on Disposal of Assets		-	-
Surplus/(Deficit)For The Period		3,930,538.5	1,582,605.5


Name: Agnes Choti
Administrator of the Fund


Name: John Nyandanyi
Fund Accountant
ICPAK Member Number: 22484


KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024


13. Statement of Financial Positions at 30 June 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	3	6,685,286	3,838,399.50
Current Portion of Long- Term Receivables From Exchange Transactions		1,083,652	-
Prepayments		-	-
Inventories		-	-
Total current assets		7,768,938	3,838,399.50
Non-Current Assets			
Property ,Plant and Equipment		-	-
Intangible Assets		-	-
Long Term Receivables from Exchange Transactions		-	-
Total Non-Current Assets		0	0
Total Assets		7,768,938	3,838,399.5
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions		-	-
Provisions		-	-
Current Portion of Borrowings		-	-
Employee Benefit Obligations		-	-
		-	-
Non-Current Liabilities			
Non-Current Employee Benefit Obligation		-	-
Long Term Portion of Borrowings		-	-
Total Liabilities		-	-
Net Assets			
Revolving Fund		-	-
Revaluation Reserves		-	-
Accumulated Surplus		7,768,938	3,838,399.50
Total Net Assets and Liabilities		7,768,938	3,838,399.50

KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024

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 30 TH JUNE _____ 2024 and signed by:



Name: Agnes Choti
Administrator of the Fund


Name: John Nyandanyi 
Fund Accountant
ICPAK Member Number: 22484

KISHI COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024

14. Statement of Changes in Net Assets for the year ended 30th June 2024

	Revolving Fund	Revaluation Reserve	Accumulate d surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2022	-	-	2,255,793.5	2,255,793.5
Surplus/(Deficit) For the Period	-	-	1,582,606	1,582,606
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2023	-	-	3,838,399.5	3,838,399.5
Balance As At 1 July 2023	-	-	3,838,399.5	3,838,399.5
Surplus/(Deficit)For the Period	-	-	3,930,538.5	3,930,538.5
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	-	-	7,768,938	7,768,938


Name: Agnes Choti
Administrator of the Fund

Name: John Nyandanyi 
Fund Accountant
ICPAK Member Number: 22484

KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024

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

	Note	2023-2024	2022-2023
		Kshs	Kshs
Cashflowsfromoperatingactivities		-	-
Receipts		-	-
Publiccontributions and donations		-	-
Transfers from the county government		-	-
Interest received		-	-
Other income	1	10,765,278	4,627,037.5
Total receipts		10,765,278	4,627,037.5
Payments			
Use of goods and services	2	7,918,391.5	3,044,432
Financecost			-
Other payments		-	-
Net cashflowsfromoperatingactivities		2,846,886.5	1,582,605.5
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangibleassets		-	-
Proceedsfromsaleofproperty,plant& equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out .		-	-
Netcash flowsusedininvesting activities		-	-
Cash flowsfromfinancingactivities			
Proceedsfromrevolving fund receipts		-	-
Additional borrowings		-	-
Repaymentofborrowings		-	-
Netcash flowsusedinfinancingactivities		-	-
Netincrease/(decrease)incashcash Equivalents		2,846,886.5	1,582,605.50
Cashandcashequivalentsat1 July		3,838,399.5	2,255,794
Cashandcashequivalentsat30 June	3	6,685,286	3,838,399.5

KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024



Name: Agnes Choti

Administrator of the Fund

Name: John Nyandanyi 

Fund Accountant

ICPAK Member Number: 22484

KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024

16. Statement of Comparison of Budget and Actual Amounts for The Period

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilisation
	2024	2024	2024	2024	2024	2024
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Public Contributions And Donations	-	-	-	-	-	
Transfers From County Govt.						
Interest Income	-	-	-	-	-	
□ Other Income	16,617,500	-	16,617,500	11,848,930	4,768,570	71.3%
Total Income	16,617,500	-	16,617,500	11,848,930	4,768,570	71.3%
Expenses						
Use of goods and services	16,617,500	-	16,617,500	7,918,391.5	8,699,108.5	52.35%
Total Expenditure	16,617,500	-	16,617,500	7,918,391.5	8,699,108.5	52.35%
Surplus For The Period	-	-	-	3,930,538.5	-	-

Note

i) Under expenditure was as a result of low disease outbreaks



KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024

17. Notes to the Financial Statements

1. General Information

Kisii County Veterinary services development Fund is established by and derives its authority and accountability from Section 111 of the PFM Act, 2012 on 7th January, 2016.

The Fund is wholly owned by the County Executive of Kisii and is domiciled in Kenya.

The fund's objective is to make payments when an urgent and unforeseen need for expenditure for which there is no legislative authority arises.

2. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

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

3. Adoption of new and revised standards

(i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2024

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial

KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024

Standard	Effective date and impact:
	<p>statements for their assessment of the amounts, timing and uncertainty of an Entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.

**KISHI COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024**

Standard	Effective date and impact:
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>

KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024

Standard	Effective date and impact:
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>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:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

(iii) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2024.

KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024

4. 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.

b) Budget information

The original budget for FY 2023-2024 was approved by the County Assembly on 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 additional appropriations of on the FY 2023-2024 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.

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 xxx of these financial statements.

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KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024
Summary of Significant Accounting Policies (Continued)

e) Nature and purpose of reserves

f) 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. Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, Orto 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.

g) 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 imp rests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

h) Comparative figures

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

i) Events after the reporting period

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

j) Currency

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

KISHI COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024
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.

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KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024

6. Notes to the Financial Statements

1. Other income

Description	2023/2024	2022/2023
	Kshs	Kshs
Meat inspections	11,848,930	4,627,037.5
Total other income	11,848,930	4,627,037.5

2. Use of Goods and Services

Description	2023/2024	2022/2023
	Kshs	Kshs
Vaccinations	2,056,075	3,033,742
Bank charges	16,858.5	10,690
Other operating Expenses	5,845,458	0
TOTAL	7,918,391.5	3,044,432

3. Cash and cash equivalents

Description	2023/2024	2022/2023
	Kshs	Kshs
Current account	6,685,286	3,838,399.50
Total cash and cash equivalents	6,685,286	3,838,399.50

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

		2023/2024	2022/2023
Financial institution	Account number	Kshs	Kshs
Current account			
Kenya Commercial Bank	1154294579	6,685,286	3,838,399.50
Total		6,685,286	3,838,399.50

Other Disclosures

KISH COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024

1. 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 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.

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KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024
SIGNIFICANT ACCOUNTING POLICIES (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 on-going 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.

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 Fund’s capital structure comprises of the following funds:

	2023/2024	2022/2023
	Kshs	Kshs
Accumulated surplus	6,685,286	3,838,399.50
Total funds	6,685,286	3,838,399.50

**KISII COUNTY VETERINARY SERVICES DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended 30 June 2024**

18. Progress on Follow up of Prior Year Auditor’s Recommendations

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)
Other Matter	Budgetary Control and Performance	By the time of audit, we had begun the commitment process and the payment for the same was effected in FY 2021/2022	Resolved	