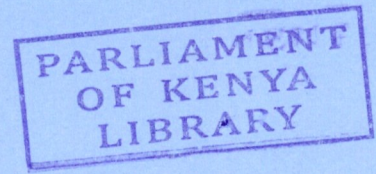


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
*Enhancing Accountability*



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

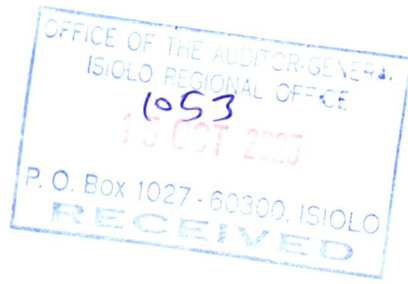
**ON**

**MARSABIT COUNTY EMERGENCY FUND**

**FOR THE YEAR ENDED**

**30 JUNE, 2025**

PAPERS LAID	
DATE	26/11/25
TABLED BY	J.M.K
COMMITTEE	-
CLERK AT THE TABLE	Belinda



---

**MARSABIT 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)

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

---

**Table of Contents**

1. Acronyms and Definition of Key Terms	ii
2. Key Entity Information and Management	iii
3. Fund Administration Committee (Any Other Corporate Governance Body for The Fund)	vii
4. Key Management Team	viii
6. Report of The Fund Administrator	x
7. Statement of Performance Against the Emergency Fund's Predetermined Objectives	xii
8. Statement of Corporate Governance	xiiiv
9. Management Discussion and Analysis	xv
10. Environmental and Sustainability Reporting	xvi
11. Report of The Committee	xviii
12. Statement of Management's Responsibilities	xix
13. Report of Independent Auditor on the Financial Statements of Emergency Fund	xx
14. Statement of Financial Performance for the Year Ended 30 <sup>th</sup> June 2025	1
15. Statement of Financial Position As at 30 June 2025	2
16. Statement Of Changes in Net Assets for the year ended 30 <sup>th</sup> June 2025	3
17. Statement of Cash Flows for The Year Ended 30 June 2025	4
18. Statement Of Comparison Of Budget And Actual Amounts For The Period	5
19. Notes to the Financial Statements	7
20. Annexes	26

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

---

**1. Acronyms and Definition of Key Terms**

**a) Acronyms**

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

**b) Definition of Key Terms**

**Fiduciary Management:** The key management personnel who had financial responsibility.  
**Comparative Year-** Means the prior period or year.

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

**2. Key Entity Information and Management**

**a) Background information**




Marsabit County Emergency Fund is established by and derives its authority and accountability from Marsabit county emergency fund Act, 2014. The Fund is wholly owned by the County Government of Marsabit 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 legislative authority

**b) Principal Activities**

The Fund's principal activity is to pay for expenditures incurred as per the objective of the emergency fund

**c) Fund Administration Committee**

Ref	Position	Name
1	Mr. Hussein Ali Hussein Fundi CECM Finance - Fund Administrator 	Date of Birth: 22.12.1989 Key academic Qualifications: Master of Public Policy and Administration and Bachelor of Science Statistics Work Experience: CEC Member Finance and Economic Planning – Marsabit County, CEC Member Agriculture and Risk and Compliance Associate at Britam.
2	Mr. Godfrey Godana Guyo Chief Officer Finance 	Date of Birth: 5 <sup>th</sup> December 1980 Key academic Qualifications: Bachelor Degree Work Experience: Chief Officer Finance, Principal Administrative Secretary - Office of the Governor. Head of Program - Caritas.
3	Mr. Ismael Jillo Algi Director Finance 	Date of Birth: 28 <sup>th</sup> June 1984 Key academic Qualifications: Bcom Finance and CPA-K. Work Experience: Director Finance County Government of Marsabit. CECM Finance and Economic Planning – Tana River County.

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

---

**d) Key Management Team**

<b>Ref</b>	<b>Position</b>	<b>Name</b>
1	Fund administrator- CECM -Finance	Mr. Hussein Ali Hussein Fundi
2	Chief Officer Finance	Mr. Godfrey Godana
3	Director Finance	Cpa Ismael Jillo Algi
4	Fund Accountant	CPA Hussein Rob Boye

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

---

**Key Entity and Management (Continued)**

**e) Fiduciary Oversight Arrangements**

SN	Position	Name
1	Fund Administrator -CECM Finance	Mr. Hussein Ali Hussein Fundi
2	Director Internal Audit	Mr. Simon Khobess
3	Emergency Fund Committee – Chairman	Mr. Godfrey Godana
4	Director Accounts	CPA Dabasso Bonaya Adano
5	Director Finance	CPA Ismael Jillo Algi
6	Fund Accountant	CPA Hussein Rob Boye

**f) Registered Offices**

P.o Box 384-60500  
Marsabit County Headquarter Building  
Treasury Office  
Marsabit, Kenya

**g) Fund Contacts**

Telephone: (254) 711255227  
E-mail: jilloalgi@gmail.com  
Website: www.marsabit.go.ke

**h) Fund Bankers**

Marsabit County Emergency fund  
BANK: Equity Bank  
Branch: Marsabit  
Account No. 1010262209545

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

---

**i) Independent Auditors**

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

**j) Principal Legal Adviser**

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



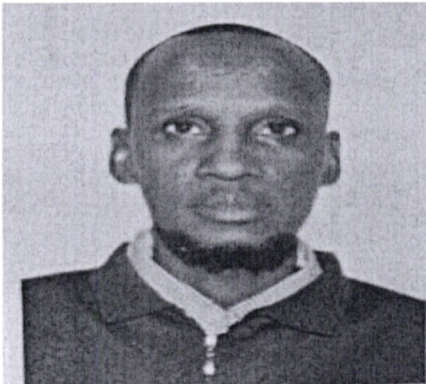
**k) County Attorney**

The Office of County Attorney  
County Government of Marsabit  
P.O. Box 384-60500  
Marsabit County Headquarter Building  
Marsabit, Kenya

*Marsabit County Emergency Fund*





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

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

Ref	Position	Name
1	Mr. Hussein Ali Hussein Fundi CECM Finance - Fund Administrator 	Date of Birth: 22.12.1989 Key academic Qualifications: Master of Public Policy and Administration and Bachelor of Science Statistics Work Experience: CEC Member Finance and Economic Planning – Marsabit County, CEC Member Agriculture and Risk and Compliance Associate at Britam.
2	Mr. Godfrey Godana Guyo Chief Officer Finance 	Date of Birth: 5 <sup>th</sup> December 1980 Key academic Qualifications: Bachelor Arts. Work Experience: Chief Officer Finance, Principal Administrative Secretary - Office of the Governor. Head of Program - Caritas.
3	Mr. Ismael Jillo Algi Director Finance 	Date of Birth: 28 <sup>th</sup> June 1984 Key academic Qualifications: Bcom Finance and CPA-K. Work Experience: Director Finance County Government of Marsabit. CECM Finance and Economic Planning – Tana River County.

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

**4. Key Management Team**

Ref	Position	Name
1	Mr. Hussein Ali Hussein Fundi CECM Finance - Fund Administrator 	Date of Birth: 22.12.1989 Key academic Qualifications: Master of Public Policy and Administration and Bachelor of Science Statistics Work Experience: CEC Member Finance and Economic Planning – Marsabit County, CEC Member Agriculture and Risk and Compliance Associate at Britam.
2	Mr. Godfrey Godana Guyo Chief Officer Finance 	Date of Birth: 5 <sup>th</sup> December 1980 Key academic Qualifications: Bachelor of Arts Work Experience: Chief Officer Finance, Principal Administrative Secretary - Office of the Governor. Head of Program - Caritas.
3	Mr. Ismael Jillo Algi Director Finance 	Date of Birth: 28 <sup>th</sup> June 1984 Key academic Qualifications: Bcom Finance and CPA-K. Work Experience: Director Finance County Government of Marsabit. CECM Finance and Economic Planning – Tana River County.
4.	CPA Hussein Rob Boye Fund Accountant 	Date of Birth: 25.02.1992 Key academic Qualifications: MBA -Finance, Bsc. Economics, CPA(K). Work Experience: <ul style="list-style-type: none"> <li>➤ Assistant Director – Accounting Services, Marsabit County.</li> <li>➤ Principal Accountant – Marsabit County .</li> <li>➤ Fund Accountant – Marsabit County.</li> <li>➤ Market Linkages Officer- Boma Project.</li> </ul>

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

---

**5. Report of the Chairman of the Fund**

Pursuant to section 163 of public finance management act, At the end of each period the county treasury shall, for the county government consolidate annual financial statement in respect of all county government entities in format to be prescribed by Accounting standard board.

The law requires that these statements are submitted to the Auditor General, National treasury, Controller of budget and commission of revenue allocation not later than four months after the end of each period.

This fund has been in existence since 2014 after devolution came into place in 2013. The purpose 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 legislative authority. There was no Monetary commitment during the year.

Additionally, the administration of fund which is shouldered mainly by the Department of Finance has been effective reflecting the larger commitment by the County Government of Marsabit in service delivery. In view of this, there has been laudable appreciations by the residents of Marsabit County for strengthening the effort towards Mitigation of Drought.

I sincerely appreciate the executive of Marsabit County, Emergency Fund Management Team and the staffs in the Finance Department for unwavering support.

On behalf of the management team, it is my pleasure to present to you the financial statements of the Marsabit County Emergency Fund for the period ending **June 30, 2025** which have been prepared in line with the requirements of the (PFMA),2012.



..... **Date: 6<sup>th</sup> October 2025**

**Mr. Hussein Ali Hussein Fundi**

**CEC Member – Finance and Economic Planning**  
**Fund Administrator**

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

---

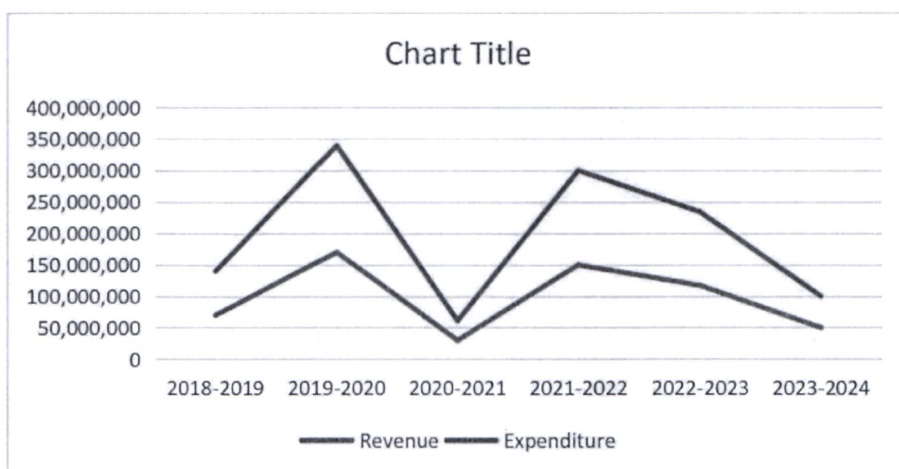
**6. Report of The Fund Administrator**

I am pleased to present to you the financial statements of the Marsabit County Emergency Fund for the period ended June 30 2025.

This fund has been in existence since 2014 after devolutions came into place in 2013. The purpose 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 legislative authority.

The department of Finance which houses the fund is mandated to prepare and keep the account of the fund, submit financial statement relating to those accounts to Auditor-General and present financial statement to the County Assembly every period. This period we were unable to finance the purchase and transportation of household relief food ration to cushion vulnerable families against the effect of drought due to lack of allocation due to scarce resources and competing interests.

The fund has received budgetary support over the years to enable executes its mandate as show below.



***Value for Money***

This fund has been in existence since 2014 after devolutions came into place in 2013. The purpose 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 legislative authority. The fund did not receive revenue from the county Government as their was no allocation made for the Fund. The management promised to consider the fund in the coming years so as to continue benefiting the residents of Marsabit County.

*Marsabit County Emergency Fund*

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

---

**Progress on the attainment of Strategic development objectives**

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
<i>Disaster Risk Management</i>	<i>Mitigating emergencies in the County</i>	<i>Well-coordinated emergency response</i>	<i>100% response to emergencies</i>	<i>100% response to drought.</i>
<i>Manage the expenditure utilization as shown in the table below;</i>	<i>Procure drought and flood materials and consumables</i>	<i>Relieve to the affected families.</i>	<i>Zero human mortality during the year</i>	<i>Contentment from the citizenry of the county</i>

**Implementation Challenges**

Implementation Challenges include lack of allocation due to scarce resources and competing interests.

I sincerely appreciate the executive of Marsabit County, Emergency Fund Management Team and the staffs in the Finance for unwavering support during the period.

Signature:   
**Mr. Hussein Ali Hussein Fundi**  
**Fund Administrator**

**Date: 6<sup>th</sup> October 2025**

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

---

**7. Statement of Performance Against the Fund’s Predetermined Objectives**

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

The key development objectives of the Fund as per the County Integrated Development Plan (CIDP) for 2023 to 2027 are to:

- a) *To mitigate the effects of adverse climatic conditions inherent in the county.*
- b) *Provide short-term solution for suffering members of the community*
- c) *To utilize the budgetary allocation in a prudent manner*

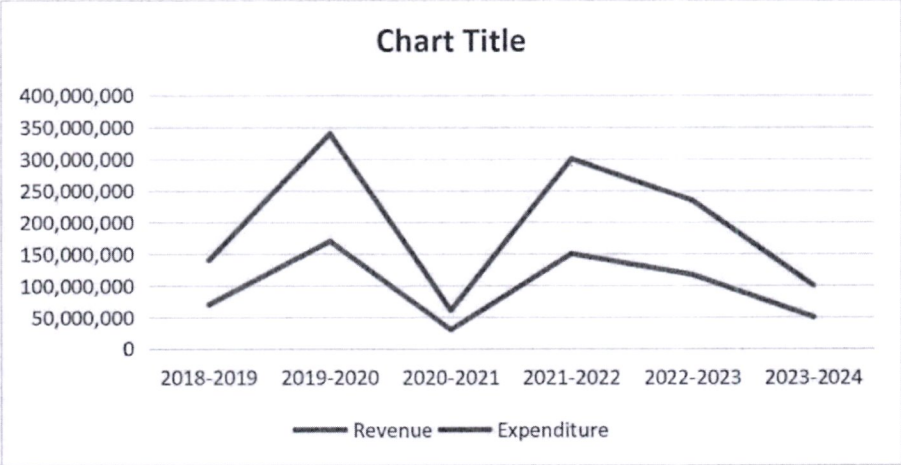
**Progress on the attainment of Strategic development objectives**

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
<i>Disaster Risk Management</i>	<i>Mitigating emergencies in the County</i>	<i>Well-coordinated emergency response</i>	<i>100% response to emergencies</i>	<i>100% response to drought.</i>
<i>Manage the expenditure utilization as shown in the table below;</i>	<i>Procure drought and flood materials and consumables</i>	<i>Relieve to the affected families.</i>	<i>Zero human mortality during the year</i>	<i>Contentment from the citizenry of the county</i>

*Marsabit County Emergency Fund*

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

---



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

---

**8. Statement of Corporate Governance**

The Fund Administration Committee managed the fund as per the framework and criteria approved by the County Assembly. The payments are solely for disaster and risk mitigation measures to ensure that County residents are protected from unforeseen damage, loss, hardship and suffering. The reports are prepared and submitted to the County Assembly, National Treasury, Controller of Budget, Commission of Revenue Allocation and the Office of the Auditor General.

There exist no board for this fund.

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

---

**9. Management Discussion and Analysis**

In the financial year 2024/2025, the Fund did not get Budgetary allocation from County Government of Marsabit.

## **10. Environmental and Sustainability Reporting**

Most of the Funds Marsabit County Emergency Fund activities are geared towards Corporate Social Responsibilities (CSR). It's the responsibility of the County Government to deliver appropriate services to its citizens as and when the need arises. The Government further focuses on goods and services that are for public interest.

Key objectives for Marsabit County Emergency Fund are;

- a) To make payments for urgent and unforeseen expenditures that is for the public interest within the County.
- b) To protect County residents from unforeseen damage, loss, hardship and suffering caused by emergency events.

The Fund exists to transform lives as it reduces shocks and imbalances brought by Consistent droughts in the County.

### **1. Sustainability strategy and profile**

The top management especially the accounting officer ensures that the Fund engages existing Government structures during beneficiary identification and distribution of food to the affected household families.

### **2. Environmental performance**

The Committee ensures that food distributed are of right quality, quantity and fit for human consumption.

### **3. Employee welfare**

Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems.

The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

#### **4. Market place practices**

The organisation should outline its efforts to:

**a) Responsible competition practice.**

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

**b) Responsible Supply chain and supplier relations**

The Committee ensured the appropriate supply chain and procurement processes are adhered as per the approved framework agreement by the Tender Evaluation Committee.

**c) Responsible marketing and advertisement**

Outline efforts to maintain ethical marketing practices

**d) Product stewardship**

Outline efforts to safeguard consumer rights and interests

#### **5. Community Engagements**

Give evidence of community engagement including charitable giving (cash & material), Community Social Investment and any other forms of community (The organisation gives details of CSR activities carried out in the year and the impact to the society. The statement may also include how the organisation promotes education, sports, healthcare, labour relations, staff training and development, and water and sanitation initiatives)

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

---

**11. Report of The Committee**

The Committee submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the Fund affairs.

**Principal activities**

The Fund's principal activity is to pay for expenditures incurred as per the objective of the emergency fund.

**Results**

The results of the Fund for the year ended June 30, 2025 are set out on page 1 to 5 of this report.

**Committee**

The Fund Committee Members who served during the year are shown on page viii at the *key entity information and management page*). There were no changes in the Committee during the financial year.

**Auditors**

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

By Order of the Board

  
.....

**Mr. Godfrey Godana Guyo**

**Chairman of the Fund Administration Committee**

Date: 6<sup>th</sup> October 2025

## **12. Statement of Management’s Responsibilities**

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

The Administrator of the Emergency Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility includes:

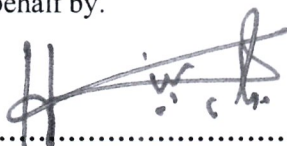
- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund;
- (iii) designing, implementing 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 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 Public Finance Management, Marsabit County Emergency fund Act 2014. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 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 the Emergency Fund has assessed the Fund’s ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

### **Approval of the financial statements**

The Fund’s financial statements were approved by the Committee on **6<sup>th</sup> October 2025** and signed on its behalf by.



.....  
**Mr. Hussein Ali Hussein Fundi**  
**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 MARSABIT 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 Marsabit County Emergency Fund set out on pages 1 to 26, 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 Marsabit 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 Marsabit County Emergency Fund Act, 2014 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 Marsabit County Emergency Fund Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Emphasis of Matter**

#### **Non-Appropriation of Emergency Fund Allocation**

The statement of financial performance and Note 6 to the financial statements reflect nil (2023/2024: Kshs.50,000,000) transfers from the County government for the year under review. The County Assembly did not appropriate any monies for the Fund during the financial year under review. This is contrary to Section 3(3) of the Marsabit County Emergency Fund Act, 2014, which states that the County Assembly shall, in appropriating monies for the emergency fund in each financial year, ensure that monies in the fund are 2% of the total County revenue.

The failure to appropriate funds may have affected the Fund's activities and negatively impacted on service delivery.

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.

### **Other Matter**

#### **Unresolved Prior Year Audit Matters**

The following issues raised on Marsabit County Emergency Fund in the previous audit report remain unresolved. The matters include;

1. Underfunding of the Fund
2. Duplication of Expenditure in Relief and Emergency Responses
3. Failure to Seek Approval of the County Assembly for payments made from the Emergency Fund.

### **Other Information**

The Management is responsible for the Other Information set out on page iii to xix which comprise of Key Entity Information and Management, Fund Administration Committee, Key Management Team, Report of the Fund Administrator, Statement of Performance Against Emergency Fund's Predetermined Objectives, Statement of Corporate Governance, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Committee and Statement of Management's 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 conclusion thereon.

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

#### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

#### **Basis for Conclusion**

##### **Duplication of Emergency Fund Functions**

During the year under review the Marsabit County Executive spent Kshs.195,803,370 on emergency relief and refugee assistance through the Department of ICT and Administration. However, as previously reported, such emergency-related expenditures would have been managed through the legally established Marsabit County Emergency Fund, in accordance with its mandate. The expenditure constituted duplication of functions between the County Department and the legally mandated County Emergency Fund.

In the circumstances, Management of Marsabit County Executive as the key stakeholder of the Emergency Fund 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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

#### **Lack of Risk Management Policy**

Review of records and processes revealed that the Marsabit County Emergency Fund lacked a Risk Management Policy. This is contrary to the requirements of Regulation 158(1)(a) of the Public Finance Management (County Governments) Regulations, 2015 which obligates Accounting Officers to ensure that the county government entity develops risk management strategies, which include fraud prevention mechanism and develop a system of risk management and internal control that builds robust business operations.

In the circumstances, effectiveness of the internal controls on the financial and operational system could not be confirmed.

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

### **Responsibilities of Management and the Fund Administration Committee**

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

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

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

### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The 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**

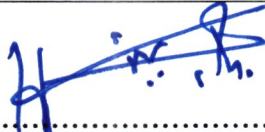
**17 November, 2025**

*Marsabit County Emergency Fund*

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

**14. Statement of Financial Performance for the Year Ended 30<sup>th</sup> June 2025**

Description	Note	Fy 2024- 2025	FY 2023- 2024
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Transfers From the County Government	6		50,000,000
Public Contributions and Donations	7		
			<b>50,000,000</b>
<b>Revenue From Exchange Transactions</b>			
Finance Income	8		
			<b>50,000,000</b>
<b>Total Revenue</b>			
<b>Expenses</b>			
Emergency Expenses	9		49,961,600
Use of goods and services	10		1,840
<b>Total Expenses</b>			<b>49,963,440</b>
<b>Surplus/(Deficit) for the Year</b>			<b>36,560</b>



.....  
Name: Mr. Hussein Ali Hussein Fundi  
Fund Administrator

Date: 6<sup>th</sup> October 2025



.....  
Name: CPA HUSSEIN ROB BOYE  
Fund Accountant

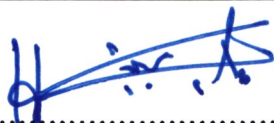
ICPAK Member Number: 29375

Date: 6<sup>th</sup> October 2025

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

**15. Statement of Financial Position As at 30 June 2025**

Description	Note	FY 2024- 2025	FY 2023- 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	11	84,669	84,669
Receivables from non-exchange transactions	12		
Receivables from exchange transactions	13		
<b>Total current assets</b>		<b>84,669</b>	<b>84,669</b>
<b>Total Assets (A)</b>		<b>84,669</b>	<b>84,669</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	14		
<b>Total current liabilities</b>			
<b>Total Liabilities (B)</b>			
<b>Net Assets (A-B)</b>		<b>84,669</b>	<b>84,669</b>
<b>Represented By:</b>			
Accumulated Surplus		84,669	84,669
<b>Net Assets</b>		<b>84,669</b>	<b>84,669</b>



.....  
**Name: Mr. Hussein Ali Hussein Fundi**  
**Fund Administrator**

**Date: 6<sup>th</sup> October 2025**



.....  
**Name: CPA HUSSEIN ROB BOYE**  
**Fund Accountant**

**ICPAK Member Number: 29375**

**Date: 6<sup>th</sup> October 2025**

*Marsabit County Emergency Fund*

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

---

**16. Statement Of Changes in Net Assets for the year ended 30<sup>th</sup> June 2025**

Description	Accumulated surplus/Deficit
	Kshs
<b>Balance as at 1 July 2023</b>	<b>48,109</b>
Surplus/(Deficit) For the Year	36,560
<b>Balance as at 30 June 2024</b>	<b>84,669</b>
<b>Balance As At 1 July 2024</b>	<b>84,669</b>
Surplus/(Deficit) For the Year	
<b>Balance As At 30 June 2025</b>	<b>84,669</b>

*Marsabit County Emergency Fund*

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

---

**17. Statement of Cash Flows for The Year Ended 30 June 2025**

Description	Note	FY 2024- 2025	FY 2023- 2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts From the County Government			50,000,000
Public Contributions and Donations			
Interest received			
<b>Total receipts</b>			<b>50,000,000</b>
<b>Payments</b>			
Emergency Expenses			49,961,600
Use of goods and services			1,840
<b>Total Payments</b>			<b>49,963,440</b>
<b>Net cash flows from operating activities</b>	15		<b>36,560</b>
<b>Cash flows from investing activities</b>			
<b>Net cash flows used in investing activities</b>			
<b>Cash flows from financing activities</b>			
<b>Net cash flows used in financing activities</b>			
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>			<b>36,560</b>
Cash and cash equivalents at 1 July	11	<b>84,669</b>	48,109
<b>Cash and cash equivalents at 30 June</b>		<b>84,669</b>	<b>84,669</b>

*(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)*

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

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
<b>Opening Budget Carry overs</b>						
<b>Receipts</b>						
Transfers From County Govt.						
Public Contributions and Donations						
Interest Income						
<b>Total Receipts</b>						
<b>Payments</b>						
Emergency Expenses						
Use of goods and services						
<b>Total Payments</b>						
<b>Surplus For the Period</b>						

*(Budget carryovers\* This is for entities whose budget lapses at year-end, but the surpluses are not legally required to be remitted back to the CRF.. Budget carryovers should not include third-party funds such as contractors' retention.)*

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

---

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	
1	Reason for differences	
2	Reason for differences	
3	Reason for differences	
4	Reason for differences	
	Closing Cash and Cash Equivalent as per the statement of Cash flows	

**19. Notes to the Financial Statements**

**1. General Information**

Marsabit County Emergency Fund is established by and derives its authority and accountability from Marsabit county emergency fund Act, 2014. The Fund is wholly owned by the County Government of Marsabit and is domiciled in Kenya.

The fund’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 legislative authority

**2. Statement of compliance and basis of preparation**

The Fund’s financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The financial statements are prepared on accrual basis while the cashflow statement is prepared using the direct method.

**3. Adoption of new and revised standards**

*(i) New and amended standards and interpretations in issue effective in the year ended 30 June 2025*

There are no new standards effective in the financial year ended 30<sup>th</sup> June 2025.

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43 Leases	<i>Applicable 1<sup>st</sup> 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

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

Standard	Effective date and impact:
	information on right of use assets and lease liabilities.
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></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: 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>IPSAS 45- Property Plant and Equipment</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></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>IPSAS 46 Measurement</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul>

Standard	Effective date and impact:
	The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p> <p>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"> <li data-bbox="450 1630 1391 1720">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li data-bbox="450 1729 1391 1877">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.</li> <li data-bbox="450 1886 1391 1975">iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of</li> </ul>

*Marsabit County Emergency Fund*

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

---

Standard	Effective date and impact:
	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.

*(iii) Early adoption of standards*

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

**4. Significant Accounting Policies**

**a) Revenue recognition**

**i. Revenue from non-exchange transactions**

**Revenue Transfers**

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

**ii. Revenue from exchange transactions**

**Interest income**

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

**b) Budget information**

The Fund did not record allocation During the FY 2024-2025.

**c) Financial instruments**

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

**Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

**Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is

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

---

recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

The Fund assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

**Financial liabilities**

**Classification**

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

**d) Contingent liabilities**

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

**e) Contingent assets**

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

**f) Nature and purpose of reserves**

The Fund does not maintain any reserves.

**g) Changes in accounting policies and estimates**

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

**h) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

**i) Related parties**

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

**j) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in

*Marsabit County Emergency Fund*

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

---

value. Bank account balances include amounts held at the Equity Bank – Marsabit Branch at the end of the financial year.

**k) Comparative figures**

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

**l) Events after the reporting period**

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

**m) Currency**

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

## **5. Significant judgments and sources of estimation uncertainty**

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

### **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.

*Marsabit County Emergency Fund*

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

**6. Transfers from the County Government**

Description	FY 2024- 2025	FY 2023- 2024
	Kshs	Kshs
Transfers From Marsabit County Department		50,000,000
Others ( <i>specify</i> )		
<b>Total</b>		<b>50,000,000</b>

**7. Public contributions and donations**

Description	FY 2024- 2025	FY 2023- 2024
	Kshs	Kshs
Cash Donation from Development Partners		
Cash Contributions from the Public		
In kind Donation from Development Partners		
In kind Contributions from the Public		
Others ( <i>specify</i> )		
<b>Total</b>		

**8. Finance Income**

Description	FY 2024- 2025	FY 2023- 2024
	Kshs	Kshs
Interest Income on Bank Deposits (current account)		
<b>Total Finance Income</b>		

**9. Emergency Expenses**

Description	FY 2024- 2025	FY 2023- 2024
	Kshs.	Kshs.
Drought related expenses		
Fire related expenses		
Flood related expenses		49,961,600
Other ( <i>Specify</i> )		
<b>Total</b>		<b>49,961,600</b>

*Marsabit County Emergency Fund*

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

---

**10. Use of Goods and Services**

Description	FY 2024- 2025	FY 2023- 2024
	Kshs.	Kshs.
Bank Charges		1,840
Audit Fees		
Other ( <i>Specify</i> )		
<b>Total</b>		<b>1,840</b>

**11. Cash and cash equivalents.**

Description	FY 2024- 2025	FY 2023- 2024
	Kshs	Kshs
Current Account	84,669	84,669
Others ( <i>Specify</i> )		
<b>Total Cash and Cash Equivalents</b>	<b>84,669</b>	<b>84,669</b>

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

Financial Institution	Account number	FY 2024- 2025	FY 2023- 2024
		Kshs	Kshs
<b>a) Current Account</b>			
Equity Bank	1010262209545	84,669	84,669
<b>Sub- Total</b>			
<b>b) Others (Specify)</b>			
Cash In Transit			
Cash In Hand			
<b>Sub- Total</b>			
<b>Grand Total</b>		<b>84,669</b>	<b>84,669</b>

**12. Receivables from non-exchange transactions**

Description	FY 2024- 2025	FY 2023- 2024
	Kshs	Kshs
<b>Current Receivables</b>		
Revenue Receivable		
Others ( <i>specify</i> )		
<b>Total Current Receivables</b>		

**Marsabit County Emergency Fund**

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

**13. Receivables from exchange transactions**

Description	FY 2024- 2025	FY 2023- 2024
	Kshs	Kshs
<b>Current Receivables</b>		
Interest Receivable		
Others ( <i>specify</i> )		
<b>Total Current Receivables</b>		

**14. Trade and other payables**

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

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

**15. Cash generated from operations.**

Description	FY 2024- 2025	FY 2023- 2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax		36,560
Adjusted For:		
Working Capital Adjustments		
Increase In Receivables		
Increase In Payables		
<b>Net Cash Flow From Operating Activities</b>		<b>36,560</b>

*(The total of this statement should tie to the cash flow section on net cash flows from operating activities)*

**16. 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) Fund Administration Committee
- c) Key management.

**b) Related party transactions**

Description	FY 2024- 2025	FY 2023- 2024
	Kshs	Kshs
Transfers From Related Parties'		
Transfers To Related Parties		

**c) Due from related parties**

Description	FY 2024- 2025	FY 2023- 2024
	Kshs	Kshs
Due From County Government		
<b>Total</b>		

*Marsabit County Emergency Fund*

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

---

**d) Due to related parties**

Description	FY 2024- 2025	FY 2023- 2024
	Kshs	Kshs
Due To County Government		
<b>Total</b>		

**17. Contingent assets and contingent liabilities**

Contingent Assets/Liabilities	FY 2024- 2025	FY 2023- 2024
	Kshs	Kshs
Court Case Against the Fund		
Bank Guarantees		
<b>Total</b>		

**18. 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:

*Marsabit County Emergency Fund*

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

---

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2024</b>				
Receivables From Exchange Transactions				
Receivables From Non-Exchange Transactions				
Bank Balances				
<b>Total</b>				
<b>At 30 June 2025</b>				
Receivables From Exchange Transactions				
Receivables From Non-Exchange Transactions				
Bank Balances				
<b>Total</b>				

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

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

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.

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

---

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2025</b>				
Trade Payables				
<b>Total</b>				
<b>At 30 June 2024</b>				
Trade Payables				
<b>Total</b>				

**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:

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

Description		Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 2025</b>			
<b>Financial Assets</b>			
Cash			
Debtors/ Receivables			
<b>Liabilities</b>			
Trade And Other Payables			
<b>Net Foreign Currency Asset/(Liability)</b>			

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

**Foreign currency sensitivity analysis**

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
<b>(Current FY)</b>			
Euro			
USD			
<b>(Comparative FY)</b>			
Euro			
USD			

**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 endeavored to bank with institutions that offer favourable interest rates.

*Marsabit County Emergency Fund*

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

---

*Sensitivity analysis*

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

**d) Capital risk management.**

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

Description	FY 2024- 2025	FY 2023- 2024
	Kshs	Kshs
Accumulated surplus	84,669	84,669
<b>Total funds</b>	<b>84,669</b>	<b>84,669</b>
Less: cash and bank balances	<b>84,669</b>	<b>84,669</b>
Net debt/(excess cash and cash equivalents)		
<b>Gearing</b>	0	0

**19. Events after the reporting period**

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

**20. Currency**

The financial statements are presented in Kenya Shillings (Kshs)

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

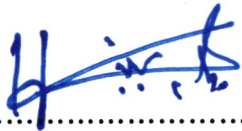
---

**20. Annexes**

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

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1	Under funding of the Fund	The report was discussed in the senate and all issues resolved	Resolved	Resolved
2	Duplication of expenditures in relief and emergency response	The report was discussed in the senate and all issues resolved	Resolved	Resolved
3	Failure to seek approval of the county Assembly for payments made from the Emergency Fund	The report was discussed in the senate and all issues resolved	Resolved	Resolved



.....  
**Mr. Hussein Ali Hussein Fundi**

**Fund Administrator**

**Date: 6<sup>th</sup> October 2025**



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


**Annex II: Inter-Entity Confirmation Letter**


Name of transferring entity: County Government of Marsabit.

Name of beneficiary entity: Marsabit County Emergency Fund.

Confirmation of amounts received by [XX County Emergency Fund] as at 30 <sup>th</sup> June 20xx						
Reference Number	Date Disbursed	Amounts Disbursed by Marsabit County Department (Kshs) as at 30 <sup>th</sup> June 2025			Amount Received by Marsabit County Emergency Fund] (KShs) as at 30 <sup>th</sup> June 2025 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
Total						

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

**Head of Accounts Department - Disbursing Entity:**  
 Name CPA Dabasso Bonaya Adano Sign  ..... Date 6<sup>th</sup> October 2025

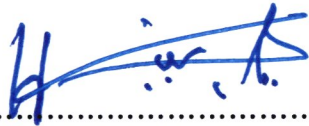
**Head of Accounts Department - Beneficiary Entity:**  
 Name CPA Hussein Rob Boye Sign  ..... Date 6<sup>th</sup> October 2025

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

---

**Annex III: Analysis of Emergency Expenditure**

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



.....  
**Name: Hussein Ali Hussein Fundi**

**Fund Administrator**

**Date: 6<sup>th</sup> October 2025**