REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
*Enhancing Accountability*

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# REPORT

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# THE AUDITOR-GENERAL

# ON

# NYERI COUNTY EMERGENCY FUND

# FOR THE YEAR ENDED 30 JUNE, 2017

OFFICE OF THE AUDITOR GENERAL
NYERI REGIONAL OFFICE
21 AUG 2026
RECEIVED
P. O. Box 267 - 10100, NYE

# NYERI COUNTY EMERGENCY FUND

# ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2017

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

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## 2. Acronyms and Definition of Key Terms

### a) Acronyms

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

### b) Definition of Key Terms

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

## 3. Key Entity Information and Management

### a) Background information

The Emergency Fund is established by and derives its authority and accountability from The Nyeri County Emergency Fund Act, 2014 on 20th November 2014 and The Nyeri County Emergency (Fund Management) Regulations, 2020. The Fund is wholly owned by the County Government of Nyeri and is domiciled in Kenya.

### b) Principal Activities

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

**Key Entity and Management (Continued)**

**c) Fiduciary Oversight Arrangements**

| S/No. | Position | Name |
|---|---|---|
| 1 | Directorate Internal Audit | Director Internal Audit |
| 2 | Nyeri County Emergency Fund Advisory Committee | Audit and Finance Committee |
| 3 | County Assembly of Nyeri | Public Accounts and Investment Committee |
| 4. | Senate | County Public Investments and Special Funds Committee |

**d) Registered Offices**

Nyeri town hall
P.O. Box 1112 – 10100
Nyeri Town Hall
Nyeri, Kenya

**e) Fund Contacts**

**f) Fund Contact**

Telephone (020) 78405588
Email: nyericountytreasury@gmail.com

**g) Fund Bankers**

Family Bank.
Nyeri Branch
P.O Box 74145-10100
Nyeri, Kenya.

**h) Independent Auditors**

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

## i) Principal Legal Adviser

The Attorney General
State law office
Harambee Avenue
P.O Box 40112-00200
Nairobi Kenya.

## j) County Attorney

Nyeri Town Hall
P.O. Box 1112-10100
Nyeri.

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

| | Details |
|---|---|
| 1. | CECM Finance, Economic Planning and ICT |
| 2. | Chief Officer Finance, Accounting and ICT |
| 3. | Chief Officer Economic Planning |
| 4. | Director Accounting Services |

## 5. Key Management Team

| | Details |
|---|---|
| 1. | CECM Finance, Economic Planning and ICT |
| 2. | Chief Officer Finance, Accounting and ICT |
| 3. | Chief Officer Economic Planning |
| 4. | Director Accounting Services |

## 6. Report of the Chairman of the Fund

I am pleased to present the Chairman's Report for the Nyeri County Emergency Fund for the financial year ended 30th June 2017.

The Emergency Fund was established to provide timely financial assistance in response to unforeseen crises and critical situations that may arise in the County of Nyeri. The fund is intended to offer support during emergencies requiring immediate financial intervention.

During the financial year 2016-2017, the Emergency Fund did not have operational activities undertaken due to the absence of qualifying emergency situations requiring financial intervention. As a result, the fund has remained fully intact throughout the financial year.

Though the fund was not utilized during this period, we remain vigilant and prepared to deploy resources as necessary. The fund remains a critical component of our risk management and community support strategies, and we are committed to ensuring its readiness for future emergencies.



.....

**Chairman-Fund Administration Committee**

## 7. Report of The Fund Administrator

I am pleased to present the Fund Administrator's Report for the Nyeri County Emergency Fund for the financial year ended 30th June 2017. The Emergency Fund was established as a contingency financial mechanism to enable timely response to unforeseen and urgent situations that require immediate financial intervention.

For the reporting period, the Emergency Fund had no operational transactions recorded. This is indicative of a stable year with no qualifying emergencies necessitating the use of the fund. The fund remains under the custodianship of the Fund Administrator, in collaboration with the Emergency Fund Committee and subject to the oversight of the Audit Committee.

A summary of the fund's financial performance and position is detailed in the accompanying financial statements.

While the fund was not utilized during the financial year, all administrative structures and financial systems remain in place to ensure a rapid and accountable response should an emergency occur. We continue to monitor potential risks and maintain readiness protocols.

.....

**Robert Thuo Mwangi**

**Fund Administrator**

## 8. 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 objective and purpose of the Fund is to enable payments to be made when an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority.

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

| Program | Objective | Outcome | Indicator | Performance |
|---|---|---|---|---|
| Disaster Risk Management | Mitigating emergencies in the County | Well-coordinated emergency response | 100% response to emergencies | No occurrence of an emergency during the period under review |

## 9. Statement of Corporate Governance

The Emergency Fund is established by and derives its authority and accountability from The Nyeri County Emergency Fund Act, 2014 on 20th November 2014 and The Nyeri County Emergency (Fund Management) Regulations, 2020. The Fund is wholly owned by the County Government of Nyeri and is domiciled in Kenya.

- Roles and functions of the Fund Administration Committee

(1) Every payment made out of the fund shall be approved by the County Executive Committee and shall only be made if;

a) There is an urgent and unforeseen need for expenditure for which there is no legislative authority as set out in Section 21(2), 21(3), 21(4) of the Act and

b) There exists conditions set out in Section 112(2) and 112(3) of the Act.

During the financial year ended 30th June 2017, the fund remained under active governance, with financial monitoring of the Funds balance to ensure liquidity and readiness.

The Emergency Fund operates in compliance with internal policies, relevant financial regulations, and applicable standards of accountability and transparency.

The responsible committees recognize their fiduciary responsibility to manage the Emergency Fund prudently and ethically. The fund is preserved for its intended purpose only and may not be accessed for operational or discretionary expenditures outside of emergency conditions, as defined in the governance policy.

## 10. Management Discussion and Analysis

The Emergency Fund was established as a financial safeguard to address unforeseen and urgent events that may pose significant risk in the County of Nyeri. Its primary purpose is to provide timely financial resources in response to critical events requiring immediate action.

There were no qualifying events during the reporting period and this absence of emergency activity reflects a stable year with minimal risk exposure. However, management recognizes that the need for the fund is inherently unpredictable, and its inactive status should not be interpreted as a lack of importance. Instead, the fund remains a critical component of our risk management strategy.

The Emergency Fund remains in a highly liquid form, enabling immediate access should an emergency occur. Internal controls and readiness protocols ensure that funds can be deployed swiftly, with full accountability and transparency.

While the fund was not utilized this year, management anticipates that the continued presence of environmental, economic, and public health risks underscores the necessity of maintaining such a reserve.

The Emergency Fund continues to fulfill its strategic role as a financial buffer against unexpected events. Its stability and unused status during this period are indicative of a favorable operating environment rather than redundancy. Management remains committed to preserving the integrity of the fund and ensuring it remains ready for deployment at any time.

## 11. Report of The Committee

The Committee submits their report together with the audited financial statements for the year ended June 30, 2017 which show the state of the Fund affairs.

### Principal activities

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

### Results

The results of the Fund for the year ended June 30, 2017 are set out on pages 1-5.

### 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.



.....

**Chairman of the Fund Administration Committee**

## 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 June 30, 2017. 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, The Nyeri County Emergency Fund Act,2014 and The Nyeri County Emergency (Fund Management) Regulations, 2020. 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, 2017, 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 24th July 2026 and signed on its behalf by:

.....

**Fund Administrator**

# REPUBLIC OF KENYA

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




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

## REPORT OF THE AUDITOR-GENERAL ON NYERI COUNTY EMERGENCY FUND FOR THE YEAR ENDED 30 JUNE, 2017

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 are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, Cap. 412A, and the Public Audit Act, Cap. 412B. 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 Nyeri County Emergency Fund set out on pages 1 to 25, which comprise of the statement of financial position as at 30 June, 2017 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, Cap.412B. 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 Nyeri County Emergency Fund as at 30 June, 2017 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 and comply with the Nyeri County Emergency Fund Act, No.2 of 2014, the County Government Act, Cap.265 and the Public Finance Management Act, Cap.412A.

**Basis for Opinion**

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

**Key Audit Matters**

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

**Other Information**

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

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

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

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

### Conclusion

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

### Basis for Conclusion

### Late Submission of Financial Statements to the Auditor-General

The financial statements for the year under review were submitted to the Auditor-General on 31 July, 2026 instead of the statutory deadline of 30 September, 2017. This was contrary to Section 81 of the Public Finance Management Act, Cap 412A and Regulation 208 of the Public Finance Management (County Government) Regulations, 2015 (Legal Notice 35 of 2015) on preparation and submission of the financial statements.

In the circumstances, Management was in breach of law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, Cap.412B, 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.

### Basis for Conclusion

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 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 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, Cap.412B.

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, Cap.412B 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, Cap.412B . 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, Cap.412B.

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**

**21 August, 2026**

## 14. Statement of Financial Performance for the Year Ended 30th June 2017

| Description | Note | 2016-2017 Kshs | 2015-2016 Kshs |
|---|---|---|---|
| **Revenue From Non-Exchange Transactions** | | | |
| Transfers From the County Government | 6 | - | - |
| Public Contributions and Donations | 7 | - | - |
| | | - | - |
| **Revenue From Exchange Transactions** | | | |
| Finance Income | 8 | - | - |
| | | - | - |
| **Total Revenue** | | - | - |
| | | | |
| **Expenses** | | | |
| Emergency Expenses | 9 | - | - |
| Use of goods and services | 10 | 5,580 | 2,730 |
| **Total Expenses** | | **5,580** | **2,730** |
| | | | |
| **Surplus/(Deficit) for the Year** | | **(5,580)** | **(2,730)** |

.....
**Name: Robert Thuo Mwangi**
**Fund Administrator**

**Date: 24-07-2026**

.....
**Name: Simon Karuchi Kangethe**
**Fund Accountant**
**ICPAK Member Number: 33269**
**Date: 24-07-2026**

## 15. Statement of Financial Position As at 30th June 2017

| Description | Note | 2016-2017 Kshs | 2015-2016 Kshs |
|---|---|---|---|
| **Assets** | | | |
| **Current Assets** | | | |
| Cash and Cash Equivalents | 11 | 19,990,790 | 19,996,370 |
| Receivables from non-exchange transactions | 12 | - | - |
| Receivables from exchange transactions | 13 | - | - |
| **Total current assets** | | **19,990,790** | **19,996,370** |
| | | | |
| **Total Assets (A)** | | **19,990,790** | **19,996,370** |
| | | | |
| **Liabilities** | | | |
| **Current Liabilities** | | | |
| Trade and Other Payables | 14 | - | - |
| **Total current liabilities** | | - | - |
| | | | |
| **Total Liabilities (B)** | | - | - |
| **Net Assets (A-B)** | | **19,990,790** | **19,996,370** |
| | | | |
| **Represented By:** | | | |
| Accumulated Surplus | | 19,990,790 | 19,996,370 |
| **Net Assets** | | **19,990,790** | **19,996,370** |

.....
**Name: Robert Thuo Mwangi**
**Fund Administrator**

**Date: 24-07-2026**

.....
**Name: Simon Karuchi Kangethe**
**Fund Accountant**
**ICPAK Member Number: 33269**
**Date: 24-07-2026**

## 16. Statement Of Changes in Net Assets for the year ended 30th June 2017

| Description | Accumulated Surplus/Deficit |
|---|---|
| | Kshs |
| **Balance As At 1 July 2015** | 19,999,100 |
| Surplus/(Deficit) For the Year | (2,730) |
| **Balance As At 30 June 2016** | **19,996,370** |
| | |
| **Balance As At 1 July 2016** | **19,996,370** |
| Surplus/(Deficit) For the Year | (5,580) |
| **Balance As At 30 June 2017** | **19,990,790** |

## 17. Statement of Cash Flows for The Year Ended 30th June 2017

| Description | Note | 2016-2017 Kshs | 2015-2016 Kshs |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Receipts** | | | |
| Receipts From the County Government | | - | - |
| Public Contributions and Donations | | - | - |
| Interest received | | - | - |
| **Total receipts** | | - | - |
| **Payments** | | | |
| Emergency Expenses | | - | - |
| Use of goods and services | | 5,580 | 2,730 |
| **Total Payments** | | **5,580** | **2,730** |
| **Net cash flows from operating activities** | 15 | **(5,580)** | **(2,730)** |
| | | | |
| **Cash flows from investing activities** | | | |
| | | | |
| **Net cash flows used in investing activities** | | - | - |
| | | | |
| **Cash flows from financing activities** | | | |
| | | | |
| **Net cash flows used in financing activities** | | - | - |
| **Net increase/(decrease) in cash & cash Equivalents** | | **(5,580)** | **(2,730)** |
| Cash and cash equivalents at 1 July | 11 | 19,996,370 | 19,999,100 |
| **Cash and cash equivalents at 30 June** | | **19,990,790** | **19,996,370** |

## 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 |
| **Opening Budget Carry overs** | - | **19,996,370** | **19,996,370** | **19,996,370** | - | **100** |
| **Receipts** | | | | | | |
| Transfers From County Govt. | - | - | - | - | - | - |
| Public Contributions and Donations | - | - | - | - | - | - |
| Interest Income | - | - | - | - | - | - |
| **Total Receipts** | - | **19,996,370** | **19,996,370** | **19,996,370** | - | - |
| **Payments** | | | | | | |
| Emergency Expenses | - | 19,990,790 | **19,990,790** | - | **19,990,790** | - |
| Use of goods and services | - | 5,580 | **5,580** | 5,580 | - | **100** |
| **Total Payments** | - | **19,996,370** | **19,996,370** | **5,580** | **19,990,790** | |
| **Surplus For the Period** | - | - | - | **19,990,790** | **(19,990,790)** | - |

**Budget notes**

The County of Nyeri has not experienced any urgent and unforeseen expenditure for which there is no specific legislative authority, hence no Emergency Expenditure incurred by the fund during the year under review.

**Budget Reconciliation**

| | Description of Particulars | Amount in Kshs |
|---|---|---|
| | Actual Surplus Amounts as per the statement of Budget | **19,990,790** |
| 1 | Reason for differences. E.g. Gratuity held from previous periods that are not affecting current year's budget | - |
| 2 | Reason for differences. E.g. Funds received in the period and were not in the approved budget | - |
| 3 | Reason for differences: E.g. Contractor's Retention/Deposit cash executed in the budget and is still retained in bank | - |
| 4 | Reason for differences | - |
| | Closing Cash and Cash Equivalent as per the statement of Cash flows | **19,990,790** |

## 19. Notes to the Financial Statements

### 1. General Information

The Emergency Fund is established by and derives its authority and accountability from the Nyeri County Government Emergency Act, 2014. The fund is wholly owned by the Nyeri County Government and is domiciled in Kenya. The fund's principal activity is to enable payments to be made when an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority

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

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

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

| Standard | Effective date and impact: |
|---|---|
| IPSAS 43<br>Leases | ***Applicable 1st January 2025***<br>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 |

| Standard | Effective date and impact: |
|---|---|
| | financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.<br>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. |
| IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations | ***Applicable 1st January 2025***<br>The Standard requires,<br>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:<br>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. |
| IPSAS 45- Property Plant and Equipment | ***Applicable 1st January 2025***<br>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. |
| IPSAS 46 Measurement | ***Applicable 1st January 2025***<br>The objective of this standard was to improve measurement guidance across IPSAS by:<br>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.<br>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; |

| Standard | Effective date and impact: |
|---|---|
| | iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.<br>The standard also introduces a public sector specific measurement bases called the current operational value. |
| IPSAS 47- Revenue | ***Applicable 1st January 2026***<br>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. |
| IPSAS 48- Transfer Expenses | ***Applicable 1st January 2026***<br>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. |
| IPSAS 49- Retirement Benefit Plans | ***Applicable 1st January 2026***<br>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. |
| IPSAS 50: Exploration For & Evaluation of Mineral Resources | ***Applicable 1st January 2027***<br>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:<br>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. |

| Standard | Effective date and impact: |
|---|---|
| | 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.<br>*iii.* Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. |

***(iii) Early adoption of standards***

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

## 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 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 cash flows.

**c) Financial instruments**

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

**Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

**Amortized cost**

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

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

**Fair value through net assets/ equity**

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

**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 Entity creates and maintains reserves in terms of specific requirements.

**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 directors, the CEO and senior managers.

**j) Cash and cash equivalents**

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

in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

**k) Comparative figures**

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

**l) Events after the reporting period**

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

**m) Currency**

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

## 5. Significant judgments and sources of estimation uncertainty

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

### a) Estimates and assumptions –

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

### b) Useful lives and residual values

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

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

### c) Provisions

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

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

## 6. Transfers from the County Government

| Description | 2016-2017 | 2015-2016 |
|---|---|---|
| | Kshs | Kshs |
| Transfers From Nyeri County | - | - |
| Others *(specify)* | - | - |
| **Total** | - | - |

## 7. Public contributions and donations

| Description | 2016-2017 | 2015-2016 |
|---|---|---|
| | 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 *(specify)* | - | - |
| **Total** | - | - |

## 8. Finance Income

| Description | 2016-2017 | 2015-2016 |
|---|---|---|
| | Kshs | Kshs |
| Interest Income on Bank Deposits (current account) | - | - |
| **Total Finance Income** | - | - |

## 9. Emergency Expenses

| Description | 2016-2017 | 2015-2016 |
|---|---|---|
| | Kshs. | Kshs. |
| Drought related expenses | - | - |
| Fire related expenses | - | - |
| Flood related expenses | - | - |
| Other (*Specify*) | - | - |
| **Total** | - | - |

## 10. Use of Goods and Services

| Description | 2016-2017 | 2015-2016 |
|---|---|---|
| | Kshs. | Kshs. |
| Bank Charges | 5,580 | 2,730 |
| Audit Fees | - | - |
| Other (*Specify*) | - | - |
| **Total** | **5,580** | **2,730** |

## 11. Cash and cash equivalents.

| Description | 2016-2017 | 2015-2016 |
|---|---|---|
| Current Account | 19,990,790 | 19,996,370 |
| Others (*Specify*) | - | - |
| **Total Cash and Cash Equivalents** | **19,990,790** | **19,996,370** |

| Financial Institution | Account number | 2016-2017 | 2015-2016 |
|---|---|---|---|
| | | Kshs. | Kshs. |
| **a) Current Account** | | | |
| Nyeri County Emergency Fund (Family Bank) | 055000029747 | 19,990,790 | 19,996,370 |
| **Sub- Total** | | **19,990,790** | **19,996,370** |
| | | | |
| **b) Others (Specify)** | | | |
| Cash In Transit | | - | - |
| Cash In Hand | | - | - |
| **Sub- Total** | | - | - |
| **Grand Total** | | **19,990,790** | **19,996,370** |

## 12. Receivables from non-exchange transactions

| Description | 2016-2017 | 2015-2016 |
|---|---|---|
| | Kshs | Kshs |
| **Current Receivables** | | |
| Revenue Receivable | - | - |
| Others *(specify)* | - | - |
| **Total Current Receivables** | - | - |

## 13. Receivables from exchange transactions

| Description | 2016-2017 | 2015-2016 |
|---|---|---|
| | Kshs | Kshs |
| **Current Receivables** | | |
| Interest Receivable | - | - |
| Others *(specify)* | - | - |
| **Total Current Receivables** | - | - |

## 14. Trade and other payables

| Description | 2016-2017 | 2015-2016 |
|---|---|---|
| | Kshs | Kshs |
| Trade Payables | - | - |
| Accrued Expenses | - | - |
| Retention money | - | - |
| Other Payables | - | - |
| **Total Trade and Other Payables** | - | - |
| | | |

| **Ageing analysis (Trade and other payables)** | **2016-2017** | **% of the Total** | **2015-2016** | **% of the Total** |
|---|---|---|---|---|
| Under one year | - | - | - | - |
| 1-2 years | - | - | - | - |
| 2-3 years | - | - | - | - |
| Over 3 years | - | - | - | - |
| **Total** | - | | - | |

**15. Cash generated from operations.**

| Description | 2016-2017 Kshs | 2015-2016 Kshs |
|---|---|---|
| **Surplus/ (Deficit) For the Year Before Tax** | **(5,580)** | **(2,730)** |
| **Adjusted For:** | | |
| | | |
| **Working Capital Adjustments** | | |
| Increase In Receivables | - | - |
| Increase In Payables | - | - |
| **Net Cash Flow From Operating Activities** | **(5,580)** | **(2,730)** |

**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 | 2016-2017 Kshs | 2015-2016 Kshs |
|---|---|---|
| Transfers From Related Parties' | - | - |
| Transfers To Related Parties | - | - |

**c) Due from related parties**

| Description | 2016-2017 Kshs | 2015-2016 Kshs |
|---|---|---|
| Due From County Government | - | - |
| **Total** | - | - |

**d) Due to related parties**

| Description | 2016-2017 | 2015-2016 |
|---|---|---|
| | Kshs | Kshs |
| Due To County Government | - | - |
| **Total** | - | - |

**17. Contingent assets and contingent liabilities**

| Contingent Assets/Liabilities | 2016-2017 | 2015-2016 |
|---|---|---|
| | Kshs | Kshs |
| Court Case Against the Fund | - | - |
| Bank Guarantees | - | - |
| **Total** | - | - |

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

| Description | Total amount Kshs | Fully performing Kshs | Past due Kshs | Impaired Kshs |
|---|---|---|---|---|
| **At 30 June 2017** | | | | |
| Receivables From Exchange Transactions | - | - | - | - |
| Receivables From Non-Exchange Transactions | - | - | - | - |
| Bank Balances | 19,990,790 | 19,990,790 | - | - |
| **Total** | **19,990,790** | **19,990,790** | - | - |
| **At 30 June 2016** | | | | |
| Receivables From Exchange Transactions | - | - | - | - |
| Receivables From Non-Exchange Transactions | - | - | - | - |
| Bank Balances | 19,996,370 | 19,996,370 | - | - |
| **Total** | **19,996,370** | **19,996,370** | - | - |

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 noncollectable amounts that the entity has recognized 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.

| Description | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|---|---|---|---|---|
| | Kshs | Kshs | Kshs | Kshs |
| **At 30 June 2017** | | | | |
| Trade Payables | - | - | - | - |
| **Total** | - | - | - | - |
| **At 30 June 2016** | | | | |
| Trade Payables | - | - | - | - |
| **Total** | - | - | - | - |

**c) Market risk**

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

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

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

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

**i. Foreign currency risk**

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

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

| Description | | Other currencies | Total |
|---|---|---|---|
| | Kshs | Kshs | Kshs |
| **At 30 June 2017** | | | |
| **Financial Assets** | | | |
| Cash | - | - | - |
| Debtors/ Receivables | - | - | - |
| **Liabilities** | | | |
| Trade And Other Payables | - | - | - |
| **Net Foreign Currency Asset/(Liability)** | - | - | - |

**Foreign currency sensitivity analysis**

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

| Description | Change in currency rate | Effect on surplus/ deficit | Effect on equity |
|---|---|---|---|
| | Kshs | Kshs | Kshs |
| **2016-2017** | | | |
| Euro | - | - | - |
| USD | - | - | - |
| **2015-2016** | | | |
| 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.

*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 | 2016-2017 | 2015-2016 |
|---|---|---|
| | Kshs | Kshs |
| Accumulated surplus | 19,990,790 | 19,996,370 |
| **Total funds** | **19,990,790** | **19,996,370** |
| | | |
| Less: cash and bank balances | 19,990,790 | 19,996,370 |
| Net debt/(excess cash and cash equivalents) | - | - |
| **Gearing** | - | - |

**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)

## 20. Annexes

### Annex I: Progress on Follow Up Of Prior Year Auditor's Recommendations

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |

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**Fund Administrator**

**Date: 24-07-2026**

## Annex II: Inter-Entity Confirmation Letter

Name of transferring entity: County Government of Nyeri

Name of beneficiary entity: Nyeri County Emergency Fund

**Confirmation of amounts received by Nyeri County Emergency Fund as at 30th June 2017**

| Reference Number | Date Disbursed | Amounts Disbursed by County Government of Nyeri (Kshs) as at 30th June 2017 | | | Amount Received by Nyeri County Emergency Fund (KShs) as at 30th June 2017(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** ...Lucy...K. Kanyagi..... **Sign** ..... **Date** ...24/07/2026

**Head of Accounts Department - Beneficiary Entity:**

**Name** .....Simon Kanyethe..... **Sign** ..... **Date**..24/07/2026

**Annex III: Analysis of Emergency Expenditure**

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

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**Name: Robert Thuo Mwangi**

**Fund Administrator**

**Date: 24-07-2026**