

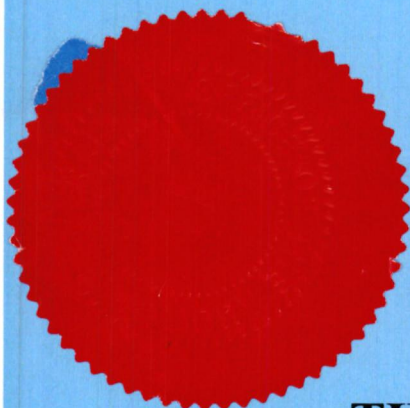
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REPORT

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OF

THE AUDITOR-GENERAL

ON

KAJIADO COUNTY EMERGENCY FUND

**FOR THE YEAR ENDED
30 JUNE, 2021**



COUNTY GOVERNMENT OF KAJIADO

EMERGENCY FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021**

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

**Kajiado County Emergency Fund
Reports and Financial Statements
For the year ended June 30, 2021**

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1. KEY KAJIADO COUNTY EMERGENCY FUND INFORMATION AND MANAGEMENT

a) Background information

Kajiado County Emergency Fund is established by and derives its authority and accountability from the Public Finance Management Act, 2012 and The Kajiado County Emergency Fund Act, 2015 which commenced on 6th March 2015. The Fund is wholly owned by the County Government of Kajiado and is domiciled in Kenya.

The Kajiado County Emergency fund's objective is to make payments to be made in respect of the County when an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority. This is as stipulated in the PFM Act 2012 Sections 111 to 115.

The Kajiado County Emergency Fund's principal activity is to make payments from the Kajiado County Emergency Fund only if the County Executive Committee Member for Finance is satisfied that there is an urgent and unforeseen need for expenditure for which there is no legislative authority.

b) Principal Activities

The principal activity/mission/ mandate of the Kajiado County Emergency Fund are to;

- i. Payment not budgeted for cannot be delayed until a later financial year without harming the general public interest.
- ii. Payment is meant to alleviate the damage, loss, hardship or suffering which may cause directly by the event.
- iii. The damage caused by the event is on a small scale and limited to the Kajiado County.
- iv. The unforeseen event threatens damage to human life or welfare or threatens damage to the environment.

**Kajiado County Emergency Fund
Reports and Financial Statements
For the year ended June 30, 2021**

c) Kajiado County Emergency Fund Administration Committee

Ref	Position	Name
1	Chairman	H.E Martin Moshisho
2	Member	Francis Sakuda
3	Member	Alais Kisota
4	Member	Sankaire Tima
5	Member	Florence Waiganjo
6	Administrator	Denis Kusero

d) Key Management

Ref	Name	Position
1	Denis Kusero	Kajiado Emergency Fund Administrator
2	Tima Sankaire	Chief Officer – Finance, Economic Planning & ICT

e) Fiduciary Oversight Arrangements

- County Assembly
- Internal Audit

f) Registered Offices

P.O. Box 11-01100

Kajiado County Headquarters

Kajiado, Kenya

g) Kajiado County Emergency Fund Contacts

E-mail: emergencyfund@gmail.com

Website: www.kajiado.ke.go

h) Kajiado County Emergency Fund Bank

Equity Bank (Kenya) Limited

Kajiado Branch

P.O Box 536

Kajiado, Nairobi

i) Independent Auditors

**Kajiado County Emergency Fund
Reports and Financial Statements
For the year ended June 30, 2021**

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

j) Principal Legal Adviser

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

**Kajiado County Emergency Fund
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For the year ended June 30, 2021**

**2. THE KAJIADO COUNTY EMERGENCY FUND ADMINISTRATION
COMMITTEE**

 <p>H.E Martin Moshisho – Deputy Governor</p>	<p>Date of Birth: 26th July 1987</p> <p>Key Qualifications: Master in business administration</p> <p>Work Experience: Been appointed as a coordinator of clubs & association of Mount Kenya University</p> <p>Area of Responsibility: Chairman – Emergency Fund Administration committee</p>
 <p>Hon. Francis Nkitoria Sakuda- County Secretary</p>	<p>Date of Birth: 2nd February 1974</p> <p>Key Qualifications: Master degree in International Relation</p> <p>Work Experience: 20-year work experience as director at S.I.M.O NGO</p> <p>Area of Responsibility: Member – Emergency Fund Administration committee</p>
 <p>Alias Kisota – CECM Finance, Economic Planning & ICT</p>	<p>Date of Birth: 5th March 1982</p> <p>Key Qualifications: Master degree in business administration</p> <p>Work Experience: Worked at the Red Cross for 2 years as the Coordinator.</p> <p>Area of Responsibility: Member – Emergency Fund Administration committee</p>
 <p>Florence Waiganjo –CECM Public Service Administration</p>	<p>Date of Birth: 27th August 1980</p> <p>Key Qualifications: Holds a master degree in Corporate Management</p> <p>Work Experience: Worked at the CFC bank for 2yrs.</p> <p>Area of Responsibility: Member– Emergency Fund Administration committee</p>

**Kajiado County Emergency Fund
Reports and Financial Statements
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 <p>Sankaire Tima – Chief Officer Finance, Economic Planning & ICT</p>	<p>Date of Birth: 12th May 1984</p> <p>Key Qualifications: Master degree in strategic management from the University of Nairobi</p> <p>Work Experience: Worked at Kajiado County Government for 5 years to date.</p> <p>Area of Responsibility: Member – Emergency Fund Administration committee</p>
 <p>Denis Kusero – Emergency Fund Administrator</p>	<p>Date of Birth: 20th January 1984</p> <p>Key Qualifications: Master degree in business administration (Entrepreneurship) and Bachelor Degree in Business Administration (Accounts & Finance) from the University of Nairobi</p> <p>Work Experience: been a finance officer in the county Government of Kajiado from 2014 to date.</p> <p>Area of Responsibility: Secretary – Emergency Fund Administration committee</p>

**Kajiado County Emergency Fund
Reports and Financial Statements
For the year ended June 30, 2021**

**3. STATEMENT OF PERFORMANCE AGAINST KAJIADO COUNTY EMERGENCY
FUND'S PREDETERMINED OBJECTIVES**

Introduction

Section 164 (1) and (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements for Kajiado County Emergency Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the Kajiado County Emergency Fund performance against predetermined objectives.

The key objective of the Kajiado County Government Emergency fund 2020-2021 plan is to:

- a) To enable payments to be made in respect of a county when an urgent and unforeseen need for expenditure for which there is no specific legislative authority arises.
- b) To enable Payment not budgeted for cannot be delayed until a later financial year without harming the general public interest.
- c) To enable Payment is meant to alleviate the damage, loss, hardship or suffering which may cause directly by the event.

**Progress on attainment of Strategic development objectives of the Kajiado County
Emergency Fund**

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Water Infrastructure Development	To improve water infrastructure in order to enhance water accessibility	Improved water infrastructure and enhanced water accessibility	No. of boreholes rehabilitated	Rehabilitated six strategic boreholes across the county.
Firefighting services	To strengthen fire emergency response	Effective and efficient fire emergency response system	No. of fires responded to by the County	Responded to 26 No. fire incidence
Renovation of blown off classrooms	To protect learners from adverse conditions.	Reinstated classrooms after strong winds and storms	Number of classrooms reinstated after strong winds and storms	Renovated 3No. of classrooms & reconstructed 3No. Toilet Blocks
Water trucking services	To provide water for residents of Kajiado County during emergencies	Water distributed to residents	Number of households benefited	Distributed approx. 50No. water boozers across the County.

4. KAJIADO COUNTY EMERGENCY FUND MANAGEMENT TEAM

 <p>Sankaire Tima – Chief Officer Finance, Economic Planning & ICT</p>	<p>Date of Birth: 12th May 1984</p> <p>Key Qualifications: Master degree in strategic management from the University of Nairobi</p> <p>Work Experience: Worked at Kajiado County Government for 5 years to date.</p> <p>Area of Responsibility: Member – Emergency Fund Administration committee</p>
 <p>Denis Kusero – Fund Administrator</p>	<p>Date of Birth: 20th January 1984</p> <p>Key Qualifications: Master degree in business administration (Entrepreneurship) and Bachelor Degree in Business Administration (Accounts & Finance) from the University of Nairobi</p> <p>Work Experience: been a finance officer in the county Government of Kajiado from 2014 to date.</p> <p>Area of Responsibility: Secretary – Emergency Fund Administration committee</p>
	<p>Date of Birth: 17th March 1986</p> <p>Key Qualifications: Bachelor degree in Commerce (Accounting Option) from the University of Nairobi and Certified Public Accountant (CPA K)</p> <p>Work Experience: been an accountant in the county Government of Kajiado from 2015 to date.</p> <p>Area of Responsibility: Fund Accountant</p>

**5. KAJIADO COUNTY EMERGENCY FUND ADMINISTRATION COMMITTEE
CHAIRPERSON'S REPORT**

Section 111 of the Public Finance Management Act, 2012 provides that The County Executive Committee may, with the approval of the assembly, establish an Emergency fund under the name Kajiado County Emergency Fund. The Kajiado County Emergency Fund shall consist of money from time to time appropriated by the County assembly to the Fund by an appropriation law. The purpose of the Kajiado Emergency Fund is to enable payments to be made in respect of the county when an urgent and unforeseen need for expenditure for which there is no specific legislative authority arises.

Changes in the Fund during the year

In the financial year under review 2020-21, there was a departmental reshuffle that changed the Fund administrator. Ms Sarah Kioi who has been the fund's administrator since 2015 was replaced by Mr. Denis Kusero who was appointed on 10th September 2021 by the county executive member for finance as per the stipulation of the emergency fund regulation, 2014.

Review of the Fund's performance

The dry season experienced in Kajiado county has greatly contributed to shortage of water as several boreholes broke down as a result of long hours of use, this has therefore necessitated rehabilitation of boreholes in order to curb water shortage. The fund distributed water to public institutions, dispensaries and primary/ secondary schools.

Also, after the Covid 19 pandemic outbreak, the Kajiado County Emergency Fund distributed relief food to the most vulnerable residents in the county. this included maize flour, beans, cooking oil and porridge flour.

The Kajiado County Emergency fund further constructed three (3) toilet blocks at Enchorro Esenteu, Enkeju Erap and Olmotiany primary schools and renovated classrooms at Enchorro Esenteu and Nkorkidinga Primary Schools. The fund also distributed bedding and foodstuff to fire victims across the county.

Future outlook of the Kajiado County Emergency Fund

The fund intends to formulate and implement a comprehensive Disaster management policy in the next financial year. It also intends to strengthen emergency responses across the county.

In conclusion, the County Executive Committee for Finance established and maintains Kajiado County Emergency Fund account as per Section 111 of the Public Finance Management Act, 2012. The budget allocation for the FY2020/21 was Ksh. **100,000,000** which was prudently utilised to carry out the function of the Fund.

**Kajiado County Emergency Fund
Reports and Financial Statements
For the year ended June 30, 2021**

The Kajiado County Emergency Fund financial statements were forwarded and signed by
CEC Finance on: 27/1/2022

Signed:



Michael Semera

COUNTY EXECUTIVE COMMITTEE MEMBER – FINANCE, ECONOMIC PLANNING & ICT

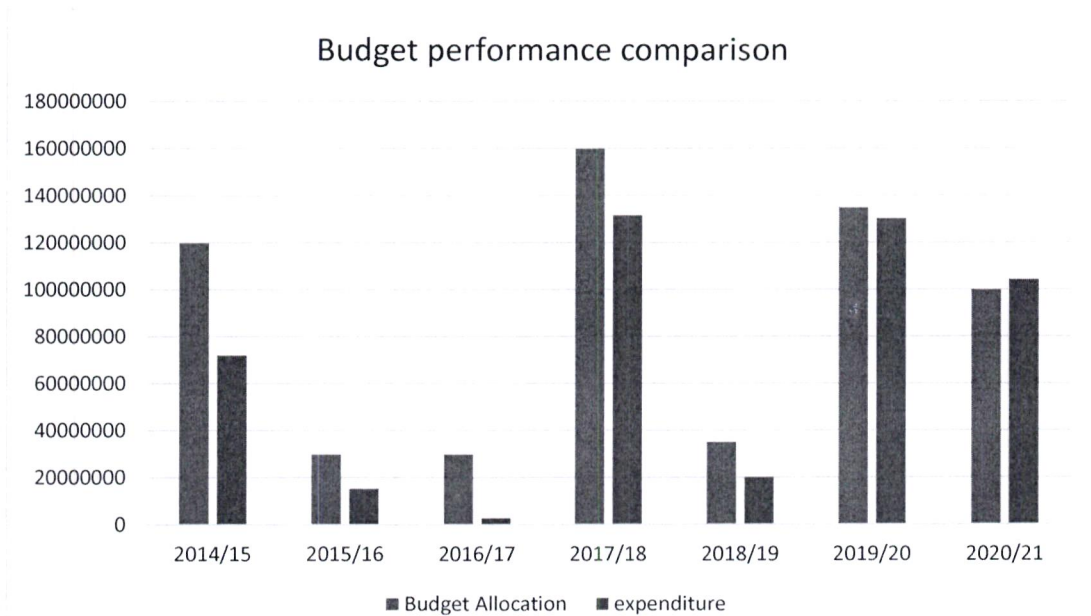
6. REPORT OF THE KAJIADO COUNTY FUND ADMINISTRATOR

Section 112 Public Finance Management Act, 2012 States that; 1) the Emergency Fund can only fund expenditure if it is not budgeted and cannot be further delayed without harming the interest of the people; 2) Payment is to alleviate the damage, loss, hardship or suffering which may be caused directly by the event.

The budget performance against actual amounts for current year and for cumulative to-date based on programmes.

The financial year 2020/21 was characterized by many requests forwarded by the communities and public institutions seeking for intervention from the Kajiado County Government. The Kajiado County Emergency Fund during the year under review responded to fire emergencies, renovation of public utilities destroyed by fire and strong winds, rehabilitation of broken down strategic and public boreholes and Covid 19 related issues. The cases were responded promptly hence alleviated the suffering of the affected households.

Water shortage in Kajiado County was a great challenge on and off rains. The most affected sub-counties were Kajiado West, Kajiado Central and Kajiado East. There was a noted decline of water in quantity and quality especially in the open water sources. This was mostly common in the pastoral livelihood zones resulting to increase in trekking distances in some areas. The committee therefore approved Kshs. **15,837,266** to rehabilitate boreholes and water trucking in order to curb water shortage. Further the County Government of Kajiado through the Emergency department provided aid to various households affected by fires across Kajiado County and uses kshs **17,891,011**, county government of Kajiado through the Emergency fund deliberated the issue concerning covid 19 pandemic to help the vulnerable people across the county with relief food and sanitation items to curb the spread of coronavirus and the committee approves ksh **48,379,648**, While kshs **12,125,386** was used for re-construction of sanitary facilities to improve health sanitations in schools and also in dispensaries and renovation of classrooms which were destroyed by vagaries of nature across the county to provide a conducive environment for the learners.

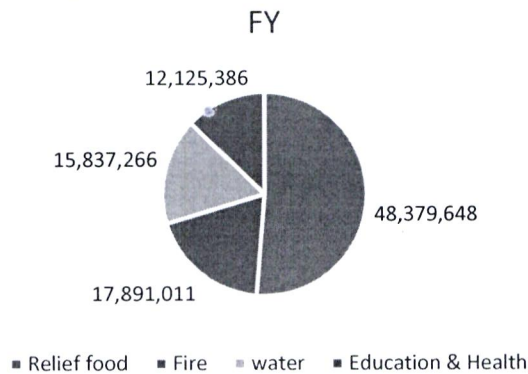


Physical progress based on outputs, outcomes and impacts since establishment of the Kajiado County Emergency Fund.

The Kajiado County emergency fund was of great importance and value to the county. **51%** of the budget allocation through the fund was use for provision of relief food to most vulnerable people in the community. In addition, **13%** of several classrooms were renovated in different parts of the county and also construction of sanitary facilities in public institutions to improve sanitation. More so, **17%** was used for boreholes rehabilitation to help the community to access clean water for livestock and domestic use. Covid 19 had hit the country and most of the schools and communities needed clean water for washing hands and in other remote areas there was no access of water to adhere to covid 19 measures and also during drought most of the boreholes were damaged leading to lowering of water levels which needed urgent intervention for provision of water through water trucking services. Through the fund, **19%** of the budget allocation, the county was able to respond to fires which occurred in most of the slums in various sub counties and the victims were provided beddings and foodstuffs to sustain them during the hard times.

**Kajiado County Emergency Fund
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Budget implementation for 2020/21



value-for-money achievements

In respect to value for money, the Fund’s administration made sure that procurement of goods and services was done competitively to ensure that the maximum benefit is achieved for the amount spent. Goods were acquired at very competitive process despite the emergency nature of the operations of the fund. The focus was also on the wellbeing and social welfare of county residents and county staff through provision of emergency relief such as food and medical equipment where need arises.

The implementation challenges of strategic objectives for the Kajiado County Emergency Fund in the period under review.

During the implementation of the said projects, the fund faced several challenges mainly occasioned by delayed disbursement of funds from national treasury, non-availability of machineries while rehabilitating boreholes, malfunctioning of fire extinguishers, while others were worn out. when supplying covid 19 relief food, there were many vulnerable people in the society who were in need compared with the available resources. Time constraints during supply of water trucking to various parts of the county which as a result of lack of enough water supply source and water bowsers. To make the office efficient and effective, funds needs to be availed in time from the national treasury to help in smooth running of the office. County Government of Kajiado need to purchase more fire extiquishers, repair and replace those that have been worn out.

The budget allocation for the financial year 2020-21 will be Ksh. 150 Million. The increment in the allocation will greatly improve emergency response in the subsequent years. Emergency fund will respond to emergencies as they occur in the coming years.

**Kajiado County Emergency Fund
Reports and Financial Statements
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Highlight key risk management strategies

The key risk that the fund was exposed to was late disbursement of funds from the national treasury. This is a key risk as it hinders timely response to emergencies as they occur. Secondly, need of resources is high compared with the available resources

Signed: _____



**Denis Kusero
Fund Administrator**

**Kajiado County Emergency Fund
Reports and Financial Statements
For the year ended June 30, 2021**

7. CORPORATE GOVERNANCE STATEMENT

The Kajiado County Emergency Committee comprises of a six-member team headed by his Excellency the Deputy Governor, the committee has been established to review and approve cases which qualify as emergencies as per Section 112 of the Public Finance Management Act, 2012.

In the Financial year 2020/21, Kajiado County Emergency Fund Administration Committee held four meetings: 4th November 2020, 16th December 2020, 19th February 2021 and 5th April 2021. The meetings attendance was impressive as most members availed themselves while those who didn't make to attend made appropriate apologies. In the meetings the committee reviewed all the requests received from the community, public institutions and other institutions and advised on the most appropriate intervention towards the issues. The attendance of the meetings is as Follows;

No.	Name	Attendance	Apologies	Total
1.	H.E Martin Moshisho	4	0	4
2.	Hon Francis Sakuda	3	1	3
3.	Alias Kisota	4	0	4
4.	Florence Waiganjo	2	2	2
5.	Sankaire Tima	4	0	4
6.	Denis Kusero	4	0	4

On succession planning, the committee members are succeeded by those who will be appointed as the Deputy Governor, County Secretary and county executive committee members for the time being responsible for finance and public service, chief officers responsible for the time being responsible for Finance.

The functions of emergency fund outlined in the PFM, Act 2012 and the Emergency Fund Regulations, 2014 shall be summarised in a service charter in the next financial year.

The Administration Committee Members are appointed by the County Governor. The removal of the members is also executed by the County Governor.

The Kajiado County Emergency committee draws its mandates from the Public Management Act, 2012 and Kajiado County Emergency Fund Regulations, 2014. The Kajiado County Emergency Fund Regulations, 2014 outlines the functions of the committee as follows;

- a) To admit and analyse issues that are emergency in nature and coordinate response whether short term or long in event of disaster.

**Kajiado County Emergency Fund
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- b) Prepare public and publicize the County Contingency plan relating to all hazards that are prevalent in the county.
- c) Coordinate threats, risks or disaster preparedness, response and resilience while upholding disaster prevention, mitigation and reduction with the national government and all other stakeholders within the county.
- d) Develop and review Kajiado County Emergency Policy and Guidelines provided that the county assembly shall approve any such reviews.
- e) Address any other issue related to emergencies.

Administration committee members were inducted and trained on their roles and responsibilities. The member's performance under the review period was satisfactory.

There were no reported cases on conflict of interest during the 2020/21FY. Members of the administration committee have a statutory duty to avoid situations in which they have or may have interests that conflict with those of the Fund.

Ethics and conduct as well as governance audit was also not conducted in the same period.

The Kajiado County Emergency Fund Committee members are not paid any sitting allowances but are paid per diem from various departments when they visit sites as per the Salaries and Remuneration Commission approvals.

**Kajiado County Emergency Fund
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8. MANAGEMENT DISCUSSION AND ANALYSIS

Operational and financial performance of Kajiado County Emergency Fund during the period.

Emergency fund budgetary allocation for the financial year 2020/21 was Kshs. Hundred Million. An amount of Kshs. Forty Million was received on 19th November 2020, Thirty Million was received on 11th February 2021 and Kshs. Thirty Million on 12th June 2021.

The funds were prudently utilized on various emergencies such as rehabilitation of strategic boreholes and water trucking to ensure water availability across the county. Fire responses to fire occurrence in all sub counties, renovation of classrooms which were blown off by wind and distribution of Covid 19 relief food to the most vulnerable people within the county to cushion the effects of the pandemic in the County.

Kajiado County Emergency Fund key projects implemented in the financial year.

NO.	ACTIVITY NAME	DESCRIPTION
1	Relief Food	Distributed relief food to all sub counties in the county to cushion against the effects of the Covid 19 effects.
2	Response to Fire Incidence	Response to Fire incidence by providing Foodstuff & Bedding to the affected household
3	Rehabilitation of borehole	Rehabilitation of Strategic boreholes across the County
4	Renovation of Classrooms	Renovation of classrooms that were blown off by wind and Reconstruction of Toilet blocks in various public institutions.

Kajiado County Emergency Fund's compliance with statutory requirements

Kajiado County Emergency fund is in compliance with all the statutory requirements and no foreseeable potential contingent liabilities exist. The Emergency fund complied with statutory requirements by remitting Withholding taxes(WHT) and submitting Expenditure reports to assembly for approval within the prescribed timelines.

**Kajiado County Emergency Fund
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major risks facing the Fund

The major risk that the fund was exposed to was late disbursement of funds from the national treasury. This is a major risk as it hinders timely response to emergencies as they occur. Inadequate funding of the Fund by the County Government, this may hinder appropriate response to emergencies.

The Kajiado County Emergency Fund financial statements were forwarded and signed by CEC Finance on: 27/11/2022

Signed:



Michael Semera

COUNTY EXECUTIVE COMMITTEE MEMBER – FINANCE, ECONOMIC PLANNING & ICT

9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Kajiado County Emergency fund exists to transform the livelihoods of the citizens guided by over roll county **vision**, which is *a Prosperous, globally competitive count, offering quality life*. The delivery of the transformation agenda is guided by key principles and values which are; integrity and accountability; inclusiveness; equity and fairness; patriotism and responsiveness.

1. Sustainability strategy and profile

The county promotes sustainable development through governance reforms that are founded on integrity, transparency and accountability. The county has focussed on provision of overall policy development and institutional development and strengthening. This is guided by issue based leadership, transparency and accountability in management of public resources

2. Environmental performance

The County is committed to environmental conservation and sustainability. The county has in place the County Environment Act in addition to the County Environment Action Plan that responsible for mainstreaming climate change in county development processes.

3. Employee welfare

Kajiado County has several policies in place that guide hiring of employees. These include the County Government Act, the Employment Act and the Constitution of Kenya, 2010. Every effort is made in ensuring Gender balance and involvement of various stakeholders in the hiring process. Through the County Public Service Board, the County Government has made tremendous effort in improving skills, managing careers, appraisal and reward systems of employees. These include Performance Management system, training of staff, formation of Departmental Human Resource Management Advisory Committees, Appointment of committee to review the schemes of service and introduction of reward system under the Performance Management System.

4. Market place practices

Kajiado County Government has made efforts in promoting fairness in the market place as outlined below:

a) Responsible competition practice.

The county has adopted open contracting in the procurement process as well as adopting e-procurement process. This has greatly enhanced openness and transparency in conducting procurement. The county government has also embraced the AGPO affirmative action aimed at empowering youth, women and persons with disability-owned enterprises by giving them more opportunities to do business with Government.

b) Responsible Supply chain and supplier relations

To guarantee sustainability, the county ensures a cordial relationship with its suppliers/contractors. The county leadership holds periodic meetings with the contractor and suppliers to share on any concerns and address any emerging issues. The county has established a county Pending Bills Committee and has ensured that all payments due are promptly paid and this has provided confidence to suppliers and contractors that they will be paid upon completion of works or delivery of goods and services.

c) Responsible marketing and advertisement

The county is in the process of establishing a marketing unit with the responsibility of coordinating market and marketing linkage as well as market information and intelligence to empower farmers and local traders to access profitable and lucrative markets for their products. The county is also establishing a marketing portal which will be useful in connecting traders and market linkage.

d) Product stewardship

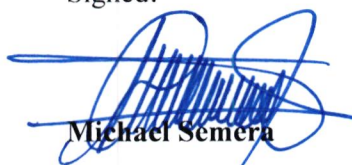
The county has implemented consumer protection programme whose objective is to safeguard the business owners and promote fair trade practices. The county through the Department of Trade, Industry, Marketing, Tourism and Cooperative inspected and verified weights and measures equipment.

5. *Community Engagements*

The county has an elaborate public participation framework that guides participatory development initiative in the county. To strengthen community engagement and empowerment the county has innovations such as trainings and implementing of creative strategies to encourage participation and empowerment.

The Kajiado County Emergency Fund financial statements were forwarded and signed by CEC Finance on 27/1/2022

Signed:



Michael Semera

COUNTY EXECUTIVE COMMITTEE MEMBER – FINANCE, ECONOMIC PLANNING & ICT

**Kajiado County Emergency Fund
Reports and Financial Statements
For the year ended June 30, 2021**

**10. REPORT OF THE KAJIADO COUNTY EMERGENCY FUND
ADMINISTRATION COMMITTEE**

The Kajiado County Emergency Fund Committee submits their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the Kajiado County Emergency Fund affairs.

Principal activities

The principal activities of the Kajiado County Emergency Fund are to make payments from the Kajiado County Emergency Fund only if the County Executive Committee Member for Finance together with the Committee is satisfied that there is an urgent and unforeseen need for expenditure for which there is no legislative authority.

Results

The results of the Kajiado County Emergency Fund for the year ended June 30, 2021 are set out on page no. 19

Emergency Committee

The members of the Kajiado County Emergency Fund Committee who served during the financial year under review are shown on page 4 & 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.



Michael Semera

COUNTY EXECUTIVE COMMITTEE MEMBER – FINANCE, ECONOMIC PLANNING & ICT

11. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by section 110 of the PFM Act 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 Kajiado County Emergency Fund is responsible for the preparation and presentation of the Kajiado County Emergency Fund's financial statements, which give a true and fair view of the state of affairs of the Kajiado County Emergency Fund for and as at the end of the financial year ended on June 30, 2021. 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 reasonable accuracy at any time of the financial position of the Kajiado County Emergency 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 Kajiado County Emergency Fund;
- v. Selecting and applying appropriate accounting policies; and
- vi. Making accounting estimates that are reasonable in the circumstances.

The Administrator of the Kajiado County Emergency Fund accepts responsibility for the Kajiado County Emergency 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 Section 110 of the Public Finance Management Act, 2012. The Administrator of the Kajiado County Emergency Fund is of the opinion that the Kajiado County Emergency Fund's financial statements give a true and fair view of the state of all transactions during the financial year ended June 30, 2021, and of the Kajiado County Emergency Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained by the Kajiado County Emergency Fund, which have been relied upon in the preparation of the Kajiado County Emergency 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 Kajiado County Emergency Fund has assessed the Kajiado County Emergency Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator

**Kajiado County Emergency Fund
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to indicate that the Kajiado County Emergency 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 Kajiado County Emergency Fund financial statements were forwarded and signed by

CEC Finance on 27/1/2022

Signed:

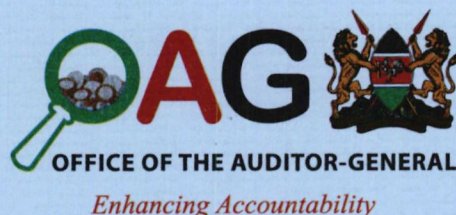


Michael Semera

COUNTY EXECUTIVE COMMITTEE MEMBER – FINANCE, ECONOMIC PLANNING & ICT

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON KAJIADO COUNTY EMERGENCY FUND FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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, 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

Qualified Opinion

I have audited the accompanying financial statements of Kajiado County Emergency Fund set out on pages 25 to 43, which comprise of the statement of financial position as

at 30 June, 2021, the statement of financial performance, statement of changes in net assets, statement of cash flows and the 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 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, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kajiado County Emergency Fund as at 30 June, 2021, 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 Kajiado County Emergency Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Expenditure

The statement of financial performance reflects general expenses balance of Kshs.104,390,996. A review of supporting documents revealed the following:-

1.1 Fuel Expenses

The general expenses expenditure includes an amount of Kshs.2,700,000 spent on fuel in the year under review. However, fuel statements from the dealers in support of the fuel consumed were not provided for audit review. Further, an amount of Kshs.1,500,000 worth of fuel was issued to the Department of Roads, Public Works, Transport and Energy for rehabilitation of some roads in the County. Although the Management provided the schedule of the roads rehabilitated, the inspection and acceptance and hand over reports were not provided for audit review.

1.2 Distribution of Relief Food

Included in the general expenses is a balance of Kshs.43,408,850 incurred on the purchase of Covid 19 relief food. However, supporting documents indicating how relief food worth Kshs.15,469,450 was distributed to the beneficiaries in Kajiado Central Constituency were not provided for audit review.

In the circumstances, the accuracy and validity of the general expenditure of Kshs.104,390,996 for the year ended 30 June, 2021 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kajiado County Emergency Fund Management in accordance with ISSAI 130 on 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 qualified opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for 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

Unauthorized Expenditure

During the year under review, a total expenditure amounting to Kshs.104,390,996 was incurred on general expenses. Although the Fund Management provided expenditure reports forwarded to the County Assembly for tabling and approval, there was no evidence that the reports were received, deliberated on and approved by the County Assembly as required by Section 10(1)(2) and (3) of the Kajiado County Emergency Fund Act, 2015.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, 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 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 overall governance were not effective.

Basis for Conclusion

Lack of a Disaster Management Policy

Examination of the Fund's financial statements and other expenditure records revealed that an expenditure amounting to Kshs. 104,390,996 was incurred in response to various disasters across the County. However, the Fund did not have an approved Disaster Management Policy including disaster management guidelines and disaster relief intervention measures despite facing disasters such as floods and fire across the County from year to year.

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 control, 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 those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Funds' 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 July, 2022

**Kajiado County Emergency Fund
Reports and Financial Statements
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13. FINANCIAL STATEMENTS

**13.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
30th JUNE 2021**

	NOTE	2020/2021	2019/2020
		KShs.	KShs.
Revenue from non-exchange transactions			
Transfers from the County Government- 3% Operations	1	3,000,000	4,050,000
Transfers from the County Government- Emergency Activities	1	97,000,000	130,950,000
Total revenue		100,000,000	135,000,000
Expenses			
General expenses	2	104,390,996	145,050,771
Total expenses		104,390,996	145,050,771
Surplus/(deficit) for the period		(4,390,996)	(10,050,771)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kajiado County Emergency Fund financial statements were approved on 27/1 2021 and signed by:



Administrator of the Fund

Name: Denis Kusero



Accountant

Name: CPA Lankisa Kasirimo
ICPAK No. 17884

**Kajiado County Emergency Fund
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13.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	FY2020/2021	FY2019/2020
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	3	1,563,136	4,824,039
Total assets		1,563,136	4,824,039
Net assets			
Fund Balance Brought Forward	4	4,824,039	14,874,811
Accumulated surplus/deficit		(4,390,996)	(10,050,771)
Prior Year Adjustments		(244,670)	-
Adjustments during the year		1,374,763	-
Total net assets		1,563,136	4,824,039

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kajiado County Emergency Fund financial statements were approved on 27/1 2021 and signed by:



Administrator of the Fund

Name: Denis Kusero



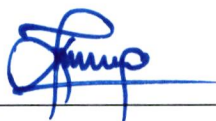
Accountant

Name: CPA Lankisa Kasirimo Pulei
ICPAK No. 17884

**Kajiado County Emergency Fund
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13.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2021

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2019	-	-	15,028,260	15,028,260
Surplus/(deficit) for the period	-	-	(10,050,771)	(10,050,771)
Balance as at 30 June 2020	-	-	4,824,039	4,824,039
Balance as at 1 July 2020	-	-	4,824,039	4,824,039
Surplus/(deficit) for the period	-	-	(4,390,996)	(4,390,996)
Prior Year Adjustments	-	-	(244,670)	(244,670)
Adjustments during the year	-	-	1,374,763	1,374,763
Balance as at 30 June 2021	-	-	1,563,136	1,563,136



Administrator of the Fund

Name: Denis Kusero



Accountant

Name: CPA Lankisa Kasirimo Pulei
ICPAK No. 17884

**Kajiado County Emergency Fund
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13.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	FY2020/2021	FY2019/2020
		KShs	KShs
Cash flows from operating activities			
Receipts			
Transfers from the County Government- 3% Operations	1	3,000,000	4,050,000
Transfers from the County Government- Emergency Activities	1	97,000,000	130,950,000
Total Receipts		100,000,000	135,000,000
Payments			
General expenses	2	104,390,996	145,050,771
Total Payments		104,390,996	145,050,771
Adjustment for;			
Prior Year Adjustment		(244,670)	-
Adjustments during the year		1,374,763	-
Net Cash flows from operating activities		(3,260,903)	(10,050,771)
Cash flows from investing activities		-	-
Net cash flows from Investing activities		-	-
Cash flows from financing activities		-	-
Net cash flows from Financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(3,260,903)	(10,050,771)
Cash and cash equivalents at 1 July 2020	3	4,824,039	14,874,811
Cash and cash equivalents at 30 JUNE 2021	3	1,563,136	4,824,039



Administrator of the Fund
Name: Denis Kusero



Accountant
Name: CPA Lankisa Kasirimo Pulei

**Kajiado County Emergency Fund
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**13.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE
PERIOD ENDED 30 JUNE 2021**

	Original budget	Adjustments	Final budget	Actual on comparable basis	% utilization
	2021	2021	2021	2021	2021
Revenue	KShs	KShs	KShs	KShs	
Transfers from County Govt.	100,000,000	-	100,000,000	100,000,000	100
Total income	100,000,000	-	100,000,000	100,000,000	100
Expenses					
General expenses	100,000,000	-	100,000,000	104,390,996	104
Total expenditure	100,000,000	-	100,000,000	104,390,996	104
Surplus/deficit for the period	-	-	-	(4,390,996)	-



Administrator of the Fund
Name: Denis Kusero



Accountant
Name: CPA Lankisa Kasirimo Pulei
ICPAK No. 17884

13.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

The Kajiado County Emergency 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. The accounting policies have been consistently applied to all the years presented.

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

2. Adoption of new and revised standards

a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2021

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of the Kajiado County Emergency Fund's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

**Kajiado County Emergency Fund
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Standard	Effective date and impact:
	<ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Kajiado County Emergency Fund’s’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Kajiado County Emergency Fund’s provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Kajiado County Emergency Fund’s; (b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Kajiado County Emergency Fund’s financial performance, financial position and cash flows</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

**Kajiado County Emergency Fund
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Standard	Effective date and impact:
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard
	<p>IPSAS 40, Public Sector Combinations. Amendments to include the effective date paragraph which were inadvertently omitted when IPSAS 40 was issued</p>

c) Early adoption of standards

The Kajiado County Emergency Fund did not use early – adopt any new or amended standards in year ended 30 June 2021.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset, 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 Kajiado County Emergency Fund's and can be measured reliably.

4. Budget information

The final budget for the financial year 2020/2021 was approved by the County Assembly on 27th June 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Kajiado County Emergency Fund's upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Kajiado County Emergency Fund recorded additional appropriations of **Kshs. 100,000,000** on the FY 2020/2021 budget following the governing body's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 13 of these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Property, plant and equipment

The Kajiado County Emergency Fund does not have property, plant and equipment.

6. Intangible assets

The Kajiado County Emergency Fund does not have intangible assets.

7. Financial instruments

The Kajiado County Emergency Fund does not have any financial instruments.

8. Inventories

The Kajiado County Emergency Fund management of inventories is as per the Public Procurement and Assets Disposal Act 2015.

9. Provisions

Provisions are recognized when the Kajiado County Emergency Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Kajiado County Emergency Fund expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Kajiado County Emergency Fund does not recognize a contingent liability.

Contingent assets

The Kajiado County Emergency Fund does not recognize a contingent asset.

10. Nature and purpose of reserves

The Kajiado County Emergency Fund does not create and maintains reserves in terms of specific requirements.

**Kajiado County Emergency Fund
Reports and Financial Statements
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11. Changes in accounting policies and estimates

The Kajiado County Emergency 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.

12. Employee benefits – Retirement benefit plans

The Kajiado County Emergency Fund does not provide retirement benefit for either the management or the committee members.

13. Foreign currency transactions

The Kajiado County Emergency Fund deals with local currencies and therefore is not affected by effects of dealing with foreign currencies.

14. Borrowing costs

The Kajiado County Emergency Fund did not borrow any money in the FY 2020/2021.

15. Related parties

The Kajiado County Emergency Fund regards a related party as a person or the Kajiado County Emergency Fund's with the ability to exert control individually or jointly, or to exercise significant influence over the Fund, or vice versa. Members of key management are regarded as related parties and comprise the committee and the management. The Assembly and the internal audit has significant influence over the fund' activities.

16. 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 Equity Bank at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

17. Comparative figures

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

18. Events after the reporting period

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

19. Ultimate and Holding Kajiado County Emergency Fund

The Kajiado County Emergency Fund is a County Public Fund established by Kajiado County Emergency Fund Act, 2015 under the Department of County Treasury. Its ultimate parent is the County Government of Kajiado.

20. Currency

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

21. Significant judgments and sources of estimation uncertainty

The preparation of the Kajiado County Emergency Funds'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.

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 Kajiado County Emergency Fund 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 Kajiado County Emergency Fund. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

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 Kajiado County Emergency Fund.
- 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.

Kajiado County Emergency Fund has no Assets.

22. Financial risk management

The Kajiado County Emergency Fund's is not exposed to Financial risk, it doesn't issue loans or credits

a) Credit risk

The Kajiado County Emergency Fund has no exposure to credit risk.

b) Liquidity risk management

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

c) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the Kajiado County Emergency Fund 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 Kajiado County Emergency Fund'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 Kajiado County Emergency Fund is responsible for the development of detailed risk management policies and for the day to day implementation of those policies. There has been no change to the Kajiado County Emergency Fund's exposure to market risks or the manner in which it manages and measures the risk.

d) Foreign currency risk

The Kajiado County Emergency Fund has no transactional currency exposures.

e) Interest rate risk

The Kajiado County Emergency Fund is not exposed to Interest rate risk

f) Capital risk management

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

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Description	2019/2020	2018/2019
	KShs	KShs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	1,563,136	4,824,039
Total funds	1,563,136	4,824,039
Total borrowings	-	-
Less: cash and bank balances	(-)	(-)
Net debt/(excess cash and cash equivalents)	-	-
Gearing	0%	0%

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14. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from County Government

Description	2020/2021	2019/2020
	KShs	KShs
Transfers from County Govt. -3% operations	3,000,000	4,050,000
Transfers from County Govt.- Emergency Activities	97,000,000	130,950,000
Total	100,000,000	135,000,000

2. General expenses

Description	2020/2021	2019/2020
	KShs	KShs
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	-	-
Printing and stationery	-	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Bank Charges	-	-
Hospitality	-	-
Depreciation and amortization costs	-	-
Other expenses	104,390,996	145,050,771
Total	104,390,996	145,050,771

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Cash and cash equivalents

Description	2019/2020	2019/2020
	KShs	KShs
Car loan account	-	-
County mortgage account	-	-
Fixed deposits account	-	-
On – call deposits	-	-
Current account	1,563,136	4,824,039
Others	-	-
Total cash and cash equivalents	1,563,136	4,824,039

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

Description		2020/2021	2019/2020
		KShs	KShs
a) Fixed deposits account			
Kenya Commercial bank		-	-
Equity Bank, etc		-	-
Sub- total		-	-
			-
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank - etc		-	-
Sub- total		-	-
c) Current account			
Equity bank		1,563,136	4,824,039
Bank B		-	-

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Sub- total		1,563,136	4,824,039
d) Others(specify)		-	-
Cash in transit		-	-
Cash in hand		-	-
M Pesa		-	-
Sub- total		-	-
Grand total		1,563,136	4,824,039

NB;

Prior Year Adjustment of Ksh. (244,670) was an omission in the FY 2019-20 that was reported in FY 2020/21 for disclosure purposes.

Adjustment during the year of Ksh. 1,374,763 were stale cheques written back to the cashbook.

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15. 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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>1. Budget and Budget Performance</p> <p>The statement of comparison of budget and actual amounts for the period ended 30 June, 2020 reflected final budget on total income of Kshs. 149,874,811 and final budget total expenditure of Kshs. 149,874,811. However, the administrator did not</p>	<p>The management has been using Section 113 of the Public Finance Management Act, 2012 which states that the County Committee member for finance may not, during a financial year, make a payment from the Emergency Fund under section 112 exceeding two per cent of</p>	<p>Denis Kusero – Kajiado County Emergency Fund</p>	<p>Resolved</p>	<p>Immediately</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	prepare budget estimates contrary to regulation 29 (2) (a) of the Public Finance Management (County Governments) Regulations, 2015.	the total county government revenue as shown in that county government's audited financial statements for the previous year, except for the first year.			