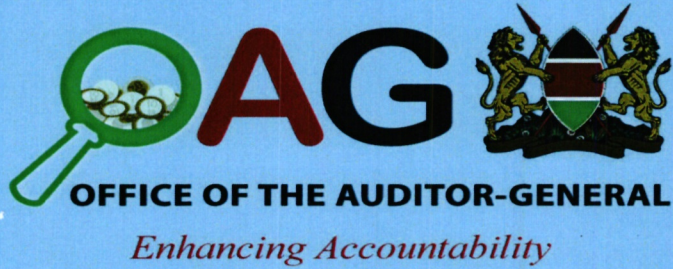


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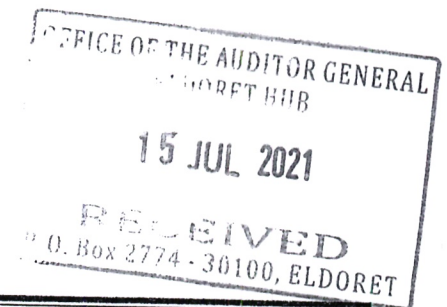
THE AUDITOR-GENERAL

ON

UASIN GISHU COUNTY EMERGENCY FUND

**FOR THE YEAR ENDED
30 JUNE, 2019**

PAPERS LAID	
DATE	15/02/2022
TABLED BY	LEADER OF MAJORITY
COMMITTEE	-
CLERK AT THE TABLE	M. ADJIBODOU



**UASIN GISHU COUNTY EXECUTIVE
EMERGENCY FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019**

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

The County is constituted as per the constitution of Kenya 2010 is headed by the County Governor, who is responsible for the general policy and strategic direction of the County. Section 110(2) of PFM Act 2012 stipulates the purpose of an Emergency Fund being 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. Uasin Gishu county emergency fund regulations 2015 (6) stipulates the criteria and guidelines for payment from emergency fund. Section 6 (b) states “a payment from emergency is meant to alleviate the damage, loss, hardship or suffering which may be caused directly by the disaster and the damage caused by the disaster is on a small scale and limited to the county”. The regulation further states that the unforeseen disaster is one which; (a) Threatens damage to human life or welfare or (b) threatens damage to environment.

Key Management

Ref	Name	Position
1	Julius k. Rutto	County Executive Committee Member For Finance and Economic Planning.
2	Peter K. Chesos	Chief Officer Finance and Economic Planning
3	Silas K. Ronoh	Fund Administrator

b) Registered Offices

P.O. Box 40-30100
County Hall Building
Uganda Road
ELDORET, KENYA

c) Fund Contacts

Telephone: (254) -053-2016215,
053-2016125
053-2016000
E-mail: info@uasingishu.go.ke
Website: www.uasingishu.go.ke

d) Fund Bankers

2. Kenya Commercial Bank
P.O. Box 560
Eldoret Main Branch
ELDORET, KENYA

Independent Auditors

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

Principal Legal Adviser

The County Legal Advisor
County Hall
Uganda Road
P.O. Box 40 - 30100
Eldoret, Kenya

MANAGEMENT TEAM

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Officer – Finance & Economic Planning	Peter K. Chesos
2	Emergency Fund administrator	Silas K. Ronoh

3. REPORT OF THE FUND ADMINISTRATOR

Section 163 of the Public Finance Management (PFM) Act, 2012 requires that, the administrator of a county public fund established by the Constitution, an Act of Parliament or county legislation shall prepare financial statements for the fund for each financial year in a form prescribed by the Public Sector Accounting Standards Board. In preparing a financial statement for a county public fund, the administrator shall ensure that the report contains information on the financial and non-financial performance of the fund. The administrator shall submit a copy of the report to the County Executive Committee member responsible for the fund.

In the 2018/19 financial year, there was an overall improvement in fiscal performance compared to the previous year having taken into consideration the issues raised by the external auditor in the reports of 2017/2018. Transfers from the county government to the fund account was 92% i.e. kshs 23,095,259 out of the total allocation of kshs 25,000,000. During the period under review, the county government spent only 39 % i.e. kshs 19,352,153 from the total transfer of kshs 23,095,259 plus the opening balances Kshs 25,060,215 giving a total of kshs 50,060,215. Most of the funds were utilised on rehabilitation of roads and bridges washed away by heavy rains and renovation of schools blown by wind. Allocations for the year were kshs 25,000,000; however kshs 23,095,259 was transferred to the fund after deducting 8% reallocation transfer to other budgetary vote heads by the county executive.

Finally, let me take the earliest opportunity to thank all members of the technical team for their time and sacrifice in consolidating the annual financial statement. I also wish to re-affirm our commitments to enhanced financial discipline and fiscal responsibilities for the betterment of our county.



Signed: _____

SILAS K. RONOH

4. 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 Uasin Gishu County Emergency Fund scheme established by the fund regulations of 2015 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

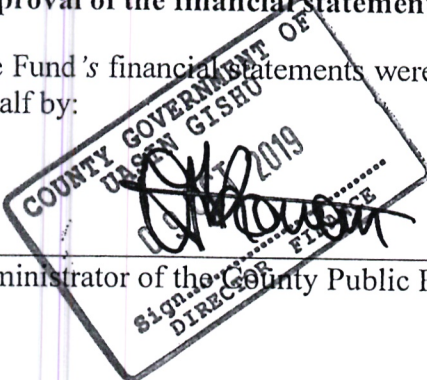
The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2019. This responsibility includes: (i) 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 County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Uasin Gishu County Emergency Fund Regulations 2015 (7). 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, 2019, 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 County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Board on _____ 2019 and signed on its behalf by:

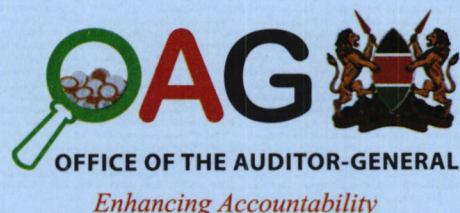


COUNTY GOVERNMENT OF
UASIN GISHU
JUN 2019
DIRECTOR OF FINANCE

Administrator of the County Public Fund

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 UASIN GISHU COUNTY EMERGENCY FUND FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Uasin Gishu County Emergency Fund set out on pages 8 to 26, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of income and expenditure, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 Uasin Gishu County Emergency Fund as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Non-Approval of Expenditure by County Assembly

The statement of income and expenditure for the year ended 30 June, 2019 reflects total expenses balance of Kshs.19,358,038. However, no evidence was provided for audit review in support of approval by the County Assembly of the emergency payments made out of the fund. Further, no evidence was provided for audit review to show that the County Executive member for finance tabled the appropriation bill at the County Assembly for replenishment of the monies used for the Fund.

In the circumstances, the validity of the Kshs.19,358,038 expenditure for the year ended 30 June, 2019 could not be confirmed.

2.0 Variance in Surplus for the Period

The statement of changes in net assets for the year ended 30 June, 2019 reflects surplus for the year balance of Kshs.3,434,246. However, the statement of income and

expenditure reflects a surplus balance of Kshs.3,737,221 resulting to an unexplained and unreconciled variance of Kshs.302,975.

Consequently, the accuracy and completeness of the surplus balance of Kshs.3,434,246 for the year ended 30 June, 2019 could not be confirmed.

3.0 Non-Compliance with International Public Sector Accounting Standard No.3

The statement of assets and liabilities as at 30 June, 2019 and the statement of cash flows for the year then ended reflects a balance of Kshs.302,975 as prior year adjustments which was explained by the Management to be retention money owed to a Contractor carried forward from the year 2017/2018. However, no explanation has been provided on why the retention money was treated as prior year adjustment instead of trade payables. Further, the bank account in which the retention money was banked was not provided for audit review.

Under the circumstances, the accuracy and completeness of prior year adjustments balance of Kshs.302,975 reflected in the statement of assets and liabilities and statement of cash flows in the financial statement under review could not be confirmed.

4.0 Transfers from County Government

The statement of income and expenditure for the year ended 30 June, 2019 reflects transfers from County Government balance of Kshs.23,095,259. However, the financial statements for Uasin Gishu County Executive reflects an amount of Kshs.22,500,000 resulting to unexplained variance of Kshs.595,259.

Consequently, the accuracy and completeness of the transfers from the County Executive balance of Kshs.595,259 for the year ended 30 June 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Uasin Gishu 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

Outstanding Imprest

The statement of assets and liabilities as at 30 June, 2019 reflects cash and cash equivalents balance of Kshs.29,348,582 out of which Kshs.1,689,218 relate to outstanding imprest as disclosed under Note 12 to the financial statements. No explanation has been provided on why the imprest have not been surrendered or recovered from salaries as required by the law.

In the circumstances, it was not possible to confirm whether the money was used for the intended purpose. In addition, the Management is 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, 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 control, risk management and 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 - 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 accrual basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements 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 Fund's financial reporting process, reviewing the effectiveness of how the entity 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 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 Fund's 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 going concern 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 continue as a going concern or 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 continue as a going concern or 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

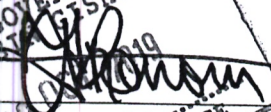
07 December, 2021


6. FINANCIAL STATEMENTS

6.1. STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 30th JUNE 2019

	Note	2018/2019	2017/2018
		KShs	KShs
Revenue from non-exchange transactions			
Public contributions and donations	1	-	-
Transfers from the County Government	2	23,095,259	15,000,000
Fines, penalties and other levies	3	-	-
		23,095,259	15,000,000
Revenue from exchange transactions			
Interest income	4	-	-
Other income	5	-	-
		-	-
Total revenue		23,095,259	15,000,000
Expenses			
Other Grants And Other Payments	6	19,352,153	3,935,680
Fund administration expenses	7	-	-
Staff costs	8	-	-
General expenses	9	5,885	27,851
Finance costs	10	-	-
Total expenses		19,358,038	3,963,531
Other gains/losses			
Gain/loss on disposal of assets	11	-	-
Surplus/(deficit) for the period		3,737,221	11,036,469

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30th JUNE 2019 and signed by:

COUNTY GOVERNMENT OF UASIN GISHU
 30th JUNE 2019

 Administrator of the Fund
 Name: _____
 Sign: _____
 DIRECTOR FINANCE

CHEIE COUNTY GOVERNMENT OF UASIN GISHU
 30th JUNE 2019

 Fund Accountant
 Name: _____
 ICPAK Member Number: _____
 FINANCE

UASIN GISHU COUNTY EXECUTIVE
 Emergency Fund
 Reports and Financial Statements
 For the year ended June 30, 2019

6.3. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30
 JUNE 2019

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2017	8,860,367	-		8,860,367
Surplus/(deficit) for the period	17,053,969	-		17,053,969
Funds received during the year				
Revaluation gain				
Balance as at 30 June 2018	25,914,336	-		25,914,336
Balance as at 1 July 2018	25,914,336	-		25,914,336
Surplus/(deficit) for the period	3,434,246	-		3,434,246
Funds received during the year				
Revaluation gain				
Balance as at 30 June 2019	29,348,582	-		29,348,582

UASIN GISHU COUNTY EXECUTIVE
 Emergency Fund
 Reports and Financial Statements
 For the year ended June 30, 2019

6.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2018/2019	2017/2018
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the County Government		23,095,259	15,000,000
Interest received			
Receipts from other operating activities			
Total Receipts		23,095,259	15,000,000
Payments			
Other Grants And Other Payments	6	(19,352,153)	3,935,680
Staff costs	7		
General expenses	8	(5,885)	27,851
Finance cost			
Total Payments		(19,358,038)	17,053,969
Adjustments during the year		(302,975)	6,017,500
Net cash flows from operating activities		3,434,246	17,053,969
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		3,434,246	17,053,969
Cash and cash equivalents at 1 JULY 2018		25,914,336	8,860,367
Cash and cash equivalents at 30 JUNE 2019		29,348,582	25,914,336

6.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30th JUNE 2019

	Original budget 2019	Adjustments 2019	Final budget 2019	Actual on comparable basis 2019	Performance difference 2019	% utilisation 2019
Revenue	KShs	KShs	KShs	KShs	KShs	
Public contributions and donations	-	-	-	-	-	
Transfers from County Govt.	25,000,000	25,060,215	50,060,215	48,155,474	1,904,741	96%
Interest income	-	-	-	-	-	
Other income	-	-	-	-	-	
Total income	25,000,000	25,060,215	50,060,215	48,155,474	1,904,741	96%
Expenses						
Fund administration expenses	25,000,000	25,060,215	50,060,215	19,352,153	30,708,062	39%
General expenses	-	-	-	-	-	
Finance cost	-	-	-	5,885	(5,885)	100%
Total expenditure	25,000,000	25,060,215	50,060,215	19,358,038	30,702,177	100%
Revolving Fund	-	-	-	28,797,436	(28,797,436)	39%

Budget notes

1. Requisitions was done for only kshs 23,095,259 out of the total budget of kshs 25,000,000 leaving a balance of kshs 1,904,741 which re-allocated by the county government under the maximum 10% re-allocation rule.
2. *Reconciliation Of Statement Of Financial Performance And the Statement Of Comparison Of Budget And Actual Amounts*

Totals as per statement of financial performance	kshs 23,095,259
Add balances b/f from FY 2017/2018	kshs 25,060,215
Total as per statement of comparison	kshs 48,155,474

NB: The variance arises because the balances b/f from FY 2017/2018 are not recognised as incomes in the statement of financial performance.

6.6. NOTES TO THE FINANCIAL STATEMENTS

The principle accounting policies adopted in the preparation of these financial statements are set out below:

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

The financial statements have been prepared in accordance with and comply with International Public-Sector Accounting Standards (IPSAS) with particular emphasis on Accrual Basis Financial Reporting under the accrual Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public-Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Emergency Fund Account and all values are rounded to the nearest Shilling (Kshs' 1). The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts.

2. **Recognition of revenue and expenses**

The Emergency Fund Account recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the County Government of Uasin Gishu. In addition, the Emergency Fund Account recognises all expenses when the event occurs and the related cash has actually been paid out by the County Government of Uasin Gishu.

3. **In-kind contributions**

In-kind contributions are donations that are made to the Emergency Fund Account in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Emergency Fund Account includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

4. **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 Kenya commercial bank of Kenya at the end of the financial year.

5. **Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. **Accounts Payable**

UASIN GISHU COUNTY EXECUTIVE

Emergency Fund

Reports and Financial Statements

For the year ended June 30, 2019

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements.

7. **Non-current assets**

Noncurrent assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the Emergency Fund Account fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. **Pending bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Emergency Fund Account at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

9. **Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Government of Uasin Gishu's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the County Government of Uasin Gishu's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

10. **Comparative figures**

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

11. **Subsequent events**

Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

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6.7. NOTES TO THE FINANCIAL STATEMENTS

1. Public contributions and donations

Description	2018/2019	2017/2018
	KShs	KShs
Donation from development partners	-	-
Contributions from the public	-	-
Total	-	-

2. Transfers from County Government

Description	2018/2019	2017/2018
	KShs	KShs
Transfers from County Govt. – operations	23,095,259	15,000,000
Payments by County on behalf of the entity	-	-
Total	23,095,259	15,000,000

3. Fines, penalties and other levies

Description	2018/2019	2017/2018
	KShs	KShs
Late payment penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	2018/2019	2017/2018
	KShs	KShs
Interest income from loans	-	-
Interest income from investments	-	-
Interest income on bank deposits	-	-
Total interest income	-	-

5. Other income

Description	2018/2019	2017/2018
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income	-	-
Total other income	-	-

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6. Other Grants And Other Payments

Description	2018/2019	2017/2018
	KShs	KShs
Emergency relief and refugee assistance	19,352,153	3,935,680
	-	-
	-	-
Total	19,352,153	3,935,680

7. Fund administration expenses

Description	2018/2019	2017/2018
	KShs	KShs
Staff costs (Note 7)	-	-
Loan processing costs	-	-
Professional services costs	-	-
Administration fees	-	-
Total	-	-

8. Staff costs

Description	2018/2019	2017/2018
	KShs	KShs
Salaries and wages	-	-
Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. General expenses

Description	2018/2019	2017/2018
	KShs	KShs
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	-	-
Printing and stationery	-	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Bank Charges	5,885	27,851
Hospitality	-	-
Depreciation and amortization costs	-	-
Other expenses	-	-
Total	5,885	27,851

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10. Finance costs

Description	2018/2019	2017/2018
	KShs	KShs
Interest on Bank overdrafts	-	-
Interest on loans from banks	-	-
Total	-	-

11. Gain/(loss) on disposal of assets

Description	2018/2019	2017/2018
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

12. Cash and cash equivalents

Description	2018/2019	2017/2018
	KShs	KShs
<i>Kenya Commercial Bank,-1180938623</i>	27,659,364	25,060,215
On – call deposits	-	-
Current account	-	-
Outstanding imprest	1,689,218	-
Total cash and cash equivalents	29,348,582	25,060,215

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Financial institution	Account number	2018/2019 KShs	2017/2018 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-			
Kenya Commercial Bank		27,659,364	25,060,215
Sub- total		27,659,364	25,060,215
d) Others(specify)			
Cash in transit			
Cash in hand			
Outstanding Imprest		1,689,218	
Sub- total		1,689,218	
Grand total		29,348,582	25,060,215

13. Receivables from exchange transactions

Description	2018/2019 KShs	2017/2018 KShs
Current Receivables		
Interest receivable	-	-
Current loan repayments due	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total Current receivables		
Non-Current receivables		
Long term loan repayments due	-	-
Total Non- current receivables	-	-
Total receivables from exchange transactions	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Prepayments

Description	2018/2019	2017/2018
	KShs	KShs
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Imprest	-	551,146
Total	-	551,146

15. Inventories

Description	2018/2019	2017/2018
	KShs	KShs
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Other inventories(specify)	-	-
Total inventories at the lower of cost and net realizable value	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	KShs	KShs	KShs	KShs	KShs
At 1st July 2017					
Additions					
Disposals					
Transfers/adjustments					
At 30th June 2018					
At 1st July 2018					
Additions					
Disposals					
Transfer/adjustments					
At 30th June 2019					
Depreciation and impairment					
At 1st July 2017					
Depreciation					
Impairment					
At 30th June 2018					
At 1st July 2018					
Depreciation					
Disposals					
Impairment					
Transfer/adjustment					
At 30th June 2019					
Net book values					
At 30th June 2018					
At 30th June 2019					

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Intangible assets-software

Description	2018/2019	2017/2018
	KShs	KShs
Cost		
At beginning of the year		
Additions		
At end of the year		
Amortization and impairment		
At beginning of the year		
Amortization		
At end of the year		
Impairment loss		
At end of the year		
NBV		

18. Trade and other payables from exchange transactions

Description	2018/2019	2017/2018
	KShs	KShs
Trade payables		
Refundable deposits		302,975
Accrued expenses		
Other payables		
Total trade and other payables		302,975

19. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year(1.07.2018)				
Additional Provisions				
Provision utilised				
Change due to discount and time value for money				
Transfers from non -current provisions				
Balance at the end of the year (30.06.2019)				

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20. Borrowings

Description	2018/2019	2017/2018
	KShs	KShs
Balance at beginning of the period		
External borrowings during the year		
Domestic borrowings during the year		
Repayments of external borrowings during the period		
Repayments of domestics borrowings during the period		
Balance at end of the period		

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

	2018/2019	2017/2018
	KShs	KShs
External Borrowings		
Dollar denominated loan from 'xxx organisation'		
Sterling Pound denominated loan from 'yyy organisation'		
Euro denominated loan from zzz organisation'		
Domestic Borrowings		
Kenya Shilling loan from KCB		
Kenya Shilling loan from Barclays Bank		
Kenya Shilling loan from Consolidated Bank		
Borrowings from other government institutions		
Total balance at end of the year		

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

Description	2018/2019	2017/2018
	KShs	KShs
Short term borrowings(current portion)		
Long term borrowings		
Total		

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Total
	KShs	KShs	KShs	KShs
Current benefit obligation				
Non-current benefit obligation				
Total employee benefits obligation				

22. Cash generated from operations

	2018/2019	2017/2018
	KShs	KShs
Surplus/ (deficit) for the year before tax		
Adjusted for:		
Depreciation		
Amortisation		
Gains/ losses on disposal of assets		
Interest income		
Finance cost		
Working Capital adjustments		
Increase in inventory		
Increase in receivables		
Increase in payables		
Net cash flow from operating activities		

23. 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; Uasin Gishu County
- b) The Parent County Government Ministry; The National Treasury
- c) Key management; Uasin Gishu County Executive

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

b) Related party transactions

	2018/2019	2017/2018
	KShs	KShs
Transfers from related parties'		
Transfers to related parties		

c) Key management remuneration

	2018/2019	2017/2018
	KShs	KShs
Board of Trustees		
Key Management Compensation		
Total		

d) Due from related parties

	2018/2019	2017/2018
	KShs	KShs
Due from parent Ministry		
Due from County Government		
Total		

e) Due to related parties

	2018/2019	2017/2018
	KShs	KShs
Due to parent Ministry		
Due to County Government		
Due to Key management personnel		
Total		

24. Contingent assets and contingent liabilities

Contingent liabilities	2018/2019	2017/2018
	KShs	KShs
Court case xxx against the Fund		
Bank guarantees		
Total		

(Give details)

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7. PROGRESS ON FOLLOW UP OF AUDITOR 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)
1.0	Approval of payments from emergency fund	The list of all payments made from the fund have been submitted to county assembly for approval	Emergency fund administrator	Not resolved	31 st December 2019