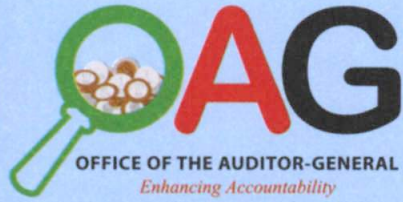


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REPORT

32

OF

THE AUDITOR-GENERAL

ON

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BARINGO COUNTY EMERGENCY FUND

FOR THE YEAR ENDED
30 JUNE, 2025

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BARINGO COUNTY EMERGENCY FUND

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2025**

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

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

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

1. Acronyms and Definition of Key Terms

a) Acronyms

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

b) Definition of Key Terms

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

c) Definition of Key Terms

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

2. Key Entity Information and Management

a) Background information

Baringo County Emergency Fund was established by and derives its authority and accountability from section 110 of the Public Finance Management Act no 18 of 2012 and Baringo County Emergency Fund Regulation 2018. It was established on 3rd February 2015. The Fund is wholly owned by the County Government of Baringo and is domiciled in Kenya.

The fund's objective is to allow the County Executive Member to make payments when there is an urgent and unforeseen need for expenditure for which there is no specific legislative authority and meet expenses for emergency preparedness and mitigation.

The Fund's principal activity is to meet expenditures on urgent and unforeseen events characterized as:

1. Events not budgeted for and cannot be delayed until a later financial year without harming the general public interest.
2. Payments meant to alleviate the damage, loss, hardship or suffering which may be caused directly by the event.
3. The damage caused by the event is on a small scale and limited to the county.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to manage disasters promptly and the objectives are:

- *Prevention of danger or threat of any disaster*
- *Mitigation or reduction of risk of any disaster or severity or consequence.*
- *Capacity building.*
- *Preparedness to deal with any disaster.*
- *Prompt response to any threatening disaster or disaster.*
- *Assessing the severity or magnitude of any disaster.*
- *Evacuation, rescue and relief.*

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

c) Fund Administration Committee

Ref	Position	Name
1	Chairperson	CPA Kipkorir Gikono Kiptoo
2	Baringo County Emergency Fund Management Committee Members	Joseph Waiharo Michael Baimet Vincent Abuje Milka Psiwa Bethwel Wafula
3	Fund Administrator	CPA David Kibowen Rerimoi

d) Key Management Team

Ref	Name	Position
1	CPA Kipkorir Gikono Kiptoo	Fund Chairperson
2	CPA David Rerimoi	Fund Administrator
3	Alvin Kipkemei	Fund Accountant
4		
5		

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

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	CPA Catherine Kibet
2	Ag. County Attorney	Patricia Tororei
3	County Legal Officer	Patricia Tororei

f) Registered Offices

P.O. Box 53-30400
AFC Building
Kabarnet-Iten Road

g) Fund Contacts

Telephone: (254) 053-22115
E-mail: baringocountyExcecutive@gmail.com
Website: www.baringoExecutive.go.ke

h) Fund Bankers

1. Access Bank
Matetai Building
Philemon road - Kabarnet
Kabarnet, Kenya
Account number 0140130000003

i) Independent Auditors

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

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

j) Principal Legal Adviser

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

k) County Attorney




P.O BOX 53-30400

Office of the Governor




Kabarnet-Kenya

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




3. Fund Administration Committee

Name	Details of qualifications and experience
<p>1. CPA Kipkorir Gikono Kiptoo</p> 	<p>Year of Birth:1980 Key Qualifications: Masters in Business Administration (JKUAT), BCOM,CPA(K) Senior Management Course. Experience: Chief Officer Finance. Chairman, Baringo County Emergency Fund Management committee.</p>
<p>2. Milka Psiwa</p> 	<p>Year of Birth:1979 Key Qualifications: Degree Water Engineering Experience: Chief Officer Water and Irrigation. Member, Baringo County Emergency Fund Management committee.</p>
<p>3. Joseph Waiharo</p> 	<p>Year of Birth: 1970 Key Qualifications: Holder of a Master's degree. Experience: Currently, Chief Officer Education. Member, Baringo County Emergency Fund Management committee.</p>

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

<p>4. Vincent Abuje</p> 	<p>Year of Birth:1977</p> <p>Key Qualifications: Masters</p> <p>Experience: Director Agriculture for 17 years. Member, Baringo County Emergency Fund Management committee.</p>
<p>5. Bethwel Wafula</p> 	<p>Year of Birth:1970</p> <p>Key Qualifications: Degree</p> <p>Experience: Director Draught Management Authority. Member, Baringo County Emergency Fund Management committee.</p>
<p>6. Michael Baimet</p> 	<p>Year of Birth:1986</p> <p>Key Qualifications: Degree</p> <p>Experience: Director Disaster Risk Management. Secretary, Baringo County Emergency Fund Management committee.</p>

4. Key Management Team

Name	Details of qualifications and experience
<p>1. CPA Kipkorir Gikono kiptoo</p> 	<p>Year of Birth:1980 Key Qualifications: Masters in Business Administration (JKUAT), BCOM,CPA(K) Senior Management Course. Experience: Chief Officer Finance. Chairman, Baringo County Emergency Fund Management committee.</p>
<p>2. CPA David Kibowen Rerimoi</p> 	<p>Year of birth 1980 Key Qualifications: Masters in Business Administration (UON) ,BCOM,CPA(K) Senior Management Course, SLDP Fund Administrator, Baringo County Emergency Fund Management committee</p>
<p>3. Alvin Kipkemei</p> 	<p>Year of birth 1986 Key Qualification: Degree Bachelor of Commerce (Accounting Option) CPA Part II-Section IV Fund Accountant, Baringo County Emergency Fund Management committee</p>

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

5. Report of the Chairman of the Fund

Fund stakeholders, it is yet another end of year and it is therefore my duty to provide a report on the performance and operation of the fund for the 2024/2025 financial year. Despite the challenges encountered by fund management, the performance was fairly good. This can be depicted by cases handled using the fund. The fund did however operate optimally due to increased funding unlike prior years.

Total revenue for the year was Kenya shillings 79,607,634, while Total expenditure during the year was Kenya Shillings 78,602,976 compared to the previous FY 2023/2024, When Total revenue was Kenya Shillings 22,540,000 and Total Expenditure was Kenya Shillings 25,301,893. The surplus/deficit at the end of the financial year was Kenya Shillings 1,004,658, while in FY 2023/2024 was Kenya Shillings (2,761,892). Going forward, the fund will analyse its prior year's income and expenditure so as to present a realistic budget. Further, the fund has laid strategies to increase its revenue by partnering with several donors and government institutions so as to handle various emergent issues.

Name..... AIKONO KIPTOO Signature.....  Date..... 10-11-25

Chairperson Baringo County Emergency Fund



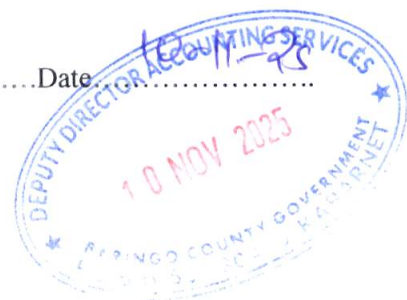
6. Report of The Fund Administrator

In the year under review, the fund committee composition was made up of Kipkorir Gikono Kiptoo being the Chairperson while members were Milka Psiwa, Joseph Wahiaro, Micheal Baimet, Vincent Abuje and Bethwel Wafula. Total revenue for the year was Kenya shillings 79,607,634. Total expenditure during the year was Kenya shillings 78,602,976 paid to meet various expenditure request by disaster management committee. The surplus/deficit at the end of financial year was Kenya shillings 1,004,658

Total asset is made up of cash and cash equivalent of Kenya shillings 1,583,454 while in the previous year it was Kenya Shillings 578,796. Total liabilities for the years was Kenya shillings 54,823. From the above financials, it is clear that the fund budgetary allocation is not consistent. Baringo County Emergency Fund faced a myriad of challenges while implementing its strategic objectives. Key challenge was allocation of limited resources to an ever-increasing demand for emergency response due to effects of climate change. This curtailed the scope of impact the fund could have made. Going forward, the fund will analyse its prior year's income and expenditure so as to present a realistic budget. Further, the fund has laid strategies to increase its revenue by partnering with several donors and government institutions so as to effectively handle various emergent issues. Notable achievements by the fund include water trucking services in drought-stricken areas, food and non-food items donation to victims of, drought, insecurity landslides, fire tragedies victims. To effectively mitigate risk, the fund through its committee has adopted the following risk management strategies: risk identification, risk analysis, risk evaluation, risk treatment, risk monitoring, risk avoidance, risk reduction and risk sharing. This was adopted from Baringo County Risk Management Policy.

Name DAVID KERIMOJ Signature [Signature] Date 10 NOV 2025

Fund Administrator Baringo County Emergency Fund



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

Introduction

Section 164 (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 of each County Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity’s performance against predetermined objectives.

The key development objectives of the Baringo County Government Emergency Fund for the period 2024-2025 plan are to:

- a) *Prevention of danger or threat of any disaster*
- b) *Mitigation or reduction of risk of any disaster or severity or consequence.*
- c) *Capacity building.*
- d) *Preparedness to deal with any disaster.*
- e) *Prompt response to any threatening disaster or emergency.*
- f) *Assessing severity or magnitude of any disaster.*
- g) *Evacuation, rescue and relief.*

Progress on the attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Prevention	<i>Prevention of danger or threat of any disaster</i>	Decreased danger or threat of any disaster	% of danger or disaster decreased	In FY 24/25 we prevented disaster by 70% in areas prone to dangers liked drowning, resource

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

				<p>based conflict, landslides and Human wild life attack, drought, human and livestock diseases outbreak through continuous community capacity building and sensitization, dissemination of early warning information,</p>
Mitigation	<i>Mitigation or reduction of risk of any disaster or severity or consequence</i>	Decreased occurrence of disaster or severity or consequence	% of cases mitigated	<p>In FY 24/25 we mitigated risk of starvation, floods, insecurity, by 60% in areas prone to starvation by early prepositioning of foodstuffs, assessment for rehabilitation of water infrastructural facilities, support from stakeholders and partners through implementation of various cash transfer programme to worst hit households, water trucking services</p>

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

Capacity building	<i>Capacity building.</i>	Increased awareness	Increased number of trained persons	In FY 24/25, trained personnel increased by 60% while 100% trainings was conducted to residents in areas prone to dangers liked drowning, cattle rustling, landslides and animal attacks
Preparedness	<i>Preparedness to deal with any disaster</i>	Facilities and personnel to deal with disaster	Availability of facilities and rescuers	In FY 23/24 we engaged Cheploch divers as stand by rescuers. Partnered with Kenya Redcross, Kenya meteorological department to predict weather conditions in time. Stocked cereals in time to deal with drought.
Response time	<i>Prompt response to any threatening disaster or disaster</i>	Decreased response time	Time taken to respond to disaster	In FY 24/25, our response time to hazards liked drowning, cattle rustling, landslides and

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

				animal attacks decreased.
Assessment	<i>Assessing severity or magnitude of any disaster</i>	Increased Statistics and reports of assessments.	% statistics and reports to provide trend	In FY 24/25 assessment reports increased by 40%.A good examples include, food security assessment, and flood assessment
Action	<i>Evacuation, rescue and relief.</i>	Increased number of evacuated, rescued and relief cases handled.	% of people evacuated, rescued and relief provided.	In FY 24/25 90% of cases reported was successfully evacuated, rescued and provided with relief.
Program	Objective	Outcome	Indicator	Performance
<i>Disaster Risk Management</i>	<i>Mitigating emergencies in the County</i>	<i>Well-coordinated emergency response</i>	<i>100% response to emergencies</i>	<i>100% response to drought.</i>

8. Statement of Corporate Governance

We remain committed to the highest standards of corporate governance and ethics in order to deliver long term and sustainable stakeholder value. Baringo County Emergency Fund continues to adhere to its obligations as a public entity in Kenya in compliance with Code of Corporate Governance Practices.

The primary role of the Baringo County Emergency Fund is to assist various stakeholders in society affected by urgent and unforeseen catastrophies. The Committee is solely responsible for its agenda. However, it is the responsibility of the chairman and the fund secretary to come up with the annual committee work plan and an agenda for the meetings. Baringo County Emergency Fund meets at least four times a year and the meetings are structured in a way that allows for open discussions. Comprehensive board papers are prepared and circulated to all fund committee members for all substantive agenda items at least two weeks prior to the meeting. This allows time for the committee members to undertake an appropriate review of the board papers to facilitate full and effective discussions at the meetings.

The Board Charter is critical to the funds governance framework, and offers guidance on matters including but not limited to the following; The separation of the roles, functions, responsibilities and powers of the fund management committee and its individual members; Powers delegated to the fund committees; Matters reserved for final decision-making and approval by the fund management committee; Policies and practices of the fund management on matters of corporate governance, committees' declarations and conflict of interest, conduct of fund and fund committee meetings; and Nomination, appointment, induction, ongoing training and performance evaluation of the fund and its committees.

The committee members and chairman are obligated to fully disclose any real or potential conflict of interest, which comes to any committee's attention, whether direct or indirect. The statutory duty to avoid situations in which the committee have or may have interests that conflict with those of the fund has been observed by the board in the financial year under review. All business transactions with all parties, committee or their related parties are carried out at arm's length. An acknowledgement that should it come to the attention of a committee member that a matter concerning the fund may result in a conflict of interest, obligates the fund committee member to declare the same and exclude himself / herself from any discussion or decision over the matter in question.

Fund committee members are paid a sitting allowance for every meeting attended depending on availability of funds.

Baringo County Emergency Fund committee members are expected to act with honesty, integrity and fairness in all their dealings with one another and with stakeholders and to respect the diverse cultures of the Kenyan people. The fund adopted Baringo County Government code of conduct. When joining the Fund management, every committee members are provided with a copy of the code and must commit to abide by its requirements.

Committee members undergo regular training and education to enable them fulfil their responsibilities through respective departments. All members receive an induction upon joining. This provides an overview of the fund, new developments in the environment in which the fund operates, accounting and financial reporting developments, as well as any regulatory changes. Committee members are appointed depending on the departmental representation however the committee is made up of employees on contract and permanent terms. This ensures that there is continuity at all times.

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

9. Management Discussion and Analysis

In the year under review, total revenue was kshs 79,607,634 FY 2024/2025, while Total expenditure during the year was kshs 78,602,976 paid to meet various expenditure request by disaster management committee.

Total asset is made up of cash and cash equivalent of kshs 1,583,454 while in the previous year it was kshs 578,796. Total liabilities for the years were kshs 54,823,

By holding huge amounts of assets in form of cash and cash equivalents, the fund deprives services to victims of disaster. Therefore, the fund has not achieved value for money for such cash. The fund has complied to a high level in adhering to statutory requirements. The fund has faced systematic risk in its operation.

10. Environmental and Sustainability Reporting

Baringo County Emergency Fund aims to minimize any harmful effects and consider the development and implementation of environmental standards that are compatible with the topography of Baringo County. As such, we strongly encourage the internationally established 3 Rs: Reduce, Re-use and Recycle. Through the County department of Environment, the fund has a policy to guide its operations. We seek to identify opportunities to optimise consumption of energy, water and other natural resources by striving to re-use and recycle where possible and dispose of non-recyclable items responsibly, thereby minimizing negative impact of waste on the environment. Being a county prone to floods, landslide and drought, measures has been put in place to encourage various stakeholders to plant trees with a view to conserving the environment. In the just concluded year, we actively participated in donor funded activities and projects aimed at reducing environmental degradation.

1. Employee welfare

Hiring process is guided by the Human Resource Manual. This is undertaken by the department of Human resource after receiving request from Baringo County Government Emergency Fund. Staff is trained periodically on professional issues.

2. Market place practices

a) Responsible competition practice.

Baringo County Government Emergency Fund has maintained responsible competition practices by adopting various strategies. Code of ethics and anti- corruption declaration form is used to reduce instances of corruption malpractices. Open tenders, framework contracts and quotations are used to maintain fair competition amongst suppliers. Declaration of conflict of interest is usually adopted to avoid instances where stakeholders interfere with the activities of the fund.

b) Responsible Supply chain and supplier relations

Baringo County Government Emergency Fund maintains good business practices with suppliers through timely provision of information, prompt payments, good communication and proper record keeping of supplier documents. This has resulted in harmonious relationship.

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

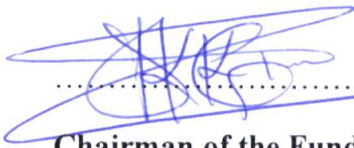
c) Responsible marketing and advertisement

During public awareness of impending disasters, Baringo County Government Emergency Fund ensures that advertisements are structured in such a manner that it does not infringe the rights of citizens and also ensures that confidentiality is kept.

d) Product stewardship

While making donations to persons who have been struck by a disaster, Baringo County Government Emergency Fund ensures that the donations meet the recommended quality standards for the purpose of ensuring safety of beneficiaries. Such donations may include basic needs.

Report of The Committee



Chairman of the Fund Administration Committee



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

11. Report of The Committee

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

Principal activities

The principal activity/mission/ mandate of the Fund is to manage disaster promptly and the objectives are:

- *Prevention of danger or threat of any disaster*
- *Mitigation or reduction of risk of any disaster or severity or consequence.*
- *Capacity building.*
- *Preparedness to deal with any disaster.*
- *Prompt response to any threatening disaster or disaster.*
- *Assessing the severity or magnitude of any disaster.*
- *Evacuation, rescue and relief.*

Results

The results of the Fund for the year ended June 30, 2025 are set out on page 1-24


Committee

The Fund Committee Members who served during the year are shown on page xxx (*refer to the key entity information and management page*). No changes in the Committee during the financial were made.

Auditors

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

By Order of the Board

Chairman of the Fund Administration Committee

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

12. Statement of Management’s Responsibilities

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

The Administrator of the Emergency Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the Emergency Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012). The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2025, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Emergency Fund has assessed the Fund’s ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund’s financial statements were approved by the Committee on 10-11-2025 and signed on its behalf by:


.....

Fund Administrator

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 BARINGO COUNTY EMERGENCY FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report 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

Opinion

I have audited the accompanying financial statements of Baringo County Emergency Fund set out on pages 1 to 27, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article

229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Baringo County Community Conservation Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management (Baringo County Emergency Fund) Regulations, 2018 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of amounts of Kshs.79,607,634 respectively. Similarly, the statement reflects total expenditure of Kshs.78,602,976 against an actual receipt of Kshs.79,607,634 resulting to under-utilization of Kshs.1,004,658 or 1% of the actual receipt.

The under-utilization affected the planned activities and may have impacted negatively on the delivery of services to the public.

2. Imbalanced Budget

The statement of comparison of budget and actual amounts for the year under review reflects total income budget of Kshs.79,607,634 and total expenditure budget of Kshs.78,602,976 resulting to variance of Kshs.1,004,658. The budget imbalance is contrary to the provisions of Regulation 31(c) of the Public Finance Management (County Governments) Regulations 2015 which states that budget revenue and expenditure appropriation shall be balanced.

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

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing 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

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 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 controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's, ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of

assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 November, 2025

Baringo County Emergency Fund

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

14. Statement of Financial Performance for the Year Ended 30th June 2025

Description	Note	FY 2024/25	FY 2023/24
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	6	79,607,634	22,540,000
Public Contributions and Donations	7	-	
		79,607,634	22,540,000
Revenue From Exchange Transactions			
Finance Income	8	-	-
		-	-
Total Revenue		79,607,634	22,540,000
Expenses			
Emergency Expenses	9	72,474,986	16,151,850
Use of goods and services	10	6,127,990	9,164,167
Total Expenses		78,602,976	25,316,017
Surplus/(Deficit) for the Year		1,004,658	(2,776,017)

.....
 Name: CPA DAVID RERIMO I
 Fund Administrator
 ICPAK Member Number: 6624



.....
 Name: ALVIN KIPKEME I
 Fund Accountant
 ICPAK Member Number:



13. Report of The Auditor General on the Financial Statements of Emergency Fund

Baringo County Emergency Fund
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15. Statement of Financial Position As at 30 June 2025

Description	Note	FY 2024/25	FY 2023/24
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	11	1,583,454	578,796
Receivables from non-exchange transactions	12	-	-
Receivables from exchange transactions	13	-	-
Total current assets		1,583,454	578,796
Total Assets (A)		1,583,454	578,796
Liabilities			
Current Liabilities			
Trade and Other Payables	14	54,823	14,124
Total current liabilities		54,823	14,124
Total Liabilities (B)		54,823	14,124
Net Assets (A-B)		1,528,631	564,672
Represented By:			
Accumulated Surplus		1,004,658	(2,776,017)
Net Assets		2,533,289	(2,211,345)

Name: CPA DAVID RERIMOI
Fund Administrator
ICPAK Member Number: 6624



Name: ALVIN KIPKEMEI
Fund Accountant
ICPAK Member Number:



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16. Statement Of Changes in Net Assets for the year ended 30th June 2025

Description		Accumulated surplus/Deficit
		Kshs
Balance As At 1 July 2023		3,340,688
Surplus/(Deficit) For the Year		(2,776,017)
Balance As At 30 June 2024		564,671
Balance As At 1 July 2024		564,671
Surplus/(Deficit) For the Year		1,004,658
Balance As At 30 June 2025		1,569,329

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

Description	Note	FY 2024/25	FY 2023/24
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Receipts From the County Government		79,607,634	22,540,000
Public Contributions and Donations		-	-
Interest received		-	-
Total receipts		79,607,634	22,540,000
Payments			
Emergency Expenses		72,474,986	16,151,850
Use of goods and services		6,127,990	9,150,043
Total Payments		78,602,976	25,301,893
Net cash flows from operating activities	15	1,004,658	(2,761,893)
Cash flows from investing activities			
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		1,004,658	(2,761,893)
Cash and cash equivalents at 1 July	11	578,796	3,340,688
Cash and cash equivalents at 30 June		1,583,454	578,796

18. Statement of Comparison of Budget And Actual Amounts For The Period

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Opening Budget Carry overs		-	-	-		
Receipts						
Transfers From County Govt.	79,607,634	-/(-)	79,607,634	79,607,634	-	100%
Public Contributions and Donations	-	-	-	-	-	
Interest Income	-	-/(-)	-	-	-	
Total Receipts	79,607,634	-/(-)	79,607,634	79,607,634	-	100%
Payments						
Emergency Expenses	72,474,986	-/(-)	72,474,986	72,474,986	(-)	100%
Use of goods and services	6,127,990	-/(-)	6,127,990	6,127,990	(-)	100%
Total Payments	78,602,976	(-)	78,602,976	78,602,976	(-)	100%
Surplus For the Period	1,004,658	-	1,004,658	1,004,658	-	100%

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



Budget Reconciliation

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

Baringo County Emergency Fund
Annual Report and Financial Statements For the year ended 30th June 2025

19. Notes to the Financial Statements

1. General Information

Baringo county Emergency fund is established by and derives its authority and accountability from section 110 of the Public Finance Management Act 2012 on 3rd February 2015. The entity is wholly owned by the Baringo County Government and is domiciled in Kenya. The entity's principal activity is to manage disaster promptly.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

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

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

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

Standard	Effective date and impact:
IPSAS 43 Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.

Baringo County Emergency Fund

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Standard	Effective date and impact:
	The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
<p>IPSAS 50:</p>	<p><i>Applicable 1st January 2027</i></p>

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Standard	Effective date and impact:	
Exploration For & Evaluation of Mineral Resources	<p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. 	

(iii) Early adoption of standards

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

4. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue Transfers

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

ii. Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2024/25 was approved by the County Assembly on 30th June, 2024. 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 Fund upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded no additional appropriations on the FY 2024/25 budget following the governing body's approval.

The 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 accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts, and the actuals as per the statement of cash flows.

c) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The Fund assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Financial liabilities

Classification

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

d) Contingent liabilities

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

e) Contingent assets

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

f) Nature and purpose of reserves

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

g) Changes in accounting policies and estimates

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

h) Foreign currency transactions

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

i) Related parties

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

j) Cash and cash equivalents

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

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

k) Comparative figures

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

l) Events after the reporting period

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

m) Currency

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

5. Significant judgments and sources of estimation uncertainty

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

State all judgements, estimates and assumptions made

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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

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6. Transfers from the County Government

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Transfers From County Treasury Department	79,607,634	22,540,000
Ot	-	-
Total	79,607,634	22,540,000

7. Public contributions and donations

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Cash Donation from Development Partners	-	-
Cash Contributions from the Public	-	-
In kind Donation from Development Partners	-	-
In kind Contributions from the Public	-	-
Others	-	-
Total	-	-

8. Finance Income

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Interest Income on Bank Deposits (current account)	-	-
Total Finance Income	-	-

9. Emergency Expenses

Description	FY 2024/25	FY 2023/24
	Kshs.	Kshs.
Drought related expenses	13,217,900	10,335,000
Fire related expenses	1,250,750	1,390,000
Flood related expenses	54,216,636	4,426,850
Others	3,789,700	-
Total	72,474,986	16,151,850

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10. Use of Goods and Services

Description	FY 2024/25	FY 2023/24
	Kshs.	Kshs.
Bank Charges	31,475	7,868
Audit Fees	-	-
Other (<i>Specify</i>)	6,096,515	9,156,299
Total	6,127,990	9,164,167

11. Cash and cash equivalents.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Current Account	1,583,454	578,796
Others (<i>Specify</i>)	-	-
Total Cash and Cash Equivalents	1,583,454	578,796

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

Financial Institution	Account number	FY 2024/25	FY 2023/24
		Kshs	Kshs
a) Current Account			
Access Bank	0140130000003	1,583,454	578,796
		-	-
Sub- Total		1,583,454	578,796
b) Others (Specify)		-	-
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		1,583,454	578,796

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12. Receivables from non-exchange transactions

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Current Receivables		
Revenue Receivable	-	-
Others (<i>specify</i>)	-	-
Total Current Receivables	-	-

13. Receivables from exchange transactions

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Others (<i>specify</i>)	-	-
Total Current Receivables	-	-

14. Trade and other payables

Description	FY 2024/25		FY 2023/24	
	Kshs		Kshs	
Trade Payables	-		-	
Accrued Expenses	-		-	
Retention money	-		-	
Other Payables	54,823		14,124	
Total Trade and Other Payables	54,823		14,124	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

15. Cash generated from operations.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	-	-
Adjusted For:	-	
Working Capital Adjustments		
Increase In Receivables	(-)	(-)
Increase In Payables	-	-
Net Cash Flow From Operating Activities	-	-

16. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) The County Government.
- b) Fund Administration Committee
- c) Key management.

b) Related party transactions

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Due from related parties

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Due From County Government	-	-
Total	-	-

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d) Due to related parties

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Due To County Government	-	-
Total	-	-

17. Contingent assets and contingent liabilities

Contingent Assets/Liabilities	FY 2024/25	FY 2023/24
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

18. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

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

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

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

The entity has significant concentration of credit risk on amounts due from

The board of trustees sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

b) Liquidity risk management

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

The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

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

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

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

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

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
FY 2024/25			
Euro	10%	-	-
USD	10%	-	-
FY 2023/24			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

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Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (20xx: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20xx – Kshs xxx).

d) Capital risk management.

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

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Accumulated surplus	-	-
Total funds	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-%	-%

19. Events after the reporting period

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

20. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Unsupported Use of Goods and Services Expenditure-Fuel	At the time of the Audit, the mentioned documents, including detailed orders and work tickets, were not requested for verification, however, we confirm that all the necessary supporting documents, including fuel requisition orders and specific vehicle records such as work tickets with detail of fuel drawn, dates and quantities, have now been availed for verification by the audit team. See attached Annex I (Summary sheet of fuel detail, fuel requisition form and work tickets	Resolved	
	Unresolved Prior Year Matters-Missing information in Financial statement -page iii to xxiv	The financial statements for FY 2022-2023 have been restated to correct the errors above.	Resolved	
	1. Irregular Procurement Process	At the time of Audit review period, the contractors were not uploaded in the PPIP, However they have been fully uploaded. See attached Annex 3	Resolved	
	2. Lack of Approved Budget	Indeed, the budget of income and expenditure was not availed at the time of Audit however there was	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		an approved budget for income and expenditure as presented in Annex 4		

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments” required above from the final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Fund responsible for the implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report.

.....
Fund Administrator

Date.....10-11-25

