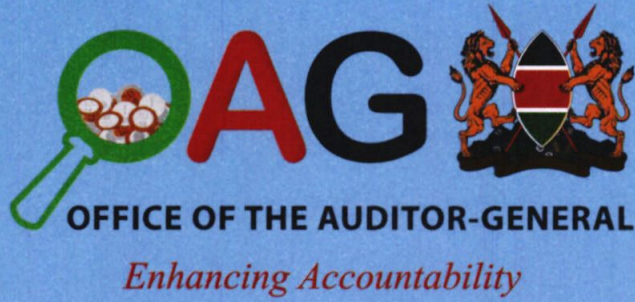


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

BUSIA COUNTY EMERGENCY FUND

**FOR THE YEAR ENDED
30 JUNE, 2024**

DATE	26.02.2025
TABLED BY	MAJORITY LEADER
COMMITTEE	
CLERK AT THE TABLE	BELIMDA



BUSIA COUNTY EMERGENCY FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

Busia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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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

Busia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

2. Key Entity Information and Management

a) Background information

The Emergency Fund is established by and derives its authority and accountability from The Public Finance Management Act, 2012 and PFM Regulations Legal Notice No. 35 (County Government) and Busia County Emergency Act, 2015. The Fund is wholly owned by the County Government of Busia and is domiciled in Kenya.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to carry out disaster risk reduction strategies, firefighting, rescue operations, safety training, fire investigations and emergency ambulance services.

c) Fund Administration Committee

Ref	Position	Name
1.	Chairman	Mr. Elijah Mwaro
2.	Committee Member	Mr. Timothy Odende
3.	Committee Member	DR. Wilberforce Lusamba
4.	Committee Member	Mr. Ahmed Adan
5.	Committee Member	Mrs. Patricia Okello
6.	Committee Member	Mr. Solomon Abwaku
7.	Fund Administrator- Accounting Officer in Charge of Finance	CPA Gypson Wafula

d) Key Management Team

Ref	Position	Name
1	Fund Administrator- Accounting Officer in Charge of Finance	CPA Gypson Wafula
2	Fund Accountant	CPA Felix Nasubo

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

The key fiduciary organs that played oversight roles at the County for the year ended 30th June, 2023 were:

1. County Assembly of Busia - Legislation and Oversight
2. The National Treasury - Designing, prescribing an efficient financial management system for national and county government to ensure transparent financial management and standard reporting.
3. The Senate - Legislation and Oversight
4. Office of the Controller of Budget - Monitoring budget execution
5. Public Sector Accounting Standards Board - Setting of generally accepted accounting and financial system standards.
6. Commission on Revenue Allocation - Division of Revenue
7. The Office of the Auditor General - Auditing of county government Accounts
8. Salaries and Remuneration Commission - Advisory on salaries and remuneration of public officers
9. World Bank - Provides technical and financial assistance to county governments.
10. Audit Committee - Provides oversight on financial reporting system, audit process, system of internal controls and compliance with laws and regulations.

f) Registered Offices

County Executive Headquarters

Town Hall Building Busia
Kisumu Highway
P.O. Box Private Bag 50400
Busia (K)

g) Fund Contacts

E-mail: info@busiacounty.go.ke
Website: www.busiacyounty.go.ke

h) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

i) Independent Auditors

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

j) Principal Legal Adviser




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

k) County Attorney





County Executive Headquarters
Town Hall Building Busia
Kisumu Highway
P.O. Box Private Bag 50400
Busia (K)

**Busia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024**


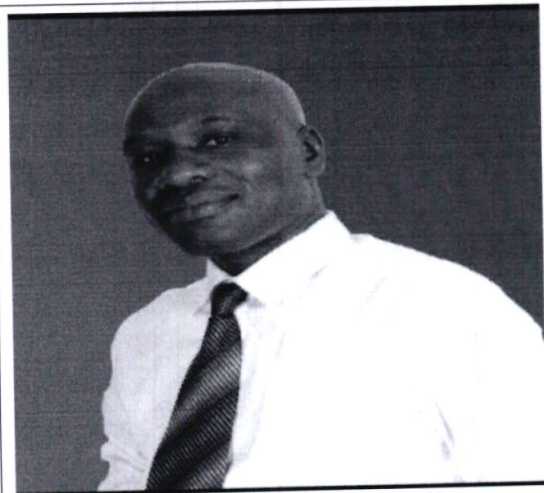
3. Fund Administration Committee (Any Other Governance Body for The Fund)

Name	Details of qualifications and experience
 <p>Mr. Elijah Mwaro Chairman</p>	<p>Work Experience: Education Qualifications: Holds B.A Degree in Education from Moi University, Senior Management Certificate from Kenya School of Government.</p> <p>Work Experience: Prior to joining the County Executive, he served as Assistant Director Hansard Services in the County Assembly of Busia Currently, serving as Chief Officer, Department of Trade, Investment Industrialization, Cooperatives, SMEs</p>
 <p>Dr. Wilberforce Lusamba Member</p>	<p>Date of Birth: 15th May, 1979 Education Qualifications: Master of Medicine in Family Medicine (The University of Havana, Cuba) Bachelor of Medicine & Bachelor of Surgery (MBChB) Diploma in Pharmacy Work Experience: Consultant Family physician Chief Officer, Medical Service & UHC, County Government of Busia</p>
 <p>Mrs. Patricia Okello</p>	<p>Date of Birth: 15th July, 1972 Education Qualifications: Master of Arts in Labour Management (UoN) Bachelor of Business Management (HRM Option)-Moi CHR(K) Higher Diploma in Business Management-Kisumu Polytechnic Diploma in Labour Studies-Kisumu Polytechnic Work Experience:</p>

**Busia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Member	Serving as Chief Officer, Public Service Management, County Government of Busia
 <p>CPA Gypson Wafula Fund Administrator- Accounting Officer in Charge of Finance</p>	<p>Qualifications: Master's Degree in Business Administration- (Finance)-UoN Bachelor of Commerce – Strathmore University Certified Public Accountant of Kenya (CPAK) Diploma in Project Management from Kenya Institute of Management</p> <p>Work Experience: -Over 10 years' experience in administration, financial management and auditing -Served as Assistant Director Internal Audit, County Assembly of Busia</p>
 <p>Mr. Solomon Abwaku Member</p>	<p>Qualifications: -MA (International Studies)</p> <p>Work Experience: -Currently serving as the Chief Officer, Office of the Governor-County Government of Busia</p>
 <p>Mr. Timothy Odende Member</p>	<p>Work Experience: Serving as County Chief Officer for Agriculture County Government of Busia- 2022-to date</p>
 <p>Ahmed Adan</p>	<p>Work Experience: Currently serving as Chief Officer for Public Works- County Government of Busia</p>

4. Key Management Team

Name	Details of qualifications and experience
 <p>CPA Gypson Wafula Fund Administrator- Accounting Officer in Charge of Finance</p>	<p>Qualifications: Master’s Degree in Business Administration- (Finance)-UoN Bachelor of Commerce – Strathmore University Certified Public Accountant of Kenya (CPAK) Diploma in Project Management from Kenya Institute of Management</p> <p>Work Experience: -Over 10 years’ experience in administration, financial management and auditing -Serving as Chief Officer Finance, County Government of Busia -Served as Assistant Director Internal Audit, County Assembly of Busia</p>
 <p>CPA Felix Nasubo Fund Accountant</p>	<p>Qualifications: Bachelor of Business Management (Moi University) Diploma in Business Management (Kenya Institute of Management) CPA-K, CS-K</p> <p>Work Experience: Over 12 years’ experience in Finance and Audit Accountant, County Government of Busia Finance & Audit Senior, Graham Lee & CPA Consultants</p>

5. Report of the Chairman of the Fund

Busia County Emergency Fund draws its mandate from the Public Finance Management Act, 2012 PFM Regulations Legal Notice No. 35 (County Government) and Busia County Emergency Act, 2015 which provides the guidelines for its function and operations. Its mandate includes but not limited to carry out disaster risk reduction strategies, fire-fighting, rescue operations, safety training, fire investigations and emergency ambulance services.

During the year the country was faced by environmental challenges affecting climate change resulting to acute drought and flood which caused water-borne diseases, food shortages, lack of clean drinking water and so many other challenges such as displacement of people.

As a fund we moved swiftly to take mitigation measures to stop further suffering amongst our people. A multi- agency team was put in place to ensure we carry out our mandate effectively. Resources were mobilized to alleviate these challenges by providing humanitarian aid to the affected families. Food supplies and medical equipment were provided to the vulnerable families.
number

To mitigate against future calamities, the fund is procuring services to set up risk management, emergencies and evacuation centres in various sub-counties. The government is also procuring ambulances and fire engines to bolster the emergency preparedness to mitigate against any disaster in the event of any occurrence. In the next financial year, funds have been set aside to ensure our risk and emergency teams are adequately trained and prepared to handle any emergency that occurs in the future.

The government is also undertaking the opening of Lower Nzoia River canal in Bunyala to control the floor of water downstream to mitigate against the floods. To mitigate against drought, the county government is spearheading food productivity by promoting mechanized modern farming by our people through irrigation and planting of drought resistant crops to ensure food security is achieved.

.....


Mr. Elijah Mwaro
Chairman

6. Report of The Fund Administrator

Busia County Emergency Fund draws its mandate from the Public Finance Management Act, 2012 and the Busia County Emergency Act, 2015 which provides the guidelines for its function and operations. Its mandate includes but not limited to carry out disaster risk reduction strategies, firefighting, rescue operations, safety training, fire investigations and emergency ambulance services.

This being a new fund as established, the department is still working on the operationalization of key staffers to ensure seamless service delivery to the people. The fund has received secondment of key operation staffs from other departments who have bolstered its operation in the just concluded financial year.

Delays in remittance of budgetary allocations for financial operations has been a great challenge in the overall performance of the Fund. This has negatively impacted in the procurement and supply of key items necessary for humanitarian support during emergencies. The funds are disbursed late by the exchequer hence hampering the smooth flow of operations for the fund as contemplated under the Act.

During the year ended June 2024, we procured items amounting to Kshs. 31,715,255.00 towards the emergency response. The funds were received toward the close of the financial year, something that hindered smooth operations of our emergency needs. However, we were able to pay our supplier their dues for goods and services procured.



.....

CPA Gypson Wafula

Fund Administrator- Accounting Officer in Charge of Finance

**Busia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

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

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

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

- a) *to carry out disaster risk reduction strategies, firefighting, rescue operations, safety training, fire investigations and emergency ambulance services.*
- b) *to focus on disaster risk reduction, enhance public safety and*
- c) *emergency responses*
- d) *and enhance public awareness and disaster response.*

Progress on the attainment of Strategic development objectives

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>
1. Flood mitigation	Dredging of River Nzoia Lower land	Humanitarian assistance to affected families in lower land	Issuance of relief food, medical assistance and other humanitarian aid to affected families in Budalangi	Food and water supply to affected families

8. Statement of Corporate Governance

Corporate Governance defines the process and structure used to direct and manage the business of the Corporation with the aim of ensuring and enhancing efficiency and accountability in the use and deployment of scarce public resources to increase shareholders long-term value while considering the interests of other stakeholders.

The Fund adheres to and complies with Mwongozo, the Code of Governance for State Corporations, provisions of the Constitution of Kenya 2010, The County Governments Act, 2012 and the Busia County Emergency Act, 2015. The Committee has developed the necessary policies, processes, systems and procedures that continue to guide our operations. The Fund regularly reviews and updates the measures with a view to institute and embrace the changes in the operating environment and to ensure adoption of best practice. The committee therefore confirms that the Fund complies with all relevant legislations, government guidelines and directives.

Governance Structure

According to the Corporation's charter and the requirements set forth by "Mwongozo", the Fund has adopted the following governance structure:

- (a) Board of Directors
- (b) Board Committees:
- (c) Management

Committee

The committee comprises ten members including the Chairman and Fund Administrator. The committee board members are drawn from different professional backgrounds. The Fund thus continues to maintain a highly skilled, competent and diversified committee. To fulfil its fiduciary responsibility to the stakeholders, the committee has continued to maintain control and guide the strategy and compliance issues of the Fund.

Whilst the committee provides oversight and remains responsible for establishing and maintaining overall internal controls over financial, operational and compliance issues, it has delegated authority to the Fund Administrator who oversees daily operations of the Fund. In execution of its duties, the committee is well facilitated and holds quarterly meetings to ensure that they perform their fiduciary duties. The committee performed its functions by holding statutory meetings.

9. Management Discussion and Analysis

The Busia County Emergency Fund has enhanced the operational and risk management framework to ensure 100% compliance to legal, regulatory and operational policies and procedures. Improved compliance to operational, legal, regulatory and operational policies and procedures within the ADP's economic empowerment interventions. There is structured program with legal and regulatory framework, efficient and compliant programme risk management policies developed. In addition, there is a restructured internal audit and compliance department that audits the activities. The external audit is carried out by the independent office of the Auditor General as established under the Constitution of Kenya and the mandated to perform its functions under the Public Audit Act.

During the year under review, the country experienced drastic environmental challenges caused by climate change resulting in acute drought and flood which caused suffering to our people residing in downstream and lowlands. This caused outbreak of waterborne diseases, food shortages, lack of clean drinking water and so many other challenges such as displacement of people.

The Fund allocated colossal amounts of money to help in mitigating measures to stop further suffering amongst our people. A multi- agency team was put in place to ensure we carry out our mandate effectively. Resources were mobilized to alleviate these challenges by providing humanitarian aid to the affected families. Food supplies and medical equipment were provided to the vulnerable families. Number. The county government in conjunction with other well-wishers such as Red cross put together resources to address the situation. The county Government of Busia procured goods worth Kshs. 31,715,255.00 for the emergency relief to the affected families.

To mitigate against future calamities, the fund is procuring services to set up risk management, emergencies and evacuation centres in various sub-counties. The government is also procuring ambulances and fire engines to bolster the emergency preparedness to mitigate against any disaster in the event of any occurrence. In the next financial year, funds have been set aside to ensure our risk and emergency teams are adequately trained and prepared to handle any emergency that occurs in the future.

The County Government of Busia in collaboration with the National Government is also undertaking the opening of Lower Nzoia River canal in Bunyala to control the floor of water downstream to mitigate against the floods. To mitigate against drought, the county government is spearheading food productivity by promoting mechanized modern farming by our people through irrigation and planting of drought resistant crops to ensure food security is achieved.

This will give require an additional funding in the next financial year to be able to achieve all these goals and ensure lives are protected during occurrence of calamities such flood, drought, fires, pandemics and diseases.

10 Environmental and Sustainability Reporting

1. Sustainability strategy and profile

The county's vision is to be a transformative and progressive county for sustainable and equitable development encapsulates a systemic visionary strategy of sustainability. In this strategy, we lay emphasis on prudent use and exploitation of our limited resources to meet the needs of our stakeholders today without compromising the ability of future generations to meet their own needs. The county has incorporated economic social and environmental factors into its strategy. In terms of economy, we endeavour to consistently deliver value for money to our stakeholders through efficient use of resources and taking advantage of our positioning as the gateway to East and Central Africa to drive investment. In the social sphere, we take into account the individual interests of various stakeholders. Respect for human rights, provision of equal opportunities for all in all county processes and upholding ethical behaviour and fair labour practices. In the environmental arena we protect biodiversity, reduce pollution and mitigate the impacts of climate change. Currently the county is implementing Kenya climate smart agriculture and the water tower protection and climate change mitigation Programs aimed at promoting sustainable use of natural resources.

2. Environmental performance

The county has put in place an environmental safety management framework that is used to screen all investments against environmental safety and social safeguards. The county has gazette environmental committees which meet regularly to review the environmental impacts of investments.

Investments that require Environmental Impact Assessment (EIA) are identified and with NEMA the assessments are done and licenses for the projects issued.

Each project implemented has an Environmental Management Plan (EMP) alongside social safeguards plans that are strictly adhered to.

At project sites complaints handling mechanisms and personnel are available to address the day to day environmental and social issues

3. Employee welfare

Selection and recruitment policy of the County gives equal opportunity for all and also equal pay for equal work done regardless of gender. Gender balance is at 54% females compared to 46% males. This has been driven by mainly the ECD teachers and nurses who are predominantly female. PLWDs are in all cadres of the county public service. Ethnic balance, minorities and the marginalized are considered during and given priority in recruitment. County departments carry out staff training needs assessments and are required to induct all new employees within three months of their employment.

The County through the department of public service management has developed skills and competence framework for its employees who all have job descriptions. In addition to that it has also put in place a performance management system with performance contracting as a tool.

Busia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

CECMs sign PCs with the Governor, Chief Officers with CECMs and Directors with CCOs. All other employees are put on a performance appraisal system (PAS). This system has inbuilt rewards and sanctions framework. County employees have been sensitized on OSHA Act 2007.

4. Market place practices-

i. Responsible competition practice.

The County has embraced the leadership and integrity act of 2012 and where there is a conflict-of-interest employees are mandated to declare. The county advertises for its bids in public and posts them in the county website which is accessible to all freely.

ii. Responsible Supply chain and supplier relations-

The county promotes fair trade practices and focuses on improving its ease of doing business by enforcing contracts, paying contractors timely and connecting business premises with utilities like water roads sewerage promptly, county services are available at Huduma centre and it has automated revenue collection alongside the adoption of E-procurement. Following the National Treasury and the Controller of Budget circulars, the county has prioritized settling of pending bills.

iii. Responsible marketing and advertisement-

The services we offer our customers are as espoused in article 232 of the constitution of Kenya 2010. In the provision of these services, we don't deceive our clients and manipulate the costs. We also respect their privacy while focusing on social and environmental benefits.

iv. Product stewardship-

The county embraces article 46 of the constitution on consumer rights. This guarantees consumers with services of high quality. In case of dissatisfaction, we have a complaints mechanism in place with designated officers to offer remedies. Where we are unable to resolve the complaint amicably we escalate the complaints to Commission of Administrative Justice (CAJ). All county departments have developed Citizen's Service Delivery Charters which are displayed prominently at the points of service delivery. Regular follow up is carried out to check on the conformance with the commitments in the charter.

v. Community Engagements-

The county government focuses on Socially Inclusive Development (SID) where we engage with our communities from inception, planning, design, implementation, closure and monitoring and evaluation of the projects impacts. The county has a robust public participation/civic education strategy with a public participation and civic education Act. The County also plans to engage beyond the budget process through ward cultural activities across the county. Through the ward

Busia County Emergency Fund

Annual Report and Financial Statements for the year ended June 30, 2024

fund, sporting tournaments have been supported countywide which have promoted talent search and peace building efforts among the communities. PLWDs have also been incorporated through procurement and distribution of devices like wheel chairs and hearing aids. Select community groups have received cash grants to support women and youth groups in socio-economic empowerment

**Busia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

11. Report of The Committee

The Committee submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are to carry out disaster risk reduction strategies, firefighting, rescue operations, safety training, fire investigations and emergency ambulance services. The sub-sector role is to focus on disaster risk reduction, enhance public safety and emergency responses and enhance public awareness and disaster response.

Results

The results of the Fund for the year ended June 30, 2024 are set out on page 1 to 5.

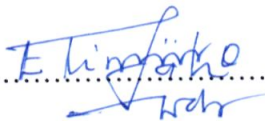
Committee

The Fund Committee Members who served during the year are shown on page vi. The changes in the Committee during the financial year are as shown below: *(Not applicable)*

Auditors

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

By Order of the Board



.....
Mr. Elijah Mwaro
Chairman

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, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the Emergency Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Busia County Emergency Act, 2015. 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, 2024, 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

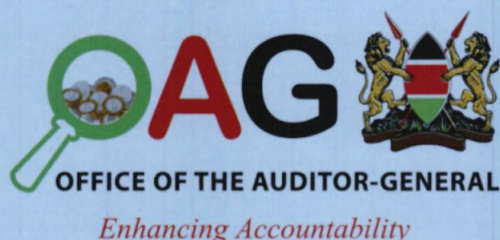
The Fund's financial statements were approved by the Committee on 25/09 2024 and signed on its behalf by:


.....

CPA Gypson Wafula
Fund Administrator- Accounting Officer in Charge of Finance

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON BUSIA COUNTY EMERGENCY FUND FOR THE YEAR ENDED 30 JUNE, 2024

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.
- 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.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, 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

Qualified Opinion

I have audited the accompanying financial statements of Busia County Emergency Fund set out on pages 1 to 31 which comprise of the statement of financial position as at 30 June, 2024, and the statement of financial performance, statement of changes in net

Report of the Auditor-General on Busia County Emergency Fund for the year ended 30 June, 2024

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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Busia County Emergency Fund as at 30 June, 2024, 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, and the Busia County Disaster management Act, 2015.

Basis for Qualified Opinion

1. Unconfirmed Emergency Expenses

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects emergency expenses of Kshs.31,715,255 for the year ended 30 June, 2014. The amount includes expenditure of Kshs.1,904,586 being supply and delivery of fumigation and cleaning materials to Bunyala Sub-County Wards. However, Management did not explain how the expenditure qualified as emergency. Further, the expenditure was not supported by a list of beneficiaries, contact information of beneficiaries and criteria for distribution to beneficiaries. Further, emergency expenses of Kshs.31,715,255 were incurred on 8 and 9 July, 2024, after the end of the financial year ended 30 June, 2024.

In the circumstances, the accuracy, completeness and propriety of the emergency expenses amounting to Kshs.31,715,255 could not be confirmed.

2. Unconfirmed Transfers from County Government

The statement of financial performance and as disclosed in Note 6 to the financial statements reflects transfers from the County Government amounting to Kshs.35,800,000. However, the financial statements of the County Executive of Busia reflects Nil corresponding transfers to Busia County Emergency Fund, resulting to unexplained variance of Kshs.35,800,000.

In the circumstances, the accuracy and completeness of transfers from County Government amounting to Kshs.35,800,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Busia 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 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. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matter described in the Basis for Conclusion, 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

Operating without a Sub-County and Ward Disaster Management Committee

The Fund operated without a Sub-County and Ward disaster management committee and no minutes of the committee meetings were provided for audit verification contrary to Section 14(1) of the Busia County Disaster Management Act, 2015 that provides that there is an established a Sub-County Disaster Management Committee and Section 16(1) of the Busia County Disaster Management Act, 2015 that provides for establishment of Ward Disaster Management Committee.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall 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 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 sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to 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 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

19 December, 2024


Busia County Emergency Fund


Annual Report and Financial Statements for the year ended June 30, 2024

14. Statement of Financial Performance for the Year Ended 30th June 2024

Description	Note	2023/2024
		Kshs
Revenue From Non-Exchange Transactions		
Transfers From the County Government	6	35,800,000
Public Contributions and Donations	7	-
		-
Revenue From Exchange Transactions		
Finance Income	8	-
		-
Total Revenue		35,800,000
Expenses		
Emergency Expenses	9	31,715,255
Use of goods and services	10	-
Total Expenses		31,715,255
Surplus/(Deficit) for the Year		4,084,745

(The notes set out on pages 6 to 24 form an integral part of these Financial Statements)



.....
Name: CPA GYPSON WAFULA
Fund Administrator
ICPAK Member Number: 20335
Date 26/09/2024



.....
Name: CPA FELIX NASUBO
Fund Accountant
ICPAK Member Number: 11353
Date

Busia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

15. Statement of Financial Position As at 30 June 2024

Description	Note	2023/2024
		Kshs
Assets		
Current Assets		
Cash and Cash Equivalents	11	4,084,745
Receivables from non-exchange transactions	12	-
Receivables from exchange transactions	13	-
Total current assets		4,084,745
Total Assets (A)		4,084,745
Liabilities		
Current Liabilities		
Trade and Other Payables	14	-
Total current liabilities		-
Total Liabilities (B)		-
Net Assets (A-B)		4,084,745
Represented By:		
Accumulated Surplus		4,084,745
Net Assets		4,084,745


 Name: CPA GYPSON WAFULA
 Fund Administrator
 ICPAK Member Number: 20335
 Date: 26/09/2024


 Name: CPA FELIX NASUBO
 Fund Accountant
 ICPAK Member Number: 11353
 Date:

Busia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

16. Statement Of Changes in Net Assets for the year ended 30th June 2024

Description	Accumulated surplus/Deficit KShs
Balance As At 1 July 2023	-
Surplus/(Deficit) For the Year	4,084,745
Balance As At 30 June 2024	4,084,745

Busia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

17. Statement of Cash Flows for The Year Ended 30 June 2024

Description	Note	2023/2024
		Kshs.
Cash flows from operating activities		
Receipts		
Receipts From the County Government		35,800,000
Public Contributions and Donations		-
Interest received		-
Total receipts		35,800,000
Payments		
Emergency Expenses		31,715,255
Use of goods and services		-
Total Payments		31,715,255
Net cash flows from operating activities	15	4,084,745
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		4,084,745
Cash and cash equivalents at 1 July 2023	11	-
Cash and cash equivalents at 30 June 2024		4,084,745

Busia County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 20xx

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
Revenue						
Transfers From County Govt.	35,800,000	-	35,800,000	35,800,000.00	-	100%
Public Contributions and Donations	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Total Income	35,800,000	-	35,800,000	35,800,000	-	
Expenses						
Emergency Expenses	35,800,000	-	35,800,000	31,715,255	4,084,745	89%
Use of goods and services	-	-	-	-	-	-
Total Expenditure	35,800,000	-	35,800,000	31,715,255	4,084,745	
Surplus For the Period	-	-	-	4,084,745		

Busia County Emergency Fund
Annual Report and Financial Statements For the year ended 30th June 2024

19. Notes to the Financial Statements

1. General Information

The Emergency Fund is established by and derives its authority and accountability from PFM Act and The Busia County Emergency Act, 2015. The fund is wholly owned by the Busia County Government and is domiciled in Kenya. The fund's principal activity is to carry out disaster risk reduction strategies, firefighting, rescue operations, safety training, fire investigations and emergency ambulance services. The sub-sector role is to focus on disaster risk reduction, enhance public safety and emergency responses and enhance public awareness and disaster response.

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 2024

There are no new standards effective in the financial year ended 30th June 2024.

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact
IPSAS 43 Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of

Standard	Effective date and impact
	<p>financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<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>
<p>IPSAS 45- Property Plant and Equipment</p>	<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.</p> <p>The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p>

Busia County Emergency Fund

Annual Report and Financial Statements For the year ended 30th June 2024

Standard	Effective date and impact:
	<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.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>
IPSAS 47- Revenue	<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>
IPSAS 48- Transfer Expenses	<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>
IPSAS 49- Retirement Benefit Plans	<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</p>

Busia County Emergency Fund
Annual Report and Financial Statements For the year ended 30th June 2024

Standard	Effective date and impact:
	sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

(iii) Early adoption of standards

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

Busia County Emergency Fund
Annual Report and Financial Statements For the year ended 30th June 2024

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 2023/2024 was approved by the County Assembly on 24th July, 2023. 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 never recorded additional appropriations of any amount on the FY 2023/2024 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 financial performance has been presented under section 18 of these financial statements.

c) Financial instruments

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

Financial assets

Classification of financial assets

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

Busia County Emergency Fund
Annual Report and Financial Statements For the year ended 30th June 2024

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. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

i) Related parties

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

j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

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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.

Busia County Emergency Fund

Annual Report and Financial Statements For the year ended 30th June 2024

6. Transfers from the County Government

Description	2023/2024
	Kshs
Transfers From Busia County Department	35,800,000
Others (<i>specify</i>)	-
Total	35,800,000

7. Public contributions and donations

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

8. Finance Income

Description	2023/2024
	Kshs
Interest Income on Bank Deposits	-
Total Finance Income	-

9. Emergency Expenses

Description	2023/2024
	Kshs.
Drought related expenses	-
Fire related expenses	-
Flood related expenses	31,715,255
Other (<i>Specify</i>)	-
Total	31,715,255

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10. Use of Goods and Services

Description	2023/2024	
	Kshs.	
Bank Charges		-
Audit Fees		-
Other (Taxes)		-
Total		-

11. Cash and cash equivalents.

Description	2023/2024	
	Kshs	
Current Account		4,084,745
Others (<i>Specify</i>)		-
Total Cash and Cash Equivalents		4,084,745

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

Financial Institution	Account number	2023/2024	
		Kshs	
a) Current Account			
Central Bank of Kenya	1000722948		4,084,745
Sub- Total			4,084,745
b) Others (Specify)			-
Cash In Transit			-
Cash In Hand			-
Sub- Total			-
Grand Total			4,084,745

12. Receivables from non-exchange transactions

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

Busia County Emergency Fund

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13. Receivables from exchange transactions

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

14. Trade and other payables

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

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15. Cash generated from operations.

Description	2023/2024	
	Kshs	
Surplus/ (Deficit) For the Year Before Tax		4,084,745
Adjusted For:		-
		-
Working Capital Adjustments		-
Increase In Receivables		-
Increase In Payables		-
Net Cash Flow From Operating Activities		4,084,745

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	2023/2024	
	Kshs	
Transfers From Related Parties'		-
Transfers To Related Parties		-

c) Due from related parties

Description	2023/2024	
	Kshs	
Due From County Government		-
Total		-

**Busia County Emergency Fund
Annual Report and Financial Statements For the year ended 30th June 2024**

d) Due to related parties

Description	2023/2024
	Kshs
Due To County Government	-
Total	-

17. Contingent assets and contingent liabilities

Contingent Assets/Liabilities	2023/2024
	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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Annual Report and Financial Statements For the year ended 30th June 2024

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

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

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

The entity has no significant concentration of credit risk on amounts due.

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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Annual Report and Financial Statements For the year ended 30th June 2024

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
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	
At 30 June (2024)			
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
(2023/2024)		-	-
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.

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	2023/2024
	Kshs
Accumulated surplus	4,084,745
Total funds	4,084,745
Less: cash and bank balances	4,084,745
Net debt/(excess cash and cash equivalents)	-
Gearing	0.00%

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)	Timeline: (Put a date when you expect the issue to be resolved)
-	-	-	-	-



CPA Gypson Wafula
Fund Administrator- Accounting Officer in Charge of Finance

Date: 26/09/2024

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Annex II: Inter-Entity Confirmation Letter

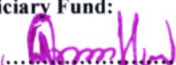
Name of transferring entity: COUNTY GOVERNMENT OF BUSIA

Name of beneficiary entity: BUSIA COUNTY EMERGENCY FUND

Confirmation of amounts received by Busia County Emergency Fund as at 30 th June 2024						
Reference Number	Date Disbursed	Amounts Disbursed by [Busia County Department] (Kshs) as at 30 th June 2024			Amount Received by Busia County Emergency Fund] (KShs) as at 30 th June 2024 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
FT24187SN9FJ	5-07-2024	35,800,000	-	35,800,000	35,800,000	-
Total		35,800,000	-	35,800,000	35,800,000	-

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

Head of Accountants department of beneficiary Fund:

Name : CPA Gypson Wafula Sign  Date 26/07/2024

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Annex III: Analysis of Emergency Expenditure

Date	Payee	Amount	Purpose of Payment	Status (spent/not spent)	Remarks
8-07-2024	FINOTECH AGENCIES LIMITED	58,965.50	SUPPLY AND DELIVERY OF FUMIGATION AND CLEANING MATERIALS	SPENT	
8-07-2024	Juzima Holdings Company Ltd	123,827.60	SUPPLY AND DELIVERY OF FUMIGATION AND CLEANING MATERIALS	SPENT	
8-07-2024	Juzima Holdings Company Ltd	218,172.40	SUPPLY AND DELIVERY OF FUMIGATION AND CLEANING MATERIALS	SPENT	
8-07-2024	FINOTECH AGENCIES LIMITED	564,408.00	SUPPLY AND DELIVERY OF FOODSTUFFS AND RATIOS	SPENT	

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8-07-2024	FINOTECH AGENCIES LIMITED	600,080.00	SUPPLY AND DELIVERY OF FOODSTUFFS AND RATIOS	SPENT	
8-07-2024	NAMARA FOODS AND SUPPLY	723,996.00	SUPPLY AND DELIVERY OF FOODSTUFFS AND RATIOS	SPENT	
8-07-2024	Juzima Holdings Company Ltd	737,068.95	SUPPLY AND DELIVERY OF FUMIGATION AND CLEANING MATERIALS	SPENT	
8-07-2024	Imbuhi General Supplies Limited	766,551.70	SUPPLY AND DELIVERY OF FUMIGATION AND CLEANING MATERIALS	SPENT	
8-07-2024	DALDA PETROL STATION LIMITED	982,758.60	SUPPLY AND DELIVERY OF FUEL AND OIL LUBRICANT	SPENT	

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8-07-2024	KAYVANOS INVESTMENT FARM LIMITED	1,001,780.00	SUPPLY AND DELIVERY OF FOODSTUFFS AND RATIOS	SPENT	
8-07-2024	Westrift Logistics Limited	1,348,600.00	SUPPLY AND DELIVERY OF FOODSTUFFS AND RATIOS	SPENT	
8-07-2024	FINOTECH AGENCIES LIMITED	1,690,202.35	SUPPLY AND DELIVERY OF FOODSTUFFS AND RATIOS	SPENT	
8-07-2024	Imbuhi General Supplies Limited	2,219,167.25	SUPPLY AND DELIVERY OF FOODSTUFFS AND RATIOS	SPENT	
8-07-2024	Westrift Logistics Limited	2,316,600.00	SUPPLY AND DELIVERY OF FOODSTUFFS AND RATIOS	SPENT	

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8-07-2024	Clayfarm Africa Limited	2,336,256.00	SUPPLY AND DELIVERY OF FOODSTUFFS AND RATIOS	SPENT	
8-07-2024	Jean Jacques Agencises	2,538,900.00	SUPPLY AND DELIVERY OF FOODSTUFFS AND RATIOS	SPENT	
8-07-2024	Ngino Holdings Company Limited	2,563,600.00	SUPPLY AND DELIVERY OF FOODSTUFFS AND RATIOS	SPENT	
8-07-2024	NAMARA FOODS AND SUPPLY	2,923,960.00	SUPPLY AND DELIVERY OF FOODSTUFFS AND RATIOS	SPENT	
8-07-2024	Pheshima Investments Ltd	7,881,120.00	SUPPLY AND DELIVERY OF FOODSTUFFS AND RATIOS	SPENT	
9-07-2024	KRA	1,034.50	Withholding Tax	SPENT	

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9-07-2024	KRA	2,172.40	Withholding Tax	SPENT	
9-07-2024	KRA	3,827.60	Withholding Tax	SPENT	
9-07-2024	KRA	12,931.05	Withholding Tax	SPENT	
9-07-2024	KRA	13,448.30	Withholding Tax	SPENT	
9-07-2024	KRA	17,241.40	Withholding Tax	SPENT	
9-07-2024	KRA	29,652.65	Withholding Tax	SPENT	
9-07-2024	KRA	38,932.75	Withholding Tax	SPENT	
		31,715,255.00			

Gypson Wafula

CPA Gypson Wafula
 Fund Administrator- Accounting Officer in Charge of Finance

Date: *20/09/2024*

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