

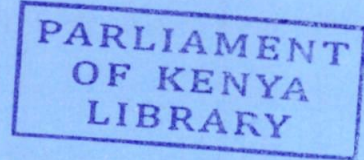
REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF



THE AUDITOR-GENERAL

ON

GARISSA REVOLVING FUND

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

PAPERS LAID	
DATE	6/5/2025
TABLED BY	Dep. Maj. W. W. W.
COMMITTEE	—
CLERK AT THE TABLE	M. M. M.

OFFICE OF THE AUDITOR GENERAL
NORTH EASTERN REGIONAL OFFICE

05 DEC 2024

RECEIVED
P.O. BOX 88-70107 GARISA



GARISSA COUNTY REVOLVING 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)



Garissa County Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
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Garissa County Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

2. Key Entity Information and Management

a) Background information

Garissa County Revolving Fund is established by and derives its authority and accountability from Garissa County fund Revolving Act, 2018 on 18th June 2018. The Fund is wholly owned by the County Government of Garissa and is domiciled in Kenya.

The fund's objective is to provide credit for micro and small enterprises owned by the youth, women and persons with disabilities.

b) Principal Activities

The principal activity/mission/ mandate of the fund is to provide interest free loans to youth, women and persons living with disability.

Vision

“The fund of choice for micro and small enterprises in Garissa County.”

Mission

“To provide affordable, accessible and sustainable interest free loans to youth, women and persons living with disability.”

Core Values

The fund upholds the values of accountability, transparency, excellence, accessibility, integrity, responsiveness, equity and team work.

c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Noor Ahmed Muhumed	Chairman
2	Gini Abdille	V/Chair
3	Aden Farah Budhul	Member
4	Milka wambui Kariuki	Member
5	Aden Harun	Member

d) Key Management Steam

Ref	Name	Position
1	Mohamed suleiman	CECM-Trade and Enterprise Development
2	Harun Mohumed	Chief Officer –Trade,Investment & Enterprise Dev.
3	Abdullahi Abubakr Omar	Fund Administrator
4	Noor Ahmed Muhumed	Chairman

(Include all positions regarded as top management for the Fund).

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Zeinab Dunto
2	Chief Officer –Trade,Investment & Enterprise Dev.	Harun Mohumed
3	Noor Ahmed Muhumed	Board Chairman

f) Registered Offices

P.O. Box 563-70100
 MK Building
 Sankuri Road
 Garissa, Kenya

g) Fund Contacts

Telephone: (254) 0720788941
 E-mail: ismail.said2002@yahoo.com
 Website: www.garissa.go.ke

h) Fund Bankers

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

Garissa County Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

2. Kenya Commercial Bank
Garissa Branch
PO Box 148-70100
Garissa-Kenya

i) Independent Auditors

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






j) Principal Legal Adviser

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





k) County Attorney

Office of the Governor
PO Box 563-70100
Garissa-Kenya

3. Board of Trustees/ Fund Administration Committee

Name	Details of qualifications and experience
<p>1.</p> 	<p><u>Noor Ahmed Muhumed - Chairman</u> <i>Date of appointment: He 14th september 2024, as County committee Chairperson</i> <i>Education background: Bachelor of Education</i> <i>Experience: over eight Years in Private Sector in Senior position .</i></p>
<p>2.</p> 	<p><u>Milka Wambui Kariuki - Member</u> <i>Date of appointment: She 14th september 2024, as County committee</i> <u>EDUCATION BACKGROUND</u> She holds a bachelor of Commerce in Procurement & Supply Chain Management University of Nairobi (2015-2018) <u>Work Experience :</u> procurement and logistics assistant: Mikfa construction Company Ltd (2016-date)</p>
<p>3.</p> 	<p><u>Aden Farah Budhul-Member</u> <i>Date of appointment: 14th September 2024, as County committee</i> <i>Education Background – Certificate in ICT</i> <i>Work experience – Work with national council person with disability</i></p>
<p>4.</p> 	<p><u>Gini Abdille –V/Chair</u> <i>Date of appointment: 27th – May 2023, as County committee Member</i> <i>Education background: Degree in community Delvelment</i> <i>Experience: ten (10) years’ experience and currently working with CARE International</i></p>
<p>5.</p> 	<p><u>Aden Harun –Member</u> <i>Date of appointment: 1st- February 2019, as Chief officer</i> <i>Education background: Bachelor of Business Administration Accounting(Optional)</i> <i>Experience: Ten(10) years in Accounting field and currently Chief Officer - Finance</i></p>

4. Management Team

Name	Details of qualifications and experience
<p>1.</p> 	<p><u>Mohamed Suleiman – CECM-Trade and Enterprise Development</u> Date of appointment: he 1st November , 2023. Education background: Bachelor in Business management (finance option) Experience: 8 years of working experience in the Public sector.</p>
<p>2.</p> 	<p><u>Harun Mohamed-Chief officer Trade, Investment and Enterprise Dev.</u> Date of appointment: He 3rd July ,2024 Education Background : Bachelor in Business management (Experience : 9 years in both private sector and public services</p>
<p>3.</p> 	<p><u>Abdullahi Abubakar Omar - Fund Administrator</u> Date of appointment: 13th May 2013 as Garissa county Fund Administrator Education background: Bachelor of commerce Experience: 12 years in public service in senior Management position .</p>
<p>4.</p> 	<p>Noor Ahmed Muhumed Chairman Date of appointment: He 14th september 2024, as County committee Chairperson Education background: MBA-strategic management Experience: over Eight Years in private sector in senior position .</p>

5. Board/Fund Chairperson's Report

It is my pleasure to present, on behalf of the fund committee, the Garissa County Revolving fund financial statements for the year ended 30th June 2024. The financial statements present the financial performance of the fund over the past year. The total fund budgeted for the year under review was Kshs 40,000,000. However due to the prolong drought the fund was reallocated to the Department of special programme. There were 1,262,000 expenditures incurred for the year under review.

The outlook of the Fund for 2023/2024 looks brighter. The fund hopes to enough funds that will be disbursed interest free loans to youths, women and persons with disabilities. This way, the fund will promote self-employment amongst youth, women and persons living with disability. The fund therefore focuses on reducing poverty through ventures at ward level by enhancing access to finances for promotion of trade enterprises and ventures at ward level for economic growth.

We are ready and all set to conduct scrutiny and vetting process of loan application forms at the both levels as provided by both GCRF Act of 2018 as well as subsidiary regulation of 2018, disbursement of fund to the successful beneficiaries would then follow respectively. After fund disbursement phase, we shall embark on capacity building of the fund beneficiaries with support from local partnership programmes and then supervisory and monitoring of businesses would ensued to follow for provision of business advisory support services to ensure high success rate in the first fund disbursement phase and the desired ultimate success of the programme.

Signed: _____



Noor Ahmed Muhumed
Chairman-Garissa County Revolving Fund

Garissa County Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

6. Report of The Fund Administrator

It is my pleasure to present Garissa Revolving Fund financial statements for the year ended 30th June 2024. There were expenditures incurred during the year under review amounting to Ksh 1,262,000

I take this opportunity to thank the board of trustees for their support. I would also want to thank all staff who are working hand in hand to ensure that Garissa Revolving Fund achieves its mission.

Signed:  _____

Abdullahi Abubakar Omar
Fund Administrator

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

The County Revolving Fund is designed to provide financial support for various community projects and initiatives that promote economic development, infrastructure improvement, and public services within the county. By offering accessible funding, the Revolving Fund aims to stimulate local economies, enhance quality of life, and ensure sustainable growth.

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 Government entities 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 Fund as per the strategic plan for *(Indicate period of the strategic plan)* are to:

a) Economic Development:

To support small businesses and entrepreneurs through low-interest loans or grants, fostering job creation and local economic growth.

b)

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Provision of Loan Disbursement	To ensure all have access to Loan facilities	Number Loans successfully applied	% of Loan facilities	No achievement Since The fund were not Disbursed

8. Corporate Governance Statement

THE COMMITTEE

The Garissa County Revolving Fund is a revolving fund established pursuant to the Garissa County Revolving Act and the County Government of Garissa Public Finance Management (PFM) regulations 2018. Its mandate is to provide car loans to members of youth, women and persons with disabilities. The fund is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. Essential to the establishment of a corporate governance framework in the fund is a formal governance structure with the fund committee at its apex. The structure is designed to ensure an informed decision-making process based on accurate reporting to the committee.

THE FUND COMMITTEE

The committee shall be made up of seven members, including the chairman, and shall consist of a chairperson and six other members identified for appointment through a competitive process. The committee members are responsible for receiving and considering loan application, and monitor loan performance after disbursement.

The committee are provided with full, appropriate and timely information that enables them to maintain full and effective control over the strategic, financial, operational and compliance issues. The day-to-day running of the operations of the fund is delegated to the fund administrator. Members of the committee have been taken through a comprehensive induction programme, and are adequately trained on their roles as board members. The trustees are professional, committed and guided by the mission, vision and core values of the Fund in execution of their duties. At the end of each financial year, the board, its committees, individual trustees and the Fund Administrator are evaluated by an independent body against targets agreed to at the beginning of the year.

BOARD MEETINGS

The committee meets quarterly or as required in order to monitor the implementation of the fund's strategic plan and achievement of the targets in the performance. The committee also plays an oversight role over all other financial and operational issues.

STATEMENT OF COMPLIANCE

The committee confirms that the fund has throughout the 2023/2024 complied with all statutory and regulatory requirements and that the fund has been managed in accordance with the principles of good corporate governance.

The fund conducted an external legal audit which confirmed that the institution had complied with all relevant laws, regulations and requirements.

With regard to compliance the fund did not fully meet the requirement that the board of trustees ought to be between five in number; the fund has informed the appointing authority on this requirement.

INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control

The trustees are responsible for reviewing the effectiveness of the fund's system of internal control which is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against unauthorized use or disposition and the maintenance of proper accounting records and the reliability of financial information used within the business or for publication. These controls are designed to manage rather than eliminate the risk of failure to achieve business objectives due to circumstances which may reasonably be foreseen and can only provide reasonable and not absolute assurance against material misstatement or loss.

The fund is guided by county Code of Ethics and Service Charter that is applicable to all employees.

Organization Structure

A clear organizational structure exists, detailing lines of authority and control responsibilities. Training plans are prepared and implemented to ensure that staff develop and maintain the required skills to fulfil their responsibilities, and that the fund can meet its future management requirements.

Strategic Plan

The business of the fund is determined by the strategic plan. The strategic plan sets out the objectives of the fund, and the annual targets to be met to attain those objectives. The strategic plan is evaluated annually to assess the achievement of those objectives.

Internal Control Framework

The fund follows county internal control framework to ensure it maintains a strong and effective internal control environment.

Management Team

The management team headed by the Fund Administrator implements the committee decisions and policies through action plans. The team meets regularly to review these action plans to ensure that the committee's objectives are achieved effectively and efficiently.

Auditor

The fund is audited by the Auditor-General.

Garissa County Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

9. Management Discussion and Analysis

The financial performance and position of the County Revolving Fund for the fiscal year ending [insert date]. It outlines key financial metrics, operational highlights, and challenges faced during the reporting period, as well as strategies for future growth.

The County Revolving Fund's revenue primarily comes from Support from the county Government and income from loans issued to local businesses. Fees associated with fund administration. Grants or contributions from other important stakeholders who may wish to join. For the fiscal year, total revenue received by Ksh 40,000,000 compared to the previous year, where no fund were received.

Total expenditures for the year were Kenya Shilling 1,266,330 reflecting: other General expenses. Administrative costs, which remained stable compared to the prior year.

A notable increase in project funding was made to support
Net Position

The net position of the Revolving Fund at year-end was Ksh 40,000,000 indicating a growth of 100 percent over the previous year. This growth is attributed to prudent financial management

10. Environmental and Sustainability Reporting

The main intention of Environmental and Sustainability Reporting is to improve the transparency of the Organizations' activities. The goal is twofold:

On one hand, Environmental and Sustainability Reporting aim to enable the organization to measure the impact of their activities on the environment, on society and on the economy. In this way, the organization can get accurate and insightful data which will help them improve their processes and have a more positive impact in society and in the world.

On the other hand, a Corporate Social Responsibility or Sustainability Reporting also allows the organization to externally communicate with their goals regarding sustainability development and Corporate Social Responsibility. This allows stakeholders such as Employees, Investors, and Donors among other interested parties, to get to know better what are the short, medium and long-term goals of the organization and make more informed decisions.

County Government of Garissa exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on five pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

Garissa County Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

11. Report of The Trustees

The fund 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 activity of the Fund is to provide financing to youth, women and persons with disability with interest free loans in order to expand access to finance, generate self-employment, and ultimately reducing poverty level within the county

Results

The results of the Fund for the year ended June 30, 2024 are set out on pages 14 to 27.

County Fund Committee

The members of the County Fund Committee who served during the year are shown on page 4-5.

Auditors

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

By Order of the County Fund Committee



Chair of the Board/Fund Administration Committee

Date: 30th SEP 2024

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

Approval of the financial statements

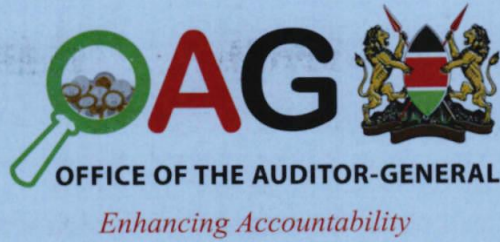
The Fund’s financial statements were approved by the Board on 30th sep 2024 2024 and signed on its behalf by:



.....
Administrator of the County Public Fund

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 GARISSA COUNTY REVOLVING 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 Garissa County Revolving Fund set out on pages 1 to 38, which comprise of the statement of financial position as at

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

30 June, 2024 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, except for the effect of 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 Garissa County Revolving 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 Garissa County Revolving Fund Act, 2018 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Cash and Cash Equivalents Balance

The statement of financial position reflects a cash and cash equivalents balance of Kshs.38,742,847 as disclosed in Note 12 to the financial statements. However, supporting documents including bank reconciliations and board of survey reports for the accounts operated by the Fund were not provided for audit.

In the circumstances, the accuracy and completeness of cash and cash equivalent balance of Kshs.38,742,847 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Garissa County Revolving 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.

Emphasis of Matter

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.45,000,000 and Kshs.40,000,000 respectively resulting to an under-funding of Kshs.5,000,000 or 11% of the budget. Similarly, the Fund spent Kshs.1,266,330 against actual receipts of Kshs.40,000,000 resulting to an under-utilization of Kshs.38,733,670 or 97% of revenue received.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on the operations of the Fund.

My opinion is not modified in respect of this matter.

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. Except for the matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Annex 1 of the financial statements indicates that the issues were resolved. However, Management did not provide evidence that the report was tabled before the County Assembly or the Senate and that the issues were resolved.

Other Information

The Management is responsible for the other information set out on page iii to xvi which comprise of Key Entity Information and Management, Fund Administration Committee, Management Team, Funds Chairperson's Report, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Trustees 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements

The financial statements were submitted to the Auditor-General on 17 October, 2024 instead of on or before the statutory deadline of 30 September, 2024. This was contrary to Section 81(4) (a) of the Public Finance Management Act, 2012 which requires the Accounting Officer to prepare and submit financial statements to the Auditor-General not later than three months after the end of the financial year.

In the circumstances, Management was in breach of the law

2. Non-Compliance with Loan Repayment and Annual Reporting Regulations

Management did not establish the required loan repayment conditions. This was contrary to Section 15 of the Garissa County Revolving Fund Act, 2018 which requires the establishment of loan repayment conditions by the committee in consultation with the County Executive Committee Member responsible for trade and enterprise affairs development. In addition, Management did not submit estimates of income and expenditure to the County Executive Committee Member for Finance.

In the circumstances, Management was in breach of the law

3. Non-Compliance with Annual Reporting Regulations

Management did not submit quarterly reports detailing project proposals and disbursement status to the County Executive Committee Member for Trade and Enterprise Affairs. This was contrary to Regulation 16(1)(a) of the Garissa County Revolving Fund Regulations, 2018 which requires the County Revolving Fund Committee to submit quarterly reports to the Executive Committee Member for matters relating to trade and enterprise affairs containing summary of project proposals approved by the Committee in the preceding quarter and indicating the funding status of such projects.

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

The audit was conducted in accordance with ISSAIs 3000 and 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, 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 ISSAIs 2315 and 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and the Fund Administration Committee

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accruals 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 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.

The 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.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires 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 IFPP 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 also 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, SBS
AUDITOR-GENERAL

Nairobi

06 December, 2024

Garissa County Revolving 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	2022-2023
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1		
Transfers From the County Government	2	40,000,000	
Fines, Penalties and Other Levies	3		
Revenue From Exchange Transactions			
Interest Income	4		
Other Income	5		
Total Revenue		40,000,000	
Expenses			
Fund Administrators Cost	6	350,000	
Use of goods and services	7	912,000	
Depreciation and Amortization Expense	8		
Finance Costs	9	4,330	
Total Expenses		1,266,330	
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10		
Gain /Loss on fair value of investments	11		9,177
Surplus/(Deficit) for the Period		38,733,670	9,177

Abdullahi Abukar Omar

Name: *AB*
Administrator of the Fund

Robert Wachage

Name: *Robert Wachage*
Fund Accountant
ICPAK Member Number: *22404*

Garissa County Revolving Fund
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15. Statement of Financial Position As at 30 June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	38,742,847	9,177
Current Portion of Long- Term Receivables From Exchange Transactions	13		
Prepayments	14		
Inventories	15		
Investments in financial assets	16		
Total current assets		38,742,847	9,177
Non-Current Assets			
Property, Plant and Equipment	17		
Intangible Assets	18		
Long Term Receivables from Exchange Transactions	13		
Investment Property	19		
Total non- current assets			
Total Assets (A)			
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20		
Current Provisions	21		
Current Portion of Borrowings	22		
Employee Benefit Obligations	23		
Social benefit liabilities	24		
Total current liabilities			
Non-Current Liabilities			
Non-Current Provisions	21		
Long Term Portion of Borrowings	22		
Non-Current Employee Benefit Obligation	23		
Social benefit liabilities	24		

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Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Total Liabilities (B)			
Net Assets (A-B)		38,742,847	9,177
Represented By:			
Revolving Fund		38,733,670	9,177
Reserves			
Accumulated Surplus		9,177	9,177
Net Assets		38,742,847	9,177

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2024 and signed by:

Abdulkadir Abdikar
 Name: *ABD*
 Administrator of the Fund

Robert Wachungo
 Name: *Robert Wachungo*
 Fund Accountant
 ICPAK Member Number: *22404*

Garissa County Revolving Fund
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16. Statement of Changes in Net Assets for the year ended 30th June 2024

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July (2022)			9,177	9,177
Surplus/(Deficit) For the Period		-	-	
Funds Received During the Year		-		
Transfers				
Revaluation Gain			-	
Balance As At 30 June (2023)			9,177	9,177
Balance As At 1 July (2023)			9,177	9,177
Surplus/(Deficit) For the Period		-	38,733,670	38,733,670
Funds Received During the Year		-		
Transfers				
Revaluation Gain			-	
Balance As At 30 June (2024)			38,742,847	38,742,847

Garissa County Revolving Fund

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

Description	Note	2023-2024	2022-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations			
Transfers from the county government		40,000,000	
Interest received			
Receipts from other operating activities			
Total receipts		40,000,000	
Payments			
Fund administration expenses		(350,000)	
General expenses		(912,000)	
Finance cost		(4,330)	
Other payments			
Net cash flows from operating activities	24	(38,733,670)	
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets			
Proceeds from sale of property, plant & equipment			
Proceeds from loan principal repayments			
Loan disbursements paid out			
Net cash flows used in investing activities			
Cash flows from financing activities			
Proceeds from revolving fund receipts			
Additional borrowings			
Repayment of borrowings			
Net cash flows used in financing activities			
Net increase/(decrease) in cash & cash equivalents			
Cash and cash equivalents at 1 July 2023		9,177	9,177
Cash and cash equivalents at 30 June 2024		38,742,847	9,177

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

Garissa County Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

18. Statement Of Comparison Of Budget And Actual Amounts For The Period 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs					
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations						
Transfers From County Govt.	50,000,000	(5,000,000)	45,000,000	40,000,000	5,000,000	88.9%
Interest Income		-				
Other Income		-				
Total Income	50,000,000	(5,000,000)	45,000,000	40,000,000	5,000,000	88.9%
Expenses						
Fund Administration Expenses	1,500,000	(150,000)	1,350,000	350,000	1,000,000	25.9%
General Expenses	48,490,000	(4,850,000)	43,640,000	912,000	42,728,000	2.9%
Finance Cost	10,000	-	10,000	4,330	5,670	43.3%
Total Expenditure	50,000,000	(5,000,000)	45,000,000	1,266,330	43,733,670	2.8%
Surplus For the Period				38,733,670		

Budget notes

- The fund were not utilized on time because of the process for disbursement wasn't due*

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Garissa County Revolving entity is established by and derives its authority and accountability from Revolving Fund Act. The entity is wholly owned by the Garissa County Government and is domiciled in Kenya. The entity’s principal activity is Garissa.

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 cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

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

There were no new and amended standards issued in the financial year.

(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	<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. 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	<i>Applicable 1st January 2025</i> The Standard requires, 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:

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	Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: <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. iv. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees

Garissa County Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

	and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
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(i) Early adoption of standards

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

2. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (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.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2024 was approved by the County Assembly on Garissa. 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 entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Garissa on the FY 2024 budget following the governing body's approval.

The entity'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.

Summary of Significant Accounting Policies (Continued)

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 xxx of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

a) Intangible Assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

b) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately)* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Summary of Significant Accounting Policies (Continued)

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 entity 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 entity 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 entity'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.

Summary of Significant Accounting Policies (Continued)

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity 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*

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

e) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

f) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

The Entity 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 remote.

Contingent assets

The Entity 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.

h) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

i) Changes in accounting policies and estimates

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

j) Employee benefits – Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

Summary of Significant Accounting Policies (Continued)

k) 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.

l) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

m) Related parties

The Entity 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.

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

o) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

The preparation of the Entity'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 e.g.

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.

(Include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)

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6. Notes To The Financial Statements Continued

1. Public contributions and donations

Description	2023-2024	2022-2023
	Kshs	Kshs
Donation From Development Partners		
Contributions From The Public		
Total		

(Provide brief explanation for this revenue)

2. Transfers from County Government

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers From County Govt. –Operations	40,000,000	
Payments By County On Behalf Of The Entity		
Unconditional Development grants		
Total	40,000,000	

3. Fines, penalties and other levies

Description	2023-2024	2022-2023
	Kshs	Kshs
Late Payment Penalties		
Fines		
Total		

4. Interest income

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest Income from Mortgage Loans		
Interest Income From Car Loans		
Interest Income From Investments in financial assets		
Interest Income On Bank Deposits		
Total Interest Income		

(Provide brief explanation for this revenue)

Notes to the Financial Statements Continued

5. Other income

Description	2023-2024	2022-2023
	Kshs	Kshs
Insurance Recoveries		
Income from Sale of Tender Documents		
Bad debts recovered		
Miscellaneous Income		
Total Other Income		

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified. Disclose write backs if any or recoveries from write offs).

6. Fund Administrators Cost

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries And Wages		
Staff Gratuity		
Staff Training Expenses		
Social Security Contribution		
Fund Administrators Cost	350,000	
Total		

7. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs.	Kshs.
General Office Expenses	912,000	
Loan Processing Costs		
Professional Services Costs		
Administration Fees		
Committee Allowances		
Bank Charges		
Electricity And Water Expenses		
Fuel And Oil Costs		
Insurance Costs		
Postage And Courier		

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Description	2023-2024	2022-2023
	Kshs.	Kshs.
Printing And Stationery		
Rental Costs		
Security Costs		
Telephone And Communication Expenses		
Bank Charges	4,330	
Audit Fees		
Provision For Doubtful Debts		
Other (<i>Specify</i>)		
Social benefit expenses*		
Total	916,330	

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42

8. Depreciation and Amortization Expense

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Property Plant and Equipment		
Intangible Assets		
Total		

9. Finance costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest On Bank Overdrafts		
Interest On Loans From Banks		
Total		

Garissa County Revolving Fund
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10. Gain/(loss) on disposal of assets

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, Plant and Equipment		
Intangible Assets		
Total		

11. Gain/ (loss) on Fair Value Investments

Description	2023-2024	2022-2023
	Kshs	Kshs
Investments at Fair Value- Equity investments		
Fair value – Investment property		
Fair value- other financial assets (specify)		
Total Gain		

12. Cash and cash equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Car Loan Account		
County Mortgage Account		
Fixed Deposits Account		
On – Call Deposits		
Current Account	38,742,847	9,177
Others (<i>Specify</i>)		
Total Cash And Cash Equivalents	38,742,847	9,177

Notes to the Financial Statements Continued

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

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank			
Equity Bank, Etc.			
Sub- Total			
b) On - Call Deposits			
Kenya Commercial Bank			
Equity Bank - Etc.			
Sub- Total			
c) Current Account			
Kenya Commercial Bank			
Bank B			
Sub- Total			
d) Others(Specify)			
Cash In Transit			
Cash In Hand			
Sub- Total			
Grand Total			

13. Receivables from exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Interest Receivable		
Current Loan Repayments Due		
Other Exchange Debtors		
Less: Impairment Allowance		
Total Current Receivables		
Non-Current Receivables		
Long Term Loan Repayments Due		
Total Non- Current Receivables		
Total Receivables From Exchange Transactions		

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years		
Accrued interest receivable from of long-term loans of previous years		
Interest receivable from current portion of long-term loans issued in the current year		
Current loan repayments due		
Current portion of long-term loans from previous years		
Accrued principal from long-terms loans from previous periods		
Current portion of long-term loans issued in the current year		

14. Prepayments

Description	2023-2024	2022-2023
	Kshs	Kshs
Prepaid Rent		
Prepaid Insurance		
Prepaid Electricity Costs		
Other Prepayments (<i>Specify</i>)		
Total		

15. Inventories

Description	2023-2024	2022-2023
	Kshs	Kshs
Consumable Stores		
Spare Parts And Meters		
Catering		
Other Inventories (<i>Specify</i>)		
Total Inventories at The Lower of Cost and Net Realizable Value		

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Notes to the Financial Statements Continued

16. Investments in financial assets

Description	2023-2024	2022-2023
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK		
CBK		
Sub- total		
b. Investment with Financial Institutions/ Banks		
Bank x		
Bank y		
Sub- total		
c. Equity investments (specify)		
Equity/ shares in Entity xxx		
Sub- total		
Grand total		

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

Movement of Equity Investments

Impairment allowance/ provision	2023-2024	2022-2023
	Kshs	Kshs
At the beginning of the year		
Purchase of investments in the year		
Sale of investments during the year		
Gain/(loss) in fair value of investments through surplus or deficit		
At the end of the year		

e) Shareholding in other entities

For investments in equity share listed above, list down the equity investments under the following categories:

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Current year	Prior year
Entity A					Kshs	Kshs
Entity B						
Entity C						

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Notes To The Financial Statements (Continued)

17. Property, plant and equipment

	Land and Buildings Kshs	Motor vehicles Kshs	Furniture and fittings Kshs	Computers and office equipment Kshs	Total Kshs
Cost					
At 1 st July (Previous FY)					
Additions					
Disposals					
Transfers/Adjustments					
At 30 th June (Previous FY)					
At 1 st July (Current FY)					
Additions					
Disposals					
Transfer/Adjustments					
At 30 th June (Current FY)					
Depreciation And Impairment					
At 1 st July (Previous FY)					
Depreciation					
Impairment					
At 30 th June (Previous FY)					
At 1 st July (Current FY)					
Depreciation					
Disposals					
Impairment					
Transfer/Adjustment					
At 30 th June (Current FY)					
Net Book Values					
At 30 th June (Previous FY)					
At 30 th June (Current FY)					

Nb: The fund does not have its own assets

Garissa County Revolving Fund
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Notes To The Financial Statements (Continued)

18. Intangible assets

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Cost		
At Beginning of The Year		
Additions		
At End of The Year		
Amortization And Impairment		
At Beginning of The Year		
Amortization		
At End of The Year		
Impairment Loss		
At End of The Year		
NBV		

19. Investment Property

Description	2023-2024	2022-2023
	Kshs	Kshs
At beginning of the year		
Additions		
Disposal during the year		
Depreciation		
Impairment		
Gain/(loss) in fair value (if fair value is elected)		
At end of the year		

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

Garissa County Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Trade Payables				
Refundable Deposits				
Accrued Expenses				
Other Payables				
Total Trade and Other Payables				
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)				

(NB: Amount under deposits and retentions should tie to cash held in deposit account)

21. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f				
Additional provisions				
Provision utilised				
Change due to discount and time value for money				
Total provisions year end				
Current Provisions				
Non-Current Provisions				

22. Borrowings

Description	Balance At Beginning of The Period	
	2023-2024	2022-2023
External Borrowings During the Year		
Domestic Borrowings During the Year		
Repayments of External Borrowings During the Period		
Repayments of Domestic Borrowings During the Period		
Balance At End of The Period		

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

Description	Total Balance at End of The Year	
	2023-2024	2022-2023
External Borrowings		
Dollar Denominated Loan From 'X Organization'		
Sterling Pound Denominated Loan From 'Y Organization'		
Euro Denominated Loan from Z Organization'		
Domestic Borrowings		
Kenya Shilling Loan From KCB		
Kenya Shilling Loan from Barclays Bank		
Kenya Shilling Loan from Consolidated Bank		
Borrowings From Other Government Institutions		
Total Balance at End of The Year		

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

Description	Total	
	2023-2024	2022-2023
Short Term Borrowings (Current Portion)		
Long Term Borrowings		
Total		

(NB: the total of this statement should tie to note 22 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed). Borrowings should be measured at amortised cost as per IPSAS 41)

Notes To The Financial Statements (Continued)

23. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation					
Non-Current Benefit Obligation					
Total					

24. Social Benefit Liabilities

Description	2023-2024	2022-2023
	Kshs	Kshs
Health social benefit scheme		
Unemployment social benefit scheme		
Orphaned and vulnerable benefit scheme		
Elderly social benefit scheme		
Bursary social benefits		
Total		
Current social benefits		
Non- current social benefits		
Total (tie to totals above)		

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.

Garissa County Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

25. Cash generated from operations.

Description	2023-2024	2022-2023
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax		
Adjusted For:		
Depreciation		
Amortisation		
Gains/ Losses On Disposal Of Assets		
Interest Income		
Finance Cost		
Working Capital Adjustments		
Increase In Inventory		
Increase In Receivables		
Increase In Payables		
Net Cash Flow From Operating Activities		

(The total of this statement should tie to the cash flow section on net cash flows from operating activities)

Notes To The Financial Statements (Continued)

26. 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) The Parent County Government Ministry;
- c) Key management;
- d) Board of Trustees; etc.

b) Related party transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers From Related Parties'		
Transfers To Related Parties		

c) Key management remuneration

Description	2023-2024	2022-2023
	Kshs	Kshs
Board Of Trustees		
Key Management Compensation		
Total		

d) Due from related parties

Description	2023-2024	2022-2023
	Kshs	Kshs
Due From Parent Ministry		
Due From County Government		
Total		

Other Disclosures Continued

e) Due to related parties

Description	2023-2024	2022-2023
	Kshs	Kshs
Due To Parent Ministry		
Due To County Government		
Due To Key Management Personnel		
Total		

27. Contingent assets and contingent liabilities

Contingent Liabilities	2023-2024	2022-2023
	Kshs	Kshs
Court Case Xxx Against the Fund		
Bank Guarantees		
Total		

(Give details)

Notes To The Financial Statements (Continued)

28. 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:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables From Exchange Transactions				
Receivables From Non-Exchange Transactions				
Bank Balances				
Total				
At 30 June 2021				
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)

Notes To The Financial Statements (Continued)

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 xxxx

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

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June (Current FY)				
Trade Payables				
Current Portion Of Borrowings				
Provisions				
Employee Benefit Obligation				
Total				
At 30 June (Comparative FY)				
Trade Payables				
Current Portion Of Borrowings				
Provisions				
Employee Benefit Obligation				
Total				

Notes To The Financial Statements (Continued)

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:

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June (Current FY)			
Financial Assets			
Investments			
Cash			
Debtors/ Receivables			
Liabilities			
Trade And Other Payables			
Borrowings			
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.

Notes To The Financial Statements (Continued)

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
(Current FY)			
Euro	10%		
USD	10%		
(Comparative FY)			
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.

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 (2022: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (2021 – Kshs xxx).

Notes To The Financial Statements (Continued)

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	2023-2024	2022-2023
	Kshs	Kshs
Revaluation reserve		
Revolving fund		
Accumulated surplus		
Total funds		
Total borrowings		
Less: cash and bank balances		
Net debt/(excess cash and cash equivalents)		
Gearing		

29. Events after the reporting period

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

30. Ultimate and Holding Entity

The entity is a County Public Fund established by Garissa County Revolving Fund Act (*state the legislation establishing the Fund*) under County Government of Garissa.

31. Currency

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

20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	None	N/A	N/A	N/A
	None	N/A	N/A	N/A
	None	N/A	N/A	N/A
	None	N/A	N/A	N/A
	None	N/A	N/A	N/A

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 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 implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Fund Manager/Accounting Officer (enter title of head of Fund)

Date 20th Sep 2024

GARISSA County
GARISSA COUNTY REVOLVING Fund
 Annual Report and Financial Statements for the year ended June 30, 2024
 Annex II: Inter-Fund Confirmation Letter



COUNTY GOVERNMENT OF GARISSA
 DEPARTMENT OF TRADE, INVESTMENT AND ENTREPREISE DEVELOPMENT
 P.O. BOX 563-70100, GARISSA.

The *Garissa County Revolving Fund* wishes to confirm the amounts disbursed to you as at 30th June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 th June 20xx								
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	Amount Disbursed by Garissa County Fund (Kshs) as at 30 th June 2024	Amount Received by Garissa County Fund (KShs) as at 30 th June 20xx (E)	Differences (KShs) (F)=(D-E)
FT23328QQN9Q	24/11/2023		40,000,000.00		40,000,000.00		40,000,000.00	
Total			40,000,000.00		40,000,000.00		40,000,000.00	

In confirm that the amounts shown above are correct as of the date indicated.
 Head of Accountants department of beneficiary Fund:

Name Abdullahi Abdikar Sign [Signature] Date 30th Sep 2024



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

Annex III: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

GARISSA County

GARISSA COUNTY REVOLVING FUND

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

Annex IV: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure Item	Amount (Kshs.)	Comments