

REPUBLIC OF KENYA

PARLIAMENT
OF KENYA
LIBRARY



Enhancing Accountability

PAPERS LAID	
DATE	23/03/22
TABLED BY	SML
COMMITTEE	—
CLERK AT THE TABLE	Abdirahman

REPORT

OF

THE AUDITOR-GENERAL

ON

NYANDARUA COUNTY EMERGENCY FUND

**FOR THE YEAR ENDED
30 JUNE, 2020**





NYANDARUA COUNTY EMERGENCY FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30TH, 2020**

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

NYANDARUA COUNTY EMERGENCY FUND

Reports and Financial Statements

For the year ended June 30, 2020

Table of Contents

1. KEY ENTITY INFORMATION AND MANAGEMENT	1
2. THE BOARD OF TRUSTEES	4
3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S PREDETERMINED OBJECTIVES	5
4. MANAGEMENT TEAM	6
5. BOARD/FUND CHAIRPERSON'S REPORT	8
6. REPORT OF THE FUND ADMINISTRATOR	10
7. CORPORATE GOVERNANCE STATEMENT	11
8. MANAGEMENT DISCUSSION AND ANALYSIS	12
9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING	15
10. REPORT OF THE TRUSTEES	17
11. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES	18
12. REPORT OF THE INDEPENDENT AUDITOR	20
13. FINANCIAL STATEMENTS	21
13.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2020	21
13.2. STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2020	22
13.3 STATEMENT OF CHANGES IN NET ASSETS AS AT 30TH JUNE 2020	23
13.4 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020 .	24
13.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30th JUNE 2020	26
13.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	27
13.7 NOTES TO THE FINANCIAL STATEMENTS	43
14. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS	57

NYANDARUA COUNTY EMERGENCY FUND

Reports and Financial Statements

For the year ended June 30th, 2020

1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Nyandarua County Emergency Fund is established as prescribed by the PFM Act 116 (1) which states that a County Executive Committee Member for Finance may establish other public funds with the approval of the County Executive Committee and County Assembly. With the anchorage of this provision, the Nyandarua County Emergency Fund Regulation 2015 was enacted on 23rd March 2015. The Fund is owned by the County Government of Nyandarua.

The Fund's objective is to facilitate payments to be made when an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority and appropriation for funds.

b) Principal Activities

The Fund's principal activity is to meet unforeseen event which threatens or damages human life or welfare or threatens damage to the environment.

c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Hon .Mary Mugwanja	C.E.C.M-Finance and Economic Development
2	Juvenalis Gitau THIONG'O	Chief Officer –Finance
3	Muigai Wainaina	Chief Officer-Planning and Economic Development

d) Key Management

Ref	Name	Details of Qualification and Experience
1	Hon .Mary Mugwanja	CECM – Finance and Economic Development. She has a Bachelor's Degree in Leadership and Management
2	Juvenalis Gitau Thiong'o	Chief Officer –Finance
3	Muigai Wainaina	Chief Officer-Planning and Economic Development Masters and Bachelor's Degree in Economics
4	Phoebe Mbiyu	Ag. Director Expenditure and Financial Control Masters Degree, CPA (K) and B.Com
5	Margaret Gachomo	She was born on 27 th December 1975, B.com (Accounting option), CPA(K) Responsible as Fund Accountant.

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th, 2020

e) Registered Offices

Headquarters Building
P.O. Box 701-20303
Olkalou Kenya

f) Fund Contacts

Telephone: (254) 20266859
E-mail: info@nyandarua.go.ke
Website: www.nyandarua.go.ke

g) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Family Bank Ltd
P.O. Box 74145-0020000
Nairobi, Kenya
3. Equity Bank Kenya Ltd
P.O. Box 215-20303
Olkalou, Branch.

h) Independent Auditors

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

NYANDARUA COUNTY EMERGENCY FUND

Reports and Financial Statements



For the year ended June 30th, 2020

i) Principal Legal Adviser

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

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th, 2020

2. THE BOARD OF TRUSTEES

Name	Details of qualifications and experience
<p>1. Hon .Mary Mugwanja</p>  <p>Hon. Mary Mugwanja – CECM Finance and Economic Development</p> <p>Hon. Mugwanja holds a Double Major in Public Administration and NPO Degree in Leadership and Management from Strathmore University and a Certificate in Leadership and Management from the same Institution. She also holds a Diploma in Secretarial duties.</p> <p>A stickler for professional standards, she has had a lengthy, impeccable background in Kenya's vibrant Banking Sector. At Equity Bank Limited, she was a Senior Business Growth and Development Manager - Westlands Corporate Branch which had an annual portfolio of more than Ksh 30 Billion and previously served as a Business Growth and Development Manager Westlands - Retail Branch from the same bank.</p> <p>At Barclays Bank of Kenya, she worked as Area Business Growth and Development Manager, Branch Manager in Westlands and Kasarani Branches, Prestige Manager in Plaza and Karen Prestige Centres, Personal Banker and Manager's Secretary in JKI Airport Branch.</p>	<p>CECM - Bachelor's Degree in Leadership and Management</p>
<p>2. Muigai Wainaina</p> 	<p>MA, Economics, BA Economics, CPA</p>

NYANDARUA COUNTY EMERGENCY FUND

Reports and Financial Statements

For the year ended June 30th, 2020

3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S PREDETERMINED OBJECTIVES

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each Financial Year, the Accounting officer when preparing Financial Statements of each County Government Entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a Statement of the County Government Entity's performance against predetermined objectives.

The Nyandarua County Emergency Fund had an appropriation of Kshs. 41,000,000 for the Financial Year 2019/20.

The key development objectives of the Nyandarua County Emergency Fund for the Medium Term 2018-2022 plan are to:




- a) Improved response to Emergencies; and
- b) To enable payments to be made when there is an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority and appropriation for funds.

Progress on the attainment of Strategic Development Objectives:

Program	Objective	Outcome	Indicator	Performance
Emergency Fund	To enable payments to be made when there is an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority and appropriation for funds.	Seamless implementation of the Budget	No. of payments amount paid from the Emergency Fund	The fund incurred a total of Kshs. 26,185,845

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th, 2020

4. MANAGEMENT TEAM

Name	Details of qualifications and experience
<p>1.Hon .Mary Mugwanja</p>  <p>Hon. Mary Mugwanja – CECM Finance and Economic Development</p> <p>Hon. Mugwanja holds a Double Major in Public Administration and NPO Degree in Leadership and Management from Strathmore University and a Certificate in Leadership and Management from the same Institution. She also holds a Diploma in Secretarial duties.</p> <p>A stickler for professional standards, she has had a lengthy, impeccable background in Kenya's vibrant Banking Sector. At Equity Bank Limited, she was a Senior Business Growth and Development Manager - Westlands Corporate Branch which had an annual portfolio of more than Ksh 30 Billion and previously served as a Business Growth and Development Manager Westlands - Retail Branch from the same bank.</p> <p>At Barclays Bank of Kenya, she worked as Area Business Growth and Development Manager, Branch Manager in Westlands and Kasarani Branches, Prestige Manager in Plaza and Karen Prestige Centres, Personal Banker and Manager's Secretary in JKI Airport Branch.</p>	<p>CECM - Bachelor's Degree in Leadership and Management</p>
<p>2.Muigai Wainaina</p> 	<p>MA, Economics, BA Economics, CPA</p>
<p>3. Phoebe Mbiyu</p>  <p>Ms. Phoebe Mbiyu - CPA</p> <p>She holds a Master's of Science degree in Finance from the University of Nairobi alongside a Bachelor's degree in Business Administration from St. Pauls university. She acquired further training in CPA.</p> <p>She has previously served in both local and International NGOs continuously for over 10 years. Her outstanding Finance Administration qualities have led her to serving as Ag. Director for Treasury in the Department of Finance and Economic Development, County Government of Nyandarua.</p>	<p>CPA(K),Bcom,Msc. Finance</p>

NYANDARUA COUNTY EMERGENCY FUND

Reports and Financial Statements

For the year ended June 30th, 2020

4. Margaret Gachomo



CPA(K),Bcom
(Accounting
Option)over 15 years'
experience

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th, 2020

5. BOARD/FUND CHAIRPERSON'S REPORT

During the FY 2019/20 the Fund management team changed Chief officer John Gitau Njoroge with Muigai Wainaina, Chief Officer Planning and Economic Development as shown in page 2 of the Statements.

In the FY 2019/20, the approved Budget had an appropriation of Ksh 41,000,000 to the Fund. The Cash and Cash Equivalent for the FY 2019/2020 amounted to Ksh 27,335,669. The total payments from the Emergency Fund account amounted to Ksh 26,185,845. The total Net Assets at the end of the Financial Year was Kshs. 26,563,243.

The utilization of the fund in the Financial Year ended was on addressing the COVID-19 Pandemic, fire disasters response, road accidents support, food donations and meeting unforeseen hospitalization expenditure for the less fortunate citizens within Nyandarua County. The County Emergency Fund of Ksh 26,185,845 in the Financial Year was utilized as General expenses.

The Fund has been instrumental in addressing unforeseen and unappropriated payments thus alleviating immediate suffering of the County citizenry, more so the less fortunate. Its usage and application has been in line with the set Regulations. However, the scope of its application has gotten wider with the advent of the novel COVID-19 pandemic. The PFM Act/Regulations provide that a County Government should provide at least 2% of its last Audited Financial Statements towards the Emergency Fund, as thus to timely and continually meet its objectives, it is expected that incremental allocations will be made to the Fund over the years in consideration to emergent issues and in line with the legal requirements. This will ensure a seamless implementation of the year's appropriations whilst addressing the emergent issues. The FY 2020/21 has seen an increment of the Emergency Fund to Kshs. 50,000,000.

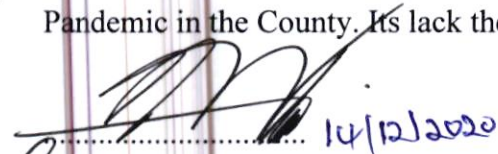
In conclusion, Fund management was in line with the requirements of the County Emergency Regulations of 2015 and all other applicable laws. I would like to thank the County Executive Committee, the County Assembly and the Fund Management for the continued support in actualizing the Socio-Economic Transformative Agenda of the County. With the current effects of the COVID-19 pandemic, it is highly expected that the Fund will go a long way to mitigate them.

NYANDARUA COUNTY EMERGENCY FUND

Reports and Financial Statements

For the year ended June 30th, 2020

As has been intimated, the Fund has been instrumental in addressing the effects of the Covid 19 Pandemic in the County. Its lack thereof could have been detrimental.


..... 14/12/2020

HON. MARY MUGWANJA

**COUNTY EXECUTIVE COMMITTEE MEMBER - FINANCE AND ECONOMIC
DEVELOPMENT**

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th, 2020

6. REPORT OF THE FUND ADMINISTRATOR

Nyandarua County Emergency Fund is established as prescribed by the PFM Act 116 (1) which states that a County Executive Committee Member for Finance may establish other Public Funds with the approval of the County Executive Committee and County Assembly. With the anchorage of this provision, the Nyandarua County Emergency Fund Regulation 2015 was enacted on 23rd March 2015. Adherence to the existing legal provisions has been paramount of the Fund's going concern.

The Fund balances as at 1st of July 2019 was Kshs. 11,749,088. During the FY 2019/20 Ksh 41,000,000 (forty-one million) was injected to the fund with a balance of Kshs. 26,563,243 (Twenty-six million, five hundred and sixty-three thousand, two hundred and forty-three) on 30th June 2020. The payments for the FY 2019/2020 was Ksh 26,185,845 (Twenty-six million, one hundred and eighty-five thousand, eight hundred and forty-five). The reported surplus amounted to Ksh 26,563,243.

Signed: _____



14/12/2020

HON. MARY MUGWANJA

C. E.C. M - FINANCE AND ECONOMIC DEVELOPMENT

NYANDARUA COUNTY EMERGENCY FUND

Reports and Financial Statements

For the year ended June 30th, 2020

7. CORPORATE GOVERNANCE STATEMENT

Nyandarua County Emergency Fund as per its Regulations has no Board meetings but is managed by the Fund Administrator who receives applications for emergency assistance and a Management Team. The Fund Administrator seeks the approval of the County Executive Committee. Within two months after addressing the emergent issues, a submission is prepared to the County Assembly.

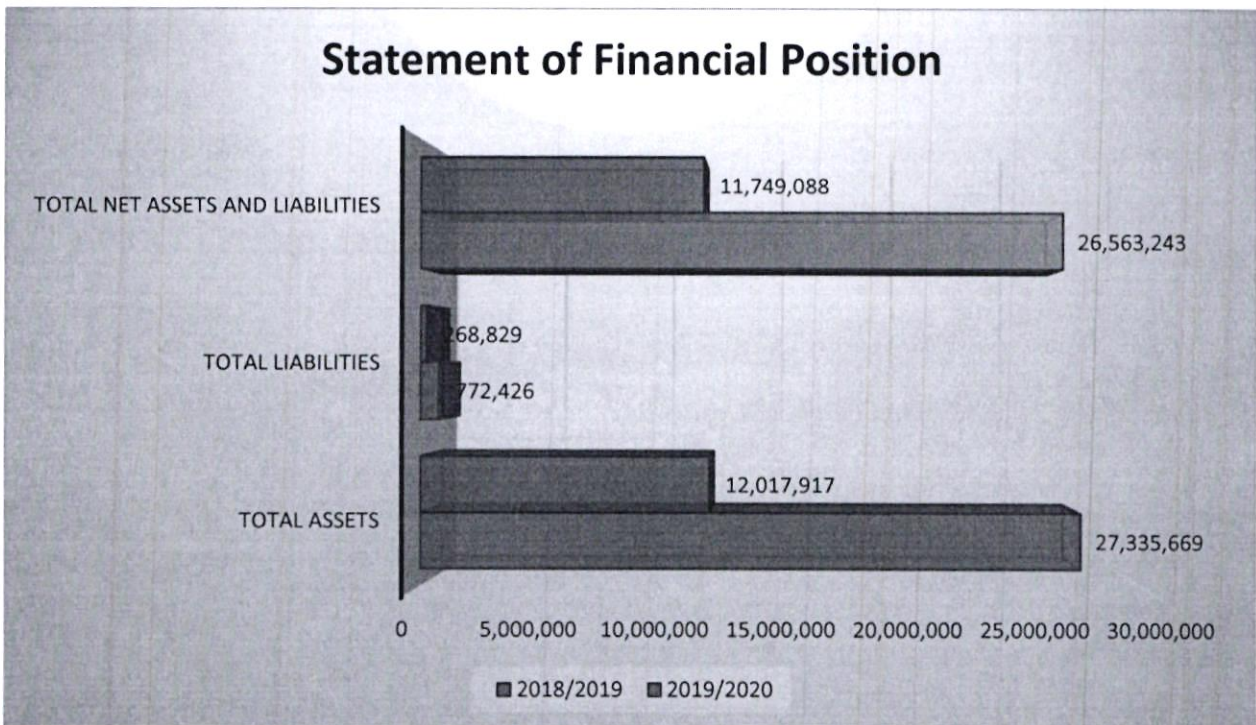
The CECM Finance and Economic Development appoints the Management Team and facilitates for their induction and training with monitoring and evaluation of member performance. The Members are expected to adhere to the Public Service Code of Conduct and Ethics, 2016.

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th, 2020

8. MANAGEMENT DISCUSSION AND ANALYSIS

During the FY 2019/20, the accumulated surplus was Ksh -26,185,845 (Twenty-six million, one hundred and eighty-five thousand, and eight hundred and forty-five only). This decrease in net worth correlates with financial performance with the receipt of Kshs. 41,000,000, reserves of Kshs. 11,749,088 and an accumulated surplus/expenses of Kshs. (26,185,845).

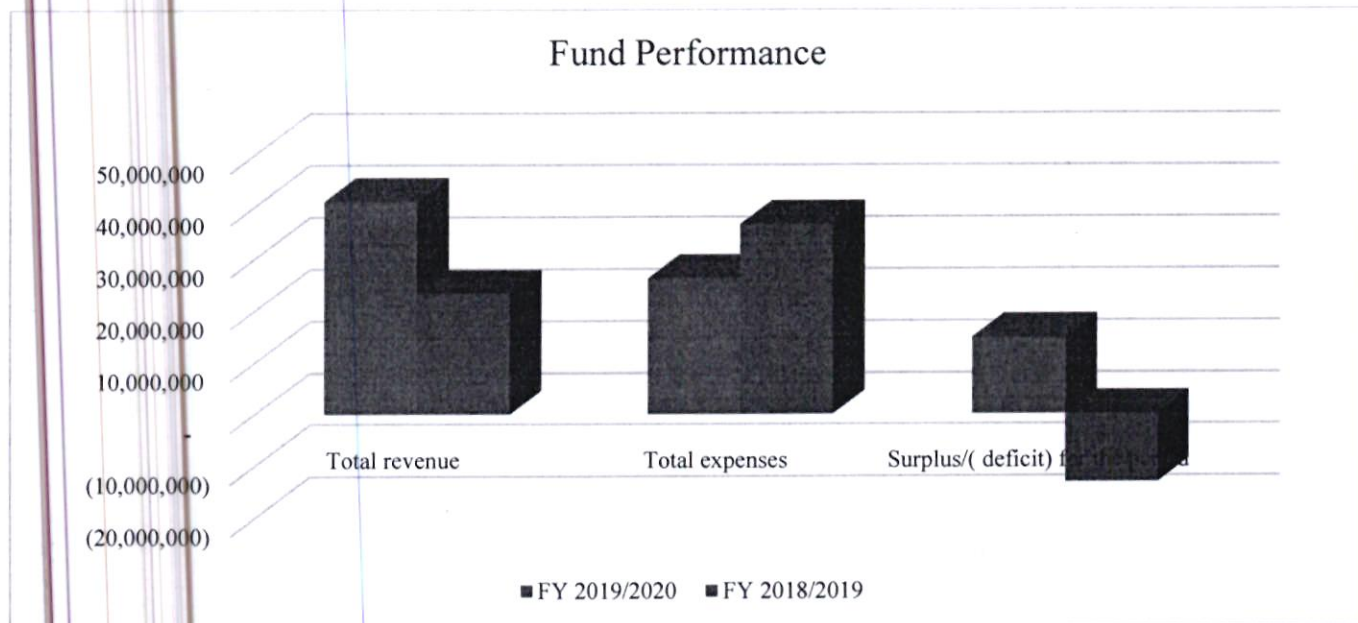
Statement of financial position



The total net assets for the FY 2019/20 was Kshs. 26,563,243.

NYANDARUA COUNTY EMERGENCY FUND

**Reports and Financial Statements
For the year ended June 30th, 2020**



Compliance with the statutory requirement

The Management team of Nyandarua County Emergency Fund have exercised prudent financial management within the years and adhered to the existing legal instruments.

A highlight of key projects/investments

For the FY 2019/20, the key projects/investments are:

- a) COVID-19 Mitigation Kshs. 5,894,760
- b) Hospitalization expenses Kshs. 1,282,077
- c) Burial expenses – Kshs. 501,000
- d) Finance cost – Kshs. 10,080
- e) Fire expenses – Kshs. 795,000
- f) Locust eradication expenses – Kshs. 1,620,000
- g) Grant and subsidies - Kshs. 1,406,680
- h) Repair and maintenance – Kshs. 12,360,718
- i) Other Expenses -Ksh 488,530
- j) Fuel Expenses -Ksh 1,000,000

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th, 2020

k) Stationary and branding expense – Kshs. 827,000

TOTAL **26,185,845**

Major Risks to the Fund

The Fund is predisposed to several risks such as:

- (i.) Risk of inadequacy given its current proportion to the provided statutory requirement;
- (ii.) Capacity for determination of payments due to emergency cases; and
- (iii.) Determination/prioritization of emergent cases for address vide the Emergency Fund.

9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

In the administration and management of the Fund, the County Government has integrated social and environmental concerns in its operations and interactions with the County citizenry. It addresses events/issues that are directly affecting the people.

The Fund exists to address payments that address unforeseen events that have not been appropriated in the Financial Year. This enhances the implementation of the year's appropriations as provided for in the PFM Act, 2012 and Regulations. With the occurrence of unforeseen events, the County is able to address the situation and where possible allow minimal disturbances to the victim or affected persons or community. Below is a brief highlight of the achievements across the various spheres of Socio-economic Development:

1. Disasters

The Nyandarua County Emergency Fund addressed and mitigated effects of the locust invasion and COVID-19 Pandemic. Also, accidents that took place in the County that could either be fire or road accidents were addressed by the Fund.

Mitigation of the Locust invasion and COVID-19 was essential to address the socio-economic sustainability of households' livelihoods and reduce the invasion and spread. Environmental conservation further necessitated the control of the locust invasion that affected the flora and fauna.

Accidents and other calamities befalling the County citizens have been addressed on occurrence and urgency basis. On receipt of reports and verification, the emergencies are prioritized and submitted to the County Executive Committee for approval.

2. Health Care

Health care is paramount for the socio-economic welfare of an individual. Emergencies relating to health and touching on the venerable or less disadvantaged person in the County are prioritized. Residents will mainly arrange for fund drives to alleviate challenges facing community members such as medical bills and morgue fees. To alleviate suffering in such cases, the Fund comes in handy. Such cases are handled after verification of needy cases.

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th, 2020

3. Community Engagements

The County Government has a responsibility to its citizens as per the Fourth Schedule of the Constitution of Kenya. To this end, in the FY 2019/20, grants and subsidies of Kshs. 597,000 was paid in support of communal projects. Kinja Water was paid Kshs. 397,000 whilst Kieni Girls received Kshs. 2,000,000.

Other payments went to the payments of projects that address the needs of communities such as those under repair and maintenance of Munoru Bridge, Kshs. 840,000. Burial arrangements are communal as per the culture. Kshs. 479,000 was spent on burial expenses. This was done to alleviate the suffering of the vulnerable.

Communal sanitation initiatives have been paramount with the advent of the novel COVID-19. Kshs. 1,099,715 has been used to promote sanitation. This has gone to the acquisition of hand wash and water tanks to serve the public to control the spread of the pandemic.

NYANDARUA COUNTY EMERGENCY FUND

Reports and Financial Statements

For the year ended June 30th, 2020

10. REPORT OF THE TRUSTEES

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund is to meet unforeseen event which threatens or damages human life or welfare or threatens damage to the environment.

Results

The results of the Fund for the year ended June 30, 2020 are set out on page 21.

Trustees

The members of the Board of Trustees who served during the year are shown on page 4.

Auditors

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

By Order of the Board



HON. MARY MUGWANJA
FUND ADMINISTRATOR

Date: 14/12/2020

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th, 2020

11. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

The Public Finance Management Act, 2012 Section 167 prescribes that, at the end of each financial year, the Administrator of a County Public Fund shall prepare Financial Statements for the Fund following 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 Statement which should 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, 2020. These responsibilities include: maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statement, and ensuring that they are free from material misstatements, whether due to error or fraud; safeguarding the assets of the Fund; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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

The Administrator of the Fund is of the opinion that the Fund's Financial Statement gives a true and fair view of the state of Fund's transactions during the Financial Year ended June 30, 2020 and of the Fund's financial position as at that date. The Administrator further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's Financial Statement as well as the adequacy of the systems of internal financial control.

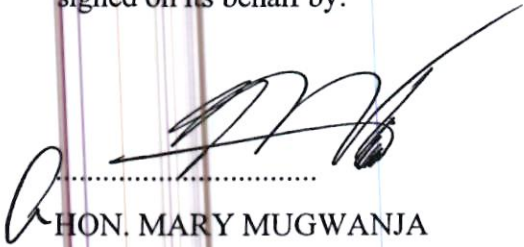
In preparing the Financial Statement, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the Financial Statement. Nothing has come to the attention 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.

NYANDARUA COUNTY EMERGENCY FUND

**Reports and Financial Statements
For the year ended June 30th, 2020**

Approval of the Financial Statement

The Fund's Financial Statement were approved by the Board on 14 (12) 2020 and signed on its behalf by:

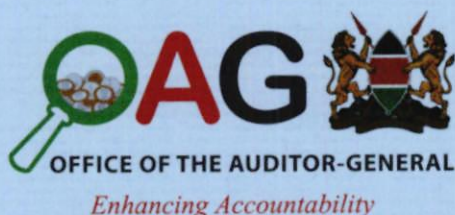


HON. MARY MUGWANJA

C. E. C. M - FINANCE AND ECONOMIC DEVELOPMENT

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NYANDARUA COUNTY EMERGENCY FUND FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Nyandarua County Emergency Fund set out on pages 21 to 56, which comprise of the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Nyandarua County Emergency Fund as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Nyandarua County Emergency Fund Regulations, 2015.

Basis for Qualified Opinion

1. Unsupported General Expenses

As disclosed in Note 8 to the financial statements, the statement of financial performance reflects general expenses balance of Kshs.26,185,845. However, the expenditure includes an amount of Kshs.3,633,710 incurred on various expenditure items which were not supported with relevant documentation such as letters requesting for assistance, police reports, approval minutes and purchase receipts.

In the circumstances, the occurrence and validity of the general expenses totalling to Kshs.3,633,710 for the year ended 30 June, 2020 could not be confirmed.

2. Unsupported Repair and Maintenance

The statement of financial performance reflects general expenses balance of Kshs.26,185,845. As disclosed under Note 8 to the financial statements, the amount includes an amount of Kshs.12,360,718 in respect of repair and maintenance out of which Kshs.6,059,351 and Kshs.1,532,414 was spent on road maintenance and construction of pit latrines respectively. However, supporting documents including justification as an emergency and Inspection and Acceptance Committee reports among others, were not provided for audit verification..

Consequently, the occurrence and validity of the expenditure totalling to Kshs.7,591,765 on repair and maintenance for the year ended 30 June, 2020 could not be confirmed.

3. Unconfirmed Covid-19 Related Expenses

The statement of financial performance reflects general expenses balance of Kshs.26,185,845, which includes Kshs.5,894,760 that was spent on Covid-19 responses. The balance includes an amount of Kshs.4,009,650 that was spent on purchase of water tanks, masks, food and other unspecified items. However, the supporting documents to confirm that the goods were received and their distribution lists were not provided for audit review.

In the circumstances, the occurrence and validity of the expenditure of on Covid-19 related responses totalling to Kshs.4,009,650 for the year ended 30 June, 2020 could not be confirmed.

4. Rehabilitation Works at Engineer Level 4 Hospital

The statement of financial performance reflects general expenses balance of Kshs.26,185,845, which includes an amount of Kshs.12,360,718 that was spent on repair and maintenance as detailed in Note 8 to the financial statements. The balance includes an amount, Kshs.1,810,708, that was paid to a firm to undertake rehabilitation works at Engineer Level 4 Hospital. However, a technical report from the Department of Works indicating the nature of work to be undertaken was not provided for audit verification. Further, the contract and the report of the Inspection and Acceptance Committee were both dated 29 November, 2019. It is unlikely that the two activities would have been finalized and signed on the same day.

Consequently, the occurrence and validity of the expenditure balance of Kshs.1,810,708 for repair and maintenance for the year ended 30 June, 2020 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts indicates that Nyandarua County Emergency Fund had a final expenditure budget of Kshs.41,000,000 against an actual expenditure on comparable basis of Kshs.26,185,845 resulting to under absorption of Kshs.14,814,155 or 36%. The under absorption may have impacted negatively on the Fund's ability to respond to all the emergency needs in the County.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Procurement of Works and Goods

1.1 Irregular Procurement of Civil Works

The statement of financial performance reflects general expenses totalling to Kshs.26,185,845 which includes an amount of Kshs.12,360,718 incurred on repairs and maintenance. The repairs and maintenance figure includes an amount of Kshs.1,441,440 paid to a local firm to undertake water works repairs. The firm was identified through request for quotations method of procurement. However, records indicated that bids from only two bidders were received and evaluated. This is contrary to Section 106(2)(d) of the Public Procurement and Asset Disposal Act, 2015 which requires an Accounting Officer of a procuring entity to ensure that at least three persons submit their quotations prior to evaluation.

Consequently, the Fund Management was in breach of Law.

1.2 Irregular Procurement of Chemical Spraying Equipment

The statement of financial performance reflects general expenses expenditure of Kshs.26,185,845 out of which Kshs.1,620,000 was spent on locust eradication. The latter balance includes an amount of Kshs.616,000 paid to a local firm for the supply and delivery of chemical spraying equipment identified through request for quotations.

Records provided for audit indicated that the quotations were issued on 13 March, 2020 and was expected to be returned by 16 March, 2020. However, the firm was notified of award of the contract on 13 March, 2020 before closure of bidding. Further, the firm accepted the tender award on 30 April, 2020 after raising a proforma invoice on 2 April, 2020. This is contrary to Section 60(1) of the Public Procurement of Asset and Disposal Act, 2015 which stipulates that an Accounting Officer of a procuring entity shall prepare specific requirements relating to the goods, works or services being procured that are clear, that give a correct and complete description of what is to be procured and that allow for fair and open competition among those who may wish to participate in the procurement proceedings.

Consequently, the validity and value for money on the expenditure totalling to Kshs.616,000 spent on the chemical spraying equipment for the year ended 30 June, 2020 could not be confirmed.

2.0 Unremitted Taxes

The statement of financial position as at 30 June, 2020 reflects trade and other payables from exchange transactions totalling to Kshs.772,426. The balance includes unpaid taxes of Kshs.261,313 and Kshs.33,287 in respect of Withholding Tax and Value Added Tax respectively, both totalling to Kshs.294,600 owed to the Kenya Revenue Authority. However, the amount has been long outstanding since May, 2018. This is contrary to Clause 8(1) of the Income Tax (Withholding Tax) Rules, 2001 which states that before the twentieth day of the month following the month in which the deduction is made or before such other day as may be notified to him by the Commissioner, a person shall, subject to subparagraph (3), pay to the Commissioner or to such other person as the Commissioner may direct, all amounts of tax deducted in accordance with the Act.

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

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Failure to Develop Fire and Risk Management Strategy

The Fund did not have a fire and risk management strategy. This is contrary to Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer to develop risk management strategies, which include fraud prevention mechanism and internal control that builds robust business operations.

In the circumstances risk management, development of strategies and controls may not have been implemented as required.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Fund or to cease operations.

Management is also responsible for the submission of the Fund's 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 Fund's financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the Fund's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the Fund's financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them, and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the Fund's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate

to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 February, 2022

NYANDARUA COUNTY EMERGENCY FUND

**Reports and Financial Statements
For the year ended June 30th, 2020**

13. FINANCIAL STATEMENTS

**13.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th
JUNE 2020**

	Note	2019/2020	2018/2019
		KShs	KShs
Revenue from non-exchange transactions			
Public contributions and donations	1	-	-
Transfers from the County Government	2	41,000,000	20,000,000
Fines, penalties and other levies	3	-	-
Revenue from exchange transactions			
Interest income	4	-	-
Other income(preceeds from stale cheques)	5	-	3,324,744
Total revenue		41,000,000	23,324,744
Expenses			
Fund administration expenses	6	-	10,011,527
Staff Costs	7	-	-
General Expenses	8	26,185,845	26,573,680
Finance costs	9	-	12,845
Total expenses		26,185,845	36,598,052
Other gains/losses			
Gain/loss on disposal of assets	10	-	-
Surplus/(deficit) for the period		14,814,155	(13,273,308)

The notes set out on pages 42 to 55 form an integral part of these Financial Statements


NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th, 2020

13.2. STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2020

Assets			
Current assets			
Cash and cash equivalents	11	27,335,669	12,017,917
Receivables from exchange transactions	12	-	-
Revenue from Non-Exchange transaction	13		
Prepayments	14	-	
		27,335,669	12,017,917
Non-current assets			
Inventories	15		
Property, plant and equipment	16	-	
Intangible assets-software	17	-	
		-	
Total assets		27,335,669	12,017,917
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	18	(772,426)	(268,829)
Provisions	19	-	
Current portion of borrowings	20	-	
Non-current liabilities			
Non-current employee benefit obligation	20	-	
Long term portion of borrowings	20	-	
Total liabilities		(772,426)	(268,829)
Net assets			
		26,563,243	11,749,088
Revolving Fund			-
Reserves		11,749,088	25,022,396
Accumulated surplus		14,814,155	(13,273,308)
Total net assets and liabilities		26,563,243	11,749,088

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 14/12 2020 and signed by:


Muigai Wainaina
Chief Officer Finance and Economic Development


Margaret Gachomo
Fund Accountant
 ICPAK Member No: 14009

NYANDARUA COUNTY EMERGENCY FUND**Reports and Financial Statements****For the year ended June 30th, 2020****13.3 STATEMENT OF CHANGES IN NET ASSETS AS AT 30TH JUNE 2020**

	Revolving Fund	Revaluatio n Reserve	Accumulated surplus	
		KShs	KShs	
Balance as at 1 July 2018	-	-	25,022,396	25,022,396
Surplus/(deficit) for the period	-	-	-13,273,308	-13,273,308
Funds received during the year	-	-		
Revaluation gain	-	-	0	0
Balance as at 30 June 2019	-	-	11,749,088	11,749,088
Balance as at 1 July 2019	-	--	11,749,088	11,749,088
Surplus/(deficit) for the period		-	14,814,155	14,814,155
Funds received during the year	-	-		
Revaluation gain	-	-	-	-
Balance as at 30 June 2020	-	-	26,563,243	26,563,243

NYANDARUA COUNTY EMERGENCY FUND

Reports and Financial Statements

For the year ended June 30th, 2020

13.4 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2019/2020	2018/2019
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations	1	41,000,000	20,000,000
Transfers from the County Government	2		
Interest received			
Receipts from other operating activities	5	-	3,324,744
Total Receipts		41,000,000	23,324,744
Payments			
Fund administration expenses	6	-	11,072,428
Staff Costs	7	-	-
General Expenses	8	26,185,845	26,573,680
Finance costs	9	-	12,845
		14,814,155	(37,658,953)
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	21	-	-
Increase/(Decrease) in Accounts Payable: (deposits and retention)	22	503,597	-
		-	
		503,597	-
Net cash flows from operating activities		15,317,752	(14,334,209)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from Capital Injection fund receipts		-	-
Additional borrowings			-
Repayment of borrowings			-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		15,317,752	(14,334,209)
Cash and cash equivalents at 1 JULY 2020	15	12,017,917	26,352,126
Cash and cash equivalents at 30 JUNE 2020	15	27,335,669	12,017,917

NYANDARUA COUNTY EMERGENCY FUND

Reports and Financial Statements

For the year ended June 30th 2020

**13.3. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE PERIOD ENDED 30th JUNE 2020**

	Original budget	Adjustm ents	Final budget	Actual on comparabl e basis	Performan ce difference	% utilisatio n
	2019-2020	2019- 2020	2019- 2020			
Revenue	KShs	KShs	KShs			
Public contributions and donations	-	-	-			
Transfers from County Govt.	25,000,000	16,000,000	41,000,000	41,000,000	41,000,000	100
Interest income	-	-	-			
Other income	-					
Total income	25,000,000	16,000,000	41,000,000	41,000,000	41,000,000	100
Expenses						
Fund administration expenses	-	-	-			
General expenses	25,000,000	16,000,000	41,000,000	26,185,845	14,814,155	64
Finance cost	-	-	-	-	0	
Total expenditure	25,000,000	16,000,000	41,000,000	26,185,845	14,814,155	64
Surplus for the period	-	-	-	14,814,155		

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

13.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. 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.

2. Adoption of new and revised standards

a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

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

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

Standard	Effective date and impact:
	<ul style="list-style-type: none"> • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	Applicable: 1st January 2022 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess: <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2022: <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual-basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other Improvements to IPSAS	Applicable: 1st January 2021: <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

Standard	Effective date and impact:
	<p>Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p>
	<p>IPSAS 40, Public Sector Combinations. Amendments to include the effective date paragraph which were inadvertently omitted when IPSAS 40 was issued</p>

c) Early adoption of standards

The Entity did not early – adopt any new or amended standards in year 2020.

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

4. Budget information

The original budget for FY 2019/2020 was approved by the County Assembly with an appropriation of Kshs. 30,000,000. 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 Kshs. 11,000,000 in the FY 2019/2020 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 an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under page 23 of these financial statements.

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. 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.

6. 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.

7. Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

NYANDARUA COUNTY EMERGENCY FUND

Reports and Financial Statements

For the year ended June 30th 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or a Entity of financial assets is impaired. A financial asset or a Entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a Entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. 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.

9. 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.

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.

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

10. Nature and purpose of reserves

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

11. 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.

12. 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.

13. 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.

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. 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.

15. 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.

16. Cash and cash equivalents

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

17. Comparative figures

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

18. Events after the reporting period

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

19. Ultimate and Holding Entity

The Entity is a County Public Fund established by and derives its authority and accountability from PFM Act 116(1) under the Ministry of Finance and Economic Development. Its ultimate parent is the County Government of Nyandarua.

20. Currency

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

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

21. 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

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.

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

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 .

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.

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

22. 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:

	Total amount KShs	Fully performing KShs	Past due KShs	Impaired KShs
At 30 June 2019				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances				
Total	0	0	0	0
At 30 June 2018				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	-	-	-	-
Bank balances				
Total	0	0	0	0

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 a significant concentration of credit risk on amounts due from 23rd march 2015.

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

The 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.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	KShs	KShs	KShs	KShs
At 30 June 2020				
Trade payables	-	-		
Current portion of borrowings				
Provisions				
Employee benefit obligation				
Total	0	0		
At 30 June 2019				

NYANDARUA COUNTY EMERGENCY FUND

Reports and Financial Statements

For the year ended June 30th 2020

Trade payables			772,426	268,829
Current portion of borrowings				
Provisions				
Employee benefit obligation				
Total			772,426	268,829

NYANDARUA COUNTY EMERGENCY FUND

Reports and Financial Statements

For the year ended June 30th 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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:

		Other currencies	Total
	KShs	KShs	KShs
At 30th September 2020			
Financial assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors/ receivables	0	0	0
Liabilities			
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	KShs	KShs	KShs
2020			
Euro	10%	-	-
USD	10%	-	-
2019			
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.

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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:

	2020/21 Q1	2019/2020
		KShs
Revaluation reserve		
Revolving fund		
Accumulated surplus		-26,185,845
Total funds		-26,185,845
Total borrowings		
Less: cash and bank balances		
Net debt/(excess cash and cash equivalents)		
Gearing		%

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

13.5. NOTES TO THE FINANCIAL STATEMENTS

1. Public contributions and donations

Description	2019/2020	2018/2019
	KShs	KShs
Donation from development partners	-	-
Contributions from the public	-	-
Total	-	-

2. Transfers from County Government

Description	2019/2020	2018/2019
	KShs	KShs
Transfers from County Govt. – operations	41,000,000	20,000,000
Payments by County on behalf of the entity	-	-
Total	41,000,000	20,000,000

3. Fines, penalties and other levies

Description	2019/2020	2018/2019
	KShs	KShs
Late payment penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	2019/2020	2018/2019
	KShs	KShs
Interest income from Mortgage loans	-	-
Interest income from car loans	-	-
Interest income from investments	-	-
Interest income on bank deposits	-	-
Total interest income	-	-

5. Other income

Description	2019/2020	2018/2019
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income	-	3,324,744
Total other income	-	3,324,744

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

6. Fund administration expenses

Description	2019/2020	2018/2019
	KShs	KShs
Staff costs (Note 7)	-	-
Loan processing costs	-	-
Professional services costs	-	-
Administration fees	-	-
Total	-	-

7. Staff costs

Description	2019/2020	2018/2019
	KShs	KShs
Salaries and wages	-	-
Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs	-	-
Total	-	-

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. General expenses

Description	2019/2020	2018/2019
	KShs	KShs
Covid 19 Responses	5,894,760	-
Fire Disaster	795,000	17,993,750
Fuel and Oil Costs	1,000,000	-
Grants and Subsidies	1,406,680	-
Road accidents and Burial Expenses	501,000	3,704,000
Locust Eradication	1,620,000	-
Relief Food	-	3,356,020
Repair and maintenance	12,360,718	10,011,527
Stationery and Branding	827,000	-
Bank Charges	10,080	-
Hospitalisation	1,282,077	1,519,910
Depreciation and Amortisation	-	-
Other Expenses	488,530	-
Total	26,185,845	36,585,207

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Finance costs

Description	2019/2020	2018/2019
	KShs	KShs
Interest on Bank overdrafts	-	12,845
Interest on loans from banks	-	-
Total	-	12,845

10. Gain/(loss) on disposal of assets

Description	2019/2020	2018/2019
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

11. Cash and cash equivalents

Description	2019/2020	2018/2019
	KShs	KShs
On – call deposits	-	-
Current account	27,335,669	12,017,917
Others	-	-
Total cash and cash equivalents	27,335,669	12,017,917

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Financial institution	Account number	2019/2020	2018/2019
		KShs	KShs
a) Fixed deposits account			
Family Bank		-	0
Equity Bank, etc		-	0
Sub- total		-	-
b) On - call deposits			
Family Bank		-	0
Equity Bank - etc		-	0
Sub- total		-	-
c) Current account			
Family Bank	37000083031	223,828	5763312
Equity Bank - etc	620276530508	9,125,035	6887093
Sub- total		9,348,863	12,650,405
d) Others(specify)			
Cash in transit		18,500,000	0
Cash in hand		-	0
M Pesa		-	0
Sub- total		18,500,000	-
Grand total		27,848,863	12,650,405

12. Receivables from exchange transactions

Description	2019/2020	2018/2019
	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	-	-

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

Total receivables from exchange transactions	-	-
---	---	---

Additional disclosure on interest receivable

Description	2019/2020	2018/2019
	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	-	-

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Revenue from Non-Exchange transaction

Description	2019/2020	2018/2019
	KShs	KShs
Transfer to County Executive	-	-
Transfer to Emergency Fund	-	-
Total receivables from non-exchange transactions	-	-

14. Prepayments

Description	2019/2020	2018/2019
	KShs	KShs
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Other prepayments(specify)	-	-
Total	-	-

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Inventories

Description	2019/2020	2018/2019
	KShs	KShs
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Other inventories(specify)	-	-
Total inventories at the lower of cost and net realizable value	-	-

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Tot al
Cost	KShs	KShs	KShs	KShs	KS hs
At 1st July 2018	-	-	0	0	0
Additions	-	-	0	-	0
Disposals	-	-	0	-	0
Transfers/adjustments	-	-	0	0	0
At 30th June 2019	-	-	0	0	0
At 1st July 2019					
Additions	-	-	0	0	0
Disposals	-	-	-	-	0
Transfer/adjustments	-	-	0	0	0
At 30th June 2020	-	-	0	0	0
Depreciation and impairment					
At 1st July 2018	-	-	0	0	0
Depreciation	-	-	0	0	0
Impairment	-	-	-	-	0
At 30th June 2019	-	-	0	0	0
At 1st July 2019					
Depreciation	-	-	0	-	0
Disposals	-	-	-	-	0
Impairment	-	-	-	-	0
Transfer/adjustment	-	-	0	0	0
At 30th June 2020	-	-	0	0	0
Net book values					

NYANDARUA COUNTY EMERGENCY FUND

Reports and Financial Statements

For the year ended June 30th 2020

At 30th June 2019	-	-	0	0	0
At 30th June 2020	-	-	0	0	0

17. Intangible assets-software

Description	2019/2020	2018/2019
	KShs	KShs
Cost		-
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

18. Trade and other payables from exchange transactions

Description	2019/2020	2018/2019
	KShs	KShs
Trade payables	772,426	268,829
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
Total trade and other payables	772,426	268,829

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year(1.07.2018)	-	-	0	0
Additional Provisions	-	-	0	0
Provision utilised	-	-	0	0
Change due to discount and time value for money	-	-	0	0
Transfers from non -current provisions	-	-	0	0
Balance at the end of the year (30.06.2019)	-	-	0	0

20. Borrowings

Description	2019/2020	2018/2019
	KShs	KShs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the period	-	-
Repayments of domestics borrowings during the period	-	-
Balance at end of the period	-	-

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

Description	2019/2020	2018/2019
	KShs	KShs
External Borrowings		
Dollar denominated loan from 'xxx organisation'	-	-
Sterling Pound denominated loan from 'yyy organisation'	-	-
Euro denominated loan from zzz organisation'	-	-
Domestic Borrowings	-	-
Kenya Shilling loan from KCB	-	-
Kenya Shilling loan from Barclays Bank	-	-
Kenya Shilling loan from Consolidated Bank	-	-
Borrowings from other government institutions	-	-
Total balance at end of the year	-	-