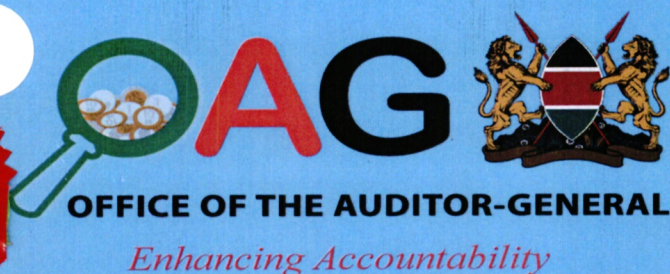


REPUBLIC OF KENYA



PAPERS LAID

DATE 13/04/2023

TABLED BY DEPUTY MATILITY WHIP

COMMITTEE

CLERK AT THE TABLE NS. ANGELA M. KENYAN

REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

**SAMBURU COUNTY COVID-19
EMERGENCY RESPONSE FUND**

**FOR THE YEAR ENDED
30 JUNE, 2022**



COUNTY GOVERNMENT OF SAMBURU
SAMBURU COUNTY COVID-19 EMERGENCY RESPONSE FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE, 2022

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Samburu County Covid-19 Emergency Response Fund is established by and derives its authority and accountability from The Public Finance Management Act, 2012 (No. 18 of 2012) Samburu County Covid-19 Emergency Response Fund Regulations, 2020 of 17th June, 2020. The Fund is wholly owned by the County Government of Samburu and is domiciled in Kenya.

The fund's objective is to mobilize resources for emergency response towards containing the spread, effect and impact of Covid-19 pandemic in the County.

The Fund's principal activities notwithstanding the generality of the above main objective include the following;

- To fund the purchase of essential supplies for public hospitals and other related institutions, health professionals and frontline workers in the County, as need arises.
- To fund programmes and initiatives towards cushioning and provision of emergency relief to the most vulnerable, older and poor persons in urban informal settlements and rural areas within the County.
- To support and stimulate micro, small and medium enterprises operating within the County, that have been rendered vulnerable by Covid-19 pandemic.
- To identify and lease facilities for accommodation of the frontline health workers and other officers who deal directly with Covid-19 patients.
- To fund restoration of the County facilities being used for compulsory quarantine for safe use by the hosting institutions.
- To fund the production/purchase and distribution to the public of essential Covid-19 prevention supplies such as hand sanitizers, soaps, water and masks.
- To fund any other emerging issue in the County arising from the Covid-19 pandemic.

**Samburu County Covid-19 Emergency Response Fund
Reports and Financial Statements
For the year ended June 30, 2022**

i) Independent Auditors

Auditor General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

j) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

Samburu County Covid-19 Emergency Response Fund
Reports and Financial Statements
For the year ended June 30, 2022

2. THE BOARD OF TRUSTEES/ FUND ADMINISTRATION COMMITTEE

Name	Details of qualifications and experience
1.  Mr. Alex Leseketeti	Mr. Alex Leseketeti- Board Chairperson Date of Birth: 28th December, 1964 He holds Master's degree in Development Studies, Bachelor of Science Community Development, Diploma in Project Planning and Diploma in Project management and Development Planning He has over 20 years' experience in emergency response management and currently serving as County Drought Coordinator at National Drought Management Authority Samburu County.
2.  Hon. CPA Jonathan Leisen	Hon. CPA Jonathan Leisen -Executive director Date of Birth: 12th May, 1980 He holds Master's degree in Business Administration (Finance Option), Bachelor's degree in Commerce. He is a CPA (K) registered with the Institute of Certified Public accountants of Kenya (ICPAK) He has over 15 years in Accountancy in Government and NGO's. He is CECM for Finance, Economic planning and ICT at County government of Samburu and current administrator to the fund.
3.  Mr. Daniel Lesaigor	Mr. Daniel Lesaigor- Non-Executive director He holds BA Community Development, Diploma Social work, Training in Peace and Security, Disaster Risk Management. Over 20 years' experience managing international Humanitarian Aid and Disaster Risk Management.

Samburu County Covid-19 Emergency Response Fund
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4.  Mrs. Pamela Lentaaya	Mrs. Pamela Lentaaya – Non-Executive director Date of birth: 1975 Pamela holds Diploma in Agricultural Education and extension (Dip-AGED) She has over 15 years’ experience as Educationist as high school teacher. She represents Samburu East at the Board.
5.  Mrs. Statian Lemoosa	Mrs. Statian Lemoosa -Non-Executive director Date of Birth: 13th February,1986 Statian holds Certificate in community health She is a former Nominated Member of County Assembly of Samburu 2013-2017 She represents people of Samburu North at the board.
6.  Mr. Lasi Letiwa	Mr. Lasi Letiwa -Non-Executive director Date of birth: 01st July,1976 Lasi holds Diploma in community development He has worked for over 15 years with People Living with disability within Samburu County. He represents People Living with disability.

Samburu County Covid-19 Emergency Response Fund
Reports and Financial Statements
For the year ended June 30, 2022

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

Guidance

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 Samburu County Government Covid-19 Emergency Response fund performed the following key objectives during the year under review as predetermined by the County government of Samburu and fund regulations:

- Funded the purchase of essential supplies for public hospitals and other related institutions, health professionals and frontline workers in the County, as need arises.
- Funded programmes and initiatives towards cushioning and provision of emergency relief to the most vulnerable, older and poor persons in urban informal settlements and rural areas within the County.
- Supported and stimulated micro, small and medium enterprises operating within the County, that have been rendered vulnerable by Covid-19 pandemic.
- Identified and leased facilities for accommodation of the frontline health workers and other officers who deal directly with Covid-19 patients.
- Funded restoration of the County facilities being used for compulsory quarantine for safe use by the hosting institutions.
- Funded the production/purchase and distribution to the public of essential Covid-19 prevention supplies such as hand sanitizers, soaps, water and masks.
- Funded other emerging issue in the County arising from the Covid-19 pandemic.

Samburu County Covid-19 Emergency Response Fund
Reports and Financial Statements
For the year ended June 30, 2022

4. MANAGEMENT TEAM

Name	Details of qualifications and experience
1.  Hon. CPA Jonathan Leisen	Hon. CPA Jonathan Leisen-Fund Administrator Date of Birth: 12th May, 1980 He holds Master's degree in Business Administration (Finance Option), Bachelor's degree in Commerce. He is a CPA (K) registered with the Institute of Certified Public accountants of Kenya (ICPAK) He has over 15 years in Accountancy in Government and NGO's. He is CECM for Finance, Economic planning and ICT at County government of Samburu and current administrator to the fund.
2.  CPA Meshack Lengusuranga	CPA Meshack Lengusuranga- Fund Accountant He holds Bachelor's degree in Business Management (Accounting Option) He is a CPA (K) registered with the Institute of Certified Public accountants of Kenya (ICPAK). He has Over 6 years in Accountancy and auditing in Public Sector.

Samburu County Covid-19 Emergency Response Fund
Reports and Financial Statements
For the year ended June 30, 2022

5. BOARD/FUND ADMINISTRATION COMMITTEE CHAIRPERSON'S REPORT

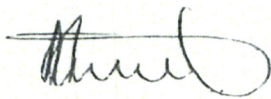
It is with great pleasure that I present final Financial Statements for Samburu County Covid-19 Emergency Response Fund, for the year ended June, 2022. These reports whose scope covers a period of twelve Months mainly presents the Fund's financial performance for the period between July 2021 and June 2022. The overall goal of the fund was to mobilize resources for Emergency response towards containing the spread, effect and impact of Covid-19 pandemic in the County. Samburu County Covid-19 Emergency Response Fund is established by and derives its authority and accountability from The Public Finance Management Act, 2012 (No. 18 of 2012) on 17th June, 2020. The Fund is wholly owned by the County Government of Samburu and is domiciled in Kenya. The fund's objective is to mobilize resources for emergency response towards containing the spread, effect and impact of Covid-19 pandemic in the County.

The Fund's principal activities notwithstanding the generality of the above main objective include the following-

- To fund the purchase of essential supplies for public hospitals and other related institutions, health professionals and frontline workers in the County, as need arises.
- To fund programmes and initiatives towards cushioning and provision of emergency relief to the most vulnerable, older and poor persons in urban informal settlements and rural areas within the County.
- To support and stimulate micro, small and medium enterprises operating within the County, that have been rendered vulnerable by Covid-19 pandemic.
- To identify and lease facilities for accommodation of the frontline health workers and other officers who deal directly with Covid-19 patients.
- To fund restoration of the County facilities being used for compulsory quarantine for safe use by the hosting institutions.
- To fund the production/purchase and distribution to the public of essential Covid-19 prevention supplies such as hand sanitizers, soaps, water and masks.
- To fund any other emerging issue in the County arising from the Covid-19 pandemic.

I thank the fund administrator, the fund accountant and the fund administration committee for a work well done and for their cooperation and diligence while managing the fund and the pandemic at the County level.

Signed:



Mr. Alex Leseketeti

**Samburu County Covid-19 Emergency Response Fund
Reports and Financial Statements
For the year ended June 30, 2022**

6. REPORT OF THE FUND MANAGER/ ADMINISTRATOR

On behalf of the Committee charged with administration of Samburu County Covid-19 Emergency Response fund, I would like to take this early opportunity to register my deep appreciation to all the stakeholders that have undertaken any function or task in the management of this Fund in the financial year ended June 2022. It is with great pleasure that I present final Financial Statements for Samburu County Covid-19 Emergency Response Fund, for the year ended June, 2022. These reports whose scope covers a period of twelve Months mainly presents the Fund's financial performance for the period between July 2021 and June 2022. The overall goal of the fund was to mobilize resources for Emergency response towards containing the spread, effect and impact of Covid-19 pandemic in the County. Samburu County Covid-19 Emergency Response Fund is established by and derives its authority and accountability from The Public Finance Management Act, 2012 (No. 18 of 2012) on 17th June, 2020. The Fund is wholly owned by the County Government of Samburu and is domiciled in Kenya. The fund's objective is to mobilize resources for emergency response towards containing the spread, effect and impact of Covid-19 pandemic in the County.

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- To fund restoration of the County facilities being used for compulsory quarantine for safe use by the hosting institutions.
- To fund the production/purchase and distribution to the public of essential Covid-19 prevention supplies such as hand sanitizers, soaps, water and masks.

I thank the fund administration committee for their support and for their cooperation while administering the fund and containing the pandemic across the County.

Signed: _____

Jonathan Kipambi Leisen

**Samburu County Covid-19 Emergency Response Fund
Reports and Financial Statements
For the year ended June 30, 2022**

7. CORPORATE GOVERNANCE STATEMENT

Samburu County Covid-19 Emergency Response Fund is established by and derives its authority and accountability from The Public Finance Management Act, 2012 (No. 18 of 2012) on 17th June, 2020. The Fund is wholly owned by the County Government of Samburu and is domiciled in Kenya. The top decision-making organ charges with corporate governance with regards to the management of Samburu County Covid-19 Emergency Response Fund is the Fund administration Committee. The Committee endeavours to execute its mandate in line with the provisions of the Act.

The appointment of the Committee stems its authority from Samburu County Covid-19 Emergency Response Fund regulations, 2020. This therefore means, members of the committee are bound to hold office for the duration that they will be employed by Samburu County Government as County Executive Committee members and Chief Officers in the respective departments defined in the Act. This therefore means should there be an occurrence either in form of dismissal or transfers to departments not defined by the Act, they cease to be members of the Committee and the Governor automatically appoints a new office bearer to take up the vacant position in adherence with the Act. Apart from County Executive Committee members and chief officers in the respective departments defined in the Act. The committee shall comprise of four other members, who shall not be public officers, appointed by the Governor from key stakeholders namely associations representing professionals, religious, civil society organizations, women, youth and persons living with disabilities.

Members are expected to hold quarterly meetings or special meetings should there arise an urgent need to do so. Members require trainings on the administration of the fund especially when they are all newly appointed. Performance of members is expected to be in line with the recommendations of the Act.

Should there be a conflict of interest in the execution of Committee duties, concerned members are encouraged to declare the interest in writing and communicate the same to the Chairperson. Members are expected to draw sitting allowances from the Fund commensurate with amounts recommended by the SRC should there be meetings.

It is the expectation of public, employer and all other stakeholders that members act impartially and with decorum in the execution of their duties.

Governance audit is expected to be conducted annually hand in hand with financial audits.

**Samburu County Covid-19 Emergency Response Fund
Reports and Financial Statements
For the year ended June 30, 2022**

8. MANAGEMENT DISCUSSION AND ANALYSIS

Samburu County Covid-19 Emergency Response Fund is established by and derives its authority and accountability from The Public Finance Management Act, 2012 (No. 18 of 2012) on 17th June, 2020. The Fund is wholly owned by the County Government of Samburu and is domiciled in Kenya.

According to management, the Fund has performed fairly well given the conditions that pre-existed in the year under review. Challenges have been identified and the committee will endeavour to bridge the gaps identified in order to improve the standing of fund.

The fund is governed by Samburu County Covid-19 Emergency Response Fund Regulations, 2020 and will endeavour to comply with the Act and other statutory requirements in execution of its mandates.

Samburu County Covid-19 Emergency Response Fund
Reports and Financial Statements
For the year ended June 30, 2022

**9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY
REPORTING**

To fund programmes and initiatives towards cushioning and provision of emergency relief to the most vulnerable, older and poor persons in urban informal settlements and rural areas within the County.

To support and stimulate micro, small and medium enterprises operating within the County, that have been rendered vulnerable by Covid-19 pandemic.

To fund the production/purchase and distribution to the public of essential Covid-19 prevention supplies such as hand sanitizers, soaps, water and masks.

**Samburu County Covid-19 Emergency Response Fund
Reports and Financial Statements
For the year ended June 30, 2022**

10. REPORT OF THE TRUSTEES/ FUND ADMINISTRATION COMMITTEE

We submit our report together with the financial statements for the year ended June 30, 2022, which show the state of the Fund affairs.

10.1 Principal activities

The principal activities of the Fund are;

- To fund the purchase of essential supplies for public hospitals and other related institutions, health professionals and frontline workers in the County, as need arises.
- To fund programmes and initiatives towards cushioning and provision of emergency relief to the most vulnerable, older and poor persons in urban informal settlements and rural areas within the County.
- To support and stimulate micro, small and medium enterprises operating within the County, that have been rendered vulnerable by Covid-19 pandemic.
- To identify and lease facilities for accommodation of the frontline health workers and other officers who deal directly with Covid-19 patients.
- To fund restoration of the County facilities being used for compulsory quarantine for safe use by the hosting institutions.
- To fund the production/purchase and distribution to the public of essential Covid-19 prevention supplies such as hand sanitizers, soaps, water and masks.
- To fund any other emerging issue in the County arising from the Covid-19 pandemic.

10.2 Performance

Fund has performed fairly well given the conditions that pre-existed in the year under review.

The performance of the Fund for the year ended June 30, 2022, are as indicated below;

**Samburu County Covid-19 Emergency Response Fund
Reports and Financial Statements
For the year ended June 30, 2022**

11. 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 Samburu County Covid-19 Emergency Response Fund established by Public Finance Management Act, 2012, Samburu County Covid-19 Emergency Response Fund Regulations, 2020 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 Samburu County Covid-19 Emergency Response 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, 2022. 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 Samburu County Covid-19 Emergency Response 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 Public Finance Management Act, 2012.

The Administrator of Samburu County Covid-19 Emergency Response 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 year ended June 30, 2022, and of the Fund's financial position as at that date. The

**Samburu County Covid-19 Emergency Response Fund
Reports and Financial Statements
For the year ended June 30, 2022**

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 Samburu County Covid-19 Emergency Response 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 3rd February, 2023 and

signed on its behalf by:

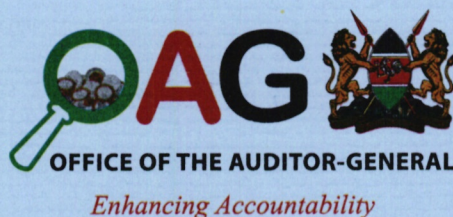


Name: CPA Jonathan Leisen

Fund Administrator

REPUBLIC OF KENYA

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Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON SAMBURU COUNTY COVID-19 EMERGENCY RESPONSE FUND FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

- A. Report on the 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 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 Government achieves value for money and that such funds are applied for 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient, and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Samburu County Covid-19 Emergency Response Fund set out on pages 1 to 44, which comprise of the statement

of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Samburu County Covid-19 Emergency Response Fund as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Samburu County Covid-19 Emergency Response 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 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 Controls and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2022 reflects an approved budgeted expenditure of Kshs.25,000,000 and an actual expenditure of Kshs.49,254,436 resulting in a net over-expenditure of Kshs.24,254,436.

In the circumstance, the over expenditure of Kshs.24,254,436 incurred during the year under review had no budgetary approval contrary to Section 112 of the Public Finance Act (County Government) Regulations 2015 which states that, If an Accounting Officer finds after Appropriation Accounts are completed, that he or she has spent more than the total vote, that Accounting Officer shall seek County Assembly approval through the County Executive Committee Member for that excess vote.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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. Failure to Follow Procurement Process on Construction of Pit Latrine and Shelving at a Health Centre

Note 7 to the financial statements reflects Kshs.47,749,059, in respect to general expenses which further includes Kshs.8,479,400 for restoration of the County facilities being used for compulsory quarantine. Included in this component is Kshs.4,745,023 paid for construction of pit latrine and shelving at a health center.

However, procurement process including evidence of request for quotations, inspection, and acceptance committee minutes, handing over reports, and tender opening and evaluation minutes were not provided for audit review, contrary to Section 114 of the PFM Regulation, 2015 which requires that all purchases of goods, works and services from suppliers shall comply with the provisions prescribed in the public procurement and assets disposals Act. The estimated completion date was also not stated in the contract agreement.

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

2. Irregular Procurement of Fuels, Oils and Lubricants

Note 7 to the financial statements reflects Kshs.47,749,059 in respect to general expenses which includes Kshs.7,327,358 spent on the purchase of essential supplies for Public Hospitals and other related institutions. This component further, includes Kshs.1,692,180 in respect of advance payment for supply and delivery of fuel.

However, no evidence was provided to show the appointment of the tender opening and evaluation committees contrary to sections 46(1) and 78(1) of the Public Procurement and Asset Disposal Act, 2015 which requires the accounting officer to establish both committees. In addition, the tender evaluation report was not presented for audit review and the criteria used to award the tender to the two bidders could not be ascertained.

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

3. Irregular Procurement of Armored Cable

Note 7 to the financial statements reflects an expenditure of Kshs.47,749,059 in respect to general expenses which includes Kshs.7,327,358 spent on the purchase of essential

supplies for Public Hospitals and other related institutions. This component includes a payment of Kshs.2,132,586 for supply and delivery of 140 meters of armored cable to Samburu County Referral Hospital.

Information available shows that the department of health requested for a 4 core 95mm armored cable of 137m at an estimated cost of Kshs.1,950,000. However, 140m of the armored cable was ordered instead of the requisitioned quantity of 137 meters, resulting to a variance of 3m of the cable with an extra cost of Kshs.46,500 which could have been avoided had the Fund ordered the exact quantity requisitioned by the department.

Further, although an inspection and acceptance committee were appointed, there was no evidence that the committee issued a report on the delivery of the armored cable to the head of procurement function contrary to Section 35(6) of the Public Procurement and Asset Disposal Regulations, 2020 which requires that the inspection and acceptance committee should prepare and issue a report or a completion certificate and submit to the head of the procuring entity.

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

4. Unsupported Construction and Renovation of Isolation Centre

Note 7 to the financial statements reflects Kshs.47,749,059 in respect to general expenses which includes Kshs.8,479,400 in respect to payment for restoration of the County facilities used for compulsory quarantine by the hosting institutions. This component further includes Kshs.3,499,100 spent on construction and renovation of Isolation Centre.

However, there was no evidence to show that the renovation works were inspected and accepted contrary to Section 48(b) of the Public Procurement and Asset Disposal Act, 2015 that requires inspection and acceptance committee to ensure that the goods, works, or services meet the technical standards defined in the contract. Further, tender documents were not provided for audit review. In addition, the signed contract did not include the contract completion date.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

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 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 effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain its 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 terminate the Fund or cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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 the ability of the Fund's ability 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 sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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

03 March, 2023

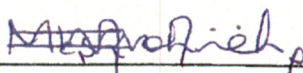
Samburu County Covid-19 Emergency Response Fund
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1. FINANCIAL STATEMENTS

13.1 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2022.

	Note	2021/2022	2020/2021
		KShs	KShs
Revenue from non-exchange transactions			
Public contributions and donations	1	-	3,000
Transfers from the County Government	2	25,000,000	228,000,000
Fines, penalties and other levies	3	-	-
		25,000,000	228,003,000
Revenue from exchange transactions			
Interest income	4	-	-
Other income	5	-	-
		-	-
Total revenue		25,000,000	228,003,000
Expenses			
Fund administration expenses	6	1,444,027	6,840,090
General expenses	7	47,749,059	194,561,773
Finance costs	8	61,350	91,214
Total expenses		49,254,436	201,493,077
Other gains/losses			
Gain/loss on disposal of assets	9	-	-
Surplus/(deficit) for the period		(24,254,436)	26,509,923


 Administrator of the Fund
 Name: CPA Jonathan Leisen
 ICPAK Member Number: 7465


 Fund Accountant
 Name: CPA Meshack Lengusuranga
 ICPAK Member Number: 19734

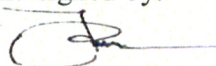
The notes set out on pages 27 to 45 form an integral part of these Financial Statements.

Samburu County Covid-19 Emergency Response Fund
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For the year ended June 30, 2022

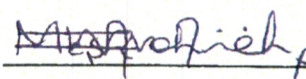
13.2 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2021/2022	2020/2021
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	10	2,255,487	26,509,923
Current portion of long- term receivables from exchange transactions	11	-	-
Prepayments	12	-	-
Inventories	13	-	-
		2,255,487	26,509,923
Non-current assets			
Property, plant and equipment	14	-	-
Intangible assets	15	-	-
Long term receivables from exchange transactions	16	-	-
		-	-
Total assets		2,255,487	26,509,923
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	17	-	-
Provisions	18	-	-
Current portion of borrowings	19	-	-
Employee benefit obligations	20	-	-
		-	-
Non-current liabilities			
Non-current employee benefit obligation	21	-	-
Long term portion of borrowings	22	-	-
Total liabilities		-	-
Net assets		-	-
Revolving Fund		-	-
Reserves		-	-
Accumulated surplus		2,255,487	26,509,923
Total net assets and liabilities		2,255,487	26,509,923

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 20th September, 2022 and signed by:



Administrator of the Fund
Name: CPA Jonathan Leisen
ICPAK Member Number: 7465



Fund Accountant
Name: CPA Meshack Lengusuranga
ICPAK Member Number: 19734

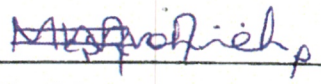
**Samburu County Covid-19 Emergency Response Fund
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13.3 STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2022

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2020	-	-	228,000,936	228,000,936
Surplus/(deficit) for the period	-	-	-	-
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2021	-	-	26,509,923	26,509,923
Balance as at 1 July 2021	-	-	26,509,923	26,509,923
Surplus/(deficit) for the period	-	-	(24,254,436)	(24,254,436)
Funds received during the year	-	-	25,000,000	25,000,000
Revaluation gain	-	-	-	-
Balance as at 30 June 2022	-	-	2,255,487	2,255,487



Administrator of the Fund
Name: CPA Jonathan Leisen
ICPAK Member Number: 7465



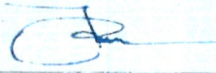
Fund Accountant
Name: CPA Meshack Lengusuranga
ICPAK Member Number: 19734

Samburu County Covid-19 Emergency Response Fund
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For the year ended June 30, 2022

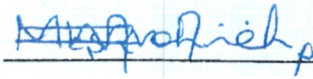
13.4 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2021/2022	2020/2021
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	3,000
Transfers from the County Government		25,000,000	228,000,000
Interest received		-	-
Receipts from other operating activities		-	-
Total Receipts		25,000,000	228,003,000
Payments			
Fund administration expenses		1,444,027	6,840,090
General expenses		47,749,059	194,561,773
Finance cost		61,350	* 91,214
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	23	-	-
Increase/(Decrease) in Accounts Payable: (deposits and retention)	24	26,509,923	-
Net cash flows from operating activities		2,255,487	26,509,923
Cash flows from investing activities			
Purchase of property, plant, equipment & 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		2,255,487	26,509,923
Cash and cash equivalents at 1 JULY	25	26,509,923	228,000,936
Cash and cash equivalents at 30 JUNE	26	2,255,487	26,509,923

**Samburu County Covid-19 Emergency Response Fund
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For the year ended June 30, 2022**



Administrator of the Fund
Name: CPA Jonathan Leisen
ICPAK Member Number: 7465



Fund Accountant
Name: CPA Meshack Lengusuranga
ICPAK Member Number: 19734

Samburu County Covid-19 Emergency Response Fund
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13.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30th JUNE 2022.

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2022	2022	2022	2022	2022	2022
Revenue	KShs	KShs	KShs	KShs	KShs	
Public contributions and donations	-	-	-	-	-	-
Transfers from County Govt.	25,000,000	-	25,000,000	25,000,000	-	100%
Interest income	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total income	25,000,000	-	25,000,000	25,000,000	-	-
Expenses						
Fund administration expenses	750,000	-	750,000	1,444,027	(694,027)	>100%
General expenses	24,175,000	-	24,175,000	47,749,059	(23,574,059)	>100%
Finance cost	75,000	-	75,000	61,350	13,650	<100%
Total expenditure	25,000,000	-	25,000,000	49,254,36	(24,254,436)	<100%
Surplus for the period	-	-	-	(24,254,436)	(24,254,436)	>100%

**Samburu County Covid-19 Emergency Response Fund
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13.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

The Samburu County Covid-19 Emergency Response 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.

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SIGNIFICANT ACCOUNTING POLICIES

2. Adoption of new and revised standards

a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2022

Standard/ Amendments Applicable 1 st January 2021:	Impact
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	There was no impact of the amendment to IPSAS 13 with respect to the current financial report
b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. 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	There was no impact of the amendment to IPSAS 13 and IPSAS 17 with respect to the current financial report as the entity did not apply any of the transitional provisions in the FY 2021/2022
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.	There was no impact of the amendment to IPSAS 21 and IPSAS 26 with respect to the current financial report as the entity does not have Non-Cash Generating Assets and neither did it have impaired cash generating assets.
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	There was no impact of Amendments to the implementation guidance on deemed cost in IPSAS 33.

Samburu County Covid-19 Emergency Response Fund
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SIGNIFICANT ACCOUNTING POLICIES

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022

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: • 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; • 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: (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and

Samburu County Covid-19 Emergency Response Fund
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Standard	Effective date and impact:
	(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: 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.

**Samburu County Covid-19 Emergency Response Fund
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For the year ended June 30, 2022**

SIGNIFICANT ACCOUNTING POLICIES

c) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2021.

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 2021/2022 was approved by the County Assembly of Samburu. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

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

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 on page 23 of these financial statements.

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.

2. 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.

**Samburu County Covid-19 Emergency Response Fund
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For the year ended June 30, 2022**

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Financial instruments

a) 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.

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 an entity of financial assets is impaired. A financial asset or an 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

**Samburu County Covid-19 Emergency Response Fund
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For the year ended June 30, 2022**

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an 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)

b) 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.

4. 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.

**Samburu County Covid-19 Emergency Response Fund
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For the year ended June 30, 2022**

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

5. 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.

**Samburu County Covid-19 Emergency Response Fund
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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.

6. Nature and purpose of reserves

The Entity creates and maintains no reserves in terms of specific requirements.

7. 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.

8. 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.

**Samburu County Covid-19 Emergency Response Fund
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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

9. 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.

10. 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.

11. 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/Trustee, the Fund Managers and Fund Accountant.

**Samburu County Covid-19 Emergency Response Fund
Reports and Financial Statements
For the year ended June 30, 2022**

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. 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 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.

13. Comparative figures

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

14. Events after the reporting period

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

15. Ultimate and Holding Entity

The entity is Samburu County Covid-19 Emergency Response Fund established by PFM Act 2012 (No. 18 of 2012) on 17th June,2020 under the Department of Finance Economic Planning and ICT. Its ultimate parent is the County Government of Samburu.

16. Currency

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

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

17. 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:

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:

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

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 18.

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.

18. Financial risk management

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

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

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2022				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	2,255,487	-	-	-
Total	2,255,487	-	-	-
At 30 June 2021				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	26,509,923	-	-	-
Total	26,509,923	-	-	-

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.

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	KShs	KShs	KShs	KShs
At 30 June 2022				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2021				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

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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.

d) 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.

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 30 June 2022			
Financial assets	-	-	-
Investments	-	-	-
Cash	2,255,487	-	2,255,487
Debtors/ receivables			
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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
2022			
Euro	10%	-	-
USD	10%	-	-
2021			
Euro	10%	-	-
USD	10%	-	-

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) 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.

f) 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:

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

	2021/2022	2020/2021
	KShs	KShs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	2,255,487	26,509,923
Total funds	2,255,487	26,509,923
Total borrowings	-	-
Less: cash and bank balances	(2,255,487)	(26,509,923)
Net debt/ (excess cash and cash equivalents)	-	-
Gearing	0%	0%

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2. NOTES TO THE FINANCIAL STATEMENTS

1. Public contributions and donations

Description	2021/2022	2020/2021
	KShs	KShs
Donation from development partners	-	-
Contributions from the public	-	3,000
Total	-	3,000

(Provide brief explanation for this revenue)

2. Transfers from County Government

Description	2021/2022	2020/2021
	KShs	KShs
Transfers from County Govt. – operations	25,000,000	228,000,000
Payments by County on behalf of the entity	-	-
Total	25,000,000	228,000,000

3. Fines, penalties and other levies

Description	2021/2022	2020/2021
	KShs	KShs
Late payment penalties	-	-
Fines	-	-
Levies	-	-
Licences	-	-
Total	-	-

4. Interest income

Description	2021/2022	2020/2021
	KShs	KShs
Interest income from Mortgage loans	-	-
Interest income from car loans	-	-
Interest income from investments	-	-
Interest income on bank deposits	-	-
Total interest income	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Other income

Description	2021/2022	2020/2021
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income (specify)	-	-
Total other income	-	-

6. Fund administration expenses

Description	2021/2022	2020/2021
	KShs	KShs
Staff costs (Note 6a)	845,727	630,000
Loan processing costs	-	-
Professional services costs	-	-
Administration expenses	598,300	6,210,090
Total	1,444,027	6,840,090

6A. Staff costs

Description	2021/2022	2020/2021
	KShs	KShs
Salaries and wages	845,727	630,000
Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs	-	-
Total	845,727	630,000

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. General expenses

Description	2021/2022	2020/2021
	KShs	KShs
Purchase of essential supplies for Public Hospitals and other related institutions, health professionals and frontline workers in the County as need arises	7,327,358	76,437,382
Lease facilities for accommodation of the frontline health workers and other officers who deal directly with Covid-19 patients	3,000,000	3,960,000
Restoration of the County facilities being used for compulsory quarantine for safe use by the hosting institutions	8,479,400	25,570,107
Purchase and distribution to the public of essential Covid-19 prevention supplies such as hand sanitizers, soaps, water and masks	297,000	27,002,112
Other emerging issues in the County arising from the Covid-19 pandemic	28,645,301	61,592,172
Other expenses	-	-
Total	47,749,059	194,561,773

8. Finance costs

Description	2021/2022	2020/2021
	KShs	KShs
Bank charges	61,350	91,214
Interest on loans from banks	-	-
Total	61,350	91,214

9. Gain/(loss) on disposal of assets

Description	2021/2022	2020/2021
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Cash and cash equivalents

Description	2021/2022	2020/2021
	KShs	KShs
Car loan account	-	-
County mortgage account	-	-
Fixed deposits account	-	-
On – call deposits	-	-
Current account	2,255,487	26,509,923
Others	-	-
Total cash and cash equivalents	2,255,487	26,509,923

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

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

		2021/2022	2020/2021
Financial institution	Account number	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			
Cooperative bank	01141999581100	2,255,487	26,509,923
Bank B		-	-
Sub- total		2,255,487	26,509,923
d) Others(specify)		-	-
Cash in transit		-	-
Cash in hand		-	-
Mobile Money		-	-
Sub- total		-	-
Grand total		2,255,487	26,509,923

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Receivables from exchange transactions

Description	2021/2022	2020/2021
	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	-	-

Additional disclosure on interest receivable

Description	2021/2022	2020/2021
	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	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Receivables from Non-Exchange transaction

Description	2021/2022	2020/2021
	KShs	KShs
Transfer from County Executive	-	-
Transfer from County Revenue Fund	25,000,000	228,000,000
Donations	-	3,000
Total receivables from non-exchange transactions	25,000,000	228,003,000

12. Prepayments

Description	2021/2022	2020/2021
	KShs	KShs
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Other prepayments(specify)	-	-
Total	-	-

13. Inventories

Description	2021/2022	2020/2021
	KShs	KShs
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Other inventories(specify)	-	-
Total inventories at the lower of cost and net realizable value	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	KShs	KShs	KShs	KShs	KShs
At 1st July 2020	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	(-)	(-)	-	-	(-)
Transfers/adjustments	-	(-)	-	(-)	(-)
At 30th June 2021	-	-	-	-	-
At 1st July 2021					
Additions	-	-	-	-	-
Disposals	(-)	-	-	-	(-)
Transfer/adjustments	(-)	-	-	(-)	(-)
At 30th June 2022	-	-	-	-	-
Depreciation and impairment					
At 1 st July 2020	(-)	(-)	(-)	(-)	(-)
Depreciation	(-)	(-)	(-)	(-)	(-)
Impairment	(-)	-	-	-	(-)
At 30th June 2021	-	-	-	-	-
At 1st July 2021					
Depreciation	(-)	(-)	(-)	-	(-)
Disposals	-	-	-	-	-
Impairment	(-)	(-)	-	-	(-)
Transfer/adjustment	-	(-)	(-)	-	-

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	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	KShs	KShs	KShs	KShs	KShs
At 30th June 2022	-	-	-	-	-
Net book values					
At 30th June 2021	-	-	-	-	-
At 30th June 2022	-	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Intangible assets-software

Description	2021/2022	2020/2021
	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	-	-

16. Trade and other payables from exchange transactions

Description	2021/2022	2020/2021
	KShs	KShs
Trade payables	-	-
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
Total trade and other payables	-	-

17. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year (1.07.2021)	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	(-)	(-)	(-)	(-)
Change due to discount and time value for money	(-)	(-)	(-)	(-)
Transfers from non -current provisions	-	-	-	-
Balance at the end of the year (30.06.2022)	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. Borrowings

Description	2021/2022	2020/2021
	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 domestic borrowings during the period	(-)	(-)
Balance at end of the period	-	-

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

	2021/2022	2020/2021
	KShs	KShs
External Borrowings		
Dollar denominated loan	-	-
Sterling Pound denominated loan	-	-
Euro denominated loan	-	-
Domestic Borrowings		
Kenya Shilling loan from Cooperative Bank	-	-
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	2021/2022	2020/2021
	KShs	KShs
Short term borrowings (current portion)	-	-
Long term borrowings	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Employee benefit obligations

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

20. Cash generated from operations

	2021/2022	2020/2021
	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	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. 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 is related to the following entities:

- a) The County Government of Samburu
- b) The Samburu County Treasury;
- c) County Assembly of Samburu;
- d) Key management; Fund administrator and Accountant.
- e) Board of Trustees/Fund administration Committee.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

b) Related party transactions

	2021/2022	2020/2021
	KShs	KShs
Transfers from related parties'	25,000,000	228,000,000
Transfers to related parties	-	-

c) Key management remuneration

	2021/2022	2020/2021
	KShs	KShs
Board of Trustees/Fund administration Committee	598,300	6,210,090
Key Management Compensation	845,727	630,000
Total	6,840,090	6,840,090

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d) Due from related parties

	2021/2022	2020/2021
	KShs	KShs
Due from parent Ministry	-	-
Due from County Government	-	-
Due from County Assembly	-	-
Total	-	-

e) Due to related parties

	2021/2022	2020/2021
	KShs	KShs
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Due to County Assembly	-	-
Total	-	-

21. Contingent assets and contingent liabilities

Contingent liabilities	2021/2022	2020/2021
	KShs	KShs
Court case against the Fund	-	-
Bank guarantees	-	-
Total	-	-

22. Accounts payable

Accounts payable	2021/2022	2020/2021
	KShs	KShs
Increase in accounts payable	26,509,923	-
Total	26,509,923	-

23. Cash and cash equivalents at 1 July

Cash and cash equivalents	2021/2022	2020/2021
	KShs	KShs
Cash and cash equivalents at 1 July,	26,509,923	228,000,936
Total	26,509,923	228,000,936

24. Cash and cash equivalents at 30th June,

Cash and cash equivalents	2021/2022	2020/2021
	KShs	KShs
Cash and cash equivalents at 30 th June	2,255,487	26,509,923
Total	2,255,487	26,509,923

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**3. 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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status : (Resolved / Not Resolved)	Focal Point person to resolve the issue (Name and designation)	Timeframe: (Put a date when you expect the issue to be resolved)
CEN/HUB/SAM.C/EXEC.COV19EF/71/4	Samburu County Government Covid-19 Emergency response fund spent Kshs.27,002,112 on purchase of prevention supplies. However, the mandatory procedures	Failure to record goods received in the S13 and S3 cards was due to stock out of these documents during that period. The	"Not Resolved"	Meshack Lengusura nga-Fund Accountant	30 th June, 2023

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	on receipt of goods, recording, inspection, certification and issues and distributions were not followed on purchases totaling to Kshs. 16,197,190 Items were not verified by an inspection and acceptance committee, not recorded in the S13 and S3 cards as evidenced by stores visit conducted at Maralal	County Referral Hospital later requested the above-mentioned stores records from government printer and the items received were recorded according to the mandatory procedure s. The lack of segregation of duties identified during audit was due to staff				
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	Referral Hospital on 8 th March 2022. Further, it was observed that there was lack of segregation of duties as only one staff was responsible for receiving, recording and issuing of stores.	shortages in the County. The County has planned to recruit more stores clerks in order to enhance segregation of duties. On inspection and acceptance of the above goods for quality, the purchased medical equipment from Mission for Essential Drugs			
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			and Supplies, an authorize d dealer for medical equipmen t. Mission For Essential Drugs and Supplies has quality control lab with internatio nal certificati on from World Health Organizat ion. All the equipmen t had been tested for quality hence			
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**Samburu County Covid-19 Emergency Response Fund
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		effectiveness and reliability of procured items			
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Guidance Notes:

- a) Use the same reference numbers as contained in the external audit report;
- b) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- c) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- d) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to County Treasury.

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4. APPENDIX I: INTER-ENTITY TRANSFERS

	ENTITY NAME:			
	Break down of Transfers from the County Executive of Samburu County Government			
	FY 2021/2022			
a.	Recurrent Grants	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
			-	
		Total	-	
b.	Development Grants	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
			-	
		Total	-	
c.	Direct Payments	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
		06.07.2021	25,000,000	2021/2022
			-	
			-	
		Total	25,000,000	

The above amounts have been communicated to and reconciled with the parent Ministry.

Fund Administrator



Head of County Treasury at Samburu County

