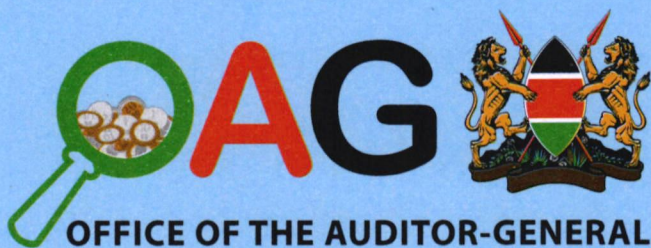


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

GARISSA COUNTY EMERGENCY FUND

FOR THE YEAR ENDED
30 JUNE, 2025

PAPERS LAID	
DATE	29/10/2025
TABLED BY	Majority Leader
COMMITTEE	
CLERK AT THE TABLE	Belinda



OFFICE OF THE AUDITOR GENERAL
NORTH EASTERN REGIONAL OFFICE
18 SEP 2025
RECEIVED
P. O. BOX 88-70100 GAR



GARISSA COUNTY EMERGENCY FUND

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

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

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

Table of Content

1. Acronyms and Definition of Key Terms	ii
2. Key Entity Information and Management	iii
3. Fund Administration Committee (Any Other Governance Body for The Fund)	vi
4. Key Management Team	vii
5. Report of the Chairman of the Fund	viii
6. Report of The Fund Administrator	ix
7. Statement of Performance Against the Fund's Predetermined Objectives	x
8. Statement of Corporate Governance	xi
9. Management Discussion and Analysis	xiii
10. Environmental and Sustainability Reporting	xiv
11. Report of The Committee	xvi
12. Statement of Management's Responsibilities	xvii
13. Report of Independent Auditor on the Financial Statements of Emergency Fund	xviii
14. Statement of Financial Performance for the Year Ended 30 th June 2025	1
15. Statement of Financial Position As at 30 June 2025	2
16. Statement Of Changes in Net Assets for the year ended 30 th June 2025	3
17. Statement of Cash Flows for The Year Ended 30 June 2025	4
18. Statement Of Comparison Of Budget And Actual Amounts For The Period	5
19. Notes to the Financial Statements	6
20. Annexes	25

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

1. Acronyms and Definition of Key Terms

a) Acronyms

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

b) Definition of Key Terms

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

*(Provide a list of Acronyms and Key terms used in the financial report as per the above example.
The list to be exhaustive)*

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

2. Key Entity Information and Management

a) Background information

Garissa County Emergency Fund is established by and derives its authority and accountability from Garissa County Emergency Fund Act, 2014 on 29th Sept 2014. The Fund is wholly owned by the County Government of Garissa and is domiciled in Kenya.

The fund's objective is to enable payments to be made in respect of a county when an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority.

b) Principal Activities

The mandate of the Fund is to enable payments to be made in respect of a county when an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority

c) Fund Administration Committee

Ref	Position	Name
1	Chairman	Abass Abdullahi Khaar
2	Committee Members	Abdilatif Sheikh Mohamed
3	Fund Administrator-CECM Finance	Abdi Ali Nuriye
4	Others (<i>specify</i>)	

(Input names of all the members who held office during the period)

d) Key Management Team

Ref	Position	Name
1	CECM-Finance	Abass Abdullahi Khaar
2	Chief Officer-Finance	Abdilatif Sheikh Mohamed
3	Fund Administrator	Abdi Ali Nuriye

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

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

Ref	Name	Position
1	Hon Abass Abdullahi Khaar	CECM Finance
2	Abdilatif Sheikh Mohamed	Chief Officer Finance and Economic Planning
3	Abdi Ali Nuriye	Administrator of the Fund
4	Abdilatif Abdi Shakul	Fund Accountant

f) Registered Offices

P.O. Box 1377-70100
Treasury offices
Lamu Road
Nairobi, KENYA

g) Fund Contacts

Website: www.xxx.go.ke E-mail:
Enquiries@garissa.go.ke
Website: www.garissa.go.ke

h) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. National Bank of Kenya
Garissa Branch.
3. Premier Bank
Garissa Branch.

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

i) Independent Auditors

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

j) Principal Legal Adviser

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

k) County Attorney

Garissa County Head quarters
P.O. Box 563-70100
Office of the Governor offices
Lamu Road Opposite Young Muslim Schools
Garissa, KENYA

Garissa County Emergency Fund

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

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

Name	Details of qualifications and experience
1. Abass Ismail Khaar	BSc Banking and Finance, Programme support officer
2. Abdilatif Sheikh Mohamed	BSc Business Administration Chief officer
3. Abdi Ali Nuriye	BSc Commerce, Fund Administrator
4. Abdilatif Abdi Shakul	BSc Finance Fund Accountant

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

4. Key Management Team

Ref	Name	Position
1	Hon Abass Abdullahi Khaar	CECM Finance
2	Abdilatif Sheikh Mohamed	Chief Officer Finance and Economic Planning
3	Abdi Ali Nuriye	Administrator of the Fund
4	Abdilatif Abdi Shakul	Fund Accountant

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

5. Report of the Chairman of the Fund

The Public Finance Management Act (PFM Act, 2012) Section 111, grants powers to the County Executive Committee Member for Finance to establish and administer County Government Emergency Fund in accordance with a framework and criteria approved by the County Assembly. The County Executive Committee Member for Finance may make payments from the emergency fund only if he is satisfied that there is an urgent and unforeseen need for expenditure for which no legislative authority exists and that the payments is meant to alleviate the damage, loss, hardship or suffering or the payment is not budgeted for and cannot be delayed until a later financial year without harming the general public interest. However, The Unforeseen event should be one that threatens damage to human life or welfare or threatens damage to environment.

- Changes in the Fund during the year (in terms of the board or key management team)

The emergency is managed by Fund Administrator and there were no changes in the key management team of the fund for the year under review.

- Review of the Fund's performance

The County Government of Garissa allocated Kshs. 40 million for Emergency Fund for the financial year 2024/2025. We were able to disperse funds amounting to Kshs 39,969,431 to the emergency fund account for drought mitigation interventions in the sub counties hard hit by the drought. Most of the resources were channeled towards drought response efforts livestock, water and health sectors through provision of water trucking services to various sub counties watering points. In addition, the county supplied animal feeds to aid herders.

- Future outlook of the Fund

The Emergency fund administrator request H.E the Governor, Garissa County to allocate more funds to this program in order to ensure that the county and the communities are at high state of readiness to implement preparedness and response activities. In addition, we will continue to strengthen our coordination role at both county and national level resulting in timelier and more effective drought response.

This office can confirm the funds received during the period were used for the eligible purpose for which it was intended and also properly accounted for.

Signed: _____

ABASS ABDULLAHI KHAAR

COUNTY EXECUTIVE COMMITTEE MEMBER -FINANCE

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

6. Report of The Fund Administrator

The Garissa County Emergency Fund was established in 2014 with the gazettelement of the Garissa County Emergency Fund Act of 2014.

The challenges faced by the fund includes.

- i. The following are among the challenges faced by the funds Administrator: -
- ii. Late disbursement of the emergency Funds from the Treasury
- iii. The vast land of Garissa County made some areas inaccessible due to various reasons such poor road infrastructure making the interventions difficult.
- iv. Insecurity has hampered delivery and distribution of food relief and other emergency items. Hulugho for example cannot be accessed without armed escort.

Way forward

- i. The County should put in place contingency plan for drought and other related emergencies
- ii. Engage the National treasury in good time to ensure funds are released in good time for timely interventions
- iii. During rainy seasons, Community awareness campaigns should be strengthened to ensure communities move from flood prone areas. This will reduce intervention areas meant for the fund to be utilised.
- iv. Communities on the hard to reached areas should be mobilised during the drought season to ensure that they move to areas where interventions can reach easily. The County government should put water tanks in strategic places where access is easier for both humans and livestock.

Signed: _____ -

ABDI ALI NURIYE

FUND ADMINISTRATOR

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

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

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

The key development objectives of the Fund as per the County Integrated Development Plan (CIDP) for 2023 to 2024 are to:

- a) **Health and Wellbeing:** Increase access to quality healthcare services, focusing on maternal and child health, disease prevention, and health education initiatives.
- b) **Environmental Sustainability:** Implement initiatives aimed at conserving natural resources, promoting renewable energy, and addressing climate change impacts.

Progress on the attainment of Strategic development objectives

Program	Objective	Outcome	Indicator	Performance
Emergency Fund	Garissa County aims to strengthen its capacity to anticipate, respond to, and recover from emergencies such as droughts, floods, disease outbreaks, fires, and security threats. This involves improving early warning systems, training and equipping response teams, establishing clear coordination mechanisms among relevant agencies, and ensuring the availability of emergency supplies and resources. By enhancing preparedness, the County can minimize loss of life, protect livelihoods, and ensure faster recovery when disasters occur.	This focuses on minimizing the damage and disruption caused by disasters in areas of Garissa County that are more vulnerable, such as flood-prone zones, drought-affected regions, or communities near insecurity hotspots. It involves implementing targeted risk-reduction measures like building resilient infrastructure, improving drainage systems, safeguarding water sources, strengthening community awareness, and pre-positioning emergency supplies. By prioritizing these high-risk locations, the County can protect lives, safeguard livelihoods, and ensure quicker recovery after emergencies.	Percentage of allocated funds disbursed	100% of funds disbursed for recent disasters

8. Statement of Corporate Governance

Effective corporate governance ensures that the Fund operates in a transparent, accountable, and efficient manner, safeguarding public resources and serving the best interests of the County's residents. The governance framework is guided by the principles of the Public Finance Management Act, 2012, relevant County legislation, and good practice standards.

1. Fund Administration Committee – Roles and Functions

The Fund Administration Committee is the principal oversight and advisory body charged with ensuring the effective administration of the Fund. Its key roles and functions include:

- I. **Policy Oversight:** Advising on policies and guidelines for the management and disbursement of the Fund.
- II. **Approval of Disbursements:** Reviewing and approving eligible funding requests in line with the Fund's mandate.
- III. **Monitoring and Evaluation:** Overseeing the implementation of funded activities and ensuring funds are used for intended purposes.
- IV. **Risk Management:** Identifying potential risks and recommending mitigation measures, including measures to respond to emergencies.
- V. **Reporting:** Ensuring timely preparation and submission of financial and performance reports to the County Executive Committee Member (CECM) and the County Assembly.

2. Committee Charter

The Committee operates under a formally adopted **Committee Charter**, which defines its composition, powers, responsibilities, meeting procedures, decision-making processes, and reporting obligations. The Charter is reviewed periodically to ensure it remains relevant and aligned with evolving laws, policies, and operational realities.

3. Succession Planning

A structured succession plan ensures continuity in leadership and institutional memory. Potential successors for key positions are identified, and capacity-building programs are implemented to prepare them for future leadership roles within the Committee.

4. Induction and Training

All new members undergo a formal induction program, which covers the Fund's legal framework, operational guidelines, financial management principles, and ethical responsibilities. Continuous professional development is encouraged, with members attending relevant workshops, conferences, and training sessions to enhance their governance and financial oversight skills.

5. Committee Member Performance

Performance is assessed annually against agreed benchmarks, including meeting attendance, contribution to deliberations, adherence to deadlines, and commitment to the Fund’s objectives. Feedback from these evaluations informs reappointments, training needs, and succession planning.

6. Conflict of Interest

Members are required to declare any personal or professional interests that could compromise their impartiality in decision-making. A formal Conflict of Interest Register is maintained, and affected members are recused from deliberations where conflicts exist.

7. Committee Members’ Remuneration

Members are compensated in accordance with the Salaries and Remuneration Commission (SRC) guidelines, which ensure fairness, transparency, and alignment with public sector remuneration standards. Allowances are tied to actual attendance and participation in official Committee business.

8. Ethics and Conduct

Members are bound by a Code of Conduct rooted in the principles of integrity, accountability, impartiality, and service to the public. Breaches of ethical standards are subject to disciplinary action as outlined in the Committee Charter and relevant county laws.

9. Governance Audit

A governance audit is conducted periodically to assess the Committee’s compliance with legal and policy requirements, operational efficiency, and adherence to best practice governance standards. Findings from the audit inform reforms, capacity-building initiatives, and updates to the Committee Charter.

Garissa County Emergency Fund

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

9. Management Discussion and Analysis

During the financial year 2024/2025, the County Assembly of Garissa appropriated Kshs. 40,000,000 to the County Emergency Fund in line with the provisions of the Public Finance Management Act, 2012 and the Garissa County Emergency Fund Act, 2014. The allocation was intended to provide a contingency mechanism for financing urgent and unforeseen emergencies that could not have been anticipated during the normal budget-making process.

As per the review period, a total of **Kshs. 39,789,715** was utilized. These expenditures were incurred strictly in accordance with the Emergency Fund Act and its attendant regulations, which were duly approved by the County Executive and endorsed by the County Assembly of Garissa.

This represents an absorption rate of **99.47%** of the appropriated funds, indicating prudent utilization and close alignment of actual spending with the budgeted amount. The marginal balance of approximately Kshs. 210,285 reflects efficiency in planning and execution, while also ensuring compliance with the legal framework governing emergency fund utilization.

In summary, the County Emergency Fund for FY 2024/2025 was effectively managed, with expenditures nearly matching the appropriated budget. This demonstrates fiscal discipline, adherence to statutory requirements, and commitment to addressing unforeseen emergency needs within Garissa County.

10. Environmental and Sustainability Reporting

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

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

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

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

1. Sustainability Strategy and Profile

A Sustainability or Corporate Responsibility Strategy is a prioritised set of actions. It provides an agreed framework to focus investment and external stakeholders, some of these are:

- Routine maintenance of access roads in different part of the county which eases movement of people, good etc. Hence increase economy of the region.
- All the county staffs benefited from the Comprehensive Health Care cover which helps the staff's access medical services for free.

2. Environmental Performance

The environmental performance consideration includes the use of renewable resources, improved energy and water efficiency, increase reuse and recycling, and reduction of hazardous waste and toxic pollutants:

- Improve water safety through providing enough aluminium sulphate which was procured for treatment of wells and other water reservoirs.
- Increase efficiency in waste management services through Maintaining garbage transportation vehicles and trailers for waste disposal.

3. Employee Welfare

The main objectives of employee welfare are to improve the life of the staff members, to bring about holistic development of the worker's personality and so on. It enables workers to perform their work in a healthy and favourable environment, it entails everything from services, facilities and benefits that are provided or done by an employer for the advantage of comfort of an employee. It is undertaken in order to motivate employees and raise the productivity levels. The employees of the county government are well paid, trained and enjoy benefits related to career progression and Medical cover.

4. Market Place Practices

Successfully launching and operating market places cannot be achieved without planning, strong strategy vision and commitment, as a county we have considered the following:

- Bring on board enough vendors through prequalification of suppliers of all traders and also considered special groups like youth, women and person with disability.
- Track and target right performed vendor, reliable vendors are a coveted resource, as county we make sure we engage vendor whose performance are good by analysing previous works.
- Building trusts and transparency through E-procurement. The County does procurement process through the IFMIS system hence encouraging transparency in the procurement process.

5. Community Engagements

It's the process of working collaboratively with and through groups of people affiliated by geographic proximity, special interest or similar situation to address issues affecting the well-being of those people. The County Government of Garissa engage community through public participation whereby engage one on one, Civil Education and customer relation.

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

11. Report of The Committee

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

Principal activities

The purpose of the Fund is to enable payment to be made in respect of a county when an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority.

Results

The results of the Fund for the year ended June 30, 2025 for the expenditure analysis are set out on page 28

Trustees

The members of the Board who served during the year are shown on page vi and vii.

Auditors

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

By Order of the Board

Date: _____


ABASS ABDULLAHI KHAAR

COUNTY EXECUTIVE COMMITTEE MEMBER -FINANCE

12. Statement of Management’s Responsibilities

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


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

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

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

Approval of the financial statements

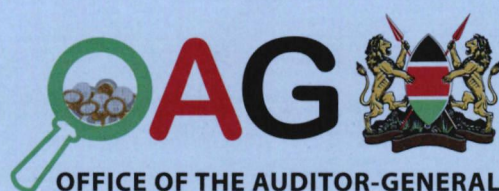
The Fund’s financial statements were approved by the Committee on 30/09/ 2025 and signed on its behalf by:


.....

Fund Administrator

REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON GARISSA COUNTY EMERGENCY FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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 Garissa County Emergency Fund set out on pages 1 to 26 which comprise of the statement of financial position as at

Report of the Auditor-General on Garissa County Emergency Fund for the year ended 30 June, 2025

30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Garissa County Emergency Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Garissa County Emergency Fund Act, 2014 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

Other Information

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

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

Other Matter

Unresolved Prior Year Matters

The Management did not provide a report on how it has addressed the recommendations and findings of the previous years' audit as required by Section 31(1)(a) of the Public Audit Act, 2015. The following prior year audit issues remained unresolved as at 30 June, 2025 as detailed below:

- i) Failure to enact Emergency Fund Regulations
- ii) Failure to prepare Estimates of Income and Expenditure

In the circumstances, the Management is in breach of Section 31(a) of the Public Audit Act, 2015, which requires the entity to submit a report on how it has addressed the recommendations and findings of the previous year's audit.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Enact Emergency Fund Regulations

Review of records of Garissa County Emergency Fund as at September, 2025 revealed that Management had not put in place Emergency Fund Regulations as required under Section 12 of Garissa County Emergency Fund Act, 2014.

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

2. Non-Adherence to E-procurements Executive Order

Review of procurements process indicated that the Management procured drought related supplies worth Kshs.39,678,994 during the year under review. However, Management did not acquire goods and services through e-procurement as is required by the Executive Order No.2 of 2018 issued on 28 June, 2018 by the President of the Republic of Kenya which requires all public procuring entities to undertake all their procurement through Government e-procurement module.

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

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

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

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and Fund Administration Committee

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

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

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

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

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

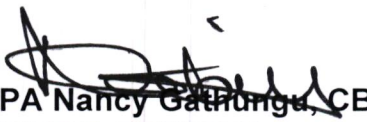
Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

2 October, 2025

Garissa County Emergency Fund

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

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

	Note	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government.	6	39,969,431	70,000,000
Revenue from exchange transactions			
Total revenue		39,969,431	70,000,000
Expenses			
General Expenses	10	24,465	21,400
Emergency relief and assistance	9	39,678,994	69,888,666
Transfer to County Revenue Fund			
Total expenses		39,804,115	69,910,066
Other gains/losses			
Gain/loss on disposal of assets			
Surplus/(deficit) for the period		265,972	89,934

.....
 Name: *Abdi Ali Nurke*
 Fund Administrator

Date: *30/9/2025*

.....
 Name: *Abdulkadir Samkur*
 Fund Accountant

ICPAK Member Number: *29047*
 Date: *30/9/2025*

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

15. Statement of Financial Position As at 30 June 2025

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	11	478,727	212,755
Receivables from non-exchange transactions			
Receivables from exchange transactions			
Total current assets		478,727	212,755
Total Assets (A)		478,727	212,755
Liabilities			
Current Liabilities			
Trade and Other Payables			
Total current liabilities			
Total Liabilities (B)			
Net Assets (A-B)		478,727	212,755
Represented By:			
Accumulated Surplus		478,727	212,755
Net Assets		478,727	212,755

.....
Name: ABDI AKI NURICE
Fund Administrator
Date: 30/9/2025

.....
Name: ARBITARIF SAMRUL
Fund Accountant
ICPAK Member Number: 29047
Date: 30/09/2025

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

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

Description	Accumulated surplus/Deficit (Kshs) 2024-2025	2023-2024
Balance as at 1 July 2023	122,821	28,795
Surplus for the Year	89,934	94,026
Balance as at 30 June 2024	212,755	122,821
Balance as at 1 July 2024	212,755	122,821
Surplus for the Year	265,972	89,934
Balance as at 30 June 2025	478,727	212,755

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

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Receipts From the County Government	6	39,969,431	70,000,000
Public Contributions and Donations			
Interest received			
Total receipts		39,969,431	70,000,000
Payments			
Emergency Relief and assistance	9	39,678,994	69,888,666
Use of Goods	10	24,465	21,400
Total Payments		(39,804,115)	(69,910,066)
Net cash flows from operating activities		265,972	89,934
Cash flows from investing activities			
Net cash flows used in investing activities			
Cash flows from financing activities			
Net cash flows used in financing activities			
Net increase/(decrease) in cash & cash Equivalents		265,972	89,934
Cash and cash equivalents at 1 July		212,755	122,821
Cash and cash equivalents at 30 June		478,727	212,755

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

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers From County Govt.	70,000,000	(30,000,000)	40,000,000	39,969,431	30,569	100%
Public Contributions and Donations			-		-	
Interest Income			-		-	
Total Income	70,000,000	(30,000,000)	40,000,000	39,969,431	30,569	100%
Expenses						
Emergency Expenses	26,431		26,431	24,465	1,966	93%
Use of goods and services	39,943,000		39,943,000	39,678,994	264,006	100%
Total Expenditure	39,969,431	-	39,969,431	39,804,115	265,972	100%
Surplus For the Period				265,972		

Budget notes

1. The original appropriation for the Emergency Fund in the financial year under review was Kshs. **70,000,000**. However, following a review of expenditure priorities, it was observed that there were limited emergency occurrences, leading to reduced demand for immediate interventions. Consequently, through the supplementary budget process, Kshs. **30,000,000** was reallocated to other priority sectors within the County, resulting in a revised budget of Kshs. **40,000,000**.

2. Against the revised budget of Kshs. **40,000,000**, the Fund received Kshs. **39,969,431**, representing **99.92%** realization of projected revenue. The actual expenditure amounted to Kshs. **39,804,115**, which is 99.5% of the receipts and **99.51%** of the revised budget. This translated to a small underutilization of Kshs. **195,885 (0.49%)**, arising mainly from savings in administrative costs and unspent operational balances.

19. Notes to the Financial Statements

1. General Information

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

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

(i) New and amended standards and interpretations in issue effective in the year ended 30 June 2024

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

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

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

Garissa County Emergency Fund

Annual Report and Financial Statements For the year ended 30th June 2025

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

Garissa County Emergency Fund

Annual Report and Financial Statements For the year ended 30th June 2025

Standard	Effective date and impact:
	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

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

(iii) Early adoption of standards

The Entity adopted any new or amended standards in the financial year

4. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue Transfers

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

ii. Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the County Assembly on Garissa. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Fund upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Emergency on the FY 2024/2025 budget following the governing body's approval.

The Fund's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

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

c) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Garissa County Emergency Fund

Annual Report and Financial Statements For the year ended 30th June 2025

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

Garissa County Emergency Fund

Annual Report and Financial Statements For the year ended 30th June 2025

d) Contingent liabilities

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

e) Contingent assets

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

f) Nature and purpose of reserves

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

Changes in accounting policies and estimates

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

g) 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.

h) Related parties

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

i) Cash and cash equivalents

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

Garissa County Emergency Fund

Annual Report and Financial Statements For the year ended 30th June 2025

j) Comparative figures

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

k) Events after the reporting period

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

l) Currency

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

5. Significant judgments and sources of estimation uncertainty

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

State all judgements, estimates and assumptions made

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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

(Include provisions applicable for your organisation)

Garissa County Emergency Fund

Annual Report and Financial Statements For the year ended 30th June 2025

6. Transfers from the County Government

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers from County Department	39,969,431	70,000,000
Others (<i>specify</i>)		
Total	39,969,431	70,000,000

7. Public contributions and donations

Description	2024/2025	2023/2024
	Kshs	Kshs
Cash Donation from Development Partners		
Cash Contributions from the Public		
In kind Donation from Development Partners		
In kind Contributions from the Public		
Others (<i>specify</i>)		
Total		

(Provide brief explanation for this revenue)

8. Finance Income

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest Income on Bank Deposits		
Total Finance Income		

(Provide brief explanation for this revenue)

9. Emergency Expenses

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Drought related expenses	39,678,994	69,888,666
Fire related expenses		
Flood related expenses		
Other (<i>Specify</i>)		
Total	39,678,994	69,888,666

(Indicate the expenses as per the nature of emergency)

Garissa County Emergency Fund

Annual Report and Financial Statements For the year ended 30th June 2025

10. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Bank Charges	24,465	21,400
Audit Fees		
Other (<i>Specify</i>)		
Total	24,465	21,400

11. Cash and cash equivalents.

Description	2024/2025	2023/2024
	Kshs	Kshs
Garissa County Emergency Fund Account-FCB	198,355	212,755
Garissa County Emergency Fund Account-NBK	280,372	
Total Cash and Cash Equivalents	478,727	212,755

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

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Current Account			
Garissa County Emergency Fund Account-FCB		198,372	212,755
Garissa County Emergency Fund Account-NBK		280,372	
Sub- Total		478,727	212,755
b) Others (Specify)			
Cash In Transit			
Cash In Hand			
Sub- Total			
Grand Total		478,727	212,755

12. Receivables from non-exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Revenue Receivable		
Others (<i>specify</i>)		
Total Current Receivables		

Garissa County Emergency Fund

Annual Report and Financial Statements For the year ended 30th June 2025

13. Receivables from exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Interest Receivable		
Others (<i>specify</i>)		
Total Current Receivables		

14. Trade and other payables

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Trade Payables				
Accrued Expenses				
Retention money				
Other Payables				
Total Trade and Other Payables				
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year				
1-2 years				
2-3 years				
Over 3 years				
Total (tie to above total)				

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

15. Cash generated from operations.

Description	2024/2025	2023/2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax		
Adjusted For:		
Working Capital Adjustments		
Increase In Receivables		
Increase In Payables		
Net Cash Flow From Operating Activities		

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

16. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers From Related Parties'		
Transfers To Related Parties		

c) Due from related parties

Description	2024/2025	2023/2024
	Kshs	Kshs
Due From County Government		
Total		

Garissa County Emergency Fund

Annual Report and Financial Statements For the year ended 30th June 2025

d) Due to related parties

Description	2024/2025	2023/2024
	Kshs	Kshs
Due To County Government		
Total		

17. Contingent assets and contingent liabilities

Contingent Assets/Liabilities	2024/2025	2023/2024
	Kshs	Kshs
Court Case Emergency Against the Fund		
Bank Guarantees		
Total		

(Give details)

18. Financial risk management

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

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

a) Credit risk

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables From Exchange Transactions				
Receivables From Non-Exchange Transactions				
Bank Balances				
Total				
At 30 June 2025				
Receivables From Exchange Transactions				
Receivables From Non-Exchange Transactions				
Bank Balances				
Total				

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

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

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

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

b) Liquidity risk management

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

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June (Current FY)				
Trade Payables				
Total				
At 30 June (Comparative FY)				
Trade Payables				
Total				

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

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

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

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

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
(Current FY)			
Euro	10%		
USD	10%		
(Comparative FY)			
Euro	10%		
USD	10%		

ii. Interest rate risk

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

Management of interest rate risk

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

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

Sensitivity analysis

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

d) Capital risk management.

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Accumulated surplus		
Total funds		
Less: cash and bank balances		
Net debt/(excess cash and cash equivalents)		
Gearing		

19. Events after the reporting period

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

20. Currency

The financial statements are presented in Kenya Shillings (Kshs

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

20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Failure to Enact Emergency Fund Regulations	As at the time of audit in November, 2024, Emergency Fund Regulations required under Section 12 of Garissa County Emergency Fund were not in place.	Management is the final stage to finalize the Regulation	Not Resolved	November 2025
Failure to Prepare Estimates of Income and Expenditure	Management did not prepare estimates of income and expenditure and submit the same to the County Executive Committee Member for finance as required. Although a statement of comparison of budget and actual amounts was prepared and included in the financial	Management clarifies that estimates of income and expenditure were duly prepared in accordance with the applicable legal requirements and were submitted to the County Executive Committee Member for Finance within the stipulated timelines. These estimates were also made available to the audit team during the audit review. Furthermore, the budget figures reflected in the statement of comparison of budget	Not Resolved	November 2025

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	statements, the source of budget figures reflected in the statement could not be confirmed.	and actual amounts are derived directly from the approved budget documents, which were accessible for verification during the audit process.		

Guidance Notes:

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

.....
Fund Administrator

Date..... 30/09/2025

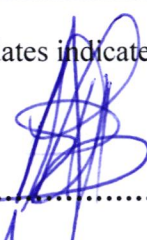
Garissa County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2025


Annex II: Inter-Entity Confirmation Letter

Name of transferring entity: COUNTY GOVERNMENT OF GARISSA - EXECUTIVE
 Name of beneficiary entity: GARISSA COUNTY EMERGENCY FUND

Confirmation of amounts received by Garissa County Emergency Fund] as at 30 th June 2025						
Reference Number	Date Disbursed	Amounts Disbursed by [Garissa County Finance Department] (Kshs) as at 30 th June 2025			Amount Received by Garissa County Emergency Fund] (KShs) as at 30 th June 20xx (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
	3/3/2025	39,969,431	0	39,969,431	39,969,431	
Total		39,969,431	0	39,969,431	39,969,431	

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

Head of Accounts Department - Disbursing Entity:
 Name ABDI ALI NURVE Sign  Date 30/09/2025

Head of Accounts Department - Beneficiary Entity:
 Name ABDI LALEK S. MORTAGE Sign  Date 30/09/2025

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

Annex III: Analysis of Emergency Expenditure

Date	Payee	Amount	Purpose of Payment	Status (spent/not spent)	Remarks
18-Mar-25	MURUTHOW CONSTRUCTION COMPANY LIMITED	3,552,500.00	Supply and delivery of assorted foods	Spent	
18-Mar-25	EAGLE BEND COMPANY LIMITED	3,535,000.00	Supply and delivery of assorted foods	Spent	
20-Mar-25	SOLVAY ENTERPRISE LIMITED	8,468,844.00	Supply and delivery of assorted foods	Spent	
20-Mar-25	GREAT STANVIC LIMITED	3,940,000.00	Supply and delivery of assorted foods	Spent	
20-Mar-25	GACALO INVESTMENT	15,267,500.00	Supply and delivery of assorted foods	Spent	
16-Apr-25	METI CONSTRUCTION COMPANY LIMITED	2,807,250.00	Supply and delivery of assorted foods	Spent	
9-May-25	AL AQSA SHOP	2,107,900.00	Supply and delivery of assorted foods	Spent	

.....
Name

ADD *AL AQRAB*

Fund Administrator

Date

30/09/2025