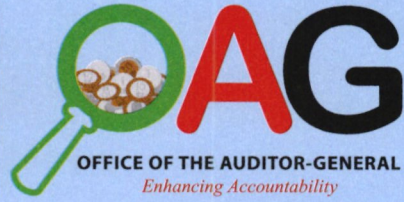


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT

OF

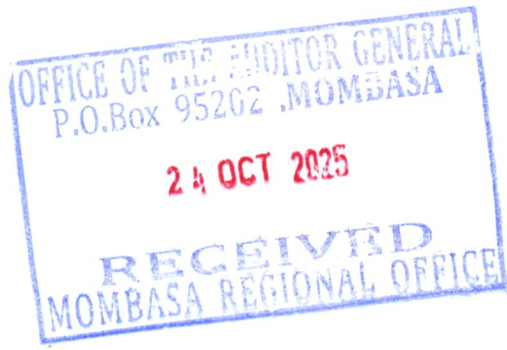
THE AUDITOR-GENERAL

ON

**TAITA TAVETA COUNTY
EMERGENCY FUND**

**FOR THE YEAR ENDED
30 JUNE, 2025**

PAPERS LAID	
DATE	26.11.25
TABLED BY	S.M.L
COMMITTEE	-
CLERK AT THE TABLE	Belinda



Revised 30th June 2025



TAITA TAVETA 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)

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

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Taita Taveta 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.

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

2. Key Entity Information and Management

a) Background information

Taita Taveta County Emergency Fund is established by and derives its authority and accountability from Taita Taveta County Acts, 2020 on 19th June 2020. The Fund is wholly owned by the County Government of Taita Taveta and is domiciled in Kenya.

The fund's objective is to:

- i. To cater for expenditure in respect of urgent and unforeseen events for which there may be no specific legislative authority.
- ii. To provide a legal and regulatory framework with regard to such expenditure and for matters related and incidental thereto.

The Fund's principal activity is to meet all urgent and unforeseen expenses relating to disasters and emergencies in the County for which there is no specific legislative authority.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to facilitate urgent and unforeseen expenses relating to disasters and emergencies in the County for which there is no specific legislative authority

c) Fund Administration Committee

No.	Designation	Name
1.	CEC Member, Finance & Economic Planning	Mr. Elijah Mwazighe Mwazo, CPA (K)
2.	Chief Officer, Finance & Economic Planning	Mr. Fredrick Nganga, CPA (K)
3.	Director Accounting Services	Ms. Joyce Mwachia, CPA (K)
4.	Director Supply Chain Management	Mr. Amos Nyamawi
5.	Fund Administrator	Godfrey Kalaghe

d) Key Management team

Ref	Position	Name
1	Fund Administrator	Mr. Godfrey Kalaghe
2	Fund Accountant	Mr. Peter Mwazighe

**Taita Taveta 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	Position	Name
1	Directorate Internal Audit	CPA Andrew Soghia

f) Registered Offices

P.O. Box 1066-80304

Wundanyi

g) Fund Contacts

Telephone: 0788186436/0718988717

E-mail: info@taitataveta.go.ke

Website: www.taitataveta.go.ke

h) Fund Bankers

1. Kenya Commercial Bank

Wundanyi Branch

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

Nairobi, Kenya

k) County Attorney

Office of the Governor





Mwatate Town, Off Voi – Taveta Highway,

P.O. Box 1066-80304

Wundanyi, Kenya



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

3. Fund Administration Committee

Name	Details of qualifications and experience
<p>1) Mr. Elijah Mwazighe Mwazo</p>  <p>Chairperson</p>	<p>Position: CECM Finance & Planning Academic: Doctorate (BA) on-going, MBA-Finance, BCom –Accounting Professional: CPA(K) Experience: Vast Expertise in Both Finance & Accounting</p>
<p>2) Mr. Fredrick Nganga</p>  <p>Member</p>	<p>Position: CCO Finance & Planning Academic: BCOM –Accounting Professional: CPA(K) Experience: Vast Expertise in Both Finance & Accounting</p>
<p>3) Ms. Joyce Kambe Mwachia</p>  <p>Member</p>	<p>Position: Director Accounting Services Academic: Doctorate (BA) on-going, MBA-Fin, BCom –Fin Professional: CPA(K) Experience: Vast Expertise in Both Finance & Accounting</p>
<p>4) Mr. Godfrey Kalaghe</p>  <p>Fund Administrator</p>	<p>Position: Fund Administrator. Date of Birth: 1989 Academic: BCOM –Accounting Professional: CPA Sec 4 Experience: Both Finance & Accounting</p>

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

4. Key Management Team

Name	Details of qualifications and experience
<p>1) Mr. Godfrey Kalaghe</p> 	<p>Position: Fund Administrator. Date of Birth: 1989 Academic: BCOM –Accounting Professional: CPA Sec 4 Experience: Both Finance & Accounting</p>
<p>2) Mr. Peter Mwazighe</p> 	<p>Position: Fund Accountant. Date of Birth: 1987 Professional: CPA(K) Experience: Vast Expertise in Finance & Accounting</p>

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

5. Report of the Chairman of the Fund

It is my pleasure to present the Taita Taveta Emergency Fund to financial statements for the year ended 30th June 2025. The financial statements have been prepared in accordance with the provisions of the Public Financial Management Act, 2012. The financial statements present the financial performance of the fund over the past year.

Review of performance

Budget

In the year ended 30th June 2025, the fund had an approved Budget Estimate of Kshs **15,000,000** for disaster preparedness. However, in the 1st Supplementary, The Budget was reduced to **Kshs 10,000,000** Since the highly anticipated risks were alleviated.

Income

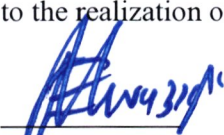
In the year ended 30th June 2025, the fund had projected revenue of **Kshs 10,000,000** i.e., transfers from County Government, however the fund was not able to realise anything since there were no pre advisory in relation to disaster.

Expenditures

The total expenditures during the period amounted to KShs **1,431,429** comprising of Kshs 6,870 and Kshs 1,424,559 in relation to Bank Charges and provision for depreciation respectively.

Future outlook

The fund's focus is to build a robust and sustainable fund with an aim of mitigating all forms of impacts of life-threatening disasters that may be occasioned by unforeseen events with ease. The fund looks forward to continued support from the county government and development partners to the realization of its mandate.


CPA Elijah Mwazighe Mwazo
CECM - Finance and Economic Planning
County Government of Taita Taveta

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

6. Report of The Fund Administrator

It is my pleasure to present the Taita Taveta County Emergency Fund Financial Statements for the year ended 30th June 2025. The financial statements present the financial performance of the fund over the past year.

The Taita Taveta County Emergency Fund was established by the 'Taita Taveta County Emergency Fund Act, 2020, through a special issue "Kenya Gazette Supplement No. 5 (Taita Taveta County Acts No. 3) dated 19th June 2020.

Financial Performance

a) Revenue Budget

In the year ended 30th June 2025, the fund had projected a revenue of **Kshs 15,000,000** in the Approved Budget Estimated in readiness of unforeseen emergencies. However, the projected revenue budget was reduced to **Kshs 10,000,000** in the 1st Supplementary Budget as the highly anticipated risks were alleviated.

Out of the projected revenue, the fund was not able to realize any funds from the County Govt representing 0% performance.

The table below shows an analysis of revenue performance during the year ended 30th June, 2025.

Revenue Classification	Revenue Budget (Kshs)	Actual (Kshs)	Realisation (%)
Transfers From County Govt.	10,000,000	-	0%
Public Contributions and Donations	-	-	0%
Other Income	-	-	0%
Total	10,000,000	-	0%

Table 1: Revenue performance in FY 2024/2025

b) Payments

In the year under review, the Fund had projected expenditures of Kshs. 10,000,000 and was able to utilize a total of Kshs. 1,431,429 representing an absorption rate of 14%. The expenditure

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

comprising of Kshs 6,870 and Kshs 1,424,559 from Bank Charges and provision for depreciation respectively.

c) Cash flows

In the FY 2024/25, the cash and cash equivalents decreased from KShs 2,525,411 as at 30th June 2024 to KShs 2,518,541 as at 30th June 2025.

d) Conclusion

FY 2024/25 was a good year in general. Good progress was made and the momentum has been created to enable Taita Taveta County Emergency Fund continue on a trajectory into prosperity.

I take this opportunity to thank the Fund Committee Members for their support. I would also want to thank all staff who we have worked hand in hand to ensure that The Taita Taveta County Emergency Fund achieves its mission.

Signed:  _____

Godfrey Kalaghe

Fund Administrator

Taita Taveta 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

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each County Government entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

The key development objectives of the Taita Taveta Emergency Fund's plan are to:

- a) Provide emergency funds for roads rehabilitation damaged during the rainy seasons,
- b) Provide funds for supply of relief food stuff to families affected by floods and other natural calamities
- c) Provide for funds for mitigation of risks from unforeseen events.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Disaster Risk Management	Mitigating emergencies in the County	Well-coordinated emergency response.	100% response to emergencies	100% response to Reported events.

8. Statement of Corporate Governance

THE FUND

The Taita Taveta County Emergency Fund was Gazetted on 19th June, 2020 in the TAITA TAVETA COUNTY ACTS, 2020 Kenya Gazette Supplement No. 5 (Taita Taveta County Acts No. 3)

The fund committee, performs all functions vested in the fund legislation and other Regulations.

The Fund is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. Essential to the establishment of a corporate governance framework in the fund is a formal governance structure with the Fund committee at its apex. The structure is designed to ensure an informed decision-making process based on accurate reporting to the board.

THE FUND COMMITTEE MEMBERS

The Fund's legislation provides that the CEC Finance and Planning designated a person who shall be the Fund administrator as directed by the funds Act. The Fund Committee exercises leadership, enterprise, integrity and judgment in directing the Fund.

The Members are provided with full, appropriate and timely information that enables them to maintain full and effective control over the strategic, financial, operational and compliance issues. The day-to-day running of the operations of the fund is delegated to the fund Administrator but the Members are responsible for establishing and maintaining the fund's system of internal controls for the realization of its mandate of providing financial support for Emergency fund. Further, the Fund does not have a committee charter. However, operates within jurisdiction of the Fund act and prevailing legislation.

FUND COMMITTEE MEETINGS

The fund holds meetings as may be required in order to monitor the implementation of the fund's strategic plan and achievement of the targets. The Committee also plays an oversight role over all other financial and operational issues.

AUDIT AND RISK COMMITTEE

The County internal Audit committee and internal Auditors are tasked with ensuring that corporate governance and integrity is enhanced in between the governance of the fund. The committee was established to advice the board on institutional risk management and compliance.

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

STATEMENT OF COMPLIANCE

The committee confirms that the fund has throughout the FY2024/2025 complied with all statutory and regulatory requirements and that the fund has been managed in accordance with the principles of good corporate governance.

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

INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control

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

Standing Instructions

The fund has a Code of Ethics and Service that is applicable to all employees. These have a number of standing instructions to employees of the fund designed to enhance internal control.

Organization Structure

A clear organizational structure exists, detailing lines of authority and control responsibilities.

Strategic Plan

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

Internal Control Framework

The fund continues to review its internal control framework to ensure it maintains a strong and effective internal control environment. Business processes and controls are reviewed on an

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

ongoing basis. A risk-based audit plan, which provides assurance over key business processes and operational and financial risks facing the fund, is approved by the audit and risk committee. The audit and risk committee considers significant control matters raised by management and both the internal and external auditors and reports its findings to the board. Where weaknesses are identified, the committee ensures that management takes appropriate action. No significant failings or weaknesses were identified during the FY 2024/25.

Management Team

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

Auditor

The fund is audited by the Auditor-General.

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

9. Management Discussion and Analysis

The committee has continued to grow since its inception and the management has put measures in place to safeguard against any risks.

The management has ensured that we comply with statutory requirements relating to the functions of the fund and also making sure that there is no any form of non-compliance.

FINANCIAL PERFORMANCE

Revenue

The fund has so far received over 130 M as revenues from the exchequer issues since its inception, this has gone a long way to see mitigation of all impacts from the unforeseen eventualities in the county.

Cash flow

the cash and cash equivalents decreased from KShs 2,525,411 as at 30th June 2024 to KShs 2,518,541 as at 30th June 2025.

OPERATIONAL PERFORMANCE

The fund's core operating activities is to meet all urgent and unforeseen expenses relating to disasters and emergencies in the County for which there is no specific legislative authority.

Employees

Human capital is a critical ingredient towards ensuring realisation of our key strategic objectives and mandate. As our stakeholders increase their expectations, it is imperative to ensure adequate and motivated human resource capacity is available to provide services.

Conclusion

We appreciate the unrelenting support from the committee members, staff, the county government, development partners and all the key stakeholders. We look forward to the continued partnerships and cooperation in areas of mutual interest in the FY 2024/2025.

10. Environmental and Sustainability Reporting

The County Executive of Taita Taveta 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 (5) pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile –

The Fund through its management has continued to structure its programs towards development projects and activities that depicts high sense of value for money and goes a long way in alleviating the residents suffering and improving their ease of doing business.

2. Environmental performance

To promote sustainable land use and environmental conservation the Fund through County Government undertook various capacity building and provision of materials geared towards environmental protection and sustainable land use.

3. Employee welfare

The County Government revamped its efforts in improving the welfare of its employees as a key ingredient to employee motivation and satisfactory work performance. Some of these activities includes the provision of Comprehensive Medical Cover to all its cadre of staff.

4. Market place practices-

To entrench the spirit of competition in its activities, the Fund through County Government during the year under review embraced E-Procurement when sourcing of goods and services. The system enhances openness and transparency as tenders were advertised on the local dailies and also posted on the IFMIS portal hosted at The National Treasury. The same were opened, evaluated, awarded, inspected and received through the system hence sealing loopholes of any collusion that could have occurred.

The organisation should outline its efforts to:

5. Corporate Social Responsibility / Community Engagements

The County Government through its various Departments and in collaboration with other stakeholders has been engaging in various community initiatives that have helped improved people's living standards. During the year under review several specialized medical camps, such as cancer screening, orthopaedic medical camps, were held in various parts of the County.

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

11. Report of The Committee

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

i.) Principal activities

The principal activities of the Fund are to meet all urgent and unforeseen expenses relating to disasters and emergencies in the County for which there is no specific legislative authority

ii.) Performance

The performance of the Fund for the year ended June 30, 2025, are set out on page 1 and 3


iii.) Members

The members of the Administration Committee who served during the year are shown on page vi.

iv.) 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 Fund


CPA Elijah Mwazighe Mwazo
CECM - Finance and Economic Planning
County Government of Taita Taveta

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

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 and Taita Taveta County Emergency Fund Act, 2020. 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 16-10- 2025 and signed on its behalf by:

.....


Fund Administrator

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON TAITA TAVETA 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; and,
- 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 Taita Taveta County Emergency Fund set out on pages 1 to 27, which comprise of the statement of financial position as at 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

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

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 Taita Taveta 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 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 Taita Taveta 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.

My opinion is not modified in respect of this matter.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts revealed that the Fund had a revenue budget of Kshs. 10,000,000 against actual realization of Kshs. 2,525,411 resulting in under-realization of Kshs. 7,474,589, or 75% of the budget. Similarly, the Fund spent a balance of Kshs. 6,870 against actual receipts of Kshs. 2,525,411 resulting to an under-utilization of Kshs. 2,518,541 or 99.7% of the actual receipts.

The significant underfunding and under expenditure may have affected service delivery to the residents of Taita Taveta County

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. 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 comprise of Key Entity Information and Management, Fund Administration Committee, Management Team, Fund Chairpersons report, Report of the Fund administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis,

Environmental and Sustainability Reporting, Report of the trustees, Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing 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

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

REPORT ON 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, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Risk Management Policy

Review of the Fund's management records revealed that it had not developed risk management strategies and system of risk management and internal control that builds robust business operations contrary to Regulation 158 (1) and 163(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires

each County Government entity to develop risk management strategies and a system of risk management.

In the circumstances, there was no assurance over risk management and governance in the Fund.

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

Responsibilities of the Management and those Charged with Governance.

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

In preparing the financial statements, Management is responsible for assessing the Fund's, ability to 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.

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

Auditor-General's Responsibilities for the Audit


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or

error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 November, 2025

Taita Taveta 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

Description	Note	FY 2024/25	FY 2023/24
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	6	-	-
Public Contributions and Donations	7	-	8,000,000
		-	8,000,000
Revenue From Exchange Transactions			
Finance Income	8	-	-
		-	-
Total Revenue		-	8,000,000
Expenses			
Emergency Expenses	9	-	5,825,450
Use of goods and services	10	6,870	6,800
Depreciation and Amortization Expense	10a	1,424,559	1,424,559
Total Expenses		1,431,429	7,256,809
		-	-
Surplus/(Deficit) for the Year		(1,431,429)	743,191

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 15-10-24 and signed by:



Fund Administrator
Name: Godfrey Kalaghe



Fund Accountant
Name: Peter Mwazighe
ICPAK Member Number: 25666

Taita Taveta County Emergency Fund
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15. Statement of Financial Position As at 30 June 2025

Description	Note	FY 2024/25	FY 2023/24
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	11	2,518,541	2,525,411
Receivables from non-exchange transactions	12	-	-
Receivables from exchange transactions	13	-	-
Total current assets		2,518,541	2,525,411
Non-current assets			
Property, plant and equipment	13a	4,404,060	5,828,619
Total Assets (A)		6,922,602	8,354,031
Liabilities			
Current Liabilities			
Trade and Other Payables	14	-	-
Total current liabilities		-	-
Total Liabilities (B)		-	-
Net Assets (A-B)		6,922,602	8,354,031
Represented By:			
Accumulated Surplus		6,922,601	8,354,030
Net Assets		6,922,601	8,354,030

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 5-10-25 and signed by:



Fund Administrator
Name: Godfrey Kalaghe



Fund Accountant
Name: Peter Mwazighe
ICPAK Member Number: 25666

Taita Taveta County Emergency Fund
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16. Statement Of Changes in Net Assets for the year ended 30th June 2025

Description	Accumulated surplus/Deficit
	Kshs
Balance As At 1 July 2023	7,610,839
Surplus/(Deficit) For the Year	743,191
Balance As At 30 June 2024	8,354,030
Balance As At 1 July 2024	8,354,030
Surplus/(Deficit) For the Year	(1,431,429)
Balance As At 30 June 2025	6,922,601

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

Description	Note	FY 2024/25	FY 2023/24
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Receipts From the County Government		-	8,000,000
Public Contributions and Donations		-	-
Interest received		-	-
Total receipts		-	8,000,000
Payments			
Emergency Expenses		-	5,825,450
Use of goods and services		6,870	6,800
Total Payments		6,870	5,832,250
Net cash flows from operating activities	15	(6,870)	2,167,750
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		(6,870)	2,167,750
Cash and cash equivalents at 1 July	11	2,525,411	357,661
Cash and cash equivalents at 30 June		2,518,541	2,525,411

**Taita Taveta County Emergency Fund
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18. Statement Of Comparison of Budget and Actual Amounts for The Period ended 30th June 2025

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
Opening Budget Carry overs	-	-	-	2,525,411	(2,525,411)	
Receipts						
Transfers From County Govt.	15,000,000	(5,000,000)	10,000,000	-	10,000,000	0%
Public Contributions and Donations					-	0%
Interest Income					-	0%
Total Receipts	15,000,000	(5,000,000)	10,000,000	2,525,411	7,474,589	25%
Payments						0%
Emergency Expenses	14,550,000	(5,000,000)	9,550,000	-	9,550,000	0%
Use of goods and services	450,000		450,000	6,870	443,130	2%
Total Payments	15,000,000	(5,000,000)	10,000,000	6,870	9,993,130	0%
Surplus For the Period	-	-	-	2,518,541	(2,518,541)	

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	2,518,541
1	Reason for differences	-
2	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	2,518,541

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

19. Notes to the Financial Statements

1. General Information

Taita Taveta County Emergency Fund is established by and derives its authority and accountability from Taita Taveta County Emergency Fund Act. The fund is wholly owned by the Taita Taveta County Government and is domiciled in Kenya. The fund's principal activity is to cater for expenditure in respect of urgent and unforeseen events for which there may be no specific legislative authority.

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 2025

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 2025.

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

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Standard	Effective date and impact:
	The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. 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>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></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;

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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>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>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>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>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <p>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</p>

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> <li data-bbox="456 300 1380 439">ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. <li data-bbox="456 454 1380 710">iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

(iii) Early adoption of standards

The Entity did not early – adopt 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 2024/25 was approved by the County Assembly on 25th June 2024. 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 a reduction appropriations of Kshs 5,000,000 on the FY 2024/25 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 cash flows.

c) Financial instruments

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

Financial assets

Classification of financial assets

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

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

d) Contingent liabilities

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

e) Contingent assets

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

f) Nature and purpose of reserves

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

g) Changes in accounting policies and estimates

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

h) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

i) Related parties

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

j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are

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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.

k) Comparative figures

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

l) Events after the reporting period

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

m) Currency

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

5. Significant judgments and sources of estimation uncertainty

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

State all judgements, estimates and assumptions made

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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)

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6. Transfers from the County Government

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Transfers From County Govt. –Operations	-	8,000,000
Others (<i>specify</i>)	-	-
Total	-	8,000,000

7. Public contributions and donations

Description	FY 2024/25	FY 2023/24
	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	-	-

8. Finance Income

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Interest Income on Bank Deposits (current account)	-	-
Total Finance Income	-	-

9. Emergency Expenses

Description	FY 2024/25	FY 2023/24
	Kshs.	Kshs.
Drought related expenses	-	-
Fire related expenses	-	-
Flood related expenses	-	5,825,450
Other (<i>Specify</i>)	-	-
Total	-	5,825,450

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10. Use of Goods and Services

Description	FY 2024/25	FY 2023/24
	Kshs.	Kshs.
Bank Charges	6,870	6,800
Audit Fees	-	-
Other (<i>Specify</i>)	-	-
Total	6,870	6,800

10.(a) Depreciation and Amortization expense

Description	FY 2024/25	FY 2023/24
	Kshs.	Kshs.
Property Plant and Equipment	1,424,559	1,424,559
Intangible Assets		
Total	1,424,559	1,424,559

11. Cash and cash equivalents.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Current Account	2,518,541	2,525,411
Others (<i>Specify</i>)		
Total Cash and Cash Equivalents	2,518,541	2,525,411

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

Financial Institution	Account number	FY 2024/25	FY 2023/24
		Kshs	Kshs
a) Current Account			
Taita Taveta County Emergency Fund	1171227817	2,518,541	2,525,411
Taita Taveta County Emergency Fund-CBK	1000741047	-	-
Sub- Total		2,518,541	2,525,411
b) Others (Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		2,518,541	2,525,411

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12. Receivables from non-exchange transactions

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Current Receivables		
Revenue Receivable	-	-
Others (<i>specify</i>)	-	-
Total Current Receivables	-	-

13. Receivables from exchange transactions

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Others (<i>specify</i>)	-	-
Total Current Receivables	-	-

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13.(a) Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Infrastructure Assets	Total
Rate	2%		12.5%		20%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2023	2,805,336	-	2,863,500	-	1,584,342	7,253,178
Additions						-
Disposals						-
Transfers/Adjustments						-
Revaluation Adjustments						-
Depreciation for the period	(59,688)	-	(572,700)	-	(792,171)	(1,424,559)
Impairment						
At 30th June 2024	2,745,648	-	2,290,800	-	792,171	5,828,619
At 1st July 2024	2,745,648	-	2,290,800	-	792,171	5,828,619
Additions						-
Disposals						-
Transfer/Adjustments						-
Revaluation Adjustments						-
Depreciation for the period	(59,688)	-	(572,700)	-	(792,171)	(1,424,559)
Impairment						-
At 30th June 2025	2,685,960	-	1,718,100	-	0	4,404,060
Net Book Values						-
At 30th June 2024	2,745,648	-	2,290,800	-	792,171	5,828,619
At 30th June 2025	2,685,960	-	1,718,100	-	0	4,404,060

NB: PPE were measured at cost. A full year depreciation is charged at the year of acquisition (at any time within the year). The depreciation charge for each period will be recognised as an expense. Depreciation on assets shall be charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life. Depreciation rate charged on Building, Furniture & Fittings and Infrastructure assets at a rate of **2%, 12.5% and 20%** respectively as guided by **Guidelines on Asset and Liability Management in The Public Sector**.

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14. Trade and other payables

Description	FY 2024/25		FY 2023/24	
	Kshs		Kshs	
Trade Payables	-		-	
Accrued Expenses	-		-	
Retention money	-		-	
Other Payables	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	FY24/25	% of the Total	FY23/24	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

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15. Cash generated from operations.

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	(6,870)	2,167,750
Adjusted For:		
Working Capital Adjustments		
Increase In Receivables	(-)	(-)
Increase In Payables	-	-
Net Cash Flow from Operating Activities	(6,870)	2,167,750

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	FY 2024/25	FY 2023/24
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Due from related parties

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Due From County Government	-	-
Total	-	-

d) Due to related parties

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Due To County Government	-	-
Total	-	-

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17. Contingent assets and contingent liabilities

Contingent Assets/Liabilities	FY 2024/25	FY 2023/24
	Kshs	Kshs
Court Case - 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:

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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	-	-	-	-

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.

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 24				
Trade Payables	-	-	-	-
Total	-	-	-	-
At 30 June 25				
Trade Payables	-	-	-	-
Total	-	-	-	-

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

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Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 25			
Financial Assets			
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities			
Trade And Other Payables	-	-	-
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.

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

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs - (20xx: Kshs -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs - (20xx – Kshs -).

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	FY 2024/25	FY 2023/24
	Kshs	Kshs
Accumulated surplus	6,922,601	8,354,030
Total funds	6,922,601	8,354,030
Less: cash and bank balances	(2,518,541)	(2,525,411)
Net debt/ (excess cash and cash equivalents)	4,404,060	5,828,619
Gearing	64%	70%

19. Events after the reporting period

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

20. Currency

The financial statements are presented in Kenya Shillings (Kshs

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20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Budgetary control & performance		Resolved	30 th June 2025



.....
Fund Administrator

Date: 10th September 2025

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Annex II: Inter-Entity Confirmation Letter

Name of transferring entity:.....

Name of beneficiary entity:.....

Confirmation of amounts received by [XX County Emergency Fund] as at 30 th June 20xx						
Reference Number	Date Disbursed	Amounts Disbursed by [- County Department] (Kshs) as at 30 th June 20xx			Amount Received by - County Emergency Fund] (KShs) as at 30 th June 20xx (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
Total						

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name Sign Date.....

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Annex III: Analysis of Emergency Expenditure

Date	Payee	Amount	Purpose of Payment	Status (spent/not spent)	Remarks



.....
Name: Godfrey Kalaghe
Fund Administrator
Date: 14-10-2025