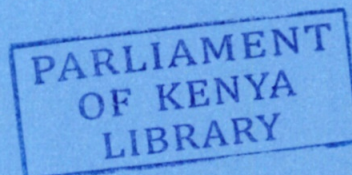


REPUBLIC OF KENYA



Enhancing Accountability

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**REPORT
OF
THE AUDITOR-GENERAL**

ON

**TURKANA COUNTY COVID 19 EMERGENCY
RESPONSE FUND**

**FOR THE YEAR ENDED
30 JUNE, 2023**



TURKANA COUNTY
COVID-19 EMERGENCY RESPONSE FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

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

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Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023.

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Turkana County Covid-19 Emergency Response Fund
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1. Acronyms and Glossary of Terms

a) Acronyms

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

b) Glossary of Terms

Fiduciary Management The key management personnel who had financial responsibility
*Provide a list of Acronyms and Key terms used in the financial report as per above example.
The list to be exhaustive)*

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

2. Key Entity Information and Management

a) Background information

The Turkana County Covid-19 Emergency Response Fund is established by and derives its authority and accountability from Public Finance Management (Turkana County covid-19 Emergency response Fund) regulations 2020. The Fund is wholly owned by the County Government of Turkana and is domiciled in Kenya.

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

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to Support programmes and initiatives towards cushioning and provision of emergency relief to the most vulnerable, older and poor persons in urban informal settlements and rural poor nomadic pastoralists communities

c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Rev. Samson Eturote	Chairman of the Board
2	Mr. Cyrus James Illikwel	Fund Administrator
3	Mrs. Catherin Epur	Member
4	Mr. David Ekod	Member
5	Mr. Patrick Nasia	Member
6	Mrs. Sussan Amulango aletia	Member
7	Mr. James Longole wangiros	Member-Psda
8	Dr. Anthony Ekakoron Apalia	Member-CEC. Ministry of Health

Key Management team

Ref	Name	Position
1	Dr. Michael Ekidor Eragae.	CEC. Finance
	Mr. Cyrus James Illikwel	Fund Administrator

Key Entity and Management (Continued)

d) Fiduciary Oversight Arrangements

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

The County's Accounts and Investment Committee has the responsibility of examining the County Government accounts particularly those reporting on appropriation granted by the County Assembly to meet public expenditure.

The County has an Audit committee which was appointed by the Governor

Ref	Position	Name
1	Chairman	Selina Lokope
2	Secretary	Michael Ekadeli
4	Member	Edwin Omindo
5	Member	Joyce ilikwel
6	Member	Lochor Emmanuel Emoni

e) Registered Offices

P.O. Box 11-30500
COUNTY TREASURY BUILDING
NAWOITORONG
LODWAR, KENYA

f) Fund Contacts

Telephone:(254)
E-mail: turkanacounty.go.ke
Website: www.tcg.go.ke

g) Fund Bankers

Kenya Commercial Bank
Lodwar
P.O. Box 58-30500
Lodwar.

...

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Key Entity and Management (Continued)

h) Independent Auditors

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

i) Principal Legal Adviser

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

j) County Attorney

The County Attorney
County offices
P.O. Box 11-30500
Lodwar

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Board of Trustees/ Fund Administration Committee (Or Any Other Corporate Governance Body for The Fund)

Name	Details of qualifications and experience
1. 	Rev. Samson Eturote Akoru is the Current Covid-19 Turkana board Chairman. He was born on 1st Jan 1958, he holds PhD. In Theology and Urban Ministry with Over 20 years' Experience in both Private and Public service.
2. 	Mr. Cyrus has over 14 years' of work experience serving in various capacities in the public sector including senior management, policy and decision making positions. He holds a Master degree in Business Administration; Accounting option, Bachelor degree in commerce Accounting option coupled with CPA part II certification from KASNEB.
3. 	CECM Anthony is holder of a Master degree specializing in Strategic management, a Bachelor in Business management-Banking & Finance option and a Diploma in business administration. He is a holder of CPA part II from KASNEB. He has over 15 years of work experience in both Government and Non-Government organizations working in various senior management and decision making positions.
4. 	Mr. James is holder of Master of Arts in sociology, Bachelor of Arts degree and a Postgraduate diploma in conflict management. He has over 22 years of work experience in both Government and Non-Government organizations working in various senior management and decision/policy making positions.

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

5.		Hon. Ekod was born in Nakurio in 1968. He served as a councilor and member of County Assembly of Kerio Delta Ward for a period of ten years (two terms) between 2007 to 2017. During his stint as an MCA Kerio Delta Ward, he served as Minority Chief Whip and Vice Chair education house committee. He has served as a nurse grade 3 at Kalokol cottage hospital, Trainer of Trainers in community health care and finance chairman Turkana County Council. Hon. David Ekod is currently serving as a board member Covid-19 Emergency Response Fund Board following appointment by H.E Hon. Josphat Koli Nanok, Governor Turkana County on July 15th 2020.
6.		Mrs. Epur Lobuin Akwar. Was Born in Mogila Lokichogio she is a business woman and has served as peace committee member with a Local Ngo's apedi and Lopeo And serving as chairlady Loteteleit women Group Mrs. Epur Lobuin Akwar is currently serving as a board member Covid-19 Emergency Response Fund Board following appointment by H.E Hon. Josphat Koli Nanok, Governor Turkana County on July 15th 2020.
7.		Mr. Patrick Emojo Nasia is A trained teacher with also a diploma in Business Management With expansive working experience of over 20 years in public service. Mr. Patrick Emojo is currently serving as a board member Covid-19 Emergency Response Fund Board following appointment by H.E Hon. Josphat Koli Nanok, Governor Turkana County on July 15th 2020.

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

3. Management Team

Name	Details of qualifications and experience
	Dr. Eregae is holder of a Doctor of Philosophy degree in Veterinary Epidemiology from the University of Guelph, Ontario, Canada. In addition, he has an Msc in Veterinary Epidemiology and Economics, and a Bachelor of Veterinary Medicine degree from the University of Nairobi. He has over 25 years of work experience in both Government and Non-Government organizations working in various senior management and decision/policy making positions.
	Mr. Cyrus has over 14 years' of work experience serving in various capacities in the public sector including senior management, policy and decision making positions. He holds a Master degree in Business Administration; Accounting option, Bachelor degree in commerce Accounting option coupled with CPA part II certification from KASNEB.

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

4. Board/Fund Chairperson's Report

The Turkana County Covid-19 Emergency Response Fund is established by and derives its authority and accountability from Public Finance Management (Turkana County covid-19 Emergency Response Fund) regulations 2020. The Fund is wholly owned by the County Government of Turkana and is domiciled in Kenya.

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

This Financial Statement is the third Set of the Statement since the inception of these Fund, this report covers a period of twelve months (12 months) from 1st July, 2022 to 30th June, 2023. The Fund was started in July 1 of the Financial Year 2020/2021 and the fund has since received cumulative funds amounting to Ksh, 556,676,113 since inception. In the current Financial Year 2022-2023 the fund budgetary allocation was Kshs. 50,000,000. The Total expenditure for the fund in the Financial Year 2022-2023 was Kshs. 8,433,457. This low absorption for the funds in the Financial Year under review is attributed to challenges emanating from transition to a new administration. is because this was a transition year to a new administration.

Name: SAMSON ETUROTE AKORU

Date: 03/01/2024

Chairperson



Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

5. Report of The Fund Administrator

The Turkana County Covid-19 Emergency Response Fund is established by and derives its authority and accountability from Public Finance Management (Turkana County covid-19 Emergency response Fund) regulations 2020. The Fund is wholly owned by the County Government of Turkana and is domiciled in Kenya.

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1. **Name: Cyrus James Illikwel**

Fund Administrator

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

6. Statement of Performance Against the County 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 Turkana. County covid 19 emergency response fund allocation for FY 2022-2023 as per approved plan are

- a) Support programmes and initiatives towards cushioning and provision of emergency relief to the most vulnerable, older and poor persons in urban informal settlements and rural poor nomadic pastoralists communities.
- b) To fund the purchase of essential supplies for public hospital and other related institutions, health professionals and other frontline workers, as need arise

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Relief distribution	To respond to the Covid-19 crisis and to cushion affected population from the adverse effects of Covid-19 pandemic.	Food Distributed to targeted population Attained	Improved nutrition of the targeted population	In FY 21/22 we made sure all the hunger-stricken areas during these covid times have gotten the relief food supply as per the plan.
Water trucking and distribution of wash items	Improved access to water since hygiene is	Increased management and	Most of the public areas have continuous water	Most of the areas mapped for either hand wash

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

	paramount to covid.	control of COVID-19 Installation of handwash facilities	or supplied with handwash stations	or screening were done.
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Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

7. Corporate Governance Statement

The Turkana County Covid-19 Emergency Response Fund is established by and derives its authority and accountability from Public Finance Management (Turkana County covid-19 Emergency response Fund) regulations 2020. The Fund is wholly owned by the County Government of Turkana and is domiciled in Kenya.

Committee meeting

The Covid-19 board meetings shall be convened by the chairperson or in the absence of the chairperson, by a member designated by the chairperson and shall be convened at such times as maybe necessary for the discharge of the committee's functions. The quorum for meetings of the committee shall be chairperson and any other four members. The covid-19 board members held 15 meetings for the period herein covered of 12 months.

Under the Turkana County Covid-19 emergency response Fund regulation the Governor reserves the right to appoint and replace any member of the board for reasons of either incompetence or gross misconduct just to mention, there exists no service charter for these Fund since it's for responding to the covid-19 issues only.

During the period of the Fund, the fund administrator with secretariat of the fund had the chance to train on the Board member of the processes involved on the utilization of the Fund and controls placed before every payment is made.

There has been no Conflict-of-interest matters that rose at any point during the management of these fund.

The board members of these Fund are entitled to a sitting allowance during every meeting and transport reimbursement for those who have travel from far places these covers their remuneration under the Salary and Remuneration Commission.

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

8. Management Discussion and Analysis

The Turkana County Covid-19 Emergency Response Fund is established by and derives its authority and accountability from Public Finance Management (Turkana County covid-19 Emergency response Fund) regulations 2020. The Fund is wholly owned by the County Government of Turkana and is domiciled in Kenya

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

This is the Third financial statement of this fund since its inception. This report covers a period of twelve months (12 months). During the year there was an expenditure of Kshs. 8,433,457 .

all emergency relief items have been delivered before the end of the FY 2022/2023 as agreed.

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

9. Environmental and Sustainability Reporting

The Turkana County Covid-19 Emergency Response Fund is established by and derives its authority and accountability from Public Finance Management Act (Turkana County covid-19 Emergency response Fund) regulations 2020. The Fund is wholly owned by the County Government of Turkana and is domiciled in Kenya.

These Fund having almost no going concern since its existence is only based on the current state of the pandemic and can come to end once the president declares the end of the Covid - 19 pandemic hence there has been no CSR that has been carried by the fund since its initiation.

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

10. Report of The Trustees

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Fund affairs.

10.1 Principal activities

The fund's objective is to mobilize resources for emergency response towards containing the spread, effect and impact of covid-19 pandemic within Turkana county

10.2 Performance

The performance of the Fund for the year ended June 30, 2023, are set out on page 1 to 7.

10.3 Trustees

The members of the Board of Trustee / Administration Committee who served during the year are shown on page 5(Board of trustees and Fund administrator). There were no changes in the Board during the financial year.

10.4 Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. The Turkana County Covid-19 emergency response fund will be audited by the office of the Auditor General.

By Order of the Board

Sign:

.....

Chair of the Board/Fund Administration Committee

Date:

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

11. Statement of Management's Responsibilities

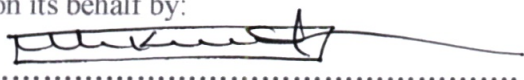
Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of Turkana County Covid-19 Emergency Response Fund established by Turkana County Covid-19 Emergency Response Fund regulations 2020 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator Turkana County Covid-19 Emergency Response Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2023. 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 Turkana County Covid-19 Emergency Response Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Turkana County covid-19 emergency response fund regulation ,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, 2023, and of the Fund's financial position as at that date.

Approval of the financial statements

The Fund's financial statements were approved by the Board on _____ 2023 and signed on its behalf by:

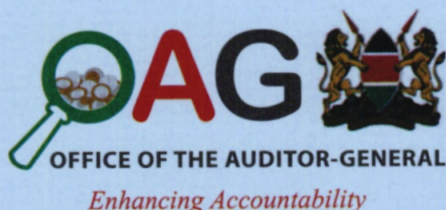

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Administrator of the County Public Fund

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON TURKANA COUNTY COVID 19 EMERGENCY RESPONSE FUND FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Turkana County Covid 19 Emergency Response Fund set out on pages 1 to 39, which comprise of the statement

Report of the Auditor-General on Turkana County Covid 19 Emergency Response Fund for the year ended 30 June, 2023

of financial position as at 30 June, 2023, 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 Turkana County Covid 19 Emergency Response Fund as at 30 June, 2023, 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, County Governments Act, 2012 and the Public Finance Management (Turkana County Covid 19 Emergency Response Fund) Regulations, 2020.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Turkana County Covid 19 Emergency Response Fund Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Relevance of the Fund

As disclosed in the background information, the Turkana County Covid 19 Emergency Response Fund was established through the Public Finance Management (Turkana County Covid 19 Emergency Response Fund) Regulations, 2020 to mobilize resources for emergency response towards containing the spread, effect and impact of Covid-19 pandemic within Turkana County. However, the pandemic has since subsided and funds allocated to the Fund largely remain unutilized as shown in the statement of financial performance where out of the transfers from the County Government of Kshs.50,000,000, only Kshs.2,545,614 was used on operations while Kshs.5,884,762 was utilized to settle a pending bill on a stalled project as reflected in the statement of financial position. The idle funds were then borrowed by the County Executive resulting to an outstanding balance of Kshs.99,779,648, described in the statement of financial position as current portion of long-term receivables from exchange transactions. From the foregoing, it is clear that the mandate of the Fund has lapsed and therefore not relevant to the operations of the County Government of Turkana.

My opinion is however 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 iv to xviii which comprise of Key Entity Information and Management, Fund Chairperson's Report, Report of the Fund Administrator, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Trustees and Statement of Management Responsibilities

The other information does not include the financial statements and my audit report thereon.

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 conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Internal Borrowing

The statement of financial position reflects current portion of long-term receivables from non-exchange transactions balance of Kshs.99,779,648 as disclosed in Note 13 to the financial statements. This balance is an outstanding short-term loan lent out to the Turkana County Executive. However, there was no evidence of County Assembly and Board of Trustees' approval of the lending contrary to Section 142(1) of the Public Finance Management Act, 2012 which requires County Government entities to seek the authority of the County Assembly to borrow cash on short term basis for cash management purposes only. Further, there was no evidence that the lent amounts was repaid within one year as required by Section 142(3) which stipulates that a county government entity that has any such borrowing shall ensure that the money borrowed is repaid within a year from the date on which it was borrowed.

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

2. Expenditure on Construction of Lokwii Water Project

The statement of financial position reflects property, plant and equipment balance of Kshs.5,884,762 which was incurred in respect of a water project. Review of documents provided in support of the balance revealed that the amount was paid to a contractor on 12 August, 2022 as payment for Certificate No. 1 of Tender No. TCG/F&P/148/2021-2022 upon 60% completion of the construction of Lokwii Water Supply in Lokori/Kachodin ward in Turkana East Sub-County. However, the following anomalies were noted:

- i. The contract signing and commencement of works was 21 January, 2022. The contract period was four (4) months. However, no contract extension was provided for audit and the contractor was not on site as at November, 2023. Therefore, the project was long overdue and abandoned;
- ii. The expenditure was not included in the accounts payable for the previous year or list of pending bills; and
- iii. The original contract was not provided for audit verification.

In the circumstances, value for money could not be derived from the expenditure on the abandoned project meant for Covid 19 mitigation.

3. Lack of an Operational Budget

The statement of comparison of budget and actual amounts reflects a final receipts budget of Kshs.50,000,000 and expenditure of Kshs.2,545,614 resulting to an under-absorption of Kshs.47,454,386 or 95% of the budget. However, the operational budget estimates for the Fund were not provided for audit and were not entered in the County Government budget estimates. This is contrary to Regulations 31(a) of the Public Finance Management (County Governments) Regulations, 2015 which states that all revenue and expenditure shall be entered into the county government budget estimates; and Regulation 99(2) of the Public Finance Management (County Government) Regulations, 2015 which states that the approved estimates of expenditure shall form the basis of the accounts for the financial year.

In the circumstances, there was no plan and authority for the operations of the Fund.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 overall 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 Management and Board of Trustees

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to dissolve the Fund or 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

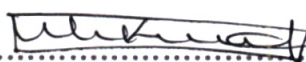
07 February, 2024

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023.

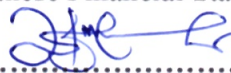
13. Statement of Financial Performance for the Year Ended 30 June, 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	50,000,000	-
Fines, Penalties and Other Levies	3	-	-
		-	-
Revenue From Exchange Transactions			
Interest Income	4	-	-
Other Income	5	-	-
		-	-
Total Revenue		50,000,000	-
Expenses			
Employee Costs	6	-	-
Use of goods and services	7	2,545,614	83,124,123
Depreciation and Amortization Expense	8	-	-
Finance Costs	9	-	-
Total Expenses		2,545,614	83,124,123
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
Surplus/(Deficit) for the Period		47,454,386	(83,124,123)

(The notes set out on pages 18 to 37 form an integral part of these Financial Statements)


 Name: Cyrus James Illikwel

Administrator of the Fund


 Name: Esekoni Michael Ekusi

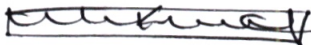
Fund Accountant

Turkana County Covid-19 Emergency Response Fund
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14. Statement of Financial Position As at 30 June ,2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	30,087,272	19,548,801
Current Portion of Long- Term Receivables From Exchange Transactions	13	99,779,648	68,748,494
Prepayments	14	-	-
Inventories	15	-	-
Investments in financial assets	16	-	-
Total current assets		129,866,920	88,297,295
Non-Current Assets			
Property, Plant and Equipment	17	5,884,762	-
Intangible Assets	18	-	-
Long Term Receivables from Exchange Transactions	13	-	-
Investment Property	19	-	-
Total non- current assets		135,751,682	88,297,295
Total Assets		-	-
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	-	-
Current Portion of Borrowings	21	-	-
Employee Benefit Obligations	22	-	-
Social benefit liabilities	23	-	-
Total current liabilities		-	-
Non-Current Liabilities			
Long Term Portion of Borrowings	21	-	-
Non-Current Employee Benefit Obligation	22	-	-
Social benefit liabilities	23	-	-
Total Liabilities		-	-
Net Assets		135,751,682	88,297,295
Revolving Fund		-	-
Reserves		-	-
Accumulated Surplus		135,751,682	88,297,295
Total Net Assets and Liabilities		135,751,682	88,297,295

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 03/01 2024 and signed by:



Name: Cyrus James Illikwel
Administrator of the Fund



Name: Esekun Michael Ekusi
Fund Accountant

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15. Statement of Changes in Net Assets for the year ended 30 June ,2023

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2021-2022)	-	-	88,297,295	88,297,295
Surplus/(Deficit) For the Period	-	-	-	-
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2022	-	-	88,297,295	88,297,295
Balance As At 1 July 2022	-	-	88,297,295	88,297,295
Surplus/(Deficit) For the Period		-	47,454,386	47,454,386
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2023	-	-	135,751,682	135,751,682

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16. Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government	2	50,000,000	-
Interest received		-	-
Receipts from other operating activities		-	-
Total receipts		50,000,000	-
Payments			
Fund administration expenses	7	1,657,200	4,575,500
General expenses	7	888,414	78,548,623
Finance cost		-	-
Other payments		-	-
		2,545,614	83,124,123
Net cash flows from operating activities	25	47,454,387	83,124,123
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets	17	(5,884,762)	-
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		30,000,000	-
Loan disbursements paid out	26	(61,031,154)	-
Net cash flows used in investing activities		(36,915,916)	-
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	1,129,565
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	1,129,565
Net increase/(decrease) in cash & cash Equivalents		10,538,471	(81,994,558)
Cash and cash equivalents at 1 July 2022		19,548,801	101,543,359
Cash and cash equivalents at 30 June		30,087,272	19,548,801

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17. 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						
Public Contributions and Donations	-	-	-	-	-	
Transfers From County Govt.	50,000,000	-	50,000,000	50,000,000	-	100%
Interest Income	-	-	-	-	-	
Other Income	-	-	-	-	-	
Total Income	50,000,000	-	50,000,000	50,000,000	-	100%
Expenses						
Fund Administration Expenses	1,500,000	-	1,500,000	888,414	611,586	59%
General Expenses	48,500,000	-	48,500,000	1,657,200	46,842,800	3%
Finance Cost	-	-	-	-	-	
Total Expenditure	50,000,000		50,000,000	2,545,614	47,454,386	5%
Surplus For the Period	-	-	-	47,454,386	(47,454,386)	
Capital expenditure		-	-	-	-	

Turkana County Covid-19 Emergency Response Fund
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18. Notes to the Financial Statements

1. General Information

The Turkana County Covid-19 Emergency Response Fund is established by and derives its authority and accountability from Public Finance Management (Turkana County covid-19 Emergency response Fund) regulations 2020. The Fund is wholly owned by the County Government of Turkana and is domiciled in Kenya.

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

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

Standard	Effective date and impact
IPSAS 41: Financial Instruments	Applicable: 1st January 2023 The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;

Turkana County Covid-19 Emergency Response Fund
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Standard	Effective date and impact
	• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023 a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact
	Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other improvements to IPSAS	<i>Applicable 1st January 2023</i> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

(i) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

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

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Standard	Effective date and impact:
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: 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.

(ii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

Turkana County Covid-19 Emergency Response Fund
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1. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2023 was approved by the County Assembly on 15th June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

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

Summary of Significant Accounting Policies (Continued)

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 1 of these financial statements.

c) Property, plant and equipment

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

d) Intangible Assets

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

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

e) Investment property

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

Summary of Significant Accounting Policies (Continued)

f) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

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Summary of Significant Accounting Policies (Continued)

j) Contingent liabilities

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

Contingent assets

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

k) 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.*

l) Changes in accounting policies and estimates

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

m) Employee benefits – Retirement benefit plans

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

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

Turkana County Covid-19 Emergency Response Fund
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Summary of Significant Accounting Policies (Continued)

n) 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.

o) Borrowing costs

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

p) Related parties

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

q) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

r) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

State all judgements, estimates and assumptions made e.g.

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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

Turkana County Covid-19 Emergency Response Fund
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6. Notes To The Financial Statements

1. Public contributions and donations

Description	2022-2023	2021-2022
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

(Provide brief explanation for this revenue)

2. Transfers from County Government

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers From County Govt. –Operations	50,000,000	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	50,000,000	-

3. Fines, penalties and other levies

Description	2022-2023	2021-2022
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

(Provide brief explanation for this revenue)

4. Interest income

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest Income from Mortgage Loans	-	-
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-
Total Interest Income	-	-

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued

5. Other income

Description	2022-2023	2021-2022
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

6. Employee Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other (<i>Specify</i>)	-	-
Total	-	-

7. Use of Goods and Services

Description	2022-2023	2021-2022
	Kshs.	Kshs.
General Office Expenses	888,414	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	1,657,200	4,575,500
Committee Allowances	-	-
Bank Charges	-	10,204
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-

Turkana County Covid-19 Emergency Response Fund
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Description	2022-2023	2021-2022
	Kshs.	Kshs.
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other	-	78,538,419
Social benefit expenses*	-	-
Total	2,545,614	83,124,123

8. Depreciation and Amortization Expense

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

9. Finance costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

10. Gain/(loss) on disposal of assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

11. Gain/ (loss) on Fair Value Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

12. Cash and cash equivalents

Description	2022-2023	2021-2022
	Kshs	Kshs
COVID-19 Emergency Response Fund Account	30,087,272	19,548,801
Current Account	-	-
Others (<i>Specify</i>)	-	-
Total Cash And Cash Equivalents	30,087,272	19,548,801

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued

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

Financial Institution	Account number	2022-2023	2021-2022
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
Sub- Total		-	-
		-	-
b) On - Call Deposits		-	-
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
		-	-
c) Current Account			
Kenya Commercial Bank	1274953960	30,087,272	19,548,801
Bank B		-	-
Sub- Total		-	-
		-	-
d) Others(Specify)		-	-
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		30,087,272	19,548,801

13. Receivables from exchange transactions

Description	2023-2022	2021-2022
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Current Loan Repayments Due	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables		
Non-Current Receivables		
Long Term Loan Repayments Due	-	-
Total Non- Current Receivables	-	-
Total Receivables From Exchange Transactions	-	-

Turkana County Covid-19 Emergency Response Fund
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Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due	-	-
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	99,779,648	68,748,494
Total	99,779,648	68,748,494

14. Prepayments

Description	2022-2023	2021-2022
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

15. Inventories

Description	2022-2023	2021-2022
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (<i>Specify</i>)	-	-
Total Inventories at The Lower of Cost and Net Realizable Value	-	-

Turkana County Covid-19 Emergency Response Fund
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Notes to the Financial Statements Continued

16. Investments in financial assets

Description	2022-2023	2021-2022
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks	-	-
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c. Equity investments (specify)	-	-
Equity/ shares in Entity	-	-
Sub- total	-	-
Grand total	-	-

Movement of Equity Investments

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

e) Shareholding in other entities

:

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

Turkana County Covid-19 Emergency Response Fund
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Notes To The Financial Statements (Continued)

17. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July (2021)	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30th June (2022)	-	-	-	-	-
At 1st July (2022)	-	-	-	-	-
Additions	5,884,762	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
At 30th June (2023)	5,884,762	-	-	-	-
Depreciation And Impairment	-	-	-	-	-
At 1st July (2022)	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th June (2022)	-	-	-	-	-
At 1st July (2022)	-	-	-	-	-
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
At 30th June (2023)	-	-	-	-	-
Net Book Values	5,884,762	-	-	-	-
At 30th June (2023)	5,884,762	-	-	-	-

Turkana County Covid-19 Emergency Response Fund
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Notes To The Financial Statements (Continued)

18. Intangible assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Cost		
At Beginning of The Year	-	-
Additions	-	-
At End of The Year	-	-
Amortization And Impairment		
At Beginning of The Year	-	-
Amortization	-	-
At End of The Year	-	-
Impairment Loss	-	-
At End of The Year	-	-
NBV	-	-

19. Investment Property

Description	2022-2023	2021-2023
	Kshs	Kshs
At beginning of the year		
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
At end of the year	-	-

Turkana County Covid-19 Emergency Response Fund
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Notes To The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	2022-2023	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

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

21. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At the Beginning Of The Year	-	-	-	-
Additional Provisions	-	-	-	-
Provision Utilised	-	-	-	-
Change Due To Discount And Time Value For Money	-	-	-	-
Transfers From Non -Current Provisions	-	-	-	-
Balance At The End of The Year	-	-	-	-

Turkana County Covid-19 Emergency Response Fund
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Notes To The Financial Statements (Continued)

22. Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
Balance At Beginning of The Period	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments Of External Borrowings During the Period	-	-
Repayments Of Domestic Borrowings During the Period	-	-
Balance At End of The Period	-	-

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

Description	2022-2023	2021-2022
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
Domestic Borrowings	-	-
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
Total Balance at End of The Year	-	-

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

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

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

23. Employee benefit obligations

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

24. Social Benefit Liabilities

Description	2022-2023	2021-2022
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

Turkana County Covid-19 Emergency Response Fund
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Notes To The Financial Statements (Continued)

25. Cash generated from operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	47,454,386	(83,124,123)
Adjusted For:		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
Working Capital Adjustments	-	-
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow From Operating Activities	47,454,386	(83,124,123)

Turkana County Covid-19 Emergency Response Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

26. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers From County Exchequer	50,000,000	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	2022-2023	2021-2022
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	2022-2023	2021-2022
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County treasury as Borrowing by dept'	61,031,154	68,748,494
Total	61,031,154	68,748,494

Turkana County Covid-19 Emergency Response Fund
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Other Disclosures Continued

e) Due to related parties

Description	2022-2023	2021-2022
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

27. Contingent assets and contingent liabilities

Contingent Liabilities	2022-2023	2021-2022
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

Turkana County Covid-19 Emergency Response Fund
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Notes To The Financial Statements (Continued)

28. Financial risk management

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

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

a) Credit risk

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

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

Turkana County Covid-19 Emergency Response Fund
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Notes To The Financial Statements (Continued)

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

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

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

b) Liquidity risk management

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

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

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

Turkana County Covid-19 Emergency Response Fund
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Notes To The Financial Statements (Continued)

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

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

Turkana County Covid-19 Emergency Response Fund
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Notes To The Financial Statements (Continued)

Foreign currency sensitivity analysis

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

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

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs (2022: Kshs). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs (2021 – Kshs).

Turkana County Covid-19 Emergency Response Fund
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Notes To The Financial Statements (Continued)

d) Capital risk management.

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	(0)	(0)
Net debt/(excess cash and cash equivalents)	-	-
Gearing	0%	0%

29. Events after the reporting period

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

30. Ultimate and Holding Entity

The Turkana County Covid-19 Emergency Response Fund is established by and derives its authority and accountability from Public Finance Management (Turkana County covid-19 Emergency Response Fund) regulations 2020. The Fund is wholly owned by the County Government of Turkana and is domiciled in Kenya.

31. Currency

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

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19. 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)
16.10.2021	Payment for the supply and delivery of Face masks to the Ministry of Health Services and Sanitation Medical stores by Rushmore Enterprises	The inspection and acceptance report has been attached,s11 is now attached.	Resolved	
26.10.2021	Keriosup Enterprises Limited-water bowser	A schedule with specific litres of water required is attached,payment was made under cheque 69.	Resolved	
26.10.2021	Lochodo Enterprises	Beneficiary villages' list is attached,water distribution schedule attached. Payment was done with cheque-60 and now referenced to cashbook.		
14.07.2021	Napak tented	All the staffs that were at the hotel are ministry staff,payroll numbers attached,payment was done under cheque 57 and has been		

Guidance Notes:

- Use the same reference numbers as contained in the external audit report.
- Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management.
- Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Fund responsible for implementation of each issue.

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

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

Date.....

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Annex II: Inter-Fund Confirmation Letter

wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 2023				Amount Received by [beneficiary Fund] (KShs) as at 30 th June 20xx (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Fund:

Name SignDate

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Annex III: Reporting of Climate Relevant Expenditures

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

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Annex IV: Reporting on Disaster Management Expenditure

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