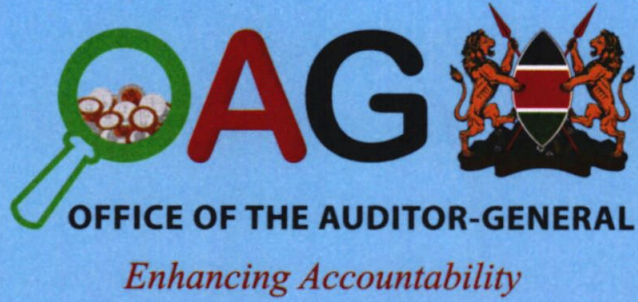


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

**TURKANA COUNTY EMERGENCY
FUND**

**FOR THE YEAR ENDED
30 JUNE, 2024**

PAPERS LAID	
DATE	6/3/2025
TABLED BY	Dep. Maj. Whip
COMMITTEE	
CLERK AT THE TABLE	Maalim



Revised 30th June 2024



TURKANA COUNTY EMERGENCY FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2024

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

Turkana County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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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

2. Key Entity Information and Management

a) Background information

Turkana County Emergency Fund is established by and derives its authority and accountability from Turkana County Emergency Fund Act, 2016. The Fund is wholly owned by the County Government of Turkana and is domiciled in Kenya.

The fund's objective is to enable payments to be made in respect of a county when an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority. The budgetary allocation for the fund for the year was **KShs147,388,667** and the entire amount was requisitioned and received into the Fund's operational account Held at Equity Lodwar Branch on 6th October,2023

Comparatively the fund had a budget of **KShs 377,000,000** the previous financial Year 2022-2023

During the year ended June 2024, the Fund total expenditure is **Kshs448,994,500** compared to **301,059,099** incurred for the year ended 30th June, 2023

b) Principal Activities

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

c) Fund Administration Committee

Turkana County Emergency Fund is administered by the County Executive Committee Member for Finance and Planning

d) Key Management team

Ref	Name	Position
1	FUND ADMINISTRATOR	DR. MICHAEL EKIDOR EREGAE
2	CHIEF OFFICER-FINANCE	MR. JAMES ILLIKWEL CYRUS
3	FUND ACCOUNTANT	CPA JULIUS EWOI LOKOPU

Turkana County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit-Secretary Audit	Jeremiah Ngachekio
2	Member Audit Committee	Susan Amlango Aletia
3	Member Audit Committee	Lapur Lokuruka Sylvia
4	Member Audit Committee	Paul Lopodo Mutu
5	Member Audit Committee	Erukudi Marklevis Ekuam
6	Member Audit Committee	Amos Kiptui Kibet
7	Member Audit Committee	Francis Lokwar

f) Registered Offices

P.O. Box 11-30500
County Treasury Building
Nawoitorong Road,
Lodwar, Kenya.

g) Fund Contacts

Telephone: (254) 000
E-mail: tcg.go.ke
Website: www.tcg.go.ke

h) Fund Bankers

1. Equity Bank
Lodwar Branch

Key Entity and Management (Continued)

2. Independent Auditors

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

3. Principal Legal Adviser

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

4. County Attorney



OFFICE OF THE COUNTY ATTORNEY
P.O BOX 11-30500
LODWAR-KENYA

Turkana County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024


3. Fund Administration Committee

Turkana County Emergency Fund is administered by the County Executive Committee Member for Finance and Economic Planning

4. Management Team

Name	Details of qualifications and experience
 <p>1. DR. MICHAEL EKIDOR EREGAE- CECM FINANCE AND ECONOMIC PLANNING</p>	<p>Dr. Eregae is the County Executive Committee Member –Finance and Economic Planning and the Administrator of Turkana County Emergency Fund.</p> <p>He 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.</p> <p>The bulk of his past experience is in implementing and managing livestock development projects especially in pastoral areas of Africa (Kenya, Uganda, South Sudan, and Somalia). These projects focused on livestock disease control, livestock production, and livestock marketing. Eregae has worked for several development agencies including <i>Cooperazione Internazionale</i> (COOPI), VETAID, VSF-Germany and the Government of Kenya (GoK). Eregae also worked with the Turkana County Government as County Chief Officer for Livestock, Veterinary Services, and Fisheries, and Trade, Gender and Youth Affairs.</p>
 <p>2. JAMES ILLKWEL CYRUS CHIEF OFFICER-FINANCE</p>	<p>Mr. James Illkwel is the Chief Officer Finance. He Holds Maters of Business Administration(Accounting) option from Masinde Muliro University of Science and Technology(MMUST)</p> <p>He Holds B-COM(Accounting) option from MMUST</p> <p>Currently pursuing CPA Part 11</p>

Turkana County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

 <p>3. CPA JULIUS EWOI LOKOPU PRINCIPAL ACCOUNTANT</p>	<p>CPA Lokopu serves as Principal Accountant in-charge of Turkana County Exchequer requisitions and Turkana County Emergency Fund</p> <p>He Holds Master of Business Administration(MBA)-Finance from The Catholic University of Eastern Africa (CUEA)</p> <p>He is a Full Member of the Institute of Certified Public Accountants of Kenya(ICPA(K) and an Associate Member of the Institute of Certified Secretaries of Kenya(ICPS(K), a certified Professional Mediator(CPM)</p> <p>He holds Bachelor of Commerce-Finance Option from The Catholic University of Eastern Africa(CUEA)</p> <p>He has 12 years' Experience as Accountant both in Private and Public sectors</p>

5. FORWARD BY CECM-FINANCE AND ECONOMIC PLANNING

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Comparatively the fund had a budget of **KShs 377,000,000** the previous financial Year 2022-2023

During the year ended June 30, 2024 the Fund received **KShs147,388,667** being the budgetary allocation for the year. Cumulative expenditure of **KShs 448,994,500** was incurred for the year ended June 30, 2024 compared to **KShs 301,059,099** incurred for the year ended June 30, 2023.

There were no significant changes in the fund management during the year under review. The future outlook of the fund is expanded budget to support Emergency interventions

CONCLUSION

The Fund achieved the intended objectives. This was supported by timely release of fund from The National Treasury



Name:

Michael



CECM-FINANCE AND ECONOMIC PLANNING

Turkana County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

6. Report of The Fund Administrator


Turkana County Emergency Fund is established by and derives its authority and accountability from Turkana County Emergency Fund Act, 2016. The Fund is wholly owned by the County Government of Turkana and is domiciled in Kenya.

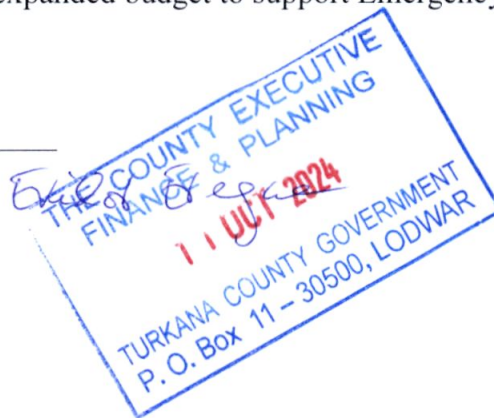
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There were no significant changes in the fund management during the year under review. The future outlook of the fund is expanded budget to support Emergency interventions


Name: Michael
Fund Administrator



Turkana County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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

8. Corporate Governance Statement

The Fund is domiciled within Finance department and is managed by administration committee appointed by the County Executive Committee Member for Finance and planning. The committee meets on a need basis to approve expenditure and financial statements. During the year under review the fund administration held 4 meetings during the year. All members were in attendance. The Fund administration committee members work voluntarily are not therefore remunerated or paid.

9. Management Discussion and Analysis

Turkana County Emergency Fund is established by and derives its authority and accountability from Turkana County Emergency Fund Act, 2016. The Fund is wholly owned by the County Government of Turkana and is domiciled in Kenya.

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Turkana County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

10. Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by *Turkana County Emergency Fund Act, 2016* shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the *Turkana County Emergency Fund* is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

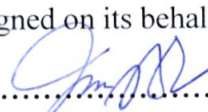
The Administrator of the *Turkana County Emergency Fund* accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *Turkana County Emergency Fund Act, 2016*. The Administrator of *Turkana County Emergency 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, 2024, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

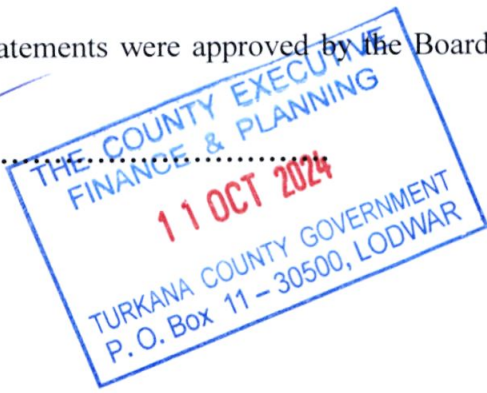
In preparing the financial statements, the Administrator of *Turkana County Emergency Fund* has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. OR

Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund’s financial statements were approved by the Board on 11/10/2024 and signed on its behalf by:


.....
Fund Administrator



REPUBLIC OF KENYA



Enhancing Accountability

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

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

REPORT OF THE AUDITOR-GENERAL ON TURKANA COUNTY EMERGENCY FUND FOR THE YEAR ENDED 30 JUNE, 2024

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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

The three parts of the report 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 Emergency Fund set out on pages 1 to 39, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net

Report of the Auditor-General on Turkana County Emergency Fund for the year ended 30 June, 2024

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 Emergency Fund as at 30 June, 2024 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 Turkana County Emergency Fund Act, 2016 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

Other Information

The Management is responsible for the other information set out on page iv to xvii which comprise of Key Entity Information and Management, Fund Administration Committee, Management Team, Report of the Fund administrator, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management discussion and analysis and statement of Management's responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Irregular Lending of Funds to the County Executive

The statement of financial position and as disclosed at Note 13 to the financial statements reflects an amount of Kshs.60,799,134 in respect of current portion of short-term receivables from non-exchange transactions. The entire balance represents amount borrowed from the Fund by the County Executive of Turkana. However, the amount includes borrowings totalling Kshs.20,866,940 that had remained outstanding for more than twelve (12) months contrary to Section 142(3) of the Public Finance Management Act, 2012 which provides that a county government entity that has short term borrowing shall ensure that the money borrowed is repaid within a year from the date at which it was borrowed.

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

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

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

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 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 those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities

that govern them and that public resources are applied in an effective way. In addition, I also I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL


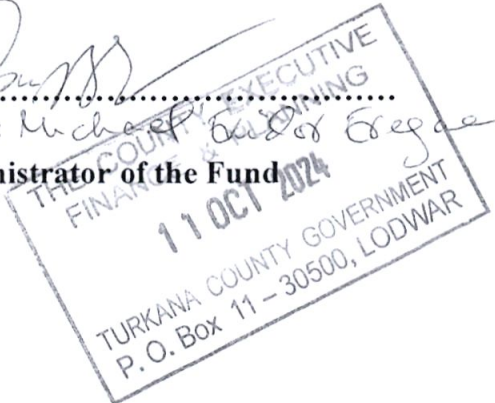
Nairobi


27 December, 2024

**Turkana County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

12. Statement of Financial Performance for the Year Ended 30th June 2024

Description	Note	FY2023-2024	FY 2023-2022
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	000	000
Transfers From the County Government	2	147,388,667	377,000,000
Fines, Penalties and Other Levies	3	000	000
		147,388,667	377,000,000
Revenue From Exchange Transactions			
Interest Income	4	000	000
Other Income	5	000	000
		000	000
Total Revenue		147,388,667	377,000,000
Expenses			
Employee Costs	6	000	000
Use of goods and services	7	448,994,500	301,059,099
Depreciation and Amortization Expense	8	000	000
Finance Costs	9	000	000
Total Expenses		448,994,500	301,059,099
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	000	000
Gain /Loss on fair value of investments	11	000	000
Surplus for the Period		(301,605,833)	75,940,901


 Name: Michael O. Orogade
 Administrator of the Fund



 Name: Julius Orogade
 Fund Accountant
 ICPAK Member Number: 17438

13. Statement of Financial Position as at 30 June 2024

Description	Note	FY2023-2024	FY 2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	793,584	320,957,144
Current Portion of short- Term Receivables From Non-Exchange Transactions	13	60,799,134	42,314,520
Prepayments	14	000	000
Inventories	15	000	000
Investments in financial assets	16	000	000
Total current assets		61,592,718	363,271,664
Non-Current Assets			
Property, Plant and Equipment	17	000	000
Intangible Assets	18	000	000
Long Term Receivables from Exchange Transactions	13	000	000
Investment Property	19	000	000
Total non- current assets		000	000
Total Assets		61,592,718	363,271,664
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	000	000
Current Portion of Borrowings	21	000	000
Employee Benefit Obligations	22	000	000
Social benefit liabilities	23	000	000
Total current liabilities		000	000
Non-Current Liabilities			
Long Term Portion of Borrowings	21	000	000
Non-Current Employee Benefit Obligation	22	000	000
Social benefit liabilities	23	000	000
Total Liabilities		000	000

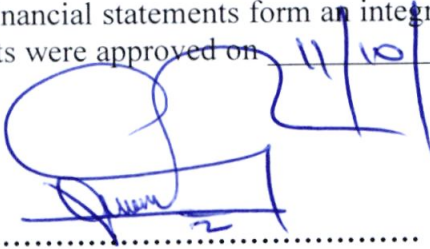
Turkana County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Description	Note	FY2023-2024	FY 2022-2023
		Kshs	Kshs
Net Assets		61,592,718	363,271,664
Revolving Fund		000	470,250
Reserves		000	000
Accumulated Surplus/deficit		61,592,718	362,801,414
Total Net Assets and Liabilities		61,592,718	363,271,664

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 11/10/2024 and signed by:


 Name: DR. MICHAEL EREGAE
 Administrator of the Fund

**THE COUNTY EXECUTIVE
 FINANCE & PLANNING
 11 OCT 2024
 TURKANA COUNTY GOVERNMENT
 P.O. Box 11 - 30500, LODWAR**


 Name: CPA JULIUS LOKOPU
 Fund Accountant
 ICPAK Member Number:17438

Turkana County Emergency Fund

Annual Report and Financial Statements for the year ended June 30, 2024

14. Statement of Changes in Net Assets for the year ended 30th June 2024

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2022	470,252	-	286,860,511	287,330,763
Surplus/(Deficit) For the Period		-	75,940,901	75,940,901
Funds Received During the Year	-	-	-	-
Transfers	-		-	
Revaluation Gain	-	-	-	-
Balance As At 30 June 2023	470,252	000	362,801,412	363,271,664
Balance As At 30 June 2023 - Restated	-	-	363,198,551	363,198,551
Balance As At 1 July 2023	-	000	363,198,551	363,198,551
Surplus/(Deficit) For the Period			(301,605,833)	(301,605,833)
Funds Received During the Year				
Transfers-Restated	-		-	-
Revaluation Gain				
Balance As At 30 June 2024	-	-	61,592,718	61,592,718

**Turkana County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

15. Statement of Cash Flows for The Year Ended 30 June 2024

Description	Note	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		000	000
Transfers from the county government	2	147,388,667	377,000,000
Interest received		000	000
Receipts from other operating activities		000	000
Total receipts		147,388,667	377,000,000
Payments			
Fund administration expenses	7		11,250,000
General expenses-Emergency	7	448,983,740	289,809,099
Finance cost		000	000
Other payments-Bank Charges		10,760	000
	7	448,994,500	301,059,099
Net cash flows from operating activities		(301,605,833)	75,940,901
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		(000)	(000)
Proceeds from sale of property, plant & equipment		000	000
Proceeds from loan principal repayments		000	000
Loan disbursements paid out		(000)	(000)
Net cash flows used in investing activities		(00)	(00)
Cash flows from financing activities			
Proceeds from revolving fund receipts		000	000
Additional borrowings		(51,037,382)	(35,831,540)
Repayment of borrowings		32,552,768	270,871,497
Net cash flows used in financing activities		(18,484,614)	235,039,957
Net increase/(decrease) in cash & cash Equivalents		(320,090,447)	310,980,858
Cash and cash equivalents at 1 st July 2023		320,884,032	9,976,286
Cash and cash equivalents at 30th June 2024		793,584	320,957,144

16. 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	000	(000)	000	000	(000)	
Transfers From County Govt.	147,388,667	000	147,388,667	147,388,667	000	100%
Interest Income	000	-	000	000	(000)	
Other Income	000	-	000	000	000	
Total Income	147,388,667	000	147,388,667	147,388,667	(000)	100%
Expenses						
Fund Administration Expenses	4,421,660	-	4,421,660	4,421,660	000	
General Expenses	142,967,007	(000)	142,967,007	142,967,007	000	
Finance Cost	000	(000)	000	000	(000)	
Total Expenditure	147,388,667	(000)	147,388,667	147,388,667	000	

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17. Notes to the Financial Statements

1. General Information

Turkana County Emergency Fund is established by and derives its authority and accountability from Turkana County Emergency Fund Act. The entity is wholly owned by the Turkana County Government and is domiciled in Kenya. The entity's principal activity is to enable Payments to be made in respect of a county when an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority

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

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

Standard	Effective date and impact
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2024</p> <p>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.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>

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Standard	Effective date and impact
	<ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • 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.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2024</p> <p>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:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2024</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.

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Standard	Effective date and impact
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>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.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2024</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2024.</p>

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

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

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Standard	Effective date and impact:
	The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

(iii) 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.)*

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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 2023-2024 was approved by the County Assembly on June, 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded no additional appropriations on the FY 2023-2024 budget following the governing body's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on 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 16 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 10-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 *Notes*

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.

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.

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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.

(Include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)

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6. Notes to The Financial Statements

1. Public contributions and donations

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Donation From Development Partners	000	000
Contributions From The Public	000	000
Total	000	000

2. Transfers from County Government

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Transfers From County Govt. –Operations	147,388,667	377,000,000
Payments By County On Behalf Of The Entity	000	000
Unconditional Development grants	000	000
Total	147,388,667	377,000,000

3. Fines, penalties and other levies

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Late Payment Penalties	000	000
Fines	000	000
Total	000	000

4. Interest income

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Interest Income from Mortgage Loans	000	000
Interest Income From Car Loans	000	000
Interest Income From Investments in financial assets	000	000
Interest Income On Bank Deposits	000	000
Total Interest Income	000	000

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(Provide brief explanation for this revenue)

Notes to the Financial Statements Continued

5. Other income

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Insurance Recoveries	000	000
Income from Sale of Tender Documents	000	000
Bad debts recovered	000	000
Miscellaneous Income	000	000
Total Other Income	000	000

6. Employee Costs

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Salaries And Wages	000	000
Staff Gratuity	000	000
Staff Training Expenses	000	000
Social Security Contribution	000	000
Other <i>(Specify)</i>	000	000
Total	000	000

7. Use of Goods and Services

Description	FY2023-2024	FY2022-2023
	Kshs.	Kshs.
General Expenses-Emergency	448,983,740	289,809,099
Loan Processing Costs	000	000
Professional Services Costs	000	000
Administration Fees	000	11,235,248
Committee Allowances	000	000
Bank Charges	10,760	14,752
Electricity And Water Expenses	000	000
Fuel And Oil Costs	000	000
Insurance Costs	000	000
Postage And Courier	000	000

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Description	FY2023-2024	FY2022-2023
	Kshs.	Kshs.
Printing And Stationery	000	000
Rental Costs	000	000
Security Costs	000	000
Telephone And Communication Expenses	000	000
Bank Charges	000	000
Audit Fees	000	000
Provision For Doubtful Debts	000	000
Other (<i>Specify</i>)	000	000
Social benefit expenses*		
Total	448,994,500	301,059,099

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42

8. Depreciation and Amortization Expense

Description	FY2023-2024	FY2022-2023
	Kshs.	Kshs.
Property Plant and Equipment	000	000
Intangible Assets	000	000
Total	000	000

9. Finance costs

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Interest On Bank Overdrafts	000	000
Interest On Loans From Banks	000	000
Total	000	000

10. Gain/(loss) on disposal of assets

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Property, Plant and Equipment	000	000
Intangible Assets	000	000
Total	000	000

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11. Gain/ (loss) on Fair Value Investments

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Investments at Fair Value- Equity investments	000	000
Fair value – Investment property	000	000
Fair value- other financial assets (specify)	000	000
Total Gain	000	000

12. Cash and cash equivalents

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Turkana County Emergency Fund Account-EQUITY	793,584.15	320,884,032
Fixed Deposits Account	000	000
On – Call Deposits	000	000
Current Account	000	000
Others (<i>Specify</i>)	000	000
Total Cash And Cash Equivalents	793,584.15	320,957,144

Turkana County Emergency Fund

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Notes to the Financial Statements Continued

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

Financial Institution	Account number	FY2023-2024	FY2022-2023
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		000	000
Equity Bank, Etc.		000	000
Sub- Total		000	000
b) On - Call Deposits			
Kenya Commercial Bank		000	000
Equity Bank - Etc.		000	000
Sub- Total		000	000
c) Current Account			
Equity Bank		793,584.15	320,884,032
Bank B		000	000
Sub- Total		000	000
d) Others(Specify)		000	000
Cash In Transit		000	000
Cash In Hand		000	000
Sub- Total		000	000
Grand Total		793,584.15	320,884,032

13. Receivables from Non-exchange transactions

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Current Receivables		
Interest Receivable	000	000
Current Loan Repayments Due	000	000
Other Exchange Debtors	000	000
Less: Impairment Allowance	(000)	(000)
Total Current Receivables		
Non-Current Receivables		
Short term receivables	60,799,134	42,314,520
Total Non- Current Receivables	000	000
Total Receivables From Exchange Transactions	60,799,134	42,314,520

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	000	000
Accrued interest receivable from of long-term loans of previous years	000	000
Interest receivable from current portion of long-term loans issued in the current year	000	000
Current loan repayments due		
Current portion of long-term loans from previous years	000	000
Accrued principal from long-terms loans from previous periods	000	000
Current portion of long-term loans issued in the current year	000	000

14. Prepayments

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Prepaid Rent	000	000
Prepaid Insurance	000	000
Prepaid Electricity Costs	000	000
Other Prepayments (<i>Specify</i>)	000	000
Total	000	000

15. Inventories

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Consumable Stores	000	000
Spare Parts And Meters	000	000
Catering	000	000
Other Inventories (<i>Specify</i>)	000	000
Total Inventories at The Lower of Cost and Net Realizable Value	000	000

Turkana County Emergency Fund
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Notes to the Financial Statements Continued

16. Investments in financial assets

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	000	000
CBK	000	000
Sub- total	000	000
b. Investment with Financial Institutions/ Banks		
Bank x	000	000
Bank y	000	000
Sub- total	000	000
c. Equity investments (specify)		
Equity/ shares in Entity xxx	000	000
Sub- total	000	000
Grand total	000	000

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

Movement of Equity Investments

Impairment allowance/ provision	FY2023-2024	FY2022-2023
	Kshs	Kshs
At the beginning of the year	000	000
Purchase of investments in the year	000	000
Sale of investments during the year	(000)	(000)
Gain/(loss) in fair value of investments through surplus or deficit	000	000
At the end of the year	000	000

e) Shareholding in other entities

For investments in equity share listed above, list down the equity investments under the following categories:

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			
	%	%	%	Kshs	Current year	Prior year
Entity A	000	000	000	000	000	000
Entity B	000	000	000	000	000	000
Entity C	000	000	000	000	000	000
	000	000	000	000	000	000

Turkana County Emergency 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 (Previous FY)	000	000	000	000	000
Additions	000	000	000	000	000
Disposals	000	000	000	000	000
Transfers/Adjustments	000	000	000	000	000
At 30th June (Previous FY)	000	000	000	000	000
At 1st July (Current FY)					
Additions	000	000	000	000	000
Disposals	000	000	000	000	000
Transfer/Adjustments	000	000	000	000	000
At 30th June (Current FY)	000	000	000	000	000
Depreciation And Impairment					
At 1 st July (Previous FY)	000	000	000	000	000
Depreciation	000	000	000	000	000
Impairment	(000)	-	-	-	(xxx)
At 30th June (Previous FY)	000	000	000	000	000
At 1st July (Current FY)					
Depreciation	000	000	000	000	000
Disposals	000	000	000	000	000
Impairment	000	000	000	000	000
Transfer/Adjustment	000	000	000	000	000
At 30th June (Current FY)	000	000	000	000	000
Net Book Values	000	000	000	000	000
At 30th June (Previous FY)	000	000	000	000	000
At 30th June (Current FY)	000	000	000	000	000

Turkana County Emergency Fund

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Notes To The Financial Statements (Continued)

18. Intangible assets

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Cost		
At Beginning of The Year	000	000
Additions	000	000
At End of The Year	000	000
Amortization And Impairment		
At Beginning of The Year	000	000
Amortization	000	000
At End of The Year	000	000
Impairment Loss	000	000
At End of The Year	000	000
NBV	000	000

19. Investment Property

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
At beginning of the year	000	000
Additions	000	000
Disposal during the year	(000)	(000)
Depreciation	(000)	(000)
Impairment	(000)	(000)
Gain/(loss) in fair value (if fair value is elected)	000	000
At end of the year	000	000

Turkana County Emergency Fund
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Notes to The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description	FY2023-2024		FY2022-2023	
	Kshs		Kshs	
Trade Payables	000		000	
Refundable Deposits	000		000	
Accrued Expenses	000		000	
Other Payables	000		000	
Total Trade and Other Payables	000		000	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	000	%	000	%
1-2 years	000	%	000	%
2-3 years	000	%	000	%
Over 3 years	000	%	000	%
Total (tie to above total)	000		000	

21. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At the Beginning Of The Year	000	000	000	000
Additional Provisions	000	000	000	000
Provision Utilised	(000)	(000)	(000)	(000)
Change Due To Discount And Time Value For Money	(000)	(000)	(000)	(000)
Transfers From Non -Current Provisions	000	000	000	000
Balance At The End of The Year	000	000	000	000

Turkana County Emergency Fund

Annual Report and Financial Statements for the year ended June 30, 2024

Notes to The Financial Statements (Continued)

22. Borrowings

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Balance At Beginning of The Period	000	000
External Borrowings During the Year	000	000
Domestic Borrowings During the Year	000	000
Repayments Of External Borrowings During the Period	(000)	(000)
Repayments Of Domestic Borrowings During the Period	(000)	(000)
Balance At End of The Period	000	000

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

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	000	000
Sterling Pound Denominated Loan From 'Y Organization'	000	000
Euro Denominated Loan from Z Organization'	000	000
Domestic Borrowings		
Kenya Shilling Loan From KCB	000	000
Kenya Shilling Loan from Barclays Bank	000	000
Kenya Shilling Loan from Consolidated Bank	000	000
Borrowings From Other Government Institutions	000	000
Total Balance at End of The Year	000	000

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

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)	51,037,382	42,314,520
Long Term Borrowings	000	000
Total	51,037,382	42,314,520

Turkana County Emergency Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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	000	000	000	000	000
Non-Current Benefit Obligation	000	000	000	000	000
Total	000	000	000	000	000

24. Social Benefit Liabilities

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Health social benefit scheme	000	000
Unemployment social benefit scheme	000	000
Orphaned and vulnerable benefit scheme	000	000
Elderly social benefit scheme	000	000
Bursary social benefits	000	000
Total	000	000
Current social benefits	000	000
Non- current social benefits	000	000
Total (tie to totals above)	000	000

Turkana County Emergency Fund

Annual Report and Financial Statements for the year ended June 30, 2024

Notes to The Financial Statements (Continued)

25. Cash generated from operations

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	000	000
Adjusted For:		
Depreciation	000	000
Amortisation	000	000
Gains/ Losses On Disposal Of Assets	(000)	(000)
Interest Income	(000)	(000)
Finance Cost	000	000
Working Capital Adjustments		
Increase In Inventory	(000)	(000)
Increase In Receivables	(000)	(000)
Increase In Payables	000	000
Net Cash Flow From Operating Activities	000	000

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	FY2023-2024	FY2022-2023
	Kshs	Kshs
Transfers From Related Parties'	000	000
Transfers To Related Parties	000	000

c) Key management remuneration

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Board Of Trustees	000	000
Key Management Compensation	000	000
Total	000	000

d) Due from related parties

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Due From Parent Ministry	000	000
Due From County Government	000	000
Total	000	000

Other Disclosures Continued

e) Due to related parties

Description	FY2023-2024	FY2022-2023
	Kshs	Kshs
Due To Parent Ministry	000	000
Due To County Government	000	000
Due To Key Management Personnel	000	000
Total	000	000

27. Contingent assets and contingent liabilities

Contingent Liabilities	FY2023-2024	FY2022-2023
	Kshs	Kshs
Court Case Against the Fund	000	000
Bank Guarantees	000	000
Total	000	000

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 2024				
Receivables From Exchange Transactions	000	000	000	000
Receivables From Non-Exchange Transactions	000	000	000	000
Bank Balances	000	000	000	000
Total	000	000	000	000
At 30 June 2023				
Receivables From Exchange Transactions	000	000	000	000
Receivables From Non-Exchange Transactions	000	000	000	000
Bank Balances	000	000	000	000
Total	000	000	000	000

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

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 xxxx

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	000	000	000	000
Current Portion Of Borrowings	000	000	000	000
Provisions	000	000	000	000
Employee Benefit Obligation	000	000	000	000
Total	000	000	000	000
At 30 June (Comparative FY)				
Trade Payables	000	000	000	000
Current Portion Of Borrowings	000	000	000	000
Provisions	000	000	000	000
Employee Benefit Obligation	000	000	000	000
Total	000	000	000	000

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	000	000	000
Investments	000	000	000
Cash	000	000	000
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	000	000	000
Borrowings	000	000	000
Net Foreign Currency Asset/(Liability)	000	000	000

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%	000	000
USD	10%	000	000
(Comparative FY)			
Euro	10%	000	000
USD	10%	000	000

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 xxx (2022: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (2021 – Kshs xxx).

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	FY2023-2024	FY2022-2023
	Kshs	Kshs
Revaluation reserve	000	000
Revolving fund	000	000
Accumulated surplus	000	000
Total funds	000	000
Total borrowings	000	000
Less: cash and bank balances	(000)	(000)
Net debt/(excess cash and cash equivalents)	000	000
Gearing	00%	00%

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 entity is a County Public Fund established by Turkana County Emergency Fund Act,2016 under the Ministry of Finance and planning. Its ultimate parent is the County Government of Turkana.

31. Currency

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

18. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Irregular Lending of funds to the county Executive	The amount has been budgeted	Not resolved	June 2025
2	Failure to maintain fuel records	Records were availed and confirmed	Resolved	Resolved

Fund Administrator

Sign

Date

[Handwritten Signature]
 11/10/2024

