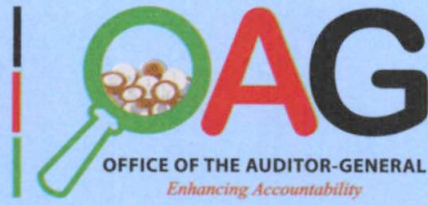


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REPORT

OF

THE AUDITOR-GENERAL

PAPERS LAID	
DATE	25/07/2026
ON TABLED BY	Majority leader
COMMITTEE	_____
CLERK AT THE TABLE	Polycorp

KIRINYAGA COUNTY EMERGENCY
FUND

FOR THE YEAR
ENDED 30 JUNE, 2025

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KIRINYAGA COUNTY EMERGENCY FUND

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

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

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

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

1. Acronyms and Definition of Key Terms

a) Acronyms

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

b) Definition of Key Terms

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

2. Key Entity Information and Management

a) Background information

Emergency Fund is established by and derives its authority and accountability from Section 110 of The Public Finance Management Act 2012. The Fund is wholly owned by the County Government of Kirinyaga and is domiciled in Kenya.

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

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to enable payments to be made when an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority.

c) Fund Administration Committee

Ref	Position	Name
1	Chairperson	Jacqueline Wanjiku Njogu
2	Fund Administrator	Edward Nyaga
3	Fund Accountant	Joan Wamuyu Munene

d) Key Management Team

Ref	Position	Name
1	Chairperson	Jacqueline Wanjiku Njogu
2	Fund Administrator	Edward Nyaga
3	Fund Accountant	Joan Wamuyu Munene

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

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Philomena Nyokabi

f) Registered Offices

Kirinyaga County
Department of Finance & Economic planning
County headquarters, ground floor
P.O.BOX 260
KUTUS, KENYA

g) Fund Contacts

Telephone: (254) 720 327 456
E-mail: Kirinyaga.go.ke
Website: www.kirinyaga.go.ke

h) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Co-operative Bank of Kenya
Kerugoya branch
P.O. BOX 635-10300
KERUGOYA

i) Independent Auditors

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

j) Principal Legal Adviser




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

k) County Attorney




SN	Position	Name
1	County Attorney	Carol Kinyua

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

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

Name	Details of qualifications and experience
 <p>CHAIRPERSON: JACQUELINE WANJIKU NJOGU</p>	<p>CEC, FINANCE AND ECONOMIC PLANNING DATE OF BIRTH:12/12/1982 Academic Qualifications Masters In Environmental Studies Experience: Over 15years In Planning and Management, BSE Landscaping and Urban Design</p>
 <p>FUND ADMINISTRATOR: CPA EDWARD NYAGA</p>	<p>CHIEF OFFICER FINANCE AND ECONOMIC PLANNING DATE OF BIRTH: 01/04/ 1973 Academic Qualifications CPAK Bachelor Of Cooperative Business Masters MBA Experience: Over 20 Years in Finance and Accounting Sector</p>
 <p>CPA JOAN WAMUYU MUNENE</p>	<p>FUND ACCOUNTANT DATE OF BIRTH: 22/5/ 1988 Academic Qualifications Bachelor's Degree in Business Management CPAK Experience: Over 10 Years</p>

4. Key Management Team

Name	Details of qualifications and experience
 <p>CHAIRPERSON: JACQUELINE WANJIKU NJOGU</p>	<p>CEC, FINANCE AND ECONOMIC PLANNING DATE OF BIRTH:12/12/1982 Academic Qualifications Masters In Environmental Studies Experience: Over 15years In Planning and Management, BSE Landscaping and Urban Design</p>
 <p>FUND ADMINISTRATOR: CPA EDWARD NYAGA</p>	<p>CHIEF OFFICER FINANCE AND ECONOMIC PLANNING DATE OF BIRTH: 01/04/ 1973 Academic Qualifications CPAK Bachelor Of Cooperative Business Masters MBA Experience: Over 20 Years in Finance and Accounting Sector</p>
 <p>CPA JOAN WAMUYU MUNENE</p>	<p>FUND ACCOUNTANT DATE OF BIRTH: 22/5/ 1988 Academic Qualifications Bachelor's Degree in Business Management CPAK Experience: Over 10 Years</p>

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

5. Report of the Chairman of the Fund

Emergency Fund is established by and derives its authority and accountability from section 110 of the public Finance Management Act, 2012. The Fund is wholly owned by the County Government of Kirinyaga and is domiciled in Kenya.

The fund's objective is to enable payments to be made when an urgent and unforeseen need for expenditure arises for which there is no specific legislative authority. During the year under review (Financial Year 2024/2025), emergencies expenditures amounting to Ksh.1,207,105 were incurred.

We have taken charge with governance and are responsible for overseeing the Kirinyaga County Executive Emergency Fund's reporting process, reviewing the effectiveness of how the entity 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.

During the year, we were able to requisition our funds on time as we aimed to achieve the 2% of the annual county revenue as laid in the PFM act to cushion our population in times of emergencies.

We state that the fund is a going concern and there are no intentions of curtailing its scale of operation. We intend to have the fund operational as laid down by sec 116 of PFMA, 2012.

Signed: _____

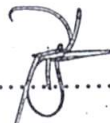


JACQUELINE WANJIKU NJOGU

CECM FINANCE AND ECONOMIC PLANNING

6. Report of The Fund Administrator

The fund had an outstanding balance of Ksh.8,261,665 brought forward from the previous year 2023/2024, and received Ksh.8,000,000 during the financial year under review from the county government thus the total resources available for expenditure was Ksh.16,261,665. During the Financial Year under review (2024/2025), the fund incurred expenditures amounting to Ksh.1,208,160. Having requisitioned our funds in time, the fund was able to meet the expenditures hence cushioning our population from such disasters. At the end of the year, the fund had a balance of Ksh.15,053,506 which was carried down to the subsequent financial year.



.....
Name: CPA EDWARD NYAGA

ICPAK MEMBER NO:23268

Fund Administrator

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

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

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

The key development objectives of the Fund are to:

- a) Provide quick response in case of fire.
- b) Provide quick response in case of floods.
- c) Provide quick response in case of drought.
- d) Provide quick response in case of pest invasion.
- e) Provide quick response in case of unexpected diseases in livestock and humans
- f) Provide quick response in case of effects of unexpected winds
- g) And provide quick response to any other un expected act of God

Progress on attainment of Strategic development objectives

We do not have strategic development objectives since it is difficult to predict when emergencies shall occur.

8. Statement of Corporate Governance

- The County Executive Committee Member shall be responsible for administering the fund.
- The County Executive Committee Member shall open and maintain a separate account into which monies appropriated to that fund shall be paid.

POWER OF THE COUNTY EXECUTIVE COMMITTEE MEMBER

The County Executive Committee Member may make payment from the fund only if satisfied that;

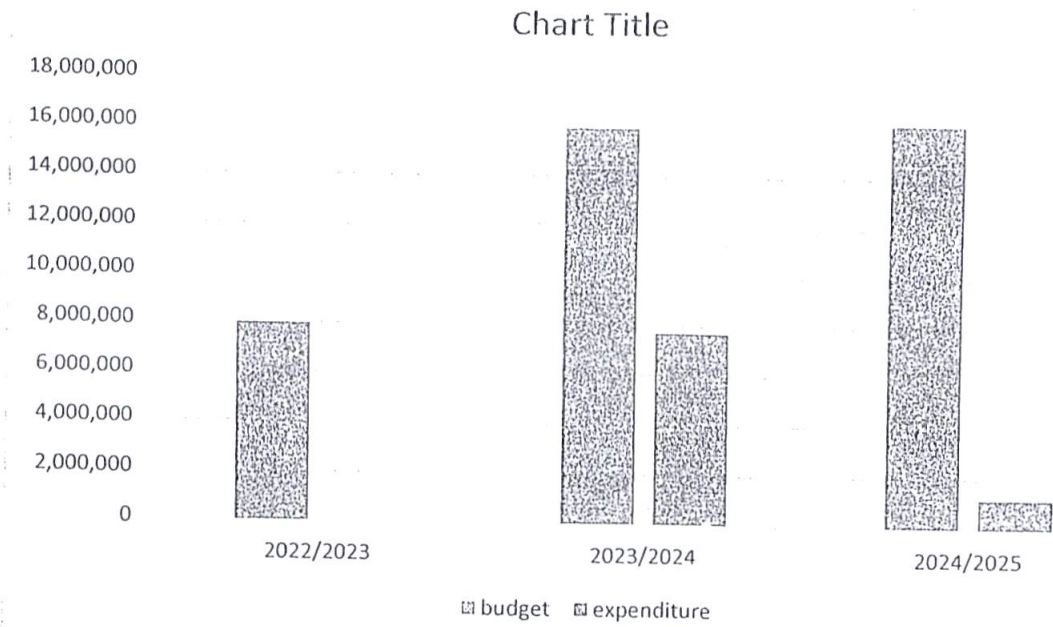
- There is an agent and unforeseen need for the expenditure for which there is no legislative authority
- It is for the public interest
- An event has caused damage, loss, hardship or suffering to resident of the county
- An event threatens to damage the environment
- An event is limited to the county

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

9. Management Discussion and Analysis

As expressed by the table and template below, the fund had at its disposal Ksh 8,261,665 brought forward from financial year 2023/2024. During the financial year 2024/2025 the fund received 8,000,000 thus bringing the resources available for expenditure to a total of 16,261,665. The fund managed to spend 1,208,160 resulting into 7.4 % spending.

	2022/2023	2023-2024	2024-2025
BUDGET	7,985,440	15,985,440	16,261,665
EXPENDITURE	NIL	7,723,775	1,208,160
UTILIZATION	0%	48%	7.4%



10. Environmental and Sustainability Reporting

Emergency Fund is established by and derives its authority and accountability from Section 110 of The Public Finance Management Act 2012. The Fund is wholly owned by the County Government of Kirinyaga and is domiciled in Kenya.

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

According to Sec112 (2) payment from the emergency fund is meant to alleviate the damage, loss, hardship or suffering which may be caused directly by the event; and

(3) For the purposes of subsection (1), the unforeseen event is one which –

(a) threatens damage to human life or welfare; or

(b) threatens damage to the environment.

During the year under review, the fund was able to respond to environmental related disasters that threatened the wellness of the communities during and after the heavy rains. The fund was able to respond to these unforeseen circumstances by making repairs of culverts, improving access roads and also repairing a bridge that had been ruined by the heavy rains during the year.

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

11. Report of The Committee

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

Principal activities

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

Results

The results of the Fund for the year ended June 30, 2025 are set out on page xi on the report of the fund administrator.

Committee

The Fund Committee Members who served during the year are shown on page vi, vii

Auditors

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

By Order of the Board



.....
Jacqueline Njogu

Chairman of the Fund Administration Committee

12. Statement of Management’s Responsibilities

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


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

The Administrator of the Emergency Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by section 110 of the PFM Act, 2012. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 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 the Emergency Fund has assessed the Fund’s ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

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


.....
Fund Administrator

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, 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

Qualified Opinion

I have audited the accompanying financial statements of Kirinyaga County Emergency Fund set out on pages 1 to 26, which comprise of the statement of financial position as

at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget 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, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kirinyaga County Emergency Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Kirinyaga County Emergency Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Stale Cheques Not Written Back to Cash Book

The statement of financial position and as disclosed in Note 11 to the financial statements reflect Kshs.15,053,505 in respect of cash and cash equivalents which represents bank balance at the Fund's cooperative bank account. However, review of the respective bank reconciliation statements revealed that an unrepresented cheque with an amount of Kshs.5,901 was stale as at 30 June, 2025 but was not reversed back to the cash book.

In the circumstances, the cash and cash equivalent balance of Kshs.15,053,505 was understated by Kshs.5,901.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kirinyaga 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 qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a revenue budget of Kshs.16,261,665 which was fully funded during the year. However, out of the available revenue, the Fund expended only Kshs.1,208,160 resulting to under-utilization of the funds by Kshs.15,053,505 or 93% of total receipts.

In the circumstances, Management may have overbudgeted for the Fund. Hence, holding financial resources which could have been reallocated to other relevant functions of the County.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effects of the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the Other Information set out on page iii to xv which comprise Key Entity Information and Management, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Statement of Corporate Governance, Environmental and Sustainability Reporting, Report of the Committee and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund 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 conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Implementation of Ineligible Projects Under Emergency Fund

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects an amount of Kshs.1,207,105 in respect to emergency expenses which includes Kshs.116,713 spent on installation of culverts at Kiangai shopping center and Kagio market. However, Management did not provide explanation to justify the project as an emergency contrary to Section 110 (2) of the Public Finance Management Act.

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

2. Non-Compliance on Remittance of Capacity Building Levy of 0.03%

During the year under review, the Fund awarded contracts valued at Kshs.1,207,105. However, Management did not provide for audit review, evidence of deducting and remitting the capacity building levy contrary to the Public Procurement Regulatory Authority Circular number 01/2024 (Ref; PPRA/6/5 VOL 11 (224) dated 30th August, 2024 which required procuring entities to collect capacity building levy at the rate of 0.03% of the contract sum from suppliers on all procurement contracts signed between the suppliers and procuring entity and remit to the authority through the e-citizen platform.

In the circumstances, failure to comply with the directive may result to accumulation interest and penalties which may have adverse financial implications to the Fund.

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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

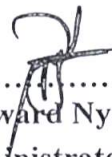

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

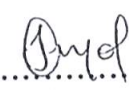
Nairobi

20 November, 2025

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

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	6	8,000,000	8,000,000
Public Contributions and Donations	7	-	-
		8,000,000	8,000,000
Revenue From Exchange Transactions			
Finance Income	8	-	-
		-	
Total Revenue		8,000,000	8,000,000
Expenses			
Emergency Expenses	9	1,207,105	7,720,000
Use of goods and services	10	1055	3,775
Total Expenses		1,208,160	7,723,775
Surplus/(Deficit) for the Year		6,791,840	276,225


.....

 Name: Edward Nyaga
 Fund Administrator
 ICPAK Member Number: 23238
 Date:


.....

 Name: Joan Munene
 Fund Accountant
 ICPAK Member Number: 2017C
 Date:

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

15. Statement of Financial Position As at 30 June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	11	15,053,505	8,261,665
Receivables from non-exchange transactions	12	-	-
Receivables from exchange transactions	13	-	-
Total current assets		15,053,505	8,261,665
Total Assets (A)		15,053,505	8,261,665
Liabilities			
Current Liabilities			
Trade and Other Payables	14	-	-
Total current liabilities		-	-
Total Liabilities (B)		-	-
Net Assets (A-B)		15,053,505	8,261,665
Represented By:			
Accumulated Surplus		15,053,505	8,261,665
Net Assets		15,053,505	8,261,665

.....

Name: Edward Nyaga
Fund Administrator
ICPAK Member Number: 23238
Date:

.....

Name: Joan Munene
Fund Accountant
ICPAK Member Number: 20170
Date:

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

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

Description	Accumulated surplus/Deficit
	KShs
Balance As At 1 July 2023	7,985,440
Surplus/(Deficit) For the Year	276,225
Balance As At 30 June 2024	8,261,665
Balance As At 1 July 2024	8,261,665
Surplus/(Deficit) For the Year	6,791,840
Balance As At 30 June 2025	15,053,505

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

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

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Receipts From the County Government		8,000,000	8,000,000
Public Contributions and Donations		-	-
Interest received		-	-
Total receipts		8,000,000	8,000,000
Payments			
Emergency Expenses		1,207,105	7,720,000
Use of goods and services		1,055	3,775
Total Payments		1,208,160	7,723,775
Net cash flows from operating activities	15	6,791,840	276,225
Cash flows from investing activities			
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		6,791,840	276,225
Cash and cash equivalents at 1 July	11	8,261,665	7,985,440
Cash and cash equivalents at 30 June		15,053,505	8,261,665

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	B	c=(a+b)	d	e=(c-d)	f=d/c*100
Opening Budget Carry overs		8,261,665	8,261,665	8,261,665	-	0%
Receipts						
Transfers From County Govt.	8,000,000	-	8,000,000	8,000,000	-	0%
Public Contributions and Donations	-	-	-	-	-	
Interest Income	-	-	-	-	-	
Total Receipts	8,000,000	8,261,665	16,261,665	16,261,665		
Payments						
Emergency Expenses	8,000,000	8,260,610	16,260,610	1,207,105	15,053,505	7.42%
Use of goods and services	-	1,055	1,055	1,055	-	0%
Total Payments	8,000,000	8,261,665	16,261,665	1,208,160	15,053,505	7.43%
Surplus For the Period	-	-	-	15,053,505	15,053,505	

Budget notes

1. The underutilization results from the unpredictability of emergency occurrences.

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Description of Particulars		Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	15,053,505
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	15,053,505

19. Notes to the Financial Statements

1. General Information

Emergency Fund is established by and derives its authority and accountability from Section 110 of The Public Finance Management Act 2012. The Fund is wholly owned by the County Government of Kirinyaga and is domiciled in Kenya.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

(i) New and amended standards and interpretations in issue effective in the year ended 30 June 2025

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

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

Standard	Effective date and impact
IPSAS 43 Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. 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
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.

Standard	Effective date and impact:
	The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ol style="list-style-type: none"> <li data-bbox="555 1554 1458 1644">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.. <li data-bbox="555 1655 1458 1800">ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. <li data-bbox="555 1812 1458 1906">iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation

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Standard	Effective date and impact
	of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

(iii) Early adoption of standards

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

4. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue Transfers

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

ii. Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the County Assembly on July 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Fund upon receiving the respective approvals in order to conclude the final budget.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts, and the actuals as per the statement of cash flows.

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c) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The Fund assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

Financial liabilities

Classification

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

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d) Contingent liabilities

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

e) Contingent assets

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

f) Nature and purpose of reserves

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

g) Changes in accounting policies and estimates

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

h) Foreign currency transactions

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

i) Related parties

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

j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes

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in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

k) Comparative figures

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

l) Events after the reporting period

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

m) Currency

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

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5. Significant judgments and sources of estimation uncertainty

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

State all judgements, estimates and assumptions made

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available.

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.

6. Transfers from the County Government

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Transfers From Kirinyaga County Department	8,000,000	8,000,000
Others (<i>specify</i>)	-	-
Total	8,000,000	8,000,000

7. Public contributions and donations

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

8. Finance Income

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Interest Income on Bank Deposits (current account)	-	-
Total Finance Income	-	-

9. Emergency Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Drought related expenses	-	-
Fire related expenses	-	-
Flood related expenses	1,207,105	7,720,000
Other (<i>Specify</i>)	-	-
Total	1,207,105	7,720,000

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10. Use of Goods and Services

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Bank Charges	1,055	3,775
Audit Fees	-	-
Other (Specify)	-	-
Total	1,055	3,775

11. Cash and cash equivalents.

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Current Account	15,053,505	8,261,665
Others (Specify)	-	-
Total Cash and Cash Equivalents	15,053,505	8,261,665

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

Financial Institution	Account number	FY 2024/2025	FY 2023/2024
		Kshs.	Kshs.
a) Current Account			
Cooperative Bank	01141567510100	15,053,505	8,261,665
Sub- Total		15,053,505	8,261,665
b) Others (Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		15,053,505	8,261,665

12. Receivables from non-exchange transactions

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

13. Receivables from exchange transactions

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

14. Trade and other payables

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
Trade Payables	-		-	
Accrued Expenses	-		-	
Retention money	-		-	
Other Payables	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	FY 24/25	% of the Total	FY 23/24	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

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15. Cash generated from operations.

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	6,791,840	276,225
Adjusted For:		
Working Capital Adjustments		
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow From Operating Activities	6,791,840	276,225

16. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

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

c) Due from related parties

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

d) Due to related parties

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Due To County Government	-	-

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Total	-	-
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17. Contingent assets and contingent liabilities

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

18. Financial risk management

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

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

a) Credit risk

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

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

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

The entity has no significant concentration of credit risk on amounts.

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

b) Liquidity risk management

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

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

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade Payables	-	-	-	-
Total	-	-	-	-
At 30 June 2024				
Trade Payables	-	-	-	-
Total	-	-	-	-

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

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Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Financial Assets			
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities			
Trade And Other Payables	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
2024/2025			
Euro	10%	-	-
USD	10%	-	-
2023/2024			
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 - (2025- Kshs -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs - (2024 – Kshs -).

d) Capital risk management.

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

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

19. Events after the reporting period

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

20. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Regularity of the procurement and award of contract		Not resolved	30 th June 2026

Guidance Notes:

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

.....
 Fund Administrator

Date.....

Kirinyaga County Emergency Fund
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
Annex II: Inter-Entity Confirmation Letter

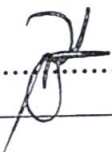
Name of transferring entity: Kirinyaga County Government

Name of beneficiary entity: Kirinyaga County Emergency Fund

Confirmation of amounts received by Kirinyaga County Emergency Fund as at 30 th June 2025						
Reference Number	Date Disbursed	Amounts Disbursed by Kirinyaga County Department (Kshs) as at 30 th June 2025			Amount Received by Kirinyaga County Emergency Fund] (KShs) as at 30 th June 2025 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
S19404325	15/05/2025	8,000,000	-	8,000,000	8,000,000	-
Total		<u>8,000,000</u>	=	<u>8,000,000</u>	8,000,000	-

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

Head of Accounts Department - Disbursing Entity:
 Name Raphael Mwauna Sign  Date 8/10/2025

Head of Accounts Department - Beneficiary Entity:
 Name Edward Nyaga Sign  Date.....

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Annex III: Analysis of Emergency Expenditure

Date	Payee	Amount	Purpose of Payment	Status (spent/not-spent)	Remarks
30/10/2024	CASTERBELLE AGENCIES	116,713.40	Payment for repairs of culverts at Kiangi shopping centre and Kagio market	Spent	Spent accordingly
09/12/2024	MWEKA LTD	492,391.00	payment for improvement of access road for Baricho to Kibirigwi road junction	Spent	Spent accordingly
27/06/2025	COLCOM SUPPLIERS LIMITED	598,000.00	Payment for repair of Muthigiini bridge	Spent	Spent accordingly

.....
 Name: Edward Nyaga

Fund Administrator

Date