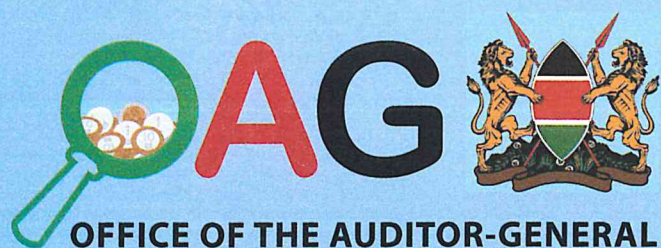


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

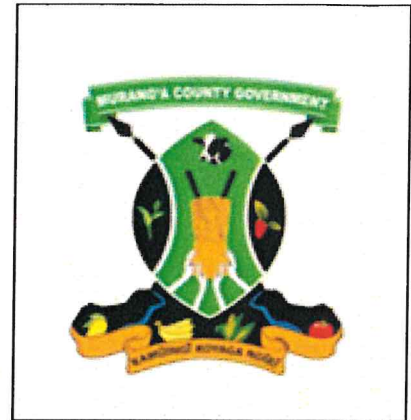
**MURANG'A COUNTY EMERGENCY FUND**

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





*Issued 30<sup>th</sup> June 2024*



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**MURANG'A COUNTY EMERGENCY FUND  
MURANG'A COUNTY GOVERNMENT  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2024**

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

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

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**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   |
| PSASB | Public Sector Accounting Standard Board            |
| Kshs  | Kenya Shillings                                    |
| PFM   | Public Finance Management                          |
| PSASB | Public Sector Accounting Standards Board           |
| ECL   | Expected Credit Loss                               |
| OAG   | Office of the Auditor General                      |
| KES   | Kenya Shillings                                    |

**b) Definition of Key Terms**

|                       |                                                                |
|-----------------------|----------------------------------------------------------------|
| Fiduciary Management: | The key management personnel who had financial responsibility. |
| The Fund:             | Murang'a County Emergency Fund                                 |

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

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**2. Key Entity Information and Management**

**a) Background information**

Murang'a County Emergency Fund was established by and derives its authority from the PFM Act (Murang'a County Emergency Fund) Regulations 2023. The Fund is wholly owned by the County Government of Murang'a.

The fund seeks to provide a common basket fund to facilitate faster, transparent, predictable, and accountable release of funds for management of emergencies.

**b) Principal Activities**

The principal activity of the Murang'a County Emergency Fund is to make payments to be made when an urgent and unforeseen need for expenditure for which there is no specific legislative authority arises.

**c) Fund Administration Committee**

| Ref | Position                                                 | Name                        |
|-----|----------------------------------------------------------|-----------------------------|
| 1   | Fund Chairman - CECM – Roads, Housing and Infrastructure | Arch. Pius Njuguna Macharia |
| 2   | Fund Administrator-CECM Finance                          | Prof. Joseph Kiarie Mwaura  |
| 3   | CECM Youth Affairs, Culture and Social Services          | Noah Gachucha Gachanja      |
| 4   | County Secretary                                         | Dr. Newton Mwangi           |
| 5   | Director Budget                                          | CPA Emilyo Muchunu Wanjohi  |

**d) Key Management Team**

| Ref | Position                                               | Name                        |
|-----|--------------------------------------------------------|-----------------------------|
| 1   | Fund Administrator - CECM Finance                      | Prof. Joseph Kiarie Mwaura  |
| 2   | Fund Chairman – CECM Roads, Housing and Infrastructure | Arch. Pius Njuguna Macharia |
| 3   | Fund Accountant                                        | CPA Mulemba Benson Mutunga  |
| 4   | Director Budget                                        | CPA Emilyo Muchunu Wanjohi  |

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

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**Key Entity and Management (Continued)**

**e) Fiduciary Oversight Arrangements**

| <b>SN</b> | <b>Position</b>                                         | <b>Name</b>         |
|-----------|---------------------------------------------------------|---------------------|
| 1         | Directorate Internal Audit                              | CPA Samuel M. Kaaga |
| 2         | Murang'a County Public Accounts & Investments Committee | County Assembly     |
| 3         | Office of the Auditor General                           | Auditor General     |

**f) Registered Offices**

P.O. Box 52-10200  
Murang'a, KENYA

**g) Fund Contacts**

Telephone: (254) 060-2030271  
E-mail: [info@muranga.go.ke](mailto:info@muranga.go.ke)  
Website: [www.muranga.go.ke](http://www.muranga.go.ke)

**h) Fund Bankers**

Kenya Commercial Bank  
Murang'a Branch

**i) Independent Auditors**

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

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

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**j) Principal Legal Adviser**

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

**k) County Attorney**

County Hall  
P.O. Box 52-10200  
Murang'a

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

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**3. Fund Administration Committee**

| <b>Name</b>        | <b>Details of qualifications and experience</b> |
|--------------------|-------------------------------------------------|
| Chairman           | Arch. Pius Njuguna Macharia                     |
| Member             | Dr. Newton Mwangi                               |
| Member             | Noah Gachucha Gachanja                          |
| Member             | CPA Emilyo Muchunu Wanjohi                      |
| Fund Administrator | Prof. Joseph Kiarie Mwaura                      |

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

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**4. Key Management Team**

| <b>Name</b>                | <b>Details of qualifications and experience</b>                  |
|----------------------------|------------------------------------------------------------------|
| Prof. Joseph Kiarie Mwaura | CECM Finance and Economic Planning and administrator of the Fund |
| CPA Mulemba Benson Mutunga | Fund Accountant                                                  |
| CPA Emilio Muchunu Wanjohi | Director of Budget                                               |

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

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**5. Report of the Chairman of the Fund**

Murang'a County Emergency Fund had an approved budget of KES 23,000,000 out of which we managed to draw down KES 7,000,000 as at the end of the financial year.

During the financial year, Murang'a County suffered landslides which resulted in the deaths of six people, destruction of three homes, dead livestock, and blockage and damage to roads.

The fund used KES 6,595,233 on mitigation of the effects of the landslides. This money was used for the provision of relief food to affected families and the repair/unblocking of roads.

The fund would like to acknowledge addition assistance extended to the affected families, especially by the Kenya Red Cross and National Government institutions.



.....  
**Arch. Pius Njuguna Macharia**  
**Chairman**

**Fund Administration Committee**

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

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**6. Report of The Fund Administrator**

During the 2023-2024 financial year, KES 7 million was appropriated by the Murang'a County Emergency Fund out of an approved budget of KES 23 million. The balance of KES 16 million was requisitioned from the Office of the Controller of Budget but had not been approved by the time the financial year ended.

The fund utilized KES 6,595,233 as shown below.

|                             |                 |
|-----------------------------|-----------------|
| Repair of roads washed away | Kshs. 1,707,792 |
| Emergency relief food       | Kshs. 3,528,999 |
| Burial Expenses             | Kshs. 1,000,000 |
| Repair of Damaged Houses    | Kshs. 300,000   |
| Stationery & Printing       | Kshs. 18,560    |
| Catering                    | Kshs. 37,849    |
| Bank Charges                | Kshs. 2,033     |



.....  
**Prof. Joseph Kiarie Mwaura**  
**Fund Administrator**

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

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

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

The key objective of the fund is to make payments when an urgent and unforeseen need for expenditure for which there is no specific legislative authority arises and to provide a common basket emergency fund to facilitate faster, transparent, predictable, and accountable release of funds for emergency management. In pursuit of these objectives, the Murang'a County Emergency Fund performed as below: -

| <b>Program</b>           | <b>Objective</b>                     | <b>Outcome</b>                      | <b>Indicator</b>             | <b>Performance</b>        |
|--------------------------|--------------------------------------|-------------------------------------|------------------------------|---------------------------|
| Disaster Risk Management | Mitigating emergencies in the County | Well-coordinated emergency response | 100% response to emergencies | 100% response to drought. |
|                          |                                      |                                     |                              |                           |

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

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**8. Statement of Corporate Governance**

The Committee roles and functions include;

- i) formulate operational procedures to achieve the objects of the Fund;
- ii) provide oversight on the administration and management of the Fund;
- iii) maintain proper records of the committee affairs and books of accounts;
- iv) submit quarterly returns and reports of the committee operations to the Executive Committee;
- v) be the custodian of all fund assets and documentation;
- vi) receive any gifts, donations, grants or endowments made to the Fund;
- vii) prepare annual estimates and reports to the Executive Committee;
- viii) approve the opening and operation of bank accounts for the Fund;

The committee shall consist of-

- (a) Executive Committee Member responsible for roads, housing and infrastructure who shall be the Chairman.
- (b) Executive Committee Member for finance who shall be the Fund Administrator and secretary to the committee.
- (c) Executive Committee Member responsible for social services or designate.
- (d) County Secretary.
- (e) Three members appointed by the Governor, who shall consider the youth, marginalized, and persons living with disability.

A member shall vacate their position as a member of the Committee if the member:

- (1) is absent from three (3) consecutive meetings of the Board without the consent of the Chairperson;
- (2) violates Chapter 6 of the Constitution;
- (3) voluntarily resigns from the Committee;
- (4) dies;

The Committee shall meet quarterly in a meeting convened by the chairperson or whenever an event requiring emergency payment arises.

The Executive Committee Member of Finance & Economic Planning may wind up the Fund with the approval of the County Assembly.

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

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**9. Management Discussion and Analysis**

Murang'a County Emergency fund was established by the gazettment of the fund regulations, PFM (Murang'a County Emergency Fund) Regulations 2023.

Members of the fund committee are as detailed on page iv above.

During the period under review, the fund received Kshs. 7 million of Kshs. 23 million appropriated the Murang'a County Assembly.

During the reporting period, Murang'a County experienced above normal rainfall which resulted in significant damage occasioned by mud slides which damaged farms, residential buildings and washed away roads.

To mitigate these, Murang'a County Emergency Fund used funds available to respond as follows;

|                             |                 |
|-----------------------------|-----------------|
| Repair of roads washed away | Kshs. 1,707,792 |
| Emergency relief food       | Kshs. 3,528,999 |
| Burial Expenses             | Kshs. 1,000,000 |
| Repair of Damaged Houses    | Kshs. 300,000   |
| Stationery & Printing       | Kshs. 18,560    |
| Catering                    | Kshs. 37,849    |
| Bank Charges                | Kshs. 2,033     |

Murang'a County Emergency Fund exercised prudent financial management during the year.

## **10. Environmental and Sustainability Reporting**

The Murang'a County Emergency Fund is dedicated to providing immediate relief in times of crisis while committing to sustainable and environmentally friendly practices.

Established in 2023, the Murang'a County Emergency Fund has been a critical support system for Murang'a County residents affected by disasters.

The Murang'a County Emergency Fund is committed to integrating sustainability into every aspect of its operations. We encourage our stakeholders to join us in these efforts to ensure that our emergency response not only saves lives, but also protects the environment.

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

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**11. Report of The Committee**

The Committee submits its report together with the audited financial statements for the year ended June 30, 2024 which show the state of the fund affairs.

**Principal Activities**

The principal activities of the Murang'a County Emergency Fund are to make payments when an urgent and unforeseen need for expenditure for which there is no specific legislative authority arises.

**Results**

The results of the fund for the year ended June 30, 2024, are set out from pages 1 to 27.

**Committee**

The fund committee members who served during the year are shown on page iii. There were no changes in the composition of the fund committee.

**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



.....  
**Arch. Pius Njuguna Macharia**  
**Chairman of the Fund Administration Committee**

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

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**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.

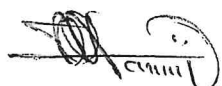
The Administrator of the Emergency Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining 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 Emergency Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and PFM (Murang'a County Emergency Fund). Regulations 2023 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 the 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 confirms 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 10<sup>th</sup> July 2024 and signed on its behalf by:



.....  
**Prof. Joseph Kiarie Mwaura**  
**Fund Administrator**



# REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke  
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OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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

## REPORT OF THE AUDITOR-GENERAL ON MURANG'A COUNTY EMERGENCY FUND FOR THE YEAR ENDED 30 JUNE, 2024

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### PREAMBLE

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

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

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

The three parts of the report 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 Murang'a County Emergency Fund set out on pages 1 to 24, which comprise the statement of financial position as at

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*Report of the Auditor-General on Murang'a County Emergency Fund for the year ended 30 June, 2024*

30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Murang'a 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 Public Finance Management (Murang'a County Emergency Fund) Regulations, 2023 and the Public Finance Management Act, 2012

### **Basis for Opinion**

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Murang'a 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.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects receipts budget and actual on comparable basis of Kshs.23,000,000 and Kshs.7,000,150 respectively resulting to an under-funding of Kshs.15,999,850 or 70% of the budget.

In the circumstances, the underfunding may have constrained execution of planned activities and delivery of services to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Information**

### **Conclusion**

Management is responsible for the Other Information set out on page iii to xv, which comprise of Key Entity Information and Management, Fund Administration Committee,

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*Report of the Auditor-General on Murang'a County Emergency Fund for the year ended 30 June, 2024*

Key Management team, Report of the Chairman of the Fund, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Statement of Corporate Governance, Management Discussion and Analysis and 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.

### **Basis for Conclusion**

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 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 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**

#### **Failure to Replenish Emergency Fund**

The statement of financial performance reflects Kshs.6,595,233 in respect to total expenditure of the Fund for the year. However, Management did not provide evidence that the County Assembly has ratified the payments in accordance to Regulation 16(1) of the Public Finance Management (Murang'a County Emergency Fund) Regulations, 2023. In addition, there was no evidence that a draft Appropriation Bill was introduced in the County Assembly for the appropriation of the money paid and for the replenishment of the County Government's Emergency Fund to the extent of the amounts of the payments as required under Regulation 16(3) of the Public Finance Management (Murang'a County Emergency Fund) Regulations, 2023.

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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

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

### Basis for Conclusion

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**30 December, 2024**



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

**14. Statement of Financial Performance for the Year Ended 30<sup>th</sup> June 2024**

| Description                                   | Note | 2023-2024        | 2022-2023 |
|-----------------------------------------------|------|------------------|-----------|
|                                               |      | Kshs             | Kshs      |
| <b>Revenue From Non-Exchange Transactions</b> |      |                  |           |
| Transfers From the County Government          | 6    | 7,000,000        | -         |
| Public Contributions and Donations            | 7    | 150              | -         |
|                                               |      | <b>7,000,150</b> | -         |
| <b>Revenue From Exchange Transactions</b>     |      |                  |           |
| Finance Income                                | 8    | -                | -         |
|                                               |      | -                | -         |
| <b>Total Revenue</b>                          |      | <b>7,000,150</b> | -         |
|                                               |      |                  |           |
| <b>Expenses</b>                               |      |                  |           |
| Emergency Expenses                            | 9    | 6,536,791        | -         |
| Use of goods and services                     | 10   | 58,442           | -         |
| <b>Total Expenses</b>                         |      | <b>6,595,233</b> | -         |
|                                               |      |                  |           |
| <b>Surplus/(Deficit) for the Year</b>         |      | <b>404,917</b>   | -         |



.....  
**Name: Prof. J. Kiarie Mwaura**  
**Fund Administrator**

**Date: 10<sup>th</sup> July 2024**



.....  
**Name: CPA Mulemba Benson Mutunga**  
**Fund Accountant**

**ICPAK Member Number: 14299**

**Date: 10<sup>th</sup> July 2024**

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

**15. Statement of Financial Position As at 30 June 2024**

| Description                                | Note | 2023-2024      | 2022-2023 |
|--------------------------------------------|------|----------------|-----------|
|                                            |      | Kshs           | Kshs      |
| <b>Assets</b>                              |      |                |           |
| <b>Current Assets</b>                      |      |                |           |
| Cash and Cash Equivalents                  | 11   | 404,917        | -         |
| Receivables from non-exchange transactions | 12   | -              | -         |
| Receivables from exchange transactions     | 13   | -              | -         |
| <b>Total current assets</b>                |      | <b>404,917</b> | <b>-</b>  |
|                                            |      |                |           |
| <b>Total Assets (A)</b>                    |      | <b>404,917</b> | <b>-</b>  |
|                                            |      |                |           |
| <b>Liabilities</b>                         |      |                |           |
| <b>Current Liabilities</b>                 |      |                |           |
| Trade and Other Payables                   | 14   | -              | -         |
| <b>Total current liabilities</b>           |      | <b>-</b>       | <b>-</b>  |
|                                            |      |                |           |
| <b>Total Liabilities (B)</b>               |      | <b>-</b>       | <b>-</b>  |
| <b>Net Assets (A-B)</b>                    |      | <b>404,917</b> | <b>-</b>  |
|                                            |      |                |           |
| <b>Represented By:</b>                     |      |                |           |
| Accumulated Surplus                        |      | 404,917        | -         |
| <b>Net Assets</b>                          |      | <b>404,917</b> | <b>-</b>  |



.....  
**Name: Prof. J. Kiarie Mwaura**  
**Fund Administrator**  
**Date: 10<sup>th</sup> July 2024**



.....  
**Name: CPA Mulemba Benson Mutunga**  
**Fund Accountant**  
**ICPAK Member Number: 14299**  
**Date: 10<sup>th</sup> July 2024**

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

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**16. Statement Of Changes in Net Assets for the year ended 30<sup>th</sup> June 2024**

| Description                               | Accumulated<br>surplus/Deficit |
|-------------------------------------------|--------------------------------|
|                                           | Kshs                           |
| <b>Balance As At 1 July 2024</b>          | -                              |
| Surplus/(Deficit) For the Year            | 404,917                        |
| <b>Balance As At 30 June (Current FY)</b> | <b>404,917</b>                 |

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

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

| Description                                                   | Note | 2023-2024        | 2022-2023 |
|---------------------------------------------------------------|------|------------------|-----------|
|                                                               |      | Kshs             | Kshs      |
| <b>Cash flows from operating activities</b>                   |      |                  |           |
| <b>Receipts</b>                                               |      |                  |           |
| Receipts From the County Government                           |      | 7,000,000        | -         |
| Public Contributions and Donations                            |      | 150              | -         |
| Interest received                                             |      | -                | -         |
| <b>Total receipts</b>                                         |      | <b>7,000,150</b> | -         |
| <b>Payments</b>                                               |      |                  |           |
| Emergency Expenses                                            |      | 6,536,791        | -         |
| Use of goods and services                                     |      | 58,442           | -         |
| <b>Total Payments</b>                                         |      | <b>6,595,233</b> | -         |
| <b>Net cash flows from operating activities</b>               | 15   | <b>404,917</b>   | -         |
|                                                               |      |                  |           |
| <b>Cash flows from investing activities</b>                   |      | -                | -         |
|                                                               |      |                  |           |
| <b>Net cash flows used in investing activities</b>            |      | -                | -         |
|                                                               |      |                  |           |
| <b>Cash flows from financing activities</b>                   |      | -                | -         |
|                                                               |      |                  |           |
| <b>Net cash flows used in financing activities</b>            |      | -                | -         |
| <b>Net increase/(decrease) in cash &amp; cash Equivalents</b> |      | <b>404,917</b>   | -         |
| Cash and cash equivalents at 1 July                           | 11   | -                | -         |
| <b>Cash and cash equivalents at 30 June</b>                   |      | <b>404,917</b>   | -         |

**XXX County Emergency Fund**

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

**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     |
| <b>Revenue</b>                     |                   |             |                   |                            |                        |               |
| Transfers From County Govt.        | 23,000,000        | -           | 23,000,000        | 7,000,000                  | 16,000,000             | 30.43         |
| Public Contributions and Donations | -                 | -           | -                 | 150                        | 150                    | -             |
| Interest Income                    | -                 | -           | -                 | -                          | -                      | -             |
| <b>Total Income</b>                | <b>23,000,000</b> | <b>-</b>    | <b>23,000,000</b> | <b>7,000,150</b>           | <b>15,999,850</b>      |               |
| <b>Expenses</b>                    |                   |             |                   |                            |                        |               |
| Emergency Expenses                 | 22,310,000        | -           | 22,310,000        | 6,536,791                  | 15,773,209             | 29.30         |
| Use of goods and services          | 690,000           | -           | 690,000           | 58,442                     | 631,558                | 8.47          |
| Finance Costs                      | -                 | -           | -                 | -                          | -                      | -             |
| <b>Total Expenditure</b>           | <b>23,000,000</b> | <b>-</b>    | <b>23,000,000</b> | <b>6,595,233</b>           | <b>16,404,767</b>      | <b>28.67</b>  |
| <b>Surplus For the Period</b>      | <b>-</b>          | <b>-</b>    | <b>-</b>          | <b>404,917</b>             | <b>404,917</b>         | <b>-</b>      |

**Budget notes**

1. The under-collection was occasioned by late exchequer release. The balance of ksh 16,000,000 was disbursed to the Emergency Fund on 10<sup>th</sup> and 12<sup>th</sup> of July 2024.
  2. The under-utilisation was caused by the under-collection in 1 above.
- See attached Bank Reconciliation marked Annex IV

## **19. Notes to the Financial Statements**

### **1. General Information**

The Emergency Fund is established by and derives its authority and accountability from PFM (Murang'a County Emergency Fund) Regulation 2023. The fund is wholly owned by the Murang'a County Government and is domiciled in Kenya. The fund's principal activity is to make payments when an urgent and unforeseen need for expenditure for which there is no specific legislative authority arises.

### **2. Statement of compliance and basis of preparation**

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

### **3. Adoption of new and revised standards**

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

There are no new standards effective in the financial year ended 30<sup>th</sup> June 2024.

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

| <b>Standard</b>    | <b>Effective date and impact:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IPSAS 43<br>Leases | <b><i>Applicable 1<sup>st</sup> January 2025</i></b><br><br>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. |

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

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

***(iii) Early adoption of standards***

The Entity did not early – adopt any new or amended standards in the financial.

**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 2023/2024 was approved by the County Assembly on 28<sup>th</sup> June 2023. No subsequent revisions or additional appropriations were made to the approved 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 financial performance has been presented under section 18 of these financial statements.

**c) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Fund does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. 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. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

**Financial liabilities**

**Classification**

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

**d) Contingent liabilities**

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

**e) Contingent assets**

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

**f) Nature and purpose of reserves**

Murang'a County Emergency Fund creates and maintains reserves in terms of specific requirements.

**Changes in accounting policies and estimates**

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

**g) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**h) Related parties**

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

**i) Cash and cash equivalents**

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

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

**j) Comparative figures**

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

**k) Events after the reporting period**

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

**l) Currency**

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

## **5. Significant judgments and sources of estimation uncertainty**

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

State all judgements, estimates and assumptions made

### **a) Estimates and assumptions –**

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

### **b) Useful lives and residual values**

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

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

### **c) Provisions**

No provisions were raised in the financial year ended June 30<sup>th</sup> 2024.

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      | 2023-2024        | 2022-2023 |
|------------------|------------------|-----------|
|                  | Kshs             | Kshs      |
| County Treasury  | 7,000,000        | -         |
| Others Transfers | -                | -         |
| <b>Total</b>     | <b>7,000,000</b> | <b>-</b>  |

**7. Public contributions and donations**

| Description                                | 2023-2024  | 2022-2023 |
|--------------------------------------------|------------|-----------|
|                                            | Kshs       | Kshs      |
| Cash Donation from Development Partners    | -          | -         |
| Cash Contributions from the Public         | 150        | -         |
| In kind Donation from Development Partners | -          | -         |
| In kind Contributions from the Public      | -          | -         |
| Others Contributions                       | -          | -         |
| <b>Total</b>                               | <b>150</b> | <b>-</b>  |

**8. Finance Income**

| Description                      | 2023-2024 | 2022-2023 |
|----------------------------------|-----------|-----------|
|                                  | Kshs      | Kshs      |
| Interest Income on Bank Deposits | -         | -         |
| <b>Total Finance Income</b>      | <b>-</b>  | <b>-</b>  |

**9. Emergency Expenses**

| Description                 | 2023-2024        | 2022-2023 |
|-----------------------------|------------------|-----------|
|                             | Kshs.            | Kshs.     |
| Drought related expenses    | -                | -         |
| Fire related expenses       | -                | -         |
| Flood related expenses      | -                | -         |
| Land slide related expenses | 6,536,791        | -         |
| <b>Total</b>                | <b>6,536,791</b> | <b>-</b>  |

**10. Use of Goods and Services**

| Description           | 2023-2024     | 2022-2023 |
|-----------------------|---------------|-----------|
|                       | Kshs.         | Kshs.     |
| Bank Charges          | 2,033         | -         |
| Audit Fees            | -             | -         |
| Printing & Stationery | 18,560        | -         |
| Hospitality           | 37,849        | -         |
| <b>Total</b>          | <b>58,442</b> | <b>-</b>  |

**11. Cash and cash equivalents.**

| Description                            | 2023-2024      | 2022-2023 |
|----------------------------------------|----------------|-----------|
| Current Account                        | 404,917        | -         |
| Others ( <i>Specify</i> )              | -              | -         |
| <b>Total Cash and Cash Equivalents</b> | <b>404,917</b> | <b>-</b>  |

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

| Financial Institution      | Account number | 2023-2024      | 2022-2023 |
|----------------------------|----------------|----------------|-----------|
| <b>a) Current Account</b>  |                |                | -         |
| Kenya Commercial Bank      | 1324591188     | 404,917        | -         |
| <b>Sub- Total</b>          |                | <b>404,917</b> | <b>-</b>  |
|                            |                |                | -         |
| <b>b) Others (Specify)</b> |                | -              | -         |
| Cash In Transit            |                | -              | -         |
| Cash In Hand               |                | -              | -         |
| <b>Sub- Total</b>          |                | -              | -         |
| <b>Grand Total</b>         |                | <b>404,917</b> | <b>-</b>  |

**12. Receivables from non-exchange transactions**

| Description                      | 2023-2024 | 2022-2023 |
|----------------------------------|-----------|-----------|
|                                  | Kshs      | Kshs      |
| <b>Current Receivables</b>       |           |           |
| Revenue Receivable               | -         | -         |
| Others Receivables               | -         | -         |
| <b>Total Current Receivables</b> | <b>-</b>  | <b>-</b>  |

**13. Receivables from exchange transactions**

| Description                      | 2023-2024 | 2022-2023 |
|----------------------------------|-----------|-----------|
|                                  | Kshs      | Kshs      |
| <b>Current Receivables</b>       |           |           |
| Interest Receivable              | -         | -         |
| Others Receivables               | -         | -         |
| <b>Total Current Receivables</b> | -         | -         |

**14. Trade and other payables**

| Description                           | 2023-2024 | 2022-2023 |
|---------------------------------------|-----------|-----------|
|                                       | Kshs      | Kshs      |
| Trade Payables                        | -         | -         |
| Accrued Expenses                      | -         | -         |
| Retention money                       | -         | -         |
| Other Payables                        | -         | -         |
| <b>Total Trade and Other Payables</b> | -         | -         |

| Ageing analysis (Trade and other payables) | 2023-2024 | % of the Total | 2022-2023 | % of the Total |
|--------------------------------------------|-----------|----------------|-----------|----------------|
| Under one year                             | -         | -              | -         | -              |
| 1-2 years                                  | -         | -              | -         | -              |
| 2-3 years                                  | -         | -              | -         | -              |
| Over 3 years                               | -         | -              | -         | -              |
| <b>Total (tie to above total)</b>          | -         | -              | -         | -              |

**15. Cash generated from operations.**

| Description                                       | 2023-2024<br>Kshs | 2022-2023<br>Kshs |
|---------------------------------------------------|-------------------|-------------------|
| <b>Surplus/ (Deficit) For the Year Before Tax</b> | <b>404,917</b>    | -                 |
| <b>Adjusted For:</b>                              |                   |                   |
| <b>Working Capital Adjustments</b>                |                   |                   |
| Increase In Receivables                           | -                 | -                 |
| Increase In Payables                              | -                 | -                 |
| <b>Net Cash Flow from Operating Activities</b>    | <b>404,917</b>    | -                 |

**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.

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

**b) Related party transactions**

| Description                     | 2023-2024<br>Kshs | 2022-2023<br>Kshs |
|---------------------------------|-------------------|-------------------|
| Transfers From Related Parties' | -                 | -                 |
| Transfers To Related Parties    | -                 | -                 |

**c) Due from related parties**

| Description                | 2023-2024<br>Kshs | 2022-2023<br>Kshs |
|----------------------------|-------------------|-------------------|
| Due From County Government | 16,000,000        | -                 |
| <b>Total</b>               | <b>16,000,000</b> | -                 |

**d) Due to related parties**

| Description              | 2023-2024<br>Kshs | 2022-2023<br>Kshs |
|--------------------------|-------------------|-------------------|
| Due To County Government | -                 | -                 |
| <b>Total</b>             | -                 | -                 |

**17. Contingent assets and contingent liabilities**

| Contingent Assets/Liabilities | 2023-2024<br>Kshs | 2022-2023<br>Kshs |
|-------------------------------|-------------------|-------------------|
| Court Case Against the Fund   | -                 | -                 |
| Bank Guarantees               | -                 | -                 |
| <b>Total</b>                  | -                 | -                 |

**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:

| <b>Description</b>                         | <b>Total amount<br/>Kshs</b> | <b>Fully performing<br/>Kshs</b> | <b>Past due<br/>Kshs</b> | <b>Impaired<br/>Kshs</b> |
|--------------------------------------------|------------------------------|----------------------------------|--------------------------|--------------------------|
| <b>At 30 June 2023</b>                     |                              |                                  |                          |                          |
| Receivables From Exchange Transactions     | -                            | -                                | -                        | -                        |
| Receivables From Non-Exchange Transactions | -                            | -                                | -                        | -                        |
| Bank Balances                              | -                            | -                                | -                        | -                        |
| <b>Total</b>                               | -                            | -                                | -                        | -                        |
| <b>At 30 June 2024</b>                     |                              |                                  |                          |                          |
| Receivables From Exchange Transactions     | -                            | -                                | -                        | -                        |
| Receivables From Non-Exchange Transactions | -                            | -                                | -                        | -                        |
| Bank Balances                              | -                            | -                                | -                        | -                        |
| <b>Total</b>                               | -                            | -                                | -                        | -                        |

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 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  |
| <b>At 30 June (Current FY)</b>     |                   |                    |               |       |
| Trade Payables                     | -                 | -                  | -             | -     |
| <b>Total</b>                       | -                 | -                  | -             | -     |
| <b>At 30 June (Comparative FY)</b> |                   |                    |               |       |
| Trade Payables                     | -                 | -                  | -             | -     |
| <b>Total</b>                       | -                 | -                  | -             | -     |

**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.

**d) 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:

**Murang'a County Emergency Fund****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

| Description                                   |      | Other currencies | Total |
|-----------------------------------------------|------|------------------|-------|
|                                               | Kshs | Kshs             | Kshs  |
| <b>At 30 June 2024</b>                        |      |                  |       |
| <b>Financial Assets</b>                       |      |                  |       |
| Cash                                          | -    | -                | -     |
| Debtors/ Receivables                          | -    | -                | -     |
| <b>Liabilities</b>                            |      |                  |       |
| Trade And Other Payables                      | -    | -                | -     |
| <b>Net Foreign Currency Asset/(Liability)</b> | -    | -                | -     |

**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<br>currency rate | Effect on<br>surplus/<br>deficit | Effect on<br>equity |
|------------------|----------------------------|----------------------------------|---------------------|
|                  | Kshs                       | Kshs                             | Kshs                |
| <b>2023-2024</b> |                            |                                  |                     |
| Euro             | 10%                        | -                                | -                   |
| USD              | 10%                        | -                                | -                   |
| <b>2022-2023</b> |                            |                                  |                     |
| Euro             | 10%                        | -                                | -                   |
| USD              | 10%                        | -                                | -                   |

**i. 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

**Murang'a County Emergency Fund****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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

**e) 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                                  | 2023-2024      |   |
|----------------------------------------------|----------------|---|
|                                              | Kshs           |   |
| Accumulated surplus                          | 404,917        | - |
| <b>Total funds</b>                           | <b>404,917</b> | - |
|                                              |                |   |
| Less: cash and bank balances                 | 404,917        |   |
| Net debt/ (excess cash and cash equivalents) | -              | - |
| <b>Gearing</b>                               | -              | - |

**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 (Ksh)

**20. Annexes**

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

There are no Prior Year Auditor's Recommendations because this is the first Audit of the Emergency Fund



.....  
**Prof. Joseph Kiarie Mwaura**

**Fund Administrator**

**Date: 10th July 2024**

**Murang'a County Emergency Fund****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024****Annex II: Inter-Entity Confirmation Letter**Name of transferring entity: **Murang'a County Finance Department**Name of beneficiary entity: **Murang'a County Emergency Fund**

| <b>Confirmation of amounts received by Murang'a County Emergency Fund as at 30<sup>th</sup> June 2024</b> |                |                                                                                                  |                 |                         |                                                                                                |                               |
|-----------------------------------------------------------------------------------------------------------|----------------|--------------------------------------------------------------------------------------------------|-----------------|-------------------------|------------------------------------------------------------------------------------------------|-------------------------------|
| Reference Number                                                                                          | Date Disbursed | Amounts Disbursed by Murang'a County Finance Department. (Kshs) as at 30 <sup>th</sup> June 2024 |                 |                         | Amount Received by Murang'a County Emergency Fund] (KShs) as at 30 <sup>th</sup> June 2024 (D) | Difference s (KShs) (E)=(C-D) |
|                                                                                                           |                | Recurrent (A)                                                                                    | Development (B) | Total (C)=(A+B)         |                                                                                                |                               |
| Inward Swift Muranga county /ROC/00100 12156                                                              | 6/5/2024       | 7,000,000                                                                                        | -               | 7,000,000               | 7,000,000                                                                                      | -                             |
|                                                                                                           |                |                                                                                                  |                 |                         |                                                                                                |                               |
| <b>Total</b>                                                                                              |                | <b><u>7,000,000</u></b>                                                                          | <b>=</b>        | <b><u>7,000,000</u></b> | <b>7,000,000</b>                                                                               | <b>-</b>                      |

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

**Head of Accounts Department -: Murang'a County Finance Department**

Name ANTHONY WATIRAKA Sign [Signature] Date: 10/07/2024

**Head of Accounts Department -: Murang'a County Emergency Fund**

Name Prof. Joseph Kiarie Mwaura Sign [Signature] Date: 10/07/2024

**Murang'a County Emergency Fund**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**Annex III: Analysis of Emergency Expenditure**

| <b>Date</b> | <b>Payee</b>             | <b>Amount</b> | <b>Purpose of Payment</b> | <b>Status (spent/not spent)</b> | <b>Remarks</b>                       |
|-------------|--------------------------|---------------|---------------------------|---------------------------------|--------------------------------------|
| 08/05/24    | Noah Gachucha            | 1,000,000     | Burial Expenses           | Spent                           | Money spent for the intended purpose |
| 14/05/24    | Hue Transporters Limited | 754,792       | Road works/repair         | Spent                           | Money spent for the intended purpose |
| 14/05/24    | Hotel Nokras             | 37,849        | Meals                     | Spent                           | Money spent for the intended purpose |
| 14/05/24    | Maguna-andu Wholesalers  | 900,000       | Relief Food               | Spent                           | Money spent for the intended purpose |
| 16/05/24    | Maguna-andu Wholesalers  | 349,999       | Relief Food               | Spent                           | Money spent for the intended purpose |
| 14/05/24    | J.K. Mwaura              | 2,279,000     | Food Stuff                | Spent                           | Money spent for the intended purpose |
| 14/05/24    | Pius Macharia            | 300,000       | Repair to Damaged houses  | Spent                           | Money spent for the intended purpose |
| 16/05/24    | Benykym's Printers       | 18,560        | Stationery & Printing     | Spent                           | Money spent for the intended purpose |
| 05/06/24    | Hue Transporters Limited | 953,000       | Road works/repair         | Spent                           | Money spent for the intended purpose |
| 30/06/24    | KCB                      | 2,033         | Bank Charges              | Spent                           | Money spent for the intended purpose |



.....

**Name: Prof. Joseph Kiarie Mwaura**  
**Fund Administrator**  
**Date: 10th July 2024**

**Murang'a County Emergency Fund**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**Annex IV: Bank Reconciliation Statement**

F.O.30

REPUBLIC OF KENYA

BANK RECONCILIATION

MURANGA - MINISTRY OF FINANCE AND PLANNING

From Date: 01-JUN-24 To: 30-JUN-24 MURANGA COUNTY EMERGENCY FUND

Bank: KENYA COMMERCIAL BANK, Branch: MURANG'A, Account Number: 1324591188

Balance as per bank certificate: ..... Kshs. 464,830.80

Less --

1. Payment in Cash Book not yet recorded in Bank Statement 59,914.00  
(Unpresented Cheques)

2. Receipts in Bank Statement not yet recorded in Cash Book -

Add --

3. Payment in Bank Statement not yet recorded in Cash Book -

4. Receipts in Cash Book not yet Recorded in Bank Statement -

Bank Balance as per Cash Book Kshs. 404,916.80

Reconciled by: Benson Mulemba Signature: [Signature] Date: 28/06/2024

Reviewed by: James N. Mwangi Signature: [Signature] Date: 28/06/2024

Approved by: ANTHONY WATHAKA Signature: [Signature] Date: 28/06/2024

**Murang'a County Emergency Fund**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**Annex V: Certificate of Bank Balance**

Results 1 - 1 of 1

1218 CA 41 BRANCHES  
CERTIFICATE OF BALANCE

KCB Bank Limited  
(Incorporated in Kenya)

CERT2420700122

KCB MURANGA

25 JUL 2024

Certified that the balance at the CREDIT Of MURANGA COUNTY EMERGENCY FUND

A/C 1324591188

at the close of business on 30 JUN 2024 Was KES

FOUR HUNDRED AND SIXTY FOUR THOUSAND EIGHT HUNDRED AND THIRTY CENTS EIGHTY

KES 464,830.80

Examined by

For: KCB BANK KENYA LTD.

MANAGER SERVICE QUALITY & COMPLIANCE

Manager Service Quality & Compliance

For: KCB BANK KENYA LTD.

Branch Manager  
MURANG'A