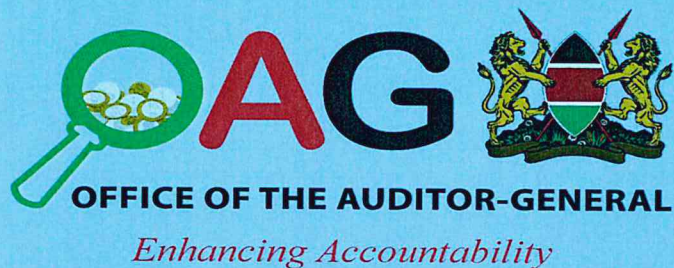


REPUBLIC OF KENYA



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

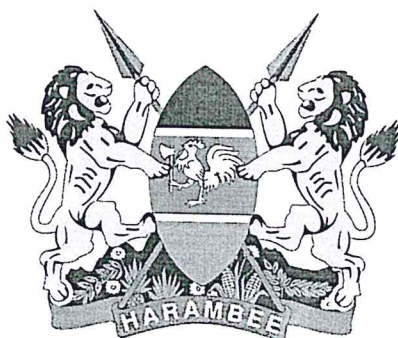
**ON**

**KERICHO COUNTY EMERGENCY  
FUND**

**FOR THE YEAR ENDED  
30 JUNE, 2019**

PAPERS LAID	
DATE	11/11/2021
TABLER NO.	Kenya economy clip
COMMITTEE	
MEMBER	Kenya m.





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**COUNTY GOVERNMENT OF KERICH  
KERICH COUNTY EMERGENCY FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2019**

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







**KERICHO COUNTY EMERGENCY FUND**

**Reports and Financial Statements**

**For the year ended June 30, 2019**

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**TABLE OF CONTENTS**

TABLE OF CONTENTS	2
1. KEY ENTITY INFORMATION AND MANAGEMENT	3
2. MANAGEMENT TEAM	5
3. REPORT OF THE FUND ADMINISTRATOR	6
4. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES	7
5. REPORT OF THE INDEPENDENT AUDITOR	8
6. FINANCIAL STATEMENTS	9
6.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 <sup>th</sup> JUNE 2019 .....	9
6.2 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019 .....	10
6.3 STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2019 .....	11
6.4 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019 ...	12
6.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 <sup>th</sup> JUNE 2019.....	13
6.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	14
6.7 NOTES TO THE FINANCIAL STATEMENTS .....	16



**1. KEY ENTITY INFORMATION AND MANAGEMENT****Background information**

Kericho County Emergency Fund is established by and derives its authority and accountability from Kericho County Emergency Fund Act, 2014 and Sec 110 of the PFM Act of 2012 .The Fund is wholly owned by the County Government of Kericho and is domiciled in Kenya.

The fund's objective is to enable payments in respect of urgent and unforeseen needs which have no specific legislative authority.

**(Principal Activities)**

The Fund's principal activity is enable emergency services and goods which are urgent and unforeseen.

- a) The guiding legislation is the Kericho County Emergency Fund Act, 2014 which was assented and commenced on 22nd November, 2014. The Fund Administrator is CEC Finance and Economic Planning and its primary purpose is Payments for urgent and unforeseen needs which don't have a specific legislative authority.
- b) It is expected that this report will enable the county government to adequately monitor the challenges faced in budget implementation and use the lessons learnt in future economic forecasts. In addition, the report expounds on the actionable steps to be taken by all stakeholders in the subsequent reporting periods.

**c) Key Management**

Ref	Name	Position
1	Hon. Charles Birech	Fund Administrator

**d) Registered Offices**

County Government Headquarters  
P.O. Box 112  
Kericho Nakuru Highway  
Kericho, KENYA

**e) Fund Contacts**

Telephone: (254) 052 20-21100  
E-mail: [info@kericho.go.ke](mailto:info@kericho.go.ke)  
Website: [www.kericho.go.ke](http://www.kericho.go.ke)





**f) Fund Bankers**

1. Equity Bank Ltd  
Kericho Branch, Hospital Road  
Kericho, Kenya

**g) Independent Auditors**


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

**h) Principal Legal Adviser**

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



**2. MANAGEMENT TEAM**

Name	Details of qualifications and experience
	<p>Hon. Charles Birech is the County Executive Committee Member for Finance and Economic Planning and Head of County Treasury. He is also the Administrator of the fund.</p>



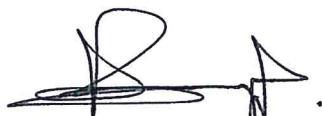


### **3. REPORT OF THE FUND ADMINISTRATOR**

This is the County Government of Kericho, Emergency Act Financial Statements for the financial year 2018-2019. The report is prepared and presented as required by Section 168 of the *Public Financial Management (PFM) Act 2012*. This report expounds on the expenditure incurred by the county government in Emergency service provision.

The report is guided by the Kericho County Emergency Fund Act, 2014 which was assented and commenced on 22nd November, 2014. According to the Act, proper books and records of accounts should be kept in order to fully disclose the undertakings and discharge of functions of the Fund. The Fund Administrator is the CEC Finance and Economic Planning and its primary purpose is Payments for urgent and unforeseen needs which don't have a specific legislative authority.

The main challenges faced during this period relating to the emergency fund were the limited resources available to fund and the proper understanding of what the Emergency Act entails and covers by the public. Therefore, the County Treasury is committed to ensure that accounting officers are familiar with the Act when addressing issues relating to emergencies to the public. The County Treasury is also still committed to fund the emergency fund with the available resources in the resource envelope to ensure continuity of the fund.



Hon. Charles Birech

**County Executive Committee Member – Finance and Economic Planning and Head of  
County Treasury**



#### **4. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES**

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Kericho County Emergency Fund Act, 2014 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 County Public 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, 2019. 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 County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Kericho County Emergency Fund Act, 2014. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2019, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. 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 on 30<sup>th</sup> SEP 2019 and signed on its behalf by:



Hon. Charles Birech

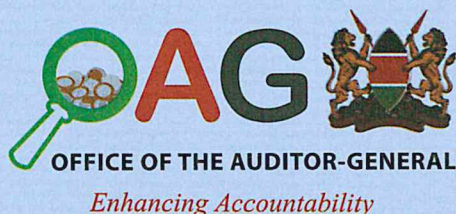
**CECM- Finance and Economic Planning and Head of County Treasury.**





# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

## REPORT OF THE AUDITOR-GENERAL ON KERICHO COUNTY EMERGENCY FUND FOR THE YEAR ENDED 30 JUNE, 2019

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Kericho County Emergency Fund set out on pages 9 to 17, which comprise the statement of financial position as at 30 June, 2019, statement of financial performance, statement of cash flows, 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.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respect the financial position of Kericho County Emergency Fund as at 30 June, 2019, 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 Kericho County Emergency Fund Act, 2014.

#### Basis for Qualified Opinion

##### 1. Presentation and Disclosures in the Financial Statements

The financial statements presented for audit did not include the statement of changes in net assets as provided in the reporting template for County Public Funds issued by the Public Sector Accounting Standards Board (PSASB).

Consequently, the financial statements have not complied with the reporting guidelines issued by the PSASB.

##### 2. Cash and Cash Equivalents

The statement of financial position reflects bank balances of Kshs.24,461,472 as at 30 June, 2019. However, this balance is at variance with the cashbook balance of Kshs.24,462,732 resulting in unreconciled variance of Kshs.1,260. Further, bank reconciliation statement for the month of June, 2019 was not provided for audit review.



Under the circumstances, the accuracy of cash and cash equivalents balance of Kshs.24,461,472 as at 30 June, 2019 could not be confirmed.

### **3. General Expenses**

The statement of financial performance reflects general expenses of Kshs.37,822,496 for the year ended 30 June, 2019. This figure includes Kshs.37,814,911 being emergency provision as per Note 2 to the financial statements. However, only payments totalling to Kshs.32,679,089 were supported leaving an amount of Kshs.5,135,822 unsupported.

Under the circumstances, the accuracy and validity of general expenses of Kshs.37,822,496 for the year ended 30 June, 2019 could not be confirmed.

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

### **Key Audit Matters**

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

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

#### **Conclusion**

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

#### **Basis for Conclusion**

##### **1. Late Submission of Financial Statements**

The financial statements for the year ended 30 June, 2019 were submitted and received by the office of the Auditor General on 18 November, 2019, which was one and a half months after the statutory deadline of 30 September, 2019. This is contrary to section 164(4) of the Public Finance Management Act, 2012 that require financial statements to be submitted to the Auditor-General within three (3) months after the end of the financial year.



Consequently, the Management breached the law.

## **2. Sondu Septic Tank and Toilet**

Included in general expenses in the statement of financial performance is Kshs.939,741 for construction of an exhaustible toilet and a septic tank at Sondu market. However, the payment was not supported with inspection and acceptance reports, payment certificates and bill of quantities for the project. Physical verification revealed that the septic tank in place was incomplete and abandoned and was at the time being used as an underground water tank for construction works of the new modern market. The value for money to the residents may not have been realized.

## **3. Ineligible Expenditure on Projects not Meeting Emergency Criteria**

The statement of financial performance reflects general expenses of Kshs.37,822,496 for the year. This figure includes Kshs.37,814,911 being emergency provision as per Note 2 to the financial statements. However, payments totalling Kshs.8,072,119 did not meet criteria for classification as emergencies. These payments are as detailed below:

<b>Project</b>	<b>Amount (Kshs.)</b>
Construction of exhaustible toilet at Sondu	939,741
Intensive street cleaning and distilling of drainage in Kericho town	3,337,834
Construction of Chelele Kapkwen gravity water supply system	2,513,710
Repair of a fire engine	1,280,834
	<b>8,072,119</b>

This is against Section 7(1) of the Kericho County Emergency Fund Act, 2014 which provides that emergency funds shall be used for urgent and unforeseen needs. In addition, no report to the County Assembly on the emergency projects had been done as required by Kericho County Emergency Fund Act, 2014.

Consequently, the Management breached the law.

## **4. Construction of Chemolo Box Culvert**

Examination of payment vouchers revealed that a contractor was engaged for the construction of Chemolo Box culverts at a contract price of Kshs.3,406,873. However, the payment was not supported with a local service order and an inspection and acceptance report. Physical verification of the same project in December, 2019 revealed that handrails worth Kshs.28,800 had not been fitted on the box culvert.

Consequently, the residents of Kericho County did not get value for money incurred on the project for the year ended 30 June, 2019.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance

about whether the activities, financial transactions and information reflected in the financial statements are in compliance, 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 procedure performed. I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with 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 control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Funds ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with



relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

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



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

**19 October, 2021**

**6. FINANCIAL STATEMENTS****6.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED  
30<sup>th</sup> JUNE 2019**

	Note	2018/2019	2017/2018
		KShs	KShs
<b>Revenue from non-exchange transactions</b>			
Public contributions and donations			
Transfers from the County Revenue Account	1	56,443,000.00	-
Fines, penalties and other levies			
<b>Revenue from exchange transactions</b>			
Interest income			
Other income			
<b>Total revenue</b>		<b>56,443,000.00</b>	<b>-</b>
<b>Expenses</b>			
Fund administration expenses			
General expenses	2	37,822,496.05	29,189,031.70
Finance costs			
<b>Total expenses</b>		<b>37,822,496.05</b>	<b>29,189,031.70</b>
<b>Other gains/losses</b>			
Gain/loss on disposal of assets			
<b>Surplus/( deficit) for the period</b>		<b>18,620,503.95</b>	<b>(29,189,031.70)</b>

The notes set out on pages 16 to 17 form an integral part of these Financial Statements





**6.2 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019**

	Note	2018/2019	2017/2018
		KShs	KShs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	24,461,472.10	5,840,968.15
Current portion of long term receivables from exchange transactions		-	-
Prepayments		-	-
Inventories		-	-
<b>Non-current assets</b>		-	-
Property, plant and equipment		-	-
Intangible assets		-	-
Long term receivables from exchange transactions		-	-
<b>Total assets</b>		<b>24,461,472.10</b>	<b>5,840,968.15</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions		-	-
Provisions		-	-
Current portion of borrowings		-	-
Employee benefit obligations		-	-
<b>Non-current liabilities</b>		-	-
Non-current employee benefit obligation		-	-
Long term portion of borrowings		-	-
<b>Total liabilities</b>		-	-
<b>Net assets</b>		<b>24,461,472.10</b>	<b>5,840,968.15</b>
Revolving Fund		-	-
Reserves		-	-
Accumulated surplus		-	-
<b>Total net assets and liabilities</b>	3	<b>24,461,472.10</b>	<b>5,840,968.15</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30<sup>th</sup> Sep 2019 and signed by:



Hon. Charles Birech  
CECM-Finance and Economic Planning



CPA Fernandes korir  
Head of Treasury Accounting  
ICPAK:





**6.3 STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2019**

	<b>Revolvi ng Fund</b>	<b>Revaluation Reserve</b>	<b>Accumulated surplus</b>	<b>Total</b>
		<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
<b>Balance as at 1 July 2017</b>	-	-	35,029,999.85	35,029,999.85
Surplus/(deficit) for the period	-	-	(29,189,031.70)	(29,189,031.70)
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2018</b>	-	-	5,840,968.15	5,840,968.15
<b>Balance as at 1 July 2018</b>	-	-	5,840,968.15	5,840,968.15
Surplus/(deficit) for the period	-	-	18,620,503.95	18,620,503.95
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2019</b>	-	-	24,461,472.10	24,461,472.10



**6.4 STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2018/2019	2017/2018
		KShs	KShs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations		-	-
Transfers from the County Government	1	56,443,000	-
Interest received		-	-
Receipts from other operating activities		-	-
<b>Total Receipts</b>		<b>56,443,000</b>	<b>-</b>
<b>Payments</b>			
Fund administration expenses		-	-
General expenses	2	37,822,496.05	29,189,031.70
Finance cost		-	-
<b>Total Payments</b>		<b>37,822,496.05</b>	<b>29,189,031.70</b>
<b>Net cash flows from operating activities</b>		<b>18,620,503.95</b>	<b>(29,189,031.70)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>18,620,503.95</b>	<b>(29,189,031.70)</b>
Cash and cash equivalents at 1 JULY	3	<b>5,840,968.15</b>	<b>35,029,999.85</b>
<b>Cash and cash equivalents at 30 JUNE</b>	<b>3</b>	<b>24,461,472.10</b>	<b>5,840,968.15</b>





**KERICHO COUNTY EMERGENCY FUND**

Reports and Financial Statements

For the year ended June 30, 2019

**6.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30<sup>th</sup> JUNE 2019**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2019	2019	2019	2019	2019	2019
	KShs	KShs	KShs	KShs	KShs	
<b>Revenue</b>						
Public contributions and donations	-	-	-	-	-	
Transfers from County Govt.	20,443,509	45,894,533	66,338,042	56,443,000.00	9,895,042	85%
Interest income	-	-	-	-	-	
Other income	-	-	-	-	-	
<b>Total income</b>	<b>20,443,509</b>	<b>45,894,533</b>	<b>66,338,042</b>	<b>56,443,000.00</b>	<b>9,895,042</b>	<b>85%</b>
<b>Expenses</b>						
Fund administration expenses	-	-	-	-	-	
General expenses	20,443,509	45,894,533	66,338,042	37,822,496.05	28,515,545.95	57%
Finance cost	-	-	-	-	-	
<b>Total expenditure</b>	<b>20,443,509</b>	<b>45,894,533</b>	<b>66,338,042</b>	<b>37,822,496.05</b>	<b>28,515,545.95</b>	<b>57%</b>
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,620,503.95</b>	<b>18,620,503.95</b>	
<b>Budget notes</b>						

1. The difference between the original budget and the final budget is due to the fact the original amount was considered less than the actual expenditure incurred in the previous years for emergencies.





## **6.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

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

#### **a) Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2019.

### **3. Revenue recognition**

#### **i) Revenue from non-exchange transactions**

##### **Transfers from other government entities**

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

### **4. Budget information**

The original budget for FY 2018/2019 was approved by the County Assembly on 24<sup>th</sup> June 2018. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of 45,894,533 on the FY 2018/2019 budget following the governing body's approval.

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 6.3 of these financial statements.

### **5. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the Equity Bank at the end of the financial year. Comparative figures

### **6. Events after the reporting period**

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



**7. Ultimate and Holding Entity**

The entity is a County Public Fund established by Kericho County Emergency Fund Act, 2014 under the Ministry of Finance and Economic Planning. Its ultimate parent is the County Government of Kericho.

**8. Currency**

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



## 6.7 NOTES TO THE FINANCIAL STATEMENTS

### 1. Transfers from County Government

Description	2018/2019	2017/2018
	KShs	KShs
Transfers from County Govt. – operations	56,443,000.00	-
Payments by County on behalf of the entity	-	-
<b>Total</b>	<b>56,443,000.00</b>	<b>-</b>

### 2. General expenses

Description	2018/2019	2017/2018
	KShs	KShs
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	-	-
Printing and stationery	-	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Bank Charges	7,585.00	8,885.00
Hospitality	-	-
Depreciation and amortization costs	-	-
Emergency provision	37,814,911.05	29,180,146.70
<b>Total</b>	<b>37,822,496.05</b>	<b>29,189,031.70</b>





**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3. Cash and cash equivalents**

Description	2018/2019	2017/2018
	KShs	KShs
Fixed deposits account	-	-
On – call deposits	-	-
Current account	24,461,472.10	5, 840,968.15
Others	-	-
<b>Total cash and cash equivalents</b>	<b>24,461,472.10</b>	<b>5, 840,968.15</b>

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

		2018/2019	2017/2018
Financial institution	Account number	KShs	KShs
<b>a) Fixed deposits account</b>			
Kenya Commercial bank		-	-
Equity Bank, etc		-	-
<b>Sub- total</b>		-	-
<b>b) On - call deposits</b>		-	-
Kenya Commercial bank		-	-
Equity Bank - etc		-	-
<b>Sub- total</b>		-	-
<b>c) Current account</b>		-	-
Kenya Commercial bank		-	-
Equity Bank	0280263500766	24,461,472.10	5, 840,968.15
<b>Sub- total</b>		<b>24,461,472.10</b>	<b>5, 840,968.15</b>
<b>d) Others(specify)</b>		-	-
Cash in transit		-	-
Cash in hand		-	-
M Pesa		-	-
<b>Sub- total</b>		-	-
<b>Grand total</b>		<b>24,461,472.10</b>	<b>5, 840,968.15</b>

