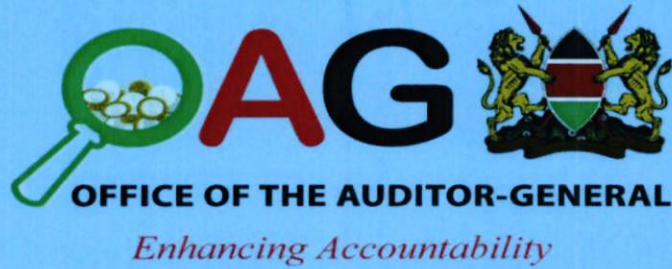
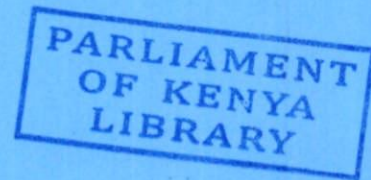


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REPORT



OF

THE AUDITOR-GENERAL

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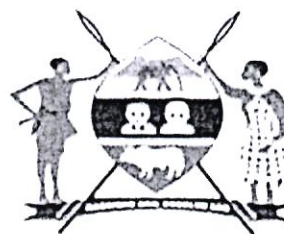
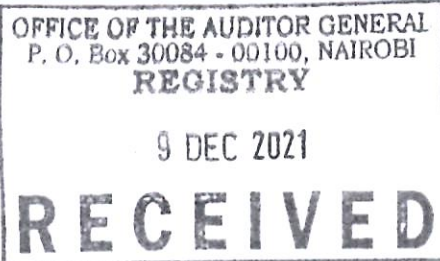
**KAJIADO COUNTY YOUTH AND
WOMEN ENTERPRISE FUND**

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

| PAPERS LAID | |
|--------------------|--------------------|
| DATE | 15-02-2022 |
| TABLED BY | LEADER OF MAJORITY |
| COMMITTEE | |
| CLERK AT THE TABLE | M-ADJIBODU |



*Kajiado County Youth and Women Enterprise Fund
Annual Reports and Financial Statements
For the year ended 30 June 2019*



KAJIADO COUNTY YOUTH AND WOMEN ENTERPRISE FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

TABLE OF CONTENTS

| | |
|---|----|
| TABLE OF CONTENTS | 1 |
| 1. KAJIADO COUNTY YOUTH FUND KEY INFORMATION AND MANAGEMENT | 2 |
| 2. THE BOARD OF TRUSTEES | 4 |
| 3. MANAGEMENT TEAM | 5 |
| 4. BOARD/FUND CHAIRPERSON'S REPORT | 6 |
| 5. REPORT OF THE FUND ADMINISTRATOR | 7 |
| 6. REPORT OF THE TRUSTEES | 9 |
| 7. REPORT OF THE INDEPENDENT AUDITOR | 10 |
| 8. FINANCIAL STATEMENTS | 11 |
| 9. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS | 15 |
| 10. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES | 16 |
| 11. NOTES TO THE FINANCIAL STATEMENTS | 24 |
| 12. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS | 27 |

1. KAJIADO COUNTY YOUTH FUND KEY INFORMATION AND MANAGEMENT

a) Background information

Kajiado County Youth fund is established pursuant to Article 176(1) of the Constitution of Kenya. According to section 12 of the county government act establishes Youth Fund Committee. Among the function bestowed upon the county Youth Fund Committee is preparation of annual financial estimate of expenditure, exercising budgetary control and performing other functions prescribed by national legislation. Section 116(1) of the Public Finance Management Act 2012 empowers the county Executive committee member for finance to Establish county public funds with the approval of the county executive committee and county assembly. Sub Section 7 requires the administrator of county [public fund to prepare accounts for each financial year and submit them for to the Auditor General. The Fund is wholly owned by the County Government of Kajiado and is domiciled in Kenya.

Arising from the above provisions and as advised by Salaries and Remuneration Commission (SRC) the fund's principal activity is to enable car loans and mortgage to be advanced to staff of the County Executive in the manner under these Regulations and prescribed by the salaries and remuneration commission Circular as may be issued and applicable from time to time and by the Kajiado County Kajiado County Youth Fund Policy

b) Principal Activities

The Fund principal activity is to advance interest free loans to women and youth groups to empower them Economically in the manner under these Regulations and Fund Policy

c) Board of Trustees/Fund Administration Committee

| Ref | Name | Position |
|-----|--------------------|--------------------|
| 1. | Lydia Nashirua | Member |
| 2. | Mercy Wanjohi | Member |
| 3. | Lydia Lenkoina | Member |
| 4. | Timothy Kaleyia | Fund Administrator |
| 5. | Agnes Richia Nanai | Member |

d) Key Management

| Ref | Name | Position |
|-----|-----------------------|--|
| 1 | Joseph Jama Ole Lenku | Governor |
| 2 | Samuel Seki | County Secretary |
| 3 | Alvin Kimani | CECM Sports, Youth, Gender and Social Services |
| 4 | Simon Kamakei | C.O Youth, Sports, Gender and Social Services |
| | | |

e) Registered Offices

P.O. Box 11-01100
Kajiado County Headquarters
Kajiado, Kenya

a) Fund Bankers Entity Headquarters

P.O. Box 11-01100
Kajiado County Headquarters
Kajiado, Kenya

b) Entity Contacts

Telephone: (254) 0202043075
E-mail: treasury.cgk@gmail.com
Website: www.go.ke

c) Entity Bankers




Central Bank of Kenya
P.O. Box 60000-00200
Nairobi, Kenya

Kenya Commercial Bank
P.O. Box- 001100
Kajiado

d) Independent Auditors

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

2. THE BOARD OF TRUSTEES

| Name | Details of qualifications and experience |
|--|---|
| <p>1. Timothy Kaleya</p>  | <p>D.o.B...15/01/1985.....</p> <p>Qualification: Bachelor of commerce finance option, Diploma in Business Administration</p> <p>Work experience: 15 years</p> <p>Independent/Director:Fund Administrator</p> |
| <p>2. Mercy Wanjohi</p>  | <p>D.o.B...15/01/1972.....</p> <p>Qualification: Bachelor of commerce finance option, Diploma in Business Administration</p> <p>Work experience: 20 years</p> <p>Independent/Director: Chair Person</p> |
| <p>3. Ntajiri Sipitet</p>  | <p>D.o.B...1/1/1968.....</p> <p>Qualification: Primary Teachers Certificate Kenya Institute of Special Education Certificate in Lower Primary Education Diploma in Education Management in Kenya Education</p> <p>Work experience...10 years.....</p> <p>Independent/director. Secretary.....</p> |

3. MANAGEMENT TEAM

| Name | Designation |
|------------------------------|--|
| 1. H.E Joseph Jama Ole Lenku | Governor- County Government of Kajiado |
| 2. Hon. Samuel Seki | County Secretary |
| 3. Hon. Alvin Kimani | CECM Youth , sports , Gender and Social Services |
| 4. Mr. Simon Kamakei | C.O Youth , sports , Gender and Social Services |

4. BOARD/FUND CHAIRPERSON'S REPORT

The first tranche of exchequer release for F.Y 2018/2019 was received on 3rd July 2018, amounting to Ksh. 15,000,000.00 followed by two consecutive exchequer release received on 10th January 2019 and 6th June 2019 amounting to Ksh. 7,500,000 each. In addition to this the fund had a B/f of Ksh. 4,647,014.50. from the FY 2017/2018

During the financial year 2018/19, Kshs. 37,200,000.00 was disbursed as Group Loans to beneficiaries all over the 25 wards, out of the amount Kshs. 2,300,000.00 are stale cheques which are dishonored by the bank on deposit due to expiry of 6 months' period. The amount of Kshs.5,751,186.00 was the Bank balance carried forward to the following fiscal year, out of the bank balance, Kshs. 4,000,000.00 are unrepresented cheques, leaving in our books a net Cash & Cash Equivalent Balance of Kshs. 1,751,186.00.

The budget allocation though not enough was prudently and efficiently used to run the fund. However, there were challenges faced during the implementation of strategic objectives of the fund since it was still a new fund. Some of the challenges are delay payment of loans, Inconsistency in payment of loans, the narration of loan repayment in the bank statements to advice on the group that has paid the loan.

Signed:  _____ -

5. REPORT OF THE FUND ADMINISTRATOR

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 *Kajiado County Public Finance Management (Youth and Women Enterprise Fund) Regulation, 2016* shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the 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 *Kajiado County Public Finance Management (Youth and Women Enterprise Fund) Regulation, 2016*. 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.

There have been three disbursements of funds from the exchequer received by the fund during the FY 2018/2019 amounting to Kshs.30, 000,000.00. The amount of Kshs.5,751,186.00 was the Bank balance carried forward to the following fiscal year, out of the bank balance, Kshs. 4,000,000.00 are unrepresented cheques, leaving in our books a net Cash & Cash Equivalent Balance of Kshs. 1,751,186.00.

Approval of the financial Statement.

The Fund's financial statements were approved and signed by Accounting Officer on 30th August, 2019.

Signed:  _____

Fund Administrator

Timothy Kaleya

6. REPORT OF THE TRUSTEES

Principal activities

The principal activity of the Fund is to Disburse interest free loans to Youth and Women

Results

The results of the Fund for the year ended June 30, 2019 are set out in this financial report on page 11 to page 15

Trustees

The members of the Board of Trustees who served during the year are shown on page 4 (*refer to the key entity information and management page*).

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.

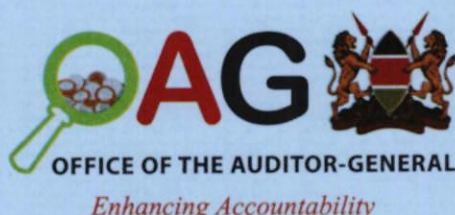
By Order of the Board

Member of the Board

Date:  _____

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KAJIADO COUNTY YOUTH AND WOMEN ENTERPRISE FUND FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kajiado County Youth and Women Enterprise Fund set out on pages 11 to 27, which comprise the statement of financial position as at 30 June, 2019, 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

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 respects, the financial position of Kajiado County Youth and Women Enterprise 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 the Public Finance Management Act, 2012 and the County Government Act, 2012.

Basis for Qualified Opinion

1. Unsupported Repayment Received

The statement of financial performance reflects Kshs.3,273,753 in respect of repayment received whose supporting documents were not provided for audit.

Consequently, the accuracy of the Kshs.3,273,753 in respect to repayment received could be confirmed.

2. Outstanding Group Loans

As disclosed in Note 5 to the financial statements, the statement of financial position reflects outstanding group loans balance amounting to Kshs.41,304,036 (2018-Kshs.9,677,789). However, detailed debtor's ledger in support of the balances was not provided for audit.

Consequently, the accuracy of the Kshs.41,304,036 reflected in the financial statements could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kajiado County Youth and Women Enterprise 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 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. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters discussed in the Basis for Conclusions 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. Non-Collection of Management Fees

Documents provided for audit revealed that, the Management issued loans amounting to Kshs.37,200,000. However, a management fee of Kshs.1,860,000 was not deducted contrary to the Public Finance Management (Youth and Women Enterprise Fund) Regulations, 2016 on Schedule on loan features Section (b).

Consequently, the Fund Management breached the law.

2. Irregular Award of Loans

A review of the loan application forms provided for audit revealed that the Board awarded loans amounting to Kshs.37,200,000 out of which Kshs.31,920,000 was awarded without relevant application documents contrary to the Public Finance Management (Youth and Women Enterprise Fund) Regulations, 2016 on Schedule on loan guidelines Section 3 which requires loan application forms to be accompanied with certified copies of valid registration certificates, Identity Cards of all members, minutes approving the loan and the group constitution and copy of the bank statements. ,

Consequently, the Fund Management breached the law.

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, confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether 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, risk management and governance.

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

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

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

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.

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 noncompliance. 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 Kajiado County Youth and Women Enterprise Fund's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 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 sustaining 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 the 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

18 October, 2021

8. FINANCIAL STATEMENTS

8.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2019

| | Note | FY2018/2019 | FY2017/2018 |
|---|------|-----------------------|----------------------|
| | | KShs | KShs |
| Revenue from non-exchange transactions | | | |
| Transfers from the County Government | 1 | 30,000,000.00 | 15,000,000.00 |
| Repayments Received | | 3,273,753.00 | 2,657,211.00 |
| | | - | - |
| Total revenue | | 33,273,753.00 | 17,657,211.00 |
| Expenses | | | |
| Loans Issued | | 34,900,000.00 | 12,335,000.00 |
| Fund administration expenses | 2 | 1,250,000.00 | 665,300.00 |
| Finance costs | 3 | 19,581.50 | 9,896.50 |
| Total expenses | | 36,169,581.50 | 13,010,196.50 |
| Other gains/losses | | | |
| Surplus/(deficit) for the period | | (2,895,828.50) | 4,647,014.50 |

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 24/06 2019 and signed by:

Administrator of the Fund

Fund Accountant

Sign 

Sign 

8.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

| | Note | FY2018/2019 | FY2017/2018 |
|---|------|----------------------|----------------------|
| | | KShs | KShs |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 4 | 1,751,186.00 | 4,647,014.50 |
| Outstanding Group Loan | 5 | 45,000,000.00 | 9,677,789.00 |
| Total assets | | 46,751,186.00 | 14,324,803.50 |
| Total Net assets | | 46,751,186.00 | 14,324,803.50 |
| Revolving Fund | 6 | 45,000,000.00 | 15,000,000 |
| Accumulated surplus/(Deficit) | 7 | 1,751,186.00 | (675,196.50) |
| Total net assets and liabilities | | 46,751,186.00 | 14,324,803.50 |

8.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2019

| | Revolving Fund | Revaluation Reserve | Accumulated surplus | Total |
|-----------------------------------|---------------------------|--------------------------------|--------------------------------|----------------------|
| | | KShs | KShs | KShs |
| Balance as at 1 July 2017 | - | - | - | - |
| Surplus/(deficit) for the period | - | - | 4,647,014.50 | 4,647,014.50 |
| Funds received during the year | 15,000,000.00 | - | - | 15,000,000.00 |
| Revaluation gain | - | - | - | - |
| Balance as at 30 June 2018 | 15,000,000.00 | - | 4,647,014.50 | 19,647,014.50 |
| Balance as at 1 July 2018 | 15,000,000.00 | - | 4,647,014.50 | 19,647,014.50 |
| Surplus/(deficit) for the period | - | - | (2,895,828.50) | (2,895,828.50) |
| Funds received during the year | 30,000,000.00 | - | - | 30,000,000.00 |
| Revaluation gain | - | - | - | - |
| Balance as at 30 June 2019 | 45,000,000.00 | - | 1,751,186.00 | 46,751,186.00 |

8.3. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

| | Note | FY2018/2019 | FY2017/2018 |
|---|----------|-----------------------|----------------------|
| | | KShs | KShs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Transfers from the County Government | 1 | 30,000,000.00 | 15,000,000 |
| Total Receipts | | 30,000,000.00 | 15,000,000 |
| Payments | | | |
| Fund administration expenses | 2 | 1,250,000.00 | 665,300.00 |
| Finance cost | 3 | 19,581.50 | 9,896.50 |
| Total Payments | | 1,269,581.50 | 675,196.50 |
| Net cash flows from operating activities | | 28,730,418.50 | 14,324,803.50 |
| Cash flows from investing activities | | | |
| Proceeds from loan principal repayments | 8 | 3,273,753.00 | 2,657,211.00 |
| Loan disbursements paid out | 9 | (34,900,000.00) | (12,335,000.00) |
| Net cash flows used in investing activities | | (2,895,828.50) | 4,647,014.50 |
| Cash flows from financing activities | | | |
| Proceeds from revolving fund receipts | | - | - |
| Additional borrowings | | - | - |
| Repayment of borrowings | | - | - |
| Net cash flows used in financing activities | | - | - |
| Net increase/(decrease) in cash and cash equivalents | | (2,895,828.50) | 4,647,014.50 |
| Equivalents | | | |
| Cash and cash equivalents at 1 JULY | | 4,647,014.50 | - |
| Cash and cash equivalents at 30 JUNE | 4 | 1,751,186.00 | 4,647,014.50 |

9. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | % of Utilization on difference to final budget |
|-----------------------------------|----------------------|---------------------|----------------------|----------------------------|--|
| | Kshs | Kshs | c=a+b | | Kshs |
| RECEIPTS | | | | | |
| Transfers from County Treasury | 30,000,000 | 4,647,014.50 | 34,647,014.50 | 34,647,014.50 | 100% |
| Proceeds from Domestic Borrowings | | | | | |
| Proceeds from Sale of Assets | | | | | |
| Repayments of Loans | 3,273,753.00 | | 3,273,753.00 | 1,522,567.00 | 46.50% |
| Returns of Equity Holdings | | | | | |
| Other Revenues | | | | | |
| TOTAL RECEIPTS | 33,273,753.00 | 4,647,014.50 | 37,920,767.50 | 36,169,581.50 | 95.38% |
| PAYMENTS | | | | | |
| Administration Cost | (1,250,000.00) | | (1,250,000.00) | (1,250,000.00) | 100% |
| Finance Cost | (19,581.50) | | (19,581.50) | (19,581.50) | 100% |
| Other payments (Loan) | (34,900,000.00) | | (34,900,000.00) | (34,900,000.00) | 100% |
| TOTAL PAYMENTS | 36,169,581.50 | | 36,169,581.50 | 36,169,581.50 | 100% |

10. 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) Relevant new standards and amendments to published standards effective for the year ended 30 June 2019

| Standard | Effective date and impact: |
|--------------------------------|--|
| IPSAS 39: Employee Benefits | Applicable: 1st July 2018 The objective to issue IPSAS 39 was to create convergence to changes in IAS19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach. |

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2019

| Standard | Effective date and impact: |
|--------------------------------------|--|
| IPSAS 40: Public Sector Combinations | Applicable: 1st January 2019: The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3(applicable to acquisitions only) Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations. |

c) Early adoption of standards

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

4. Budget information

The original budget for FY 2018/2019 was approved by the County Assembly and 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.

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

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 8.1 of these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Property, plant and equipment

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

6. Intangible assets

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

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

7. Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Inventories

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

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

9. Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contingent assets

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

10. Nature and purpose of reserves

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

11. Changes in accounting policies and estimates

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

12. Employee benefits – Retirement benefit plans

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

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

13. 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Borrowing costs

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

15. Related parties

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

16. Cash and cash equivalents

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

17. Comparative figures

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

18. Events after the reporting period

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

19. Ultimate and Holding Entity

The entity is a County Public Fund established Kajiado County Public Finance Management (Youth and Women Enterprise Fund) Regulations, 2016

20. Currency

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

21. Significant judgments and sources of estimation uncertainty

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

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

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.

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

Provisions

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

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

*Kajiado County Youth and Women Enterprise Fund
Annual Reports and Financial Statements
For the year ended 30 June 2019*

11. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from County Government

| Description | FY2018/2019 | FY2017/2018 |
|--|----------------------|----------------------|
| | KShs | KShs |
| Transfers from County Govt. - operations | 30,000,000.00 | 15,000,000.00 |
| Total | 30,000,000.00 | 15,000,000.00 |

Notes;

This are funds from the county treasury Exchequer Released during the year of reporting, its 100% Increase from the previous year 2017/2018

2. Fund administration expenses

| Description | FY2018/2019 | FY2017/2018 |
|---------------------------------------|---------------------|--------------------|
| | KShs | KShs |
| Loan processing / Administration Cost | 1,250,000.00 | 665,300.00 |
| Professional services costs | - | - |
| Total | 1,250,000.00 | 665,300.00 |

Notes;

This is Administration Cost during the year in the running of the fund, this involved committee sitting allowances and administration cost.

3. Finance costs

| Description | FY2018/2019 | FY2017/2018 |
|--------------------|--------------------|--------------------|
| | KShs | KShs |
| Bank Charges | 19,581.50 | 9,896.50 |
| Total | 19,581.50 | 9,896.50 |

Notes;

This are Bank Charges the year, involving monthly account maintenance fee and cost in clearing of Cheques.

*Kajiado County Youth and Women Enterprise Fund
Annual Reports and Financial Statements
For the year ended 30 June 2019*

4. Cash and cash equivalents

| Description | FY2018/2019 | FY2017/2018 |
|--|---------------------|---------------------|
| | KShs | KShs |
| Fixed deposits account | - | - |
| On - call deposits | - | - |
| Current account | 1,751,186.00 | 4,647,014.50 |
| Others | - | - |
| Total cash and cash equivalents | 1,751,186.00 | 4,647,014.50 |

Notes;

This is the net cash book balance as at the end of the year. This includes Bal b/f, Net proceeds from loan repayment and withdrawals from loan disbursed.

It's good to note that by its nature the fund does not maintain a fixed asset account

5. Outstanding Loan

| Description | FY2018/2019 | FY2017/2018 |
|--------------------------------------|----------------------|---------------------|
| | KShs | KShs |
| Bal B/f 1 st July 2018 | 9,677,789.00 | - |
| Net Outstanding loan during the Year | 31,626,247.00 | 9,677,789.00 |
| Total Outstanding Balance | 41,304,036.00 | 9,677,789.00 |

Notes;

This is the net loan book balance as at the end of the year. This includes Bal b/f, Less Net proceeds from loan repayment and an addition of loan disbursed

6. Revolving Fund Account

| Description | FY2018/2019 | FY2017/2018 |
|-----------------------------------|----------------------|----------------------|
| | KShs | KShs |
| Bal B/f 1 st July 2018 | 15,000,000.00 | - |
| Transfer from the county treasury | 30,000,000.00 | 15,000,000.00 |
| Total | 45,000,000.00 | 15,000,000.00 |

Notes;

This are Accumulative fund from the county treasury exchequer since the conception of the fund, as indicated, a Bal B/f and an addition during the financial year

*Kajiado County Youth and Women Enterprise Fund
Annual Reports and Financial Statements
For the year ended 30 June 2019*

7. Accumulated Surplus/(Deficit)

| Description | FY2018/2019 | FY2017/2018 |
|-----------------------------------|-----------------------|---------------------|
| | KShs | KShs |
| Bal B/f 1 st July 2018 | (675,196.50) | - |
| Surplus/(Deficit) During the year | (1,269,581.50) | (675,196.50) |
| Total | (1,944,788.00) | (675,196.50) |

Notes;

This are Accumulative Deficit since the conception of the fund, as indicated, a Bal B/f and an addition deficit during the financial year

8. Loan repayment/Loan Proceeds

| Description | FY2018/2019 | FY2017/2018 |
|-----------------------|---------------------|---------------------|
| | KShs | KShs |
| Bank Deposit Receipts | 3,273,753.00 | 2,657,211.00 |
| Total | 3,273,753.00 | 2,657,211.00 |

Notes;

This are receipts received from repayment of loans from groups during the year

9. Loan Disbursed

| Description | FY2018/2019 | FY2017/2018 |
|--------------------------------|----------------------|----------------------|
| | KShs | KShs |
| Loan Disbursed During the year | 37,200,000.00 | 12,335,000.00 |
| Less; Stale Cheques | (2,300,000.00) | - |
| Total | 34,900,000.00 | 12,335,000.00 |

Notes;

This are receipts received from repayment of loans from groups during the year

*Kajiado County Youth and Women Enterprise Fund
Annual Reports and Financial Statements
For the year ended 30 June 2019*

12. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|-----------------------------------|---------------------|--|-----------------------------------|--|
| | | | | | |
| | | | | | |
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Guidance Notes:

- a) Use the same reference numbers as contained in the external audit report;
- b) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- c) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- d) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to County Treasury.