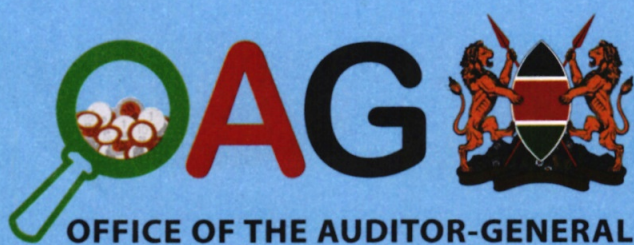
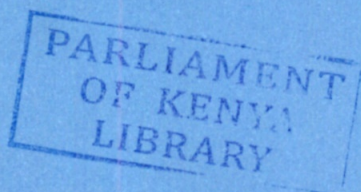


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**



**OF**

**THE AUDITOR-GENERAL**

**ON**

**TRANS NZOIA COUNTY NAWIRI FUND**

**FOR THE YEAR ENDED  
30 JUNE, 2023**

PAPERS LAID	
DATE	28/03/2024
TABLED BY	ML
COMMITTEE	-
CLERK AT THE TABLE	Cawthra C.



*Revised 30<sup>th</sup> June 2023*



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**TRANS NZOIA COUNTY NAWIRI FUND/BOARD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
(AMENDED)**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2023**

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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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**Trans Nzoia Nawiri Fund**  
**Reports and Financial Statements (Amended)**  
**For the year ended June 30, 2023**

**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**a) Background information**

Trans Nzoia Nawiri Fund is established by and derives its authority and accountability from Trans Nzoia Nawiri Act, 2015 on May, 2015. The Fund is wholly owned by the County Government of Trans Nzoia and is domiciled in Kenya.

As part of its development functions and mandate of promoting a sound financial system in Trans Nzoia County, the department of Trade and Industrialisation (TCI) prepared a bill on the Micro and Small Enterprises Development Fund (Nawiri) that was legislated by the County Assembly in May 2015. This was in recognition of the significant contributions of the MSE sector to the economy of the County

**b) Principal Activities**

The Fund's principal activity is to provide affordable and competitive credit to both formal and informal traders involved production and trade in goods and services within Trans Nzoia County

**c) Board of Trustees**

Ref	Name	Position
1	Mr. Martin W. Waliaula	Chairperson
2	Mr. Isaac O. Ndiema	Secretary/Treasurer
3	Mr. Oscar A. Ombidi	Member
4	Mr. Hosea Serem	Member
5	Mr. Moses Kiptanui	Member
6	Mr. Eric Odhiambo	Member
7	Ms. Julia N. Kanyi	Member
8	Ms. Catherine O. Kerubo	Member
9	Ms. Cynthia Y. Nekesa	Member

**d) Key Management**

Ref	Name	Position
1	Mr. Martin W. Waliaula	Chairperson
2	Mr. Isaac O. Ndiema	Chief Officer Trade & Secretary
4	Family Bank Kenya Limited	Fund Administrator
5		



***Trans Nzoia Nawiri Fund***  
**Reports and Financial Statements (Amended)**  
**For the year ended June 30, 2023**

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**Registered Offices**

P.O. Box 4211-30200  
Former Municipal Yard /County Fire Station  
Behind County Police Headquarters  
KITALE, KENYA

**a) Fund Contacts**

Telephone: (254) 740938440  
E-mail: [transnzoianawiri.@gmail.com](mailto:transnzoianawiri@gmail.com)  
Website: [www.transnzoia.go.ke](http://www.transnzoia.go.ke)

**b) Fund Bankers**

Equity Bank of Kenya  
P.O. Box 4211-30200  
Kitale-Kenya  
AC NO. 0330263908695

Family Bank Kenya  
P.O Box  
Kitale - Kenya  
A/C No. 093000048968

**c) Independent Auditors**

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





**d) Principal Legal Adviser**

County Attorney  
Trans Nzoia County  
P.O. Box 4210-30200  
Kitale, Kenya



**Trans Nzoia Nawiri Fund**  
**Reports and Financial Statements**  
**For the quarter ended June 30, 2023**

**2. THE BOARD OF TRUSTEES (or any other corporate governance body for the Fund)**

Name	Details of qualifications and experience
 Mr. Martin W. Waliaula	Immediate former chairperson KNCCI Trans Nzoia Chairperson of Kitale Municipality Board.  Nawiri Board Chairperson
 Mr. Isaac O. Ndiema	Chief Officer, Trade and Industrialisation  Nawiri Board Secretary
 Mr. Oscar Ombidi	Principal Trade Development Officer  Nawiri Board Member, representative of the department of trade and industrialisation
 Ms. Julia N. Kanyi	Nawiri Board Member, representative of the department of trade and industrialisation
Ms. Catherine Kerubo	Senior Tourism Officer Nawiri Board Member, representative of the department of gender

**Trans Nzoia Nawiri Fund**  
**Reports and Financial Statements**  
**For the quarter ended June 30, 2023**



Mr. Hosea Serem

MBA Finance option  
 Principal Co-operative Officer

Nawiri Board Member, representative of the  
 department of Co-operatives



Chairperson Cherangany Dairies Co-operative  
 Sacco  
 Nawiri Board Member, representative of Saccos  
 Former 3000m athlete and world record holder



Ms. Cynthia Nekesa




Bachelor of Education  
 Nawiri Board Member, representative of business  
 organisations



Family Bank Limited  
 Fund Administrator



**3. MANAGEMENT TEAM**

Name	Details of qualifications and experience
 <p>Mr. Martin W. Waliaula</p>	<p>-Immediate former chairperson KNCCI Trans Nzoia                      -Chairperson of Kitale Municipality Board.</p> <p>Nawiri Board Chairperson</p> <p>Provide a concise description of each Trustee's date of birth, key academic and professional qualifications and work experience.                      Also, indicate the main area of responsibility – without details</p>
 <p>Mr. Isaac O. Ndiema</p>	<p>Chief Officer, Trade and Industrialisation                      Nawiri Board Secretary</p>
	<p>Family Bank Limited</p> <p>Fund Administrator</p>

*Trans Nzoia Nawiri Fund*  
**Reports and Financial Statements (Amended)**  
**For the year ended June 30, 2023**

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**3. BOARD/FUND CHAIRPERSON'S REPORT**

The Board runs the Trans Nzoia County Nawiri Fund, a fund that offers loans to Micro and Small enterprises. The loans extended to beneficiaries currently attracts a 3% rate of interest. The loans are available to both groups and individuals that have been in business for at least six months.

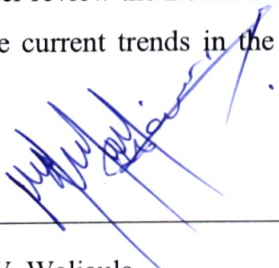
As a requirement, all loan beneficiaries must pass through an entrepreneurial training before receiving the loaned money. The board intends offer more trainings in the next financial year.

The fund received a budgetary allocation of Kshs 80million for the financial year 2022/23 a reduction from the original amount of Kshs 102million. Going forward, it is the intention of the board to increase its revenue base through the various means as stipulated in section 12 of the Trans Nzoia Nawiri Act, 2015.

The Board has overall responsibility for good corporate governance and ensures that its governance policies and mechanisms are appropriate to its structure, business and risks. During the year under review the Board initiated an update of the existing regulations on lending to be in line with the current trends in the MSE sector and provide fitting incentives for the MSEs to thrive.

Signed: \_\_\_\_\_

Martin W. W. Waliaula

 29/11/2023



***Trans Nzoia Nawiri Fund***  
**Reports and Financial Statements (Amended)**  
**For the year ended June 30, 2023**

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**4. REPORT OF THE FUND ADMINISTRATOR**

*(Under this section, the Fund Administrator will give his report, which highlights the same issues as the Chairman in a more detailed format, usually 2 to 3 pages. The Fund Administrator may also mention at a high level the financial performance of the Fund).*

The Fund Administrator should sign the Fund Administrator report.

Signed: \_\_\_\_\_ -

<Name of Fund Administrator>

## **5. CORPORATE GOVERNANCE STATEMENT**

The fund held two board meetings. They conducted aboard training and one induction since the board was newly constituted.

Functions of the board

- (a) to solicit for funds and other assistance to promote the functions of the Fund;
- (b) to set, in due regard to the prevailing National and County economic status, the criteria and conditions governing the granting of loans, including the rate of interest and recovery of loans;
- (c) to receive any gifts, donations, grants or endowments made to the Fund, and to make legitimate disbursements therefrom;
- (d) to establish and maintain links with other persons or group of persons, bodies or organizations within or outside Kenya, as the Board may consider appropriate for the furtherance of the purposes for which the Fund is established;
- (e) to grant loans out of the Fund, to any eligible person or group of persons to enable them, or assist any trader, to expand their businesses;
- (f) to invest any surplus funds not immediately required for the Purpose of the Fund in any investment authorized by law;
- (g) to receive and consider all loan applications from eligible persons or group of persons wishing to be considered for the award of loans, and to approve' withhold or reject such requests in accordance with the provisions of this Act;
- (h) to take out insurance cover for risky loans such as death, incapacity or inability to pay, as the Board deems fit;
- (i) to perform any other functions relating to the granting of Traders' loans in accordance with the provisions of Trans Nzoia Nawiri Act, 2015.



**Trans Nzoia Nawiri Fund  
Reports and Financial Statements (Amended)  
For the year ended June 30, 2023**

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**6. REPORT OF THE TRUSTEES**

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the Fund affairs.

**Principal activities**

The principal activities of the Fund are set out on page 2

**Results**

The results of the Fund for the year ended June 30, 2023 are set out on page 15-25

**Trustees**

The members of the Board of Trustees who served during the year are shown on page 4. A new board was formed and inducted on 28<sup>th</sup> February, 2023

**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

Name Julia N. Kanyi

Member of the Board

Date: 27/11/2023

## **7. 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 Trans Nzoia County Nawiri Fund Act 2015 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, 2023.

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 Trans Nzoia County Nawiri Fund Act 2015. 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



**Trans Nzoia Nawiri Fund  
Reports and Financial Statements (Amended)  
For the year ended June 30, 2023**

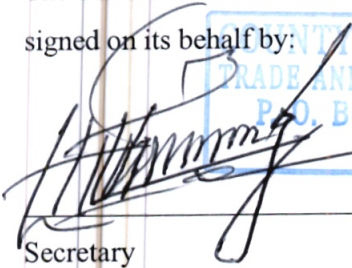
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financial year ended June 30, 2023, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's 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 by the Board on 27/11/2023 2023 and signed on its behalf by:

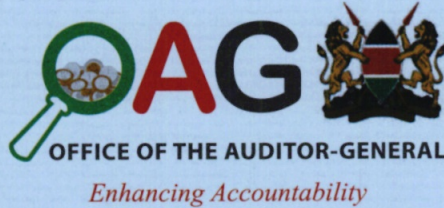
  
Secretary





# 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 TRANS NZOIA COUNTY NAWIRI FUND FOR THE YEAR ENDED 30 JUNE, 2023

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### PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Trans Nzoia County Nawiri Fund set out on pages 15 to 39, which comprise the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

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*Report of the Auditor-General on Trans Nzoia County Nawiri Fund for the year ended 30 June, 2023*



amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, the financial position of the Trans Nzoia County Nawiri Fund as at 30 June, 2023, 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 Trans Nzoia County Nawiri Fund Act, 2015.

### **Basis for Qualified Opinion**

#### **1. Inaccurate Statement of Financial Position**

The statement of financial position reflects total assets of Kshs.83,616,556 which varies with net capital and liabilities of Kshs.83,649,153 by Kshs.32,597. No reconciliation was provided for the variance.

In this circumstances, the statement of financial position is inaccurate.

#### **2. Unconfirmed Bad Debts**

The statement of financial performance reflects bad debts written off of Kshs.8,000 while the fund administration expenses include provision for bad and doubtful debts of Kshs.53,951 as shown in Note 2 to the financial statements. However, the Fund does not have an approved policy nor has such policy been explained under the significant accounting policies in the financial statements.

The validity and accuracy of the provisions/estimates could not therefore be confirmed.

#### **3. Current Receivables – Unaccounted for Imprest**

The statement of financial position and as disclosed in Note 4 to the financial statements reflects a balance of Kshs.3,979,024 as current receivables which include Kshs.2,900,000 outstanding imprests. As reported previously, the amount represents imprest issued from the Fund to two (2) County Executive Committee Members who travelled to the United States of America in 2015 on the understanding that the amount was to be refunded to the Fund when the County Executive received Exchequer. No explanation was provided for the failure to have the amount refunded to the Fund.

In the circumstances, the recoverability of the amount, which was treated as expenditure in 2015, could not be confirmed.

#### **4. Inaccurate Statement of Cash Flows**

The statement of cash flows includes provision for bad and doubtful debt and bad debts written off of Kshs.53,951 and Kshs.8,000 respectively which are not cash flow items.

Consequently, the statement of cash flows is inaccurate and does not explain the cash flows of the Fund.



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

### **Key Audit Matters**

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

### **Other Information**

The Management is responsible for the other information set out on page 2 to 12 which comprise of Key Entity Information and Management, the Board of Trustees, Management Team, Board/Fund Chairperson's Report, Report of the Fund Administrator, Corporate Governance Statement, Report of the Trustees and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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 USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing 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**

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, 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 the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **Responsibilities of Management and the Board of Trustees**

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 the 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 to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Fund or 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, the 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.

The Board of Trustees is 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**

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 overall 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 policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement 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 applicable 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 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 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 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

08 March, 2024



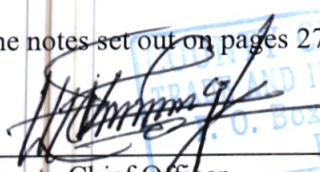
**Trans Nzoia Nawiri Fund  
Reports and Financial Statements (Amended)  
For the year ended June 30, 2023**

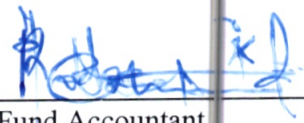
**9. FINANCIAL STATEMENTS**

**9.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30<sup>th</sup>  
JUNE 2023**

	Note	2022/2023	2021/2022
		Kshs.	Kshs.
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	1a	2,400,000	0
Interest income		0	0
Other revenue	1	20,000	0
<b>Total revenue</b>		<b>2,420,000</b>	<b>0</b>
<b>Expenses</b>			0
Fund administration expenses	2	715,221	0
Bad debt written Off		8,000	0
<b>Total expenses</b>		<b>723,221</b>	<b>0</b>
<b>Surplus/(deficit) for the period</b>		<b>1,696,779</b>	<b>(647,626)</b>

The notes set out on pages 27 to 28 form an integral part of these Financial Statement.

  
County Chief Officer  
Name: Etiang' Kennedy Seme

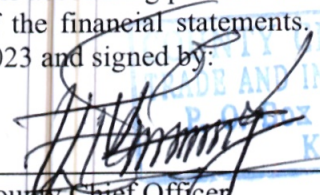
  
Fund Accountant  
Name: Gilbert M. Mweni  
ICPAK Member Number  
26604




9.2. STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2023

	Note	2022/2023 Kshs	2021/2022 Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	79,637,532	255,202
Current receivables	4	3,979,024	4,097,172
<b>Total assets</b>		<b>83,616,556</b>	<b>4,352,374</b>
<b>Capital</b>			
Revolving Fund	6	82,600,000	5,000,000
Accumulated surplus		<b>1,049,153</b>	(647,626)
<b>Liabilities</b>		-	-
<b>Net Capital and Liabilities</b>		<b>83,649,153</b>	<b>4,352,374</b>


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. Nawiri fund financial statements were approved on 27/11/2022 2023 and signed by:

  
 County Chief Officer  
 Name: Etiang' Kennedy Seme

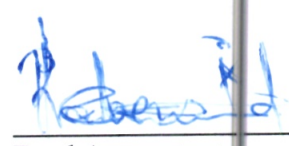
  
 Fund Accountant  
 Name: Gilbert M. Mweni  
 ICPAK Member Number  
 26604

9.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2023

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
<b>Balance as at 1 July 2021</b>	<b>5,000,000</b>		<b>(647,626)</b>	<b>4,352,374</b>
Surplus/(deficit) for the period	-	-	-	-
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2022</b>	<b>5,000,000</b>	-	<b>(647,626)</b>	<b>4,352,374</b>
<b>Balance as at 1 July 2022</b>	<b>5,000,000</b>	-	<b>(647,626)</b>	<b>4,352,374</b>
Surplus/(deficit) for the period	-	-	<b>1,696,779</b>	<b>1,696,779</b>
Funds received during the year	<b>77,600,000</b>	-	-	<b>77,600,000</b>
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2023</b>	<b>82,600,000</b>	-	<b>1,049,153</b>	<b>83,649,153</b>

  
 COUNTY CHIEF OFFICER  
 TRADE AND INDUSTRIALIZATION  
 020-3211-30200,  
 KITALE

County Chief Officer  
 Name: Etiang' Kennedy Seme

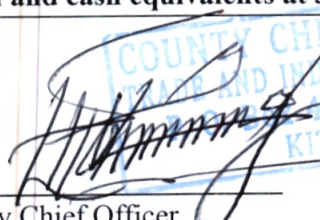


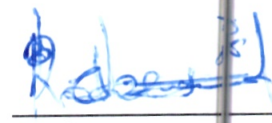
Fund Accountant  
 Name: Gilbert M. Mweni  
 ICPAK Member Number  
 26604



9.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30th JUNE 2023

	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government	1a	2,400,000	-
Receipts from loan repayments		17,500	-
Receipts from donors		20,000	-
<b>Total Receipts</b>		<b>2,437,500</b>	-
<b>Payments</b>			
Fund administration expenses	2	715,221	-
Provision for bad and doubtful debt		53,951	
Bad debts written Off		8,000	
<b>Total Payments</b>		<b>(771,172)</b>	
<b>Net cash flows from operating activities</b>		<b>1,660,328</b>	-
<b>Cashflow from investing activities</b>			
<b>Cash flows from Financing activities</b>			
Proceeds from revolving fund receipts		77,600,000	
<b>Net cash flows used in financing activities</b>		<b>77,600,000</b>	-
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>		<b>79,382,330</b>	-
Cash and cash equivalents at 1 JULY		255,202	255,202
<b>Cash and cash equivalents at 30 JUNE</b>	3	<b>79,637,532</b>	<b>255,202</b>

  
 County Chief Officer  
 Name: Etiang' Kennedy Seme

  
 Fund Accountant  
 Name: Gilbert M. Mweni  
 ICPAK Member Number  
 26604



**9.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30<sup>th</sup> JUNE 2023**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilisation
	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023
	Kshs		Kshs	Kshs	Kshs	
<b>Revenue</b>						
Transfers from County Govt. <i>(see note 1)</i>	102,000,000	(22,000,000)	80,000,000	80,000,000	0	100
Interest income <i>(see note 2)</i>	3,060,000	(3,060,000)	-	-	0	-
Other income <i>(see note 3)</i>	1,250,000	(1,250,000)	-	20,000	(20,000)	(98.4)
<b>Total income</b>	<b>106,310,000</b>	<b>(26,310,000)</b>	<b>80,000,000</b>	<b>80,020,000</b>	<b>(20,000)</b>	<b>100.025</b>
<b>Expenses</b>						
Fund administration expenses <i>(see note 4)</i>	3,056,000	(656,000)	2,400,000	715,221	1,686,730	29.71
Amount disbursed <i>(see note 5)</i>	61,200,000	(13,200,000)	48,000,000	-	48,000,000	-
<b>Total expenditure</b>	<b>64,256,000</b>	<b>(13,856,000)</b>	<b>50,400,000</b>	<b>715,221</b>	<b>49,686,730</b>	<b>1.42</b>
<b>Surplus for the period</b>	<b>42,054,000</b>	<b>12,454,000</b>	<b>29,600,000</b>	<b>79,304,779</b>	<b>(49,706,730)</b>	<b>267.93</b>

**Budget notes**

1. *Transfers from the County Government was reduced in the supplementary budget.*
2. *Interest income to be realised once disbursement to loan applicants is made since interest is to be deducted upfront.*
3. *This was received from donations made to the fund.*
4. *Fund administration expenses was capped at 3% as per PFM (County Government) Regulations 2015.*
5. *This is the amount to be disbursed pending approval by the board of the vetted applicants.*

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6. *Performance differences between the original budget and the final budget was due to reallocations.*



## **9.6. 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 Accrual (IPSAS-Accrual). 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**

The entity adopted a new reporting standard in the 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.

#### **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 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 11.5 of these financial statements.

#### 5. 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.



### ***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 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.

**6. Nature and purpose of reserves**

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

**7. 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.

**8. 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 Fund Administrator and the Fund Accountant.

**9. 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.



#### 10. Comparative figures

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

#### 11. Events after the reporting period

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

#### 12. Ultimate and Holding Entity

The entity is a County Public Fund established by Section 167 of the Public Finance Management (PFM) Act 2012. Its ultimate parent is the Trans Nzoia County Department of Trade and Industrialisation.

#### 13. Currency

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

#### 14. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks. 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 member, 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

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of financial position are net of allowances for doubtful receivables, estimated by the company'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>Total amount KShs</b>	<b>Fully performing KShs</b>	<b>Past due KShs</b>
<b>At 30 June 2023</b>			
Receivables from exchange transactions	3,979,024	-	3,979,024
Bank balances	79,637,532	79,637,532	79,637,532
<b>Total</b>	<b>83,616,556</b>	<b>79,637,532</b>	<b>83,616,556</b>
<b>At 30 June 2022</b>			
Receivables from exchange transactions	4,047,172		4,047,172
Bank balances	255,202	255,202	255,202
<b>Total</b>	<b>4,302,374</b>	<b>255,202</b>	<b>4,302,374</b>

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

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



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**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.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	KShs	KShs	KShs	KShs
<b>At 30 June 2023</b>				
Current portion of borrowings	-	-	3,979,024	3,979,024
<b>Total</b>	-	-	3,979,024	3,979,024
<b>At 30 June 2022</b>				
Current portion of borrowings	-	-	3,996,524	3,996,524
<b>Total</b>	-	-	3,996,524	3,996,524

**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 of the Board.

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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 of the Board) 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.

➤ **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 company'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

**d) Capital risk management**

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

	2023	2022
	Kshs	Kshs
Revolving fund	77,600,000	5,000,000
Accumulated surplus	1,049,153	(647,626)
<b>Total funds</b>	<b>78,599,104</b>	<b>4,352,374</b>
Total borrowings	3,979,532	3,996,524
Less: cash and bank balances	79,637,532	255,202
	(75,658,000)	3,741,322
<b>Net debt/(excess cash and cash equivalents) Gearing ratio</b>	<b>5.06%</b>	<b>91.82%</b>



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**15. Provision for bad and doubtful debts**

Paragraph 95 of IPSAS 1 requires that a provision shall be recognized when: (a) An entity has a present obligation (legal or constructive) as a result of a past event; (b) It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and (c) A reliable estimate can be made of the amount of the obligation. The board provides for 5% as the provision for bad and doubtful debts.

*Trans Nzoia Nawiri Fund*  
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**9.7. NOTES TO THE FINANCIAL STATEMENTS**

1. Other Revenue

Description	2022/2023	2021/2022
	Kshs	Kshs
Income received from donor - Honda	20,000	-
<b>Total income</b>	<b>20,000</b>	<b>-</b>

1a. Transfers from County Government

This is 3% of Kshs 80,000,000 which is the administrative costs of the fund.

2. Fund Administration Expenses

Description	2022/2023	2021/2022
	Kshs	Kshs
General office expense (Printing and stationery)	20,000	-
Board sitting allowance	385,000	-
Trainings	110,000	-
Bank Charges	4,170	-
Hospitality (Hotel expenses)	142,100	-
Provision for bad and doubtful debts	53,951	-
<b>Total</b>	<b>715,221</b>	<b>-</b>



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

3. Revolving fund

Detailed analysis of the revolving fund are as follows:

		2022/2023	Comparative figure
Financial institution	Account number	Kshs	Kshs
<b>a) Current account</b>			
Equity bank	0330263908695	174	255,202
Family Bank Kenya	093000048968	79,637,361	-
<b>Sub- total</b>		<b>79,637,532</b>	<b>255,202</b>

4. Current Receivables

Description	2022/2023	2021/2022
Current Receivables	Kshs	Kshs
Debtors/Loanees	1,079,024	1,197,172
Outstanding Imprests/Borrowings by the Parent Ministry- (DG Stanley Tarus, CECM Veronicah Okoth)	2,900,000	2,900,000
<b>Sub- total</b>	<b>3,979,024</b>	<b>4,097,172</b>

5. Provision for bad and doubtful debts

A provision of 5% on the total debtors/loanees is provided for as doubtful debts

**11.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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
<b>1.0 Unsupported Balances</b>	The fund did not maintain a general ledger (GL) which is a set of numbered accounts an entity uses to keep track of its financial transactions and to prepare financial reports. All the balances reflected in the financial statements, except for	All the relevant information required for the preparation of a general ledger has been obtained from past loan records as well as the bank statement.	Fund Accountant	Resolved	



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	cash and cash equivalents balances were not supported by balances from respective ledger accounts.				
<b>2.0 Unsupported Trial Balance</b>	The management prepared a trial balance which is a financial report showing the closing balances of all accounts in the general ledger at the year end which was not	All the relevant information required for the preparation of a general ledger has been analysed and documented	Fund Accountant	Resolved	
	supported by the general ledger and therefore, the accuracy				

*Trans Nzoia Nawiri Fund*  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	and completeness of the balances in the trial balance could not be confirmed.				
<b>3.0 Undisclosed Interest Income</b>	The statement of financial position reflects long term receivables from exchange transactions of Kshs. 1,147,172 which have remained outstanding for more than one year since they became due. The	The board was charging an interest of 10% for the years 2015-2019 and an insurance fee of 1% all deducted upfront, hence no interest accruals would have been registered as none could have arisen.	Fund Accountant	Resolved	
	interest accruing from the outstanding loans was not recognised in				



*Trans Nzoia Nawiri Fund*  
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**For the year ended June 30, 2023**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	the statement of financial performance				
<b>4.0 Principal Loan Repayment Due</b>	As reported previously, the statement of financial position as at 30th June, 2022 reflects a balance of Kshs 1,147,172 under current principal loan repayments due which, as shown under note 6B relates to 2022/2023 and prior years. No explanation was	The Board acknowledges long outstanding loan by Pamoja Sacco of Kshs 743,980.00 as at 2022/23. The Board has made an effort to recover the stated amount with their	The Board	Not Resolved	
	provided on why the loans have remained outstanding for a long	representative who sited business			





*Trans Nzoia Nawiri Fund*  
**Reports and Financial Statements (Amended)**  
**For the year ended June 30, 2023**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	period without being recovered, contrary to the provisions of Regulation 4.4 of Trans Nzoia County Nawiri Fund Regulations 2015.	challenges over time			
<b>5.0 Current Receivables - Unaccounted for imprest</b>	The statement of financial position and as disclosed in Note 6A to the financial statements reflects a balance of Kshs. 2,900,000 under current receivables which	As observed during the audit exercise there was a long Outstanding Imprest of Kshs 2,900,000. There are	Chief Officer	Not Resolved	
	relates to outstanding imprest. As reported previously, the amount	surrender vouchers of similar amount			

*Trans Nzoia Nawiri Fund*  
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**For the year ended June 30, 2023**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	represents imprest issued from the fund to two (2) County Executive Committee Members who travelled to the United States of America in 2015 on the understanding that the amount was to be refunded to the Fund when the County Executive received exchequer. No explanation was	at the County Treasury awaiting transfer of the funds to the Nawiri Account as reimbursement.			
	provided for the failure to have the amount refunded to the Fund.				





*Trans Nzoia Nawiri Fund*  
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**For the year ended June 30, 2023**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
6.0 Lack of Approved Budget	The fund did not have an approved budget for the year under review, contrary to the requirements of section (149) (2) of the Public Finance Management Act, 2012 that requires an accounting officer to prepare estimates of expenditure of the entity in conformity with the strategic plan.	As pointed out in the audit findings, no budget was prepared for the same owing to a lack of budgetary allocation from the exchequer for the FY2021/2022. Moreover, no any expenses were incurred by the board for the same financial year. However, the board has prepared a budget for	Fund Accountant, Chief Officer	Resolved	
		the FY 2022/2023 and the subsequent year in compliance with section			



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*Trans Nzoia Nawiri Fund*  
**Report on Financial Statements (Amended)**  
**For the year ended June 30, 2023**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		149(2) of PFM act (County Governments)			
<b>7.0 Failure to undertake Independent Assessment of System and Internal Controls</b>	Trans Nzoia Nawiri Fund Management did not perform a formal risk assessment and risky areas were not identified in terms of loans awarded, revenues, expenditure, frauds and errors. Further, the Fund does not have disaster recovery plan/business continuity plan.	The board is aware that no internal audit has been conducted on the fund and intends to address the same once the board constitutes an audit committee for the fund.	The board	Not Resolved	



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