

REPUBLIC OF KENYA

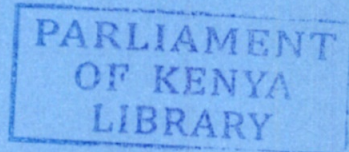


OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF



THE AUDITOR-GENERAL

ON

MAASAI MARA COMMUNITY SUPPORT FUND

FOR THE YEAR ENDED 30 JUNE, 2023

PAPERS LAID	
DATE	12/03/2024
TABLED BY	MAJORITY LEADER
COMMITTEE	FINANCE
CLERK AT THE TABLE	CHERO P



**COUNTY GOVERNMENT OF NAROK
MAASAI MARA COMMUNITY SUPPORT FUND-19%**

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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



MAASAI MARACOMMUNITY SUPPORT FUND
Reports and Financial Statements
For the year ended June 30, 2023

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Maasai Mara Community Support Fund was established by and derives its authority and accountability from County Assembly of Narok Acts of 10th July, 2014 and the subsequent act of 2016 and later amended Act dated 28th August 2020. The core purpose is to provide avenue for resource allocation for communities around and about the Maasai Mara National reserve and finance sustainable socio-economic development projects for the communities living around and about the Maasai mara national reserve. The Fund is wholly owned by the County Government of Narok and is domiciled in Narok Kenya.

The fund's objective is to eradicate poverty, improve health and education standards and community social welfare for the communities within Narok County Government.

b) Principal Activities

The Fund's principal activity is to finance socio-economic development projects for communities living around and about Maasai mara national reserve.

Maasai mara community support fund vision is to minimise poverty and human wildlife conflicts as much as possible and the primary mission is to prepare and enable the Maasai pastoral community to acquire necessary skills to manage their own development in relation to themselves, their livestock and land.

c) Fund Administration Committee

Ref	Position	Name
1	Chief officer finance	Peter N. Naingisa
2	Chief Officer roads	Weldon Rop
3	Chief officer health	Jane kiok
4	Chief officer education	Simon Kurraru
5	Chief officer tourism	Samuel Ndorko
6	Fund administrator	Agnes nairowua

b) Key Management

Ref	Position	Name
1	Fund Manager/ Administrator	Agnes Nairowua
2	Chief Officer finance	Peter Naingisa
3	Chief officer Tourism	Samuel Ndorko

Reports and Financial Statements

For the year ended June 30, 2023.

c) Registered Offices

Noolmongi Building
Narok- Nakuru Highway
P.O Box.898-20500
Narok.

d) Fund Contacts

Telephone: (254) 718013278
E-mail: infor@narokmmcsf.go.ke
Website: www.narok.go.ke

e) Fund Bankers

Access Bank Narok Branch
Code -016
Current Account
A/c No 0160100000055

f) Independent Auditors

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


g) Principal Legal Adviser

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

2. FUND ADMINISTRATION COMMITTEE (or any other corporate governance body for the Fund)

Name	Details of qualifications and experience
1. Chief Officer Finance	Peter N. Naingisa
2. Chief Officer tourism	Samuel L. Ndorko
3. Chief officer roads	Weldon Kibet Rop
4. Chief officer Health	Jane Kiok
5. Chief officer Education	Simon kurraru
6. Fund Administrator	Agnes Nairowua

3. Management Team Table

Name	Details of qualifications and experience
 Peter N. Naingisa	<p>Peter. N. Naigisa is the chief officer finance and economic planning</p> <p>He is an experienced accountant having worked at the department of education bursary section as an accountant before being promoted to the position he holds currently a holder of the CPAK and an ICPAK member he also holds a bachelor's degree in business management accounting option.</p>



Simon Kurraru

Simon Peter Kurraru was born on
26/2/1967

Joined Narok county government in 2018
and has served in various capacity as chief
officer like finance and economic
planning and currently education, sports
and gender

He is a graduate of Egerton university
1990-1994

Alumnae of Narok high school 1988-1989
St Anthony's school 1984-1987



Weldon Rop

Kibet Rop Weldon

He has a masters degree in project
planning and management (UoN)
Bachelor's degree in Education Arts
(UoN)

Currently he is the chief officer Roads and
previously worked as an assistant county
commissioner in the ministry of interior



Samuel L. Ndorko.

Samuel Leposo Ndorko

Chief officer tourism and wildlife. he has a masters of tourism management from Moi university and a bachelor's of tourism management from Maasai mara university
Currently the C.O Tourism
2017-2022 Director tourism and wildlife
2015/2017 director governance and development office of the governor



Jane Kiok

Jane kiok

Chief officer clinical services

She has a bachelor's of science degree in environmental science with a 27 years' experience in diverse humanitarian and development settings



Agnes Nairowua

Agnes Nairowua was born of 15th June, 1966 holder of a Diploma Certificate from Kenya Institute of Management and Currently pursuing a degree course with Management University of Africa – Worked for County Council of Narok in various positions between 1st July, 1999 to 2013. Last position before joining the County Government of Narok was An Administrative Officer – on 10th July, 2014 -2020 was appointed to Maasai Mara Community Support Fund as the Fund Administrator and On Acting Capacity from 11th July, 2021 to present.

3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S PREDETERMINED OBJECTIVES

Sources of Revenue

Narok County Government treasury continue to be the largest part of our revenue source, contributing 100% towards the budget.

In FY 2022/2023, total budget approved was Ksh. 280,000.000. The total disbursement for the year amounted to Ksh.11 ,000.000 representing 3.92% of the total budget.

a) Payments

Our total expenditure for the year amounted to Kshs 10,999,728.43. This was applied to finance various activities of the fund within the County's six sub-Counties and for administrative roles.

b) Cash flows

In the FY2022/2023, we had many liquidity disruptions attributed to delay in disbursement of funds. This affected most of the activities scheduled to be undertaken in the FY 2022/2023.

Introduction

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

The key development objectives of the Narok County Maasai Mara Support Fund plan are to:

- a) Fund projects relating to studies, planning and design or technical input for the project and recurrent costs
- b) Equipping ward offices with relevant furniture and related equipment.
- c) Acquisition of vehicles machinery and other equipment
- d) Environmental activities may be considered projects as per the Act
- e) Cultural activities, support to youth groups, gender and persons living with disabilities
- f) Sports activities may be considered as projects for purposes of this Act but shall exclude cash awards provided that the allocation to such activities does not exceed 2% of the total budget



Progress on attainment of Strategic development objectives

Program	Objective	Outcome	Indicator	Performance
1. Food security in various wards	To alleviate hunger among residence and their animals.	Many people were able to survive the prolong drought and their animals were able to wait the long-awaited rains	20% of the target group rose above the poverty line as a result of the relief.	In FY 22/23 there was a Decrease of funding by 80% hence much could not be achieved
2. Enviromental activities in various ward	To increase the forest cover in the society	Reduction of soil erosion and beautification of the environment .it also helps in animals feeding e.g., goats	Soil erosion has drastically reduced by at least 40%	The decrease in funding affected the desired goals, however at least something was done
3. Support on sports activities	Engage the youth on football tournaments	The decrease number of football leagues sponsored during the period	A paltry 5% was achieved due to decrease in funding	Two Football leagues more accessed the tournaments. During the year
4. Support on Women	Train the women on skills relating to beadwork, sheep and poultry keeping and savings	There were at least 500 women trained on various field in various wards	60% of women who attended the trainings were happy about the exercise	At least about 2.9m were used on women and youth during the F/y 2022/23
5. Scholarship & other educational benefits	Educating more needy student in the society	Many school children were able to continue their schooling due the funding / bursaries	At least 10 families were able to access the bursaries	F/y 2022/2023 saw a decrease in bursary disbursement due to shortage of funding
6. Medical Support and Funeral expenditure support	Assistance the needy members on medical support	Few members of the public were able to benefit through medical fundings but due to financial constraint we could not fund for many	The reduced no. of members of the community seeking support for medical support	F/y 2022/2023 saw a decrease in funding for the medical Due to the budget constrain

4. MANAGEMENT TEAM

Name	Details of qualifications and experience
1. Peter N. Naingisa-C. O-Finance	Trustee member
2. Agnes Nairowa	Fund Manager and administrator
3. Samuel L. Ndorko	Trustee member
4. Simon Kurraru	Trustee Member

Note: The Fund Administrator will feature under both the 'Board' and 'Management'.

Name	Details of qualifications and experience
 Peter. N. Naingisa	<p>Peter N. Naigisa is the chief officer finance and economic planning</p> <p>He is an experienced accountant having worked at the department of education bursary section as an accountant before being promoted to the position he holds currently a holder of the ICPAK and an ICPAK member he also holds a bachelor's degree in business management accounting option.</p>
 Simon Kurraru	<p>Simon Peter Kurraru was born on 26/2/1967</p> <p>Joined Narok county government in 2018 and has served previously as the chief officer finance and economic planning and now Education, sports and gender.</p> <p>He is a graduate of Egerton university 1990-1994</p> <p>Alumnae of Narok high school 1988-1989</p> <p>St Anthony's school 1984-1987</p>



Samuel L. Ndorko

Samuel Leposo Ndorko

Chief officer tourism and wildlife. he has a masters of tourism management from Moi university and a bachelor's of tourism management from Maasai mara university
Currently the C.O Tourism
2017-2022 Director tourism and wildlife
2015/2017 director governance and development office of the governor



Kibet Rop Weldon

He has a master's degree in project planning and management (UoN)
Bachelor's degree in Education Arts (UoN)
Currently he is the chief officer Roads and previously worked as an assistant county commissioner in the ministry of interior

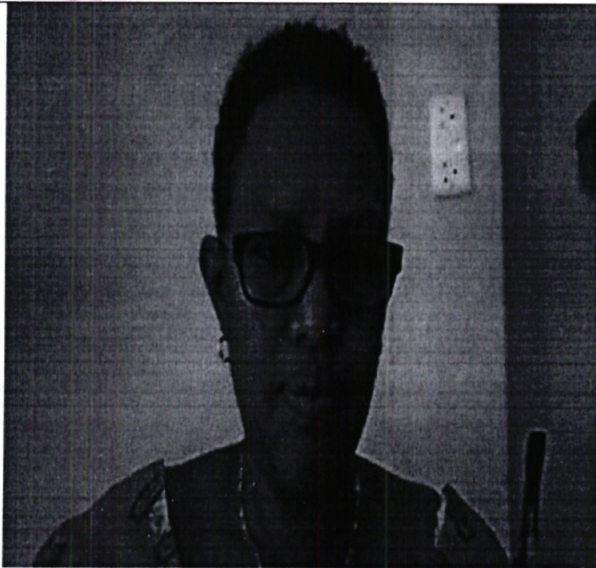


Jane Kiok

Jane kiok

Chief officer clinical services

She has a bachelor's of science degree in environmental science with a 27 years' experience in diverse humanitarian and development settings



Agnes Nairowua

Agnes Nairowua was born of 15th June, 1966 holder of a Diploma Certificate from Kenya Institute of Management and Currently pursuing a degree course with Management University of Africa –Worked for County Council of Narok in various positions between 1st July, 1999 to 2013. Last position before joining the County Government of Narok was An Administrative Officer – on 10th July, 2014 -2020 was appointed to Maasai Mara Community Support Fund as the Fund Administrator and On Acting Capacity from 11th July, 2021 to present.

4.FUND CHAIRPERSON'S REPORT

FORWARD NOTE BY THE FUND CHAIR PERSON

The Maasai Mara Community Support Fund during this financial year went through a change of its board of management composition during the beginning of the financial period. It is my pleasure to present the Narok County Maasai Mara Community Support Fund financial statements for the year ended 30th June 2023. The financial statements present the financial performance of the fund over the past year.

The fund was formally created vide County Assembly of Narok Acts of 4th September 2014 and later amended Act dated 28th August 2020. The Fund is wholly owned by the County Government of Narok and is domiciled in Narok Kenya under the department of Finance and Economic planning. The fund's objective is to eradicate poverty, improve health and education standards and community social welfare for the communities within Narok County Government

Financing of the Fund

Narok County Government Maasai Mara Community Support fund is funded through the County's allocated funds in the approved budget. In the FY ended 30th June 2023, the approved budget for the fund was Ksh. 280,000,000.

The fund is expected to apply the funding in its programs accordingly as per its activities outlined. During the FY 2022/2023, the County Government did not attain 100% achievement of its projected revenue hence disbursements to the funds kitty was affected and managed to receive Ksh. 11,000,000 only.

Conclusion

Despite the challenges experienced during the financial year caused largely by hash economic conditions, we look forward to a better future with minimal financial interruptions. We have identified gaps and areas to improve on in the subsequent quarters.

I take this opportunity to thank H.E. the Governor and the Deputy Governor for their support. I would also want to thank administrative team of the fund for their effort in ensuring the goals of the fund are achieved.

Sign 

Peter. Naingisa.

FUND CHAIRPERSON

5.REPORT OF THE FUND MANAGER/ ADMINISTRATOR

FY2022/2023 was generally good despite the challenges caused by the dollar fluctuation and a general hash economic condition that affected most operations and activities.

During the year, a budgetary allocation of Ksh 280,000,000 was allocated to the fund. A disbursement of Ksh 11,000,000 was received. The difference between the allocation was Ksh 269,000,000. The variance is largely attributed to changes in the county finance department where funds are derived from. A total of Ksh.10,999,728.43 was expensed as follows,

A total of Ksh. 9,841,000 was paid out as grants and transfers to various beneficiaries as per the funds objectives whereas Ksh.950,000 was expensed for activities of development nature as provided by the fund's regulations. Other operating expenses amounted to Ksh. 232,120.55

Despite the above progress, there were challenges experienced during the financial year which include,

1. Non disbursement of the total budgetary allocation. This hampered the attainment of all set objectives for the year
2. The drastic dollar fluctuation
3. Paper work- since the department has no any automated system to operate with a lot of paper work is experience in the department.

Despite the above challenges, the fund complied with the necessary regulations.

I wish to appreciate the management team, trustees and all Maasai Mara Community Support Fund staff members who contributed immensely on the achievement of the mentioned goals.

Signed: 

AGNES NAIROWUA

MAASAI MARA COMMUNITY SUPPORT FUND ADMINISTRATOR

7. CORPORATE GOVERNANCE STATEMENT

Introduction

Narok County Maasai Mara Community Support Fund as established under Narok County Acts of 4th September 2014 and later amended Act dated 28th August 2020. The Fund is wholly owned by the County Government of Narok and is domiciled in Narok Kenya under the department of Finance and Economic planning. The fund's objective is to eradicate poverty, improve health and education standards and community social welfare for the communities within Narok County Government.

Fund Management

The Fund is managed by an established management team which comprises of the C.O Finance, the Chief Officer tourism an appointed fund administrator who oversees the daily operations of the fund and serves as the accounting officer of the fund and one other trustee member as tabulated below.

Name	Details of qualifications and experience
1. Peter. Naingisa-C. O-Finance	Trustee member
2. Agnes Nairowa	Fund Administrator
3. Samuel Ndorko	Trustee member
4. Simon kurraru	Trustee Member

Functions of management

The fund under the above team is expected to;

- a. Formulate policies and regulations that are to enhance the functions of the fund
- b. Solicit for funds as and when necessary to fund the functions of the fund
- c. To set the criteria and conditions governing the granting of donations through its policies
- d. To prepare and approve the fund's annual work plan for each financial period
- e. Prepare its all estimates and expenditure returns to the county executive as required by PFM Act of 2012.
- f. Perform all other functions conferred by the fund

8.MANAGEMENT DISCUSSION AND ANALYSIS

The County's operations are structured in terms of departments which are headed by a County Executive Committee member. For seamless service delivery, all departments have to work in unison and synergy. Maasai Mara Community Support Fund is mandated to;

- a. Fund projects relating to studies, planning and design or technical input for the project and recurrent costs
- b. Equipping ward offices with relevant furniture and related equipment.
- c. Carry out environmental activities that may be considered projects as per the Act
- d. Finance Cultural activities, support to youth groups, gender and persons living with disabilities
- e. Fund Sporting activities which are in line with its mandate and capacity as per the Act.

Despite the notable achievements, we have experienced some challenges during the year. These include:

- 1) Lack of automation of the functions and processes hence regular delays in achievement of the short-term plans especial after the change of County Government Administration.
- 2) Delay in funds disbursement as budgeted hence non achievement of set objectives.

Despite the above challenges, the fund complied with the necessary regulations and achieved part of its objectives.

9. REPORT OF THE FUND ADMINISTRATION COMMITTEE

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.

10.1 Principal activities

The principal activities of the Fund are;

- I. Fund projects relating to studies, planning and design or technical input for the project and recurrent costs
- II. Equipping ward offices with relevant furniture and related equipment.
- III. Carry out environmental activities that may be considered projects as per the Act
- IV. Finance Cultural activities, support to youth groups, gender and persons living with disabilities
- v. Fund Sporting activities which are in line with its mandate and capacity as per the Act.

10.2 Performance

The performance of the Fund for the year ended June 30, 2023, are set out on pages 21-26 below.

10.3 Trustees

The members of the management Committee who served during the year are shown on page 4 above.

10.4 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.

Sign.......... Date..... 15-9-23

PETER.N. NAIGISA
FUND CHAIRPERSON

10.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 Narok County Acts of 4th September 2014 and later amended Act dated 28th August 2020 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 Narok County Act dated 28th August 2020. 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, 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.

**Reports and Financial Statements
For the year ended June 30, 2023.**

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 26th August 2023 and signed on its behalf by:

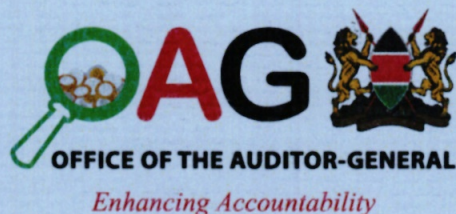
Sign 

AGNES NAIROWUA

FUND ADMINISTARTOR-MAASAI MARA COMMUNITY SUPPORT FUND

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MAASAI MARA COMMUNITY SUPPORT FUND FOR THE YEAR ENDED 30 JUNE, 2023

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 Maasai Mara Community Support Fund set out on pages 21 to 42, 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 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 matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Maasai Mara Community Support 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 Maasai Mara Community Support Fund Act, 2020.

Basis for Qualified Opinion

Unsupported Grants and Other Payments

The statement of financial performance and as disclosed in Note 7 to the financial statements reflects a balance of Kshs.9,841,000 in respect to grants and other payments Included in the amount is Kshs.4,625,000 incurred on purchase foods and animal feeds to cushion the resident against biting drought and Kshs.3,746,000 incurred on cross border conflict resolution and environmental training all amounting to Kshs.8,371,000. However, the expenditure returns indicating invoice numbers, vendor names, quantities procured and amounts, distribution list and store receipt and issue vouchers, names of beneficiaries, conflict resolution policy, environmental training manual and resolution minutes were not provided for audit.

In the circumstances, the accuracy and propriety of grants and other payments of Kshs.8,371,000 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a total revenue budget and actual on comparable basis of Kshs.280,000,000 and Kshs.11,019,728 respectively resulting to underfunding of Kshs.268,980,272 or 84% of the budget. The

amount received is however less than 19% of audited revenues from park entry fees for the preceding year amounting to Kshs.189,120,412, stipulated under Section 5(2) in the Maasai Mara Community Support Fund Act, 2016.

The underfunding affected Fund's planned activities and may have impacted negatively on service delivery to the residents of Narok while the management was in breach of the law.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board reporting template.

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 described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Errors and Inaccuracies in Presentation of the Financial Statements

Review of the financial statements presented for audit revealed the following presentation and disclosure issues: -

- i. The background information on page 2 indicate that the Fund was established and derives its authority from County Assembly of Narok Act of 10 July, 2014 instead of the Maasai Mara Community Support Fund Act, 2016.

- ii. The designation of Chief Officer - Finance and Economic Planning on pages 2 and 4 should be changed to Fund Chairperson.
- iii. The Statement of performance against County entity's predetermined objectives on page 8 under sources of revenue reflects total payments of Kshs.10,999,728 whereas statement of financial performance reflects Kshs.11,023,121 resulting to unreconciled variance of Kshs.23,393.
- iv. Note 1 reflects prior year transfers from County Government Kshs.45,000,000 that differed with the previous year audited amount of Kshs.45,294,000 resulting to unreconciled variance of Kshs.294,000.
- v. Adoption of new standards on page 28 reflect financial year as 2022 instead of 2023 and the standards effective dates have lapsed. Budget information on page 31 reflect financial year as 2020/2021 instead of 2022/2023.
- vi. Key Management remuneration note at page 40 does not reflect current year information.

In the circumstances, the financial statements as presented do not conform to International Public Sector Accounting Standards disclosure requirements and Kenya Accounting Standard Board Format.

2. Late submission of the Financial Statements

As previously reported, the Fund Administrator submitted financial statements for the financial years 2022/2023 to the Auditor General on 20 November, 2023 which was outside the stipulated deadline. This is contrary to the Public Audit Act(2015), section 47(10) and Section 10(5) of the Maasai Mara Community Support Fund Act, 2020 which stipulates that the Fund Administrator shall not later than three months after the end of the financial year, prepare and submit financial statements relating to the Fund Accounts to the Auditor-General.

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

3. Overdrawn Bank Account

The statement of financial position reflects a negative cash and cash equivalents balance of Kshs.3,392. This is contrary to Section 82(7) of the Public Finance Management (County Government) Regulations,2015 which provides that no official County Government bank account shall be overdrawn, nor shall any advance or loan be obtained from a bank account for official purposes beyond the limit authorized by the County Treasury in line with Section 119(4) of the Act.

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

4. Lack of Substantive Fund Administrator

The Fund has been operating without a substantive Fund Administrator since 11 July, 2021 and as a result the governance structure was not properly constituted during the year under review. This is in breach of Section 9 of Maasai Mara Community Support Act, 2016 that states that there shall be a Fund Administrator who shall be designated by Executive Committee Member and shall hold the office for three years' period and shall be eligible for reappointment for a final three year-term.

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

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, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that Internal Controls, Risk Management and Overall Governance were not effective.

Basis for Conclusion

Lack of Risk Management Strategies

During the year under review, the Maasai Mara Community Support Fund did not have a Risk Management strategy in place and hence no approved processes and guidelines on how to mitigate operational, legal and financial risks. This was evidenced by lack of Risk Management Policy, Disaster Recovery Plan or Business Continuity Plan and Information Technology policies. Management did not provide any written assurance that the Internal Controls systems were in place and no explanation was provided for failure to have the policies in place contrary to Regulation 158(1) of the Public Finance Management (County Government Regulations) 2015.

In the circumstances, Management was not in a position to identify individual risks, magnitude and likelihood of occurrence and therefore were not in a position to evaluate, rank and prioritize critical risks and channel resources towards mitigating identified risks.

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 the Management and those Charged with Governance

The 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, the Management is responsible for assessing the Fund's, ability to sustain its services, disclosing, as applicable, matters related to sustainability of services using the applicable basis of accounting unless the Management is aware of the intention to cease operations.

The 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.

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

Auditor-General's Responsibilities for the Audit

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 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 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 to cease to continue as a going concern or 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 to 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

22 February, 2024

Reports and Financial Statements
For the year ended June 30, 2023.

12. FINANCIAL STATEMENTS

12.1 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2023.

	Note	2022/2023	2021/2022
		KShs	KShs
Revenue from non-exchange transactions			
Public contributions and donations		-	-
Transfers from the County Government	1	11,020,000	45,294,000
Fines, penalties and other levies		-	-
		11,020,000	45,294,000
Revenue from exchange transactions			
Interest income		-	-
Other income	5	(271.57)	(1662)
		-	-
Total revenue		11,019,728.43	45,292,338
Expenses			
Fund administration expenses	2	76,000	1,209,900
General expenses	3	156,120.55	1,322,709.57
Finance costs			
Transfer to other related entities			
Grants and other payments	7	9,841,000	42,460,000
Development expenditure	8	950,000	300,000
Total expenses		11,023,120.55	45,292,609.57
Other gains/losses			
Gain/loss on disposal of assets			
Surplus/(deficit) for the period		(3,392.12)	(271.57)

The notes set out on pages 35 to 39 form an integral part of these Financial Statements.

MAASAI MARACOMMUNITY SUPPORT FUND
Reports and Financial Statements
For the year ended June 30, 2023

13.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2022/2023 KShs	2021/2022 KShs
Assets			
Current assets			
Cash and cash equivalents	5	(3392.12)	(271.57)
Current portion of long- term receivables from exchange transactions		-	-
Receivables from Non- exchange transactions			
Prepayments		-	-
Inventories		-	-
Total Current Assets		(3392.12)	(271.57)
Non-current assets		-	-
Long term receivables from exchange transactions		-	-
Property, plant and equipment		-	-
Intangible assets		-	-
Total assets		(3392. 12)	(271.57)
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions		-	-
Provisions		-	-
Current portion of borrowings		-	-
Employee benefit obligations		-	-
		-	-
Non-current liabilities			
Long term portion of borrowings		-	-
Non-current employee benefit obligation		-	-
Total liabilities		-	-
Net assets		(3392.12)	(271.57)
Revolving Fund		-	-
Reserves		-	-
Accumulated surplus		-	-
Total net assets and liabilities		(3392.12)	(271.57)

**Reports and Financial Statements
For the year ended June 30, 2023.**

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 26th August 2022 and signed by:



**Administrator of the Fund
AGNES NAIROWUA**

MAASAI MARACOMMUNITY SUPPORT FUND
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13.2 STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2023

	Revolving Fund	Revaluati on Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2021		-	-	-
Surplus/(deficit) for the period		-	-	-
Funds received during the year		-	-	
Revaluation gain	-	-	-	
Balance as at 30 June 2022	(271.57)	-	-	(271.57)
Balance as at 1 July 2022	(271.57)	-	-	(271.57)
Surplus/(deficit) for the period		-	-	-
Funds received during the year		-	-	
Revaluation gain	-	-	-	-
Balance as at 30 June 2023	(3392.12)	-	-	(3392.12)

13.3: - STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2022/2023	2021/2022
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the County Government		11,020,000	45,294,000
Interest received		-	-
Balance B/f		(271.57)	(1662)
Total Receipts		11,019,728.43	45,292,338
Payments			
Fund administration expenses		76,000	1,209,900
General expenses		156,120.55	1,322,709.57
Grants and other payments		9,841,000	42,460,000
Development expense		950,000	300,000
Transfer to other related entities		0	0
Total Payments		11,023,120.55	45,292,609.57

Reports and Financial Statements

For the year ended June 30, 2023.

	Note	2022/2023 KShs	2021/2022 KShs
Net cash flows from operating activities		(3392.12)	(271.57)
*/			
\]			
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(-)	(-)
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		(-)	(-)
Net cash flows used in investing activities		(-)	(-)
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		-	(-)
Cash and cash equivalents at 1 JULY	10	(271.57)	(1662)
Cash and cash equivalents at 30 JUNE	10	(3392.12)	(271.57)

(IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation. The above illustration assumes direct method)

13.4-STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30th JUNE 2023.

	Original budget 2023	Adjustments 2023	Final budget 2023	Actual on comparable basis 2023	% utilisation 2023
	KShs	KShs	KShs	KShs	
Revenue					
Public contributions and donations	-	(-)	-	-	
Transfers from County Govt.	280,000,000		280,000,000	11,000,000	16.07%
Interest income	-	-	-	20,000	
Other income (b/f)	-	-	-	(271.57)	
Total income	280,000,000	(-)	280,000,000	11,019,728.43	3.92%
Expenses					
Fund administration expenses	5,600,000	-	5,600,000	76,000	1.35%
General expenses		(-)		156,120.55	2.78%
Grants and other payments	167,293,888		167,293,888	9,841,000	5.88%
Transfer to other related units		(-)	-		
Development expenditure	105,106,112		105,106,112	950,000	0.90%
Total expenditure	280,000,000	(-)	280,000,000	11,023,120.55	3.93%
Surplus for the period	0		0	(3392.12)	

Budget notes

The difference between the budgeted and the actual amount is brought about by the overall hash economic condition in the country .

13.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1, General information

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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Adoption of new and revised standards

a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2022

Standard/ Amendments: Applicable: 1 st January 2021:	Impact
a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks	There was no impact of the amendment to IPSAS 13 with respect to the current financial report
b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved	There was no impact of the amendment to IPSAS 13 and IPSAS 17 with respect to the current financial report as the entity did not apply any of the transitional provisions in the FY 2020/2021
c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.	There was no impact of the amendment to IPSAS 21 and IPSAS 26 with respect to the current financial report as the entity does not have Non-Cash Generating Assets and neither did it have impaired cash generating assets.
d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard	Document the impact if the fund is reporting for the first time on accrual/ Otherwise indicate that there was no impact

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the entity;</p>

Standard	Effective date and impact
	<p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Early adoption of standards

The entity adopted new or amended standards in year 2021/22.

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 2020/2021 was approved by the County Assembly on 16th June 2020. 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. 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.

2. 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.

3. Financial instruments

a) 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 a entity of financial assets is impaired. A financial asset or a 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 a 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)

b) 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.

4. 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 labour 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.

5. 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.

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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.

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.

6. Nature and purpose of reserves

The Entity does not create or maintain 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 directors/Trustee, the Fund Managers and 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 (*Remove if not applicable*) 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 imp rests 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 2014 Act of the *County assembly of Narok* under the Department of finance. Its ultimate parent is the County Government of Narok.

13. Currency

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

1. Transfers from County Government

Description	2022/2023	2021/2022
	KShs	KShs
Transfers from County Govt. – operations	11,000,000	45,000,000
Payments by County on behalf of the entity	0	0
Total	11,000,000	45,000,000

2. Fund administration expenses

Description	2022/2023	2021/2022
	KShs	KShs
Staff costs (Note 6a)	76,000	1,209,900
Loan processing costs	0	0
Professional services costs	0	0
Administration fees	0	0
Total	76,000	1,209,900

6A. Staff costs

Description	2021/2022	2021/2022
	KShs	KShs
Salaries and wages	57,000	150,000
Staff gratuity		
Staff training expenses		
Social security contribution		
Other staff costs	19000	1,059,900
Total	76,000	1,209,900

N/B The total amount under staff costs has been included in note 6 as part of Fund Administration Expenses chiefly because most funds do not have separate employee but rather the cost would relate to allowances drawn in line fund administration.

MAASAI MARA COMMUNITY SUPPORT FUND
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. General expenses-Use of Goods and Services

Description	2022/2023	2021/2022
	KShs	KShs
Consumables	0	0
Electricity	0	23,450
Water expenses	0	18,300
Fuel and oil costs	0	0
Insurance costs	0	0
Gas expense	0	22,400
Field allowance	0	486,300
Postage	0	0
General office supplies e.g., pencils, notebooks and		148,400
Printing and stationery	120,000	184,700
Rental costs	0	0
Internet connection	0	0
Purchase of other equipment	0	0
Security costs		91,000
Maintenance of office furniture		176,000
Telecommunication		16,500
Bank Charges	16,120.55	59,859.57
Hospitality	20,000	95,800
Depreciation and amortization costs	0	0
Other expenses	0	0
Total	156,120.55	1,322,709.57

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5. Cash and cash equivalents

Description	2022/2023	2021/2022
	KShs	KShs
Car loan account		
County mortgage account		
Fixed deposits account		
On – call deposits		
Current account-Bank balance	(3392.12)	(271.57)
Others		
Total cash and cash equivalents	(3392.12)	(271.57)

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

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

Financial Institution	Account number	2022/2023	2021/2022
		KShs	KShs
a) Fixed deposits account			
Kenya Commercial bank			
Access Bank etc.	0160100000055	(3392.12)	(271.57)
Sub- total		(3392.12)	(271.57)
b) On - call deposits			
Kenya Commercial bank			
Equity Bank - etc.			
Sub- total			
c) Current account			
Kenya Commercial bank			
Bank B			
Sub- total			
d) Others(specify)			
Cash in transit			
Cash in hand			
Mobile Money			
Sub- total			
Grand total		(3392.12)	(271.57)

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6. Related party balances

a) Nature of related party relationships

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

- a) The County Government;
- b) The Parent County Government Ministry;
- c) County Assembly;
- d) Key management;
- e) Board of Trustees; etc.

b) Related party transactions

	2022/2023 KShs	2021/2022 KShs
Transfers from related parties'		
Transfers to related parties		

c) Key management remuneration

	2022/2023 KShs	2021/2022 KShs
Board of Trustees		1,059,900
Key Management Compensation		
Total		1,059,900

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7. Other grants and payments

This refers to grants and other transfers made by the mmcsf on behalf of the county government. These grants and transfers are made for a specific purpose. They include scholarships, Bursaries, youth, women and people with disability empowerment.

	2022/2023	2021/2022
	Kshs	Kshs
Scholarships and other educational benefits	220,000	820,000
Community social and cultural activities	2,430,000	17,260,500
Subsidies to small business, women and youth	2,925,000	7,617,100
Food security and environmental activities	3,696,000	15,135,000
Health and wildlife aggression	600,000	1,627,400
Totals	9,841,000	42,460,0000

8. Development Expenditure;

This refers to the development expenditure incurred by the fund on behalf of the county government, it involves infrastructural development and other projects in various wards for the F/y 2022/2023.

	2022/23	2021/2022
	Kshs	Kshs
Infrastructural development	950,000	300,000


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5. APPENDIX I: INTER-ENTITY TRANSFERS

ENTITY NAME:				
Break down of Transfers from the County Executive of Narok County Government				
FY 2022/2023				
	FY 2022/2023	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
a.	Recurrent Grants			
	1/7/22	1/7/22	6,000,000	2022/23
	22/8/22	22/8/22	5,000,000	2022/23
		Total	11,000,000	


 Sign ----- Date -----
 Agnes Nairowua
 Maasai Mara community Support fund