

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

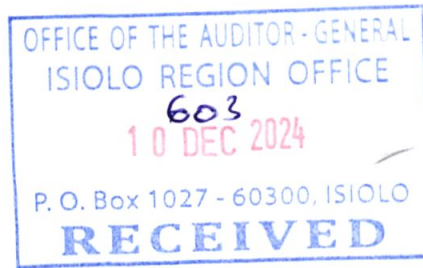
**ON**

**MARSABIT COUNTY  
ENTERPRISE FUND**

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

PAPERS LAID
DATE 4/3/2025
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**MARSABIT COUNTY ENTERPRISE FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2024**

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

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**Marsabit County Enterprise Fund**

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

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## **1. Acronyms, Abbreviations, and Definition of Key Terms**

### **A: Acronyms and Abbreviations**

CBK	Central Bank of Kenya
CECM	County Executive Committee Member
CEF	County Enterprise Fund
CEO	Chief Executive Officer
CO	Chief Officer
DG	Director General
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank

### **B: Definition of Key Terms**

**Fiduciary Management-** Members of Management that are directly entrusted with the responsibility of financial resources of the organisation.

**Comparative Year-** Means the prior period.

## **2. Key Entity Information and Management**

### **(a) Background information**

Marsabit County Enterprise Fund is established by and derives its authority and accountability from Marsabit County Enterprise Fund Act on 16th July 2015. The Fund is wholly owned by the County Government of Marsabit and is domiciled in Kenya.

The fund's objective is to provide demand-led and timely credit to various borrowing segments such as Micro and Small Enterprises (SMEs) and Livestock Trader

The Fund's principal activity is to provide financial credits to three critical sectors of the County Economy, namely i) Micro and Small Enterprises (MSEs) sector, ii) Livestock trade and associated enterprises sector, and iii) Jua Kali sector for value addition

### **(b) Principal Activities**

Specific objectives of the Fund are:

- (a) To promote the start-ups and flourishing of small businesses through access to affordable finances;
- (b) To nurture the growth of micro and small enterprises to promote self-reliance among youths and women;
- (c) To establish a uniform or standardized management of the enterprise fund throughout the county;
- (d) To provide funds for Livestock Traders who have potential to market or add value to their stock for domestic and international markets;
- (e) To boost the Jua kali sector towards achieving the County Government's industrialization objective;
- (f) To source for funding from external sources to compliment County Government allocations;
- (g) To attract and facilitate investment in cooperative sector institutions that have linkages to micro, small and medium enterprises that benefit the youth, low income persons and women groups;
- (h) To encourage value addition of livestock products like milk and milk products, hides and skin and meat and meat products.
- (i) To partner with strategic public, private and Civil Society Organizations involved in provision of finance and Entrepreneurship development
- (j) To provide funds to support enterprises that has potential to create jobs and value for exports

**Key Management**

The Enterprise Fund day-to-day management is under the following key organs:

No.	Details
1.	CECM – Trade, Tourism and Cooperative Development
2.	Chief Officer – Trade and Cooperative Development
3.	Fund Administrator - Enterprise Fund

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CECM – Trade, Tourism and Cooperative Development	Adan Hirbo
2.	Chief Officer – Trade and Cooperative Development	Mahad M Dida
3.	Chief Officer - Finance	Boru Dulacha
4.	Fund Administrator - Enterprise Fund	Woche Bulge

**Key Entity Information and Management (continued)**

**(d) Fiduciary Oversight Arrangements**

The fiduciary responsibility and oversight arrangements have been put in place through the key management that are in office during the financial year 2023/24. Key entities that are vested with oversight responsibilities are;

- i) Audit and Risk Management Committee
- ii) County Assembly committees
- iii) Committees of the Senate

**(e) Entity Headquarters**

P.O. Box 384-60500  
 Marsabit County Headquarters, Marsabit,  
 KENYA

**(f) Entity Contacts**

Telephone: (254) 724 324 378

E-mail: info@cef.marsabit.go.ke

Website: www.marsabitgo.ke

**(g) Entity Bankers**

Kenya Commercial Bank, Marsabit Branch

**Key Entity Information and Management (continued)**

**(h) Independent Auditor**

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**(i) Principal Legal Adviser**

i) The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

ii) County Attorney



P.O. Box 384 - 60500

Marsabit, Kenya

**3. The Board of Directors/Fund Committees**

The Marsabit County Enterprise Fund Board of directors were not in place during the financial year due to expiry of their term. The management is currently in the process of constituting new board for the Fund.

**4. Key Management Team**

Management	Details
<p>1. Mahad Mohamed</p> 	<p>Chief officer trade and cooperative Development            DOB: 17/11/1985            Bachelor of Business Management</p>
<p>2. Woche Bulge</p> 	<p>Credit Officer            DOB: 21/06/1984            International Business Relations            Majoring in Finance.</p> <p>Has been been working with the County Government of Marsabit as Credit Officer- County Enterprise Fund since 2015</p>

**5. Chairman's Statement**

The Fund Board Chairperson tenure expired in March 2018. The Chairperson tenure has not been renewed nor new chairperson of the Board appointed during the financial year 2023/2024.

## **6. Report of the Fund Administrator**

The fund was created by an Act of the Marsabit County Assembly (**Marsabit County Enterprise Fund Act, 2015, No.2 of 2015**) to establish a legal and institutional framework to provide access to affordable credit by Micro, Small and Medium enterprises across Marsabit County.

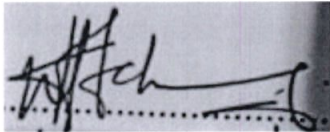
The fund, with a budgetary allocation of **30 million shillings** per every financial year is distributed between the four Sub-Counties of Moyale, North Horr, Laisamis and Saku respectively using a formula provided by the Commission for Revenue Allocations (CRA) which takes several factors into consideration including population size and poverty index among others.

The distribution formula (in %) per Sub County is as shown below:

<b>SUB COUNTY</b>	<b>Percentage Allocation</b>
Moyale	29%
North Horr	27%
Laisamis	23%
Saku	21%
<b>TOTAL</b>	<b>100%</b>

Since its inception until now, the has received and disbursed ONLY one financial year's budgetary allocation of Ksh 30M i.e., FY2017/2018) and subsequently no other loan disbursements have been made since then.

The public uptake of the fund; in terms of the number of individuals and groups who showed interest and applied for loans from across the entire county was impressively high. However, a sizeable number of applications were rejected during the appraisal exercise, mainly due to technicalities i.e. failure to meet or produce all the mandatory requirements needed to qualify for a loan.



Signed:

**Fund Administrator**  
**Woche Bulge**

**7. Statement of Performance against Predetermined Objectives for FY 2023/2024**

**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 Government entities 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 County Enterprise Board 2018-2022 plan are to:

- a) Promote Access to Affordable Credit through County Enterprise Fund
- b) Increase in Loan recovery and reduce bad debts

**Progress on attainment of Strategic development objectives**

Below we provide the progress on attaining the stated objectives:

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Loan Disbursement	Promote Access to Affordable Credit through County Enterprise Fund	Wealth creation/ formalization of enterprises/ increased enterprise turnover	No. of Loans Beneficiaries	In FY 2023/24 Loan to be disbursed was not budgeted for in the County Budget. No loan disbursement was done
Loan Recovery	Improve repayment rate by 5% from the baseline of 5%	Increase loan kitty, Principal repaid back is revolved	% of increase in Loan repayment rate	In the FY 23/24 Loan repayment rate increased by 4%. Overall repayment rate increased from 5% to 9%

## **8. Corporate Governance Statement**

Marsabit County enterprise fund Board constitute of eight members, five members appointed by the governor, chief officer trade, chief officer finance and fund manager who is board secretary. Functions of the board include:

- a) Formulate policies relating to the fund including credit policy;
- a) Advise County Government on the structure and operations of the fund;
- b) Establish uniform standards for the operations of the Board;
- c) Administer the property and the funds in such a manner and for such purpose as shall promote the functions of the fund;
- d) Mobilize resources for the enhancement of the fund's mandate;
- e) Partner with county government for purposes of creating cooperation between the two levels of government in the management of the fund;
- f) Keep disaggregated data of beneficiaries by sex, age, region and other relevant factors;
- g) Undertake periodic review of the legal framework;
- h) Formulate training, development and capacity building programmes for its employees; 0) ensure compliance within the Fund operations, sound financial management practices;
- i) Provide where necessary management support services to eligible persons;
- j) Protect the long-term viability of the fund;
- k) Collaborate with relevant institutions so as to promote access to credit and other financial services;
- l) Monitor and evaluate the performance of the fund; and
- m) Perform any other functions assigned to it under this Act.

The County Fund Board shall have at least four meetings in every financial year and not more than four months shall elapse between the date of one meeting and the date of the next meeting. In the financial year 2023/2024 the county enterprise fund board did not do any meeting.

The term of the five board members who are appointed by the Governor ended on March 2018 and since then no new members are nominated to the board nor the term of former board members renewed. The remaining board members that is Chief Officer Finance, Chief Officer Trade and Fund Manager could not meet the quorum of four members required by the act for any sitting.

## **9. Management Discussion and Analysis**

As provided for by the rules and regulations governing the fund, a loan beneficiary gets a one-month window before commencement of the payment of loan instalments. As such, for the first batch of loan beneficiaries whose loans were disbursed in May and June of 2017, the commencement of loan repayments was set to begin in July and August of 2017 respectively.

Nonetheless, the loan repayments did not take off as expected due to some major challenges that existed at the time some of which were:

1. **Mode of loan repayment:** The fund's bank account at KCB Marsabit branch was initially the only available mode/option for making loan instalments. Many loan beneficiaries especially those who reside in or operate from the remote parts of the county could not access the bank to make regular monthly loan repayments.
2. **Local Politics:** The fund's first loan disbursement exercise coincided with the political campaign season of the 2017 general elections thereby. Many of the loan beneficiaries took advantage of the campaign period to either deliberately hold back their repayments as required or out of ignorance (especially the illiterate ones from the remote parts of the county) took heed of the misinformation/deception by some political players that the money they received was some sort of a grant/political tokens.
3. **Business failures:** Some loan beneficiaries especially those who engage in livestock trade blamed the long droughts and famine in the last 2 quarters of 2018 which ravaged a lot of livestock in the county as the main factor which contributed to the slump/failure of their livestock trade businesses, thereby hampering their financial capabilities to regularly repay their loans.

### **Loan Recovery Progress**

Despite the challenges experienced so far, some notable positive strides have already been achieved or are in advanced stages/process of being achieved as measures meant to improve CEF loan performance and the management/administration of the Marsabit County Enterprise Fund in general.

#### **Some of these positive strides include:**

- Introduction and implementation of an Mpesa Paybill Number as a more effective and efficient mode for loan repayments to complement the fund's bank account at KCB
- Regular phone calls as follow up reminders for loan beneficiaries to honour their monthly loan instalments
- Use of Demand Letters issued to loan beneficiaries to initiate enforced regularization of the loans in arrears
- Periodic loan recovery field activities by the CEF team in the various wards to follow up on loan arrears and defaulters
- Regular announcements on the local FM radio stations as reminders for loan defaulters to pay up their loan arrears

**MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)**

Other measures already in place or in the process of implementation include;

- Recruitment of a competent and full-time management and administrative staff of the fund
- Acquisition of a reliable Financial Management Information System tool to improve the overall management and administrative efficiency of the fund
- Facilitation to put in place effective logistical support mechanisms to assist in the administration of the fund at the sub-county level e.g. a CEF Credit Officer in all the Sub Counties respectively
- A review of the fund policy through the County Assembly to empower the management of the fund to be able to implement penalties for example powers to repossess the loan securities provided by loan beneficiaries as collaterals for loans.

**10. Environmental and Sustainability Reporting**

The fund has not been involved in any environmental and sustainability reporting during the financial year 2023/2024. The aspects of environmental and sustainability reporting were done under the Department of Trade, Tourism and Cooperative Development.

**11. Report of the Directors/Fund Committee**

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of the Fund affairs.

**i) Principal activities**

The principal activity of the County Enterprise Fund is to provide demand-led and timely credit to various borrowing segments such as Micro and Small Enterprises (SMEs) and Livestock Traders.

**ii) Results**

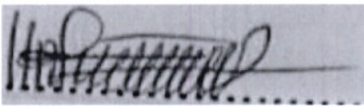
The results of the Fund for the year ended June 30, 2024 are set out on page 1-8.

**iii) Directors/Fund Committee**

The term of the 5 Board Members of County Enterprise Fund expired on March 2018. The term has not been renewed nor new Board members appointed. The remaining board members that is Chief Officer Finance, Chief Officer Trade and Fund Manager could not meet the quorum of four members required by the act for any sitting to transact business on behalf of the board.

**iv) 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.

Signature: 

**Name : Mahad Mohamed Dida  
Chief Officer – Trade and Cooperative Development**

## **12. Statement of Directors/Fund Committee 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 Marsabit County Enterprise Fund Act, 2015, No.2 of 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, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the 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 Marsabit County Enterprise Fund Act, 2015, No.2 of 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 financial year ended June 30, 2024, 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


***Marsabit County Enterprise Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2024.**

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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 Funds financial statements were approved on 26<sup>th</sup> September 2024 and signed on its behalf by:

Signature: 

Name: Mr. Adan Hirbo Donche

County Executive Committee Member –  
Trade, Tourism and Cooperative  
Development

Signature: 

Name: Mr. Mahad Mohamed Dida

Chief Officer - Trade and Cooperative  
Development

# REPUBLIC OF KENYA



*Enhancing Accountability*

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Monrovia Street  
P.O Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON MARSABIT COUNTY ENTERPRISE FUND FOR THE YEAR ENDED 30 JUNE, 2024**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Marsabit County Enterprise Fund set out on pages 16 to 63, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net

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*Report of the Auditor-General on Marsabit County Enterprise Fund for the year ended 30 June, 2024*

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 matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Marsabit County Enterprise Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Marsabit County Enterprise Fund Act, 2015 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Variance Between the Ledger and the Financial Statement Balances**

As previously reported, the statement of financial position and as disclosed in Note 28 to the financial statements reflect Kshs.24,017,615 in respect to long-term receivables from exchange transactions. However, the corresponding ledger reflects a balance of Kshs.25,302,791 resulting in an unreconciled and unexplained variance of Kshs.1,285,176.

In the circumstances, the accuracy and completeness of the long-term receivables from exchange transactions could not be confirmed.

#### **2. Long Outstanding Loan Balances**

As previously reported, the statement of financial position and as disclosed in Note 28 to the financial statements reflect Kshs.24,017,615 in respect to long-term receivables from exchange transactions. However, the loan register records provided for audit revealed that the entire amount was disbursed between the years 2017 and 2018 and has remained outstanding without repayment for the last five (5) years.

In addition, thirteen (13) borrowers with loans amounting to Kshs.660,000 were issued loans without guarantors. This was contrary to Section 27(1) of the Marsabit County Enterprise Fund Act, 2015 which provided that the County Fund Board shall evaluate credit applications by using prudent financial principles, exercise business discretion, use due diligence in approving commercially viable proposals and conduct the account of the borrowers with normal financial prudence.

In the circumstances, the accuracy and recoverability of current portion of long-term receivables from exchange transactions amounting to Kshs.24,017,615 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Marsabit County Enterprise 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**

#### **Material Uncertainty Related to Going Concern**

I draw attention to the statement of financial position which reflects an accumulated loss of Kshs.3,602,494, the lack of a fully operational board since the year 2018 and the continued reporting of losses over the years may indicate financial distress and raises concerns regarding the Fund's sustainability and its ability to continue as a going concern. Management has not disclosed mitigating measures put in place to address the accumulated loss and ensure the sustainability of its operations.

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. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, management had not resolved all the issues raised in the previous year's audit report. There was no evidence showing that the issues were discussed and resolved by the relevant oversight bodies.

### **Other Information**

The Management is responsible for the Other Information set out on page iii to xvii which comprise of Key Entity Information and Management, Key management team, Report of the Fund Administrator, Chairman's report, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Fund committee Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I

conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Lack of ICPAK Membership Number for the Fund Accountant**

Review of financial statements for the year under review revealed that ICPAK number of the Fund Accountant who is the preparer of the financial statements was not indicated as prescribed by the Public Sector Accounting Standard Board.

In the circumstances, the Fund Management is in breach of the Public Sector Accounting Standards Board requirements.

#### **2. Non-Appointment of Board Members**

Review of the Fund's records revealed that the Board members were appointed in the year 2015 and their tenure expired in March, 2018. However, no new board was appointed after the term of the previous members expired contrary to Section 13(1) of the Marsabit County Enterprise Fund Act, 2015 which provides that every member of the board, other than members under 6(1)(c)(d) and (f) shall hold office on a part time basis for a term of three (3) years but may be eligible for re-appointment. The Fund has, therefore, been operating without a board.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

## **Conclusion**

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

## **Basis for Conclusion**

The audit was conducted in accordance with 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 those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

**Nairobi**

**27 December, 2024**

**14. Statement of Financial Performance for the year ended 30 June 2024**

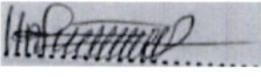
	Notes	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from other governments entities	6	-	-
Public contributions and donations	7	-	-
Transfers in-kind	8	-	-
		-	-
<b>Revenue from exchange transactions</b>			
Interest income	9	-	-
Rendering of services	10	-	-
Rental revenue from facilities and equipment	11	-	-
Fees and other charges	12	-	-
Other income	13	-	-
<b>Total revenue</b>		-	-
<b>Expenses</b>			
Use of goods and services	14	(3,437)	-
Employee costs	15	-	-
Board Expenses	16	-	-
Depreciation and amortization expense	17	-	-
Repairs and maintenance	18	-	-
Contracted services	19	-	-
Grants and subsidies	20	-	-
Finance costs	21	-	-
<b>Total expenses</b>		<b>(3,437)</b>	-
<b>Surplus/deficit from operating activities</b>		<b>(3,437)</b>	-
<b>Other gains/(losses)</b>		-	-
Gain/Loss on sale of assets	22	-	-
Gain/Loss on foreign exchange transactions	23	-	-
Gain /Loss on fair value of investments	24	-	-
Impairment loss	25	-	-
<b>Surplus/ (deficit) before tax</b>		<b>(3,437)</b>	-
Taxation	26	-	-
<b>Surplus/(deficit) for the Year</b>		<b>(3,437)</b>	-
<b>Net Surplus for the year</b>		<b>(3,437)</b>	-

**Marsabit County Enterprise Fund**

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

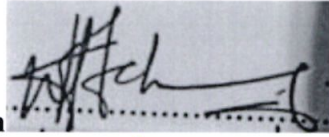
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The notes set out on pages 10 to 61 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 8 were signed on behalf of the Board of Directors/Fund committee by:

Sign 

Name:  
Chief Officer – Trade,  
Tourism & Cooperative  
Development

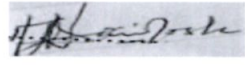
Date 10/12/2024

Sign 

Name: *Worke Bulge*

*Ag* Fund Administrator

Date 10/12/2024

Sign 

Name: *Sade D. Washe*

Fund Accountant

ICPAK M/No:  
Date 10/12/2024

*\*Comparative year means prior year/ previous period*

**15 Statement of Financial Position as at 30 June 2024**

	Notes	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	27	2,379,891	2,372,828.00
Receivables from Exchange Transactions	28	24,017,615	24,028,115.00
Receivables from Non-Exchange Transactions	29	-	-
Inventories	30	-	-
Investments in financial assets	31	-	-
<b>Total Current Assets</b>		<b>26,397,506</b>	<b>26,400,942.00</b>
<b>Non-Current Assets</b>			
Receivables from Exchange Transactions	28	-	-
Investments in financial assets	31	-	-
Property, Plant and Equipment	32	-	-
Intangible Assets	33	-	-
Investment Property	34	-	-
<b>Total Non- Current Assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets (A)</b>		<b>26,397,506</b>	<b>26,400,942.00</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	35	-	-
Refundable Deposits from Customers	36	-	-
Current Provision	37	-	-
Finance Lease Obligation	38	-	-
Deferred Income	39	-	-
Employee Benefit Obligations	40	-	-
Current Portion of Borrowings	41	-	-
Taxation	42	-	-
<b>Total Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Non-Current Liabilities</b>			
Non-Current Provisions	37	-	-

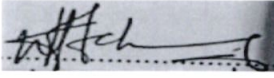
**Marsabit County Enterprise Fund**

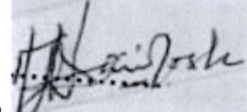
**Annual Report and Financial Statements for the year ended June 30, 2024.**

	Notes	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Non-Current Employee Benefit Obligation	40	-	-
Borrowings	41	-	-
Service Concession Liability	43	-	-
Deferred Tax Liabilities	44	-	-
<b>Total Non- Current Liabilities</b>		-	-
<b>Total Liabilities (B)</b>		-	-
<b>Net Assets (A-B)</b>		<b>26,397,506</b>	<b>26,400,942.00</b>
<b>Represented By:</b>			
Reserves		-	-
Accumulated Surplus		(3,602,494)	(3,599,058.00)
Revolving Fund		30,000,000.	30,000,000.00
Capital Fund		-	-
<b>Net Assets</b>		<b>26,397,506</b>	<b>26,400,942.00</b>

The financial statements set out on pages 1 to 8 were signed on behalf of the Board of Directors by:

Sign   
 Name: **Chief Officer – Trade, Tourism & Cooperative Development**  
 Date **10/12/2024**

Sign   
 Name: **Wache Bulge**  
 Fund Administrator  
 Date **10/12/2024**

Sign   
 Name: **Sade D. Wusko**  
 Fund Accountant  
 ICPAK M/No:  
 Date **10/12/2024**

**Marsabit County Enterprise Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024.**

**16. Statement of Changes in Net Assets for the year ended 30 June 2024**

Description	Revaluation reserve	Fair value adjustment reserve	Accumulated surplus	Revolving Fund	Capital/Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>As at 1 July 2022</b>	-	-	(3,599,058)	30,000,000	-	26,400,942.00
Revaluation gain	-	-	-	-	-	-
Fair value adjustment on investments	-	-	-	-	-	-
Surplus/ deficit for the year	-	-	-	-	-	-
Funds received During the year	-	-	-	-	-	-
Transfers from accumulated surplus to revolving fund	-	-	-	-	-	-
Capital/development grants received during the year	-	-	-	-	-	-
<b>As at June 30, 2023</b>	-	-	(3,599,058)	30,000,000	-	26,400,942.00
<b>As at July 1, 2023</b>	-	-	(3,599,058)	30,000,000	-	26,400,942.00
Revaluation gain	-	-	-	-	-	-
Fair value adjustment on investments	-	-	-	-	-	-
Surplus/ (deficit) for the year	-	-	(3,437)	-	-	(3,437)
Funds received During the year	-	-	-	-	-	-
Transfers from accumulated surplus to revolving fund	-	-	-	-	-	-
Capital/development grants received during the year	-	-	-	-	-	-
<b>As at June 30, 2024</b>	-	-	(3,602,494)	30,000,000	-	26,397,506.00

17. Statement of Cash Flows for the year ended 30 June 2024

	Notes	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other governments entities		-	-
Public contributions and donations		-	-
Interest received		-	-
Rendering of services		-	-
Rental revenue from facilities and equipment		-	-
Fees and other charges		-	-
Other income( <i>specify</i> )		-	-
<b>Total receipts</b>		-	-
<b>Payments</b>			
Use of goods and services		(3,437)	-
Employee costs		-	-
Board Expenses		-	-
Repairs and maintenance		-	-
Contracted services		-	-
Grants and subsidies		-	-
Finance costs		-	-
<b>Total payments</b>		<b>(3,437)</b>	-
<b>Net cash flows from/(used in) operating activities</b>	45	<b>(3,437)</b>	-
<b>Cash flows from investing activities</b>			
Purchase of PPE		-	-
Purchase of Intangible assets		-	-
Proceeds from sale of PPE		-	-
Proceeds from loan principal repayments		10,500	2,000.00
Loan disbursements paid out		-	-
Purchase of investments		-	-
Proceeds from sale of investments		-	-
<b>Net cash flows from/(used in) investing activities</b>		<b>10,500</b>	<b>2,000.00</b>
<b>Cash flows from financing activities</b>			
Revolving fund receipts		-	-
Proceeds from borrowings		-	-
Repayment of borrowings		-	-

**Marsabit County Enterprise Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024.**

	Notes	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Net cash flows from financing Activities		-	-
Net increase/(decrease) in cash & Cash equivalents		7,064	2,000.00
Cash and cash equivalents at the beginning (1 <sup>st</sup> July)	27	2,372,828	2,370,828.00
Cash and cash equivalents at the end (30 <sup>th</sup> June)	27	2,379,891	2,372,828.00

**Marsabit County Enterprise Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2024.**

**18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c= (a+b)	d	e=(c-d)	f=d/c*100
<b>Revenue</b>						
Transfers from Other Governments entities	-	-	-	-	-	-
Public Contributions and Donations	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Rendering of Services	-	-	-	-	-	-
Rental Revenue from Facilities and Equipment	-	-	-	-	-	-
Fees and other charges	-	-	-	-	-	-
Other Income ( <i>specify</i> )	-	-	-	-	-	-
<b>Total Income</b>	-	-	-	-	-	-
<b>Expenses</b>						
Use of Goods and Services	-	-	-	-	-	-
Employee costs	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-
Contracted Services	-	-	-	-	-	-
Grants and Subsidies	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-
<b>Total Expenditure</b>	-	-	-	-	-	-
<b>Surplus for the period</b>	-	-	-	-	-	-
<b>Capital Expenditure</b>	-	-	-	-	-	-

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

### **1. General Information**

The Marsabit County Enterprise Fund is established by and derives its authority and accountability from an Act of County Assembly, Enterprise Fund Act, 2015, No.2 of 2015. The Entity is wholly owned by the Government of Kenya/County Government of Marsabit and is domiciled in Kenya. The Entity's principal activity is to provide accessible and affordable credit to Micro, Small and Medium enterprises across Marsabit County.

### **2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts, and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the Marsabit County Enterprise Fund accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Fund*. The financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations Act, Enterprise Fund Act, 2015, No.2 of 2015, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**3. Adoption of New and Revised Standards**

*i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<b>Applicable 1<sup>st</sup> January 2025</b> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b>Applicable 1<sup>st</sup> January 2025</b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<b>Applicable 1<sup>st</sup> January 2025</b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<b>Applicable 1<sup>st</sup> January 2025</b> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47:	<b>Applicable 1<sup>st</sup> January 2026</b>

**Marsabit County Enterprise Fund**

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

Revenue	This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48: Transfer Expenses	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

*ii. Early adoption of standards*

The Entity did not early – adopt any new or amended standards in the financial year 2023-2024.

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Fees and other charges**

The *Entity* recognizes revenues from fees and other charges when the event occurs, and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

**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. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

The Entity recognizes revenue from the rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**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.

**Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

**b) Budget information**

There was no budget for the entity during the Current FY that was approved by the County Assembly. 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 an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 18 of these financial statements.

**c) Taxes**

**Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the *Entity* operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates, and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits, and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the

underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable *Entity* and the same taxation authority.

***Sales tax***

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included  
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition. Transfers are made to or from investment property only when there is a change in use.

**e) Property, plant, and equipment**

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

**f) Leases**

Finance leases are leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the *Entity*. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The *Entity* also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the *Entity* will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the *Entity*. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**g) 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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

**h) Research and development costs**

The *Entity* expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the *Entity* can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

### **Financial instruments**

IPSAS 41 addresses the classification, measurement, and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

#### **a) Financial assets**

##### **Classification of financial assets**

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

**Subsequent measurement**

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

**Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through net assets/ equity**

Financial assets that are held for the collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue, and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end.

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through a surplus or deficit model.

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

**b) Financial liabilities**

**Classification**

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

**i) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or 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:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) 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*.

**j) Provisions**

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**k) 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.

**l) 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.

**m) Nature and purpose of reserves**

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

**n) 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.

**o) Employee benefits**

**Retirement benefit plans**

The *Entity* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate *Entity* (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**p) Foreign currency transactions**

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

**q) Borrowing costs**

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

**r) 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/Fund Committees, the CEO/Fund Administrator, and senior managers.*

**s) Service concession arrangements**

The *Entity* analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Entity* recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement, or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**t) 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 an insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and various commercial banks at the end of the financial year.

**u) Comparative figures**

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

**v) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions.**

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

**Useful lives and residual value**

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

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

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 37. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

6. Transfers from Other Government entities

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
<b>Unconditional Grants</b>		
Operational Grant	-	-
Unconditional development grants	-	-
Other Grants( <i>specify</i> )	-	-
<b>Total Unconditional Grants</b>	-	-
<b>Conditional Grants amortised/ transferred to revenue</b>		
Development Grant	-	-
Operational Grant	-	-
Other Organizational Grants ( <i>specify</i> )	-	-
<b>Total Government Grants and Subsidies</b>	-	-

b) Transfers from Ministry/County Departments

Name of The Entity Sending the Grant	Amount recognized to Statement of Financial performance .*	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers (Current FY)	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry/County Department	-	-	-	-	-
Other Ministry	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

7. Public Contributions and Donations

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Research Donations	-	-
Donations transferred to revenue on conditions being met.	-	-
Other Public Donations (Specify)	-	-
<b>Total Transfers and Sponsorships</b>	-	-
<b>Reconciliation of Public Contributions and Donations</b>		
Balance Unspent at Beginning of The Year	-	-
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions To Be Met - Remain Liabilities	-	-

8. Transfers in-kind.

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Payments by Ministry/County Department on behalf of the entity	-	-
Others( <i>specify</i> )	-	-
<b>Total Transfers in-kind</b>	-	-

9. Interest income

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Interest on loans	-	-
Others( <i>specify</i> )	-	-
<b>Total Interest income</b>	-	-

**Marsabit County Enterprise Fund**

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**10. Rendering of Services**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Training Fees	-	-
Others (specify)	-	-
<b>Total Revenue from The Rendering of Services</b>	-	-

**11. Rental Revenue from Facilities and Equipment**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Operating Lease Revenues	-	-
Contingent Rentals*	-	-
<b>Total Rentals</b>	-	-

**12. Fees and other charges**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Fees	-	-
Charges from defaults	-	-
Others ( <i>specify</i> )	-	-
<b>Total Fees and other charges</b>	-	-

**13. Other Income**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Interest on cash investments and fixed deposits	-	-
Interest on Bank balances	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Skills development levy	-	-
Bad debts recovered	-	-
Miscellaneous incomes ( <i>specify</i> )	-	-
<b>Total Other income</b>	-	-

**14. Use of Goods and Services**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Electricity	-	-
Water	-	-
Subscriptions	-	-
Advertising	-	-
Admin Fees	-	-
Audit Fees	-	-
Conferences and Delegations	-	-
Consulting Fees	-	-
Consumables	-	-
Fuel and Oil	-	-
Insurance	-	-
Legal Expenses	-	-
Licenses and Permits	-	-
Postage	-	-
Printing and Stationery	-	-
Hire Charges	-	-
Rent expenses	-	-
Security Costs	-	-
Skills Development Levies	-	-
Inventory Scrapping	-	-
Telecommunication	-	-
Training	-	-
Travel, Subsistence & Other Allowances*	-	-
Bank charges	3,437	-
Other program support expenses( <i>specify</i> )	-	-
<b>Total</b>	<b>3,437</b>	<b>-</b>

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**15. Employee Costs**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Salaries and wages	-	-
Employer contribution to health insurance schemes	-	-
Employer contribution to pension schemes	-	-
Travel, accommodation, subsistence, & other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
Gratuity	-	-
Extraneous	-	-
Other employee related costs *	-	-
<b>Employee costs</b>	-	-

**16. Board Expenses**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Chairman/Directors' Honoraria	-	-
Sitting Allowances	-	-
Medical Insurance	-	-
Induction and Training	-	-
Travel and Accommodation	-	-
Other Allowances	-	-
<b>Total</b>	-	-

**17. Depreciation and Amortization Expense**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Property, plant, and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	-	-

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**18. Repairs and Maintenance**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Property and equipment	-	-
Investment Property	-	-
Equipment and Machinery	-	-
Vehicles	-	-
Furniture and Fittings	-	-
Computers	-	-
Others (specify)	-	-
<b>Total Repairs and Maintenance</b>	-	-

**19. Contracted Services**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Actuarial Valuations	-	-
Investment Valuations	-	-
Property Valuations	-	-
Others (specify)	-	-
<b>Total Contracted Services</b>	-	-

**20. Grants and Subsidies**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Community Trust	-	-
Sporting Bodies	-	-
Others (specify)	-	-
<b>Total Grants and Subsidies</b>	-	-

**21. Finance Costs**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Unwinding of discount on lease liabilities	-	-
Interest on bank overdrafts	-	-
Interest on loans from commercial banks	-	-
<b>Total finance costs</b>	-	-

**22. Gain/Loss on Sale of Assets**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
	-	-
Property, plant and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
<b>Total gain on sale of assets</b>	-	-

**23. Gain/Loss on foreign exchange transactions**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Gain on foreign exchange transactions	-	-
Loss on foreign exchange transactions	-	-
<b>Total Gain/Loss</b>	-	-

*Marsabit County Enterprise Fund*

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**24. Gain/ (loss) on Fair Value Investments**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
<b>Total Gain</b>	-	-

**25. Impairment Loss**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
<b>Total Impairment Loss</b>	-	-

**26. Taxation**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Current income tax charge	-	-
Tax charged on rental income	-	-
Tax charged on interest income	-	-
<b>Deferred tax:</b> [note 44]	-	-
Original and reversal of temporary differences	-	-
<b>Income tax expense reported in the statement of financial performance</b>	-	-

27. Cash and Cash Equivalents

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Bank balances	2,379,891	2,372,827.50
On - Call Deposits	-	-
Fixed Deposits Account ( <i>below 3 months</i> )	-	-
Others ( <i>Specify</i> )	-	-
<b>Total Cash and Cash Equivalents</b>	<b>2,379,891</b>	<b>2,372,827.50</b>

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
<b>a) Bank balances</b>			
KCB Bank – Account No. 1176982540		2,379,891	2,372,828.00
<b>Sub- Total</b>		<b>2,379,891</b>	<b>2,372,828.00</b>
<b>b) On - Call Deposits</b>			
KCB Bank – Account No. 1176982540		-	-
<b>Sub- Total</b>		-	-
<b>c) Fixed Deposits Account</b>			
KCB Bank – Account No. 1176982540		-	-
<b>Sub- Total</b>		-	-
<b>d) Others (Specify)</b>			
Cash In Transit		-	-
Cash In Hand		-	-
Mobile Money Accounts		-	-
<b>Sub- Total</b>		-	-
<b>Grand Total</b>		<b>2,379,891</b>	<b>2,372,828.00</b>

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**28. Receivables from Exchange Transactions**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
<b>Current Receivables</b>		
Loan interest receivable	-	-
Current Loan Repayments Due	-	-
Fees and other charges due	-	-
Other ( <i>specify</i> )	-	-
Less: Impairment Allowance	-	-
<b>Total Current Receivables</b>		
<b>Non-Current Receivables</b>		
Long Term Loan Repayments Due	24,017,615	24,028,115.00
<b>Total Non- Current Receivables</b>	<b>24,017,615</b>	<b>24,028,115.00</b>
<b>Total Receivables from Exchange Transactions</b>	<b>24,017,615</b>	<b>24,028,115.00</b>

**(b) Ageing analysis for Receivables from exchange transactions**

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
	FY 2023-2024	% of the total	FY 2023-2024	% of the total
Less than 1 year	-	-	-	-
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	24,017,615	100%	24,028,115.00	100%
<b>Total (a+b)</b>	<b>24,017,615</b>	<b>%</b>	<b>24,028,115.00</b>	<b>100%</b>

**(c) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions**

Impairment allowance/ provision	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

**29. Receivables from Non-Exchange Transactions**

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
Specify	-	-	-	-
<b>Total receivables</b>	-	-	-	-
Ageing Analysis- Receivables from non-exchange transactions	Current FY	% of the total	Compa rative FY	% of the total
Less than 1 year	-	%	-	%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-	%	-	%

**Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

**30. Inventories**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Consumable stores	-	-
Other goods held for resale	-	-
Catering	-	-
Others (specify)	-	-
Less: allowance for impairment	-	-
<b>Total inventories at the lower of cost and net realizable value</b>	-	-

**31. Investments in financial assets**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
<b>a) Investment in Treasury bills and bonds</b>		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
<b>b) Investment with Financial Institutions/ Banks</b>		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
<b>c) Equity investments (specify)</b>		
Equity/ shares in Entity xxx	-	-
Sub- total	-	-
<b>Grand total</b>	-	-

**d) Movement of Equity Investments**

Impairment allowance/ provision	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

**e) Shareholding in other entities**

For investments in equity share listed under note 31 above, list down the equity investments under the following categories:

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		Current year	Comparative year
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

**Marsabit County Enterprise Fund**

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**32. Property, Plant and Equipment**

Cost/Revalued amount	Land	Buildings	Motor vehicles	Furniture and fittings	ICT Equipment	Office Equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation rate	-	-	-	-	-	-	-	-	-
As At 1 July 2022	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-	-
As at 30 <sup>th</sup> June 2023	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
<b>As at 30<sup>th</sup> June 2023</b>	-	-	-	-	-	-	-	-	-
Depreciation And Impairment	-	-	-	-	-	-	-	-	-
At 1 July 2022	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-	-	-	-
As At 30 <sup>th</sup> 2023	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
<b>As at 30<sup>th</sup> June 2024</b>	-	-	-	-	-	-	-	-	-
Net Book Values									
<b>As at 30<sup>th</sup> June 2023</b>	-	-	-	-	-	-	-	-	-
<b>As at 30<sup>th</sup> June 2024</b>	-	-	-	-	-	-	-	-	-

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**Valuation**

There are valuations done during the FY.

**(b) Property, Plant and Equipment at Cost**

If the freehold land, buildings, and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment	-	-	-
Furniture and Fittings	-	-	-
Others ( <i>specify</i> )	-	-	-
<b>Total</b>	-	-	-

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	-	-
Office Equipment	-	-
Furniture and Fittings	-	-
Others ( <i>specify</i> )	-	-
<b>Total</b>	-	-

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**33. Intangible Assets**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	-	-
Additions	-	-
<b>At end of the year</b>	-	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	-
Amortization	-	-
Impairment loss	-	-
<b>At end of the year</b>	-	-
<b>NBV</b>	-	-

**34. Investment Property**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
<b>At end of the year</b>	-	-

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**35. Trade and Other Payables**

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
Trade payables	-		-	
Employee payables	-		-	
Third-party payments	-		-	
Other payables	-		-	
<b>Total trade and other payables</b>	-		-	
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (tie to above total)</b>	-		-	

**36. Refundable Deposits Customers**

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
Customer deposits	-		-	
Prepayments	-		-	
Other deposits	-		-	
<b>Total deposits</b>	-		-	
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	Comparative FY	% of the Total
<b>Under one year</b>	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-		-	

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**37. Provisions**

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance brought forward at the beginning of the year	-	-	-	-	-
Additional provisions during the year	-	-	-	-	-
Provision utilised during the year	-	-	-	-	-
Change due to discount and time value for money	-	-	-	-	-
<b>Total provisions at the end year</b>	-	-	-	-	-
<b>Analysed as:</b>					
Current Provisions	-	-	-	-	-
Non-Current Provisions	-	-	-	-	-

**38. Finance Lease Obligation**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
<b>At the start of the year</b>	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
<b>At end of the year</b>	-	-

**Maturity Analysis**

Period	Amount (Kshs)
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 And Onwards	-
Less: Unearned Interest	-
<b>Total</b>	-

**Analysed as:**

Description	Amount (Kshs)
Current	-
Non- Current	-
<b>Total</b>	-

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The deferred income movement is as follows:

**39. Deferred Income**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
National/ County Government	-	-
Public Contributions and Donations	-	-
<b>Total Deferred Income</b>	-	-

*(Provide brief explanation)*

	National/ County Government	Public contributions and donations	Total
	Kshs	Kshs	Kshs
Balance Brought Forward	-	-	-
Additions	-	-	-
Transfers To Capital Fund	-	-	-
Transfers To Income Statement	-	-	-
Other Transfers	-	-	-
Balance Carried Forward	-	-	-

**40. Employee Benefit Obligations**

Description	Defined benefit plan	Post- employe nt medical benefits	Other Benefits	(Current FY)	(Comparat ive FY)
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
<b>Total Employee Benefits Obligation</b>	-	-	-	-	-

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Description	FY 2023-2024	FY 2022-2023
Discount Rates	-	-
Future Salary Increases	-	-
Future Pension Increases	-	-
Mortality (pre- retirement)	-	-
Mortality (post-retirement)	-	-
Withdrawals	-	-
Ill Health	-	-
Retirement	-	-

**Recognition of Retirement Benefit Asset/ Liability**

a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial gains/ losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (specify)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
<b>Remeasurement of the net defined benefit liability (asset)</b>	-	-

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**b) Amounts recognised in the Statement of Financial Position**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded status (=a-b)	-	-
Restrictions on asset recognised	-	-
Others ( <i>specify</i> )	-	-
<b>Net asset or liability arising from defined benefit obligation</b>	-	-

**41. Borrowings**

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
<b>a) External borrowings</b>		
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Repayments of during the year	-	-
<b>Balance at end of the year</b>	-	-
<b>b) Domestic borrowings</b>		
Balance at beginning of the year	-	-
Domestic borrowings during the year	-	-
Repayments during the year	-	-
<b>Balance at end of the year</b>	-	-
<b>Balance at end of the period- domestic and External borrowings c = a+b</b>	-	-
<b>Short Term Borrowings (Current Portion)</b>	-	-
<b>Long Term Borrowings</b>	-	-
<b>Total</b>	-	-

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The analyses of both external and domestic borrowings are as follows:

	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
<b>External Borrowings</b>		
Dollar Denominated Loan	-	-
Sterling Pound Denominated Loan	-	-
Euro Denominated Loan	-	-
<b>Domestic Borrowings</b>	-	-
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Total Balance at End Of The Year	-	-

**42. Taxation**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
At beginning of the year	-	-
Income tax charge for the year (note 26)	-	-
Under/(over) provision in prior year/s (note 26)	-	-
Income tax paid during the year	-	-
At end of the year	-	-

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**43. Service Concession Liability**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
<b>Service concession liability at end of the year</b>	-	-

**44. Deferred Tax Liability**

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year-end is attributable to the following items:

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Accelerated capital allowances	-	-
Unrealised exchange gains/(losses)	-	-
Revaluation surplus	-	-
Tax losses carried forward	-	-
Provisions for liabilities and charges	-	-
<b>Net deferred tax liability/(asset)</b>	-	-
<b>The movement on the deferred tax account is as follows:</b>		
<b>Balance at beginning of the year</b>	-	-
Credit to revaluation reserve	-	-
Under provision in prior year	-	-
Income statement charge/(credit)	-	-
<b>Balance at end of the year</b>	-	-

**45. Cash Generated from Operations**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
<b>Surplus/Deficit for the year</b>	<b>(3,437)</b>	<b>-</b>
<b>Adjusted for:</b>		
Depreciation	-	-
Non-cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
<b>Working capital adjustments</b>	<b>-</b>	<b>-</b>
Increase in inventory	-	-
Increase in receivables	-	-
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	<b>(3,437)</b>	<b>-</b>

**46. Financial Risk Management**

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on the 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 Entity 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 Entity's financial risk management objectives and policies are detailed below:

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**i) Credit risk**

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience, and other factors. Individual risk limits are set based on internal or external assessments in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

**Financial Risk Management**

The carrying amount of financial assets recorded in the financial statements representing the Entity's maximum exposure to credit risk without taking account the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2024</b>				
Receivables from exchange transactions	24,017,615.00	-	24,017,615.00	-
Receivables from non-exchange transactions		-	-	-
Bank balances	2,379,891.00	2,379,891.00	-	-
<b>Total</b>	<b>26,397,506.00</b>	<b>2,379,891.00</b>	<b>24,017,615.00</b>	<b>-</b>
<b>As at 30 June 2023</b>				
Receivables from exchange transactions	24,028,115.00	-	24,028,115.00	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	2,372,828.00	2,372,828.00	-	-
<b>Total</b>	<b>26,400,942.00</b>	<b>2,372,828.00</b>	<b>24,028,115.00</b>	<b>-</b>

**Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have 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 Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2024</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Others	-	-	-	-
<b>Total</b>	-	-	-	-
<b>As at 30<sup>th</sup> June 2023</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Others	-	-	-	-
<b>Total</b>	-	-	-	-

**Financial Risk Management**

**iii) Market risk**

The *Entity* 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 rates, equity prices, and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. Department of trade (Marsabit County Enterprise Fund) is responsible for the development of detailed risk management policies (subject to review and approval by the Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

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**Financial Risk Management**

The carrying amount of the *Entity's* foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

**FY 2023-2024**

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2024</b>			
<b>Financial Assets</b>	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
<b>Total Financial Assets</b>	-	-	-
<b>Financial Liabilities</b>			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
<b>Total Financial Liabilities</b>	-	-	-
<b>Net Foreign Currency Asset/(Liability)</b>	-	-	-

**Foreign currency sensitivity analysis**

**Current FY**

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2024</b>			
<b>Financial Assets</b>	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
<b>Total Financial Assets</b>	-	-	-
<b>Financial Liabilities</b>			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
<b>Total Financial Liabilities</b>	-	-	-
<b>Net Foreign Currency Asset/(Liability)</b>	-	-	-

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**Financial Risk Management**

The following table demonstrates the effect of the Entity’s statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
<b>Current FY</b>			
Euro	-	-	-
USD	-	-	-
Sterling pound	-	-	-
<b>Previous FY</b>			
Euro	-	-	-
USD	-	-	-
Sterling pound	-	-	-

**a) Interest rate risk**

Interest rate risk is the risk that the Entity’s financial condition may be adversely affected as a result of changes in interest rate levels. The Entity’s interest rate risk arises from bank deposits. This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Entity’s deposits.

**Management of interest rate risk**

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

**Sensitivity analysis**

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

**Fair value of financial assets and liabilities**

**a) Financial instruments are measured at fair value.**

**Determination of fair value and fair values hierarchy**

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available.

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**Financial Risk Management**

The following table shows an analysis of financial and non-financial instruments recorded at fair value by level of the fair value hierarchy:

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June 2024</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	-	-	-	-
<b>Non- Financial Assets</b>				
Investment Property	-	-	-	-
<b>Total</b>	-	-	-	-
<b>As at 30<sup>th</sup> June 2023</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	-	-	-	-
<b>Non- Financial Assets</b>				
Investment Property	-	-	-	-
<b>Total</b>	-	-	-	-

There were no transfers between levels 1, 2, and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

**iv) Capital Risk Management**

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

Description	FY 2023 - 2024	FY 2022 - 2023
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Reserve	-	-
<b>Total Funds</b>	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash And Cash Equivalents)	-	-
<b>Gearing</b>	-	-

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**47. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the *Entity* include those parties who have the 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.

**Government of Kenya**

The County Government of Marsabit is the principal shareholder of Marsabit County Enterprise Fund, holding 100% of the Entity's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Entity, both domestic and external.

**Other related parties include:**

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of Directors/Fund Committees.
- vi) Others

Description	FY 2023-2024	FY 2022 - 2023
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Sales to related parties</b>		
Rent income from govt. Agencies	-	-
Others (specify)	-	-
<b>Total</b>	-	-
<b>b) Purchases from related parties</b>		
Purchases of electricity from KPLC	-	-
Purchase of water from government service providers	-	-
Rent expenses paid to government agencies	-	-
Training and conference fees paid to govt. Agencies	-	-
Others (specify)	-	-
<b>Total</b>	-	-
<b>c) Grants /transfers from the government</b>		
Grants from National government	-	-
Grants from County government	-	-
Donations in kind	-	-
<b>Total</b>	-	-
<b>a) Expenses incurred on behalf of related party</b>		

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Description	FY 2023-2024	FY 2022 - 2023
	Kshs	Kshs
Salaries and wages for employees	-	-
Goods and services for 2024	-	-
Others	-	-
<b>Total</b>		
<b>b) Key management compensation</b>		
Directors' emoluments	-	-
Compensation to key management	-	-
<b>Total</b>	-	-

**48. Segment Information**

*(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an Entity to present segmental information of each geographic region or department to enable users understand the Entity's performance and allocation of resources to different segments)*

**49. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

Description	FY 2023-2024	FY 2022 - 2023
	Kshs	Kshs
<b>Contingent Assets</b>		
Insurance Reimbursements	-	-
Assets Arising from Determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others	-	-
<b>Total</b>	-	-

**Contingent Liabilities**

Description	FY 2023-2024	FY 2022 - 2023
	Kshs	Kshs
<b>Contingent Liabilities</b>	-	-
Court Case against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others	-	-
<b>Total</b>	-	-

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**50. Capital Commitments**

Capital Commitments	FY 2023-2024	FY 2022 – 2023
	Kshs	Kshs
Authorised for	-	-
Authorised and contracted for	-	-
<b>Total</b>	-	-

**51. Events after the Reporting Period**

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

**52. Ultimate and Holding Entity**

The Entity is a Corporation/ or a Semi-Autonomous Government Agency under the Ministry/County of xxx. Its ultimate parent is the Government of Kenya.

**53. Currency**

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

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**20. Appendices**

**Appendix 1: Implementation Status of Auditor-General's Recommendations**

The following is the summary of issues raised by the external auditor in the FY 2022-2023, and management comments that were provided to the auditor.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
Basis of Qualified Opinion				
1.0 Variances between the ledger and the financial statement balances	There are variances between the Financial Statement and the supporting schedule on the long term receivable	The management is reconciling the long term receivable supporting schedule and financial statements	Not Resolved	15 <sup>th</sup> December 2024
2.0 Long Outstanding Loan Balances	Long Outstanding Loan Balances	The management is putting in place measures to recover all outstanding loans and to update the outstanding individual loans accounts	Not Resolved	15 <sup>th</sup> December 2024
Basis for Conclusion				
1.0 Late Submission of Financial Statements	Late Submission of Financial Statements	The management has prepared and submitted all the funds financial statements	Resolved	30 <sup>th</sup> June 2024
2.0 Non-appointment of Board Members	Non-appointment of Board Members	The management is in the process of appointing new board members	Not Resolved	15 <sup>th</sup> December 2024

***Marsabit County Enterprise Fund***  
**Annual Reports and Financial Statements for the year ended June 30, 2024.**

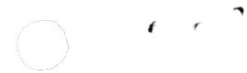
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- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from the final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Entity responsible for the implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved”.

Sign.....

Chief Officer – Trade, Tourism and Cooperatives Development

Date:



***Marsabit County Enterprise Fund***  
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**Appendix II: Projects implemented by (*Marsabit County Enterprise Fund*)**

Projects implemented by the Entity Funded by development partners and/ or the Government.

<b>Project title</b>	<b>Project Number</b>	<b>Donor</b>	<b>Period/ duration</b>	<b>Donor commitment</b>	<b>Separate donor reporting required as per the donor agreement (Yes/No)</b>	<b>Consolidated in these financial statements. (Yes/No)</b>

*Marsabit County Enterprise Fund*

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

**Appendix IV: Transfers from Other Government Entities**

Name of the Entity Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development /Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Reserve	Deferred Income	Receivables	Others - must be specific	
<b>Total</b>			-	-	-	-	-	-	-

**Marsabit County Enterprise Fund  
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**Appendix V- Inter-Entity Confirmation Letter**

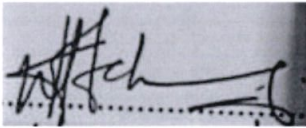
Name of transferring entity: Marsabit County Executive

Name of beneficiary entity: Marsabit County Enterprise Fund

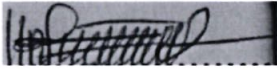
Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 <sup>th</sup> June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

**Head of Accounts Department - Disbursing Entity:**

Name Woeche Bulge Sign  Date 10/12/2024

**Fund Accountant - Beneficiary Entity:**

Name Sode D. Woeche Sign  Date 10/12/2024

*Marsabit County Enterprise Fund*  
**Annual Reports and Financial Statements for the year ended June 30, 2024.**

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**Appendix VI: Reporting of Climate Relevant Expenditures**

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

*Marsabit County Enterprise Fund*  
**Annual Reports and Financial Statements for the year ended June 30, 2024.**

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**Appendix VII: Reporting on Disaster Management Expenditure**

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments