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**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**SAMBURU COUNTY COMMUNITY  
CONSERVANCIES FUND**

**FOR THE YEAR ENDED  
30 JUNE, 2021**



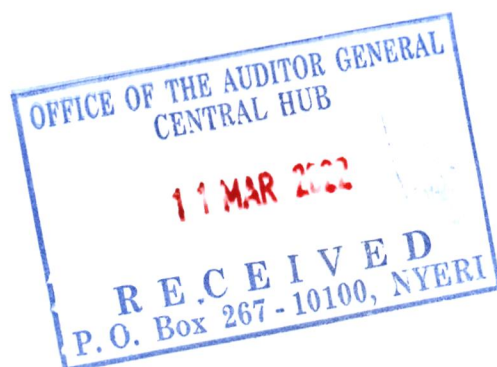


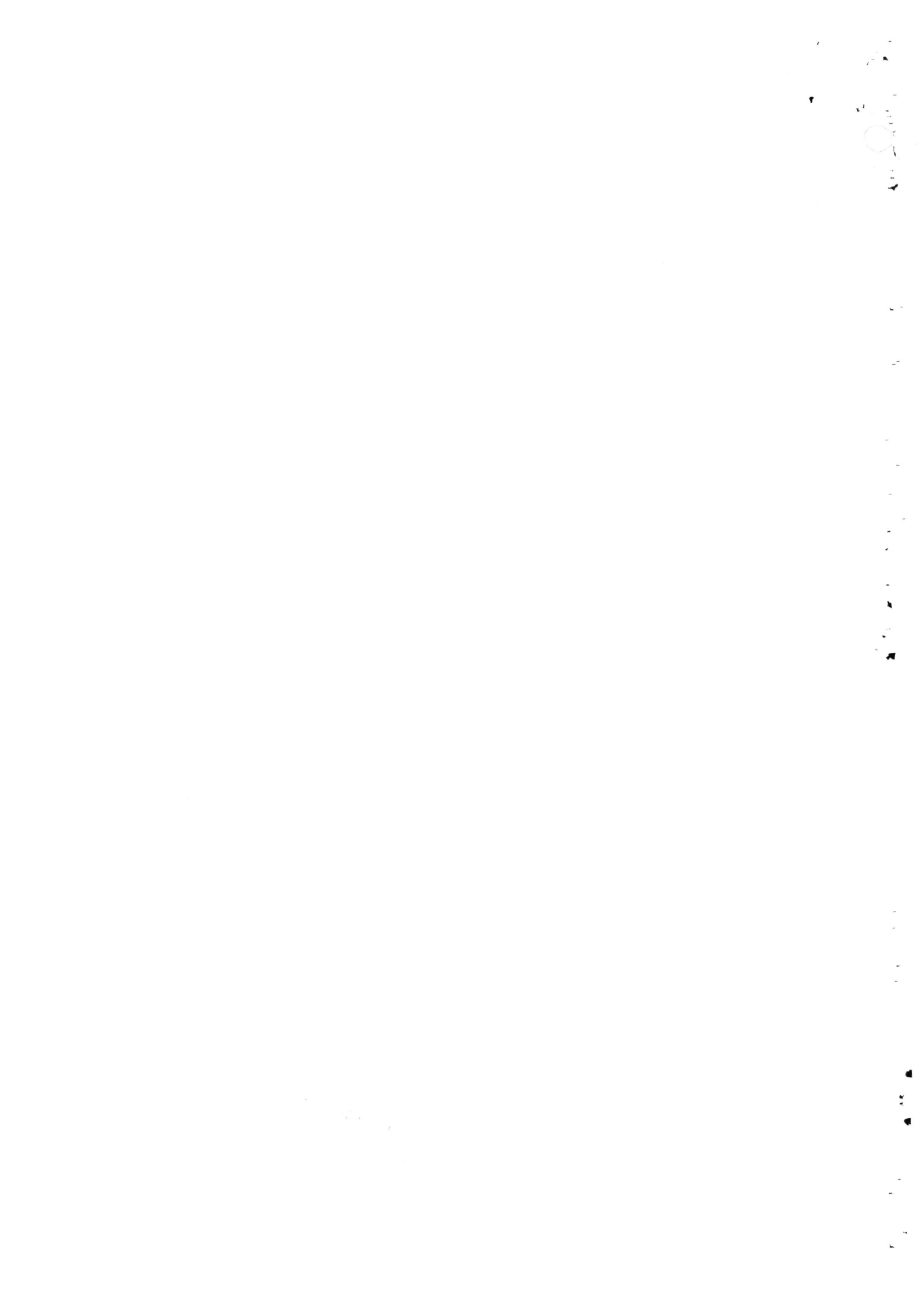
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**COUNTY GOVERNMENT OF SAMBURU**  
**SAMBURU COUNTY COMMUNITY CONSERVANCIES FUND**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**JUNE 30, 2021**

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





# SAMBURU COUNTY COMMUNITY CONSERVANCIES FUND

## Reports and Financial Statements

For the year ended June 30, 2021

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**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**a) Background information**

The Samburu County Community Conservancies Fund was established by County Assembly of Samburu and derives its authority and accountability from Samburu County Community Conservancies Fund Act, 2019 On 11<sup>th</sup> February 2020. The Fund is wholly owned by the County Government of Samburu and is domiciled in Kenya.

The fund's objective is to

- a). Support the establishment of community conservancies in the County
- b). Provide financial support to community conservancies
- c) To enhance and facilitate sustainability of community conservancies
- d) Meeting any expenditure related to administration of the fund.
- e). facilitate development of infrastructure to community conservancies

The Fund's principal activity is

1. Provide financial support to community conservancies
2. Perform any other function that the board may consider to facilitate sustainability of community conservancies
3. Meeting any expenditure related to administration of the fund.

**b) Principal Activities**

The principal activity/mission/ mandate of the Fund is to Provide financial support to community conservancies, strengthen

- ✓ To invest in community priorities for improving their lives, and create the conditions for growing jobs and businesses.
- ✓ To strengthen the governance of community conservancies and increase stakeholders/ partner support to community conservancies.
- ✓ To build peace between ethnic communities and support conservation partnership in ensuring security for people and wildlife.
- ✓ To stabilise and improve the productivity of grasslands for livestock, and the health and diversity of the wildlife and natural resources.



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- ✓ To build and maintain a sustainable, effective and dynamic organisation that is designed and resourced to enable direct support to community conservancies, maximising opportunities for them to become self-sustaining.

#### c) Members of the Board

Ref	Name	Position	Designation
1	Daniel Letoiye	Chairperson	Director for Sustainability Northern Rangeland trust
2	Mark Loloolki	Vice Chairperson	Community Representative
3	Lydia Letinina	Fund Administrator	Chief Officer Tourism and Marketing
4	James Lengewa	Member	Community Representative
5	Joseph Lentaka	Member	Community Representative
6	Tom Lalampaa	Member	Chief Executive Officer Northern Rangeland trust
7	Moses Lesoloyia	Member	Manager Milgis Trust
8	Charles Ochieng	Member	Ecosystem Conservator Samburu County
9	Samson Ogelo	Member	County Police Commander Samburu County
10	Abdirasak Galdesa	Member	County Commissioner
11	James Lesuyai	Member	Conservancy Coordinator
12	Matthew Leakono	Member	County Director Tourism and wildlife Conservation

#### d) Key Management

Ref	Name	Position
1	Daniel Letoiye	Chairperson
2	Lydia Letinina	Fund administrator
3	Mark Loloolki	Vice Chairperson

#### e) Fiduciary Oversight Arrangements

#### f) Registered Office

P.O. BOX 3-20600  
Samburu County Head Quarters  
Marala, Kenya



**g) Fund Contacts**

Telephone:(254) 716581858

E-mail: [nkiniletinina@gmail.com](mailto:nkiniletinina@gmail.com)

**h) Fund Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
  
2. Kenya Commercial Bank  
P.O Box 2060  
Maralal Branch

**i) Independent Auditors**

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

**j) Principal Legal Adviser**

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

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## **2. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S PREDETERMINED OBJECTIVES**

### **Introduction**

During the year under review, Samburu County Government, through the department of Tourism and marketing continued to support the six (6) newly established conservancies. The support of the newly established community conservancies still remain one of the top priorities of the County Government, its objective was mainly to empower the local communities to take charge and play an active role in the conservation of natural resources of which their livelihoods by and large depend upon. It was likewise aimed at addressing the inherent insecurity a problem in the areas that for a long time that remained a bottle neck to our economic development.

The main objectives of the conservation support program were conservation of biodiversity, peace building and improvement of community livelihoods. Other specific objectives for the conservancy fund / program were-

- 1) To support the capacity building and growth of community conservancies in Samburu County
- 2) To support the establishment of more tourist facilities across the county
- 3) To promote peaceful coexistence between people and wildlife and among residents communities themselves
- 4) To provide incentives to community to promote sustainable management of natural resources
- 5) To strengthen wildlife security through employment of scouts and provision of security equipment's
- 6) To support and promote efforts which are geared towards improving and maintaining biodiversity and habitat protection
- 7) To support and strengthen community capacity, awareness and knowledge of biodiversity values, threats and management needs through involvement and active participation
- 8) Engender a sense of community ownership of projects for sustainability

The following were achieved under the conservancy development support program projects during the year under review.

### **Achievement**

During the year under review, the community conservancy development support program/ conservancy fund, which main beneficiaries remain to be the local community and by and large the Samburu County resident, the following achievement and outputs has been realized to date.

#### **a). Community Conservancy development support program**

1. Establishment and support of 5 new conservation areas that is Baragoi, Ndoto, Nyiro, Kirisia Nkoteyia and Ltungai/ Malaso conservation area.
2. Recruitment, training and employment of over 268 community Scouts, hence improving the economic welfare for the local community at large.

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3. Capacity building for over 195 members of Conservancy boards through trainings, exposure tours, beachmarkings forums and conservation workshop.
4. Provision of security and communication equipments to community conservancies i.e. VHF radios, handsets and base radios, sleeping bags, Multi-unihuts, Uniforms and tents to enhance security, safety and efficiency in service delivery.
5. Maintenance and provision of 11 operational and security patrol vehicles to enhance mobility, transport and communication and promote conservation, safety and security of the wildlife and people
6. Security for both wildlife and people was enhanced through awareness creation and peace meeting.
7. Strengthening of wildlife, people, property and highway security through the employment of community scouts along the specific insecurity hotspots i.e. in Sereolipi and Meibae area
8. Reduction of poaching levels through awareness creation, public/ conservation campaigns and minimization of conflicts between wildlife conservation, land management and human settlement.
9. The areas under active wildlife population were increased i.e. Elephants are currently found at Nyiro conservation area after over 40 years of disappearance
10. Development of Tourism facilities in areas with visitor/clients potential i.e. Malaso cafeteria in Malaso escarpment and high-end tented camp at Nkoteyia conservancy and Ltungai eco-lodge
11. Protection of endangered wildlife species enhanced in wildlife sanctuaries and community conservancies i.e. Establishment of Rhino Sanctuary at Sera community conservancy and Reteti Elephant orphanage at Namunyak Community conservancies in partnership with KWS, NRT and other conservation partners.
12. Improvement of wildlife conservation and collective conservancy land management, through awareness creation and public participation forum
13. Boosting conservancy community living standards, diversification of income base and development of conservancy tourism potential
14. Promotion of social interaction and peace among rival or worrying local communities ( Pokots, Samburu and Turkana), which culminated to reduction in cattle rustling and peaceful recovery of stolen livestock from both sides.
15. Perpetuation of a pastoral form of land management where humans, domestic stock and wildlife are able to flourish together
16. Construction of Security (4) fortified rangers camps at Ngilai, Suyian, Ndoto, Mputaput, and Tuum, to enhance security and safety for both human population and wildlife in the area, which were previously security hotspot.



**b). Support of development project for the existing community conservancies**

During the period under review the following activities were undertaken in Support of livelihood and development projects for the existing community conservancies (Kalama, Westgate, Namunyak, Meibae, Nkoteiya and Sera wildlife conservancies), to sustain the growth, strengthen valuable partnership, and enhance wildlife and environment conservation as well as promote tourism, i.e.

1. Samburu National Reserve revenue sharing for Gir Gir Group Ranch ( Kalama community conservancy)
2. Samburu National Reserve revenue sharing for Ngutuk ee ngiron Group Ranch ( west gate conservancy)
3. Support of ranger's operation program at Meibae community conservancy
4. Support of Kirisia forest restoration program at Nkoteiya Conservancy
5. Construction of a tourism banda at Nkoteiya community conservancy
6. Construction of Radio room and Kitchen at Westgate Community wildlife conservancy
7. Equipping of Malaso Cafeteria at Ltungai/ Malaso Conservation area
8. Construction of Mess area and Kitchen at Kalama Community Wildlife Conservancy
9. Construction of Warden House at Ngilai Community wildlife conservancy
10. Construction of Rangers camp at Namunyak community wildlife conservancy
11. Support construction of water supply system at an eco-lodge at Malabo

**Challenges**

Despite the highlighted achievements, the board was faced with the following challenges: -

1. Untimely release of development funds and allocation to the conservancy fund
2. Need for more conservancies and scouts yet resources are limited, and operation cost for most of them is increasing at high rate.
3. Inadequate knowledge by the locals on the newly established conservancies and the need to be self-reliant.
4. The vastness coverage of the county makes mobilizing groups on capacity building for conservancy and natural resource management expensive and tedious.
5. Insecurity for both and wildlife is a major challenge to the development of tourism in the County.
6. Human-wildlife conflict, as pressure for land grows, competition for resources between wildlife and humans have exacerbated. Animals frequently kill or injure livestock and people and destroy crops. Lack of compensation for such losses creates a conflict whose end result is resentment of wildlife.
7. Invasion of livestock to core areas of community conservancies has been a big impediment to tourism and especially insecurity created by communities fighting at the game reserve and conservancies buffer zones.
8. Poaching of wildlife especially elephants and rhinos is increasing at alarming and threatening rates and this can potentially threaten tourism development in the county.



9. Land degradation increasing in human population and rampant spread of unplanned human settlements has led to overgrazing and general decline of rangeland productivity. This will definitely affect the survival of wildlife if not addressed.
10. Lack of proper management for conservancies

**Proposed Way Forward**

1. Establish more tourist facilities across the county to enhance tourism promotion and development especially Central and Northern Sub Counties.
2. Streamline seal leakages and streamline revenue collection from tourism through establishment of e-ticketing system.
3. Intensify marketing through documentation and branding of Samburu County as a unique and excellent tourist destination in the country.
4. Development of a tourism marketing strategy and carrying out aggressive marketing campaigns.
5. Put measures in places to improve security of wildlife and people i.e. advance training of Game rangers and enhanced partnership with other stakeholders such as KWS.
6. Pulling together with other stakeholders to eradicate poaching of wildlife.
7. Provide incentives to community to promote conservation of wildlife.
8. Recruit more tourism and conservation officers to take care of different functions of tourism and wildlife conservation especially research and wildlife management.
9. Increase budgetary allocation to support management and operations of the conservancies
10. Decentralized expenditure approvals and payments to the respective department



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

The overall goal of the community conservancies support program/ conservancy fund includes: - conservation of biodiversity, peace building and improvement of community livelihoods and to enhance the status of natural resources, including wildlife conservation. The mission of the project/program is to empower and develop resilient community, transform livelihoods and conserve natural resource base. The Program objective was mainly to empower the local communities to take charge and play an active role in the conservation of natural resources of which their livelihoods by and large depend upon.

The Program was likewise aimed at addressing the **inherent insecurity** problem in the areas that for a long time remained a bottle neck to our economic development.

The main areas of focus for the community conservancy fund and support program includes: -

- a. **Peace and Security** – That is implemented and undertaken through, conservancy scouts/rangers, peace committees, Moran/youth engagement
- b. **Natural Resource Management** – that includes, wildlife management (including anti-poaching and wildlife monitoring); grazing management and forest management
- c. **Enterprise** – as a means of generating revenue and creating direct household benefits which provide leverage for conservation and financial sustainability of the conservancy e.g. tourism, and microenterprises
- d. **Community Development** – Supported through the revenue from conservancy enterprises or partnerships with county government and development agencies, and typically includes: student bursaries; medical support, emergency re-stocking of livestock; water, health and education infrastructure.
- e. **Infrastructure & Equipment** – Depending on area of coverage may include headquarters, security outposts, roads, airstrips, vehicles, radio communication etc.
- f. **Management & administration** – This is primarily the role of management boards supported by senior management team, and it includes e.g. development and implementation of a management plan (a requirement for conservancies under Wildlife Act 2013); monitoring; human resource management; financial management and budgeting; fundraising; and managing partnerships with other stakeholders

During the year under review the funds were first channelled to the Samburu County Community conservancies fund account in late May 2021. On behalf of the board, resident communities and other conservation partners within and beyond Samburu county, I would like to sincerely thank the department of Cooperatives, Trade, Investments, Tourism and Enterprise development for the massive support accorded to the board to enhance service delivery in the implementation of the community based conservation programs.

Further given the delay in the release of funds to support the activities/programs of the board and general operation of the community conservation support program, most of the activities that were planned for the 2020/ 2021FY, we partly or not achieved and most are still on-going. The board



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was able to meet and deliberate among others issues, the general operation of the newly establish community conservancies, with a view to support and improve the on-going programs, they were also able to review and make necessary amendments to the Samburu County community conservancies fund Act 2019 to enhance efficiency in the operation of the conservancy fund, and they also managed to cater for the conservancy scouts welfares and make approvals to clear some of the unpaid bills.

Also, during their first meeting, the board members were oriented on the roles and management of the funds, the program plan and the activities as per the program plan of financial year 2020/2021, and managed to came up with a finalized program action plan on the utilization of funds for the year 2020/2021FY. Other activities that were achieved in the year under review includes: - training and induction of the board members, support of day to day operation of the newly established community conservancies, and funding of development project in the existing community conservancies.

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

**Daniel Letoiye**



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

In the financial year 2020/2021 The Samburu County Community Conservancies fund was allocated **Ksh. 120,000,000** from then capital grants by the Samburu County treasury. The funds have been applied mostly to support the activities of the newly established community conservancies namely Baragoi, Ndoto, Nyiro, Kirisia/ Nkoteiya, and Ltungai Malaso conservation area, and support development and community livelihood projects within existing community conservancies.

The following activities were undertaken

##### **1. Support of newly established community conservancies**

During the period under review board members through the Samburu County Community conservancies fund, utilized **Ksh. 46,298,000** to support the general operation for the 5 newly established community conservancies (Ndoto, Baragoi, Nyiro, Ltungai Malaso and Kirisia Nkoteiya Conservation areas.

The support includes payment of wages, field operation allowance and provision of food ratios for 274 community conservancy scouts, facilitation of unit and umbrella committee meetings/ allowances, payment of finance committee allowances and provision of airtime and stationary to the conservancies management boards.

##### **2. Community Conservancy Management and administration**

During the period under review the board through the Samburu County community conservancies fund, utilized **Ksh. 1,161,000** to facilitate the Samburu county community conservancies fund board meetings, capacity building, training and induction of board members.

Other activities/ programs that were planned for 2020/2021FY, but rolled-out to next financial year 2021/2022FY includes: - Training/capacity building, exposure tour and benchmarking for both unit and umbrella committee members, familiarization tours for board members, and training and for community scouts (rangers).

##### **3. Support of development project for the existing community conservancies**

During the period under review, the following activities and projects were funded by the board in support of livelihood and development projects for the existing community conservancies (Kalama, Westgate, Namunyak, Meibae, Ltungai, Nkoteiya and Sera wildlife conservancies), with main objectives being to sustain their growth, strengthen valuable partnership, and enhance wildlife and environment conservation as well as promote tourism.

The board utilized **Ksh. 27,000,000** to facilitate the following projects through Samburu County Community Conservancies Fund and capital grants for 2020/ 2021FY.



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- ✓ Samburu National Reserve revenue sharing for Gir Gir Group Ranch in support of Kalama community conservancy at: - Ksh. 5,000,000
- ✓ Samburu National reserve revenue sharing for Ngutuk ee ngiron Group Ranch in support of west gate community conservancy at Ksh. 5,000,000
- ✓ Support of Nkoteiya Community conservancy for the construction of 01 Tourism banda at the community conservancy Ksh. 3,000,000
- ✓ Support of Westgate community wildlife conservancy for the construction of Radio room, Kitchen at the Community conservancy Ksh. 2,000,000
- ✓ Support of Ltungai community conservancy in the Equipping and operation of Malaso Cafeteria Ksh. 3,000,000
- ✓ Support of Kalama Community Wildlife Conservancy in the construction of Mess area and Kitchen at the Community Conservancy at Ksh. 1,000,000
- ✓ Support of Namunyak community wildlife conservancy in the construction of Warden House at Ngilai Community Conservancy at Ksh. 3,000,000
- ✓ Support of Namunyak wildlife community conservancy in the construction of Rangers camp at Nalowon community conservancy at Ksh. 3,000,000
- ✓ Support of Ltungai Community conservancy in the construction of water supply system at an eco-lodge at Melpusi at Ksh. 2,000,000

### Infrastructure & Equipment

During the period under review the board through the Samburu County community conservancies fund, utilized **Ksh. 2,038,293** to facilitate repair and routine maintenance for the 11 operational vehicles attached to the 5 newly established community conservancies.

Other activities that were planned for 2020/2021FY, but rolled-out to next financial year 2021/2022FY includes: - Procurement of tyres and tubes for the 11 Toyota land cruisers, provision of insurance cover for all conservancies vehicle, repairs and routine maintenance for the scouts (rangers) camps, purchase and supply of fuel (diesel) for Community conservancies vehicles, provision of security and communication equipment's, and purchase of community scouts uniforms.

It is prudent to note that formulation and preparation of the fund budget was guided by priority and needs assessment identified during the development of the County fiscal strategic paper, annual development plan, annual work plan and the County Integrated development plan (CIDP). However, there was a delay in the budget implementation for 2020/2021FY due to the delays in the release of funds from the National treasury, as a results of deferment in the enactment of the necessary legal structures and frameworks that guides the establishment public funds, conservancy funds.

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

**Lydia Letinina**

## **5. CORPORATE GOVERNANCE STATEMENT**

Corporate governance entails the process and structures used to direct and manage the business affairs of the organization, the respective roles of the board of management and the frame work for the internal control. The board is guided by its core values of inclusivity; social justice, human dignity, equality and equity. Integrity; transparency and accountability and good governance culture which underpin the board decision-making process.

The board has at all times endeavoured in delivery of its mandate to comply with the relevant legal principles and the highest ethical standards.

To achieve its strategic objectives, the organization/fund should be led by an effective board, that must be composed of competent, diverse, qualified members capable of exercising objectives and independent judgement. The board will have an appropriate autonomy and authority to exercise its functions and will be accountable and act responsibly to shareholders.

### **Principles and Guidelines Governing Board**

The board embraces corporate governance guidelines and principles governing the board and staff includes.

1. State corporation Act
2. Public officer's ethics act; that applies to public officers
3. Chapter six of the constitution of Kenya
4. Article 27 of the constitution

The board members are required to make a written disclosure of any transaction which will constitute a conflict of interest and to abstain from voting when such matters are being considered during the board meetings. The board operates under the rules that governs the conduct of individual board members spelt out in the board of director code to enable them operate effectively and in the best interest of the organization/fund

The code of conduct required a member to act honestly and in good faith, exercise duty with care and diligence avoid and disclose conflict of interest, maintain confidentiality of information about the organization show commitment and attend to organization business and respect fellow board members.

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### **Constitution of the Board Members**

Currently The Samburu County Community Conservancies fund board consist of the following 12 members including: -

- (a) A Chairperson appointed by the County Governor and approved by the County Assembly.
- (b) County Chief Officer responsible for Tourism and Marketing and Fund administrator
- (c) Three representatives of the Community Conservancies associations in the County each representing a sub-county;
- (d) Two representatives of the conservation partners nominated by their association;
- (e) The chairperson of the County Wildlife Conservation and Compensation Committee;
- (f) The County representative of Inspector General of Police;
- (g) The County Director for Tourism and Wildlife conservation
- (h) The Conservancies coordinator; and
- (i) The County Director responsible for Forest in the County.

The board members are constituted according to section 8 (1& 2) of the Samburu County Community conservancies fund act 2019 and section 2& 3 of the Samburu County Community Conservancies fund (Amendment) Act 2021.

### **Roles of the Board**

The board of management provide leadership and strategic direction to the organization. The main responsibility of the board is to:

- (a) Receive, review and approve project proposals submitted from the various community conservancies in accordance with these Regulations for funding;
- (b) oversee management of the Fund;
- (c) oversee timely and efficient disbursement of the Fund;
- (d) Oversee the effective implementation of the national wildlife policy in the county.
- (e) facilitate the establishment of community conservancies in the county;
- (f) provide for the recognition of existing community conservancies;
- (g) equitably subdivide the conservancies fund to the conservancies;
- (h) advise the county executive committee member on best practices in ensuring sustainable community conservancies;
- (i) facilitate prudent use of community land among pastoral communities;
- (j) support conservation education awareness and capacity building;



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- (k) provide a platform for community conservancies to diversify their revenue sources;
- (l) Facilitate provision of technical support to community conservancies;
- (m) Use community conservancies to foster peaceful coexistence among neighbouring communities; and
- (n) Perform such other functions as may be necessary for the fulfilment of its mandate under this Act.
- (o) receive, review and approve statutory and management reports of the Fund; and
- (p) perform such other duties as may be deemed necessary by the Committee executive member responsible for matters relating to conservation affairs from time to time for the proper management of the Fund.
- (q) Development of strategic plan for the board
- (r) Approval and review of annual budgets
- (s) Setting and periodically reviewing key performance indicators and management performance.
- (t) Risk management by ensuring that the organization has adequate system of internal controls together with appropriate monitoring compliance activities to ensure continuity

#### **Chairman of the Board of Management**

The principal role of the chairman is to: -

1. Provide overall leadership to the board
2. Play a key role in setting the agendas of board meetings and act as an informal link between the board and other stakeholders
3. Conduct efficient board meetings and guide the board decision making process
4. Harness the collective skills of the board and its committees and encourage board members to develop their skills and competencies
5. Promote the positive image of the organization and encourage a culture of transparency and teamwork among board members
6. Ensure the new board members are inducted in accordance with the agreed induction program
7. Provide quarterly update on governance matters and lead the annual board evaluation process.
8. Ensure that there is a formal succession plan for board members, and ensure appropriate balance of power between the fund administrator and the board.

**The Fund Administrator**

The fund administrator is the accounting officer /chief executive officer and is responsible for the day to day management of the board. The responsibility of the fund administrator is to: -

- a) Ensure that the earnings of, or accruals to the Fund are retained in the fund, unless the County Executive Committee member for Finance directs otherwise
- b) Ensure that money held in the fund, including any earnings or accruals referred to in paragraph (a) is spent only for the purposes for which the fund is established;
- c) Prepare accounts for the fund for each financial year
- d) Present the financial statements to the County Assembly
- a) Not later than three months after the end of each financial year, submit financial statements relating to those accounts to the Auditor-General; and The Public Finance Management Act, 2012 120
- b) Ensure that the accounts for the fund and the annual financial statements relating to those accounts comply with the accounting standards prescribed and published by the Accounting Standards Board from time to time.
- c) Carry out any other functions as may be assigned by the County Executive Committee Member responsible for Finance.

**Board work plan and meetings**

In order to guide the board, scheduled of meetings are prepared annually in advance the board meets at least once a quarter or more depending on the requirement of the business.

The board work plan should at a minimum focus on; -

- a) A review of the management's implementation of strategies, policies, and plans
- b) Risk assessment and management
- c) Budgeting and financial management
- d) Quality Assurance Process
- e) Board evaluation
- f) Strategic planning and review
- g) Governance and compliance
- h) Competence development of board members



During the year under the review the operation for the three quarters were not properly undertaken due to the delay in release of funds due to the deferment of the Samburu County Community conservancies fund act 2019 for further amendments.

**Corporate social responsibility statement**

Social and environmental responsibilities are critical areas of concern for the Samburu County Community Conservancies fund board. By the nature of its mandate the board focuses on the support and promotion of community based conservation initiatives that go a long way to improve sustainable livelihood and enhance the natural resource management through its various programs. The board support the establishment of community conservancies and will endeavour to invest in community priorities for improving their lives, and create the conditions for growing jobs and businesses. It will also provide financial support to strengthen the governance of community conservancies and increase stakeholders/ partner support to community conservancies.

The board will also try to build and maintain a sustainable, effective and dynamic organisation that is designed and resourced to enable direct support to community conservancies, maximising opportunities for them to become self-sustaining , stabilise and improve the productivity of grasslands for livestock, and the health and diversity of the wildlife and natural resources and build peace between ethnic communities and support conservation partnership in ensuring security for people and wildlife. The resources provided by Samburu Count Government are aimed at ensuring that the all communities are not only empowered to take part in the management of their natural resources, but are also included in the national development programs.

**Succession plan**

The purpose of this fund is to provide financial support to community conservancies and facilitate development of infrastructure to community conservancies. It is therefore necessary to ensure that the tenure of board members is staggered to ensure a phased transition.

**Existence of Aboard Charter**

The board was fully established in 2020 August and has since worked guided by the Samburu County Community conservancies fund act 2019.

Currently they don't have a charter but act according to then Samburu County Community Conservancies Fund Act 2019.

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**Process of Appointment**

The Board is a body corporate with perpetual succession and a common seal and capable, in its corporate name, of

- (a) Suing and being sued;
- (b) Purchasing, holding and disposing of movable and immovable property; and doing all such other things as may be done by a body corporate.

**The composition of the board includes: -**

1. A Chairperson appointed by the County Governor and approved by the County Assembly.
2. County Chief Officer responsible for Tourism and Marketing and Fund administrator
3. Three representatives of the Community Conservancies associations in the County each representing a sub-county;
4. Two representatives of the conservation partners nominated by their association;
5. The chairperson of the County Wildlife Conservation and Compensation Committee;
6. The County representative of Inspector General of Police;
7. The County Director for Tourism and Wildlife conservation
8. The Conservancies coordinator; and
9. The County Director responsible for Forest in the County

The appointment of the Board shall accord with gender balance, regional and religious balance, youth and persons living with disability. The Board in its first meeting shall appoint a vice chairperson who shall be of opposite gender to the chairperson.

**Office Tenure**

The members of the Board shall hold office for a period of three years and shall be eligible for re-appointment for one further term of three years.



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## **6. MANAGEMENT DISCUSSION AND ANALYSIS**

Community Conservancies support program project was initiated by the board to support community conservancies livelihood and development projects. The overall **goal** of the community conservancies support program was conservation of biodiversity, peace building and improvement of community livelihoods. The **mission** of the project was to empower and develop resilient community, transform livelihoods and conserve natural resource base. The Project objective was mainly to empower the local communities to take charge and play an active role in the conservation of natural resources of which their livelihoods by and large depend upon. The Project was likewise aimed at addressing the **inherent insecurity** problem in the areas that for a long time remained a bottle neck to our economic development.

The program was also instigated for the improvement of livelihoods for community conservancy's members and to enhance the status of natural resources, including wildlife conservation. The main areas of focus for the community conservancy fund and support program includes: -

- ✓ **Peace and Security** – That was to be implemented and undertaken through, conservancy scouts/rangers, peace committees, Moran/youth engagement
- ✓ **Natural Resource Management** – that includes, wildlife management (including anti-poaching and wildlife monitoring); grazing management; fisheries management; forest management
- ✓ **Enterprise** – as a means of generating revenue and creating direct household benefits which provide leverage for conservation and financial sustainability of the conservancy e.g. tourism, livestock marketing, microenterprises
- ✓ **Community Development** – Supported through the revenue from conservancy enterprises or partnerships with government and development agencies, and typically includes: student bursaries; medical support, emergency re-stocking of livestock; water, health and education infrastructure.
- ✓ **Infrastructure & Equipment** – Depending on area of coverage may include headquarters, security outposts, roads, airstrips, vehicles, radio communication etc.
- ✓ **Management & administration** – This is primarily the role of management boards supported by senior management team, and it includes e.g. development and implementation of a management plan (a requirement for conservancies under Wildlife Act 2013); monitoring; human resource management; financial management and budgeting; fundraising; and managing partnerships with other stakeholders

Some of the specific objectives for the community conservancy development support program/project includes

- 1) To support the capacity building and growth of conservancies in Samburu County
- 2) To support the establishment of more tourist facilities across the county
- 3) To promote peaceful coexistence between people and wildlife and among residents

communities themselves

- 4) To provide incentives to community to promote sustainable management of natural resources
- 5) To strengthen wildlife security through employment of scouts and provision of security equipment's
- 6) To support and promote efforts which are geared towards improving and maintaining Biodiversity and habitat protection
- 7) To support and strengthen community capacity, awareness and knowledge of biodiversity values, threats and management needs through involvement and active participation
- 8) Engender a sense of community ownership of projects for sustainability

### **Achievement**

From the on-set of the community conservancy development support program, which main beneficiaries remain to be the local community and by and large the Samburu County resident, the following achievement and outputs has been realized to date.

- ✓ Establishment and support of 5 new conservation areas that is Baragoi, Ndoto, Nyiro, Kirisia Nkoteyia and Ltungai/ Malaso conservation area.
- ✓ Recruitment, training and employment of over 268 community Scouts, hence improving the economic welfare for the local community at large.
- ✓ Capacity building for over 195 members of Conservancy boards through trainings, exposure tours, beachmarkings forums and conservation workshop.
- ✓ Provision of security and communication equipments to community conservancies i.e. VHF radios, handsets and base radios, sleeping bags, Multi-unihuts, Uniforms and tents to enhance security, safety and efficiency in service delivery.
- ✓ Purchase and provision of 11 operational and security patrol vehicles to enhance mobility, transport and communication and promote conservation, safety and security of the wildlife and people
- ✓ Security for both wildlife and people was enhanced through awareness creation and peace meeting.
- ✓ Strengthening of wildlife, people, property and highway security through the employment of community scouts along the specific insecurity hotspots i.e. in Sereolipi and Meibae area
- ✓ Reduction of poaching levels through awareness creation, public/ conservation campaigns and minimization of conflicts between wildlife conservation, land management and human settlement.
- ✓ The areas under active wildlife population were increased i.e. Elephants are currently found at Nyiro conservation area after over 40 years of disappearance
- ✓ Development of Tourism facilities in areas with visitor/clients potential i.e. Malaso cafeteria in Malaso escarpment and high-end tented camp at Nkoteyia conservancy

## **SAMBURU COUNTY COMMUNITY CONSERVANCIES FUND**

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**For the year ended June 30, 2021**

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- ✓ Protection of endangered wildlife species enhanced in wildlife sanctuaries and community conservancies i.e. Establishment of Rhino Sanctuary at Sera community conservancy and Reteti Elephant orphanage at Namunyak Community conservancies in partnership with KWS, NRT and other conservation partners.
- ✓ Improvement of wildlife conservation and collective conservancy land management, through awareness creation and public participation forum
- ✓ Boosting conservancy community living standards, diversification of income base and development of conservancy tourism potential
- ✓ Promotion of social interaction and peace among rival or worrying local communities ( Pokots, Samburu and Turkana), which culminated to reduction in cattle rustling and peaceful recovery of stolen livestock from both sides.
- ✓ Perpetuation of a pastoral form of land management where humans, domestic stock and wildlife are able to flourish together
- ✓ Construction of Security (6) fortified camps at Nkume, Lerra, Nompuya, Pura, Siteti and Lowa onyokie, to enhance security and safety for both human population and wildlife in the area, which were previously security hotspot.
- ✓ Support of livelihood and development projects for the existing community conservancies Kalama, Namunyak, Meibae, Nkoteyia and Sera wildlife conservancies), To sustain the growth, strengthen valuable partnership, and enhance wildlife and environment conservation as well as promote tourism.
- ✓ Construction of Wardens house in Ngilai conservancy, Construction of Radio room and Kitchen at Westgate community conservancy, construction of tourist bandas at Meibae community conservancy, Tourist lodge at Nkoteiya community conservancy, an eco-lodge at Ltungai Malaso community conservancy, equipping of Malaso Cafeteria etc.



## **7. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

Social and environmental responsibilities are critical areas of concern for the Samburu County Community Conservancies fund board. By the nature of its mandate the board focuses on the support and promotion of community based conservation initiatives that go a long way to improve sustainable livelihood and enhance the natural resource management through its various programs. The board support the establishment of community conservancies and will endeavour to invest in community priorities for improving their lives, and create the conditions for growing jobs and businesses. It will also provide financial support to strengthen the governance of community conservancies and increase stakeholders/ partner support to community conservancies.

The board will also try to build and maintain a sustainable, effective and dynamic organisation that is designed and resourced to enable direct support to community conservancies, maximising opportunities for them to become self-sustaining , stabilise and improve the productivity of grasslands for livestock, and the health and diversity of the wildlife and natural resources and build peace between ethnic communities and support conservation partnership in ensuring security for people and wildlife. The resources provided by Samburu Count Government are aimed at ensuring that the all communities are not only empowered to take part in the management of their natural resources, but are also included in the national development programs.

### **1. Sustainability strategy and profile –**

The county government has set aside KS. 120,000,000/- for the continuation of a community conservancies support program and projects, that will assist to enhanced benefit sharing and incentive through the community based conservation and improve livelihoods. The board is corporate body with perpetual succession and a common seal and shall in its cooperate home be capable of suing and being sued.

The board shall work within the periphery of Samburu County of 21,000km, and shall reflect the diversity of the people of Kenya.

### **2. Environmental performance**

The County Government in coordination and collaboration with Samburu County Community conservancies fund board and other stakeholders is in the process to develop policies in rangeland management and the climate change in the efforts to manage biodiversity, waste management, and to reduce environmental impact of the organization's product.

The Rangeland Management and Grazing Policy sets out important principles and guidelines for:

- i. Proper management of rangelands resources for enhanced productivity
- ii. Rangelands planning for sustainable development
- iii. Planned grazing and livestock mobility management
- iv. Reversing the degradation of rangelands resources

- v. Investments and development in rangelands
- vi. Coordination, cooperation and collaborations in rangelands management and development
- vii. Building resilience of rangelands and communities
- viii. Empowerment and engagement of rangeland communities in sustainable management of rangelands
- ix. Conservation and livelihoods development in rangelands

The goal of climate change policy is to enhance adaptive capacity and resilience of environments and communities to climate change and promote low carbon development path-way in the county.

The specific objectives of this climate Policy are to:

- (i) Provide a framework for mainstreaming climate change actions across relevant county sectors and into integrated planning, budgeting, decision-making and implementation;
- (ii) Establish a robust institutional framework for climate change mainstreaming and governance in the county;
- (iii) Promote county-wide climate change capacity building efforts through public awareness; education and training; research and development; technology development and transfer; and information and knowledge management;
- (iv) Reduce vulnerability to the impacts of climate change by enhancing adaptive capacity and climate resilience of local communities and ensure sustainable livelihoods;
- (v) Catalyse Samburu county's transition towards a low carbon development pathway;
- (vi) Provide a framework for effective resource mobilization and utilization in implementing climate change adaptation and mitigation strategies;
- (vii) Incentivize Samburu county's private sector stakeholder's involvement in promoting climate change actions and engaging in low carbon development opportunities; and,
- (viii) Promote intergenerational, special needs and gender mainstreaming approaches across all aspects of the county's climate change response.

### **3. Employee welfare**

The board is guided by the current human resource policies and procedures that provides guidelines in the management and development of human resource capacity towards the achievement of various national goals and objectives. The policies and procedures manual also incorporates provisions of the Constitution, Labour Laws and other Legislation that govern various aspects of industrial relations in the Public Service. The Manual is also anchored on other policies and guidelines governing the management of the Public Service. It provides the basis for human resource policies and regulations in the wider Public Service.

The policies will apply to the National Government and other Government Agencies and will be updated from time to time to reflect policy changes affecting human resource management and development in the Service and . The regulations should however, be used as the minimum norms and standards for human resource practice in the Public Service. The board may customize the policies for their operations.

The board shall be responsible for implementation of community conservancies policies and programmes as guided by the following values and principles of public service as stipulated in Article 232 of the Constitution: (i) high standards of professional ethics; (ii) efficient, effective and economic use of resources; (iii) responsive, prompt, effective, impartial and equitable provision of services; (iv) involvement of the people in the process of policy making; (v) accountability for administrative acts; (vi) transparency and provision to the public of timely, accurate information; 2 (vii) fair competition and merit as the basis of appointments and promotions; (viii) representation of Kenya's diverse communities; and (ix) affording adequate and equal opportunities for appointment, training and advancement, at all levels of the public service, of: (a) men and women; (b) the members of all ethnic groups; and (c ) persons with disabilities. (2) The values and principles of public service apply to public service in: - (i) all State organs in both levels of government; and (ii) all State corporations

The board will also be bound by the national values and principles of governance as stipulated in Article 10 of the Constitution. These include: - (i) Patriotism, national unity, sharing and devolution of power, the rule of law, democracy and participation of the people; (ii) Human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalised; (iii) Good governance, integrity, transparency and accountability; and (iv) Sustainable development.

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## **8. REPORT OF THE BOARD**

The Board submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the Fund affairs.

### **Principal activities**

The principal activity/mission/ mandate of the Fund is to: -

1. Invest in community priorities for improving their lives, and create the conditions for growing jobs and businesses.
2. Strengthen the governance of community conservancies and increase stakeholders/ partner support to community conservancies.
3. Build peace between ethnic communities and support conservation partnership in ensuring security for people and wildlife.
4. Stabilise and improve the productivity of grasslands for livestock, and the health and diversity of the wildlife and natural resources.
5. Build and maintain a sustainable, effective and dynamic organisation that is designed and resourced to enable direct support to community conservancies, maximising opportunities for them to become self-sustaining.

### **Results**

The results of the Fund for the year ended June 30, 2021 are set out on page 32

### **Members of the Board**

The members of the Board who served during the year are shown on page 3 in accordance with Samburu County Community conservancies fund act 2019

### **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. OR [XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *entity* for the year/period ended June 30, 2021 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf].

By Order of the Board

James Lengewa

Member of the Board

**SAMBURU COUNTY COMMUNITY CONSERVANCIES FUND**

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**For the year ended June 30, 2021**

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Date: \_\_\_\_\_

**9. STATEMENT OF MANAGEMENT’S RESPONSIBILITIES**

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by the Samburu County Community conservancies fund Act 2019 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, 2021. This responsibility includes:

- a. maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- b. maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund;
- c. 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;
- d. safeguarding the assets of the Fund;
- e. selecting and applying appropriate accounting policies; and
- f. making accounting estimates that are reasonable in the circumstances.

The Fund 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 Samburu County Community conservancies fund Act 2019. The fund 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, 2021, and of the Fund’s financial position as at that date. The Fund Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

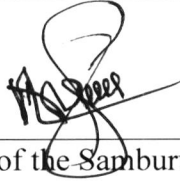
The Fund’s financial statements were approved by the Board on 30<sup>TH</sup> JUNE 2021 and signed on its behalf by:

**SAMBURU COUNTY COMMUNITY CONSERVANCIES FUND**

**Reports and Financial Statements**

**For the year ended June 30, 2021**

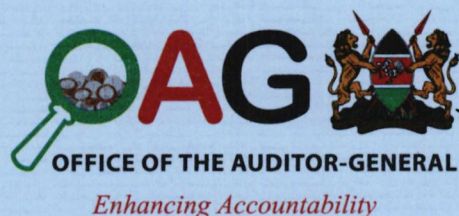
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A handwritten signature in black ink, appearing to be 'A. S. O. O. O.', is written over a horizontal line.

Administrator of the Samburu County Conservancies Fund

# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON SAMBURU COUNTY COMMUNITY CONSERVANCIES FUND FOR THE YEAR ENDED 30 JUNE, 2021**

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### **PREAMBLE**

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

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

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

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

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

#### **Opinion**

I have audited the accompanying financial statements of Samburu County Community Conservancies Fund set out on pages 32 to 67, which comprise the statement of financial

position as at 30 June, 2021, and the statement of financial performance, statement of cash flows, statement of changes in net assets, and the 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, the financial statements present fairly, in all material respects, the financial position of Samburu County Community Conservancies Fund as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and Samburu County Community Conservancies Act, 2019.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

### **Other Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs120,000,000 and Kshs.120,000,000 respectively. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.121,364,000 and Kshs.76,499,103 respectively resulting to an under expenditure of Kshs.44,864,897 or 37% of the budget.

The under expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and

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

### **Basis for Conclusion**

#### **Non-compliance with the Samburu County Community Conservancies Act, 2019**

Review of the Fund's Board revealed that the Board consists of twelve (12) members, out of which eleven (11) are male and the Board chairperson and vice chairperson are from same gender. This is contrary to Section 13(2)(3) of Samburu County Community Conservancies Act, 2019 which provides that the appointment of the Board shall accord with gender balance, regional and religious balance, youth and persons with disability and that the vice chairperson shall be of opposite gender to the chairperson.

Further, the annual reports and the financial statements use the name of the Fund as "Samburu County Conservancies Fund" instead of Samburu County Community Conservancies Fund. Contrary to Section 20 of Samburu County Community Conservancies Act, 2019.

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

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit 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 ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

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

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

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

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

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

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

- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

27 July, 2022

**SAMBURU COUNTY COMMUNITY CONSERVANCIES FUND****Reports and Financial Statements****For the year ended June 30, 2021****11. FINANCIAL STATEMENTS****11.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED  
30<sup>th</sup> JUNE 2021**

	Note	2020/2021	2019/2020
		KShs	KShs
<b>Revenue from non-exchange transactions</b>			
Public contributions and donations	1	-	0
Transfers from the County Government	2	120,000,000	0
Fines, penalties and other levies	3	-	0
		-	<b>0</b>
<b>Revenue from exchange transactions</b>			
Interest income	4	-	0
Other income	5	300	0
<b>Total revenue</b>		<b>120,000,300</b>	<b>0</b>
<b>Expenses</b>			
Fund administration expenses	6	3,199,293	0
Conservancy Disbursement	8	73,298,000	-
General Expenses	9	1,810	0
<b>Total expenses</b>		<b>76,499,103</b>	<b>0</b>
<b>Other gains/losses</b>			
Gain/loss on disposal of assets			
<b>Surplus/( deficit)for the period</b>		<b>43,501,197</b>	<b>0</b>

**SAMBURU COUNTY COMMUNITY CONSERVANCIES FUND**

**Reports and Financial Statements**

**For the year ended June 30, 2021**

**11.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	<b>Note</b>	<b>FY2020/2021</b>	<b>FY2019/2020</b>
		<b>KShs</b>	<b>KShs</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	43,501,197	0
Current portion of long- term receivables from exchange transactions	12	-	-
Prepayments	14	-	-
Inventories	15	-	-
		<b>43,501,197</b>	<b>0</b>
<b>Non-current assets</b>			
Property, plant and equipment	16	-	-
Intangible assets	17	-	-
Long term receivables from exchange transactions	12	-	-
		-	-
<b>Total assets</b>		<b>43,501,197</b>	<b>0</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	18	-	-
Provisions	19	-	-
Current portion of borrowings	20	-	-
Employee benefit obligations	23	-	-
		-	-
<b>Non-current liabilities</b>			
Non-current employee benefit obligation	23	-	-
Long term portion of borrowings	20	-	-
<b>Total liabilities</b>		-	-
<b>Net assets</b>			
Fund Capital		0	0
Reserves		-	-
Accumulated surplus		43,501,197	0
<b>Total net assets and liabilities</b>		<b>43,501,197</b>	<b>0</b>

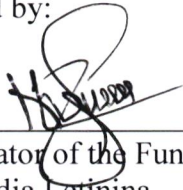
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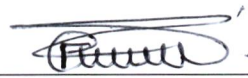
**For the year ended June 30, 2021**

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The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30<sup>TH</sup> JUNE 2021 and signed by:



\_\_\_\_\_  
Administrator of the Fund  
Name: Lydia Letinina



\_\_\_\_\_  
Fund Accountant  
Name: Felix Letiwa





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**11.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2021**

	<b>Revolving Fund</b>	<b>Revaluati on Reserve</b>	<b>Accumulated surplus</b>	<b>Total</b>
		<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
<b>Balance as at 1 July 2019</b>	-	-	-	-
Surplus/(deficit) for the period	-	-	-	-
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2020</b>	-	-	-	-
<b>Balance as at 1 July 2020</b>	-	-	-	-
Surplus/(deficit)for the period	-	-	43,501,197	43,501,197
Funds received during the year	120,000,000	-	-	
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2021</b>	<b>120,000,000</b>	-	<b>43,501,197</b>	<b>43,501,197</b>

**(Provide details on the nature and purpose of reserves)**

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**11.4. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2020/2021	2019/2020
		KShs	KShs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations		-	-
Transfers from the County Government	2	120,000,000	-
Interest received		-	-
Receipts from other operating activities	5	300	-
<b>Total Receipts</b>		<b>120,000,300</b>	-
<b>Payments</b>			
Fund administration expenses	6	(3,199,293)	-
Conservancy Disbursement	8	(73,298,000)	-
General expenses	9	(1,810)	-
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	21	-	-
Increase/(Decrease) in Accounts Payable: (deposits and retention)	22	-	-
<b>Net cash flows from operating activities</b>		<b>43,501,197</b>	-
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, planted equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
<b>Net cash flows used in investing activities</b>		-	-
<b>Cash flows from financing activities</b>			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
<b>Net cash flows used in financing activities</b>		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>43,501,197</b>	-
Cash and cash equivalents at 1 JULY	11	-	-
<b>Cash and cash equivalents at 30 JUNE</b>	11	<b>43,501,197</b>	-

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

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**11.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30<sup>th</sup>JUNE 2021**

	<b>Original budget</b>	<b>Adjustments</b>	<b>Final budget</b>	<b>Actual on comparable basis</b>	<b>Performance difference</b>	<b>% utilisation</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
<b>Revenue</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	
Public contributions and donations	-	-	-	-	-	-
Transfers from County Govt.	121,364,000		120,000,000	120,000,000	-	100%
Interest income	-	-	-	-	-	
Other income	-	-	0	300	(300.00)	
<b>Total income</b>	<b>121,364,000</b>	<b>-</b>	<b>120,000,000</b>	<b>120,000,300</b>	<b>(300.00)</b>	
<b>Expenses</b>						
Fund administration expenses	3,600,000	-	3,600,000	3,199,293	400,707	100%
Conservancy Disbursement	117,764,000	-	117,764,000	73,298,000	44,466,000	38%
General expenses-bank charges		-	0	1,810	1,810	
<b>Total expenditure</b>	<b>121,364,000</b>	<b>-</b>	<b>121,364,000</b>	<b>76,499,103</b>	<b>44,864,897</b>	<b>37%</b>
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>1,364,000</b>	<b>43,501,197</b>		

**Budget notes**

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis(budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

## 11.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

### 2. Adoption of new and revised standards

#### a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2021

Standard	Impact
<b>IPSAS 40:</b> Public Sector Combinations	<b>Applicable: 1<sup>st</sup> January 2020</b> The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations. <i>(State the impact of the standard to the entity if relevant)</i>

#### b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:
<b>IPSAS 41:</b> Financial Instruments	<b>Applicable: 1<sup>st</sup> January 2023:</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> </ul>

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p><i>(State the impact of the standard to the entity if relevant)</i></p>
<p><b>IPSAS 42: Social Benefits</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p> <p><i>(State the impact of the standard to the entity if relevant)</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2023:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other Improvements to IPSAS</p>	<p><b>Applicable: 1<sup>st</sup> January 2022:</b></p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.</p>

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Standard	Effective date and impact:
	<p>Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p>
	<p>IPSAS 40, Public Sector Combinations. Amendments to include the effective date paragraph which were inadvertently omitted when IPSAS 40 was issued</p>

**c) Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2021.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. Revenue recognition**

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

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

***Interest income***

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

**4. Budget information**

The original budget for FY 2020/2021 was approved by the County Assembly on 29<sup>th</sup> June 2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of nil on the FY 2020/2021 budget following the governing body's approval.

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

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 29 of these financial statements.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**5. Property, plant and equipment**

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

**6. Intangible assets**

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

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

**7. Financial instruments**

***Financial assets***

***Initial recognition and measurement***

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

***Loans and receivables***

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Held-to-maturity***

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

***Impairment of financial assets***

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

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

***Financial liabilities***

***Initial recognition and measurement***

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

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

***Loans and borrowing***

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

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**8. Inventories**

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

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

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and 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.

**9. Provisions**

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

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

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

***Contingent liabilities***

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Contingent assets*

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

**10. Nature and purpose of reserves**

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

*Entity to state the reserves maintained and appropriate policies adopted.*

**11. Changes in accounting policies and estimates**

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

**12. Employee benefits– Retirement benefit plans**

The Entity 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 proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**13. Foreign currency transactions**

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**14. Borrowing costs**

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

**15. Related parties**

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

**16. Cash and cash equivalents**

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

**17. Comparative figures**

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

**18. Events after the reporting period**

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

**19. Ultimate and Holding Entity**

Samburu County Conservancies Fund is a Public Fund established by Samburu County Conservancies Act, 2021 under the Ministry of Planning and Devolution. Its ultimate parent is the County Government of Samburu.

**20. Currency**

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**21. Significant judgments and sources of estimation uncertainty**

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

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

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

**Useful lives and residual values**

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

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

**Provisions**

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

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

*(include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)*

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**22. Financial risk management**

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

**a) Credit risk**

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement 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.

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

	<b>Total amount KShs</b>	<b>Fully performing KShs</b>	<b>Past due KShs</b>	<b>Impaired KShs</b>
<b>At 30 June 2020</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-
	-	-	-	-
<b>At 30 June 2019</b>	-	-	-	-
Receivables from exchange transactions	-	-	-	-
Receivables from non exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-

*(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)*

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 entity has significant concentration of credit risk on amounts due from xxx

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

**b) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	<b>Less than 1 month</b>	<b>Between 1-3 months</b>	<b>Over 5 months</b>	<b>Total</b>
	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
<b>At 30 June 2020</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2019</b>	-	-	-	-
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**c) Market risk**

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Fund's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management 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 manner in which it manages and measures the risk.

**i. Foreign currency risk**

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

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:

		<b>Other currencies</b>	<b>Total</b>
	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
<b>At 30 June 2020</b>			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables	-	-	-
<b>Liabilities</b>	-	-	-
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

*The Fund manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.*

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Foreign currency sensitivity analysis**

The following table demonstrates the effect on the Fund's statement of financial performance 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.

	<b>Change in currency rate</b>	<b>Effect on surplus/ deficit</b>	<b>Effect on equity</b>
	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
<b>2021</b>			
Euro	10%	-	-
USD	10%	-	-
<b>2020</b>			
Euro	10%	-	-
USD	10%	-	-

**ii. 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 Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

*Management of interest rate risk*

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

*Sensitivity analysis*

The Fund 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.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (2020: KShs xxx ). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs xxx (2019- KShs xxx)

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**d) Capital risk management**

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

	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
<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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**11.7. NOTES TO THE FINANCIAL STATEMENTS**

**1. Public contributions and donations**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Donation from development partners	-	-
Contributions from the public	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

(Provide brief explanation for this revenue)

**2. Transfers from County Government**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Transfers from County Govt. – operations	120,000,000.00	-
Payments by County on behalf of the entity	-	-
<b>Total</b>	<b>120,000,000.00</b>	<b>-</b>

**3. Fines, penalties and other levies**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Late payment penalties	-	-
Fines	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

(Provide brief explanation for this revenue)

**4. Interest income**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Interest income from Mortgage loans	-	-
Interest income from car loans	-	-
Interest income from investments	-	-
Interest income on bank deposits	-	-
<b>Total interest income</b>	<b>-</b>	<b>-</b>

(Provide brief explanation for this revenue)

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**5. Other income**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income	300.00	-
<b>Total other income</b>	<b>300.00</b>	<b>-</b>

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified).

**6. Fund administration expenses**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Staff costs (Note 7)	-	-
Loan processing costs	-	-
Professional services costs	-	-
Administration fees	3,199,293.00	-
<b>Total</b>	<b>3,199,293.00</b>	<b>-</b>

**7. Staff Costs**

<b>Description</b>	<b>FY2020/2021</b>	<b>FY2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Salaries and wages	-	-
Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**8. Conservancy Disbursement**

<b>Description</b>	<b>FY2020/2021</b>	<b>FY2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Conservancy Disbursement	73,298,000.00	-
<b>Total</b>	<b>73,298,000.00</b>	<b>-</b>

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

**9. General expenses**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	-	-
Printing and stationery	-	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Bank Charges	1,810.00	-
Hospitality	-	-
Depreciation and amortization costs	-	-
Other expenses	-	-
<b>Total</b>	<b>1,810.00</b>	<b>-</b>

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

**10. Gain/(loss) on disposal of assets**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Property, plant and equipment	-	-
Intangible assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**11. Cash and cash equivalents**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Car loan account	-	-
County mortgage account	-	-
Fixed deposits account	-	-
On – call deposits	-	-
Current account	43,501,197.00	-
Others	-	-
<b>Total cash and cash equivalents</b>	<b>43,501,197.00</b>	<b>-</b>

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

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

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

		2020/2021	2019/2020
<b>Financial institution</b>	<b>Account number</b>	<b>KShs</b>	<b>KShs</b>
<b>a) Fixed deposits account</b>			
Kenya Commercial bank		-	-
Equity Bank, etc		-	-
<b>Sub- total</b>		-	-
		-	-
<b>b) On - call deposits</b>		-	-
Kenya Commercial bank		-	-
Equity Bank - etc		-	-
<b>Sub- total</b>		-	-
		-	-
<b>c) Current account</b>		-	-
Kenya Commercial bank		43,501,197.00	-
Bank B		-	-
<b>Sub- total</b>		<b>43,501,197.00</b>	-
		-	-
<b>d) Others(specify)</b>		-	-
Cash in transit		-	-
Cash in hand		-	-
M Pesa		-	-
<b>Sub- total</b>		-	-
<b>Grand total</b>		<b>43,501,197.00</b>	-

**12. Receivables from exchange transactions**

<b>Description</b>	2020/2021	2019/2020
	<b>KShs</b>	<b>KShs</b>
<b>Current Receivables</b>		
Interest receivable	-	-
Current loan repayments due	-	-
Other exchange debtors	-	-
Less :impairment allowance	-	-
<b>Total Current receivables</b>	-	-
	-	-
<b>Non-Current receivables</b>	-	-
Long term loan repayments due	-	-
<b>Total Non- current receivables</b>	-	-
<b>Total receivables from exchange transactions</b>	-	-

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**Additional disclosure on interest receivable**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
<b>Interest receivable</b>		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
<b>Current loan repayments due</b>	-	-
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

**13. Revenue from Non-Exchange transaction**

<b>Description</b>	<b>KShs</b>	<b>KShs</b>
	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Transfer to County Executive	-	-
Transfer to Fund	-	-
<b>Total receivables from non-exchange transactions</b>	-	-

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**14. Prepayments**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Other prepayments(specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**15. Inventories**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Other inventories(specify)	-	-
<b>Total inventories at the lower of cost and net realizable value</b>	<b>-</b>	<b>-</b>

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

**16. Property, plant and equipment**

	<b>Land and Buildings</b>	<b>Motor vehicles</b>	<b>Furniture and fittings</b>	<b>Computers and office equipment</b>	<b>Total</b>
<b>Cost</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
<b>At 1<sup>st</sup> July 2019</b>	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> June 2020</b>	-	-	-	-	-
<b>At 1<sup>st</sup> July 2020</b>	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> June 2021</b>	-	-	-	-	-
<b>Depreciation and impairment</b>	-	-	-	-	-
At 1 <sup>st</sup> July 2019	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
<b>At 30<sup>th</sup> June 2020</b>	-	-	-	-	-
<b>At 1<sup>st</sup> July 2020</b>	-	-	-	-	-
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-
<b>At 30<sup>th</sup> June 2021</b>	-	-	-	-	-
<b>Net book values</b>	-	-	-	-	-
<b>At 30<sup>th</sup> June 2020</b>	-	-	-	-	-
<b>At 30<sup>th</sup> June 2021</b>	-	-	-	-	-

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

**17. Intangible assets-software**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
<b>Cost</b>		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
<b>Amortization and impairment</b>		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
<b>NBV</b>	<b>-</b>	<b>-</b>

**18. Trade and other payables from exchange transactions**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Trade payables	-	-
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
<b>Total trade and other payables</b>	<b>-</b>	<b>-</b>

**19. Provisions**

<b>Description</b>	<b>Leave provision</b>	<b>Bonus provision</b>	<b>Other provision</b>	<b>Total</b>
	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
Balance at the beginning of the year(1.07.2018)	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Transfers from non -current provisions	-	-	-	-
<b>Balance at the end of the year (30.06.2020)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**20. Borrowings**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
<b>Balance at beginning of the period</b>	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the period	-	-
Repayments of domestics borrowings during the period	-	-
<b>Balance at end of the period</b>	-	-

The table below shows the classification of borrowings into external and domestic borrowings:

	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
<b>External Borrowings</b>		
Dollar denominated loan from 'xxx organisation'	-	-
Sterling Pound denominated loan from 'yyy organisation'	-	-
Euro denominated loan from zzz organisation'	-	-
<b>Domestic Borrowings</b>	-	-
Kenya Shilling loan from KCB	-	-
Kenya Shilling loan from Barclays Bank	-	-
Kenya Shilling loan from Consolidated Bank	-	-
Borrowings from other government institutions	-	-
<b>Total balance at end of the year</b>	-	-

The table below shows the classification of borrowings long-term and current borrowings:

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Short term borrowings(current portion)	-	-
Long term borrowings	-	-
<b>Total</b>	-	-

*(NB: the total of this statement should tie to note 18 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed)*



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

**21. CHANGES IN RECEIVABLE**

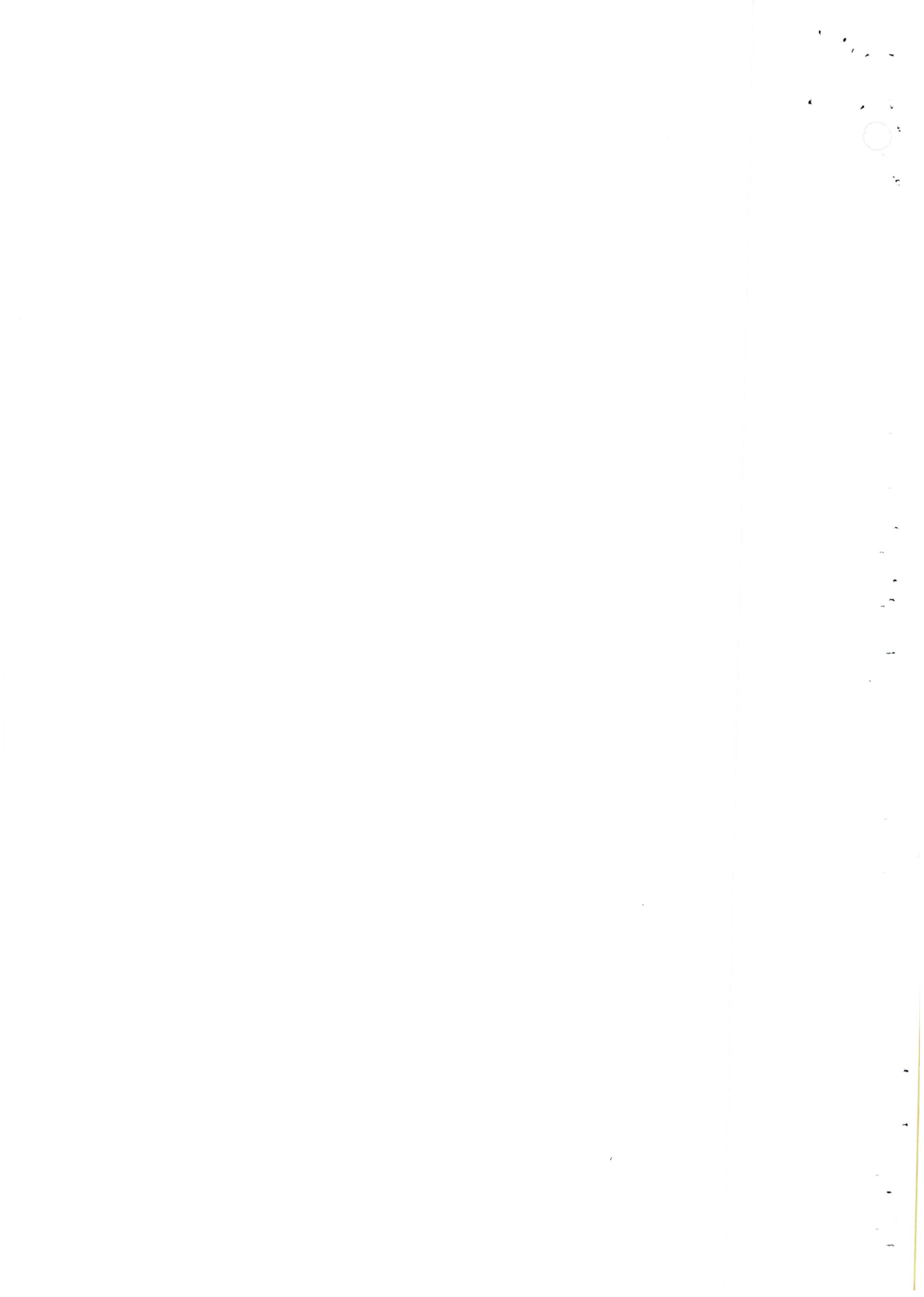
<b>Description of the error</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Account receivable as at 1 <sup>st</sup> July 2019 (A)	-	-
Account receivable issued during the year (B)	-	-
Account receivable settled during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

**22. CHANGES IN ACCOUNTS PAYABLE**

<b>Description of the error</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Accounts Payable as at 1 <sup>st</sup> July 2019 (A)	-	-
Accounts Payable held during the year (B)	-	-
Accounts Payable paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

**23. Employee benefit obligations**

<b>Description</b>	<b>Defined benefit plan</b>	<b>Post employment medical benefits</b>	<b>Other Provisions</b>	<b>Total</b>
	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
Current benefit obligation	-	-	-	-
Non-current benefit obligation	-	-	-	-
<b>Total employee benefits obligation</b>	-	-	-	-



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**24. Cash generated from operations**

	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
<b>Surplus/ (deficit) for the year before tax</b>	-	-
<b>Adjusted for:</b>	-	-
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
<b>Working Capital adjustments</b>	-	-
Increase in inventory	-	-
Increase in receivables	-	-
Increase in payables	-	-
<b>Net cash flow from operating activities</b>	-	-

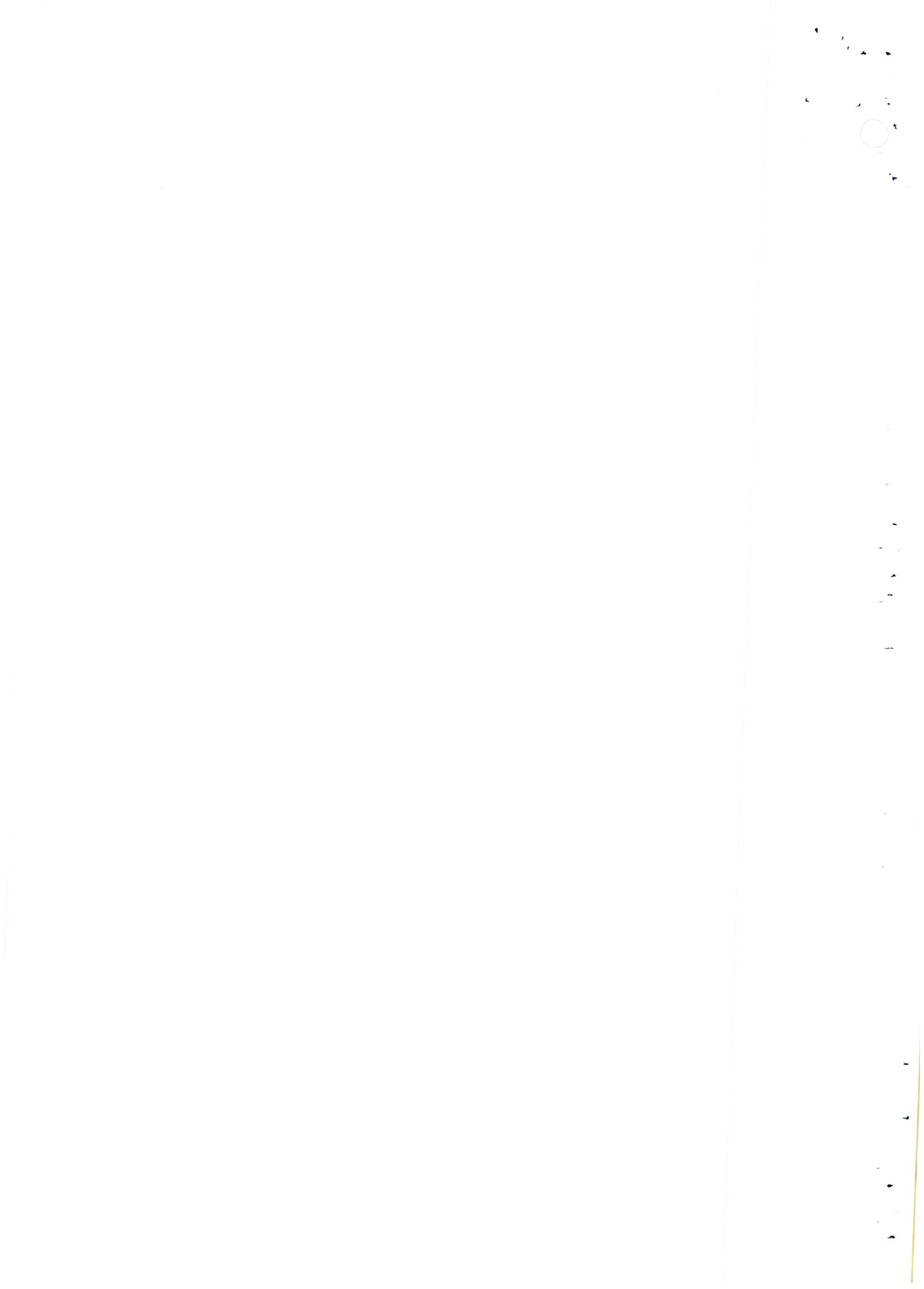
*(The total of this statement should tie to the cash flow section on net cash flows from operating activities)*

**25. Related party balances**

**a) Nature of related party relationships**

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

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



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**b) Related party transactions**

	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Transfers from related parties'	-	-
Transfers to related parties	-	-

**c) Key management remuneration**

	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Board of Trustees	-	-
Key Management Compensation	-	-
<b>Total</b>	-	-

**d) Due from related parties**

	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Due from parent Ministry	-	-
Due from County Government	-	-
<b>Total</b>	-	-

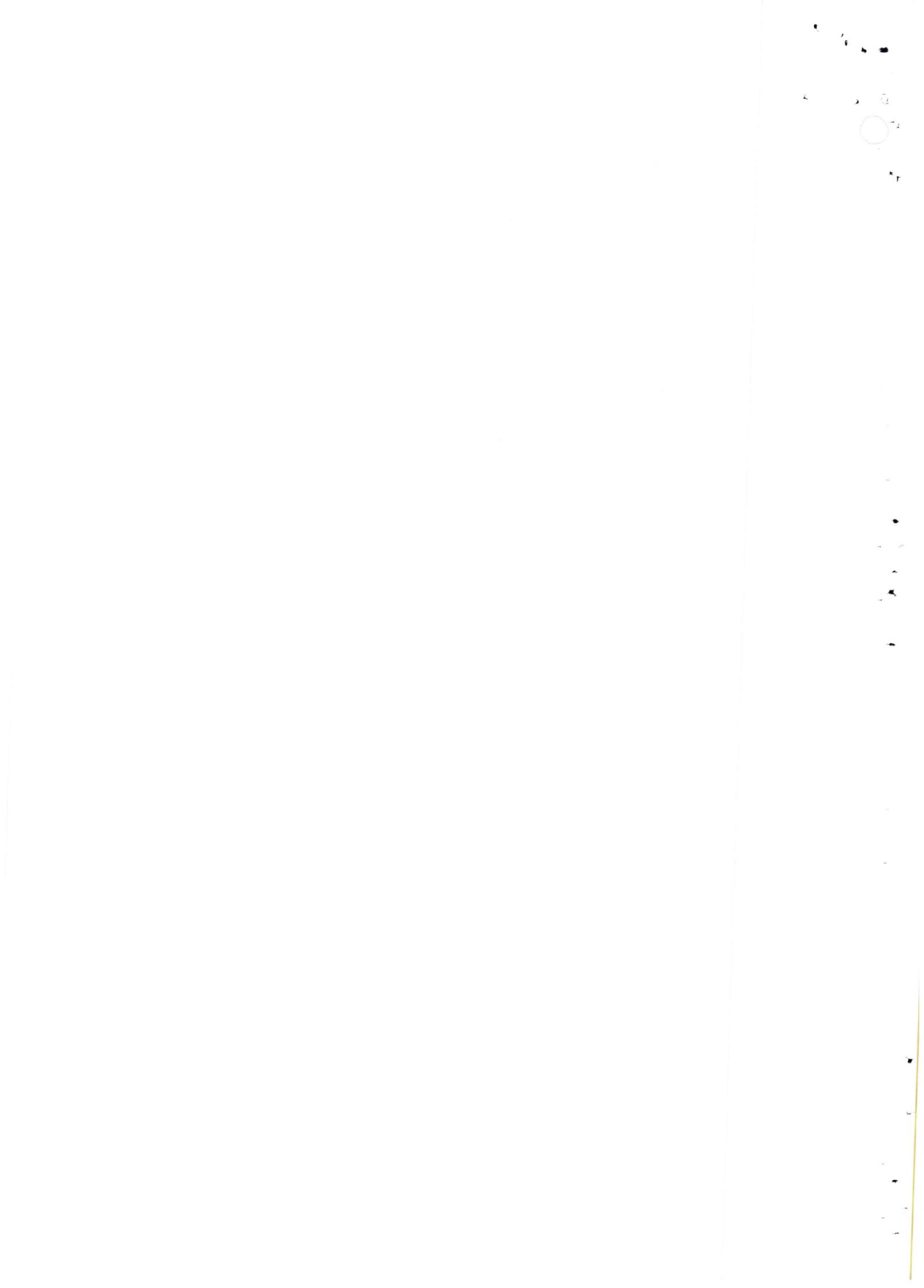
**e) Due to related parties**

	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
<b>Total</b>	-	-

**26. Contingent assets and contingent liabilities**

<b>Contingent liabilities</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Court case xxx against the Fund	-	-
Bank guarantees	-	-
<b>Total</b>	-	-

*(Give details)*



**SAMBURU COUNTY CONSERVACIES FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

**12. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR’S RECOMMENDATIONS**

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

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

**Guidance Notes:**

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

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