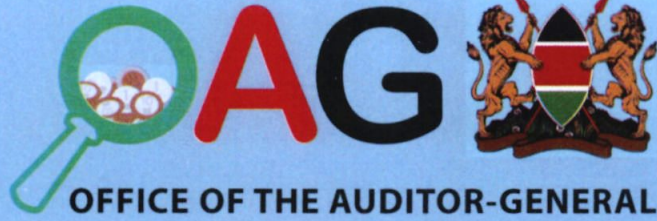
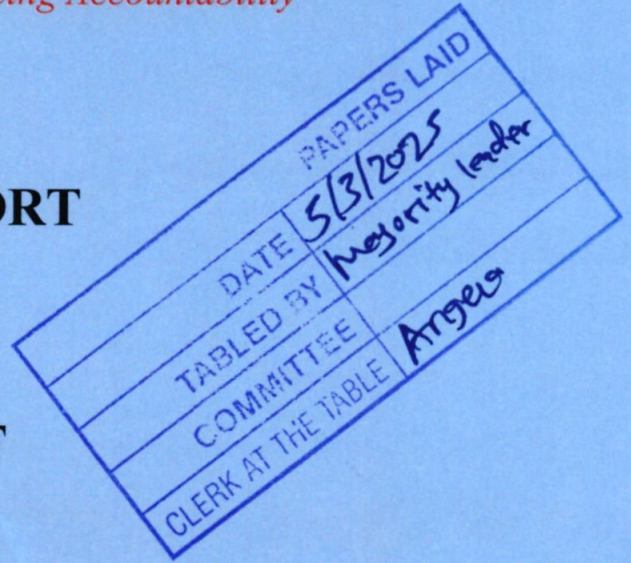


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

**MURANG'A COUNTY SMALL TRADERS
EMPOWERMENT PROGRAMME FUND**

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

Revised 30th June 2024



MURANG'A COUNTY SMALL TRADERS' EMPOWERMENT FUND
COUNTY GOVERNMENT OF MURANG'A

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2024

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



Murang'a County Small Traders Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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Murang'a County Small Traders Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024

1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings

b) Glossary of Terms

Fiduciary Management The key management personnel who had financial responsibility

Murang'a County Small Traders Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024

2. Key Entity Information and Management

a) Background information

Small traders' empowerment programme fund is established by and derives its authority and accountability from Murang'a county Act 2020 of 9th November 2020. The Fund is wholly owned by the County Government of Murang'a and is domiciled in Kenya.

The fund's objective is to empower economically small traders of Murang'a County.

b) Principal Activities

- (i) To assist small traders with low interest loans to cushion them from effects of Covid 19 pandemics.
- (ii) To enable small traders to access capital to expand their business
- (iii) To provide loans to small traders to boost their business growth and sustainability
- (iv) To support small traders to develop linkages with high value markets
- (v) To facilitate welfare programmes for small traders
- (vi) To support capacity building of the beneficiaries through training, mentorship among other areas.
- (vii) To promote access to government procurement opportunities for small traders

Advisory Board Members

Ref	Name	Position
1	Prof. Kinandu Maragu	Chairperson
2	Peter G. Kahora	Chief Officer Finance
3	Benard K Wanyoike	Chief Officer , Trade And Cooperatives
4	Samuel Gatitu	CEO(Ex Official/Secretary)
5	Joyce Wachiego Mwangi	Member
6	Monicah M Muiruri	Member
7	Simon Ichahuria	Fund Administrator

c) Key Management team

Ref	Name	Position	Details of Qualifications and Experience	Work Experience
1	Simon Ichahuria	Fund Administrator	Bachelor of Commerce, Finance CPA (K) CPS	4 yrs
2	Rose Muthoni Maingi	Director of Trade	Bachelor of Marketing	4 yrs
3				

Murang'a County Small Traders Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024

d) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Samuel Kaaga Maina
2	County assembly committee chairperson for cooperatives, trade and investment	James Karanja Kabera

e) Registered Offices

P.O. Box 52 – 10200
County Headquarters
Murang'a town, KENYA

f) Fund Contacts

Telephone: (254) 060 – 2030271
E-mail: info@muranga.go.ke
Website: www.muranga.go.ke

g) Fund Bankers

FAMILY BANK
Murang'a Town
Murang'a, KENYA

h) Independent Auditors

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

i) Principal Legal Adviser

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

j) County Attorney

The County Attorney
County Headquarters
P.O. Box 52 – 10200
Murang'a, KENYA

Murang'a County Small Traders Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024

3. Report of The Fund Administrator

The fund has faced the following challenges

- i. Key management team has not been provided for in the Murang'a County Small Traders Fund Regulations, 2021. The signatories of the fund have been acting as the management team. Two officials have since left the service from the County.
- ii. The term of Advisory Board expired on March 2023.
- iii. The fund has not been operational for the last two financial years. Bank accounts have been dormant.
- iv. Cash flow statements of the fund have reported deficit figures in cash and cash equivalents at the end of financial years since the FY 2022/2023 financial statements.
- v. The going concern of this fund is uncertain.

Name

Simeon LICHATHURIA

Sign



4. Statement of Performance Against Predetermined Objectives for FY 2023/2024

Section 164 (2) (f) of the Public Finance Management Act, 2012, requires that, at the end of each financial year, the Accounting officer includes a statement of performance against predetermined objectives when preparing financial statements.

The key objectives of the Fund as per the The Murang'a County Small Traders Empowerment Fund Regulations, 2021 are:

- a) To ensure financial inclusivity of hawkers, informal and small traders by putting structures and incubating them to a level that inspires confidence and hence enable them access capital to expand their businesses, and by so doing, ensure they contribute to economic growth and the realization of the goals of Vision 2030;
- b) provide loans directly or indirectly to small traders in order to sustain and grow their businesses;
- c) attract and facilitate investment in small-trader oriented infrastructure such as business parks, fresh produce cold facilities, market sheds, value addition, markets or business incubators that will be beneficial to small traders, youth, women, and persons abled differently;
- d) support small traders to develop linkages with high value markets;
- e) facilitate welfare programs for small traders;
- f) support capacity building of the beneficiaries of the Fund through training, incubation, mentorship, diversification and promotion of innovation and development of products;
- g) facilitate periodic market surveys and data analysis to identify industry opportunities for small traders regionally, nationally and beyond; and
- h) promote, develop and facilitate access to government procurement opportunities by small traders.

Progress on the attainment of Strategic development objectives

During the financial year 2023/2024, the fund did not receive any funding. Therefore, there were no operations.

5. 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 Murang'a County Hawkers, Informal and Small Traders (Protection of Livelihood and Empowerment) Act, 2020* shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the Small Traders Empowerment Programme Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) selecting and applying appropriate accounting policies; and (v) making accounting estimates that are reasonable in the circumstances.

The Administrator of the Small Traders Empowerment Programme Fund is responsible for the preparation of 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 *Murang'a County Act, 2020 of 9th November 2020*

Approval of the financial statements

The Fund's financial statements were approved by the Board on _____ 2024 and signed on its behalf by:

.....  11/11/2024

Administrator of the County Public Fund

MURANG'A COUNTY SMALL TRADERS
EMPOWERMENT FUND

6. Statement of Corporate Governance

The term of advisory board expired on March 2023.

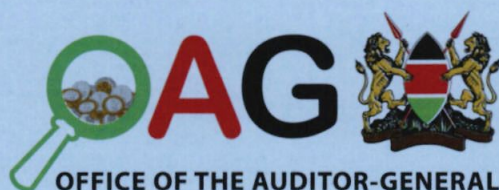
The fund does not have committee/trustee.

7. Management Discussion and Analysis

The term of advisory board expired on March 2023. This is the board tasked with developing policy formulation and strategic decisions of the Fund.

REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON MURANG'A COUNTY SMALL TRADERS EMPOWERMENT PROGRAMME FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Murang'a County Small Traders Empowerment Programme Fund set out on pages 1 to 15, which comprise the statement

Report of the Auditor-General on Murang'a County Small Traders Empowerment Programme Fund for the year ended 30 June, 2024

of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion Section of my report, the financial statements present fairly, in all material respects, the financial position of Murang'a County Small Traders Empowerment Programme Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Public Finance Management (Murang'a County Small Traders Empowerment Fund) Regulations, 2021.

Basis for Qualified Opinion

1. Accuracy and Presentation of Financial Statements

Examination of the financial statements for the year ended 30 June, 2024 provided for audit review revealed the following anomalies:

- i. The statement of financial position reflects Kshs.10,306 in respect to comparative balance for cash and cash equivalents, however, the prior year balance reflected Kshs.9,190 resulting to a variance of Kshs.1,116.
- ii. The statement of cash flows reflects Kshs.10,306 in respect to comparative balance for cash and cash equivalents as at 1 July 2023, however, the prior year balance reflected Kshs.9,190 resulting to a variance of Kshs.1,116. Further, it reflects nil balance in respect to finance cost, however, the prior year balance reflected Kshs.720 resulting to a variance of Kshs.720

In the circumstances, the financial statements do not conform to the format prescribed by the Public Sector Accounting Standard Board (PSASB). Additionally, Management was in breach of the law.

2. Failure to Disclose Bank Accounts

The statement of financial position and as disclosed in Note 12 to the financial statements reflects a balance of Kshs.10,306 in respect to cash and cash equivalents. This represents the amount held in three accounts at family bank as at 30 June 2024. However, records available revealed that the Fund operated one other bank accounts in

Report of the Auditor-General on Murang'a County Small Traders Empowerment Programme Fund for the year ended 30 June, 2024

family bank which was not disclosed in the financial statements. Further, Management did not provide cash books and monthly bank reconciliation statements for two bank accounts.

In the circumstances, the accuracy of cash and cash equivalents balance of Kshs.10,306 could not be confirmed.

3. Failure to Disclose Receivables

Records provided for audit revealed that the Small Traders Empowerment Programme Fund disbursed a total of Kshs.20,000,000 (Twenty million shillings) to Murang'a County Small Traders through its Small Traders Empowerment Loan account at a local bank in two equal instalments of Kshs.10,000,000 on 27 January, 2022 and 4 February, 2022. Management did not maintain loan accounts as required under Regulation 11(3) (c) of the Public Finance Management (The Murang'a County Small Traders Empowerment Fund) Regulations, 2021. Further, there was no evidence that the borrowers repaid the loan disbursed and there was no disclosure of receivables in the financial statements. In addition, the loanees details, repayment period and amounts disbursed per loanee was not provided for audit.

In the circumstances, the recoverability of the Kshs.20,000,000 disbursed to small traders could not be confirmed.

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

Material Uncertainty Related to Going Concern

During the year under review the County Assembly did not appropriate funds towards small traders' support program in the County Government's Budget. In addition, records available revealed that the Fund has been dormant for the last two financial years and there were no key Management team and Advisory Board to steer the activities of the Fund.

In the circumstances, the going concern of the Fund is doubtful.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

Conclusion

The Management is responsible for the Other Information set out on page iii to ix, which comprise of Key Entity Information and Management, Key Management team, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Statement of Corporate Governance, Management Discussion and Analysis, and Statement of Management responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with 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 controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

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

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

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

Report of the Auditor-General on Murang'a County Small Traders Empowerment Programme Fund for the year ended 30 June, 2024

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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 December, 2024

**Murang'a County Small Traders Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

9. Statement of Financial Performance for the Year Ended 30th June 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	0	0
Transfers From the County Government	2	0	0
Fines, Penalties and Other Levies	3	0	0
		0	0
Revenue From Exchange Transactions			
Interest Income	4	0	0
Other Income	5	0	0
		0	0
Total Revenue		0	0
Expenses			
Training expenses	6	0	0
Use of goods and services	7	0	0
Disbursement	8	0	0
Bank charges		0	720
Total Expenses		0	720
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	0	0
Gain /Loss on fair value of investments	11	0	0
Surplus/(Deficit) for the Period		0	(720)

(The notes set out on pages xxx to xxx form an integral part of these Financial Statements)

.....
Simon KAITURIO
 Name: *[Signature]*
 ICPAK MEMBER NO. 18732

.....
Rosa Wanjiku
 Name:

**Murang'a County Small Traders Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

10. Statement of Financial Position As at 30 June 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	10,306	10,306
Current Portion of Long- Term Receivables From Exchange Transactions	13	0	0
Prepayments		0	0
Inventories		0	0
Investments in financial assets		0	0
Total current assets		10,306	10,306
Non-Current Assets			
Property, Plant and Equipment		0	0
Intangible Assets		0	0
Long Term Receivables from Exchange Transactions		0	0
Investment Property		0	0
Total non- current assets		0	0
Total Assets		10,306	10,306
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions		0	0
Current Portion of Borrowings		0	0
Employee Benefit Obligations		0	0
Social benefit liabilities		0	0
Total current liabilities		0	0
Non-Current Liabilities			
Long Term Portion of Borrowings		0	0
Non-Current Employee Benefit Obligation		0	0
Social benefit liabilities		0	0
Total Liabilities		0	0

Murang'a County Small Traders Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Net Assets			
Revolving Fund		0	0
Reserves		0	0
Accumulated Surplus		0	0
Total Net Assets and Liabilities		10,306	10,306

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 _____ 2024 and signed by:


.....
Sumit Khatun
 Name: *Sumit Khatun*
ICPAK MEMBER NO. 18732

.....
Rose Mwangi
 Name: *Rose Mwangi*

**Murang'a County Small Traders Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

11. Statement of Changes in Net Assets for the year ended 30th June 2024

Description	Accumulated surplus	Total
	Kshs	Kshs
Balance as at 1 July (2022)	10,306	10,306
Surplus/(Deficit) For the Year	0	0
Balance As At 30 June (2023)	10,306	10,306
Balance As At 1 July (2023)	10,306	10,306
Surplus/(Deficit) For the Year	0	0
Balance As At 30 June (2024)	10,306	10,306


 Name: Simon ICHATTURIA
 ICPAK MEMBER NO. 18732


 Name: Rosa Mwangi

**Murang'a County Small Traders Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

12. Statement of Cash Flows for The Year Ended 30 June 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		0	0
Transfers from the county government		0	0
Interest received		0	0
Receipts from other operating activities		0	0
Total receipts		0	0
Payments			
Training expenses		0	0
General expenses		0	0
Finance cost		0	0
Disbursement to STEP loan account		0	0
Net cash flows from operating activities		0	0
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		0	0
Proceeds from sale of property, plant & equipment		0	0
Proceeds from loan principal repayments		0	0
Loan disbursements paid out		0	0
Net cash flows used in investing activities		0	0
Cash flows from financing activities			
Proceeds from revolving fund receipts		0	0
Additional borrowings		0	0
Repayment of borrowings		0	0
Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash & cash Equivalents		0	0
Cash and cash equivalents at 1 July 2023		10,306	10,306
Cash and cash equivalents at 30 June 2024		10,306	10,306

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

**Murang'a County Small Traders Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

13. Statement Of Comparison Of Budget And Actual Amounts For The Period

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	A	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations	0	0	0	0	0	
Transfers From County Govt.						
Interest Income	0	-	0	0	0	
Other Income	0	0	0	0	0	
Total Income	0	0	0	0	0	
Expenses						
Fund Administration Expenses	0	0	0	0	0	
General Expenses	0	0	0	0	0	
Finance Cost	0	0	0	0	0	
Total Expenditure	0	0	0	0	0	
Surplus For the Period	0	0	0	0	0	
Capital expenditure	0	0	0	0	0	

Budget notes

1. There was no budget for this programme during the financial year 2023/2024

Murang'a County Small Traders Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024

14. Notes To The Financial Statements Continued

1. Public contributions and donations

Description	2023/2024	2022/2023
	Kshs	Kshs
Donation From Development Partners	0	0
Contributions From The Public	0	0
Total	0	0

(Provide brief explanation for this revenue)

2. Transfers from County Government

Description	2023/2024	2022/2023
	Kshs	Kshs
Transfers From County Govt. –Operations	0	0
Payments By County On Behalf Of The Entity	0	0
Unconditional Development grants	0	0
Total	0	0

3. Fines, penalties and other levies

Description	2023/2024	2022/2023
	Kshs	Kshs
Late Payment Penalties	0	0
Fines	0	0
Total	0	0

(Provide brief explanation for this revenue)

4. Interest income

Description	2023/2024	2022/2023
	Kshs	Kshs
Interest Income from Mortgage Loans	0	0
Interest Income From Car Loans	0	0
Interest Income From Investments in financial assets	0	0
Interest Income On Bank Deposits	0	0
Total Interest Income	0	0

(Provide brief explanation for this revenue)

Murang'a County Small Traders Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to the Financial Statements Continued

5. Other income

Description	2023/2024	2022/2023
	Kshs	Kshs
Insurance Recoveries	0	0
Income from Sale of Tender Documents	0	0
Bad debts recovered	0	0
Miscellaneous Income	0	0
Total Other Income	0	0

(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. Disclose write backs if any or recoveries from write offs).

6. Training Costs

Description	2023/2024	2022/2023
	Kshs	Kshs
Training	0	0
Total	0	0

7. Use of Goods and Services

Description	2023/2024	2022/2023
	Kshs.	Kshs.
General Office Expenses	0	0
Loan Processing Costs	0	0
Professional Services Costs	0	0
Administration Fees	0	0
Committee Allowances	0	0
Bank Charges	0	720
Electricity And Water Expenses	0	0
Fuel And Oil Costs	0	0
Insurance Costs	0	0
Postage And Courier	0	0
Printing And Stationery	0	0
Rental Costs	0	0
Security Costs	0	0
Telephone And Communication Expenses	0	0
Bank Charges	0	0

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Description	2023/2024	2022/2023
	Kshs.	Kshs.
Audit Fees	0	0
Provision For Doubtful Debts	0	0
Other (<i>Specify</i>)	0	0
Social benefit expenses*	0	0
Total	0	720

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42

8. Disbursement

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Transfer to STEP loan account at family bank	0	0
Total	0	0

9. Finance costs

Description	2023/2024	2022/2023
	Kshs	Kshs
Interest On Bank Overdrafts	0	0
Interest On Loans From Banks	0	0
Total	0	0

10. Gain/(loss) on disposal of assets

Description	2023/2024	2022/2023
	Kshs	Kshs
Property, Plant and Equipment	0	0
Intangible Assets	0	0
Total	0	0

11. Gain/ (loss) on Fair Value Investments

Description	2023/2024	2022/2023
	Kshs	Kshs
Investments at Fair Value- Equity investments	0	0
Fair value – Investment property	0	0
Fair value- other financial assets (<i>specify</i>)	0	0
Total Gain	0	0

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12. Cash and cash equivalents

Description	2023/2024	2022/2023
	Kshs	Kshs
Bank Account (Family Bank)		
Fund Account (006000032170)	9,190	9,190
Operations Account (00600003233)	1,116	1,116
Loans Account (006000032334)	0	0
Total Cash And Cash Equivalents	10,306	10,306

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Notes to the Financial Statements Continued

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

Financial Institution	Account number	2023/2024	2022/2023
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		0	0
Equity Bank, Etc.		0	0
Sub- Total		0	0
b) On - Call Deposits			
Kenya Commercial Bank		0	0
Equity Bank - Etc.		0	0
Sub- Total		0	0
c) Current Account			
Kenya Commercial Bank		0	0
Family Bank		10,306	10,306
Sub- Total		10,306	10,306
d) Others(Specify)			
Cash In Transit		0	0
Cash In Hand		0	0
Sub- Total		0	0
Grand Total		10,306	10,306

13. Receivables from exchange transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
Current Receivables		
Interest Receivable	0	0
Current Loan Repayments Due	0	0
Other Exchange Debtors	0	0
Less: Impairment Allowance	0	0
Total Current Receivables	0	0
Non-Current Receivables		
Long Term Loan Repayments Due	0	0
Total Non- Current Receivables	0	0
Total Receivables From Exchange Transactions	0	0

14. Significant Accounting Policies

a) General Information

Small Traders Empowerment Programme Fund is established by and derives its authority from The Murang'a County Hawkers, Informal and Small Traders (Protection of Livelihood and Empowerment) Act, 2020. The entity is wholly owned by the Murang'a County Government and is domiciled in Kenya. Small Traders Empowerment Programme Fund's principal activity is to provide small traders with low interest loans to promote their business.

b) Statement of compliance and basis of preparation

Small Traders Empowerment Programme Fund's financial statements have been prepared in compliance with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Small Traders Empowerment Programme 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 financial statements are prepared on accrual basis of accounting. The statement of cash flows is prepared using the direct method.

c) Adoption of new and revised standards

- (i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

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15. Annexes

Annex I: 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.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>NRO/MRG.STF/2022/2023(3)</p>	<p>Anomalies in the Annual Report and Financial Statements Review of the annual report and financial statements as prepared and presented for audit revealed the following anomalies: (i) Inconsistent paginating (ii) Report of fund administrator is not signed (iii) Report by the CECM finance is omitted (iv) The statement of comparison of budget and actual amounts erroneously reflects nil amounts (v) Statement of management responsibilities is omitted (vi) The statement of financial position reflects Nil receivables from exchange transactions balance, despite the transfer of Kshs.20,000,000 to Wachuuzi Savings and Credit Cooperative Account number 006000031804 held at a local bank during the financial year 2021/2022.</p>	<p>(i) The report has been paginated (ii) The report has been signed by the fund administrator (iv) There was not budget for the year under review. There was no transfer from the county. (v) Statement of management responsibilities has been included (vi) The Nil receivables are as a result of non-submission of the status of debtors from Wachuuzi Sacco</p>	<p>Resolved</p>	<p>June 2024</p>
	<p>In the circumstances, the accuracy and completeness of the respective financial statements' balances could not be confirmed. Further, the annual report and financial statements do not comply with the reporting template issued by the Public Sector Accounting Standards Board. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kigumo Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.</p>			
<p>NRO/MRG:STF/2022/2023(3)</p>	<p>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.</p>	<p>The term of Advisory Board members expired in March 2023. Some key management team have since left the county as a result of expiry of their employment contracts.</p>	<p align="center">Resolved</p>	<p align="center">June 2024</p>
<p>NRO/MRG:STF/2022/2023(3)</p>	<p>Late Submission of Financial Statements The Fund's financial statements for the financial year ended 30 June, 2023 were submitted to Auditor-General 12 January, 2024, more than three months after the statutory deadline of 30 September, 2023. This was contrary to Section 101(4) of the Public Finance Management (County Governments) Regulations, 2015 which provides that an Accounting Officer shall prepare the financial statements in a form that complies with the relevant accounting standards prescribed by the Public Sector Accounting Standards Board, not later than three months after the end of the financial year and submit them to the Auditor-General with a copy to the County Treasury, the Controller of Budget and the National Treasury. In the circumstances, the Management was in breach of the Law.</p>	<p>This has been noted. The fund will endeavour to be submitting financial statement to office of Auditor General within stipulated timelines.</p>	<p align="center">Resolved</p>	<p align="center">June 2024</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>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.</p>			
<p>NRO/MRG.STF/2022/2023(3)</p>	<p>Lack of Policy Documents and Manuals During the year under review, the Fund did not have in place a risk management policy, human resource policy, information technology (ICT) policy, finance manual, and business recovery policy. In the circumstances, the effectiveness of the Fund's internal controls and risk management could not be confirmed. 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 controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.</p>	<p>The fund will endeavour to develop policy documents and manuals in the areas of operations so as to operationalize its activities.</p>	<p>Not Resolved</p>	<p>-</p>

Fund Administrator/Accounting Officer

Date.....