

REPUBLIC OF KENYA

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# REPORT

OF

THE AUDITOR-GENERAL

ON

**KERICHO COUNTY ENTERPRISE  
FUND**

**FOR THE YEAR ENDED  
30 JUNE, 2020**

PAPERS LAID	
DATE	02/03/2022
TABLED BY	B.S.M.L.
COMMITTEE	—
CLERK AT THE TABLE	DANIEL





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**KERICHO COUNTY ENTERPRISE FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**JUNE 30, 2020**

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

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**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**a) Background information**

Kericho County Enterprise Fund is established by and derives its authority and accountability from Kericho County Enterprise Fund Act, 2014 The Fund is wholly owned by the County Government of Kericho and is domiciled in Kenya.

The fund's objective is to provide easy access to capital for business start-ups

The Fund's principal activity is promotion of enterprise development among the youths and women who wish to start businesses.

**b) Principal Activities**

The principal activity/mission/ mandate of the Fund is to facilitate access to credit for business capital; promote enterprise development among the youth, people with disabilities, women and men; facilitate the development of conducive and appropriate business environment for enterprise development; enhance access to employment; enhance enterprise skills development and promote local economic growth.

**c) Fund Administration Committee**

Ref	Name	Position
1	Eng. Philip Mason	Chairman
2	Lilian Kerio	Fund Administrator
4	Emily Sang	Member
5	Joash Bor	Member
6	Alphina Ngeny	Member
7	Shadrack Tonui	Member
8	Ernest Koskei	Member

**d) Key Management**

Ref	Name	Position
1	Eng. Philip Mason	Chairman
2	Lilian Kerio	Fund Administrator
3	Alice C. Langat	Enterprise Fund Manager



**e) Registered Offices**

P.O. Box 112  
Department of Trade Building  
Adjacent to High Court, Kericho  
Kericho, KENYA

**f) Fund Contacts**

Web: [www.kericho.go.ke](http://www.kericho.go.ke)  
Email: [info@kericho.go.ke](mailto:info@kericho.go.ke)  
Telephone: (254) 722305900

**g) Fund Bankers**

Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya

Transnational Bank Limited (Account 1 and 2)  
P.O. BOX 2157-20200  
Kericho

**h) Independent Auditors**




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

**i) Principal Legal Adviser**

The County Attorney  
P.O. Box 112-20200  
Kericho  
KENYA



**2. MANAGEMENT TEAM**

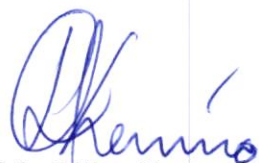
	<p>Eng. Phillip Mason is an engineer by profession and holds Bachelor's degree in Engineering and Currently the Ag. CECM for Trade.</p>
	<p>Mrs Lilian Kerio holds a master's Degree and is a researcher. She is the Secretary and Fund Administrator for the Fund as is stipulated in the Enterprise Fund Act.</p>
	<p>Mrs Alice C. Langat is the fund manager is a degree holder in Environmental Science with experience spanning over 20 years in Public Service. The manager is responsible for administration of the fund up to and including follow on repayments.</p>

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

This is the Kericho County Financial Statement for Enterprise Fund as at 30<sup>th</sup> June 2020. Section 167 of the PFM Act requires that the fund administrator to prepare financial statement for the fund at the end of every financial year.

The Act requires that the fund establishes a board which was established but the term expired. The selection of the board especially those appointed from the members of the Public is done through a competitive process by the County Public Service Board of Kericho. To replace the board whose term expired, an advertisement has been put forward and the applications have been received pending interviews just for those members of the Public

The fund was established to disburse loans to the youth with the expectation of repayments being done as indicated in the loan application forms. The repayment has been slow hence so many of the loanees have defaulted. There will be need to propose amendments to the Act so as to provide for loan collection processes upto providing for collateral for the loans. The follow up on repayments of the loans already disbursed is key priority to the fund and all the efforts will be made to have a considerable amount of money recovered from the defaulters.



Ms. Lilian Kerio

**Fund Administrator Kericho Enterprise Fund and the Chief Officer- Trade,  
Industrialization, Tourism, Wildlife and Co-operative management**

#### **4. 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 Kericho County Enterprise Fund Act, 2014 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, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Kericho County Enterprise Fund Act, 2014. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2020, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

#### **Approval of the financial statements**

The Fund's financial statements were approved and signed on 30<sup>th</sup> Sept 2020

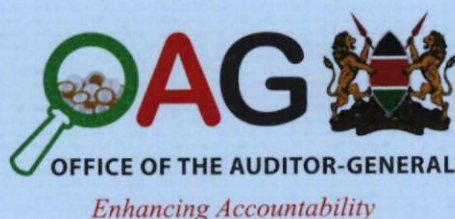


Ms. Lilian Kerio

**Fund Administrator Kericho County Enterprise Fund and the Chief Officer- Trade,  
Industrialization, Tourism, Wildlife and Co-operative management**

# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON KERICHO COUNTY ENTERPRISE FUND FOR THE YEAR ENDED 30 JUNE, 2020

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Kericho County Enterprise Fund set out on pages 7 to 15, which comprise of the statement of financial position as at 30 June, 2020, statement of financial performance, statement of changes in net assets, statement of cash flows 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kericho County Enterprise Fund as at 30 June, 2020 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 Kericho County Enterprise Fund Act, 2014 and the Public Finance Management Act, 2012.

#### Basis for Qualified Opinion

##### 1. Inaccuracy in the Financial Statements

The statement of cash flows reflects cash and cash equivalents balance of Kshs.13,947,969 as at 30 June, 2020 while a casting of the statement totals to a balance of Kshs.13,942,959 resulting to an unreconciled and unexplained variance of Kshs.5,010.

Consequently, the accuracy of the financial statements for the year ended 30 June, 2020 could not be confirmed.

##### 2. Failure to Recover Outstanding Loans

The statement of financial position reflects a balance of Kshs.76,492,150 in respect to long term receivables from exchange transactions which have been outstanding for more

than the allowable twenty four (24) months as per Regulations 8(1) of the Kericho County Enterprise Fund Regulations, 2014. Further, the Fund Management had not taken any measures to recover the outstanding loan.

In the circumstances, the recoverability of the outstanding loan balance of Kshs.76,492,150 as at 30 June, 2020 is doubtful and the Fund may not meet its objective.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kericho County Enterprise 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 qualified 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. I have determined that there were no key audit matters to report on in the year under review.

### **Other Matter**

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects actual receipts and payments totalling Kshs.266,671 and Kshs.102,401 respectively against no budget provision. This is contrary to Section 149(2)(h) of the Public Finance Management Act, 2012 that requires the Accounting Officer to prepare estimates of the expenditure of the entity in conformity with strategic plan and Section 149(2)(i) which requires the Accounting Officer to submit the estimates of an entity which is not a County Corporation to County Executive Committee Member for Finance.

Therefore, the Fund Management is in breach of the law and the propriety of the total payments for the year ended 30 June, 2020 could not be confirmed.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the 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 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 overall 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 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 the Fund 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 Fund's 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

10 February, 2022

**6. FINANCIAL STATEMENTS**

**6.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED  
30<sup>th</sup> JUNE 2020**

	Note	2019/2020	2018/2019
		KShs	KShs
<b>Revenue from non-exchange transactions</b>			
Public contributions and donations		-	-
Transfers from the County Government		-	-
Loan Repayment	1	5,010	180,619
		-	-
<b>Revenue from exchange transactions</b>		-	-
Interest income	1	261,661	261,919
Other income			
<b>Total revenue</b>		<b>266,671</b>	<b>442,538</b>
<b>Expenses</b>			
Fund administration expenses		-	-
General expenses-Printing	2	62,400	-
Finance costs-Tax deducted	2	40,001	40,788
<b>Total expenses</b>		<b>102,401</b>	<b>40,788</b>
<b>Other gains/losses</b>			
Gain/loss on disposal of assets		-	-
<b>Surplus/(deficit) for the period</b>		<b>164,270</b>	<b>401,750</b>

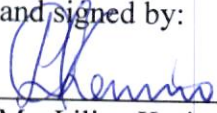
The notes set out on pages 15 to 16 form an integral part of these Financial Statements


**Kericho County Enterprise Fund  
Reports and Financial Statements  
For the year ended June 30, 2020**

**6.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020**

	Note	2019/2020 KShs	2018/2019 KShs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	13,947,969	13,778,689
Current portion of long-term receivables from exchange transactions		-	-
Prepayments		-	-
Inventories		-	-
		13,947,969	13,778,689
<b>Non-current assets</b>			
Property, plant and equipment		-	-
Intangible assets		-	-
Long term receivables from exchange transactions		76,492,150	76,497,160
		-	-
<b>Total assets</b>		90,440,119	90,275,849
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions		-	-
Provisions		-	-
Current portion of borrowings		-	-
Employee benefit obligations		-	-
		-	-
<b>Non-current liabilities</b>			
Non-current employee benefit obligation		-	-
Long term portion of borrowings		-	-
		-	-
<b>Total liabilities</b>		-	-
<b>Net assets</b>			
Revolving Fund		87,000,000	87,000,000
Reserves		-	-
Accumulated surplus		3,440,119	3,275,849
<b>Total net assets and liabilities</b>		90,440,119	90,275,849

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 30th Sept 2020 and signed by:

  
Ms. Lilian Kerio  
Chief Officer

  
CPA Fernandes Korir  
Head of Treasury Accounting  
ICPAK:13966



6.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2020

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
<b>Balance as at 1 July 2018</b>	<b>87,000,000</b>	-	2,874,099	89,874,099
Surplus/(deficit) for the period	-	-	401,750	401,750
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2019</b>	<b>87,000,000</b>	-	<b>3,275,849</b>	<b>90,275,849</b>
<b>Balance as at 1 July 2019</b>	<b>87,000,000</b>	-	3,275,849	90,275,849
Surplus/(deficit) for the period		-	164,270	164,270
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2020</b>	<b>87,000,000</b>		<b>3,440,119</b>	<b>90,440,119</b>



**Kericho County Enterprise Fund  
Reports and Financial Statements  
For the year ended June 30, 2020**

**6.4. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2019/2020	208/2019
		KShs	KShs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations		-	-
Transfers from the County Government		-	-
Loan Repayment	1	5,010	180,619
Interest income	1	261,661	261,919
<b>Total Receipts</b>		<b>266,671</b>	<b>442,538</b>
<b>Payments</b>			
Fund administration expenses		-	-
General expenses-Printing	2	62,400	-
Finance cost-Tax deducted	2	40,001	40,788
<b>Total Payments</b>		<b>102,401</b>	<b>40,788</b>
<b>Net cash flows from operating activities</b>		<b>164,270</b>	<b>401,750</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property ,plant and equipment		-	-
Proceeds from loan principal repayments		-	-
		-	-
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>-</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>-</b>	<b>-</b>
<b>Net increase/(decrease)in cash and cash equivalents</b>		<b>164,270</b>	<b>401,750</b>
Cash and cash equivalents at1JULY		<b>13,778,689</b>	<b>13,376,939</b>
<b>Cashandcashequivalentsat30 JUNE</b>	3	<b>13,947,969</b>	<b>13,778,689</b>

**6.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30<sup>th</sup> JUNE 2020**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2020	2020	2020	2020	2020	2020
	KShs	KShs	KShs	KShs	KShs	
<b>Revenue</b>						
Public contributions and donations	-	-	-	-	-	
Transfers from County Govt.	-	-	-	-	-	
Loan Repayment				5,010		
Interest income	-	-	-	261,661	-	
<b>Total income</b>	-	-	-	<b>266,671</b>	-	
<b>Expenses</b>	-	-	-	-	-	
Fund administration expenses	-	-	-	-	-	
General expenses-Printing	-	-	-	62,400	-	
Finance cost-Tax deducted	-	-	-	40,001	-	
<b>Total expenditure</b>	-	-	-	<b>102,401</b>	-	
<b>Surplus for the period</b>	-	-	-	<b>164,270</b>	-	

**Budget Note**

1. This is fund is a revolving fund thus was not budgeted for in the appropriation act of 2019/2020 as the loan are expected to be paid back to facilitate other youth to be given loans.

## **6.6. 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.

#### **a) Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2020.

### **2. 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.

### **3. Budget information**

The original budget for FY 2019/2020 was approved by the County Assembly on 24<sup>th</sup> June 2019. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The Fund was not budgeted for in the year under review as it is a revolving fund.

### **4. Nature and purpose of reserves**

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

### **5. Cash and cash equivalents**

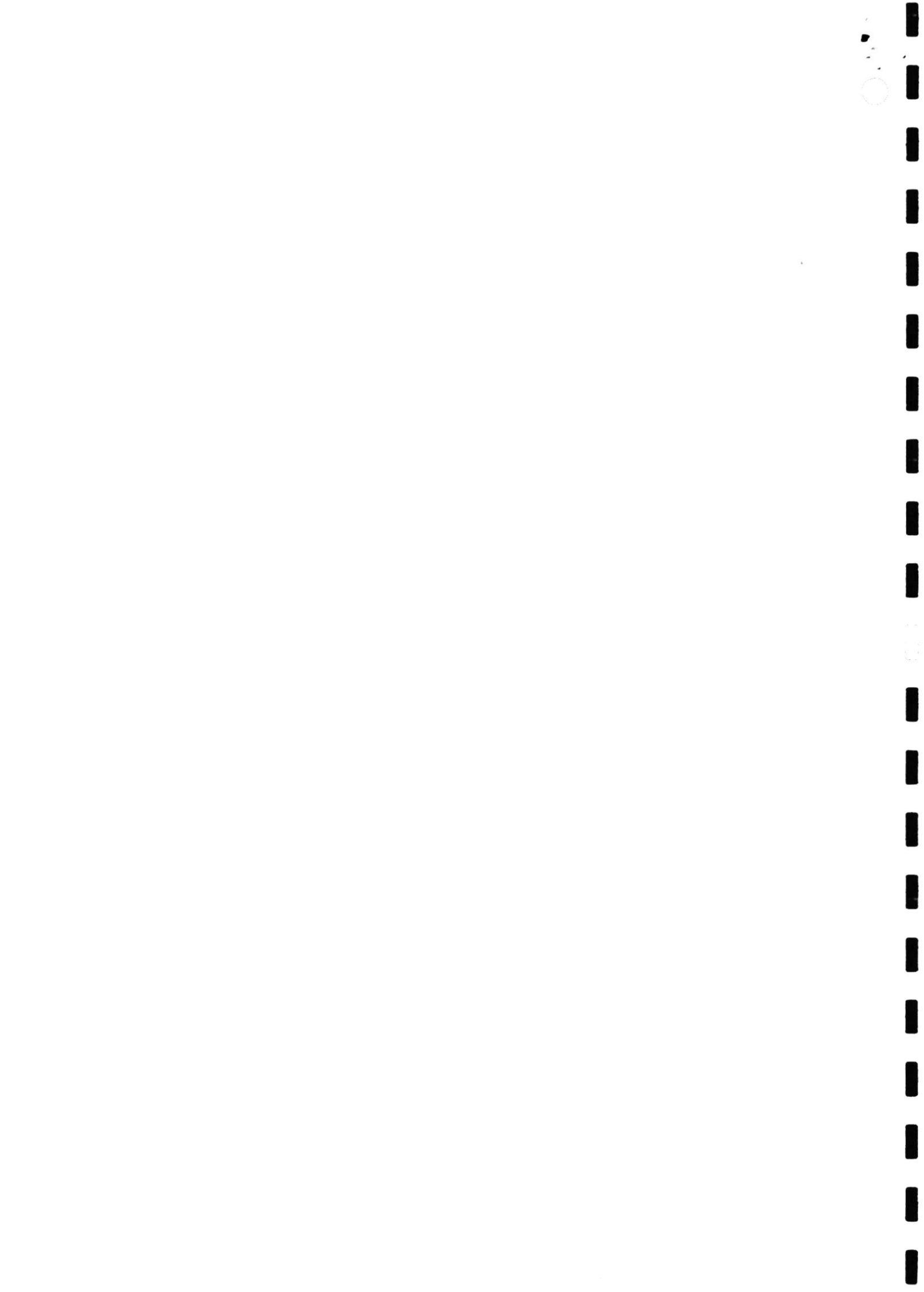
Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the various commercial banks at the end of the financial year.

### **6. Comparative figures**

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

### **7. Events after the reporting period**

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



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

**8. Ultimate and Holding Entity**

The entity is a County Public Fund established by Kericho County Enterprise Fund Act, 2014 under the Department of Trade, Industrialization, Tourism, Wildlife and Co-operative management. Its ultimate parent is the County Government of Kericho.

**9. Currency**

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

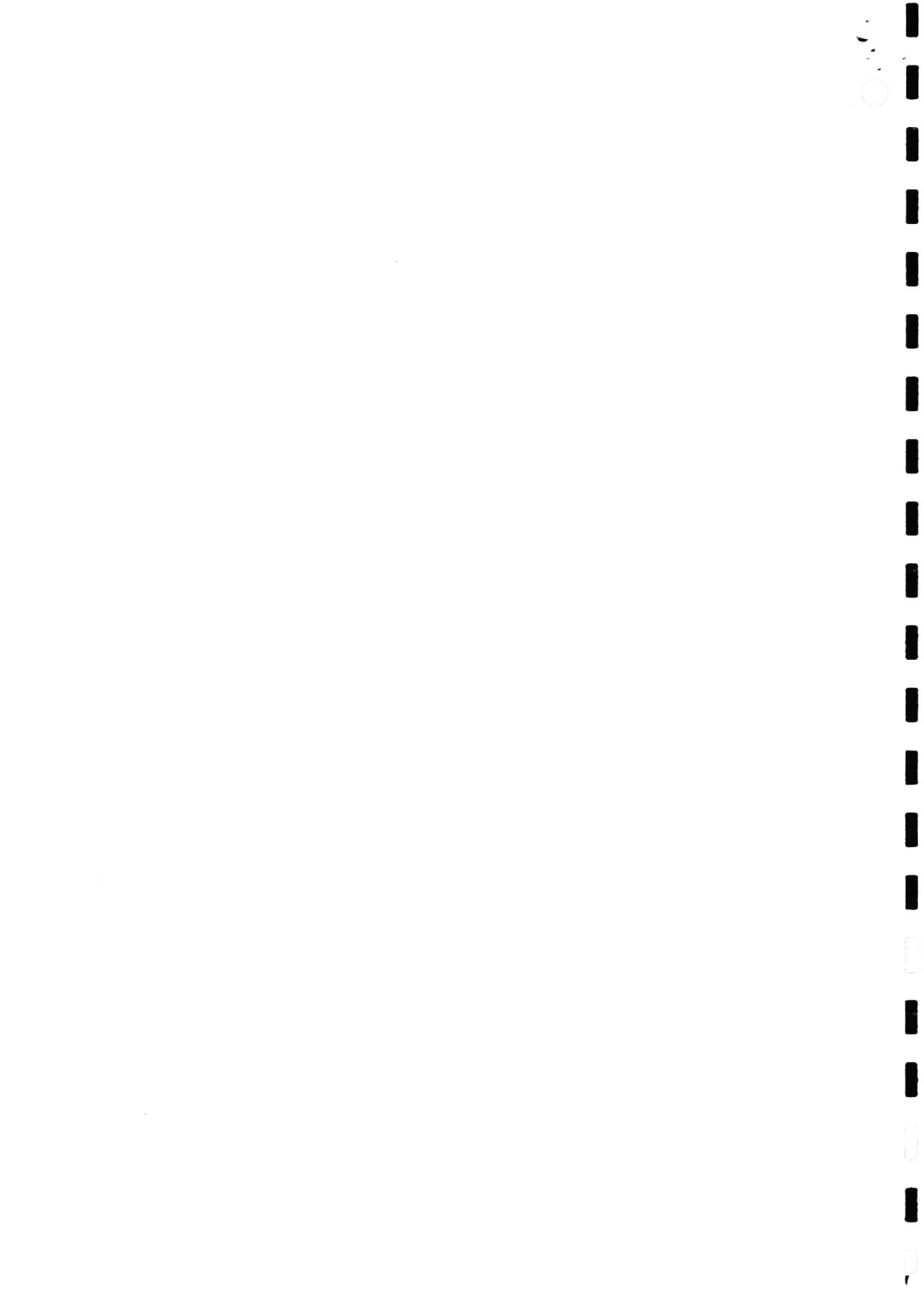
**6.7 NOTES TO THE FINANCIAL STATEMENTS**

**1.Revenue from exchange transactions**

Description	2019/2020	2018/2019
	KShs	KShs
Interest received and Loan Repayment	266,671	442,538
<b>Total other income</b>	<b>266,671</b>	<b>442,538</b>

**2.General expenses**

Description	2019/2020	2018/2019
	KShs	KShs
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	-	-
Printing and stationery	62,400	-
Tax deducted	40,001	40,788
Security costs	-	-
Telecommunication	-	-
Bank Charges	-	-
Hospitality	-	-
Depreciation and amortization costs	-	-
Other expenses	-	40,788
<b>Total</b>	<b>102,401</b>	<b>40,788</b>



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**4. Cash and cash equivalents**

<b>Description</b>	<b>2019/2020</b>	<b>2018/2019</b>
	<b>KShs</b>	<b>KShs</b>
Fixed deposits account	-	-
On – call deposits	-	-
Current account	13,947,969	13,778,689
Others	-	-
<b>Total</b>	<b>13,947,969</b>	<b>13,778,689</b>

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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	2019/2020	2018/2019
		KShs	KShs
<b>a) Fixed deposits account</b>			
Kenya Commercial bank		-	-
Equity Bank,		-	-
<b>Sub- total</b>		-	-
		-	-
<b>b) On - call deposits</b>		-	-
Kenya Commercial bank		-	-
Equity Bank		-	-
<b>Sub- total</b>		-	-
		-	-
<b>c) Current account</b>		-	-
Trans National Bank		-	-
<b>Sub- total</b>		<b>13,947,969</b>	<b>13,778,689</b>
		-	-
<b>d) Others(specify)</b>		-	-
Cash in transit		-	-
Cash in hand		-	-
M Pesa		-	-
<b>Sub- total</b>		-	-
<b>Grand total</b>		<b>13,947,969</b>	<b>13,778,689</b>