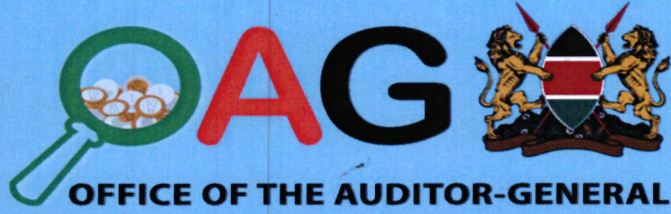


REPUBLIC OF KENYA



Enhancing Accountability

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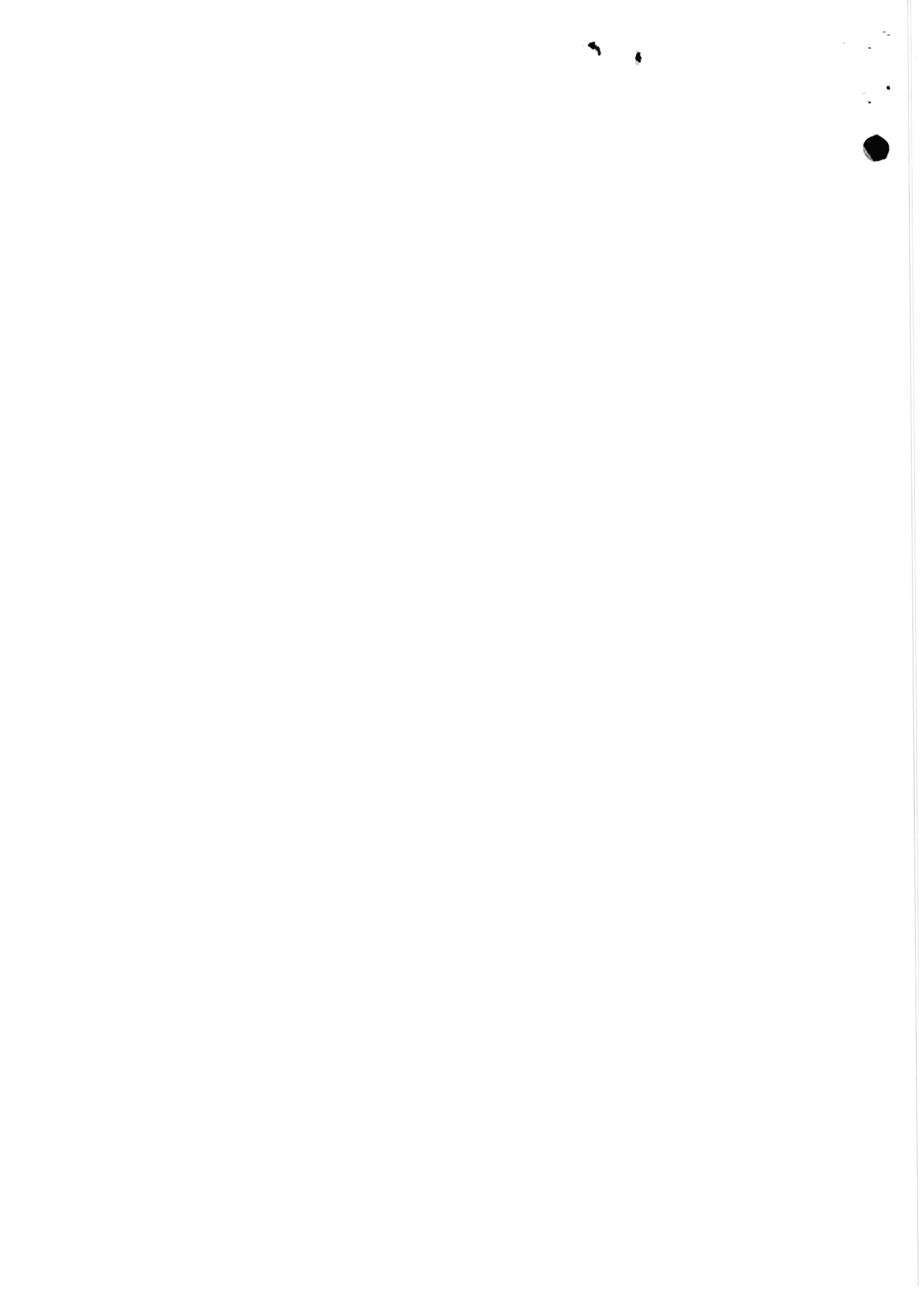
OF

THE AUDITOR-GENERAL

ON

**THARAKA NITHI COUNTY YOUTH
EMPOWERMENT FUND**

**FOR THE YEAR ENDED
30 JUNE, 2022**



REPUBLIC OF KENYA



THARAKA NITHI COUNTY YOUTH EMPOWERMENT FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE, 2022

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

**Tharaka Nithi County Youth Empowerment Fund
Annual Report and Financial Statements
For the Year Ended 30th June 2022**

**Tharaka Nithi County Youth Empowerment Fund
Annual Report and Financial Statements
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1. KEY MANAGEMENT INFORMATION

a) Background information

Tharaka Nithi County Youth Empowerment Fund is established by and derives its authority and accountability from Tharaka Nithi County Youth Empowerment Fund Act, 2020. The Fund is wholly owned by the County Government of Tharaka Nithi and is domiciled in Kenya.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to provide assistance to organised youth groups to establish business and develop talents among the youth within Tharaka Nithi County

c) Youth Empowerment Fund Committee

Ref	Name	Position
1	Aggrey Karani	CO Education / Administrator
2	Sheila Kiganka	CEC Education, Youth, Sports, Culture and Tourism
3	Fredrick Maruta	Youth Officer

d) Key Management

Ref	Name	Position
1	Aggrey Karani	CO Education / Administrator
2	Fredrick Maruta	Youth Officer
3	Nduati E.K.	Director Accounting Services

e) Fiduciary Oversight Arrangement

Ref	Name	Position
1	Susan Agevi	Head of Internal Audit
2	Obed Kibaged Chweya	Chairman - Internal Audit Committee
3	Amos Kiangwe Sikweya	Clerk - County Assembly of Tharaka Nithi

f) Registered Offices and Contacts

Tharaka Nithi County Youth Empowerment Fund
County Headquarters Building
Kathwana Town
P.O. Box 10-60406
KATHWANA

**Tharaka Nithi County Youth Empowerment Fund
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g) Tharaka Nithi County Youth Empowerment Fund Contacts

Telephone: **0723 806556**

E-mail treasury@tharakanithi.go.ke

Website: www.tharakanithicounty.go.ke

h) Tharaka Nithi County Youth Empowerment Fund Bankers

Family Bank

Chuka Branch

P.O. Box 60000 - 00400

CHUKA

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 County Attorney




County Government of Tharaka Nithi

P.O. Box 10 - 60406

KATHWANA


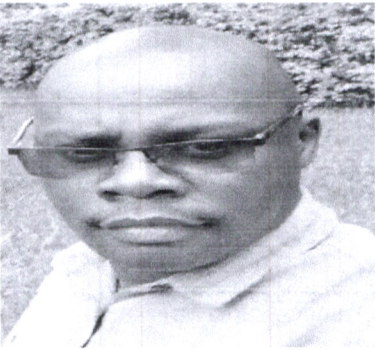

**Tharaka Nithi County Youth Empowerment Fund
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2. YOUTH FUND COMMITTEE

Name	Details of qualifications and experience
 <p>Sheila Mwende Kiganka</p>	<p>Mrs. Sheila Kiganka is CECM– Education, Youth, Sports, Culture and Tourism</p> <p>She holds Masters’ Degree in International Studies (UoN) and Bachelor Degree in Economics and Finance (Kenyatta University)</p> <p>She has over five years’ experience in private sector administration</p>
 <p>Aggrey Karani Fund Administrator</p>	<p>Mr. Karani is the County Chief Officer in charge of Education, Youth, Sports and Tourism and also the Youth Empowerment Fund Administrator</p> <p>He holds Master’s Degree in Business Administration (UON), Bachelor of Education (KU) and Diploma in Public Relations.</p> <p>He has over seven years’ experience in private sector administration</p>
 <p>Fredrick Maruta Youth Officer</p>	<p>Mr. Maruta hold a Bachelor’s Degree - BEd, Accounts and Economics. Joined PSC in 2007, as Youth Officer II, Ministry of Youth Affairs. Rose to Senior Youth Officer and acted as Sub County Youth and Gender Officer.</p> <p>He joined CGTN as Assistant Director, Sub County Admin and then got deployed as the Assistant Director in charge of Youth Affairs, Culture, Social Services, Gender Affairs and Tourism.</p> <p>He has over 15 years in public service</p>

**Tharaka Nithi County Youth Empowerment Fund
Annual Report and Financial Statements
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3. MANAGEMENT TEAM

Name	Details of qualifications and experience
 Aggrey Karani Fund Administrator	<p>Mr. Karani is the County Chief Officer in charge of Education, Youth, Sports and Tourism and also the Youth Empowerment Fund Administrator</p> <p>He holds Master's Degree in Business Administration (UON), Bachelor of Education (KU) and Diploma in Public Relations.</p> <p>He has over seven years' experience in private and public sector administration</p>
 Fredrick Maruta Youth Officer	<p>Mr. Maruta hold a Bachelor's Degree - BEd, Accounts and Economics. Joined PSC in 2007, as Youth Officer II, Ministry of Youth Affairs. Rose to Senior Youth Officer and acted as Sub County Youth and Gender Officer.</p> <p>He joined CGTN as Assistant Director, Sub County Admin and then got deployed as the Assistant Director in charge of Youth Affairs, Culture, Social Services, Gender Affairs and Tourism.</p> <p>He has over 15 years in public service</p>
 CPA, CS Nduati E.K. Director Accounting Services	<p>CPA, CS Nduati is the County Deputy Director - Accounting Services.</p> <p>He is professional Accountant and member of ICPAK (No. 6720) and Certified Secretary ICPSK (No. 2253)</p> <p>He holds Master's Degree in Finance (UoN) and B.A. Econ (UoN)</p> <p>He has over ten years' experience working with Public Sector in Finance Management</p>

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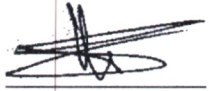
4. REPORT OF FUND COMMITTEE CHAIRPERSON

During the financial year 2020/21 Tharaka Nithi County Government allocated amount of Ksh. 25,000,000 (Twenty Five Million only) as grants to Tharaka Nithi Youth Empowerment Development Fund. The full amount of Ksh. 25,000,000 received on 15th July 2021.

During the year ended 30th June 2022, an amount of Ksh. 23,557,680 worth of goods in form of capital grants have been issued out to organised youth groups within the County.

I take this opportunity to thank His Excellency Governor Muthomi Njuki, Members of County Assembly, County employees and all stakeholders for the support accorded to Tharaka Nithi County Youth Empowerment Fund in its execution of its mandate.

Thank you very much and God bless Tharaka Nithi County

Signed: 

Aggrey Karani

For: Chairman – Tharaka Nithi County Youth Empowerment Fund Committee

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5. REPORT OF THE FUND ADMINISTRATOR

During the financial year 2020/21 Tharaka Nithi County Government allocated amount of Ksh. 25,000,000 (Twenty-Five Million only) as grants to Tharaka Nithi Youth Empowerment Development Fund. The full amount of Ksh. 25,000,000 received on 15th July 2021.

a. Income

Description	Budget Ksh	Actual Ksh.	Variance Ksh
Transfers from County Government	25,000,000	25,000,000	-
Total Income	25,000,000	25,000,000	-

b. Expenditure

Particulars	Budget Ksh.	Actual Ksh.	Variance Ksh
Capital Grants and Transfers	23,570,000	23,557,680	(12,320)
Use of Goods and Services	1,430,000	1,420,656	(9,344)
Total Expenditure	25,000,000	24,978,336	(21,664)

The Fund intends to approach several stakeholders such as business community, financial institutions and civil society to extend financial support in order to enable the Fund offer more financial support to our youths.

I take this opportunity to appreciate H.E. The Governor, Members of County Assembly, Youth Empowerment Fund Committee, Management Team and ward committees for your commitment and immense support accorded to the fund.

Signed: 

Aggrey Karani

Administrator – Tharaka Nithi County Youth Empowerment Fund

**Tharaka Nithi County Youth Empowerment Fund
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6. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

During the financial year 2020/21 Tharaka Nithi County Government allocated amount of Ksh. 25,000,000 (Twenty-Five Million only) as grants to Tharaka Nithi Youth Empowerment Development Fund. The full amount of Ksh. 25,000,000 received on 15th July 2021.

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**Tharaka Nithi County Youth Empowerment Fund
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7. CORPORATE GOVERNANCE STATEMENT

The Fund strategic leadership led by Funds Manager established in accordance to Tharaka Nithi County Youth Empowerment Act, 2020 Section 7, while the Youth Empowerment Fund Committee helps in coordinating the activities of the Fund.

There is established a Committee to be known as the Tharaka Nithi County Youth Empowerment Fund Committee which shall consist of—

- (a) the Chief Officer who shall be the Committee Secretary;
- (b) Youth Officer;
- (c) One youth representative from each sub -county; and
- (d) A youth representative of persons with disabilities;

Functions of the Committee

The Committee shall be responsible for—

- (a) advising the Executive Member on the appropriate guidelines and procedures for implementation of the Act and for better management of the Fund;
- (b) reviewing and considering the applications recommended by the youth officers on utilization of the Fund;
- (c) preparing annual report on the implementation of the Act for transmission to the Executive Member;
- (d) advising the Executive Member generally on implementation of this Act; and
- (e) carrying out any other functions as may be assigned by the Executive Member.

Meetings of the Committee

The Chairperson shall convene and preside over the Committee meetings. In the absence of the Chairperson, the vice chairperson or in the absence of both, any other member appointed by the Committee members shall convene and preside over the Committee meetings. The quorum for the meeting shall be two thirds of the members.

Youth Officer

There is established an office of the Youth Officer. The functions of the youth officer shall be—

- (a) receiving and reviewing applications for funding under this Act;
- (b) recommending to the Committee the applicants who shall be considered for funding under this Act;
- (c) assisting in monitoring and evaluating the progress and performance of the micro and small enterprises supported under this Act;
- (d) creating awareness among the residents of the sub county about the Fund and mobilizing potential beneficiaries under this Act;
- (e) advising the Committee such projects that may be funded by County;
- (f) facilitating the Committee in the implementation of the Act in the county; and

**Tharaka Nithi County Youth Empowerment Fund
Annual Report and Financial Statements
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(g) carrying out such other roles as are necessary for the implementation of the object of this Act, and perform such other functions as may, from time to time, be assigned by the County Executive Member

Winding Up of the Fund

In the event of winding up of the Fund, the cash balances shall be transferred to the account designated by the County Treasury while other assets of the Fund shall be transferred to the County Government

**Tharaka Nithi County Youth Empowerment Fund
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8. MANAGEMENT DISCUSSION AND ANALYSIS

During the financial year 2020/21 Tharaka Nithi County Government allocated amount of Ksh. 25,000,000 (Twenty-Five Million only) as grants to Tharaka Nithi Youth Empowerment Development Fund. The full amount of Ksh. 25,000,000 received on 15th July 2021.

During the year ended 30th June 2022, an amount of Ksh. 23,557,680 worth of goods in form of capital grants have been issued out to organised youth groups within the County.

No.	Name of Group	Ward	Items / Equipment Issued
1	Gatema B Self Help Group	Chiakariga	Dairy Goat - Improved Galla - 4 Goats
2	Kiriciango Self Help Group	Chiakariga	Dairy Goats (Local Breed) - 6 Goats
3	Kithino Youth Support Group	Chiakariga	Incubator with Back Up Generator
4	Kamujwa SHG	Chiakariga	Incubator with Back Up Generator
5	Tunyai Umoja Youth Group	Chiakariga	Motor Bike - 150 Cc - 4 Stroke Engine
6	Tharaka Artists Self Help Group	Chiakariga	Public Address System- 2 Speakers, 1 Mixer, 1 Wireless Microphone Set AndMic Stand
7	Kamanyaki Elites & Empowerment	Chiakariga	Tent and Chairs (1*100 Sitter Party Tent and 50 Plastic Chairs
8	Diagonic Youth Group	Chiakariga	Tent and Chairs (1*100 Sitter Party Tent and 50 Plastic Chairs
9	Nyakinjeru Youth Ass. Group	Chiakariga	Threshing Machine
10	Green Growers SHG	Chiakariga	Threshing Machine
11	Bidii SHG	Chiakariga	Water Pump, Tank (5000 Liters, 1*3" * 10 Mtrs Suction Pipe, 1*3" 30 Mtrs Delivering Pipe
12	Kan'genyoni Ydg	Chiakariga	Water Tank- 5000l
13	Kamuka Self Help	Marimanti	Assorted Farming Equipments - 5 Ox Ploughs And5 Knapsack Sprayers
14	Tharaka Huduma Sacco	Marimanti	Brick Making Machine
15	Kaguma Community Health	Marimanti	Chicken Rearing Project Package -70 Chickens, 5 Feeders And5 Waterers
16	Smart Minds Associaation	Marimanti	Chicken Rearing Project Package -70 Chickens, 5 Feeders And5 Waterers
17	Gituma Bidii Self Help	Marimanti	Dairy Goat - Improved Galla - 4 Goats

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No.	Name of Group	Ward	Items / Equipment Issued
18	Kathini Young Women Group	Marimanti	Incubator with Back Up Generator
19	G- Seven Youth Group	Marimanti	Motor Bike - 150 Cc - 4 Stroke Engine
20	Tharaka Vision Carriers SHG	Marimanti	Motor Bike - 150 Cc - 4 Stroke Engine
21	Hands and Loyalty Youth Grp.	Marimanti	Outside Catering Kitchen Equipment 2 Food Warmers, 2 *100 Ltrs Pots, 2* 50lts Pots, 1 * 15 Ltrs Hot Pot Dish, 1*20 Ltrs Pressure Cooker
22	Rugaru Youth Group	Marimanti	Public Address System- 2 Speakers, 1 Mixer, 1 Wireless Microphone Set and Mic Stand
23	Muugi Youth Group	Marimanti	Tent and Chairs (1*100 Sitter Party Tent and 50 Plastic Chairs
24	Rugani Youth Group	Marimanti	Threshing Machine
25	Keeria Pioneers	Marimanti	Tree Nursery Equipment - 1 3000 litres Tank, 2 Rolls of Shade Nets, 50pc Germination Trays, 5 Watering Cans
26	Guardians of Life	Marimanti	Tree Nursery Equipment - 1 3000 Litres Tank, 2 Rolls of Shade Nets, 50pc Germination Trays, 5 Watering Cans
27	Okoa Msichana Foundation	Nkondi	Beauty Parlour - Salon Equipment- Two Salon Chairs, 1 Styling Chair, 1 Shampoo Sink Chair, 1 Drier, 1 Blow Dryer
28	Miomponi Waremba S. H. G.	Nkondi	Chicken Rearing Project Package- 70 Chicken, 5 Waters, 5 Feeders
29	Pace Makers Self Help Group	Nkondi	Chicken Rearing Project Package -70 Chickens, 5 Feeders And5 Waterers
30	Tumbura Youth Elite	Nkondi	Incubator with Back Up Generator
31	Gachugini Youth Visioners	Nkondi	Three-Wheeler - 1*200cc Tuk Tuk
32	Gachugini Dairy Goat Rearing Grp	Nkondi	Threshing Machine
33	Gaceria Youth Group	Nkondi	Water Pump, Tank (5000 Liters, 1*3" * 10 Mtrs Sunction Pipe, 1*3" 30 Mtrs Delivering Pipe
34	Kathangachini Boda Boda Grp	Gatunga	Car Wash Machine & 3000l Tank
35	Karuguaru Youth	Gatunga	Dairy Goat - Improved Galla - 4 Goats

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No.	Name of Group	Ward	Items / Equipment Issued
36	Upendo Group	Gatunga	Dairy Goats (Local Breed) - 6 Goats
37	Kieguna Self Help Group	Gatunga	Posho Mill - 15 Hp, 3 Phase
38	Kanjoro Youth Group	Gatunga	Posho Mill - 15 Hp, 3 Phase
39	Tmkg Educationist Group	Gatunga	Tent and Chairs (1*100 Sitter Party Tent And50 Plastic Chairs
40	Muguna Self Help Group	Gatunga	Threshing Machine
41	Kathanga Youth Group	Gatunga	Water Pump, Tank (5000 litres, 1*3" * 10 Mtrs Sunction Pipe, 1*3" 30 Metres Delivering Pipe
42	Iria Ria Mbogo- Kanjoro SHG	Gatunga	Water Pump, Tank (5000 Liters, 1*3" * 10 Mtrs Sunction Pipe, 1*3" 30 Mtrs Delivering Pipe
43	E-Up Youth Group	Mukothima	Animal Feed Pellet Making Machine
44	The Elitus Youth Group	Mukothima	Brick Making Machine
45	Mukothima Panga Sports Club	Mukothima	Car Wash Machine & 3000l Tank
46	Uragate Boda Boda Sacco	Mukothima	Fuel Dispenser and a 2000l Fuel Tank
47	Njoguni Youth Development	Mukothima	Incubator with Back Up Generator
48	Gicheuni Youth Group	Mukothima	Incubator with Back Up Generator
49	Nthanjeni Elite Progressive SHG	Mukothima	Outside Catering Kitchen Equipment 2 Food Warmers, 2 *100 Ltrs Pots, 2* 50lts Pots, 1 * 15 Ltrs Hot Pot Dish, 1*20 Ltrs Pressure Cooker
50	Thangatha Winners Youth Group	Mukothima	Sunflower Seed Oil Extracting Machine
51	Kagurini Rise AndShhine Youth Group	Mukothima	Tent and Chairs (1*100 Sitter Party Tent And50 Plastic Chairs
52	Mukothima Bodaboda Travellers	Mukothima	Three Wheler - 1*200cc Tuk Tuk
53	Muungano SHG	Chogoria	Beauty Parlour - Salon Equipment- Two Salon Chairs, 1 Styling Chair, 1 Shampoo Sink Chair, 1 Dryer, 1 Blow Dryer
54	Holy Family Munga Junior Youth Group	Chogoria	Cyber Equipment - 3 Desk Tops, 1 Printer, 1 Internet Router

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No.	Name of Group	Ward	Items / Equipment Issued
55	Hope Self Help Group	Chogoria	Dairy Cows - 2 Friesian Heifers
56	Gianchuku Health Supporting SHG	Chogoria	Dairy Goat - Improved Galla - 4 Goats
57	Wiru Youth Empowerment Group	Chogoria	Fish Pond Liner And 600 Cat Fish Fingerings
58	Glory 2012 SHG	Chogoria	Green House Kit – Complete
59	Gravity Youth Group	Chogoria	Incubator with Back Up Generator
60	Kieni Dynamic SHG	Chogoria	Incubator with Back Up Generator
61	Gantaraki Chv SHG	Chogoria	Motor Bike - 150 Cc - 4 Stroke Engine
62	Kiraro Chv Group	Chogoria	Water Tank- 5000l
63	Bethsaida Youth Group	Ganga	Car Wash Machine & 3000l Tank
64	Mbironi Youth Group	Ganga	Chicken Rearing Project Package - 70 Chickens, 5 Waterers, 5 Feeders
65	Ruthendu SHG	Ganga	Concrete Mixer and Poker Vibrator
66	Kibura Umoja Youth Group	Ganga	Dairy Cows - 2 Friesian Heifers
67	Visionary Leaders SHG	Ganga	Dry Cleaning Machine and Steamer
68	Motivation for A Difference Grp	Ganga	Incubator with Back Up Generator
69	Brightstars FC	Ganga	Incubator with Back Up Generator
70	Igwanjau Young Riders SHG	Ganga	Motor Bike - 150 Cc - 4 Stroke Engine
71	Ganga Huduma Sacco	Ganga	Posho Mill - 15 Hp, 3 Phase
72	Young Katharaka Bodaboda Operators	Ganga	Tent and Chairs (1*100 Sitter Party Tent and 50 Plastic Chairs
73	Kiairugu/Thigaa Boda Boda	Mwimbi	Car Wash Machine & 3000l Tank
74	St. Gerald Y.G	Mwimbi	Cyber Equipment - 3 Desk Tops, 1 Printer, 1 Internet Router
75	Makengi Football Club	Mwimbi	Dairy Goat - Improved Galla - 4 Goats

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No.	Name of Group	Ward	Items / Equipment Issued
76	Kaare Rising Up Youth Group	Mwimbi	Incubator with Back Up Generator
77	Mwabistart Sh G.	Mwimbi	Milk Pasteurizer
78	Visionary Humble Riders SHG	Mwimbi	Motor Bike - 150 Cc - 4 Stroke Engine
79	Nguruki Fc	Mwimbi	Multi Gym Unit Equipment
80	M-Elites	Mwimbi	Posho Mill - 15 Hp, 3 Phase
81	Kaare Quick Transporting G.	Mwimbi	Water Pump, Tank (5000 Liters, 1*3" * 10 Mtrs Sunction Pipe, 1*3" 30 Mtrs Delivering Pipe
82	Gatua United Youth Group	Mitheru	Dairy Cows - 2 Freshian Heifers
83	Persuit of Destiny Youth Group	Mitheru	Dairy Goat - Improved Galla - 4 Goats
84	Karauki SHG	Mitheru	Dairy Goat - Improved Galla - 4 Goats
85	Mitheru Bodaboda Youth Group	Mitheru	Motor Bike - 150 Cc - 4 Stroke Engine
86	Legends Fc	Mitheru	Tent and Chairs (1*100 Sitter Party Tent and 50 Plastic Chairs
87	Rurea YSHG	Muthambi	Chicken Rearing Project Package 70 Chickens, 5 Waterers, 5 Feeders
88	Kaimenyeri 2 Youth Group	Muthambi	Dairy Goat - Improved Galla 4 Goats
89	Pacific Youth Group	Muthambi	Fish Pond Liner And 600 Cat Fish Fingerlings
90	Marima Muungano SHG	Muthambi	Modern Bee Hives 20
91	Chuthamwiriga Boda Boda SHG	Muthambi	Motor Bike - 1 * 150 Cc - 4 Stroke Engine
92	Shiners SHG	Muthambi	Sunflower Seed Oil Extracting Machine
93	Six Sisters Salonest SHG	Karingani	Beauty Parlour - Salon Equipment- Two Salon Chairs, 1 Styling Chair, 1 Shampoo Sink Chair, 1 Drier, 1 Blow Dryer
94	Chuka Beauticians SHG	Karingani	Beauty Parlour - Salon Equipment- Two Salon Chairs, 1 Styling Chair, 1 Shampoo Sink Chair, 1 Dryer, 1 Blow Dryer

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No.	Name of Group	Ward	Items / Equipment Issued
95	Ntuntuni/ Ntumara Youth Grp	Karingani	Chicken Rearing Project Package- 70 Chicken, 5 Waters, 5 Feeders
96	Kijani Initiative	Karingani	Fish Pond Liner And600 Cat Fish Fingerlings
97	Imani Tosha SHG	Karingani	Green House Kit – Complete
98	Mutunguruni Men Group	Karingani	Incubator with Back Up Generator
99	Ndagani C H V Group	Karingani	Incubator with Back Up Generator
100	Chuka United Football Club	Karingani	Tent and Chairs (1*100 Sitter Party Tent And50 Plastic Chairs
101	Valmata Youth Group	Magumoni	Animal Feed Pellet Making Machine
102	Chuka-Ikuu Bodaboda Youth Group	Magumoni	Car Wash Machine & 3000l Tank
103	Kangoro Bodaboda Youth Group	Magumoni	Car Wash Machine & 3000l Tank
104	Kibugua Jnr Fc	Magumoni	Car Wash Machine & 3000l Tank
105	Rubate Warriors	Magumoni	2 Chaff Cutters
106	Jiinue Youth Group	Magumoni	Chicken Rearing Project Package -70 Chickens, 5 Feeders And5 Waterers
107	Mpwani Youth Group	Magumoni	Incubator with Back Up Generator
108	Magumoni Mwangaza Investment	Magumoni	Incubator with Back Up Generator
109	Wendo Women Group	Magumoni	Incubator with Back Up Generator
110	Pamoja Youth Group	Magumoni	Posho Mill - 15 Hp, 3 Phase
111	Champions Shine Youth Group	Magumoni	Posho Mill - 15 Hp, 3 Phase
112	Maabi Footbal Club SHG	Magumoni	Sunculture - Solar Irrigation Kit
113	Mucuuni, Mwembeni, Muringa Bb	Magumoni	Tent and Chairs (1*100 Sitter Party Tent And50 Plastic Chairs
114	Chera Youth Bodaboda Group	Mugwe	Cabro Paver Block Machine,
115	Kambandi Fc	Mugwe	Car Wash Machine & 3000l Tank

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No.	Name of Group	Ward	Items / Equipment Issued
116	Mukuthuku Mwitethia Y. G	Mugwe	Dairy Goat - Improved Galla - 4 Goats
117	Kaarani Pipeline Volleyball Youth Group	Mugwe	Incubator with Back Up Generator
118	Mugwe United Sports Club	Mugwe	Public Address System- 2 Speakers, 1 Mixer, 1 Wireless Mic Set and Mic Stand
119	Swara Self Help Group	Mugwe	Tent and Chairs (1*100 Sitter Party Tent And50 Plastic Chairs
120	Kinjoni Youth Group	Mugwe	Water Tank- 5000l
121	Together We Move Youth Grp	I/Ng'ombe	2 Chaff Cutters
122	Kangu Young Star Chicken Farming Youth Group	I/Ng'ombe	Chicken Rearing Project Package - 70 Chickens, 5 Waterers, 5 Feeders
123	Faith Wendo P. W. D. Grp	I/Ng'ombe	Dairy Goat - Improved Galla - 4 Goats
124	Ntakamu Self Help Group	I/Ng'ombe	Motor Bike - 150 Cc - 4 Stroke Engine
125	Gatangugi SHG	I/Ng'ombe	Outside Catering Kitchen Equipment 2 Food Warmers, 2 *100 Ltrs Pots, 2* 50lts Pots, 1 * 15 Ltrs Hot Pot Dish, 1*20 Ltrs Pressure Cooker
126	Ngwataniro SHG (Disabled)	I/Ng'ombe	Posho Mill - 15 Hp, 3 Phase
127	Mck Kamwimbi- Chaani Church Youth Group	I/Ng'ombe	Public Address System- 2 Speakers, 1 Mixer, 1 Wireless Mic Set and Mic Stand
128	Royalbridge	I/Ng'ombe	Tent and Chairs (1*100 Sitter And50 Chairs
129	Kamaindi Central Youth Group	I/Ng'ombe	Tent and Chairs (1*100 Sitter And50 Chairs
130	Working Youth Group	I/Ng'ombe	Tent and Chairs (1*100 Sitter And50 Chairs
131	Kandigi United Youth Group	I/Ng'ombe	Water Tank- 5000l
132	Weru Hope Yoth Group	Mariani	Dairy Cows - 2 Heifers
133	Nthiga Self Help Group	Mariani	Incubator with Back Up Generator
134	Decagrow Youth Group	Mariani	Incubator with Back Up Generator
135	Weru Makutano Youth Group	Mariani	Motor Bike - 150 Cc - 4 Stroke Engine

**Tharaka Nithi County Youth Empowerment Fund
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No.	Name of Group	Ward	Items / Equipment Issued
136	Kaburuni Youth Group	Mariani	Porridge Grider - 15 Hp, 3 Phase
137	Riathiga Self Group	Mariani	Posho Mill - 15 Hp, 3 Phase
138	Kanwa Technician Unit	Mariani	Welding Gas Cylinders

SUMMARY OF BENEFICIARIES

NO	SUB COUNTY	WARDS	GROUPS	BENEFICIARIES	
				DIRECT	INDIRECT
1	Chuka	5	28	476	5,712
2	Igamban'gombe	5	18	277	3,300
3	Muthambi	5	11	178	2,625
4	Mwimbi	5	29	468	5,556
5	Tharaka north	5	19	331	3,912
6	Tharaka south	5	33	541	6,456
	TOTALS	15	138	2,271	27,561

**Tharaka Nithi County Youth Empowerment Fund
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Images of Equipment issued to youth Groups



Some of the items given to Youth groups



Posho Mill issued to youths



Tuk Tuk issued to Gachuguthini Youth Group



Concrete mixture issues to Ruthendu Self Help Group



Youth receiving equipment



Chuff Cutter

**Tharaka Nithi County Youth Empowerment Fund
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9. ENVIRONMENT SUSTAINABILITY REPORTING

Tharaka Nithi County Youth Empowerment Fund exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on five pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile -

The Fund management has put plans for fund sustainability through support of the youth group to engage in income generating activities such as goat farming, motor bike transport, maize milling business and beauty parlour.

2. Environmental performance

To ensure environmental sustainability, the fund has endeavoured to apply eco-friendly operations that minimise harmful effect on the environment. The Fund has in its policy to provide youth groups with non-gas emitting machines which are electrically powered rather than fuel energy.

3. Employee welfare

The Fund has not hired its own staff but obtain necessary human resources from the County Executive. The Fund has ensured the employees seconded by the County Executive are adequately facilitated and provided with conducive working environment.

4. Market place practices-

The Fund being a Public funded entity is governed by The Public Procurement and Disposal Act, 2015. The Fund has endeavoured to adhere to the requirement of the law in the process of procurement of goods and services.

The Fund does not condone any unethical and corrupt practices in dealing with its suppliers. The highest level of integrity is mandatory among its employees. The supplies are paid within stipulated time including the remittance of tax to Kenya Revenue Authority.

The advertisement for supply of goods and services is done through public notices and widely circulated local newspaper. All bidders are given equal opportunity whereas certain category of goods and services is reserved for Youth, Women and People with Disabilities.

5. Community Engagements-

The Fund has a robust engagement with the community through supporting of youth groups in economic empowerment.

The Fund in its entirety has its principal objective of providing registered youth groups with necessary equipment to enable get into self-employment engagements. This has enabled over 1000 youth benefit from the programme.

**Tharaka Nithi County Youth Empowerment Fund
Annual Report and Financial Statements
For the Year Ended 30th June 2022**

10. REPORT OF THE MANAGEMENT COMMITTEE

The Management Committee submit their report together with the financial statements for the year ended 30th June, 2022 which show the state of the Fund affairs.

Principal activities

The principal activity/mission/ mandate of the Fund is to provide assistance to organised youth groups to establish business and develop talents among the youth within Tharaka Nithi County

Performance

The results of the Fund for the year ended 30th June 2022 are set out on pages 1-5 of the Financial Statements.

10.1 Management Committee

The members of the Youth Empowerment Fund Committee who served during the Period are shown on page iv (*refer to the key entity information and management page*). There were no changes in the Committee during the period under review.

10.2 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.

By Order of the Committee

Signed: 

Aggrey Karani

For: Chairman – Tharaka Nithi County Youth Empowerment Fund Committee

Date: 12th July 2022

**Tharaka Nithi County Youth Empowerment Fund
Annual Report and Financial Statements
For the Year Ended 30th June 2022**

11. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each year, the Administrator of a Fund established by the Constitution, an Act of Parliament or County Legislation shall prepare annual report and financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board

The Administrator of Tharaka Nithi County Youth Empowerment 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 year ended on **30th June, 2022**. 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 Tharaka Nithi County Youth Empowerment 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 Tharaka Nithi County Youth Empowerment Fund Act, 2020. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the year ended **30th June 2022**, 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 Tharaka Nithi County Youth Empowerment 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 Youth Empowerment Fund's financial statements were approved by the Board on **12th July 2022** and signed on its behalf by:

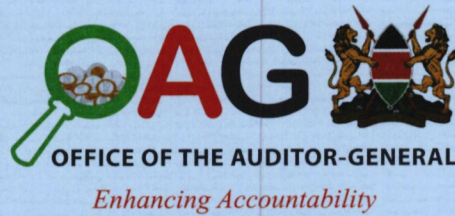


Aggrey Karani

ADMINISTRATOR – THARAKA NITHI COUNTY YOUTH EMPOWERMENT 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 THARAKA NITHI COUNTY YOUTH EMPOWERMENT FUND FOR THE YEAR ENDED 30 JUNE, 2022

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 the 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

Qualified Opinion

I have audited the accompanying financial statements of Tharaka Nithi County Youth Empowerment Fund set out on pages 1 to 24, which comprise of the statement of financial position as at 30 June, 2022 and the statement of financial performance, statement of

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

In my opinion, except for the effect of the 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 Tharaka Nithi County Youth Empowerment Fund as at 30 June, 2022, 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 Tharaka Nithi County Youth Empowerment Act, 2020.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The financial statements for the year ended 30 June, 2022 presented for audit had the following anomalies:

- i. The report on Youth Fund Committee on page iii reflects only three (3) members. However, Corporate Governance Statement on page viii indicates that the Youth Empowerment Committee comprise of nine (9) members including the Chief Officer, Youth Officer, one Youth Representative from each of the six Sub Counties and a Youth Representative of Persons with Disability.
- ii. The Fund Administrator signed various sections of the report including the report of the chairperson on page v and the report of the Management Committee on page xx where the Chairperson of the Fund was supposed to sign. There was no explanation why the Fund Administrator acted and signed the reports as chairperson of the Fund.

In the circumstances, the financial statements do not comply with the Public Sector Accounting Standards Board's (PSASB) prescribed reporting framework.

2. Lack of Ownership Documents for Motor Cycles

The statement of financial performance and as disclosed in Note 2 to the financial statements reflects an amount of Kshs.23,557,680 in respect to capital grants and transfers which were used for procurement of ten (10) motor cycles valued at Kshs.2,000,000 and two (2) three-wheeler motor cycles valued at Kshs.840,000 for distribution to youth groups. However, documents provided revealed that the ownership of the motor cycles had not been transferred to the Fund or to the beneficiary groups as they remained registered in the name of the supplier.

In the circumstances, the ownership and rights over the assets could not be confirmed. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Tharaka Nithi County Youth Empowerment 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. There were no key audit matters to report in the year under review.

Other Matter

Delay in Budget Implementation

The statement of comparison of budget and actual amounts reflects an approved revenue budget of Kshs.25,000,000 being transfers from the County Government. However, the amount was from the previous financial year's budget and the Management did not provide approved budget in respect to the Fund for the current financial year 2021/2022. Therefore, the amount utilized in the current year was from the previous year's budget and it was not clear why the Management delayed in implementing the budget.

Further, in the approved budget for the previous year 2020/2021, the Management set aside an amount of Kshs.25,000,000 to finance the programs of the Fund, out of which Kshs.24,978,336 was utilized as grants to youth groups. However, there was no budgetary provision for the Fund in the current financial year (2021/2022). The Management did not explain how they intended to sustain the operations of the Fund without a budgetary allocation contrary to Regulation 197(1)(e) of the Public Finance Management (County Governments) Regulations, 2015 which states that in establishing a County Public Fund, the Executive Committee Member responsible for the County Government entity functions shall confirm in writing that the establishment of the Fund and its continued existence will not depend on annual financing from the County exchequer.

In addition, the department in charge of youth affairs has not developed annual work plans for youth empowerment contrary to Section 25(d) of Tharaka Nithi County Youth Empowerment Act, 2020.

In the circumstances, the purpose of the Fund and its continued existence may not be achieved.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing

else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Failure to Operationalise Youth Projects

The statement of financial performance and as disclosed in Note 2 to the financial statements reflects an amount of Kshs.23,557,680 in respect to capital grants and transfers which includes Kshs.2,351,080 used in procurement of eight (8) posho mills, a sun flower extractor, a fuel tank and fuel dispenser for distribution to youth groups. Review of the Inspection and Acceptance Committee reports, the items were delivered to the County premises between the month of June, 2021 and October, 2021. Although there were no records to show how the equipment were released from the stores, the same were distributed to youth groups without respective equipment co-ownership agreements.

In addition, physical inspection carried out in October, 2022 revealed the following:

- i. The eight (8) posho mills were not operational as they were kept in various locations across the County and were yet to be installed long after their delivery to the groups.
- ii. The Management did not provide the physical location of the fuel tank and fuel dispenser for audit inspection.
- iii. The sunflower extractor was issued to a youth group but not operational as at the time of audit in the month of November, 2022.

The Management did not provide explanation why the machines were not put to intended use, long after their distribution to the groups.

In the circumstances, value for money for the expenditure amount of Kshs.2,351,080 could not be confirmed.

2. Failure to Conduct Capacity Building Trainings

During the year under review, the Fund distributed equipment namely posho mills, sun flower extractor, a fuel tank and fuel dispenser to various youth groups. However, the Management did not provide evidence including training invitations, attendance registers, training program, details of facilitators, duration and venue of training to confirm that beneficiaries were subjected to capacity building trainings. This is contrary to Section 8(f) of Tharaka Nithi County Youth Empowerment Act, 2020 which states that the Fund shall be appropriated for the purpose of supporting entrepreneurship training for micro and medium enterprise to groups benefiting from the Fund.

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

3. Non-Compliance with the Law on Reservation of Procurement Opportunities to Special Groups

During the financial year under review, the Fund purchased equipment valued at Kshs.23,557,680 which were later distributed to various youth groups across the County.

However, there was no evidence that the Management set aside 30% reservation of the tenders advertised for Women, Youth, People with Disabilities and other disadvantaged groups contrary to Section 53(6) of the Public Procurement and Asset Disposal Act, 2015 which states that all procurement and asset disposal planning shall reserve a minimum of thirty per cent of the budgetary allocations for enterprises owned by women, youth, persons with disabilities and other disadvantaged groups.

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

4. Non-Compliance with Law on Public Participation

During the year under review, the Fund received an amount of Kshs.25,000,000 from Tharaka Nithi County Executive in respect to Youth Empowerment programs. However, the Management did not provide evidence of public participation including reports, signed attendance registers for the meetings held, venues of the events, invitations of the public and minutes of the meetings held contrary to Regulation 7(1)(a) of the Public Finance Management (County Governments) Regulations, 2015 which requires participatory strategies including open forums, written submissions, online platform and media.

In the circumstances, it was not possible to determine whether the youth of Tharaka Nithi County were involved in formulation of the programs of the Fund. In addition, the Fund was in breach of the law.

5. Failure to Develop Regulations for the Fund

The Management did not develop regulations in respect to Tharaka Nithi County Youth Empowerment Fund as envisaged in Section 27 of Tharaka Nithi County Youth Empowerment Act, 2020. In absence of the regulations and specific guidelines, it was not possible to determine the criteria applied in receiving, processing and approval of applications for grants, preparation and maintenance of grantee's records and recovery and cancellation of grants.

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

6. Non-Preparation of Monitoring and Evaluation Reports

The Management did not provide monitoring and evaluation reports on the progress and performance of the micro and small enterprises supported by the Fund contrary to Section 16(2)(c) of the Tharaka Nithi County Youth Empowerment Act, 2020 which requires the youth officer to be assisting in monitoring and evaluating the progress and performance of the micro and small enterprises supported under this Act.

In the circumstances, it was not possible to determine whether the Fund achieved its intended objectives. In addition, the Fund 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, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis of Conclusion

Ineffective Internal Audit

During the year under review, the Fund incurred expenditure totalling Kshs.24,978,336 as reflected in the statement of financial performance. However, there was no evidence that the financial operations of the Fund were subjected to internal audit contrary to Regulation 153(1)(a) of the Public Finance Management (County Governments) Regulations, 2015 which states that internal auditors shall review and evaluate budgetary performances, financial management, transparency, accountability mechanisms and processes in County Governments entities.

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

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 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 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

20 April, 2023

**Tharaka Nithi County Youth Empowerment Fund
Annual Report and Financial Statements
For the Year Ended 30th June 2022**

13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE, 2022

		2021/2022
	Note	Ksh
Revenue		
Transfers from the County Government	1	25,000,000
Total Revenue		25,000,000
Expenses		
Capital Grants and Transfers	2	23,557,680
Use of Goods and Services	3	1,420,656
Total Expenses		24,978,336
Surplus for the Year		21,664

The notes set out on page 16-17 form an integral part of these Financial Statements
The Tharaka Nithi County Youth Empowerment Fund Financial Statements were approved on **12th July 2022** and signed by:



Aggrey Karani
Fund Administrator



CPA Nduati E.K
Director Accounts
ICPAK No. 6720

**Tharaka Nithi County Youth Empowerment Fund
Annual Report and Financial Statements
For the Year Ended 30th June 2022**


14. STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2022

		2021/2022
	Note	Ksh
Assets:		
Current Assets		
Cash and Cash Equivalents	4	21,664
Total Current Assets		21,664
Net Assets		21,664
Financing:		
Accumulated Surplus and Reserves		-
Surplus for the Year		21,664
Total Net Assets and Liabilities		21,664

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Tharaka Nithi County Youth Empowerment Fund Financial Statements were approved on 12th July 2022 and signed by:



Aggrey Karani
Fund Administrator



CPA Nduati E.K
Director Accounts
ICPAK No. 6720

**Tharaka Nithi County Youth Empowerment Fund
Annual Report and Financial Statements
For the Year Ended 30th June 2022**

**15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30th
JUNE 2022**

	Accumulated Surplus	Total
	Ksh.	Ksh.
Balance as at 01st July 2021	-	-
Surplus for the Year	21,664	21,664
Funds received during the Year	-	-
Balance as at 30th June 2022	21,664	21,664

Tharaka Nithi County Youth Empowerment Fund Financial Statements were approved on 12th July 2022 and signed by:



Aggrey Karani
Fund Administrator



CPA Nduati E.K
Director Accounts
ICPAK No. 6720

**Tharaka Nithi County Youth Empowerment Fund
Annual Report and Financial Statements
For the Year Ended 30th June 2022**

16. STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30th JUNE 2022

	Note	2021/2022
		Ksh
Cash Flows from Operating Activities		
Receipts		
Transfers from the County Government	1	25,000,000
Total Receipts		25,000,000
Payments		
Capital Grants and Transfers	2	23,557,680
Use of Goods and Services	3	1,420,656
Total Payments		24,978,336
Net Cash Flows from Operating Activities		21,664
Net Increase in Cash and Cash Equivalents		21,664
Cash and Cash Equivalents at 01 st July 2021		-
Cash and Cash Equivalents at 30th June 2022		21,664

Tharaka Nithi County Youth Empowerment Fund Financial Statements were approved on **12th July 2022** and signed by:



Aggrey Karani
Fund Administrator



CPA Nduati E.K
Director Accounts
ICPAK No. 6720

**Tharaka Nithi County Youth Empowerment Fund
Annual Report and Financial Statements
For the Year Ended 30th June 2022**

17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30th JUNE 2022

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilisation
	Ksh	Ksh	Ksh	Ksh	Ksh	
Revenue						
Transfers from County Govt.	25,000,000	-	25,000,000	25,000,000	-	100%
Total Income	25,000,000	-	25,000,000	25,000,000	-	100%
Expenses						
Capital Grants and Transfers	23,570,000	-	23,570,000	23,557,680	(12,320)	100%
Use of Goods and Services	1,430,000	-	1,430,000	1,420,656	(9,344)	100%
Total Expenditure	25,000,000	-	25,000,000	24,978,336	(21,664)	99%

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on **12th July 2022** Signed by:



Aggrey Karani
Fund Administrator



CPA, CS Nduati E.K.
Director Accounts
ICPAK Member No. 6720

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18. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. General Information

Tharaka Nithi County Youth Empowerment Fund is established by and derives its authority and accountability from Tharaka Nithi County Youth Empowerment Fund Act, 2020. The Fund is wholly owned by the County Government of Tharaka Nithi and is domiciled in Kenya.

2. 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 Periods 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.

3. Adoption of new and revised standards

(i) Relevant new standards and amendments to published standards effective for the Period ended 30th June 2022

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

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

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023: 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:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(The standard as no effect on the Fund)</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</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> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <p><i>(The standard as no effect on the Fund)</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> 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. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. 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>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><i>(The standard as no effect on the Fund)</i></p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i>

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Standard	Effective date and impact:
	<p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> <p><i>(The standard as no effect on the Fund)</i></p>
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>(The standard as no effect on the Fund)</i></p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>(The standard as no effect on the Fund)</i></p>

(iii) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2022.

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Significant Accounting Polices

(a) 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 Tharaka Nithi County Youth Empowerment Fund 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.

(b) Budget information

The original budget for FY 2021/2022 was approved by the County Assembly on 15th June 2021. No subsequent revisions or additional appropriations have been made to the approved budget in accordance with specific approvals from the appropriate authorities. There were no additional appropriations added to the original budget by the Tharaka Nithi County Youth Empowerment Fund upon receiving the respective approvals in order to conclude the final budget.

The Youth Empowerment Fund 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.

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 12.5 of these financial statements.

c. 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 Tharaka Nithi County Youth Empowerment Fund 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.

d. 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.

e. Financial Instruments

(a) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Tharaka Nithi County Youth Empowerment Fund 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.

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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 Fund 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 Fund assesses at each reporting date whether there is objective evidence that a financial asset is impaired. A financial asset 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 cashflows of the financial asset or the Fund of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

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

(b) Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. 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 Fund.

g. Provisions

Provisions are recognized when the Fund 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 Fund 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 Fund 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.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contingent assets

The Fund 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 Fund 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.

h. Nature and Purpose of Reserves

The Fund does not create or maintain reserves in terms of specific requirements. *(there No effect on the fund financial reporting)*

i. Changes in Accounting Policies and Estimates

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

j. Employee benefits– Retirement Benefit Plans

The Fund provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which Fund pays fixed contributions into a separate 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 Period 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.

The Fund has not employed staff entitled to retirement benefit and thus does not contribute any funds.

k. 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.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. 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. No borrowing costs were incurred during the year.

m. Related Parties

The Fund 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 Fund, or vice versa. Members of key management are regarded as related parties and comprise the Fund Committee and senior managers.

n. 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 fund commercial bank account 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.

o. Comparative Figures

The Fund started its operations in the current financial year (2021/22) and therefore there are no comparative figures.

p. Events After the Reporting Period

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

q. Ultimate and Holding Tharaka Nithi County Youth Empowerment Fund

The Tharaka Nithi County Youth Empowerment Fund is a County Public Fund established by Tharaka Nithi County Youth Empowerment Fund Act, 2020 under the Education, Youth Sports, Culture and Tourism Sector. Its ultimate parent is the County Government of Tharaka Nithi.

r. Currency

The financial statements are presented in Kenya Shilling (Ksh.).

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Fund'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: No estimates were made during the Period

a. 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 Period, are described below. The Fund 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 Fund. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

b. 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 Fund
- 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

c. Provisions

Provisions were raised and management determined an estimate based on the information available.

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.

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19. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM COUNTY GOVERNMENT

Description	2021/2022
	Ksh.
Transfers from County Govt.	25,000,000
Total	25,000,000

2. CAPITAL GRANTS AND TRANSFERS

Description	2021/2022
	Ksh.
Capital Grants and Transfers	23,557,680
Total	23,557,680

3. USE OF GOODS AND SERVICES

Description	2021/2022
	Ksh
Transport Costs	1,010,000
Publicity and Advertisement	51,300
Catering and Hospitality	231,800
Travel and Subsistence Allowances	106,500
Bank Charges	21,056
Total	1,420,656

4. CASH AND CASH EQUIVALENTS

Description	Account Number	30 th June 2022
		Ksh
Tharaka Nithi County Youth Empowerment Fund A/c	54000008745	21,664
Total Cash and Cash Equivalents		21,664

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. CASH GENERATED FROM OPERATIONS

	2021/2022
	Ksh.
Surplus for the Year	21,664
Adjusted for:	
Depreciation	-
Working Capital adjustments	-
(Increase) / Decrease in Receivables	-
Increase / (Decrease) in Payables	-
Net Cash Flow from Operating Activities	21,664

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20. OTHER IMPORTANT DISCLOSURES

1. Related Party Balances

a) Nature of related party relationships

Entities and other parties related to the Youth Empowerment 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 of Tharaka Nithi
- b) The County Government Ministry of Education, Sports, Youth and Culture
- c) Key management;
- d) Board of Trustees

b) Related party transactions

	2021/2022
	Ksh.
Transfers from County Government of Tharaka Nithi	25,000,000
Total Amount	25,000,000

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OTHER IMPORTANT DISCLOSURES (Continued)

2. 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 Fund'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 Fund's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount Ksh.	Fully performing Ksh.	Past due Ksh.	Impaired Ksh.
At 30th June 2022				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	21,664	21,664	-	-
Total	21,664	21,664	-	-

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OTHER IMPORTANT DISCLOSURES (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 Fund has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The Fund has no significant concentration of credit risk.

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 Fund's short, medium and long-term funding and liquidity management requirements. The Fund 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.

	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Ksh.	Ksh.	Ksh.	Ksh.
At 30th June 2022				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

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OTHER IMPORTANT DISCLOSURES (Continued)

c) Market risk

The Management has put in place an internal audit function to assist it in assessing the risk faced by the Fund 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 Fund'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 Fund's exposure to market risks or the manner in which it manages and measures the risk.

d) Foreign currency risk

The Fund did not have foreign 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 Fund did not have foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period:

		Other currencies	Total
	Ksh.	Ksh.	Ksh.
At 30th June 2022			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables			
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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OTHER IMPORTANT DISCLOSURES (Continued)

e) 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.

		Change in currency rate	Effect on surplus/ deficit	Effect on Equity
		Ksh.	Ksh.	Ksh.
2021				
Euro		10%	-	-
USD		10%	-	-
2022				
Euro		10%	-	-
USD		10%	-	-

f) Interest rate risk

Interest rate risk is the risk that the Tharaka Nithi County Youth Empowerment Fund's financial condition may be adversely affected as a result of changes in interest rate levels. The Tharaka Nithi County Youth Empowerment Fund'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 Period.

The end of the Period figures, the sensitivity analysis has no impact on the statement of comprehensive income.

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OTHER IMPORTANT DISCLOSURES (Continued)

g) 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 Tharaka Nithi County Youth Empowerment Development Fund capital structure comprises of the following funds:

	30th June 2022
	Ksh.
Revaluation reserve	-
Revolving fund	-
Accumulated surplus	21,664
Total funds	21,664
Total borrowings	-
Less: cash and bank balances	21,664
Net debt (excess cash and cash equivalents)	-
Gearing	0%


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For the Year Ended 30th June 2022**

21. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS

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)
The Fund had not been audited previous as this is the first year in operation				

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.

Sign: 
Fund Administrator
Youth Empowerment Fund

**Tharaka Nithi County Youth Empowerment Fund
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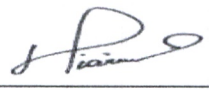
22. APPENDIX

I. INTER – ENTITY TRANSFERS

	ENTITY NAME:	TNC YOUTH EMPOWERMENT FUND		
Break down of Transfers from the County Executive of Tharaka Nithi County Government				
	FY 2021/2022			
a.	Recurrent Grants	<u>Bank Statement Date</u>	<u>Amount (Ksh)</u>	<u>Indicate the FY to which the amounts relate</u>
		15 th July 2021	25,000,000	FY 2020/21
		Total	25,000,000	
b.	Direct Payments	<u>Bank Statement Date</u>	<u>Amount (Ksh)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total		

The above amounts have been communicated to and reconciled with the County Government of Tharaka Nithi

Sign: 
Fund Administrator
Youth Empowerment Fund

Sign: 
Head of Accounting Unit
County Government of Tharaka Nithi