

Scanned.

REPUBLIC OF KENYA

PARLIAMENT  
OF KENYA  
LIBRARY



**OAG**



**OFFICE OF THE AUDITOR-GENERAL**

*Enhancing Accountability*

PAPERS LAID	
DATE	5/11/2022
TABLED BY	Senate Majority Whip
COMMITTEE	—
CLERK AT THE TABLE	I. Mbaya

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**BUNGOMA COUNTY TRADE  
DEVELOPMENT LOANS FUND**

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



---

**BUNGOMA COUNTY TRADE DEVELOPMENT LOAN FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2021**

---

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

---

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021**

---

**TABLE OF CONTENTS**

1. KEY ENTITY INFORMATION AND MANAGEMENT	2
2. FUND ADMINISTRATION COMMITTEE	5
3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S PREDETERMINED OBJECTIVES	6
4. MANAGEMENT TEAM	8
5. BOARD/FUND ADMINISTRATION COMMITTEE CHAIRPERSON'S REPORT	9
6. REPORT OF THE FUND MANAGER/ ADMINISTRATOR	11
7. CORPORATE GOVERNANCE STATEMENT	14
8. MANAGEMENT DISCUSSION AND ANALYSIS	16
9. REPORT OF THE TRUSTEES/ FUND ADMINISTRATION COMMITTEE	18
10. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES	19
11 REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS FOR COUNTY TRADE LOAN FUND	21
12.FINANCIAL STATEMENTS	22
13. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	27
14.NOTES TO THE FINANCIAL STATEMENTS .....	35
15. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS	39

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021.**

---

**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**a) Background information**

Bungoma county trade development Fund is established by and derives its authority and accountability from the County Trade development Fund Regulation 2014. The Fund is wholly owned by the County Government of Bungoma and is domiciled in Kenya.

The fund's objective is to provide capacity building through training of the traders as well as offer affordable credit facility to the MSMEs

**b) Principal Activities**

The Fund's principal activity is to offer affordable credit facilities to the Micro Small Medium Enterprise who were largely unable to access affordable credit facilities from the local and foreign mainstream banks as well as capacity build traders through offering the relevant short term trainings

**c) Fund Administration Committee**

Ref	Position	Name
1	Chairman of the Board	Stephen Makhanu
2	Committee Members	Jacklyne Makokha
3	Committee Members	Chrispin Chepchin
4	Committee Members	Maurice Saenyi
5	Committee Members	Calistus Wanjala
6	Committee Members	Mary Florence Wafula
7	Rep Chief Officer finance	Joseph Musungu
8	Fund Administrator	Sitati Stephen
9	County Attorney	Cyril Weyongo

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021.**

---

**d) Key Management**

Ref	Name	Position
1	STEPHEN MAKHANU WAMALWA	CHAIRMAN
2	SITATI STEPHEN	FUND ADMINISTRATOR
3	CYRIL WEYONGO	COUNTY ATTORNEY
4	ROSE PEPELA	LOANS OFFICER
5	MICHAEL MASINDE	CREDIT ASSISTANT

**e) Fiduciary Oversight Arrangements**

Ref	Position	Name
1	Directorate Internal Audit	Makokha Brian
2	Controller of Budget	Denis Nyamweya
3	County Assembly committee	
4	Auditor General	

**f) Registered Offices**

P.O. Box 437-50200  
Building/House/Plaza  
Bungoma, KENYA

**g) Fund Contacts**

Telephone: (254) 055-30343  
E-mail: [info@bungoma.go.ke](mailto:info@bungoma.go.ke)  
Website: [www.bungoma.go.ke](http://www.bungoma.go.ke)

**h) Fund Bankers**

Equity Bank  
P.O. Box 2450 – 50200  
Bungoma, Kenya

**Bungoma County Trade Development Loan Fund**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021.**

---

**i) Independent Auditors**

Auditor General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

G. P. O 00100

Nairobi, Kenya

**j) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021.**

**2. FUND ADMINISTRATION COMMITTEE**

Name	Details of qualifications and experience
1. Stephen Makhanu Wamalwa	Current Chief officer Dept. of Trade with 10years experience in public service .Bachelor of arts Executive Director and Chairperson of the committee
2. Maurice Saenyi	Retired Banker at KCB Bank with a BCOM Finance option
3. Jacqueline Makokha	CPA K Currently an Accountant Dept of Finance county government of Bungoma
4. Joseph Musungu	BCOM Finance option CPA K Accountant Dept of Finance representative for the Chief officer Finance
5. Calistus Wanjala	BCOM Finance Accountant with the Women Enterprise Fund Bungoma
6. Mary Florence Wafula	Retired Teacher and Headmistress
7. County Attorney	County Attorney and Legal advisor to the county government
8. Sitati Stephen	BCOM Finance .Fund Administrator and secretary to the committee with 10 years' Experience in Sacco movement and microfinance.
9. Chrispin Chepchin	Bachelors of Arts Currently a Teacher at Mt Elgon

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

#### **Guidance**

#### **Introduction**

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each County Government entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

The key development objectives of Bungoma County Government Trade Development loan Fund

- a) **Provide Access to the affordable credit facilities**-The fund has a loan portfolio of 118,000,000 disbursed to more than 5,000 beneficiaries .During the year we did not budget for loan disbursement as we had a treasury circular in place for us to concentrate on follow up of loan defaulters .

We however linked the beneficiaries to commercial banks offering various subsidized credit facilities during the covid period

- b) **Capacity Building** - is one of the key objective of the fund .We have therefore engaged the services of the Trainers from the Kenya Institute of Business Training (KIBT, Equity Bank and the other stakeholders in offering elaborate trainings to the traders in the county. We have so far trained more than 1000 beneficiaries from the entire county and intend to do more trainings in the next financial year to capacity build both the traders and loan beneficiaries.

During the year we did not have physical trainings due to the covid pandemic we however did virtual trainings in collaboration with the other stakeholders like equity bank and chamber of commerce

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021.**

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Capacity Building	To offer financial literacy and other relevant training for MSMEs on entrepreneurship & Loan Management	Increased number of entrepreneurs accessing knowledge and skills on financial literacy in the County	% of entrepreneurs undertaking the trainings and seminars	<b>In FY 20/21 we increased no of entrepreneurs attending trainings and seminars this was mainly online due to Covid pandemic</b>
Program 2 Loan Disbursement	Objective To of Offer Access to affordable credit facilities to traders within the county	Outcome Increased no of businesses Improved living standards of the traders as well Growth of MSMEs doing businesses	Indicator % of entrepreneurs accessing affordable credit services	<b>Performance In the 2021 we did not disburse any finances we however linked several businesses to financial institutions offering covid funds.</b>

**Bungoma County Trade Development Loan Fund**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021.**

---

**4. MANAGEMENT TEAM**

Chairperson	Denson Barasa
Secretary(Fund Administrator)	Sitati Stephen
County Attorney	Cyril Weyongo
Rep Chief Finance	Dinah Makokha
Secretary(Ward Administrator) WARD LEVEL	45 WARD ADMINISTRATORS

The key function of the management team is to oversee the day to day activities of the fund as well as:

- conduct civic education to promote the awareness and understanding of the operations of the Fund amongst stakeholders;
- provide capacity building to beneficiaries to ensure the effective use the funds borrowed under these Regulations
- develop framework that will ensure an open, transparent and efficient use of funds borrowed under these Regulations;
- conduct research and gap analysis to ensure continuous performance improvement of the Fund;
- assist micro, small and medium enterprises , where the unit considers it necessary, to design, identify, select, prioritise, appraise, evaluate and negotiate investment opportunities what will result in maximum benefits;
- maintain a record of all Fund documentation;
- assist the Member of the Executive Committee in formulating guidelines and standard documentation required under these Regulations
- Carry out such other functions as may be conferred on it

## **5. BOARD/FUND ADMINISTRATION COMMITTEE CHAIRPERSON'S REPORT**

It is my pleasure to present to you my remarks of the financial performance of the County trade development loan fund. This Loan Scheme was established by Bungoma County Government upon realization that a majority of the County entrepreneurs could not access affordable credit facility from our local and foreign mainstream banks due to high interest rates, knowledge on loan processes, lack of collateral issues and the bureaucracies involved

The fund is managed by the 3 key units thus the County Board, Ward Committees, and Secretariat. The Loans Board however decided to do away with the ward committees because they were not only expensive to maintain but also ineffective. This was also as per the recommendation by the Kenya law reforms and the controller of budget on the reduction of cost of administering the fund in order to comply with the PFM Act as well as manage the fund in a more prudent way and make it sustainable

The term of the board members expired having served for 3 years as per the regulations however the CECM in charge of Trade extended the contract for their contract for one year as we await the amalgamation of all the county funds.

### **Administration of the fund**

The fund is administered both at the county and ward levels. The key mandate of administering the fund is vested on the Fund Administrator who manages the day to day activity of the fund and reports quarterly to the board. The main task of the administrator is to ensure the fund is managed in prudent way and that the main objective of establishing the fund is achieved. He is also tasked to ensure he submits timely reports as required from time to time.

At the ward level the ward administrators are the secretaries to the ward committees tasked with the administration of the fund. Their main function is to issuance of loan forms, vetting of the loan beneficiaries as well as safeguarding the loan documents and keeping up to date records of the loan beneficiaries.

### **Training & Capacity Building**

Capacity building is one of the key objective of the fund. We have therefore engaged the services of the Trainers from the Kenya Institute of Business Training (KIBT), Equity Bank and the other stakeholders in offering elaborate trainings to the traders in the county. We have so far trained more than 1000 beneficiaries from the entire county and intend to do more trainings in the next financial year to capacity build both the traders and loan beneficiaries. During the financial year we were however not able to conduct physical trainings due to the corona pandemic

### **Human Resource**

The fund has a lean secretariat team of 4 staff at the county level, Ward Administrators and credit officers at the ward level however these said officers are from the department of Public administration and Finance respectively with other responsibilities. This has rendered the management of the fund at the ward level to be ineffective since the officers are not employees of the fund therefore not accountable to us. We have however made requisition from the directorate of human resource for additional staff who will be employees of the fund at the sub county.

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021.**

---

**Regulations**

The fund operates under the County Trade Development Loan Fund established in 2014. We have however already made the changes as suggested by the Kenya law reform team and controller of budget. We are in the final stages of review to ensure the fund is in compliance with the law. This exercise is due lack of sufficient funds to undertake the review of the regulation through the public participation and stakeholders engagement we are however in the tail end of the process to ensure its gazetted before the end of the financial year

In conclusion with these changes we were able to revolve more fund train more traders extensively but still managed to reduce the operational cost. We were also able to recover more funds through sensitization of the loan beneficiaries as well as follow up on defaulters. We are in the process of taking legal action on the chronic loan defaulters who are not keen on repaying their loans

**Loan Default**

The fund has had high default specifically this year this is mainly due to the Covid pandemic and the harsh economic period. This was also contributed by the closure of several businesses due to covid pandemic as advised by the MOH regulations on closure of open air markets as well as closure of the largest sugar mill within the county. We are however working hard to recover these loans through constant follow up of defaulters. We however feel that this is not the only solution to this problem and therefore recommend that a more stakeholders engagement are done to chat the future of the fund such as instituting legal action to be taken on the loan defaulters for loan recovery

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

Mr Stephen Makhanu Wamalwa



## **6. REPORT OF THE FUND MANAGER/ ADMINISTRATOR**

The County Trade Development Fund was established as a revolving fund, upon realization that a majority of the County entrepreneurs could not access affordable credit facility from our local and foreign mainstream banks due to high interest rates, cumbersome loan procedures and documentation, lack of collateral to use as security for the loans and lack of information on how to access the loans

The fund was therefore established with the objective of capacity building the MSMEs through offering relevant trainings financial literacy, Entrepreneurship and loan management. The fund also provides affordable credit facilities through to traders through offering loans to them. These was in order to help the MSMEs which were not able to access the loans from Banks Sacco and Microfinance in the villages to access these funds by establishing a revolving fund at each of the 45 wards to enable them access both the knowledge and funds

### **Loan Process**

The County Trade Loan Fund is a revolving fund where each ward was given an initial seed capital of close to 2M. The growth of these portfolio is based on how prudent the loan beneficiaries repay their loans to enable others borrow the same. This is through the administration fee charged and the interest generated on the loans.

The ward administrators are in charge of the issuance of loan forms, vetting of the loan beneficiaries and recommending them for approval by the county trade loans board

The loans are then processed by the fund units/secretariat at the headquarters and later disbursed to the banks through the applicant's accounts this is a shift from the manual system where we used to write cheques to the beneficiaries.

We also changed the loan process to only allow applications on **NEED** basis. This is a shift from the initial process where all beneficiaries in a ward would wait until the previous beneficiaries repay the money Ksh 500,000 for them to qualify for disbursement. However, this process has also led to slow loan repayments since the administrators can disburse whatever amount they have collected as opposed to the minimum amount stated for them to revolve

### **Administration of the Fund**

The fund is administered both at the county and ward levels. The key mandate of administering the fund is vested on the fund administrator to manage the day to day activities and the county trade board to ensure the regulations are followed. The administration of the fund has however had challenges at the ward level because although the fund is domiciled in trade the implementers are in public administration and finance. This has therefore proven to be an ineffective system since the said officers are fully engaged in other core activities of their departments making it hard for them to effectively do follow up of defaulters as well keep updated loan records.

These has therefore led to increased loan defaulters, since the lean staff at the secretariat cannot be able to fully follow up the defaulters. We therefore request the department to engage the relevant authorities to second more officers to the fund to help us effectively manage the fund

### **Training & Capacity Building**

During this financial year we were not able to carry out the trainings as earlier planned. This was mainly due to financial constrains as well as the Covid 19 pandemic since most of our trainings are carried out at the ward level. These trainings were informed by the realization of the need to

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021.**

---

do more elaborate trainings on loan management to both the committee members vetting loans as well as the loan beneficiaries.. This would then enable them to be equipped with knowledge on loan management & Record keeping, entrepreneurship, credit management, marketing, costing and general financial literacy to ensure they are more informed.

We have been training beneficiaries once they qualify of loan in groups making it an ineffective way of disseminating knowledge. We therefore recommend a more elaborate and continuous training for business people in the various wards irrespective of whether they applied for a loan or not. We engaged the services of the Trainers from the Kenya Institute of Business Training (KIBT) and our bankers Equity in collaboration with the department of trade to do an elaborate training. We have since trained 1,100 traders against a target of 900 beneficiaries from all the 45 wards

**Regulations:** The fund operates under the County Trade Development Loan Fund established in 2014. We have however already made the changes as suggested by the Kenya law reform team and controller of budget. We are in the final stages of review

**Automation of the loan management**

The fund has made good progress in addressing the challenges in loan management through procuring a Traders and Loan Management System. This was informed by an urgent need to generate reports as well as ensure we have secured all our records.

We therefore identified a system consultant to a help us develop loan management module tailored to fit our needs; we then embarked on the collection of the data from all wards to enable us update our data before validation and migration of the same to the system. This process has however taken long given the magnitude and sensitivity of work involved coupled with the lean team at the secretariat.

The automation exercise has since been completed with all the modules in place from Traders management, Loan Management where we have loan application, appraisal, approval, disbursement, repayment and generation of financial and delinquency reports. We have also already integrated the system with the Bank and Mpesa platform to help clients repay their loans conveniently and also help us safe guard our data in order to generate timely reports.

The system has however not yet been rolled out to all the wards as earlier intended although the personnel were trained due to lack of the infrastructural support at the various ward offices .

**Fund's Performance**

**Expenditure**

During this financial year operational costs reduced due though not yet able to spend less than 3% as per the PFM Regulations 2015. We have however had tremendous reduction on the cost of administration from. This was due to removal of ward committees which were not only expensive but also ineffective since they were themselves defaulters. The board also introduced a 5% administrative fee of the total money awarded thus guarantying the sustainability of the funds since all the expenditure of the fund are only drawn from the administrative fee from our Operation Acc

**Bungoma County Trade Development Loan Fund**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021.**

---

**Loan Default:** The fund has had high default specifically for loans issued in 2014. This was contributed by the poor loan vetting processes and appraisal of loan beneficiaries, lack of proper training for both the vetting committee and the loan beneficiaries. Poor record keeping making the identification of the loan defaulters very hard, constant political interference thus leading to influence the committee to issue loans to non-deserving beneficiaries. We are however working hard to recover these loans through constant follow up of defaulters. We however feel that this is not the only solution to this problem and therefore recommend legal action to be taken on the law defaulters.

**Recommendations and opportunity for improvement**

- The management should review the general operation of the fund to ensure an effective system is put in place with officers who will be fully committed to the fund and report directly to the administrator
- The management should adopt an appropriate recourse to ensure that the funds in default are recovered through more stringent measures
- The management should sanction the individuals that are deliberately in default or take legal action against them
- Need for us to enhanced scrutiny while vetting loan of loan applicants to ensure only genuine beneficiaries are given loans
- Proper records management at the wards level to ensure the credible data is in place
- The Fund should develop a risk register and put in place effective strategies for managing the embedded risks
- The Fund should carry out ageing analysis of debts so as to effectively manage the debts differentially
- Need to diversify the loan product to ensure it covers a wide sector with tailored products to meet all the market demands. Eg Asset/commodity financing, Agri business
- There is need to diversify the funds sources of income and not only rely on exchequer releases
- The Fund should enhance education of loan applicants to enhance voluntary repayments and clear loan understanding of consequences of loan default to both the fund and them as individuals
- The Regulations should be revised so as to provide for more recourses in case of default all those defaulters in order to help us recover this funds

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



SITATI STEPHEN

FUND ADMINISTRATOR

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021.**

---

## **7. CORPORATE GOVERNANCE STATEMENT**

The Bungoma County Trade Development Loans Fund was established as a revolving fund to be domiciled in the department of Trade Energy and industrialization

**Objectives of the Fund**-The object and the purpose of the Fund shall be to:

- (a) To facilitate access to affordable credit to micro, small and medium scale entrepreneurs;
- (b) Capacity build through training of Micro, Small & Medium Entrepreneurs and nurture the culture of borrowing and prompt loan

### **The management structure of the fund**

The fund is administered at 3 distinct levels as per the regulation the 3 three Levels are

- The County Trade Development Loan Fund Board
- The Fund unit or secretariat at the county head quarters
- The ward committees(Ward Administrators, Credit officers & representatives from business community

### **Establishment of the Bungoma County Trade Development Loans Fund Board**

(1) There is established a Committee to be known as the Bungoma County Trade Development Loans Fund Committee which shall consist of:-

- The County Chief Officer in the County department for the time being responsible for matters relating to trade who shall be the Chairperson;
- The County Chief Officer in the County department for the time being responsible for finance or a representative appointed in writing;
- The Head of legal services in the county or a representative appointed in writing;
- Five persons, not being public officers, who shall be appointed by the Member of the Executive Committee through a competitive and transparent recruitment process; and
- The Fund Administrator appointed under Regulation 14, who shall be the secretary to the Board

### **Functions of the County Trade loans Board**

The functions of the board are to:-

- formulate policies relating to the Fund including credit policy;
- advise Bungoma County Government on the structure and operations of the Fund;
- establish uniform standards for the operations of the fund;
- administer the property and funds of the Fund in such a manner and for such purpose as shall promote the functions of the Fund;
- mobilize resources for the enhancement of the Fund's mandate;
- partner with other governments for purposes of creating cooperation and partnership in the management of the Fund;
- keep disaggregated data by sex, age, region and other relevant regulations;
- undertake periodic review of the legal framework;
- formulate training, development and capacity building programmes for its employees;

**Bungoma County Trade Development Loan Fund**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021.**

---

- ensure compliance within the Fund operations, sound financial management regulation;
- provide where necessary management support services to eligible persons;
- protect the long term viability of the Fund;
- collaborate with relevant institutions so as to promote access to credit and other financial services;
- monitor and evaluate the performance of the Fund; and
- Perform any other functions assigned to it under this Regulations or any other written law.

**Composition of the unit**

The unit shall consist of:-

- a Fund Administrator and
- Such staff as the Committee may consider necessary for the performance of the functions of the unit under these Regulations.

(2) In the performance of its functions the unit shall:-

- conduct civic education to promote the awareness and understanding of the operations of the Fund amongst stakeholders;
- provide capacity building to beneficiaries to ensure the effective use the funds borrowed under these Regulations
- develop framework that will ensure an open, transparent and efficient use of funds borrowed under these Regulations;
- conduct research and gap analysis to ensure continuous performance improvement of the Fund;
- assist micro, small and medium enterprises , where the unit considers it necessary, to design, identify, select, prioritise, appraise, evaluate and negotiate investment opportunities what will result in maximum benefits;
- maintain a record of all Fund documentation;
- assist the Member of the Executive Committee in formulating guidelines and standard documentation required under these Regulations
- Carry out such other functions as may be conferred on it by the Member of the Executive Committee and these Regulations.

(3) The unit shall prepare financial accounts and an inventory of any monies allocated to it, any financial support received by it and any success fees received by it from a private party or project company as the case may be, under these Regulations.

**Establishment of Ward Committees**

There is established for each ward a Ward Committee which shall consist of;

- Ward Administrator who shall be the secretary to the committee ;
- Credit officers.

The key functions of the ward committees is

- Issue loan to the applicants
- Appraisal of the loan applicants
- Vetting of the loan applications
- Record keeping of the applicants
- Receipting of the loan repayments
- Follow up of the loan defaulters

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021.**

**8. MANAGEMENT DISCUSSION AND ANALYSIS**

**Portfolio of the Fund**

The loan portfolio of the fund is therefore Kshs 118, 737, 863 from the exchequer releases. We were however unable to get any funding from the FY 2017/2018 to date

**Amount disbursed**

The fund disbursed an initial seed capital of **Kshs 96,293,677** as 1<sup>st</sup> and 2<sup>nd</sup> Disbursements to all the Wards to **4,115** beneficiaries in the month of July 2014 and April 2015 for first and second disbursement respectively as tabulate

DISBURSEMENT	NO OF WARDS	NO OF BENEFICIARIES	AMOUNT DISBURSED
1	45	1989	48,578,000.00
2	45	2126	47,715,677.00
<b>TOTAL</b>		<b>4115</b>	<b>96,293,677.00</b>

**Amount Revolved**

We have so far revolved **Ksh89, 094,316** from July 2015 to June 2019 to 3,486 beneficiaries. The tabulation of the amount revolved is as below:

REVOLVING	NO OF WARDS	NO OF BENEFICIARIES	AMOUNT REVOLVED
FIRST	17	519	11,167,456.00
SECOND	10	237	5,425,000.00
THIRD	12	433	10,274,700.00
FOURTH	16	492	11,077,000.00
FIFTH	11	279	5,655,000.00
SIXTH	15	338	8,143,160.00
SEVENTH	2	313	8,555,000.00
EIGHTH	7	45	2,145,000.00
NINETH	10	97	4,620,000.00
TENTH	8	36	1,575,000.00
ELEVENTH	5	41	1,540,000.00
TWELFTH	12	163	4,755,000.00
THIRTEENTH	5	59	2,175,000.00
FORTEENTH	7	95	2,240,000.00
FIFTHEENTH	11	53	1,640,000.00
SIXTEENTH	5	5	240,000.00
SEVENTEENTH	8	109	2,297,000.00
EIGHTEENTH	5	41	1,390,000.00
NINETEENTH	12	30	1,000,000.00
TWENTIETH	5	32	830,000.00
TWENTY FIRST	14	69	2,350,000.00
		3486	89,094,316.00


**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021.**

---

**Loan Default:** The fund has had high default specifically for loans issued in 2014. This was contributed by the poor loan vetting processes and appraisal of loan beneficiaries, lack of proper training for both the vetting committee and the loan beneficiaries. Poor record keeping making the identification of the loan defaulters very hard, constant political interference thus leading to influence the committee to issue loans to non-deserving beneficiaries

During the year there was a steady drop in loan repayment due to the covid pandemic which led to the closure of various business enterprises

We are however working hard to recover these loans through constant follow up of defaulters. We however feel that this is not the only solution to this problem and therefore recommend legal action on. We have however made tremendous impact as evidenced by the amount recovered and revolved in loan recovery since inception

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

**SITATI M.STEPHEN**

**FUND ADMINISTRATOR**

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021.**

---

**9. REPORT OF THE TRUSTEES/ FUND ADMINISTRATION COMMITTEE**

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

**9.1 Principal activities**

The principal activities of the Fund are

- Capacity builds traders through training and mentoring them
- Provision of affordable credit to the MSMEs

**9.2 Performance**

The performance of the Fund for the year ended June 30, 2021, are set out on page 22-38

**9.3 Trustees**

The members of the Board of Trustee who served during the year are shown on page 2. There were no changes in the Board during the financial year are as shown below:

**9.4 Auditors**

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. OR Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *County Trade development Loan Fund* for the year/period ended June 30, 2021 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf].

By Order of the Board

Sign: 

Name: Joseph Musungu

Chair of the Board/ Fund *Administration Committee*

Date: 17/8/2021

## **10. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES**

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by County Trade Development Loan Fund Regulations, 2015 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the fund; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the fund; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and County Trade Development Fund 2015. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2021, and of the Fund's financial position as at that date.

The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021.**

---

Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Fund's financial statements were approved by the Board on 17<sup>th</sup> August 2021 and signed on its behalf by:

\_\_\_\_\_

Name: SITATI STEPHEN



**Administrator of the County Public 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 BUNGOMA COUNTY TRADE DEVELOPMENT LOANS FUND FOR THE YEAR ENDED 30 JUNE, 2021**

---

### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Bungoma County Trade Development Loans Fund set out on pages 22 to 41, which comprise of the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows, and the statement of comparison of budget and actual amounts for the year then ended, and a summary of

significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Bungoma County Trade Development Loans Fund as at 30 June, 2021, 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 Bungoma County Trade Development Loans Fund Regulations, 2014 and the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Undisclosed Material Uncertainty Related to Going Concern**

The statement of financial position reflects a balance of Kshs.115,775,298 in respect to current portion of long-term receivables from exchange transactions arising from loan disbursements to beneficiaries since 2014 when the Fund was established. However, a review of the schedules supporting the amount revealed that the last time loans were issued was in 2019. At that time, there were outstanding loans amounting to Kshs.104,189,595, which were expected to have been repaid by the end of 2020. This indicates that the Fund is not in a position to disburse new loans and that there are challenges in effecting recoveries. This has not been disclosed in the financial statements.

In the circumstances, continued sustainability of the Fund is doubtful.

### **2. Unsupported Property, Plant and Equipment**

The statement of financial position and as disclosed in Note 6 to the financial statements reflects property, plant and equipment balance of Kshs.297,297 as at 30 June, 2021. However, the ownership documents for the assets were not provided for audit review. Further, although Management explained that the assets were acquired by the County Executive of Bungoma through the Department of Trade in 2018/2019 and have remained with the Department to date, it was not explained why the assets are being reflected in the financial statements of the Fund.

Further, the balance was not supported by a fixed assets register showing details relating to nature or type of asset, date of acquisition, cost, supplier, unique identification number, current value, current location, user, accumulated depreciation and net book values.

In the circumstances, the accuracy, ownership, valuation and completeness of the property, plant and equipment net book value balance of Kshs.297,297 could not be confirmed.

### 3. Intangible Assets

The statement of financial position and as disclosed in Note 7 to the financial statements reflects an intangible assets balance of Kshs.8,484,228. However, although Management has indicated that the assets were acquired in 2018/2019 by the County Executive through the Department of Trade, it was not explained why the assets are reflected in the financial statements of the Fund instead of financial statements of the County Executive. In the circumstances, the accuracy of the intangible assets balance of Kshs.8,484,228 could not be confirmed.

### 4. Current Portion of Long-Term Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 5 to the financial statements reflects a balance of Kshs.115,775,298 relating to current portion of long-term receivables from exchange transactions which comprises of Kshs.13,770,097 and Kshs.102,005,201 relating to interest receivable and current loan repayments due respectively. However, the amounts differ with those reflected in the supporting delinquency reports as shown below;

Description	Amount in the Financial Statements (Kshs.)	Amounts in Supporting Reports (Kshs.)	Variance (Kshs.)
Interest Receivable	13,770,097	7,948,057	5,822,040
Current Loan Repayments Due	102,005,201	102,569,040	(563,839)
<b>Total</b>	<b>115,775,298</b>	<b>110,517,097</b>	<b>5,258,201</b>

In addition, analysis of the delinquency reports revealed that 5,865 loan beneficiaries loaned an amount of Kshs.139,781,991 were in arrears amounting to Kshs.110,517,098 as at 30 June, 2021, despite the loans having matured as at that date. No explanation was provided on why Management did not invoke the default and breach of terms clause in Regulation 21(1)(a) of Bungoma County Trade Development Loans Fund Regulations, 2014, which empowers Management to institute recovery as a civil debt.

Further analysis of the list of defaulters revealed that one hundred and eighty-eight (188) defaulters are staff of the County Executive of Bungoma, who collectively were in arrears amounting to Kshs.4,728,004. No explanation was provided for the failure to recover these loans from the staff of the County Executive.

In the circumstances, the accuracy and recoverability of the current portion of long-term receivables of Kshs.115,775,298 could not be confirmed.

### 5. Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.3,931,515 which includes Kshs.341,717 relating to mobile money transfer balances not recorded in the cashbook. However, the reconciling item has remained outstanding since year 2019/2020, contrary to Regulation 90(3) of the Public Finance Management

(County Governments) Regulations, 2015, which requires accounting officers to ensure that any discrepancies noted during bank reconciliation exercises are investigated immediately and appropriate action taken, including updating the relevant cash books.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.3,931,515 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Bungoma County Trade Development Loans 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**

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

In the audit report of the previous year, a number of issues were raised. However, Management has not resolved the issues nor disclosed all the prior year matters as provided by the Public Sector Accounting Standards Board template.

## **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 Gazette the Fund's Regulations**

The County Government of Bungoma established Bungoma County Trade Development Loans Fund vide County Assembly approval in a special sitting of 15 December, 2014. However, although procedural requirements had been obtained up to the passage of the Regulations by the County Assembly, the Regulations have not been gazetted to date to give effect to the establishment of the Fund. This is contrary to Article 199(1) of the Constitution, which provides that county legislation does not take effect unless published in the Gazette.

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

## **2. Lack of Budget for the Fund**

The Management did not provide a budget for the Fund to support the balances in the statement of comparison of budget and actual amounts. Consequently, the source of the balances reflected in the statement of comparison of budget and actual amounts could not be confirmed. This is contrary to Section 149(2)(h) of the Public Finance Management Act, 2012, which states that in carrying out a responsibility imposed by subsection (1), an accounting officer shall, in respect of the entity concerned prepare estimates of expenditure of the entity in conformity with the strategic plan.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related

to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

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

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 governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015, and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not

reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

22 July, 2022

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021.**

**12. FINANCIAL STATEMENTS**

**12.1 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2021.**


	Note	2020/2021	2019/2020
		KShs	KShs
<b>Revenue from exchange transactions</b>		-	-
Interest income	1	117,500	1,107,313
Other income	2	-	117,500
		-	-
<b>Total revenue</b>		<b>117,500</b>	<b>1,224,813</b>
<b>Expenses</b>			
General expenses	3	1,857,091	2,913,636
<b>Total expenses</b>		<b>1,857,091</b>	<b>2,913,636</b>
<b>Surplus/( deficit) for the period</b>		<b>- 1,739,591</b>	<b>- 1,688,823</b>


**Bungoma County Trade Development Loan Fund**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

**12.2 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	Note	2020/2021	2019/2020
		KSh	KSh
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	3,931,515	3,679,158
Current portion of long term receivables from exchange transactions	5	115,775,298	<b>116,866,345</b>
		119,706,813	<b>120,545,503</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	297,297	1,687,500
Intangible assets	7	8,484,228	5,429,906
<b>Total assets</b>		<b>8,781,525</b>	<b>7,117,406</b>
<b>Net assets</b>		<b>128,488,338</b>	<b>127,662,909</b>
Revolving Fund		119,490,287	119,490,287
Accumulated surplus		8,998,051	8,172,622
<b>Total net assets and liabilities</b>		<b>128,488,338</b>	<b>127,662,909</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 28<sup>th</sup> September 2021 and signed by:

  
 \_\_\_\_\_  
**Administrator of the Fund**  
 Name: SITATI STEPHEN

  
 \_\_\_\_\_  
**Fund Accountant**  
 Name: 21133  
**ICPAK Member Number:**  
Bernard Mwachaga

**Bungoma County Trade Development Loan Fund**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

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

	Revolving Fund	Accumulated surplus	Total
		KShs	KShs
<b>Balance as at 1 July 2019</b>	119,490,287	9,861,445	129,351,732
Deficit for the period	-	1,688,823	1,688,823
<b>Balance as at 30 June 2020</b>	<b>119,490,287</b>	<b>8,172,622</b>	<b>127,662,909</b>
<b>Balance as at 1 July 2020</b>	<b>119,490,287</b>	<b>8,172,622</b>	<b>127,662,909</b>
Deficit for the period	-	1,739,591	1,739,591
Prior year adjustments		2,565,020	2,565,020
<b>Balance as at 30 June 2021</b>	<b>119,490,287</b>	<b>8,998,051</b>	<b>128,488,338</b>

Prior year adjustments were composed of;		
Description	Note	Amount (KShs.)
Depreciation	6	489,302
Amortization	7	3,054,322
<b>Total</b>		<b>2,565,020</b>

**Bungoma County Trade Development Loan Fund**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021.**

**12.4 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021**

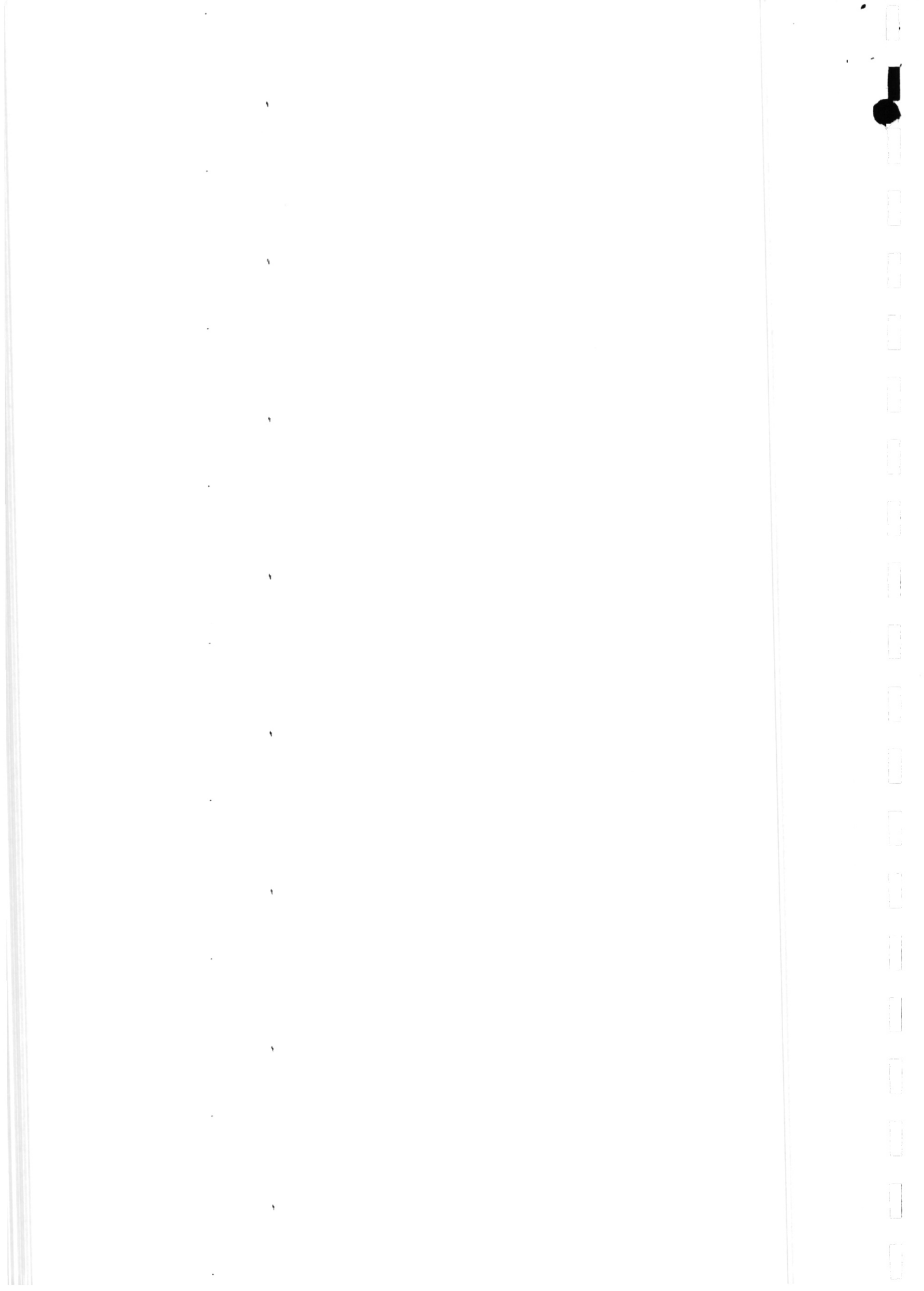
	Note	2020/2021	2019/2020
		KShs	KShs
<b>Cashflows from operating activities</b>			
<b>Receipts</b>			
Interest received	1	58,502	169,931
<b>Total Receipts</b>		<b>58,502</b>	<b>169,931</b>
<b>Payments</b>			
General expenses	3	956,190	993,660
<b>Net cashflows from operating activities</b>		<b>- 897,688</b>	<b>- 823,729</b>
<b>Cash flows from investing activities</b>			
Proceeds from loan principal repayments	9	1,150,045	3,398,617
Loan disbursements paid out		-	- 2,232,500
<b>Net cashflows used in investing activities</b>		<b>1,150,045</b>	<b>1,166,117</b>
<b>Cashflows from financing activities</b>			
<b>Net cashflows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>252,357</b>	<b>342,388</b>
Cash and cash equivalents at 1 JULY		3,679,158	3,336,770
<b>Cash and cash equivalents at 30 JUNE</b>		<b>3,931,515</b>	<b>3,679,158</b>

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

	Originalbudget	Adjustments	Finalbudget	Actualon comparable b	Performance differen	% utilisation
	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021
Revenue	KShs	KShs	KShs	KShs	KShs	
Transfers from County Govt.	1,200,000	-	1,200,000	-	-	-
Interest income	117,500	-	117,500	58,502	58,998	50
<b>Totalincome</b>	<b>1,317,500</b>	<b>-</b>	<b>1,317,500</b>	<b>58,502</b>	<b>58,998</b>	
Expenses						
General expenses	3,419,000	-	3,419,000	956,190	2,462,810	- 39
<b>Totalexpenditure</b>	<b>3,419,000</b>	<b>-</b>	<b>3,419,000</b>	<b>-</b>	<b>-</b>	
<b>Surplusfortheperiod</b>	<b>- 2,101,500</b>	<b>-</b>	<b>- 2,101,500</b>	<b>956,190</b>	<b>- 1,145,310</b>	

**Budget notes**

There were no exchequer releases during the financial year .This was majorly due to the Covid pandemic Since we were not able to do any physical training of the loan beneficiaries .



### **13. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

#### **2. Adoption of new and revised standards**

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

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

#### **3. Revenue recognition**

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

###### **Transfers from other government entities**

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

##### **ii) Revenue from exchange transactions**

###### ***Interest income***

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

#### **4. Budget information**

The original budget for FY 2020/2021 was approved by the County Assembly on 17<sup>TH</sup> Feb 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021**

---

approvals in order to conclude the final budget. Accordingly, the Fund did not record additional appropriations for FY 2020/2021.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 12.5 these financial statements.

## **5. Property, plant and equipment**

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

## **2. 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,

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021**

---

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.

**3. 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 Entity determines the classification of its financial assets at initial recognition.

**Loans and receivables**

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

**Held-to-maturity**

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

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021**

---

**Impairment of financial assets**

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

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

***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 Entity determines the classification of its financial liabilities at initial recognition.

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

**Loans and borrowing**

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

**Bungoma County Trade Development Loan Fund**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

---

**4. Provisions**

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

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

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

**Contingent liabilities**

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

**Contingent assets**

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

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

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

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021**

---

**6. Related parties**

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

**7. 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 commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**8. Comparative figures**

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

**9. Events after the reporting period**

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

**10. Ultimate and Holding Entity**

The entity is a County Public Fund established by 2015 Act under the Department of Trade . Its ultimate parent is the County Government Bungoma.

**11. Currency**

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

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

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates

**Bungoma County Trade Development Loan Fund**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

---

could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**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 year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

**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:

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

**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:

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021**

---

**a) Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

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

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

**Bungoma County Trade Development Loan Fund**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

**14. NOTES TO THE FINANCIAL STATEMENTS**

<b>1. Interest income</b>		
<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Interest income from loans	117,500	1,107,313
<b>Total interest income</b>	<b>117,500</b>	<b>1,107,313</b>
This reflects the 5% interest on loan repayments		

<b>2. Other income</b>		
<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Miscellaneous income	-	117,500
<b>Total other income</b>	<b>-</b>	<b>117,500</b>
This reflects the 5% administration fee/processing fee loan		

<b>3. General expenses</b>		
<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Telecommunication	121,000	86,500
Boards and committee	831,400	906,500
Depreciation and amortization costs	900,901	1,919,976
Other expenses	3,790	660
<b>Total</b>	<b>1,857,091</b>	<b>2,913,636</b>

<b>4. Cash and cash equivalents</b>		
<b>Description</b>	<b>FY2020/2021</b>	<b>FY2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Current account	3,589,798	786,481
Others	341,717	2,892,677
<b>Total cash and cash equivalents</b>	<b>3,931,515</b>	<b>3,679,158</b>

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021**

Financial institution	Account number	2020/2021 KShs	2019/2020 KShs
<b>a) Current account</b>			
Equity Bank -OPERATION ACC	0480262513336	3,585,595	672,258
Equity Bank -COLLECTIN ACC	0480272137974	4,203	114,223
<b>Sub- total</b>	-	<b>3,589,798</b>	<b>786,481</b>
<b>d) Others(specify)</b>		-	-
M Pesa-WORKING ACC		340,717	340,717
M Pesa-UTILITY ACC		1,000	2,551,960
<b>Sub- total</b>		<b>341,717</b>	<b>2,892,677</b>
<b>Grand total</b>		<b>3,931,515</b>	<b>3,679,158</b>

<b>5. Receivables from exchange transactions</b>		
Description	2020/2021 KShs	2019/2020 KShs
<b>Current Receivables</b>		
Interest receivable	13,770,097	13,711,100
Current loan repayments due	102,005,201	103,155,245
<b>Total Current receivables</b>	<b>115,775,298</b>	<b>116,866,345</b>
<b>Totalreceivables from exchange transactions</b>	<b>115,775,298</b>	<b>116,866,345</b>

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021**

<b>6. Property, plant and equipment</b>		
	<b>ICT EQUIPMENT</b>	<b>Total</b>
<b>Cost</b>	<b>KShs</b>	<b>KShs</b>
<b>At 1st July 2019</b>	<b>3,000,000</b>	<b>3,000,000</b>
Additions	-	-
<b>At 30th June 2020</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>At 1st July 2020</b>	<b>3,000,000</b>	<b>3,000,000</b>
Additions	-	-
<b>At 30th June 2021</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>Depreciation and impairment</b>		
<b>At 1st July 2019</b>	<b>750,000</b>	<b>750,000</b>
Depreciation	<b>562,500</b>	<b>562,500</b>
<b>At 30th June 2020</b>	<b>1,312,500</b>	<b>1,312,500</b>
<b>At 1st July 2020</b>	<b>1,312,500</b>	<b>1,312,500</b>
Depreciation	900,901	<b>900,901</b>
Prior year depreciation adjustments	489,302	<b>489,302</b>
<b>At 30th June 2021</b>	<b>2,702,703</b>	<b>2,702,703</b>
<b>Net Book Value</b>		
<b>As at 30th June, 2020</b>	<b>1,687,500</b>	<b>1,687,500</b>
<b>As at 30th June, 2021</b>	<b>297,297</b>	<b>297,297</b>
Recalculated Depreciation based on The National Treasury's Guidelines(Useful life of 3.33 years; straight line method)		
Cost		3,000,000
<b>Depreciation in year 1; 18/19</b>		
Recalculated Depreciation	900,901	
Prior year depreciation	750,000	
Depreciation undercharge		150,901
<b>Depreciation in year 2; 19/20</b>		
Recalculated Depreciation	900,901	
Prior year depreciation	562,500	
Depreciation undercharge		338,401
Total Depreciation undercharge		<b>489,302</b>
Current year depreciation	900,901	900,901
Written Down Value		<b>297,297</b>

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021**

7. Intangible assets-software		
Description	2020/2021	2019/2020
	Kshs	Kshs
<b>Cost</b>		
At beginning of the year	8,484,228.00	8,484,228.00
Additions	-	-
At end of the year	<b>8,484,228.00</b>	<b>8,484,228.00</b>
<b>Amortization and impairment</b>		
At beginning of the year	3,054,322.00	1,696,846.00
Amortization	-	1,357,476.00
Prior year adjustments	- 3,054,322.00	-
At end of the year	-	<b>3,054,322.00</b>
<b>NBV</b>	<b>8,484,228.00</b>	<b>5,429,906.00</b>

NB: Change in amortization Policy was changed so as to align the amortization to The National Treasury's Guidelines for Management of Specific Categories of Assets and Liabilities. The previous amortizations were based on the Draft County Government's Asset Management Policy as The National Treasury's Guidelines had not been issued. Sec. 4.3.5.2(2) of the Guidelines provides that an intangible asset that has an indefinite useful life is not amortised if there are no legal, contractual, regulatory, technological, or other factors that limit its useful life. In the current circumstances, there are no limitations on the asset, the asset is renewed on a yearly basis and there is no foreseeable future when the use of the asset is expected to be limited

**8. Revolving Fund**

	Amount received	Rate	Revolving Fund 2020/2021
	Kshs		Kshs
Transfers from County Government - 2014/15	100,000,000	97%	97,000,000
Transfers from County Government - 2015/16	13,828,000	97%	13,413,160
Transfers from County Government - 2017/18	9,357,863	97%	9,077,127
<b>Total</b>			<b>119,490,287</b>

**9. PRINCIPAL LOAN REPAYMENT**

Description	FY2020/2021	FY2019/2020
	Kshs	Kshs
Proceeds from loan principal repayments	1,150,045	3,398,617
<b>Total</b>	<b>1,150,045</b>	<b>3,398,617</b>

These is annexed on the annextures

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021**

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

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

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)
1.1	Variance in comparative figures	The variances of the comparative figures were corrected after the 1 <sup>st</sup> draft	Resolved	7 <sup>th</sup> January 2021
1.2	Accuracy of the unsupported cash & cash equivalent Balance	Both the Certificate of Bank Balance and Mpesa statement during the Audit exercise a copy was also attached to the response to the ML & the 1 <sup>st</sup> Draft of Audit	Resolved	7 <sup>th</sup> January 2021
1.3	Cash flow Statement reflected loan disbursement and repayments however no analysis was	The Copy of the cheques drawn to loan beneficiaries with a Bank list were attached were provided both in hard and	Resolved	7 <sup>TH</sup> January 2021

**Bungoma County Trade Development Loan Fund  
Reports and Financial Statements  
For the year ended June 30, 2021**

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)
	issued to support the figure	soft copy The Mpesa and bank statement were also availed as evidence of loan repayment		
1.4	Accuracy of Interest Income	The issue under review was corrected during the review of the financial during the submission of our response to the audit queries	Resolved	7 <sup>th</sup> January 2021
1.5	Non compliance with the PSASB Reporting	We did review the financial statements as per the PSASB during our revision of the financial statements ,we however agreed to incorporate the few issues which were not possible for us to review in the current year	Resolved	7 <sup>th</sup> January 2021
1.6	Control weakness	We acknowledge	Not Revolved	1 <sup>st</sup> April 2022

**Bungoma County Trade Development Loan Fund  
 Reports and Financial Statements  
 For the year ended June 30, 2021**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	over financial management Lack of Fund Accountant	the Absence of the Fund Accountant although the fund has other staff and structures such as committee and different signatories for the collection and operational accounts		



Our ref: ops048 ops/01/07/21

Your ref:

1<sup>st</sup> July, 2021.

The Fund Admin,  
Bungoma County Government,  
Ward Trade Loan  
P.O Box 275- 50200  
Bungoma.

Dear Sir/Madam,

RE: CERTIFICATE OF BALANCE AS AT 30.06.2021

We confirm that as at close of business on 30.06.2021, details of the account held at Equity Bank Bungoma are as below:

- 0480262513336 Ksh 3,580,000.00 Three million, five hundred and eighty five thousand, five hundred and eighty five cents 20/100 only.
- 0480299208317 Ksh 2,203,000.00 Two thousand, two hundred and three only.

Yours faithfully,

  
George Maloba,

Operations Manager – Bungoma



HEAD OFFICE: PO Box 75104 - 00200 Nairobi Tel: 020-2762000 Fax: 2737276 Mobile: 0711 028000 0732 112000 Email: info@equitybank.co.ke Website: www.equitybank.co.ke

To,

WARD TRADE LOAN SCHEME -BUNGOMA  
P.O.BOX 275  
BUNGOMA  
KE  
50200

Branch ID : 048  
Customer Name : WARD TRADE LOAN SCHEME -BUNGOMA  
Product Name : CAA  
Currency : KES

## Account Statement 0480262513336

Statement Period (From 01-05-2021 To 30-06-2021)

Tran Date	Value Date	Tran Particulars	Debit	Credit	Balance
25-05-2021	25-05-2021	4726531 MARY NALIAKA WANDA		500.00	77,138.20
25-05-2021	25-05-2021	2099968 RICHARD CHENGASI BUTUNDE		500.00	77,638.20
25-05-2021	25-05-2021	11788211 BENSON SIMIYU WALUSEKHE		1,500.00	79,138.20
25-05-2021	25-05-2021	25720678 ANTHONY WANJALA WAFULA		500.00	79,638.20
25-05-2021	25-05-2021	25442052 EMMANUEL SIMIYU WABWILE		500.00	80,138.20
25-05-2021	25-05-2021	26067389 GRACER N WANYAMA		1,000.00	81,138.20
25-05-2021	25-05-2021	22767198 EVERLYNE N TUKI		500.00	81,638.20
25-05-2021	25-05-2021	23270828 ROSE NYOTIA		1,500.00	83,138.20
08-06-2021	08-06-2021	11331488 PHILIP NAIBEI INNO		500.00	83,638.20
08-06-2021	08-06-2021	22615620 PROTUS MONICHE CHEMORION		500.00	84,138.20
08-06-2021	08-06-2021	4377678 ROSE S WAFULA		500.00	84,638.20
08-06-2021	08-06-2021	22711644 AJAMBA CAROLYNE		500.00	85,138.20
23-06-2021	23-06-2021	WARD TRADE LOAN SCHEME	75,000.00		10,138.20
28-06-2021	28-06-2021	7615146 MUKHWANA JULIUS MPOLE		500.00	10,638.20
28-06-2021	28-06-2021	11021598 JACINTA NABUCHA MACHASIO		1,000.00	11,638.20
28-06-2021	28-06-2021	11336001 GEORGE KARIUKI GITHINJI		5,000.00	16,638.20
28-06-2021	28-06-2021	9238081 PATRICK ZELI		500.00	17,138.20
28-06-2021	28-06-2021	14610561 PETER MUKHEBI		500.00	17,638.20
28-06-2021	28-06-2021	MPS B2B PFS06L9DR BUNGOMACOUNTYGVERNMENT/456981		3,566,957.00	3,584,595.20
30-06-2021	01-07-2021	MPS B2B PG11RQLCTV BUNGOMACOUNTYGVERNMENT/857278		1,000.00	3,585,595.20

Note: Any omission or errors in this statement should be promptly advised in writing to the Branch Manager within 30 days from the date of receipt otherwise the account will be presumed to be in order.

MWC786120210701105957





HEAD OFFICE: PO Box : 75104 - 00200 Nairobi, Tel: 020-2262000 Fax: 2737276, Mobile: 0711 026000,0732 112000, Email: info@equitybank.co.ke, Website: www.equitybank.co.ke

Account No. : 0480262513336

Customer Name : WARD TRADE LOAN SCHEME -BUNGOMA

Tran Date	Value Date	Tran Particulars	Debit	Credit	Balance
		Grand Total	75,000.00	3,583,957.00	3,585,595.20

EQUITY BANK (KENYA) LTD.  
 BUNGOMA BRANCH  
 CERTIFIED TRUE COPY  
 OF THE ORIGINAL.  
 Sign: *[Signature]* Date: .....

Note: Any omission or errors in this statement should be promptly advised in writing to the Branch Manager within 30 days from the date of receipt otherwise the account will be presumed to be in order.  
 END





HEAD OFFICE: P.O.Box: 75104 - 00200 Nairobi, Tel: 020-2262000 Fax: 2737276, Mobile: 0711 026000 0732 112000, Email: info@equitybank.co.ke, Website: www.equitybank.co.ke

To,  
BUNGOMA WARD TRADE LOAN SCHEME -  
OPERATIONS  
P.O.BOX 275  
BUNGOMA  
KE  
50200

Branch ID : 048  
Customer Name : BUNGOMA WARD TRADE LOAN SCHEME -  
OPERATIONS  
Product Name : CAA  
Currency : KES

Account Statement 0480272137974  
Statement Period (From 01-05-2021 To 30-06-2021)

Tran Date	Value Date	Tran Particulars	Debit	Credit	Balance
23-06-2021	23-06-2021	WARD TRADE LOAN SCHEME -BUNGOMA		75,000.00	100,573.00
23-06-2021	23-06-2021	SITATI MAKHANU STEPHEN	96,250.00		4,323.00
23-06-2021	23-06-2021	Cash Withdrawal Charge	120.00		4,203.00
Grand Total			96,370.00	75,000.00	4,203.00

EQUITY BANK (KENYA) LTD.  
BUNGOMA BRANCH  
CERTIFIED TRUE COPY  
OF THE ORIGINAL.  
Sign: *[Signature]* Date: .....

Note: Any omission or errors in this statement should be promptly advised in writing to the Branch Manager within 30 days from the date of receipt otherwise the account will be presumed to be in order

WARDS		Aug-21	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21					
BOKOLI	3,500	-	-	-	-	-	3,000	1,700	15,150	-	-	-	-
BUKEMBE EAST	-	1,000	200	200	200	1,000	-	-	500	-	1,800	-	-
BUKEMBE WEST	-	14,000	-	-	-	-	1,500	-	-	-	-	-	-
BUMULA	1,570	400	500	20,380	6,000	-	31,875	7,600	-	-	6,100	-	-
BWAKE	17,000	1,750	900	-	500	-	1,500	1,500	500	-	-	-	-
CHEPTAIS	-	-	-	-	-	-	-	7,000	-	-	-	-	17,500
CHEPYUK	-	-	-	-	-	-	-	-	-	-	-	-	-
CHESIKAKI	500	-	-	-	-	-	-	-	-	-	-	-	-
CHWELE	25,200	500	2,500	16,980	2,450	-	-	2,001	3,000	-	-	-	1,600
EAST SANGALO	5,000	2,500	11,450	11,000	8,900	-	3,500	5,900	250	7,600	5,500	-	2,300
ELGON	1,000	-	-	-	-	-	3,000	4,500	-	-	-	-	10,700
KABULA	-	-	2,500	-	2,000	-	1,200	2,000	-	-	-	-	1,000
KAMUKUYWA	100	125	-	100	166	144	404	80	590	11,000	730	-	-
KAPKATENY	2,500	-	1,000	-	-	3,000	9,500	1,000	4,200	1,500	500	-	5,500
KAPTAMA	-	-	10	-	-	-	9,000	3,740	-	8,100	28,066	-	23,275
KHALABA	15,000	-	5,500	7,940	-	-	3,000	4,350	2,000	2,900	5,900	-	5,600
KHASOKO	500	-	-	-	-	-	-	210	2,030	500	5,700	1,300	-
KIBINGEI	1,000	1,000	1,500	-	-	-	-	-	6,000	3,400	2,400	500	-
KIMAETI	-	-	-	-	-	2,000	1,875	4,500	5,000	7,800	-	-	-
KIMILILI	-	300	940	-	-	-	-	2,000	-	18,500	750	-	570
LWANDANYI	2,260	-	200	-	-	-	-	5,000	-	12,200	-	-	-
MAENI	-	-	1,001	-	-	-	-	200	-	8,600	-	-	1,000
MALAKISI/s kilisi	5,100	500	16,500	260	1,000	-	-	6,350	500	34,712	3,200	-	2,500
MARAKA	2,270	-	1,000	-	32,400	1,000	11,500	14,680	13,800	5,000	3,900	-	1,000
MARAKARU/TUTI	400	-	-	-	11,500	750	-	5,300	-	-	-	-	-
MATULO	-	-	6,000	-	-	-	1,000	16,750	6,000	500	3,000	-	-
MBAKALO	3,000	-	3,000	-	-	-	-	2,000	1,980	4,141	500	-	2,000
MIHUU	-	-	-	-	-	-	10,000	2,500	-	5,500	500	-	500
MILIMA/MITUA	1,000	-	-	-	300	-	-	2,000	-	-	-	-	-
MISIKHU	-	-	200	100	-	-	700	9,380	2,200	500	700	-	500
MUKUYUNI	-	-	-	-	-	-	-	2,200	-	6,100	1,000	-	-
MUSIKOMA	2,500	-	500	5,976	4,900	-	6,500	8,700	850	-	1,000	-	1,000
NAITIRI	-	-	500	-	-	-	1,599	5,000	-	2,000	-	-	-
NAMWELA	2,000	-	-	1,000	-	700	4,300	23,465	1,000	-	8,263	-	-
NDALU	1,000	1,000	4,000	-	1,000	-	4,000	5,000	-	-	-	-	10,150
NDIVISI	-	-	-	-	-	200	1,311	700	31,550	-	-	-	1,000
SIBOTI	-	-	-	-	-	-	-	1,000	-	11,500	-	-	-
SITIKHO	600	-	200	1,590	-	5,000	-	12,100	3,500	-	-	-	-
SOUTH BUKUSU	3,500	500	100	24,900	10,500	-	1,000	11,940	2,000	3,500	-	-	-
SOYSAMBU	-	-	-	-	-	-	-	1,000	-	-	-	-	-
TONGAREN	500	-	-	-	-	-	2,500	3,000	1,500	-	-	-	8,300
TOWNSHIP	-	500	8,100	1,500	950	800	1,805	4,500	15,000	-	4,900	-	1,500
WEST BUKUSU	-	1,000	1,000	14,900	1,200	-	2,000	3,002	2,000	1,000	-	-	-
WEST NALONDO	1,500	500	-	-	-	-	7,000	450	12,000	4,500	-	-	500
WEST SANGALO	1,000	400	-	-	-	1,000	2,500	1,800	-	-	-	-	1,300
	99,500	25,975	69,301	106,826	83,966	15,594	127,279	203,918	128,970	165,253	78,109	-	99,295

**Mombasa County  
 Consolidate Revolving Fund  
 Reports and Financial Statements  
 For the year ended June 30, 2021.**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		(County Government).		

**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.

*Mombasa County*  
*Consolidate Revolving Fund*  
**Reports and Financial Statements**  
**For the year ended June 30, 2021.**

---