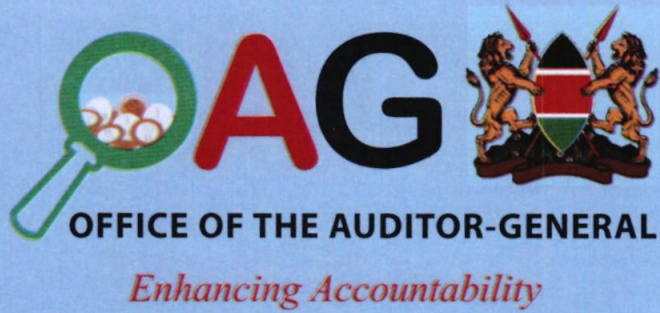


REPUBLIC OF KENYA



REPORT

OF



THE AUDITOR-GENERAL

ON

**WEST POKOT COUNTY COOPERATIVE
DEVELOPMENT FUND**

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

PAPERS AND	
DATE	6/3/2025
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COMMITTEE	
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WEST POKOT COUNTY COOPERATIVE DEVELOPMENT FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

WEST POKOT COUNTY COOPERATIVE DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

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1. Acronyms, Abbreviations, and Definition of Key Terms

A: Acronyms and Abbreviations

CBK	Central Bank of Kenya
CECM	County Executive Committee Member
CEO	Chief Executive Officer
CO	Chief Officer
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
BOM	Board of Management
Kshs	Kenya Shillings
WPCCDF	West Pokot County Cooperative Development Fund
CDF	Cooperative Development Fund
ERP	Enterprise Resource Planning
PSM	Public Service Management

B: Definition of Key Terms

Fiduciary Management- Members of Management that are directly entrusted with the responsibility of financial resources of the organisation.

Comparative Year- Means the prior year.

Ghomicho- West Pokot County Cooperative Development Fund

2. Key Entity Information and Management

(a) Background information

The West Pokot County Cooperative Development Fund (WPCCDF) was established under the West Pokot County Cooperative Development Act on 24th May 2018. The Entity is domiciled in Kenya and has branches in Kapenguria at the Department of Trade, Industry, Energy, Investment and Cooperative Development.

(b) Principal Activities

The principal activity of the Fund is to provide affordable and competitive credit to co-operatives involved in small-scale production.

Functions of the Fund

- (a) To provide affordable and competitive credit to the successful applicants; provide an opportunity to small scale entrepreneurs to gain commercial experience to enable them play their part in industrial and commercial development of the county;
- (b) provide enterprise development services;
- (c) enhance the small and medium enterprises' competitiveness as they graduate into bigger vibrant enterprises; and
- (d) perform any other lawful function for purposes of promoting enterprise and entrepreneurship development in the county.

Mission of the Fund

WPCCDF transforms livelihoods by providing affordable and competitive funds to the residents of West Pokot County.

Vision of the Fund

To provide affordable and competitive credit to co-operatives whose membership is composed of micro and small-scale registered business enterprises.

Guiding Principles of the Fund.

- a) Public participation and financial inclusiveness;
- (b) Donor linkages and participation;

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(c) Protection of the interests of the marginalized, persons living with disability, women and the youths; and local ownership and sustainability.

(c) Key Management

The *WPCCDFs* day-to-day management is under the following key organs:

No.	Details
1.	Fund Management Board
2.	Fund Administrator
3.	Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Fund Administrator	Daniel Lopale
2.	Head of Corporate Services	Priscilla Chebet
3.	Head of Finance	Samuel Lomwai
4.	Head of Procurement	Damaris Karayo
5.	Fund Director	William Ntoina

(e) Fiduciary Oversight Arrangements

- Audit and Risk Committee
- Finance committee.
- Parliamentary Oversight Committees
- Development partners

(f) Entity Headquarters

P.O. Box 222-30600

Trade Department

Off Kapenguria County Hospital Road

KAPENGURIA, KENYA.

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(g) Entity Contacts

Telephone: (254) 715 477269

E-mail: trade@westpokot.go.ke

Website: www.westpokot.go.ke.go.ke

(h) Entity Bankers

Kenya Commercial Bank

P.O BOX 396- 30600

KAPENGURIA, KENYA

(i) Independent Auditor

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(j) Principal Legal Adviser

i) The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya




ii) County Attorney

P.O. Box 222-30600




Kapenguria, Kenya.

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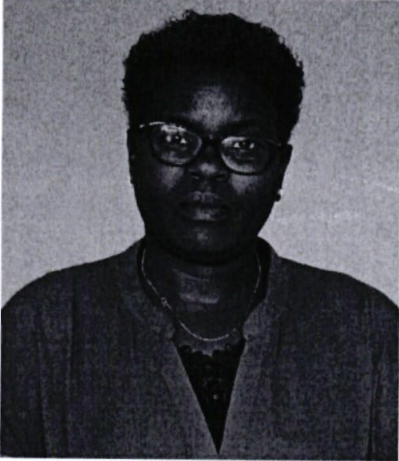
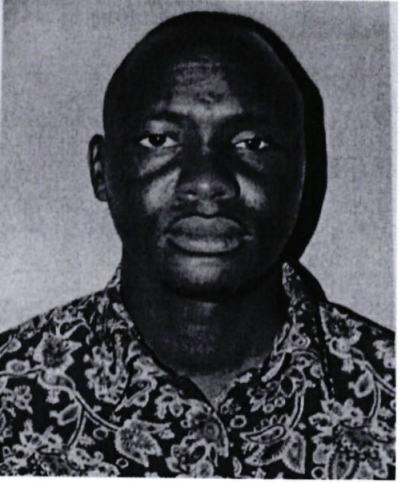
3. The Fund Management Board

Directors	Details
<p>1. Henry Katuria Tepakwiang</p>  <p><i>Retired Education Officer</i></p>	<p>Mr. Katuria is currently Chairperson of the West Pokot County Co-operative Development Fund. He was the Eco-pillar chairperson between 2003-2017, former District Education Officer of the Government of Kenya, Teacher Advisory Tutor, School Feeding Programme Officer, Principal and Head Teacher and a class teacher.</p> <p>He is a Seasoned actor in the Co-operative Movement.</p>
<p>2. Priscilla Chebet Mungo</p>  <p><i>Business Management Expert</i></p>	<p>Ms. Priscilla is a member of key management of the West Pokot County Cooperative Development Fund. She is also the chief Officer Finance and Economic Planning at the County Government of West Pokot; she holds Master of Science in Business Administration with over 20 years of experience in both Public and private sector</p>
<p>3. William Ntoina</p>  <p><i>Business Administration Specialist</i></p>	<p>Mr. Ntoina is a member of the Fund Management Board of the West Pokot County Cooperative Development Fund. He is currently the Director of Investment and Cooperative Development at the County Government of West Pokot; He is currently pursuing a Master of Business Administration (MBA-Food Security Option) from Business School Netherlands (BSN). He holds a Master of Science in Environmental Informatics from the University of Leicester, United Kingdom, several post graduate certificates and Bachelor of Science in Computer Science from Moi University with over 20 years of experience in both Public and private sector</p>

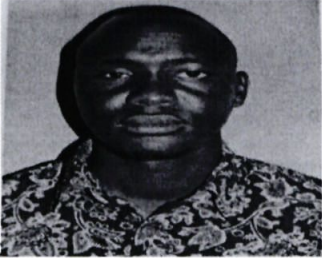



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<p>4. Josphine Relyne Kaiywo</p> 	<p>Ms. Josphine Relyne is a member of Fund Board of Management of the West Pokot County Co-operative Development Fund. She holds a certificate in Pastors enhancement training from Kisii University and Hotel and catering Supervision from Rehema Technical Training College with over 15 years of experience in both Public and private sectors.</p>
<p>5. Caroline Cherotich</p> 	<p>Ms. Caroline is a member of the WPCCDF Board. She holds a Kenya Certificate of Secondary Education from St. Brigids Girls Kitale. She is a business woman and a youth representative.</p>
<p>6. PhilipMagal</p> 	<p>Mr. Magal is a member of the Fund Management Board of WPCCDF. He is also the current County Solicitor, County Government of West Pokot. He is currently pursuing a PhD in Constitutional Law at the University of Cologne, Germany. He holds a Master of Law Degree in Crime and litigation from London South Bank University, United Kingdom and a bachelor of Law Degree from Moi University, Kenya. He has over 15 years working experience both in public and private sectors.</p>

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<p>7. Claire Parklea</p> 	<p>Ms. Claire Parklea is a current member of the Fund Management Board. She is also the County Executive Committee Member for Trade, Industry, Energy, Investment and Cooperative Development and a former CECM for Health and Sanitation at the County Government of West Pokot. She Holds a Higher Diploma in Anaesthesia from KMTC Nairobi Campus. She also holds a Diploma in Clinical Medicine and Surgery from KMTC Nairobi. She has over 15 years working experience as a manager of various departments in Health.</p>
<p>8. Daniel Siwakech Lopale</p> 	<p>Mr. Daniel Lopale is the Secretary to the Board and a Fund Administrator. He is not a member of ICS but he is currently the Chief Officer for the Department of Trade, Industry, Energy, Investment and Cooperative Development, County Government of West Pokot. He holds a Bachelor of Education Arts Degree from Kisii University, Diploma in Education Management and a Certificate in Primary Education from Mosoriot Teachers Training College with over 10 years working experience as a teacher, principal, KNUT official and a chief Officer PSM.</p>

4. Key Management Team

Management	Details
<p>1. Daniel Lopale</p>  <p><i>Business Management</i></p>	<p>Accounting Officer, Fund Administrator and Secretary to the Board.</p>
<p>1. Priscilla Chebet</p>  <p><i>Business Management</i></p>	<p>Member of the board and Chief Officer Finance & Economic Planning</p>
<p>2. CPA. Samuel Lomwai</p>  <p><i>Master of Business Administration and a Certified Public Accountant of Kenya</i></p>	<p>Fund Accountant and Head of Finance.</p>
<p>3. Henry Katuria</p> 	<p>Chairman Board of Management and Bank Account Signatory</p>

5. Chairman's Statement

The West Pokot County Co-operative Development Fund also known as *Ghomicho* in local language is a vision Fund to jumpstart the Economic empowerment of Co-operative Societies in West Pokot County. This revolving fund gives cheap and affordable credit to Co-operative Societies in West Pokot County so as to spur the Economic growth of the County. Co-operative Societies play a very important role in ensuring the smallholder Farmers are able to pull resources together, trade their farm products and be able to enjoy the Economies of scale which in one way or another contribute the economic development in the community.

The fund, during the year, had its key management changes. The old board term came to an end and subsequently the CECM for Trade and Cooperatives with the approval of the County Assembly appointed a new board of management. The chairman was re-appointed for the second and final term of three years.

In the 2023/2024 Financial Year, the fund experienced several challenges ranging from loan recovery and collection. The fund also appeared at the Senate Public Investments Committee with H.E. The Governor as required by law. The fund suspended issue of new loans until the issues raised by audit are addressed. The fund expected to receive financial support from the USAID-KUZA donors amounting to **Kshs. 18** Million as incentive to assist in capacity building and enhance the fund reach to more cooperatives, however, by the time of this report the funds were yet to hit the account. During the year under review, Kaibos Farmers' Co-operative Society Limited had cleared its loan balances and are ready for issue with loan clearance certificate. This means that the cooperatives with outstanding loans with fund are:

1. WEPESA Sacco.
2. Muruny Farmers' Co-operative Society Limited.
3. Kaptabuk Farmers' Co-operative Society Limited.
4. Kamelei Famers Co-operative Society Limited.
5. Kamco Farmers co-operative society limited.
6. Kodich Farmers co-operative society limited.
7. Kiletat women group co-operative society limited.
8. Siyoi Multi-Produce co-operative society limited.
9. Pokot Farmers co-operative society limited.
10. Tulwet Farmers' co-operative society limited.
11. Kapenguria Traders Sacco.
12. Kapsangar Farmers' co-operative society limited.
13. Weiwei Farmers' Co-operative Development

There is still a huge demand from the rest of the other 150 Plus Co-operative Societies from across the County to access the Funds from the West Pokot County Co-operative Development Fund. On average, the Current Co-operative Societies that have taken the Loans are servicing on well apart from a few which are a bit struggling and it is our hope that they will continue to service these loans to completion.

There is need to prepare and train more co-operatives so as to prepare them well to qualify for the loans in the subsequent years.

As the Chair of the West Pokot County Co-operative Development Fund, we will ensure that we have closely monitored the loans so that we have a 100% repayment so that we can be able to grow this

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fund to reach more co-operatives in the County so that the Co-operative Movement will be more vibrant.

We will also work together with the County Government of West Pokot and other development partners so as to train Co-operatives societies in Governance and leadership so as to make Co-operative Societies have excellent leadership so as to make it easy for the West Pokot County Co-operative Development Fund and other financial institutions lend money to co-operatives so as to help grow these Co-operatives.

It is my hope that the County Government of West Pokot will increase the allocation to the West Pokot County Co-operative Develop Fund kitty to the required seed capital of **Ksh.300 Million** so that we can be able to support more and more Co-operative Societies.

May God Bless all of you, partners, Co-operators and the County Government of West Pokot and we look forward to a good working relationship in the coming years.

Thank you.

Name: **Mr. Henry Katuria**

Signature



Date **19/09/2024**

Chairperson of the Board

6. Report of the Fund Administrator

The West Pokot County Cooperative Development Fund is one of the smartest ideas The County Government of West Pokot has ever implemented since inception of devolution. Sincerely speaking, it has touched and changed many lives of co-operators within the County. It is estimated that more than one thousand five hundred individuals received direct positive impact from this fund from different cooperative beneficiaries.

The fund came into full operation on 7th December 2020. The West Pokot County Government is the main source of funds, in its first year of operation ,financial year 2020/2021 county government budgeted and transferred forty million (Ksh. 40M) to the fund, this was incredible as it gave the fund best financial footing. In the preceding financial year 2021/2022 the County Government of West Pokot approved the budget of Twenty-Five Million (25,000,000) to this fund.

During the year under review, the fund was not able to lend out to any because of the challenges experienced and as a result of audit report that highlighted the need to ensure that all loans are secured by collateral. This is aimed at protecting the public funds should the loanees default. The fund put in more efforts in collection to avail enough funds for lending once the board decides to start lending having complied with the audit recommendations. The total number of cooperatives supported to date are fourteen, with one Kaibos Coffee Farmers' Cooperative having cleared its loan.

The fund is facing funding challenges, for the last one year we have received many loan application requests from cooperatives who need capital to jumpstart their specific development plans fully. In this regard therefore, fund management recently made request to the department of finance and economic planning , County Government Of West Pokot for more funding in order to meet this overwhelming loan demand and reach out to the ever growing number of cooperatives seeking financial support due to difficult economic situation faced by many small scale businesses.

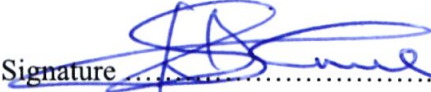
The fund expected to receive financial support from the USAID-KUZA donors amounting to **Kshs. 18 Million** as incentive to assist in capacity building and enhance the fund reach to more cooperatives, however, by the time of this report the funds were yet to hit the account. I would like to appreciate and applaud to the USAID-KUZA for the support gesture as we await the funds.

We also need to have an ERP system to manage the loans since the manual register will not be adequate to handle all the tasks in real time. We therefore intend to be the best and most effective

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and efficient service provider in terms of loan advancement to cooperatives and other registered entities in the long run.

Thank you and God bless.

Name: **Mr. Daniel Siwakech Lopale** Signature  Date **19/09/2024**

Fund Administrator

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7. Statement of Performance against Predetermined Objectives for FY 2023/2024

West Pokot County Cooperative Development Fund has 2 strategic pillars and objectives within the current Strategic Plan for the FY 2023/2024. These strategic pillars are as follows:

- 1: Training of Cooperatives
- 2: Loan advancement to Cooperatives

West Pokot County Cooperatives develops its annual work plans based on the above 2 pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The WPCCDF achieved its performance targets set for the FY 2023/24 year for its two strategic pillars, as indicated in the table below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Training of Cooperatives	To build capacity for the cooperatives.	Increased number of cooperatives accessing training opportunities.	40 % of cooperatives trained.	60 cooperatives visited, invited and trained.
Loan advancement to cooperatives	To support cooperatives with capital	Increased number of cooperatives accessing loans	9.3 % of all Co-operatives get loans from fund	in FY 2023/2024 all cooperatives showed promising trend in loan repayment

8. Corporate Governance Statement

The West Pokot County Co-operative Development Fund has a Board in place consisting of eight members appointed by the County Executive Committee Member for Trade, Industry, Energy, Investment & Cooperative Development, in accordance with sections 8 of the West Pokot County Co-operative Development Fund Act 2018 who support the Administrator of the Fund in the day-to-day Management of the Fund.

The Fund Board holds at least two meetings every year enabling the fund to be able to effectively execute its functions. The new Fund Board has been Inducted and trained in Fund Management so as to be able to execute their functions as the Fund Board.

We have put in Place a succession mechanism so as to ensure that we not only have a good succession in the office of the Board but also a good institution memory. The Current tenure of the Current Board is three years but we will stagger the retirement of Board members so that we have good succession of the board members.

We will continue to work with development partners like USAID KUZA so as to capacity build the members of the Board in a bid to enhance good management of the West Pokot County Co-operative Development Fund.

We will endeavour to ask for more budgetary allocation in the County Budget so as to increase the Fund Kitty to the required seed capital of Kenya Shillings Three Hundred Million (KSh. 300M) in a bid to reach more corporative societies in the County with financing thus supporting the Co-operative Movement in the County.

We have a conflict of register that each of the Board Members and Management do sign on an annual basis.

The Functions of the board are as follows:

- (a) To provide affordable and competitive credit to the successful applicants;
provide an opportunity to small scale entrepreneurs to gain commercial experience to enable them play their part in industrial and commercial development of the county;
- (b) provide enterprise development services;
- (c) enhance the small and medium enterprises' competitiveness as they graduate into bigger vibrant enterprises; and
- (d) perform any other lawful function for purposes of promoting enterprise and entrepreneurship development in the county

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The remuneration of the Board is in line with the SRC allowance structure and the same is drawn from 3% of the Fund's Annual Budget.

We have a laid down process in the Appointment and removal of the Board Members of the Fund.

We regularly have Board members trained on Ethics, Integrity and Risk Management training so as to strengthen the capacity of the Fund Board in Ethics, Integrity and Risk Management.

The accounts of the Fund are examined, audited and reported upon annually and presented to the County Assembly.

9. Management Discussion and Analysis

West Pokot county cooperative development fund for the last one year demonstrated high standards of efficiencies effectiveness with regard to service delivery to its target clients-cooperative societies, secondly all the funds were prudently appropriated and all resources geared towards set goals subject to the act 2018 and regulation 2019 respectively .On the other hand, board members embraced teamwork and complied to the chapter six of Kenya constitution 2010 with more guidelines provided for in the act and regulations.

The funds key priority area of investment is that of loan advancement to cooperatives with 3% interest rate, this interest lowest compared to the one charged by commercial banks, up to 30th June 2024, the fund did not give out loans to cooperatives societies. The outstanding loan book currently stands at forty-Seven million shillings.

The fund is fully compliant to the PFM act and with West Pokot County cooperative Development Act 2018 and regulations 2019 and it is committed to adhering to provided norms every time as it is provided for from relevant authorities .Additionally the fund has put measures in place to make sure that there no cases of fraud and default scenarios this way the fund has installed very strong appraisal unit which determines loan applicants upon which board members further does more checks to establish truthfulness of information supplied.

We are determined to making this fund one of the most admired institutions handling large tasks in solving cooperatives financial needs in West Pokot County.

10. Environmental and Sustainability Reporting

i) *Sustainability strategy and profile*

In order to protect sustainability of the fund, board management resolved to strengthen tenure and independence of board through an amendment to its regulations which provides for strong and powerful board free from political changes in the county government and any other external factors deemed threat to its operations. This is a great move considering that county governments experience changes in leadership after every general election.

The seed capital expected from the County Government is Ksh. 300m. This will ensure sustainability of the fund through revolving the funds. This will ensure that the fund is able to run independently without political interference.

ii) *Environmental performance*

The Fund has come up with climate financing products. With one accord, the Fund, through the board of management has amended to its regulations that will provide for fund budgeting for tree planting in water catchment areas within West Pokot County done once each year. Secondly, we are training cooperatives management on waste management practices.

iii) *Employee welfare*

West Pokot County Cooperative Development Fund does not hire employees instead it enjoys technical staff deployed from department of trade, energy, industry, investment and cooperative development to serve in different capacities when required. Further the fund is under full control of the board as the act and regulations spells out clearly roles, functions and powers conferred to board management. It should be noted that both the board and technical only qualify for allowances upon attendances of board meetings. The technical staff and the board are trained to improve their skills and competence.

The organization should also disclose its policy on safety and compliance with the Occupational Safety and Health Act of 2007 (OSHA.)

iv) *Marketplace practices-*

a) *Responsible competition practice.*

West Pokot County Cooperative Development Fund lends out loans to successful loan applicants at 3% interest rate, this is the most affordable rate compared to other commercial banks. Similarly this rate is within acceptable limit. Again this rate is provided for in the act and

WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND
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regulations and is within confines of PFM ACT 2012. Furthermore, this rate is also charged by many government mortgage schemes which means it is within responsible competition practice

b) *Responsible Supply chain and supplier relations*

The fund fully complies with laws and regulations of the procurement process and asset disposal. Further, all its purchases are done within laid down procedures as it is contained in the act and regulations respectively. West Pokot county cooperative development makes display of its products through print media, radio talks, users of banners and public address system. The fund has zero rated the use of noise pollutants in its marketing campaigns, additionally its clearly spelt out in its marketing policy that the fund should work towards holistic marketing approach.

c) *Responsible marketing and advertisement*

The fund observes the competition laws to ensure fair practices.

d) *Product stewardship*

Product stewardship- outline efforts to safeguard consumer rights and interests. The fund though the Act and Regulations transparently communicates to its customers all rights and responsibilities. This prevents exploitation and ensure equal treatment by the fund officials.

v) *Corporate Social Responsibility*

The WPCCDF engages in tree planting in schools and communities. We also organize community financial education programs. However, during the year under review, we did not engage in any CSR activities but we hope to continue in the new financial year.

11. Report of the Fund Management Board.

The Fund Management Board submits their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the *Entity's* affairs.

i) Principal activities

The principal activity of the Fund is to provide affordable and competitive credit to co-operatives involved in small-scale production.

ii) Results

The results of the Entity for the year ended June 30, 2024, are set out on page 1.

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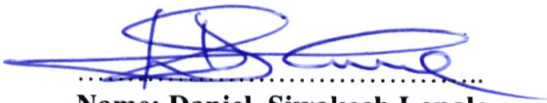
iii) Fund Management Board

The members of the Board of Fund Committee who served during the year are shown on page vii. During the year, eight fund committee retired, and eight was appointed with effect from 20th November, 2023.

iv) Auditors

The Auditor-General is responsible for the statutory audit of the WPCCDF in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the *Entity* for the year ended June 30, 2024.

By Order of the Board



Name: Daniel Siwakech Lopale
Secretary to the Board

12. Statement of Fund Board Responsibilities

Section 164 of the Public Finance Management Act, 2012 and the West Pokot County Cooperative Development Fund Act, 2018 and regulations 2019 require the Fund Board to prepare financial statements in respect of that *Entity*, which give a true and fair view of the state of affairs of the *Entity* at the end of the financial year and the operating results of the *Entity* for that year. The Fund Board are also required to ensure that the *Entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Entity*. The Fund Management Board is also responsible for safeguarding the assets of the *Entity*.

The Fund Board are responsible for the preparation and presentation of the *Entity's* financial statements, which give a true and fair view of the state of affairs of the *Entity* for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *Entity*; (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 *Entity*; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

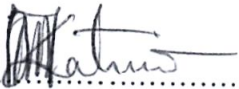
The Fund Board accept responsibility for the *Entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and West Pokot County Cooperative Development Fund Act, 2018. The Fund Board are of the opinion that the *Entity's* financial statements give a true and fair view of the state of the *Entity's* transactions during the financial year ended June 30, 2024, and of the *Entity's* financial position as at that date. The Fund Board further confirms the completeness of the accounting records maintained for the *Entity*, which have been relied upon in the preparation of the *Entity's* financial statements as well as the adequacy of the systems of internal financial control.

WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

In preparing the financial statements, the Fund Board have assessed the entity's ability to continue as a going concern. Nothing has come to the attention of the Fund Board to indicate that the *Entity* 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 *Entity's* financial statements were approved by the Board on 19th September 2024 and signed on its behalf by:



.....

Henry Katuria
Chairperson of the Board

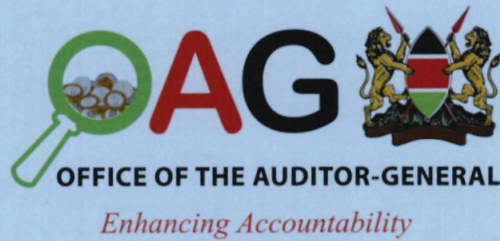


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Daniel Siwakech Lopale
Fund Administrator

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of West Pokot County Co-operative Development Fund set out on pages 1 to 29, which comprise of the statement of financial position as at 30 June, 2024, and the statement of financial performance, statement of

Report of the Auditor-General on West Pokot County Co-operative Development Fund for the year ended 30 June, 2024

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of West Pokot County Cooperative Development Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the West Pokot County Cooperative Development Act, 2018 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budget Control and Performance

The statement of comparison of budget and actual amounts reflects total actual income amount of Kshs.1,466,198 against total budget income amount of Kshs.20,115,205 resulting to underfunding of Kshs.18,649,007 or 93% of the budget. Similarly, the budgeted expenditure was Kshs.15,292,714 against actual expenditure of Kshs.Kshs.9,924,975 resulting in an under-expenditure of Kshs.5,367,739 or 35% of the budget. In the circumstance, planned activities were not carried out which may have affected service delivery to the residents.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year's Audit Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report Lawfulness and Effectiveness in Use of Public Resources. Management indicated in the progress on follow-up of auditor

recommendations that the matters had been resolved. However, the audit confirmation indicated that the issues had not been resolved as at 30 June, 2024. The Management had not provided satisfactory reasons for the delay on resolving the prior year audit issues.

Other Information

The Management is responsible for the Other Information set out on page iii to xxii which comprise of Key Entity Information and Management, The Fund Management Board, Key Management Team, Chairman's Statement, Report of the Fund Administrator, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Fund Management Board and Statement of Fund Board Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


17 December, 2024


WEST POKOT COUNTY COOPERATIVE DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended June 30, 2024.


14. Statement of Financial Performance for the year ended 30 June 2024

	Notes	2023/2024 Kshs	2022/2023 Kshs
Revenue from non-exchange transactions			
Public contributions and donations	6	-	16,858,331
		-	16,858,331
Revenue from exchange transactions			
Interest income	7	1,466,198	865,938
Total revenue		1,466,198	17,724,269
Expenses			
Use of goods and services	8	9,924,975	13,921,838
Total expenses		9,924,975	13,921,838
Surplus/deficit from operating activities		-	-
Other gains/(losses)			
Surplus/ (deficit) before tax		(8,458,777)	3,802,431
Taxation		-	-
Surplus/(deficit) for the Year		(8,458,777)	3,802,431
Net Surplus for the year		-	-

The notes set out on pages 6 to 29 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Fund Management Committee by:


 Name: Henry Katuria
 Chairman Board


 Name: Daniel Lopale
 Accounting Officer


 Name: Samuel Lomwai
 Head of Finance
 ICPAK M/No: 30638

Date: 19/09/2024

Date: 19/09/2024

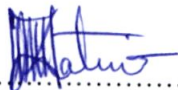
Date: 19/09/2024

WEST POKOT COUNTY COOPERATIVE DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

15 Statement of Financial Position as at 30 June 2024


		2023/2024	2022/2023
Assets			
Current Assets			
Cash and Cash equivalents	9	10,031,851	14,884,455
Receivables from Exchange Transactions	10	14,830,884	15,997,110
Total Current Assets		24,862,735	30,881,565
Non-Current Assets			
Receivables from Exchange Transactions	10	31,028,774	33,468,721
Total Non- Current Assets		31,028,774	33,468,721
Total Assets (A)		55,891,509	64,350,286
Liabilities			
Total Liabilities (B)		-	-
Net Assets (A-B)		55,891,509	64,350,286
Represented By:			
Reserves		-	-
Accumulated Surplus		(9,108,491)	(649,714)
Revolving Fund		65,000,000	65,000,000
Capital Fund			-
Net Assets		55,891,509	64,350,286

The financial statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:


 Name: Henry Katuria


Chairman Board/Fund

Date: 19/09/2024


 Name: Daniel Lopale

Accounting Officer

Date: 19/09/2024


 Name: Samuel Lomwai

Head of Finance

ICPAK M/No: 30638
 Date: 19/09/2024

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

Description	Revaluation reserve	Fair value adjustment reserve	Accumulated surplus	Revolving Fund	Capital/Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, 2022	-	-	(4,452,144)	65,000,000	-	60,547,856
Revaluation gain	-	-	-	-	-	-
Fair value adjustment on investments	-	-	-	-	-	-
Surplus/ deficit for the year	-	-	3,802,430	-	-	3,802,430
Funds received During the year	-	-	-	-	-	-
Transfers from accumulated surplus to revolving fund	-	-	-	-	-	-
Capital/development grants received during the year	-	-	-	-	-	-
As at June 30, 2023	-	-	(649,714)	65,000,000	-	64,350,286
As at July 1, 2023	-	-	(649,714)	65,000,000	-	64,350,286
Revaluation gain	-	-	-	-	-	-
Fair value adjustment on investments	-	-	-	-	-	-
Surplus/ (deficit) for the year	-	-	(8,458,777)	-	-	(8,458,777)
Funds received During the year	-	-	-	-	-	-
Transfers from accumulated surplus to revolving fund	-	-	-	-	-	-
Capital/development grants received during the year	-	-	-	-	-	-
As at June 30, 2024	-	-	(9,108,491)	65,000,000	-	55,891,509

WEST POKOT COUNTY COOPERATIVE DEVELOPMENT FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

17. Statement of Cash Flows for the year ended 30 June 2024

		2023/2024	2022/2023
	Notes	Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Public contributions and donations	6	-	16,858,331
Interest received	7	1,466,198	865,938
Total receipts		1,466,198	17,724,269
Payments			
Use of goods and services	8	(9,924,975)	(13,921,838)
Total payments		(9,924,975)	(13,921,838)
Net cash flows from/(used in) operating activities	11	(8,458,777)	3,802,431
Cash flows from investing activities			
Proceeds from loan principal repayments	12	3,606,173	10,945,969
Loan disbursements paid out		-	(7,000,000)
Net cash flows from/(used in) investing activities		3,606,173	3,945,969
Cash flows from financing activities			
Net cash flows from financing Activities		-	-
Net increase/(decrease) in cash & cash equivalents		(4,852,604)	7,748,400
Cash and cash equivalents at the beginning (1st July)	9	14,884,455	7,136,055
Cash and cash equivalents at the end (30th June)	9	10,031,851	14,884,455

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c= (a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations	18,850,000	-	18,850,000	-	18,850,000	0%
Interest income	1,265,205	-	1,265,205	1,466,198	(200,993)	116%
Total Income	20,115,205	-	20,115,205	1,466,198	18,649,007	7%
Expenses						
Use of Goods and Services	15,292,714	-	15,292,714	9,924,975	5,367,739	65%
Total Expenditure	15,292,714	-	15,292,714	9,924,975	5,367,739	65%
Surplus for the period	4,822,491	-	4,822,491	(8,458,777)	13,281,268	-175%
Capital Expenditure	-	-	-	-	-	

19. Notes to the Financial Statements

1. General Information

WPCCDF Entity is established by and derives its authority and accountability from West Pokot County Cooperative Development Fund Act, 2018. The Entity is wholly owned by the County Government of West Pokot and is domiciled in Kenya. The Entity's principal activity is to provide affordable loans to cooperatives in West Pokot County.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts, and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the *Entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Entity*. The financial statements have been prepared in accordance with the PFM Act 2012, the West Pokot County Cooperative Development Fund Act, 2018 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND
Annual Reports and Financial Statements for the year ended June 30, 2024.

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

Standard	Effective date and impact
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.

WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND
Annual Reports and Financial Statements for the year ended June 30, 2024.

<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

ii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees and other charges

The *Entity* recognizes revenues from fees and other charges when the event occurs, and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

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. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The Entity recognizes revenue from the rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

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.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for the Current FY was approved by the County Assembly on 30th June, 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals to conclude the final budget. The Entity recorded additional appropriations of - on the 20xx budget following the governing body's approval. The *Entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on an 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 - of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the *Entity* operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates, and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits, and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable *Entity* and the same taxation authority.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included

WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND
Annual Reports and Financial Statements for the year ended June 30, 2024.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) 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.

f) Leases

Finance leases are leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the *Entity*. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The *Entity* also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is

depreciated over the useful life of the asset. However, if there is no reasonable certainty that the *Entity* will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the *Entity*. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Research and development costs

The *Entity* expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the *Entity* can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

Financial instruments

IPSAS 41 addresses the classification, measurement, and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

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Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for the collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue, and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through a surplus or deficit model.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out.

b) Financial liabilities

Classification

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The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

i) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

j) 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.

k) 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.

l) 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.

m) Nature and purpose of reserves

The Entity does not create or maintains reserves in terms of specific requirements.

n) 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.

o) Employee benefits

Retirement benefit plans

The *Entity* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate *Entity* (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

p) Foreign currency transactions

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

q) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when the construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

r) 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 Fund Board, the Fund Administrator, and senior managers.

s) Service concession arrangements

The *Entity* analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Entity* recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement, or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) 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 an insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and various commercial banks at the end of the financial year.

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 20xx.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 37. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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6. Public Contributions and Donations

Description	2023/2024 KShs	2022/2023 KShs
Donations transferred to revenue on conditions being met.	-	16,858,331
Other Public Donations	-	-
Total Transfers and Sponsorships	-	16,858,331
Reconciliation of Public Contributions and Donations		
Balance Unspent at Beginning of the year	3,802,431	-
Current Year Receipts	-	16,858,331
Conditions Met - Transferred to Revenue	-	16,858,331
Conditions To Be Met - Remain Liabilities	-	-

USAID-Kuza Incentive Grant

7. Interest income

Description	2023/2024 KShs	2022/2023 KShs
Interest on loans	1,466,198	865,938
Others(<i>specify</i>)	-	-
Total Interest income	1,466,198	865,938

8. Use of Goods and Services

Description	2023/2024 KShs	2022/2023 KShs
Admin Fees	-	13,905,500
Conferences and Delegations	836,000	-
Fuel and Oil	198,900	-
Travel, Subsistence & Other Allowances*	8,380,700	-
Bank charges	9,375	16,338
Other program support expenses (Marich Mkt MoU)	500,000	-
Total	9,924,975	13,921,838

9. Cash and Cash Equivalents

Description	2023/2024 KShs	2022/2023 KShs
Bank balances	10,031,851	14,884,455
Total Cash and Cash Equivalents	10,031,851	14,884,455

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Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2023/2024	2022/2023
		KShs	KShs
a) Bank balances			
KCB Bank	1257402498	10,031,851	14,884,455
Sub- Total		10,031,851	14,884,455
Grand Total		10,031,851	14,884,455

10. Receivables from Exchange Transactions

Description	2023/2024	2022/2023
	KShs	KShs
Current Receivables		
Loan interest receivable	913,219	118,632
Current Loan Repayments Due	13,917,665	15,878,478
Total Current Receivables	14,830,884	15,997,110
Non-Current Receivables		
Long Term Loan Repayments Due	31,028,774	33,468,721
Total Non- Current Receivables	31,028,774	33,468,721
Total Receivables from Exchange Transactions	45,859,658	49,465,831

(b) Ageing analysis for Receivables from exchange transactions

Description	2023/2024		2022/2023	
	KShs	% of the total	KShs	% of the total
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	15,728,867	34%	8,182,693	17%
Between 1- 2 years	8,182,693	18%	7,841,420	16%
Between 2-3 years	7,841,420	17%	16,033,619	32%
Over 3 years	14,106,677	31%	17,408,099	35%
Total (a+b)	45,859,658	100%	49,465,831	100%

11. Cash Generated from Operations

Description	2023/2024	2022/2023
	KShs	KShs
Receipts		
Public contributions and donations		16,858,331
Interest income	1,466,198	865,938
Total	1,466,198	17,724,269
Payments		
Use of goods and services	9,924,975	13,921,838
Total	9,924,975	13,921,838
Net cash flow from operating activities	(8,458,777)	3,802,431

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12. Proceeds From Loan Principal Repayments

Less: Cash and Bank Balances	2023/2024	2022/2023
	KShs	KShs
Total Loan Repayments Received	5,072,370	11,811,907
Interest Income	(1,466,198)	(865,938)
Loan Principal Repayments	3,606,172	10,945,969

13. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on the 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 Entity 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 Entity's financial risk management objectives and policies are detailed below:

i) Credit risk

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience, and other factors. Individual risk limits are set based on internal or external assessments in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

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

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Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2024				
Receivables from exchange transactions	45,859,658	2,902,039	42,957,619	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	10,031,851	10,031,851	-	-
Total	55,891,509	12,933,890	42,957,619	-
As at 30 June 2023				
Receivables from exchange transactions	49,465,831	2,014,688	47,451,143	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	14,884,455	14,884,455	-	-
Total	64,350,286	16,899,143	47,451,143	-

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has a significant concentration of credit risk on amounts due from -. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium, and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Financial Risk Management

iii) Market risk

The *Entity* has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rates, equity prices, and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's - Department is responsible for the development of detailed risk management policies (subject to review and approval by the Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The *Entity* has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after - days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The *Entity* manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting expected sales proceeds and matching the same with expected payments.

Financial Risk Management

The carrying amount of the *Entity's* foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Financial Risk Management

The following table demonstrates the effect of the Entity's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

b) 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 Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Entity'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 Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs - (Current FY: Kshs -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs - (Current FY – Kshs -)

Fair value of financial assets and liabilities

a) Financial instruments are measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market

data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

Financial Risk Management

The following table shows an analysis of financial and non-financial instruments recorded at fair value by level of the fair value hierarchy:

There were no transfers between levels 1, 2, and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

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

Description	2023	2024
Revolving fund	65,000,000	65,000,000
Retained Earnings	(9,108,491)	(649,714)
Total Funds	55,891,509	64,350,286
Gearing	0%	0%

14. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the *Entity* include those parties who have the ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates, and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the *Entity*, holding 100% of the *Entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *Entity*, both domestic and external.

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of Fund Management.
- vi) Others

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Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Rent income from govt. Agencies	-	-
Others (specify)	-	-
Total	-	-
b) Purchases from related parties		
Purchases of electricity from KPLC	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. Agencies	-	-
Others (specify)	-	-
Total	-	-
c) Grants /transfers from the government		
Grants from National government	-	-
Grants from County government	-	-
Donations in kind	-	-
Total	-	-
a) Expenses incurred on behalf of related party		
Salaries and wages for - employees	-	-
Goods and services for -	-	-
Others	-	-
Total		
b) Key management compensation		
Directors' emoluments	-	-
Compensation to key management	-	-
Total	-	-

15. Events after the Reporting Period

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

16. Ultimate And Holding Entity

The Entity is a Semi-Autonomous Government Agency under the County of West Pokot. Its ultimate parent is the Government of Kenya.

17. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

WEST POKOT COUNTY CO-OPERATIVE DEVELOPMENT FUND
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20. Appendices

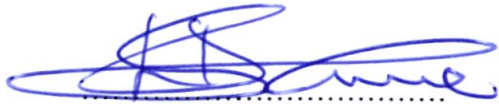
Appendix 1: Implementation Status of Auditor-General’s Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Public Contribution and Donations	In the Financial Statements of 2022/2022 and 2020/2021, transfers from the County Government were not included in the computation of total revenue. This means that including it in the financial statements of 2022/2023 would require restatement of the previous financial statements. Further, the total revenue figures for the prior year were just lifted as they were	Resolved	
2.	Undisclosed Interest Receivable	We have amended the financial statements to include interest receivable	Resolved	
3.	Inaccuracies in the Statement of Cash Flows	The statement of cash flows has been amended with the correct prior year balances.	Resolved	

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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>
4.	Incomplete Statement of Comparison of Budget and Actual Amounts	We confirm that there was no budget for the fund during the year under review as there was no allocation from the county Government. No one expected the grants from the donor and therefore we could not budget it. We have however taken note and will rectify going forward.	Resolved	



Fund Administrator

Date: **11/11/2024**