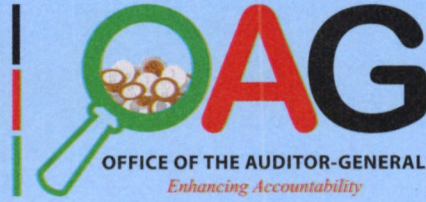


REPUBLIC OF KENYA



# REPORT

OF

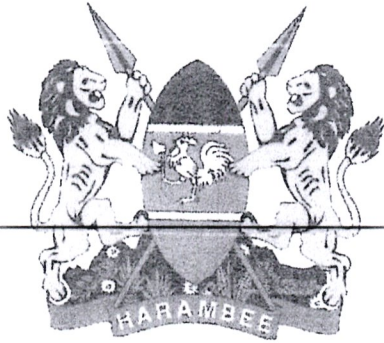
## THE AUDITOR-GENERAL

ON

### BUNGOMA COUNTY YOUTH AND WOMEN EMPOWERMENT FUND

### FOR THE YEAR ENDED 30 JUNE, 2025

PAPERS LAID	
DATE	19/11/2025
TABLED BY	Sen. Mutinda on behalf of Maj. Lebr
COMMITTEE	-
CLERK AT THE TABLE	Belinda



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**COUNTY GOVERNMENT OF BUNGOMA**  
**BUNGOMA COUNTY YOUTH AND WOMEN EMPOWERMENT FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**JUNE 30, 2025**

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

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**Bungoma County Youth and Women Empowerment Fund  
Reports and Financial Statements  
For the year ended 30, June 2025**

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**1. Acronyms and Definition of Key Terms.**

**a) Acronyms**

BOM	Board of Management
CECM	County executive Committee Member
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
NCPLD	National council of persons living with disability
NYC	National Youth council.
LLB	Bachelor of Laws.
LPO	Local purchase order.
LSO	Local service order.

**b) Definition of keys Terms.**

<i>Micro, small and medium enterprise</i>	Business that have a limited size of investment, output, employment or assets
<i>Empower marginalized groups:</i>	Focuses on participation of the marginalized by focusing on three basic competencies or skills sets (1) representation, mobilization and market literacy as well as dialogue and negotiation. :
<i>Financial inclusiveness:</i>	Efforts to make financial products and services accessible and affordable to all individuals and businesses, regardless of their personal net worth or company size
<i>Public participation:</i>	Inclusion of the public in any activity of an organization
<i>Financial obligations:</i>	Person or company owes and must pay at a particular time

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**f) Registered Offices**

P.O. Box 437 - 50200  
County Headquarters  
Moi Avenue  
Bungoma, KENYA

**g) Fund Contacts**

Telephone :-( 254) 775 228598  
E-mail: [genderempowermentfunds@gmail.com](mailto:genderempowermentfunds@gmail.com)  
[www.bungoma.go.ke](http://www.bungoma.go.ke)

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**h) Fund Bankers**

Cooperative Bank of Kenya  
Bungoma Branch  
P.O. Box 48231  
Bungoma, KENYA

**i) Independent Auditors**

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

**j) Principal Legal Adviser**





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

**k) County attorney**






The County Attorney  
Bungoma County Govt  
Legal Department.  
Executive Building 1<sup>st</sup>flr  
P.O BOX 437, 50200  
Bungoma, Kenya

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**2. Fund administration Committee**

Name	Details of qualifications and experience
 <p><b>David Chemayiek</b></p>	<p>Prior to his appointment as a chair of the fund committee, he had worked as personal assistant to the PS department livestock. As a head logistic and inventory at New KICC and logistic and office manager at USAID APHIA II Eastern as well as logistic officer at African Education trust. Academic qualification: Masters of Science in Procurement and Logistics and Bachelor Degree in economics and administration/political science from university of Nairobi. He is a certified procurement and supply management. He is a member of Kenya institute of management. Currently the chief officer in gender and culture.</p>
 <p><b>Beatrice Nakhumicha</b></p>	<p>Academic qualifications: Bachelor of Education Arts, Post Graduate Diploma in Human Resource Management, Diploma in Management course from Kenya Management Institute (KEMI) Work Experience: Worked as Head Teacher for 23 Years, Board Member Mabonga Secondary school, Pastor Word of Reconciliation Kibabii Church and Currently serves as Chief Officer Youth and Sports.</p>
 <p><b>Chebonya Moses</b></p>	<p>The member is the executive Fund Administrator whose main responsibility includes overseeing the daily Fund Operations. He holds a Masters degree in English Language and Linguistics and a Bachelor Degree in Education (Arts) specialising in Literature and English Language. He served in several schools rising to the Deputy Principal's position before joining the County government. He has undertaken extensive studies in Gender related research culminating in International Centre for Local Democracy-sponsored International Training Programme (ITP) earning an International Diploma on Gender Mainstreaming in Sweden, Zambia, Tanzania and Uganda.. He is the County Gender director in charge of Gender Affairs, Development and Advocacy. He has coordinated Gender Empowerment programmes as a Programme Management Team Member in the Finish-sponsored Bilateral Programme on GBV Prevention and Response in Bungoma, Kilifi and Samburu Counties.</p>
 <p><b>Rev: Johnston Nyongesa</b></p>	<p>The member is the current Bishop of Anglican church of Kenya Bungoma branch. He is also an executive member of chamber of commerce Bungoma. Masters in theology and leadership from Nazarene university. He is an independent director as a member representing Business community. Born 07<sup>th</sup> November 1963 he is 61 years old</p>



**Bungoma County Youth and Women Empowerment Fund  
Annual Report and Financial Statements for the year ended 30, June 2025**

 <p><b>Joseph Musungu</b></p>	<p>He is the accountant in charge of reporting at the county government. A certified public accountant (CPA K). A representative of the chief officer finance and economic planning in the fund. Born 23th May 1971 he is 53 years old.</p>
 <p><b>Adrian Sakwa</b></p>	<p>Prior to his appointment, he worked as the director of disabled network of Bungoma; he is also the coordinator of NCPLD Bungoma branch. He holds a Bachelor of Arts linguistic religion from Kampala University. Born 27<sup>th</sup> January 1982 he is 42 years.</p>
 <p><b>MetrineTenga</b></p>	<p>She is the current NYC executive member in the region. A diploma holder in corporative management from Cooperatives college University. Born 10<sup>th</sup> October 1991 she 33 years old She is an independent director representing youths.</p>
 <p><b>UmmiMaloba</b></p>	<p>The member works as the secretary of MaendeleoyaWanawakeBungoma county. Academic qualifications; diploma in gender advocacy and mainstreaming from hamburger institute of Canada. Born 05<sup>th</sup> August 1978, she is 46 years old She is an independent director in the fund representing women.</p>
 <p><b>Cynthia Nanyokia</b></p>	<p>She holds LLB holder from university of Nairobi, post graduate diploma from the LSK an advocate of the low court. Currently she works in the county legal department. She is an executive director in the fund representing County Attorney. Born 12<sup>th</sup> September, 1985 she is 39 years.</p>

**3. Management Team**

Name	Details of qualifications and experience
 <b>David C Maling'a</b>	<p>Prior to his appointment as a chair of the fund committee, he had worked as personal assistant to the PS department livestock. As a head logistic and inventory at New KICC and logistic and office manager at USAID APHIA II Eastern as well as logistic officer at African Education trust. Academic qualification: Masters of Science in Procurement and Logistics and Bachelor Arts degree in economics and administration/political science from university of Nairobi. He is a certified procurement and supply management. He is a member of Kenya institute of management. Currently the chief officer in gender and culture.</p>
 <b>Beatrice Nakhumicha</b>	<p>Academic qualifications: Bachelor of Education Arts, Post Graduate Diploma in Human Resource Management, Diploma in Management course from Kenya Management Institute (KEMI)</p> <p>Work Experience: Worked as Head Teacher for 23 Years, Board Member Mabonga Secondary school, Pastor Word of Reconciliation Kibabii Church and Currently serves as Chief Officer Youth and Sports.</p>
 <b>Moses Chebonya</b>	<p>The member is the executive Fund Administrator whose main responsibility includes overseeing the daily Fund Operations. He holds a Masters degree in English Language and Linguistics and a Bachelor Degree in Education (Arts) specialising in Literature and English Language. He served in several schools rising to the Deputy Principal's position before joining the County government. He has undertaken extensive studies in Gender related research culminating in International Centre for Local Democracy-sponsored International Training Programme (ITP) earning an International Diploma on Gender Mainstreaming in Sweden, Zambia, Tanzania and Uganda.. He is the County Gender director in charge of Gender Affairs, Development and Advocacy. He has coordinated Gender Empowerment programmes as a Programme Management Team Member in the Finish-sponsored Bilateral Programme on GBV Prevention and Response in Bungoma, Kilifi and Samburu Counties</p>

**Bungoma County Youth and Women Empowerment Fund  
Annual Report and Financial Statements for the year ended 30, June 2025**

 <p><b>CPA Martin Mabonga</b></p>	<p>He holds a masters of Science degree in Finance and Accounting from Jomo Kenyatta University of Agriculture and Technology, masters of arts degree in Economics from Moi University, bachelor degree in Economics and Finance from Kenyatta University. He also has Certified Public Accounting (CPA), Certified Secretaries (CS) and Certified Investment and Financial Analysts (CIFA) qualifications. He is a member of Institute of Certified Public Accountants of Kenya (ICPAK) and Institute of Certified Public Secretaries of Kenya (ICPSK).</p>
 <p><b>Lydia Wanjala</b></p>	<p>Academic qualifications: Bachelor of Disaster Management and International Diplomacy. Work experience: Clerk funds. Responsibilities: updating of cashbooks, record keeping.</p>

#### **4. Fund Committee Chairperson's Report**

This year under review marks the ninth year since the establishment of Bungoma County Youth and Women Empowerment Fund. Cumulatively, since the inception of this revolving Fund, loans amounting to Kshs51,294,092 has been disbursed of which 54% have been repaid. A number of Youth Groups that benefitted from the Fund need to be sensitized and capacity build on the operations of the Fund to appreciate and comply with the repayment schedule as well as mandate of the fund.

The Fund has recorded a number of success stories despite the various challenges with regard to its administration and sustainability. Groups have enhanced economic activities and social status through entrepreneurial activities and hence achieved mandate of the fund. This was informed by the monitoring and evaluation exercise that we undertook in all the forty five wards across the county. The exercise is aimed at assessing the impact and success of the Fund since its inception as well as finding out the ways to effectively achieve the Fund objectives. It's apparent that many more groups are applying for the funds to enhance their economic activities. Majority of the group keep poultry, fish farming, bee keeping, bodaboda, cereals and tree nurseries and merry go round.

Capacity building and creating general public awareness is paramount to the success of the Fund. This includes training on group dynamics, entrepreneurial skills, project management, record keeping as well as tendering reserved for women and youth at both county and national government level.

In conclusion, the fund is generally not doing well. We are not achieving the value for money of our programme. A big number of groups are not repaying loans, most groups' projects are not sustainable and generally a larger number are defaulting loans. This has necessitated some drastic action to be taken including stopping to fund new groups but refinance those old groups that have cleared the first loan as well as reviewing the law to tighten the vetting processes.

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Name Dennis Malunga Signature [Signature] Date 28/08/2025  
Chairperson of the Fund Committee.

**5. Report of the Fund Administrator**

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

**The budget performance against actual amounts for current year and for cumulative to-date based on programmes.**

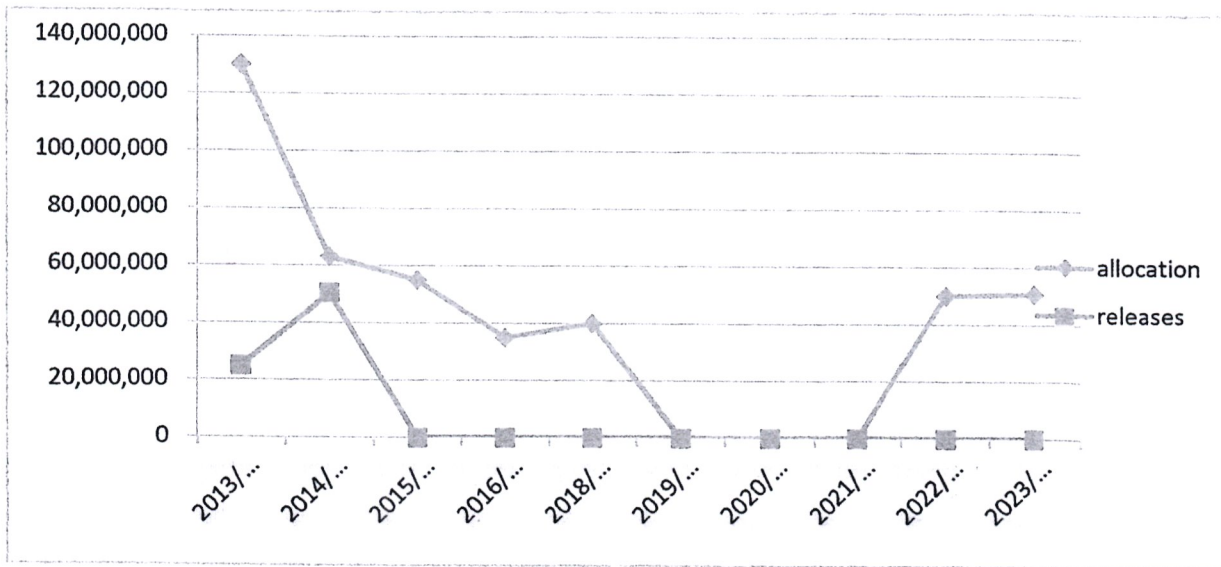
The year under reviews FY 2024/2025 there was budget allocation of Kshs50,690,669.30, we didn’t access our annual transfer from the county as exchequer releases. This was because of the on-going review of the regulations after the controller of budget pointing out some inconsistency in our regulations. It would be hard to access exchequer before reviewing issues addressed first. Up to date the fund has been allocated kshs482,690,669.30 out of this only ksh75.4 M has been released to the fund. This has affected the working capital of the fund immensely. We have been unable to roll out some functions or mandate despite approval by the committee owing to insufficiency of funds.

<b>Financial yrs.</b>	<b>Allocations</b>	<b>Releases</b>
Fy2013/2014	130,000,000	25,000,000
Fy2014/2015	63,000,000	50,414,500
Fy2015/2016	55,000,000	0
Fy2016/2017	50,000,000	0
FY 2017/2018	35,000,000	0
FY 2018/2019	40,000,000	0
FY 2019/2020	0	0
Fy 2020/2021	0	0

**Bungoma County Youth and Women Empowerment Fund  
Annual Report and Financial Statements for the year ended 30, June 2025**

Fy 2021/2022	0	0
Fy 2022/2022	9,000,000	0
Fy 2022/2023	50,000,000	0
Fy 2023/2024	50,690669	0
Fy 2024/2025	5,000,000	0
<b>Total</b>	<b>487690669.3</b>	<b>75,414,500</b>

Pie chart representation of allocation against releases



**Physical progress based on outputs, outcomes and impacts since establishment of fund.**

**Disbursement of the loans**

So far 2275 groups have expressed interest to apply of the empowerment loans. This is a good response remember the first year up to the third year there we no groups to apply for the devolved funds. The national government devolved funds had very little loan uptake. This shows good work going on regarding sensitization and trainings. Out of 2275 groups that have applied almost half have qualified and benefited from the fund in terms of loan facilities. The fund has been able to train more than 1500 since inception on different topic relating economic empowerment and group dynamism. The 1500 groups trained, 650 groups have come up to seek for loans to start their projects.

Signed an MOU with KCB Bank to train our groups and identify potential projects to fund and employ youths and women on Tujiajiry programme.

Formulating Bungoma county micro finance Act to operationalize all matters relating to marginalised members of the community at all levels now and in future.

**The implementation challenges of strategic objectives for the fund and the future outlook**

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Relating to the increasing default rate in group loaning repayments, we had to suspend the group loan product. The fund was approved to offer three products namely; group loaning, the LPO/LSO financing and asset financing products as stated under the Third Schedule, Sub-regulation 22 (1)-(b) of Bungoma County Youth And Women Empowerment Fund Loan Products. This was after the advice from our county legal office to change some clauses in the regulation to do with vetting and approval for the award of the loan. Through the fund committee decisions, we suspended the advancing of the products to pave way to amend the regulations in order to seal the loopholes; it's good to report the amendment is going on well currently at county assembly for approval.

We are as well amending the regulations to provide for individual products. Many youths and women that don't feel comfortable to work in groups but has more viable ideas will benefit from the fund in the near future. We are as well working around with the committee to provide more ways we can raise more funding to the programme to avoid depending on the exchequer only.

**Value-for-money achievements,**

The Fund Administrator for Bungoma County Women and Youth Empowerment Fund confirms that the Fund has complied fully with applicable Government Regulations and the terms of external financing covenants, and that the funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted hence achieved value for money.

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~~Cost Cutting Measures in the Fund; the financial statement of Bungoma County Women and Youth Empowerment Fund indicates drastic reduction in the expenses in the FY 2024/2025.~~

**6. Statement of Performance against the Predetermined Objectives of the fund.**

**Introduction**

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

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The key development objectives of the Bungoma County Youth and Women Empowerment Fund the periods under review are as follows

- i. To provide funds to be used for granting low-interest loans to youth with a view to scaling up their lending activities, value addition amongst other activities as may be prescribed;
- ii. To provide funds to support, revive and initiate micro-enterprises owned by women and the youth in sectors that can have an immediate impact to household economy;
- iii. To attract and facilitate investment in economic sectors that have linkages to micro, small and medium enterprises that benefit the youth;
- iv. Facilitating access to business development services by micro and small enterprises;
- v. Facilitating formalization and upgrading of informal micro and small enterprises; and promoting an entrepreneurial culture.

**Reports and Financial Statements  
For the year ended 30, June 2025**

**Progress on attainment of Strategic development objectives**

Below we provide the progress on attaining the stated objectives:

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Bungoma County Youth and Women Empowerment Fund.	To enhance economic activities and social welfare of the disadvantaged persons in the society through access to cheap loans	Increased access of disadvantaged persons to affordable credit.  Growth of small-scale businesses and income-generating activities among beneficiaries.  Reduction in poverty and economic vulnerability.	Savings rate or asset accumulation among beneficiaries. Average loan size disbursed and repayment rate. Percentage increase in average monthly income of beneficiaries.	FY 2024/25 -No transfer from the county exchequer. -No loans advanced during the year under review.
	To attract & facilitate investment in economic sectors that have linkages to micro, small and medium enterprises	Increased number of investment partners to provide cheap loans and grants.	Percentage increase in MSME output. volume of goods and services sourced from MSMEs by larger enterprises.	FY 2024/25 45 groups have expressed interest to borrow the loan.
	To Facilitate formalization and upgrading of informal micro and small enterprises; and promoting an entrepreneurial culture	Approved legislations and partnership deeds that improve and promote entrepreneurial culture and as well upgrading SMES.	partners ministry of natural resource and environment world bank environmental programme	FY 2024/25 No groups upgraded to Sacco after training and recommendations' Entered an agreement with KCB Bank to train our youths and advance them loans to employ themselves.

**Opportunities of Bungoma County Youth and Women Empowerment Fund**

The presence of larger population in Bungoma County is made of youths and women comprising of 67% from 2019 total population censuses. This is a good factor to consider coming up with radical youth and women oriented programmes that targets larger percentage of the population. This ensures already available clients for consumption of the programme and quick positive impact economically and socially to the community.

**Devolved programmes in the community that targets youths and women.**

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More programmes have been devolved either from the National Government or County Government to empower the youth and women as majority of the population.

More empowerment programmes like; Uwezo fund, Women Enterprise fund and Youth Enterprise fund. They are serving the same client and capacity building is happening across the board. Sensitisation and knowledge sharing is at a good rate. This in the near future will create the informed society and such programme will succeed easily unlike now.

**Empowering Youth through Vocational Training**

Youth in Kenya face many challenges. At the heart of these challenges is poverty that makes them vulnerable to involvement in risky behavior, cutting short their potential, dreams and lives.

HOPE worldwide Kenya works with youth in informal settlements and addresses the structural drivers that directly and indirectly increases their vulnerability including poverty, gender inequality, sexual violence, and a lack of education.

Part of the devolved function of the county governments is the vocational training. The counties have created a huge opportunities in the counties for the youths to explore their potential in terms of job creation, financial aids funding and poverty eradication.

## **7. Corporate Governance Statement**

According to the legal framework of the fund, Bungoma County Women and Youth Empowerment Fund regulations, FIRST SCHEDULE, Sub-Regulation 16 (1) provides as to the conduct of business and affairs of business and of the committee as relates to meetings,

The Committee meets at such place in Bungoma County as the chairperson may determine and the meetings are convened by the chairperson.

~~The Committee has quarterly meetings in every financial year and not more than three months elapses between one meeting and the next meeting.~~

Unless three quarters of the members otherwise agree, at least seven days' notice in writing of a meeting is given to every member by the Fund Administrator of the fund,

At the first meeting of the:

- a. County Committee, the chairperson was the Chief Officer(s) thereafter, the committee elected a chairperson of subsequent meetings from members appointed in as per Regulation 7 (1) (d)
- b. Ward Committee, the chairperson is the Ward Administrator, thereafter, the committee elected a chairperson from among the members appointed in Regulation 12 (2) (c), (d), (e)

The chairperson may, at his/her discretion or at the written request made by at least half of the members of the Committee and within seven days of the request, convenes an extraordinary meeting at such a time and place as he/she may appoint.

Meetings are presided over by the chairperson or in his or her absence by the vice- chairperson.

The members of a Committee elected a vice- chairperson from among themselves-

- (a) at the first sitting of the Committee; and
- (b) Whenever it is necessary to fill the vacancy in the office of the vice-chairperson.

Where the chairperson or vice-chairperson is absent, the members appoints from among themselves, a person to chair the meeting of the Committee.

The Committee may invite a resource person(s) to attend any of its meetings and to participate in its deliberations, but such person does not have a vote in any decision of the Committee.

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### **Conflict of interest**

If any person has a personal or fiduciary interest in a project, proposed contract or any matter before the Committee, and is present at a meeting of the Committee at which any matter is the subject of consideration, that person shall as soon as is practicable after the commencement of

the meeting, declare such interest and shall not take part in any consideration or discussion of, or vote on any question touching such matter.

A disclosure of interest made under such cases shall be recorded in the minutes of the meeting at which it is made.

### **Quorum**

~~The quorum of the meeting should not be less than half of the appointed members of the Committee.~~

Where the persons present at a meeting of the Committee do not constitute the quorum necessary to hold a meeting under the fund Regulations or where by reason of exclusion of a member from a meeting, the number of members present falls below the quorum necessary to hold a meeting, the Committee postpone the consideration of the matter in question until there is a quorum.

### **Voting**

A question before the Committee is decided by simple majority of the members present and voting and the chairperson should, in the case of an equality of votes, have a casting vote.

### **Rules of Procedure and minutes**

The Committee always—

- a) determine rules of procedure for the conduct of its business; and
- b) Keep minutes of its proceedings and decisions.

### **Terms and conditions of service of the County Committee Members**

The members of the Committee are paid such allowances as shall is determined by Salaries and Remuneration Commission.

Such allowance is drawn from the fund administrative allocation which is within 3 percent of the budget.

**8. Management Discussion and Analysis**

The management report on the operational and financial performance of the Fund

<b>Financial yrs.</b>	<b>Allocations</b>	<b>Releases</b>
Fy2013/2014	130,000,000	25,000,000
Fy2014/2015	63,000,000	50,414,500
Fy2015/2016	55,000,000	0
Fy2016/2017	50,000,000	0
FY 2017/2018	35,000,000	0
FY 2018/2019	40,000,000	0
FY 2019/2020	0	0
Fy 2020/2021	0	0
Fy 2021/2022	0	0
Fy 2022/2022	9,000,000	0
Fy 2022/2023	50,000,000	0
Fy 2023/2024	50,690669.30	0
Fy 2024/2025	5,000,000	0
<b>Total</b>	<b>487690669.3</b>	<b>75,414,500</b>

Fund allocation versus releases since inception

The total loan portfolio as at now is Kshs482,690,669.3 out of which we have only received Kshs75,414,500 representing a 13.4 percent,

**Entity’s key projects or investments decision implemented or on-going,**

The main purpose of the loan or the scheme is to advance cheap loan facilities to the community with a view of scaling up their micro enterprises activities and borrowing capacity. Through the fund committee there are some measures being considered to initiate investment activities within the county where groups will get more asset financing.

Investment activities will also bring in more revenue as a source of the fund to stop depending on the exchequer which is not forthcoming as well as increasing liquidity risk of the entity.

Here we are considering many applicants to access more on asset financing than in LPO/LSO or group loaning. It's out of poor loan repayment culture amongst the youths.

**Fund's compliance with statutory requirements,**

**Regulations of the fund:** The Public Finance Management Act No 18 of 2012. The Executive Committee Member of Finance has made and gazettes the regulations to operationalize the fund  
~~“THE BUNGOMA COUNTY YOUTH AND WOMEN EMPOWERMENT FUND REGULATIONS, 2015”~~

**Appointment of the fund Administrator:** under PFM Act 2012, the CECM finance and planning has designated the fund Administrator to oversee the running of the fund on a day to day basis.

**Preparation of the financial statements:** Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by THE BUNGOMA COUNTY YOUTH AND WOMEN EMPOWERMENT FUND REGULATIONS, 2015 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

**Guiding Principles of operating the Fund:** In the exercise of the powers or the performance of functions under the funds Regulations, the Executive Committee Member, the Committee and the fund administrator shall be guided by the following principles:-

- a) Public participation and financial inclusiveness;
  - b) Protection of the interests of the marginalized, persons with disability, women and youth;
- and
- c) Local ownership and sustainability.

**Ethics and conduct as well as governance audit.**

Treasury has enumerated measures on the conduct as well as governance audit in the fund operations. The introduction of two tie vetting procedure, the avoid issues of collusion and inference on the genuine beneficiaries. The introduction of the special account at central bank.  
~~This will enable all expenditure of the fund to be captured in the IFMIS systems. The appointment~~  
of the Chief Officer of the department responsible of matters to do with PLWDs and to concur with the business happening in the fund at all times.

## **9. Environmental and Sustainability Reporting**

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

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### **1. Sustainability strategy and profile**

The top management especially the accounting officer and fund committee has embraced the cost cutting measures to achieve and sustainability in the fund and achieve the revolving fund principle. We are engaging partners at a high level to increase support and collaboration measures to achieve the mandates of the program without struggle and assure sustainability.

### **2. Environmental performance**

The mother ministry of the fund is the one that streamlines the efforts and all matter to do with youths and all marginalised in the community. Matters environments and youth cannot be separated as the championing of youth matters must address the environmental protection measures.

### **3. Employee welfare**

The fund on its own does not carry out social responsibility but does that through the mother ministry. All fund employees are paid by the county government. All staff are on secondment to the fund.

## **10. Report of the Trustees**

The Trustees submit their report together with the audited financial statements for the year ended 30 June, 2024, which show the state of the Fund affairs.

### **Principal activities**

The principal activities of the Fund are

1. ~~To provide funds to be used for granting low-interest loans, support, revive and initiate~~ micro-enterprises in sectors that can have an immediate impact to household economy;
2. To attract and facilitate investment in economic sectors that has linkages to micro, small and medium enterprises
3. Promoting an entrepreneurial culture.

### **Performance**

The performance of the Fund for the year ended 30 June, 2024, is set out on page 1 to 5

### **Trustees**

The members of the Administration Committee who served during the year are shown on page vii and viii. There were no changes in the committee during the financial year:

### **Auditors**

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. The Auditor General carried out the audit of the Bungoma County Youth and Women Empowerment Fund for the year ended June 30, 2024 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

Bungoma County youth and Women Empowerment Fund

Sign:



---

**Chair of the Fund Administration Committee**

Date: 28/08/2025

## **11. Statement of Management's Responsibilities**

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by THE BUNGOMA COUNTY YOUTH AND WOMEN EMPOWERMENT FUND REGULATIONS, 2015 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and by THE BUNGOMA COUNTY YOUTH AND WOMEN EMPOWERMENT FUND REGULATIONS, 2015. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2024, and of the Fund's financial position as at that date.

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

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# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON BUNGOMA COUNTY YOUTH AND WOMEN EMPOWERMENT FUND FOR THE YEAR ENDED 30 JUNE, 2025**

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### **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.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Bungoma County Youth and Women Empowerment Fund set out on pages 1 to 18, which comprise of the statement

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*Report of the Auditor-General on Bungoma County Youth and Women Empowerment Fund for the year ended 30 June, 2025*

of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Bungoma County Youth and Women Empowerment Fund as at 30 June, 2025 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 Bungoma County Youth and Women Empowerment Fund Regulations, 2015 and the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Unsupported Cash and Cash Equivalents Balance**

The statement of financial position reflects cash and cash equivalents balance of Kshs.185,042 as disclosed in Note 2 to the financial statements. However, the bank reconciliation statement's date was indicated as 01 July, 2024 instead of 30 June, 2025. Further, certificates of bank balances as at 30 June, 2025 for the four (4) bank accounts and board of survey report were not provided for audit review.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.185,042 could not be confirmed.

### **2. Receivables from Exchange Transactions**

#### **2.1. Unsupported Receivables Balance**

The statement of financial position reflects receivables from exchange transactions balance of Kshs.23,376,722 as disclosed in Note 3 to the financial statements, which refers to current loan repayments due. However, the general ledger and subsidiary ledgers supporting the receivables balance were not provided for audit review. Therefore, the names of borrowers, dates, amount borrowed and duration of advanced loans were not confirmed at the time audit.

In the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.23,376,722 could not be confirmed.

#### **2.2. Failure to Recover Outstanding Loans**

The statement of financial position reflects receivables from exchange transactions balances of Kshs.23,376,722 and Kshs.23,380,522 for the current and previous year respectively, as disclosed in Note 3 to the financial statements, which refers to current

loan repayments due. However, review of bank statements and other documents revealed that only Kshs.3,800 was received as loan recoveries in the year under audit review. Further, as previously reported, there were zero loan recoveries made in the last four years from 2020/2021 financial year.

In the circumstances, the accuracy, validity and recoverability of receivables from exchange transactions balance of Kshs.23,376,722 could not be confirmed.

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

### **Material Uncertainty Related to Sustainability of Services**

The statement of financial performance reflects Nil revenue and expenses amounting to Kshs.1,920 in respect to bank charges. Further, the Fund has remained dormant for the last five (5) years.

In the circumstances, the Fund has not been achieving its objective over the years which threaten the sustainability of services for which it was created.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis amounts of Kshs.5,000,000 and Kshs. Nil respectively, resulting to under-funding of Kshs.5,000,000 or 100% of the budget.

In the circumstances, the under-funding affected the implementation of planned activities and impacted negatively on the operations of the Fund.

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. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

## **Unresolved Prior Year Matters**

In the previous year audit, four issues were raised under Report on the financial statements, one issue under Emphasis of Matter, and one issue under Report on Effectiveness of Internal Controls, Risk Management and Governance as detailed in **Appendix I**. The Management has indicated under the progress on follow up of Auditor's recommendations section of the financial statements that three issues were resolved and the rest either not resolved or partially resolved. However, no supporting documents were provided for audit review to show how the resolved issues were resolved and no explanation was given for the delay in resolving the other issues.

In the circumstances, the issues remain unresolved.

## **Other Information**

The Management is responsible for the Other Information set out on page iv to xxvii which comprise of Key Fund Information and Management, Fund Administration Committee, Management Team, Fund Chairperson's Report, Report of the Fund Administrator, Statement of Performance Against the Fund's Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of The Trustees and Statement of Management's 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 conclusion thereon.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1. Anomalies in Presentation and Disclosure of Annual Report and Financial Statements**

Review of the annual report and financial statements for the year ended 30 June, 2025 revealed the following anomalies:

- i. The statement of changes in net assets accumulated surplus column reflect Kshs.1,920 as surplus instead of deficit.
- ii. The statement of cash flows indicates cash and cash equivalents as at 1 July and cash and cash equivalents as at 30 June without indicating the years.
- iii. The disclosure Note to the financial statements has not been indicated in the statement of cash flows in respect to net cash outflows from operating activities amounting to Kshs.1,920.
- iv. Annex I to the financial statements on progress on follow up of prior year auditor's recommendations indicates only headings of the issues raised by the Auditor-General instead of the full details of the issues as required by the reporting template.

In the circumstances, the annual report and financial statements do not comply with the reporting requirements prescribed by the Public Sector Accounting Standards Board.

### **2. Failure to Take Action on Issues Raised by the Internal and External Auditor**

During the financial year under review, the internal audit department of Bungoma County Executive conducted audit on Bungoma County Youth and Women Empowerment Fund and reported on their findings. However, there was no evidence that the issues raised were acted upon by the Management in accordance with Regulation 165 (1) of the Public Finance Management (County Governments) Regulations, 2015 which states that the accounting officer of the concerned entity shall be responsible for the implementation of the recommendations made in the audit reports and shall develop response and action plan which they shall submit to the chairperson of the audit committee within fourteen days.

Further, it was noted that a number of issues raised in the previous year Auditor-General's Report remained unresolved.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease its 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 of 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**

**5 November, 2025**

## Appendix I

### Unresolved Prior Year Matters

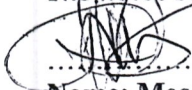
<b>Reference No. of the Auditor-General's Report</b>	<b>Audit Issue</b>
	<b>Report on the Financial Statements</b>
1.1	Use of Goods and Services
1.2	Statement of Cash Flows
2.1	Unsupported Receivables Balance
2.2	Failure to Recover Outstanding Loan Balances
	<b>Emphasis of Matter</b>
	Material Uncertainty Related to Sustainability of Services
	Budgetary Control and Performance
	<b>Report on the Effectiveness of Internal Controls, Risk Management and Governance</b>
	Lack of Risk Management Policy

**Bungoma County Youth and Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

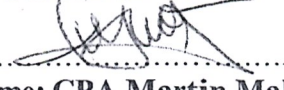
**13. Statement of Financial Performance for the year ended 30 June 2025**

Description	Note	2024/2025	2023/2024
		Kshs.	Kshs.
Revenue from non- exchange transactions		0	0
Revenue from exchange transactions		0	0
<b>Total revenue</b>		<b>0</b>	<b>0</b>
<b>Expenses</b>			
Use of Goods and Services	1	1,920	601,280
<b>Total expenses</b>		<b>1,920</b>	<b>601,280</b>
<b>Surplus/Deficit for the Year</b>		<b>(1,920)</b>	<b>(601,280)</b>

*The notes set out on pages 6 to 17 form an integral part of these Financial Statements*



.....  
Name: Moses Chebonya  
Fund Administrator



.....  
Name: CPA Martin Mabonga  
Fund Accountant  
ICPAK Member:

**14. Statement of Financial Position for the year ended 30 June 2025**

Description	Note	2024/2025	2023/ 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	185,042	183,162
others (imprests)			
<b>Non-current assets</b>			
Receivables from exchange transactions exchange transactions	3	23,376,722	23,380,522
<b>Total assets</b>		<b>23,561,764</b>	<b>23,563,684</b>
<b>Net assets</b>			
Revolving Fund		51,294,092	51,294,092
Accumulated surplus		(27,732,328)	(27,730,408)
<b>Totalnetassetsandliabilities</b>		<b>23,561,764</b>	<b>23,563,684</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 28/8/2025 and signed by:



.....  
**Name: Moses Chebonya**  
**Fund Administrator**



.....  
**Name: CPA Martin Mabonga**  
**Fund Accountant**  
**ICPAK Member:**

**Bungoma County Youth and Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

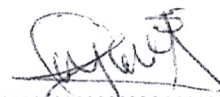
**15. Statement of Changes in Net Assets for the year ended 30 June 2025**

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
	KShs	KShs	KShs	KShs
<b>Balance as at 1 July 2023</b>	<b>51,294,092</b>		<b>(27,129,128)</b>	<b>24,164,964</b>
deficit for the period			601,280	(601,280)
Funds received during the year				
Revaluation gain				
<b>Balance as at 30 June 2024</b>	<b>51,294,092</b>		<b>(27,730,408)</b>	<b>23,563,684</b>
<b>Balance as at 1 July 2024</b>	<b>51,294,092</b>		<b>(27,730,408)</b>	<b>23,563,684</b>
Deficit for the period			1,920	(1,920)
Funds received during the year				
Revaluation gain				
<b>Balance as at Jun, 30, 2025</b>	<b>51,294,092</b>		<b>(27,732,328)</b>	<b>23,561,764</b>

*The fund has no reserves*



.....  
**Name: Moses Chebonya**  
**Administrator of the Fund**



.....  
**Name: CPA Martin Mabonga**  
**Fund Accountant**  
**ICPAK Member:**

**Bungoma County Youth and Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

**16. Statement of Cash Flows for the year ended 30 June 2025**

	Note	2024/2025	2023/2024
		Kshs	Kshs
<b>Payments</b>			
General expenses	1	1,920	0
<b>Total Payments</b>		<b>1,920</b>	<b>0</b>
<del>Net cash flows from operating activities</del>		<del>(1,920)</del>	<del>(0)</del>
<b>Cash flows from investing activities</b>			
decrease in long term receivables		3800	0
<b>Net cash flows used in investing activities</b>		<b>3,800</b>	<b>0</b>
<b>Net decrease in cash and cash equivalents</b>		<b>1,880</b>	<b>601,280</b>
Cash and cash equivalents at 1 JULY		183,162	784,442
<b>Cash and cash equivalents at 30 June</b>		<b>185,042</b>	<b>183,162</b>

The fund as presented the cash flow statement using the direct method

**Bungoma County Youth and Women Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

**17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Revenue</b>						
Transfers from County Govt.	5,000,000	0	5,000,000	0	5,000,000	1%
Interest income	0	0	0	0	0	0%
<b>Total income</b>	<b>5,000,000</b>	<b>0</b>	<b>5,000,000</b>	<b>0</b>	<b>5,000,000</b>	<b>1%</b>
<b>Expenses</b>						
Staff costs	0		0			
General expenses	150,000	0	150,000	1920	148,0800	1.3%
<b>Total expenditure</b>	<b>150,000</b>	<b>0</b>	<b>150,000</b>	<b>1,920</b>	<b>0</b>	<b>1.3%</b>
<b>Capital expenditure</b>	<b>4,850,000</b>	<b>0</b>	<b>4,850,000</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Surplus for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,920)</b>	<b>0</b>	<b>0%</b>

**Budget notes:**

1. Zero percent Transfers from County Government; the fund didn't receive the exchequer releases in the year under review.
2. Zero percent on Interest income; the income we targeted was from the banking income earned from trading activities if we could have received the cash.
3. 1.3% percent on general expenses; the year under review we incurred kshs 1,920 as expenses is the provision of 3% administration on the expected income in the fund.
4. Zero percent on surplus for the period is the objective of the fund to reduce on operational cost and improve on revolving fund balance in order to achieve sustainability.

**Bungoma County Youth and Women Empowerment Fund  
Annual Report and Financial Statements for the year ended 30, June 2025**

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**18. Notes to the Financial Statements**

**1. General Information**

Bungoma County Youth and Women Empowerment Fund is established by and derives its authority and accountability from THE BUNGOMA COUNTY YOUTH AND WOMEN EMPOWERMENT FUND REGULATIONS, 2015. The entity is wholly owned by the Bungoma County Government and is domiciled in Kenya. The entity's principal activity is to enhance economic activities and social welfare of the marginalized persons in the society through access to loans.

**2. Statement of compliance and basis of preparation**

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

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

**3. Adoption of new and revised standards**

**(i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2023**

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

**(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023**

<b>Standard</b>	<b>Effective date and impact:</b>
<b>IPSAS 41: Financial Instruments</b>	<b>Applicable: 1<sup>st</sup> January 2023:</b>  (the standard has not affected the financial reporting in anyway but it has enable classification of financial instruments in the fund well)

**Bungoma County Youth and Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended 30, June 2025**

Standard	Effective date and impact:
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<b>Applicable: 1st January 2023:</b> Has no impact on financial reporting in all aspect. The entity has not borrowed, neither have we hedging on credit risks involved as well as contracts committed in the fund.
IPSAS 43	<b><i>Applicable 1<sup>st</sup> January 2025</i></b>
	The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.  The IPSAS has led to more disclosures on long term receivables and classifications. Has been more relevant to classify for understanding

**(iii)Early adoption of standards**

The entity did early – adopted new or amended standards in year 2023.

**1. Significant Accounting Policies**

**a) Revenue recognition**

**i. Revenue from exchange transactions**

***Interest income***

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

**a) Financial instruments**

***Financial assets***

***Initial recognition and measurement***

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

***Loans and receivables***

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

***Impairment of financial assets***

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

**Bungoma County Youth and Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended 30, June 2025**

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asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

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

***Financial liabilities***

***Initial recognition and measurement***

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

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

***Loans and borrowing***

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

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

**a) 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.~~

*Summary of Significant Accounting Policies (Continued)*

**a) Related parties**

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

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**b) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**c) Comparative figures**

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

**d) Events after the reporting period**

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

**e) Ultimate and Holding Entity**

The fund is a County Public Fund established by THE BUNGOMA COUNTY YOUTH AND WOMEN EMPOWERMENT FUND REGULATIONS, 2015 under the Ministry of Gender, Culture, Sports and Youths. Its ultimate parent is the County Government of Bungoma.

**f) Currency**

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

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*Summary of Significant Accounting Policies (Continued)*

**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 judgments, estimates and assumptions made

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

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**5. Notes To The Financial Statements**

**1. Use of Goods and Services**

<b>Description</b>	<b>2024/2025</b>	<b>2023/2024</b>
	<b>Kshs.</b>	<b>Kshs.</b>
General Office Expenses	0	601,280
Bank Charges	1,920	0
Postage and Courier	0	0
Printing and Stationery	0	0
<b>Total for Use of Goods and Services</b>	<b>1,920</b>	<b>601,280</b>

**2. Cash and CashEquivalents**

<b>Description</b>	<b>2024/2025</b>	<b>2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Current Account	185,042	183,162.14
Others (imprests)	0	0
<b>TotalCashandCashEquivalents</b>	<b>185,042</b>	<b>183,162.14</b>

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

		<b>2024/2025</b>	<b>2023/2024</b>
<b>Financial Institution</b>	<b>Account number</b>	<b>Kshs</b>	<b>Kshs</b>
<b>a) Current Account</b>			
<b>Cash and cash equivalents for Women fund</b>			
Cooperative Bank of Kenya	01141536727200	7,031.65	3,711.65
Cooperative Bank of Kenya	01141536727201	152,018.75	152,498.75
<b>Cash and cash equivalents for Youth fund</b>			
Cooperative Bank of Kenya	01141536727100	24,271.74	24,751.74
Cooperative Bank of Kenya	01141536727101	1,720.00	2,200
<b>total</b>		<b>185,042</b>	<b>183,162.14</b>

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**3. Receivables from exchange transactions**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Current Receivables</b>		
Interest Receivable	0	0
Current Loan Repayments Due	23,376,722	23,380,522
Other Exchange Debtors	0	0
<b>Total Current Receivables</b>	<b>23,376,722</b>	<b>23,380,522</b>
<b>Non-Current Receivables</b>		
Long Term Loan Repayments Due	0	0
<b>Total Non- Current Receivables</b>	<b>0</b>	<b>0</b>
<b>Total Receivables From Exchange Transactions</b>	<b>23,376,722</b>	<b>23,380,522</b>

**Cash generated from operations**

	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>(Deficit) For the Year Before Tax</b>	<b>1,920</b>	<b>0</b>
<b>Adjusted For:</b>		
Interest Income	(0)	(0)
<b>Working Capital Adjustments</b>		
Increase In Inventory	(0)	(0)
Increase In Receivables	(0)	(0)
Increase In Payables	0	0
<b>Net Cash Flow From Operating Activities</b>	<b>(1,920)</b>	<b>(0)</b>

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**Other Disclosures**

**1. Related party balances**

**a) Nature of related party relationships**

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions.

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Related parties include management personnel, their associates and close family members.

The fund/scheme is related to the following entities:

- a) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;  
    Fund Administration committee.

**Other Disclosures**

**1. Financial risk management**

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

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**Other Disclosures Continued**

**a) Credit risk**

The Fund has exposure to credit risk, which is the risk that a counter party will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

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

	<b>Total amount Kshs</b>	<b>Fully performing Kshs</b>	<b>Past due Kshs</b>	<b>Impaired Kshs</b>
<b>At 30 June 2024</b>				
Receivables from Exchange Transactions	51,294,092	27,913,570	24,167,284	0
Receivables from Non-Exchange Transactions	0	0	0	0
Bank Balances	0	0	183,162.14	0
<b>Total</b>	<b>51,294,092</b>	<b>27,913,570</b>	<b>24,350,446</b>	<b>0</b>
<b>At 30 June 2025</b>				
Receivables from Exchange Transactions	51,294,092	27,913,570	24,350,446	0
Receivables from Non-Exchange Transactions	0	0	0	0
Bank Balances	0	0	185,042	0
<b>Total</b>	<b>51,294,092</b>	<b>27,913,570</b>	<b>24,535,488</b>	<b>0</b>

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 non-collectable amounts that the entity has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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**b) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the 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.

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The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

**c) Market risk**

The board 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 rate, 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 Fund's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

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**i. 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

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deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

***Management of interest rate risk***

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

**d) Capital risk management**

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

	2024/2025	2023/2024
	<b>Kshs</b>	<b>Kshs</b>
Revaluation reserve	0	0
Revolving fund	51,294,092	51,294,092
Accumulated surplus	(27,732,328)	(27,132,528)
<b>Total funds</b>	<b>23,561,764</b>	<b>27,132,528</b>
Total borrowings	0	0
Less: cash and bank balances	<b>(185,042)</b>	<b>(181,762.14)</b>
Net debt/(excess cash and cash equivalents)	(185,042)	(181,762.14)
<b>Gearing</b>	100%%	100%%

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**19. Annexes-Progress on Follow up of Prior Year Auditor's Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Unconfirmed financial statement balance			
1.1	Use of goods and services	The amount was from the long outstanding imprest which was later had been surrender.	solved	
1.2	Statement of cash flow	The opening balance of kshs 784,442 comprised of kshs 183,162 cash at bank and kshs 601,280 as an imprest.	solved	
2.	Receivable from exchange transaction			
2.1	Unsupported receivables balance	We have reconciled our records and the schedules are available for verification.	Solved	
2.2	Failure to recover outstanding loan balances	We have engaged the county solicitor to initiate legal process to recover the loan as well as the ward administrators as ward committee chairs during initial disbursement to help in recovery exercise.	not resolved	30 <sup>th</sup> June,2026
	Material uncertainty related to sustainability of services	The management is in the progress to address regulation challenges and be able to access the funding that will the operationalize the	Not resolved	30 <sup>th</sup> June 2026
Emphasis of matter	Budgetary control and performance	The management has allocated funds for the program this financial year.	Not resolved	30 <sup>th</sup> June, 2026
Other matters	Unresolved prior year matters	We are progressively addressing the issues raised	Partially resolved	30 <sup>th</sup> June, 2026
Basis of conclusion	Lack of risk management policy	We are developing one with the help of internal audit office.	Partially resolved	30 <sup>th</sup> June, 2026

