

REPUBLIC OF KENYA



Enhancing Accountability

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REPORT

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ON

**UASIN GISHU COUNTY EDUCATION
REVOLVING FUND**

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





COUNTY GOVERNMENT OF UASIN GISHU
COUNTY EDUCATION REVOLVING FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2022

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

17 FEB 2023

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

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I KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Uasin Gishu County Education Revolving Fund was established by and derives its authority, accountability from 2014 Act on 2016 and amended 2022. The Fund is wholly owned by the County Government of Uasin Gishu and is domiciled in Kenya.

The fund's objective is to

Empower the Youth through financing of Technical Training directly related to the development of artisan or improvement of Technical skills within the county in the following areas of specialization but not limited to: -

- i. Plumbing and Water Engineering
- ii. Electrical Installation and Engineering
- iii. Masonry and Building Technology
- iv. Civil Engineering and Quantity Survey
- v. Refrigeration and Air conditioning, welding and fabrication and woodwork
- vi. Any other courses that may be recommended by the County Education Board from time to time.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to

- i. Advertise all opportunities for loans to students seeking artisan and Technical courses in County Polytechnics or National Government Technical Training Institutes or such other public or private Training institutions as may be approved by the Board from time to time.
- ii. Receive and vet applications for loans under the loan scheme forwarded by the Ward Education Committees and in so doing, determine the eligibility of each individual applicant.
- iii. Institute and implement mechanisms for loan recovery with the aim of sustaining the revolving fund.
- iv. Such duties as are incidental to the achievement of the aims and objectives of the loan scheme.
- v. Resource mobilization
- vi. Management of such other Educational loans advanced to it by other Government agencies, private entities, donor and any other entity of good will

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Vision

To be a model county in providing loans to needy students pursuing technical and vocational training in tertiary institution in the country.

Mission

To be the leading county committed to empowering the youth through provision of affordable loans for technical programmes.

Core values

- i. Integrity
- ii. Transparency
- iii. Accountability
- iv. Professionalism
- v. Equity

c) County Education Loan Board

Ref	Name	Position
1	Dr. Joel Chelule	Chairman
2	Dr. Susan Keino	Vice Chairperson
3	Dr David Kessio	Member /Representative Technical and higher Education
4	Dr Joseph Lelan	Member County Education Board
5	Loice Murrey	Member
6	Nicholas Koimur	Member
7	Peter Kiarie	Member
8	Paul Sugut	Member
9	Stephen Kemoi	Fund Administrator

d) Key Management

Ref	Name	Position
1	Joseph K Kurgat	County Executive Committee Member for Education, Culture, Social Services, Sports and Youth Affairs
2	Joseph K. Maritim	Chief officer for Education Culture, Social Services, Sports and Youth Affairs
3	Stephen Kemoi	Fund Administrator
4	Lena Tum	Fund Accountant

Uasin Gishu County Education Revolving Fund
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e) Registered Offices

P.O. Box 40, 30100, Eldoret
KVDA Plaza
Oloo Street
Eldoret, Kenya

f) Fund Contacts

Uasin Gishu County
Tel. No: 053 2033737
E-mail: info@uasingishu.go.ke
Website: www.uasingishu.go.ke

g) Fund Bankers

Kenya Commercial Bank
P. O. BOX 560-30100
TEL: 053-2062241/2
ELDORET

h) Independent Auditors





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

i) Principal Legal Adviser






County Attorney
Uasin Gishu County
P.O BOX 40
Eldoret, Kenya

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II COUNTY EDUCATION LOAN BOARD




Name	Details of qualifications and experience
<p>1. DR. JOEL CHELULE</p> 	<p>Chairman Born 1977, Hold PHD in applied statistics, MSC statistics, BSC Mathematics and computer science from JKUAT. Currently working as director JKUAT Eldoret campus and senior lecturer in statistics. Immediate a former chairman Ziwa TTI and also auditor in quality management system & environmental management system, under ISO 9001:2015 & ISO 14001:2014.He is an independent.</p>
<p>2.DR.SUSAN KEINO</p> 	<p>Vice chairperson Born 1972, PHD in Human Nutrition of Maastricht university, Msc Maseno university, Bsc Moi university. Works at Moi university. Head of department of Human nutrition from 2014-2019 ,lecturer from 2014- to date</p>
<p>3. DR DAVID KESSIO</p> 	<p>Member /representative Technical and higher education Dr. David K. Kessio, born in 1976; is a Lecturer at Moi University, School of Education, Department of Educational Management & Policy Studies. He holds a PhD in Educational Administration, Mphil. In Educational Management Moi University, MBA in Research & Higher Education, Osnabruck University of Applied Sciences, Germany.) And B. ED (Arts), Moi University.</p>
<p>4.DR JOSEPH LELAN</p> 	<p>Member/Chairperson county education board Joseph Kiprono Lelan was born in 1960 holds a Doctor of Philosophy (PhD) Degree in Educational Administration from Moi University-Eldoret; Master of Science (Msc) degree in Education Leadership from Drake University- U.S.A; Bachelor of Education (Bed) degree from the University of Nairobi and a Diploma in Education from Siriba Teachers College - Maseno. He is currently a senior lecturer and chair, Department of Educational Management and Policy Studies (2014 to Date.</p>

**Uasin Gishu County Education Revolving Fund
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<p>5.LOICE MURREY</p> 	<p>Member, Born 1967, MED (educational administration and economics –Beijing china, B. ED Kenyatta University. County Director Teachers service commission.</p>
<p>6.NICHOLAS KOIMUR</p> 	<p>Born in 1984.BA Theology .Coordinating Youth activities in East Africa.</p>
<p>7.PETER KIARIE</p> 	<p>Born 1979. Msc Micro biology, Diploma in computer application. Work experience teaching and research spanning 10 years.</p>
<p>8.PAUL SUGUT</p> 	<p>Member, Born in 1967. BA sociology and postgraduate diploma in Human resources .work experience Regional Director for east Africa Childs life international.</p>
<p>9.STEPHEN KEMOI</p> 	<p>Currently The County Director Youth Affairs and Fund administrator, Born in 1970. He is a holder of a BSC in Technical Education from Moi university. He has worked as a District Youth Training Officer and a Lecturer at Mombasa Polytechnic and Rwika technical Training Institute.</p>

**Uasin Gishu County Education Revolving Fund
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III MANAGEMENT TEAM

Name	Details of qualifications and experience
<p>1. Joseph K Kurgat</p> 	<p>Currently the county executive committee member for Education, Culture, Social Services, Sports and Youth Affairs Uasin Gishu County Government, Born in 1967. He holds Masters in Education Administration and Management, Degree in Education Science from Kenyatta University. Was a principal for various secondary schools from the years 2001-2017, Chairperson Kenya Secondary Schools Heads Association Mosop Sub county and Vice Chairman Nandi County Heads Association.</p>
<p>2. Joseph K. Maritim</p> 	<p>Currently the chief officer for Education Culture, Social Services, Sports and Youth Affairs Uasin Gishu County Government, Born in 1985. MBA (Finance) University of Nairobi. BBA (Accounting) Maseno University and CPA 2</p>
<p>3. Stephen Kemoi</p> 	<p>Currently The County Director Youth Affairs and Fund administrator/secretary, Born in 1970. He is a holder of a BSC in Technical Education from Moi university. He has worked as a District Youth Training Officer and a Lecturer at Mombasa Polytechnic and Rwika technical Training Institute.</p>

**Uasin Gishu County Education Revolving Fund
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IV BOARD CHAIRPERSON'S REPORT

The Uasin Gishu County Education Loans Board, which oversees the management of the Uasin Gishu County Education Revolving Fund, was appointed in May 2019, and was inaugurated into Office on 3rd July 2019. It took over the oversight role of the Fund's Management from the Interim Committee which had been overseeing it since 2014 when it was established. I wish to sincerely appreciate the establishment of this Fund, whose main focus is the County's Youth; to empower them acquire the necessary skills by awarding them loans to study in selected TVET Institutions. This is a very noble idea by the County Government of Uasin Gishu. Since inception, the Fund's performance has been outstanding. 3660 students in various fields of skills have so far benefitted from the Fund.

The Fund initially targeted technical courses. Later on, after careful review of the County's development skills gap, the Board found it wise to expand the courses to cater for other areas such as Medical, Water and Agriculture. Skills in these areas are much needed by the County. The Board is currently exploring more areas of possible expansion such as environmental-related and beauty-related courses. Opportunities globally are also being considered.

In order to ensure transparency and accountability in optimal loan disbursement and recovery, the Board envisages to automate all the Fund's operations. Development of an ICT system has been finalized, and is currently being piloted. Soon it will be rolled out. All activities which include advertisements, loan applications, loan recovery, and other loan-related information, will all go on-line.

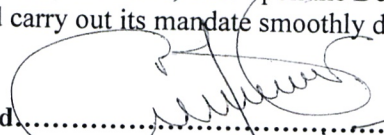
The main concern of the Board during the FY 2021/2022 was recovery of disbursed loans from beneficiaries who have completed their training and are already earning income from employment either self or formally. The Board directed the Secretariat to embark on this exercise on a serious note. To date, over 800,000 /= has been recovered. Though, the figure is still low, the Board considers this to be a good progress owing to the challenges related to recovery. It is currently exploring various strategies that will help to enhance recovery, which include partnering with KRA to identify and locate those beneficiaries who are supposed to be remitting their repayments.

The Board is still encountering some bottlenecks in her operations. Though, the long awaited allowances were paid recently, it was not paid in total with no explanation. This is in spite of the fact that the County Public Service Board (CPSB) and the Salaries & Remuneration Commission (SRC) finalized their part in addressing the issue of the rate of payment of allowances. So the allowances are still in arrears.

The appointment of the thirty (30) Ward Committees as per the requirement of the County Education Revolving Fund Act, is long overdue. We wrote to the CECM Department of Education, Culture, Youth Affairs, Sports and Social Services, to constitute these Boards and submit the list to the Board for approval. To date, this remains pending. Some lists were submitted. However, evidence of public participation was not provided. Hence, the Board failed to approve them. Instead, it referred them back to Wards to ensure that aspect of public participation is captured.

The Board notes that the Act was finally amended thus enhancing the effective and smooth operations of the Board. This was done in line with the Controller of Budget's recommendations, together with those identified by the Board during the full Board meeting convened on 17th May 2021.

The Board, therefore, calls upon the Department to urgently address pending issues so as to enable the Board carry out its mandate smoothly during this FY 2021/22, and going forward.

Signed.....

Dr. Joel Cheruiyot Chelule, PhD

Date 17.2.2022

Uasin Gishu County Education Revolving Fund Report and Financial Statements for the year ended 30th June 2022

V REPORT OF THE FUND ADMINISTRATOR

Quality Technical and Vocational Education and Training are widely recognized as having an important role to play in tackling youth unemployment. Technical Vocational Education and Training (TVET) is oriented toward the world of work and the acquisition of knowledge and skills by youth as a means of addressing skills mismatch in the job market so as to ensure that there is a smooth school-to-work transition for many young people.

Uasin Gishu County Education Revolving Fund was established in 2014 with an aim of empowering youth through the financing of technical training in form of loans. Therefore as young people acquire the basic skills and relevant training they need to enter the world of works with confidence.

The County Government of Uasin Gishu has established a committee known as County Education Loans Board. The committee which shall be a body corporate with perpetual succession. This Board shall be a body in its corporate name, of suing and being sued.

The fund operates as a revolving fund and it is expected to recover from the loan beneficiaries after a gainful employment.

During the year under review amendment to the Act was done. This was occasioned by the communication from the controller of budget vide a letter dated 4/2/2022 of which the same was done through gazette on 14/3/2022. The amendment had some legislations like enhancement of the prefix board to the committee, establishment of the office of the fund administrator and qualifications delinking the county assembly functions with that of the executive, on the same note the interest rate to be charged per annum. Most remarkably insertion of the clause to factor in giving loans to students to pursue technical education in overseas universities /institutions.

In the year 2021-2022 the board held four meetings, the fund was in the process of paying allowances because the amendment factored 3% of the funds to cater for the operation cost which include General expenses and board allowances. It has been a norm that the students/ beneficiaries are selected from the ward level by County Education Revolving Fund committee. A total of 3660 have benefited from the programme. They have been enrolled in various institutions.

In the financial year under review the following colleges partnered with the county government of Uasin Gishu; Kenya Medical Training College (KMTC), Rift Valley Technical Training Institute (RVTTI), Rift Valley Institute of Science and Technology(RVIST), Kaiboi Technical, Kipkabus Technical, RITT college, Eldoret Polytechnic, Egerton University, and Railway Training Insitute.

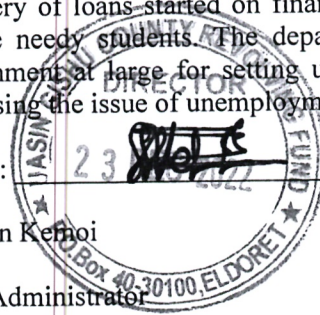
During the financial year under review, a total of Kshs. 69,101,220 was disbursed to the beneficiaries bringing the total amount So far disbursed since inception to Kshs. 277,224,770.

Recovery of loans started on financial year 2020-2021 to date and this will help the committee to finance needy students. The department would like to thank H.E the Governor and the County Government at large for setting up a fund that would benefit so many youth from the county in addressing the issue of unemployment.

Signed: _____

Stephen Kemoi

Fund Administrator



**Uasin Gishu County Education Revolving Fund
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VI STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

The County Education Revolving Fund was established by an Act of County Assembly to fund full time and part time courses in technology, applied science management and other field of studies and to make provisions for the general administration.

The objectives of the fund is to: -

Empower the youth through financing of technical training directly related to the development of artisan or improving technical skills within the county in the following areas of specialization but not limited to:

- i. Plumbing and water engineering
- ii. Electrical installation and engineering
- iii. Masonry and building technology
- iv. Civil engineering and quantity survey
- v. Refrigeration and air conditioning, welding, fabrication and wood work
- vi. Any other courses that may be recommended by the County Education Board from time to time.

Provide loans to the youth pursuing artisan or technical courses under sub section

- ✓ Offered at County Polytechnics or such National Government or private Technical Training Institutes as may be recommended by the County Education Board.

The performance as aligned with CIDP indicators is as shown in the table below.

PROGRAMME	OBJECTIVE	OUTCOME	INDICATOR	PERFORMANCE
Enrolment of students at Tvet institutions	Student joining TVET & Colleges	Increased enrolment of youth in Tvet institutions	600	807

VII CORPORATE GOVERNANCE STATEMENT

Uasin Gishu county education revolving fund board was established vide the Act of county assembly and shall be a corporate body with perpetual succession and common seal and in its corporate name be able to;

- a) Sue and being sued
- b) Taking, purchasing or otherwise acquiring, holding, charging and or disposing of moveable and immovable property
- c) Entering into contract
- d) Borrowing and lending of money
- e) Doing or performing and such other things or act necessary for proper performance of its function under this act and which may lawfully be done or performed by a body corporate. The seal of the board shall authenticate by the signature of the chairperson or one member. The board shall consist of the following persons by the governor on recommendation of the county executive member at the time responsible for education with the approval of the county assembly.

- ✓ Chairperson
- ✓ Deputy chairperson
- ✓ Secretary of the board who shall be the chief executive
- ✓ Representative of the county education board
- ✓ Representative of county treasury
- ✓ Representative of technical or higher educational institution
- ✓ Three other members appointed by county executive committee member

Every member of the board shall hold office for a period of three consecutive years from the date of appointment and shall be eligible for re-appointment for one more term. The position of a member shall become vacant if that member;

- ✓ Submit resignation in writing under his hand to the appointing authority
- ✓ If the board is satisfied that such member is by reason of his physical or mental infirmity unable to execute the functions of his or her office
- ✓ Has been adjudged bankrupt or suspends payment to or make arrangement or composition with his creditors
 - i. Has been absent without leave or reasonable cause submitted to the board for three consecutive meeting
 - ii. Dies

Uasin Gishu County Education Revolving Fund
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- iii. Is dismissed in terms of provision of this act

The county executive member may revoke the appointment of the board member becomes in the opinion of the county executive member unfit to continue in the office or incapable of performing duties. The Governor may remove a member of the board from the office in any of the following grounds

- a) Incompetence
- b) Abuse of office
- c) Failure without reasonable excuse or written authority of the Governor to attend three consecutive meeting of the county executive committee
- d) Physical or mental incapacity rendering the executive member incapable of performing the duties of that office
- e) Gross violation of the constitution or any other law

The filling of a vacancy of a member of the board shall commence by notifying the appointing authority, the county executive committee may recommend for appointment of any person to fill the vacancy. The meeting of the county education loans board shall meet not more than two times in a year provided that the board may have a maximum of three extra meetings ,the meetings held in the year 2019/2020 were four and before the start of every meeting the chairman did asked members if they had any interest.in the same period the induction of board members was done but the training did not take place because of Corvid 19 pandemic. The functions of the board are;

- i. Advertise all opportunities for loans to students seeking artisan and Technical courses in County Polytechnics or National Government Technical Training Institutes or such other public or private Training institutions as may be approved by the Board from time to time.
- ii. Receive and vet applications for loans under the loan scheme forwarded by the Ward Education Committees and in so doing, determine the eligibility of each individual applicant.
- iii. Institute and implement mechanisms for loan recovery with the aim of sustaining the revolving fund.
- iv. Such duties as are incidental to the achievement of the aims and objectives of the loan scheme.
- v. Resource mobilization
- vi. Management of such other Educational loans advanced to it by other Government agencies, private entities, donor and any other entity of good will.

**Uasin Gishu County Education Revolving Fund
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VIII MANAGEMENT DISCUSSION AND ANALYSIS

County Education Revolving Fund has achieved the following in sponsoring students to various institutions: -

(a) Those who have cleared and graduated in 2020/2021 financial year

i.	ADC (Kitale)	33 Students
ii.	K.T.T.C	192 Students
iii.	Kabete (A.I)	20 Students
iv.	KEWI	34 Students
v.	MORENDAT	30 Students
vi.	EGERTON UNIVERSITY	56 Students
vii.	AHITI (diploma and certificate in Animal health)	75 Students

(b) The amount spends during FY 2021-2022 is as follows;

DATE	DETAIL	PV NO	CHQ NO	AMOUNT
01.07.2021	KENYA PIPELINE MORENDAT	11 TVET	167	3,737,700
16.07.2021	EGERTON UNIVERSITY	12 TVET	168	532,000
27.01.2022	RAILWAY INSTITUTE-TUITION & ACCOMM		173 & 174	13,771,000
07.06.2022	KMTC HOLDING A/C	05 TVET	175	1,106,400.00
07.06.2022	KMTC	03 TVET	176	24,288,000.00
10.06.2022	KMTC	17 TVET	181	5,280,000.00
10.06.2022	KMTC	15 TVET	184	1,760,000.00
11.06.2022	EGERTON UNIVERSITY	13 TVET	178	112,000.00
13.06.2022	KMTC	14 TVET	179	13,024,000.00
13.06.2022	EGERTON UNIVERSITY	12 TVET	180	1,525,440.00
13.06.2022	KMTC	16 TVET	183	1,144,000.00
20.06.2022	TURBO TECHNICAL	11TVET	191	2,770,680.00
20.06.2022	CLINICAL OFFICERS COUNCIL	18 TVET	186	50,000.00
				69,101,200.00

Recoveries

The recovered money is to be deposited into Uasin Gishu County TVET Fund Account **KCB A/C NO. 1178078094**.

The department has made steps towards recovery of the funds i.e.

All beneficiaries have received SMS and calls reminding them to repay their loans. There are some beneficiaries who have made an effort of repaying the loans.

IX ENVIRONMENTAL AND SUSTAINABILITY REPORTING STATEMENT

Employee welfare

In tandem with Occupational Safety Health principles, the county education revolving fund has had Extensive issues on employee welfare such areas like medicine including physiology and toxicology ergonomics on the sitting posture going forward all employees' interest in the fund are catered for. Their concerns are in tandem principles of OSH which include and not limited to all employees have basic rights and so to the fund. The same should be strived and maintained to guarantee good working conditions and human dignity.

The occupational safety and health policy is yet to be established in the fund, on the same note once program is formulated the procedure of implementation, monitoring will be put in place and the activity of review will follow.

The social partners in this case revolving fund committee, stakeholders, parent, and beneficiaries will be involved, this will be done during formulations implementation and review of all the system, the aims of occupation safety and health programs are prevention and protection.

Health promotion is the central elements of occupation health practice; county educational revolving fund did participate in wellness week organized by county government. the staff were able to know their status on all health related issues, this lead to referrals to specialized treatment. On the same note employees are covered by insurance policy to cater for outpatient, inpatient, maternity, dental and optical needs

On compensation rehabilitation and curative service, I can confirm that there are alcoholic and drinks board established by county government mandated to rehabilitating staffs who are addicted to drugs and substance abuse

As a county government there is a responsibility, duty and obligation where by employees are provided with safety procedures, work place safety, duties indicators of fire assembly points. Education and training are vital components of safe health working environment, the health status of employees is key, county education revolution fund had to carry out training on HIV & AIDS awareness there was necessitated by the rise in the infection rate of 4.6%.

On water and sanitation, the premises on which county education revolution sits is compliant with water and sanitation standards because the office uses water from ELDOWAS.

Market place practices

Repressible competition practices

Education revolving fund has ensured that servicing beneficiaries are not edged or in the recruitment through has been made possible by an act which establisher ward revolving fund committees, when mandate is to assist in: -

- i. Adversities for vacancies in the training opportunities in the revolving fund.
- ii. Vetting of beneficiaries
- iii. Assisting in the fund recoveries of loans from previous beneficiaries
- iv. Promoting education by participating on sensitization programme for students to join TVET Institution.

Corporate Social Responsibility

County education revolving fund does not live in isolation, the corporate social responsibility is one area that the fund has begun its activities in

Among the activities are not limited to sensation to join TVET institution, administration and organization examination for students to join overseas universities

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

X COUNTY EDUCATION LOAN BOARD

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

Principal Activities of the County Education Loan Board

The principal activities of the Fund are as stated in section 1 (b) page iii of this report. Additional crucial information is contained in the Chairman's report on pages ix.

10.2 Performance

The results of the Fund for the year ended June 30, 2022 are set out on page xi. More information related to the results are contained in the Chairman's report on pages ix

10.3 County Education Loan Board

The members of the County Education Loan Board who served during the year are as indicated on section 1 (c) page iv, and also on section 2 on pages' vi & vii, of this report. There were no changes in the Board during the financial year.

10.4 Auditors

The Auditor General is responsible for the statutory audit of the fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

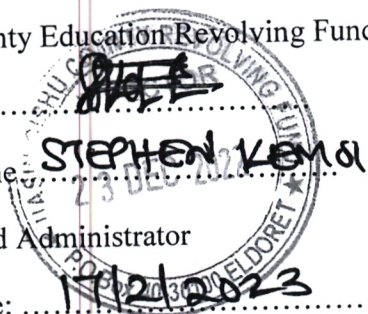
County Education Revolving Fund

Sign.....

Name.....

Fund Administrator

Date:



**Uasin Gishu County Education Revolving Fund
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XI STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (section 17 of County Education Revolving Fund states that (1) The committee shall cause to be kept all proper books and records of account of the income, expenditure, assets and liabilities of the Fund. (2) Within a period of three months after the end of each financial year, the committee shall comply with the relevant audit procedures and submit the accounts of the Fund in respect of that year together with a— statement of the income and expenditure of the Fund during that year; and statement of the assets and liabilities of the Fund on the last day of that financial year. Annual Report 18. (1) The committee shall, at the end of each financial year cause an annual report to be prepared. The committee shall submit to Executive Committee the Member financial year to which it relates. the annual report to the County three months at the end of each The annual report shall contain in respect of the year to which it relates— the financial statements of the Fund; a statement of the assets and liabilities of the fund; such other statistical information as the Fund may consider appropriate relating to the Fund’s functions; the impact of the exercise of any of its mandate or function;


The Administrator of the County Public Fund is responsible for the preparation and presentation of the fund 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 (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 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 is accept responsibility for the fund 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 fund Act 2016 and amended version 2022 The committee members are 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, 2022, and of the fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the fund which have been relied upon in the preparation of the fund’s financial statements as well as the adequacy of the systems of internal financial control.


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

Approval of the financial statements

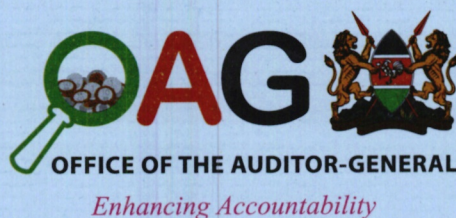
The fund financial statements were approved by the Board on 23/Dec 2022 and signed on its behalf by:

Name: **STEPHEN KEMOI**
Signature: 
Fund Administrator
Uasin Gishu County Education Revolving Fund



Name: **PETER RISO**
Signature: 
Accounting Officer

REPUBLIC OF KENYA



Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON UASIN GISHU COUNTY EDUCATION REVOLVING FUND FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Uasin Gishu County Education Revolving Fund set out on pages 1 to 36, which comprise the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Uasin Gishu County Education Revolving Fund as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Uasin Gishu County Education Revolving Fund (amendment) Act, 2016 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Presentation of the Financial Statements

1.1 Fund Accountant ICPAK Member Number

The Institute of Certified Public Accountants of Kenya (ICPAK) member number for the fund accountant who signed the financial statements is not indicated in the statement of financial performance, statement of financial position, statement of cash flow and in the statement of changes in net assets for the year under review as required by the Public Sector Accounting Standards Board guideline

2. Trial Balance

The trial balance reflects a balance brought forward from the previous financial periods of Kshs.20,574,770. Though Management explained that the balance relates to funds received but not utilized due to changes in schools/colleges calendar as instructed by the National Government due to the effects of the COVID-19 pandemic, no documentary evidence was provided to support the claim.

Further, balance has not been reported in the statement of financial position or the statement of changes in net assets.

In the circumstances, the accuracy and completeness of the trial balance could not be confirmed.

3. Long-Term Receivable from Exchange Transaction – Current Portion

- i. The statement of financial position reflects long term receivables from exchange transactions and current portion of long-term receivables from exchange transactions balances of Kshs.207,478,600 and Kshs.69,101,220 respectively.

However, review of the records revealed that three hundred and fifty six (356) records did not reflect admission numbers, one hundred and eighty one (181) records did not have I.D numbers, thirty six (36) records had irregular I.D numbers,

five (5) records indicated that the beneficiaries did not have I.D cards but had waiting notifications, one hundred and thirty nine (139) records did not indicate the Ward where the loan beneficiaries resided, ten (10) records contained numeric values rather than the names of Wards where the beneficiaries resided, one hundred and forty four (144) records did not have telephone numbers of the beneficiaries, twenty (20) records contained invalid telephone numbers.

In addition, fourteen (14) beneficiaries of loans amounting to Kshs.3,798,060, which were duplicated.

Further, the loan amortization schedules provided for audit did not include details such as duration of study and expected maturity date of the loans.

- ii. The loan amortization schedules provided for audit indicated that the total loan repayments during the year under review was Kshs.206,300. However, out of this amount, Kshs.59,300 was placed in a suspense account as the Fund was unable to identify the loan beneficiaries who deposited the money into the Fund's bank account. As at the time of the audit in December, 2022, the Management was yet to identify those who had deposited the money and credit their accounts.
- iii. Additional information on interest receivable has not been disclosed under Note 12 to the financial statements.

In the circumstances, the accuracy and completeness of the receivables from exchange transactions balance of Kshs.276,579,820 could not be confirmed.

4. Long Term Receivables from Exchange Transaction

- i. Since the inception of the Fund in 2014, the County Education Loans Board has disbursed loans amounting to Kshs.277,224,770 but has only managed to make recoveries of Kshs.644,950 to date. Though the Board has written to the Kenya Revenue Authority (KRA) to assist in locating the whereabouts of the loan beneficiaries and has also written to the Uasin Gishu County government to start payroll deductions from its employees who are loan beneficiaries, the efforts of the Board have not been sufficient to track the beneficiaries who have completed their studies and are in gainful employment but have not yet commenced repaying their loans.
- ii. During the year under review, a total of Kshs.69,101,220 was disbursed to beneficiaries bringing the total amount so far disbursed since inception of the Fund to Kshs.277,224,770. However, review of the student loan application forms reveals that there was no commitment, collateral, security or guarantors securing these loans to ensure the recovery of the loans in the event that the students who had completed their studies and obtained gainful employment failed to service their loans.
- iii. During the year under review, the Fund disbursed loans amounting to Kshs.69,101,220 to students in various technical colleges, polytechnics and training institutes. However, the Fund Management did not provide evidence of

advertisements announcing the opportunities for loans to students seeking funding and loan application vetting minutes of the Board to determine eligibility of the loan applicants.

In the circumstance, the accuracy and completeness of the long term receivables balance of Kshs.207,478,600 as at 30 June, 2022 could not be ascertained

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Auditor Issues

The report of the previous year, several issues were raised under the Report on Financial Statements and Report on unlawfulness and Effectiveness in use of Public Resources. However, Management has indicated that the issues have remained unresolved as Parliament has not deliberated on the same.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Ethnic and Gender Composition of the Board

- i. The Uasin Gishu County Education Loans Board comprises of nine (9) members appointed by the Governor of Uasin Gishu County for a three-year term consisting of seven (7) male members or approximately 78% of the Board and two female members or approximately 22% of the Board and excludes persons with disability, contrary to articles 197(1) of the constitution of Kenya, 2010 which provides that

no more than two-thirds of the members of any County Assembly or County Executive committee shall be of the same gender, and Section 8(2) of the Uasin Gishu County Education Revolving Fund Act, 2016 which states that in appointing board members under section 8(1), the appointing authority shall observe the provision of the constitution regarding gender balances, marginalised persons, minorities, the youth and persons with disability. Further, available information reveals that the composition of Ward Education Revolving Fund committees in the thirty administrative wards has also not complied with the requirement of Article 197(1) of the constitution of Kenya 2010.

- ii. The Uasin Gishu County Education Loans Board comprises of nine (9) members appointed by the Governor of Uasin Gishu County for a three-year term. Eight (8) of the members representing 89% of the Board are from the dominant community in the county while only one (1) member representing 11% of the Board is from the minority communities in the county, contrary to the provisions of Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which requires that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community. Further, available information reveals that the composition of Ward Education Revolving Fund committees in the thirty administrative wards has also not complied with the requirements of Section 7(1) and (2) of the National Cohesion and Integration Act, 2008.

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

2. Transfers from the County Government

The statement of financial performance for the year under review reflects transfers from the County Government amount of Kshs.1,500,000 for the Fund's operations. This is in contravention to Section 197(1)(e) of the Public Finance Management (County Governments) Regulations, 2015 which states that the County Executive Committee Member responsible for the county government entity functions shall confirm in writing that the establishment of the Fund and its continued existence will not depend on annual financing from the county exchequer.

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

3. Ward Committees

The Ward Education Revolving Fund Committees, appointed by the County Education Loans Board and which comprise of seven (7) members in each of the thirty (30) wards of the Uasin Gishu county, are responsible for advertising loan opportunities for students, receiving and vetting loan applications, determining the eligibility of loan applicants and such other incidental duties. However, the final list of persons appointed to the Ward Committees and the approval of the County Executive Committee Member for the time being in charge of education approving those lists was not provided for audit contrary to the provisions of Section 14(4) of the Uasin Gishu County Education Revolving Fund Act,

2016 (amended 2022) which states that the County Executive Committee Member for the time being in charge of education shall approve the final list of appointed persons within five (5) days from the date of receipt.

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

4. Tenure of the County Education Loans Board

The Uasin Gishu County Education Loans Board comprises of nine (9) members appointed by the Governor of the County of Uasin Gishu on the recommendation of the County Executive Committee member at the time responsible for Education with the approval of the County Assembly. It was observed that the Board was appointed on 15 May, 2019 for a period of three (3) years, ending on 14 May, 2022. Out of the original nine (9) members, four (4) were reappointed, together with another three (3) persons, to the Board on 18 July, 2022 for a period of three (3) years, ending on 17 July, 2025. As a result, the Board was in office between 15 May, 2022 and 17 July, 2022 without proper appointment.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in

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


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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL


Nairobi


31 March, 2023

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

XIII STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	1,500,000	4,036,280
Fines, Penalties and Other Levies	3	-	-
		1,500,000	4,036,280
Revenue From Exchange Transactions			
Interest Income	4	-	-
Other Income	5	-	-
		-	-
Total Revenue		1,500,000	4,036,280
Expenses			
Employee Costs	6	-	-
Use of goods and services	7	393,895	1,841,085
Depreciation and Amortization Expense	8	-	-
Finance Costs	9	-	-
Total Expenses		393,895	1,841,085
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Surplus/(Deficit) For The Period		1,106,105	2,195,195


 Name: **STEPHEN KEMOI**
 Administrator of the Fund


 Name: **LENA TUM**
 Fund Accountant
 ICPAK Member Number:

Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022

XIV STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	11	1,307,655	20,574,770
Current Portion of Long- Term Receivables From Exchange Transactions	12	69,101,220	20,417,400
Prepayments	13	-	-
Inventories	14	-	-
		-	-
Non-Current Assets			
Property, Plant and Equipment	15	-	-
Intangible Assets	16	-	-
Long Term Receivables from Exchange Transactions	12	207,478,600	187,289,200
		-	-
Total Assets		277,887,475	228,281,370
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	17	-	-
Provisions	18	-	-
Current Portion of Borrowings	19	-	-
Employee Benefit Obligations	20	-	-
		-	-
Non-Current Liabilities			
Non-Current Employee Benefit Obligation	20	-	-
Long Term Portion of Borrowings	19	-	-
Total Liabilities		-	-
Net Assets		277,887,475	228,281,370
Revolving Fund		193,084,842	193,084,842
Reserves		-	-
Accumulated Surplus		84,802,633	35,196,528
Total Net Assets and Liabilities		277,887,475	228,281,370

Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022

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 23/Dec 2022 and signed by:



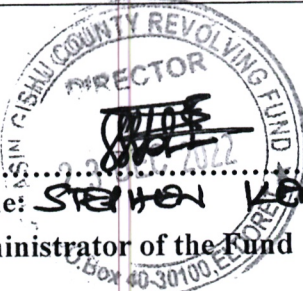
.....
Name: **STEPHEN KEMO**
Administrator of the Fund

LT
.....
Name: **LENA TUM**
Fund Accountant
ICPAK Member Number:


Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022

XV STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2022

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2020	193,084,842	-	-	193,084,842
Surplus/(Deficit) For the Period	-	-	35,196,528	35,196,528
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2021	193,084,842	-	35,196,528	228,281,370
Balance As At 1 July 2021	193,084,842	-	-	-
Surplus/(Deficit) For the Period	-	-	1,106,105	1,106,105
Funds Received During the Year	-	-	48,500,000	48,500,000
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2022	193,084,842	-	84,802,633	277,887,475



 Name: STEPHEN KEMN
 Administrator of the Fund


 Name: LENA TUM
 Fund Accountant
 ICPAK Member Number:


**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

XVI STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022


	Note	2021-2022	2020-2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government	2	- 50,000,000	4,036,280
Interest received		-	-
Receipts from other operating activities		-	-
Other income		-	-
Total receipts		50,000,000	4,036,280
Payments			
Fund administration expenses		-	-
Use of goods and services	7	393,895	1,841,085
General expenses		-	-
Finance cost		-	-
Other payments		-	-
Net cash flows from operating activities		49,606,105	2,195,195
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		-	-
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		228,000	416,950
Loan disbursements paid out	12	(69,101,220)	(20,417,400)
Net cash flows used in investing activities		(19,267,115)	(17,805,255)
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net Decrease in cash & cash Equivalents		(19,267,115)	(17,805,255)

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

Cash and cash equivalents at 1 July	11	20,574,770	38,380,025
Cash and cash equivalents at 30 June	11	1,307,655	20,574,770



 Name: **STEPHEN LEMO**
 Administrator of the Fund



 Name: **LENA TUM**
 Fund Accountant
 ICPAK Member Number:

Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022

1. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE 30TH JUNE 2022

	Original budget	Adjustments	Final budget	Actual on comparable basis	% Utilisation
	2022	2022	2022	2022	2022
Revenue	Kshs	Kshs	Kshs	Kshs	
Public Contributions And Donations	-	-	-	-	
Transfers From County Govt.	50,500,000		50,500,000	50,000,000	99%
Interest Income	-	-	-	-	
Loan Repayment	228,000		228,000	228,000	100%
Other Income-Balance b/f	20,574,770	-	20,574,770	20,574,770	100%
Total Income	71,302,770	-	71,302,770	70,802,770	99%
Expenses					
Fund Administration Expenses	-	-	-	-	
General Expenses	1,500,000	-	1,500,000	393,895	26%
Loan advances	69,802,770	-	69,802,770	69,101,220	99%
Total Expenditure	71,302,770	-	71,302,770	69,495,115	97%
Bank balance	-	-	-	1,307,655	-

The general expenses is 26% as per schedule, reason is due to gazettelement of the Act amendment which factored in 3% of the budgeted amount not done in time.

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

2. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Uasin Gishu county education revolving fund is established by and derives its authority and accountability from - Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is -.

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 2022

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

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

Standard	Effective date and impact:
	<ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

Standard	Effective date and impact:
	<p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • IPSAS 22 Disclosure of Financial Information about the General Government Sector. <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • IPSAS 39: Employee Benefits <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p>

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

Standard	Effective date and impact:
	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	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

(iii) Early adoption of standards

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

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

1. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2021/2022 was approved by the 30 June 2022. 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 in order to conclude the final budget. Accordingly, the entity recorded additional appropriations nil on the FY 2021/2022 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 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 7.4 of these financial statements

Summary of Significant Accounting Policies (Continued)

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the 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.

d) Intangible Assets

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

The useful life of the intangible assets is assessed as either finite or indefinite.

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.

Summary of Significant Accounting Policies (Continued)

Held-to-maturity

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

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 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.

Summary of Significant Accounting Policies (Continued)

b) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

c) Provisions

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

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

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

Contingent liabilities

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

Summary of Significant Accounting Policies (Continued)

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.

d) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. Entity to state the reserves maintained and appropriate policies adopted.

e) 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.

f) 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 proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

g) 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.

Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022

Summary of Significant Accounting Policies (Continued)

h) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

i) 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.

j) 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.

k) Comparative figures

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

l) Events after the reporting period

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

m) Ultimate and Holding Entity

Uasin Gishu County Education Revolving Fund Act, 2014 under the Department of Education. Its ultimate parent is the County Government of Uasin Gishu

n) Currency

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

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 judgements, estimates and assumptions made e.g.

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

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.

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

6. Notes to the Financial Statements

1. Public contributions and donations

Description	2021-2022	2020-2021
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

2. Transfers from County Government

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers From County Govt. –Operations	50,000,000	4,036,280
Payments By County On Behalf Of The Entity	-	-
Total	50,000,000	4,036,280

3. Fines, penalties and other levies

Description	2021-2022	2020-2021
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	2021-2022	2020-2021
	Kshs	Kshs
Interest Income From Mortgage Loans	-	-
Interest Income From Car Loans	-	-
Interest Income From Investments	-	-
Interest Income On Bank Deposits	-	-
Total Interest Income	-	-

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

Notes to the Financial Statements Continued

5. Other income

Description	2021-2022	2020-2021
	Kshs	Kshs
Insurance Recoveries	-	-
Income From Sale Of Tender Documents	-	-
Miscellaneous Income		
Total Other Income	-	-

6. Employee Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other (Specify)	-	-
Total	-	-

7. Use of Goods and Services

Description	2021/22	2020/21
	Kshs.	Kshs.
General Expenses	389,800	1,840,020
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	-	-
Bank Charges	4,095	1,065
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-
Total	393,895	1,841,085

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

8. Depreciation and Amortization Expense

Description	2021/22	2020/21
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

9. Finance costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

10. Gain/ (loss) on disposal of assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, Plant And Equipment	-	-
Intangible Assets	-	-
Total	-	-

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

**Notes to the Financial Statements Continued
11. Cash and cash equivalents**

Description	2021-2022	2020-2021
	Kshs	Kshs
Car Loan Account	-	-
County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	1,307,655	20,574,770
Others	-	-
Total Cash And Cash Equivalents	1,307,655	20,574,770

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

		2021-2022	2020-2021
Financial Institution	Account number	Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
Sub- Total		-	-
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
c) Current Account			
Kenya Commercial Bank- Account Name: COUNTY GOVT OF UG-TVET FUND AC	1178078094	1,307,655	20,574,770
Bank B		-	-
Sub- Total		-	-
d) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		1,307,655	20,574,770

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

12. Receivables from exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Current Loan Repayments Due	69,101,220	20,417,400
Debtors Students		
Less: Impairment Allowance	-	-
Total Current Receivables	69,101,220	20,417,400
Non-Current Receivables		
Long Term Loan Repayments Due	207,478,600	187,289,200
Total Non- Current Receivables	207,478,600	187,289,200
Total Receivables From Exchange Transactions	276,579,820	207,706,600

Additional disclosure on interest receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due		
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods		
Current portion of long-term loans issued in the current year	-	-

13. Prepayments

Description	2021-2022	2020-2021
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (Specify)	-	-
Total	-	-

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

14. Inventories

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (Specify)	-	-
Total Inventories At The Lower Of Cost And Net Realizable Value	-	-

Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022

Notes to the Financial Statements (Continued)

15. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2021	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30th June 2022	-	-	-	-	-
At 1st July 2021					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
At 30th June 2022	-	-	-	-	-
Depreciation And Impairment					
At 1 st July 2021	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th June 2022	-	-	-	-	-
At 1st July 2021					
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
Transfer/Adjustment	-	-	-	-	-
At 30th June 2022	-	-	-	-	-
Net Book Values					
At 30th June 2021	-	-	-	-	-
At 30th June 2022	-	-	-	-	-

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

Notes to the Financial Statements (Continued)

16. Intangible assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Cost		
At Beginning Of The Year	-	-
Additions	-	-
At End Of The Year	-	-
Amortization And Impairment		
At Beginning Of The Year	-	-
Amortization	-	-
At End Of The Year	-	-
Impairment Loss	-	-
At End Of The Year	-	-
NBV	-	-

17. Trade and other payables from exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Payables	-	-
Refundable Deposits	-	-
Accrued Expenses	-	-
Other Payables	-	-
Total Trade And Other Payables	-	-

18. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At The Beginning Of The Year (1.07.2021)	-	-	-	-
Additional Provisions	-	-	-	-
Provision Utilised	-	-	-	-
Change Due To Discount And Time Value For Money	-	-	-	-
Transfers From Non -Current Provisions	-	-	-	-
Balance At The End Of The Year (30.06.2022)	-	-	-	-

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

Notes to the Financial Statements (Continued)

1. Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
Balance At Beginning of The Period	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments Of External Borrowings During the Period	-	-
Repayments Of Domestic Borrowings During the Period	-	-
Balance At End of The Period	-	-

The table below shows the classification of borrowings into external and domestic borrowings:

	2021-2022	2020-2021
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'Organisation'	-	-
Sterling Pound Denominated Loan From 'Organisation'	-	-
Euro Denominated Loan from Organisation'	-	-
Domestic Borrowings		
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
Total Balance at End Of The Year	-	-

The table below shows the classification of borrowings long-term and current borrowings:

Description	2021-2022	2020-2021
	Kshs	Kshs
Short Term Borrowings(Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

Notes to the Financial Statements (Continued)

2. Employee benefit obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2021-2022	2020-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

3. Cash generated from operations

	2021-2022	2020-2021
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	1,106,105	2,195,195
Adjusted For:		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
Working Capital Adjustments		
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow From Operating Activities	1,106,105	2,195,195

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

Other Disclosures

22. 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. 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;
- d) County Education Loan Board;
 - i. Chairman pay rate per sitting allowance 6,500/=
 - ii. Vice Chairperson pay rate per sitting allowance 5,200/=
 - iii. Members pay rate per sitting allowance 3,900/=

b) Related party transactions

	2021-2022	2020-2021
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

	2021-2022	2020-2021
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

	2021-2022	2020-2021
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

**Uasin Gishu County Education Revolving Fund
Report and Financial Statements for the year ended 30th June 2022**

Other Disclosures Continued

e) Due to related parties

	2021-2022	2020-2021
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

23. Contingent assets and contingent liabilities

Contingent Liabilities	2021-2022	2020-2021
	Kshs	Kshs
Court Case Against The Fund	-	-
Bank Guarantees	-	-
Total	-	-

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Other Disclosures Continued

24. Financial risk management

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

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

a) Credit risk

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

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2021				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

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Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
2022			
Euro	10%	-	-
USD	10%	-	-
2021			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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 (2022: KShs). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs (2021 – KShs)

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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:

	2021-2022	2020-2021
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	228,281,370	226,086,175
Accumulated surplus	49,606,105	2,195,195
Total funds	277,887,475	228,281,370
Total borrowings	-	-
Less: cash and bank balances	1,307,655	20,574,770
Net debt/(excess cash and cash equivalents)	276,579,820	207,706,600
Gearing	0%	0%

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

Implementation Status of Auditor-General 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	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	County Education Loans Board	The County Education Loans Board was established	County Executive Committee Member for Education culture youth sports and social services	Resolved	
2.0	Irregular Appointment of Ward Committee	The ward committees to be appointed as per the Act of 2016. County Education Revolving Fund.	County Executive Committee Member for Education culture youth sports and social services	In progress	June 2023
3.0	Unapproved Annual Estimates	The Annual Estimates were approved	Fund administrator	Resolved	