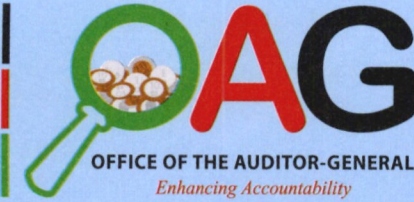
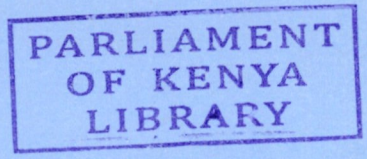


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

VIHIGA COUNTY SPORTS FUND

**FOR THE YEAR ENDED
30 JUNE, 2025**

PAPERS LAID	
DATE	19/11/2020
TABLED BY	Sen. Mutinda of Majority Leader
COMMITTEE	-
CLERK AT THE TABLE	Belinda

OFFICE OF THE AUDITOR GENERAL
RECEIVED
08 OCT 2025
P. O. BOX 1188, KISUMU

COUNTY GOVERNMENT OF VIHIGA



VIHIGA COUNTY SPORTS FUND

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

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



Vihiga County Sports Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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2. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
PPAD	Public Procurement and Asset Disposal
Kshs	Kenya Shillings
FY	Financial Year

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
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3. Key Entity Information and Management

a) Background information

Vihiga County Sports Fund is established by and derives its authority and accountability from The Vihiga County Sports Management Act on 6th March, 2019. The Fund is wholly owned by the County Government of Vihiga and is domiciled in Kenya.

The fund's objective is to establish an efficient structure for management of sports within the County Government of Vihiga by promoting cooperation amongst agencies with a role in sports, and enhancing their capabilities to maintain the provision of essential services during the periods of sports.

The Fund's principal activity is to organize, coordinate and promote sporting activities in the county.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to enable the County Government support sporting activities and local teams within the county and to attract lawful paid activities at sports facilities belonging to the County Government for purposes of raising revenue.

Vision Statement

To empower local community teams to become self-sustainable in their efforts to nurture talents through sports.

Mission Statement

To facilitate financial support for registered sports teams in Vihiga County that competes at the regional, National and International levels.

c) Board of Trustees/Fund Administration Committee

SN	Name	Position
1	Mr. Humphrey Buradi	Chairperson
2	Ms. Veronica, Mr. Sammy Mugita, Mr. Francis Chinjili, Mrs. Ebby Sagala, Mr. Evance Kadenge, Mr. Amaya Raphael and Ms. Esther Anjao	Committee Members
3	Mr. John Owako	Fund Administrator
4	Mr. Sylvesters Kaane	Chief Officer responsible for Sports
5	CPA James Atemba	Chief Officer responsible for Finance
6	Mr. David Bongo Ngoseywi	Director Sports

**Vihiga County Sports Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

d) Key Management Steam

Ref	Name	Position
1	Mr. John Owako	Fund Administrator
2	CPA Isabel Pili	Fund Accountant
3	Mr. Sylvesters Kaane	Chief Officer Sports

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Sammy Otwoma
2	Sports Fund Advisory Committee	Kevin Mwangu

f) Registered Offices

P.O. Box 344 - 50300
County Commissioner Building
Mbale - Kegoye Road
Maragoli, KENYA

g) Fund Contacts

Telephone: (254) 718925168 (Fund Admin)
E-mail: orangajohn@gmail.com

h) Fund Bankers

1. Equity Bank - Mbale

Key Entity and Management (Continued)

i) Independent Auditors

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




j) Principal Legal Adviser




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

k) County Attorney

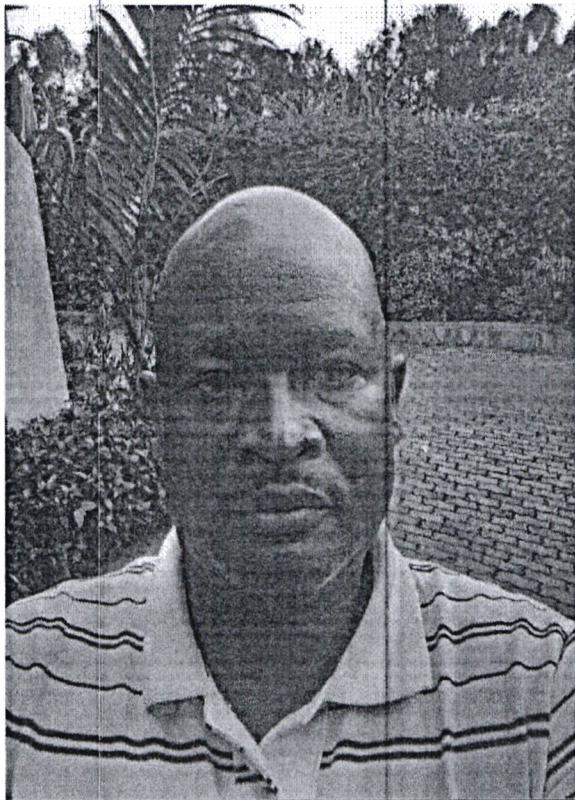
The County Attorney
Vihiga County Headquarters
P.O. Box 344- 50300
Maragoli Kenya.

4. Fund Administration Committee

Name	Details of qualifications and experience
<p>1. Humphrey Buradi Zadock</p> 	<p>Mr. Buradi was born on 6th day of June, 1969</p> <p>He is the current chairperson of the Vihiga County Sports Management Committee.</p> <p>He is also working as a Regional Director for Water Project western region since 2018 to date.</p> <p>Mr. Buradi is a holder of Master's degree of Development Studies and BA, Community Development from St. Paul University among other professional qualifications.</p>
<p>2. Veronica Bwamula Lusichi</p> 	<p>Ms. Veronica was born on 9th day of November, 1976.</p> <p>She is the vice chairperson of the Vihiga County Sports Management Committee.</p> <p>She holds bachelor of Sports Management at Moi University, FIFA Guardians Safeguarding in sport diploma.</p>
<p>3. Evance E Kadenge</p> 	<p>Mr. Evance Kadenge was born on 14th day of September 1963.</p> <p>He is currently a member of Vihiga County Sports Management Committee.</p> <p>He worked as a store's manager at Nzoia sugar company from 2020 to 2023.</p> <p>Mr. Kadenge underwent coaching courses in Nairobi and Kakamega. He then attained several achievements among them, winning the National super league as team manager in 2016.</p>

<p>4. Francis Chinjili Sianzwi</p>  <p>A black and white portrait of a man with short hair, wearing a dark t-shirt with 'EDUKICK' written on it.</p>	<p>Mr. Chinjili was born on 15th November 1980.</p> <p>He is currently a member of Vihiga County Sports Management Committee.</p> <p>He has a coaching education from various federations and currently in football Kenya Federation CAF B. He played professional before transiting to coaching.</p> <p>He has been a head coach for Kakamega high school, Emuhaya FC and Green Commandos Kakamega High School.</p>
<p>5. Amaya Dan Raphael</p>  <p>A black and white portrait of a man with short hair, wearing a patterned t-shirt.</p>	<p>Mr. Raphael was born on 11th January 1994.</p> <p>He is currently a member of Vihiga County Sports Management Committee.</p> <p>Raphael attended Moi University where he pursued diploma in Human Resource Management. He also attended to the state department of infrastructure, material testing and research division.</p> <p>He works at China Jiangxi International Kenya Ltd.</p>
<p>6. Esther Anjao</p>  <p>A black and white portrait of a woman with short hair, wearing a dark top.</p>	<p>Ms Esther Anjao was born on 28th day of May 1996.</p> <p>She is currently a member of Vihiga County Sports Management Committee.</p> <p>Esther has a degree in medical biochemistry.</p>

7. SammyMugita



Mr. Sammy was born in the year 1971. He is currently a member of Vihiga County Sports Management Committee. Sammy trained in the following fields:
 -Paralegal - certificate from kituo Cha Sheria
 -Advocacy - Certificate from BAF
 IT - Diploma from Nairobi Institute of Business Studies

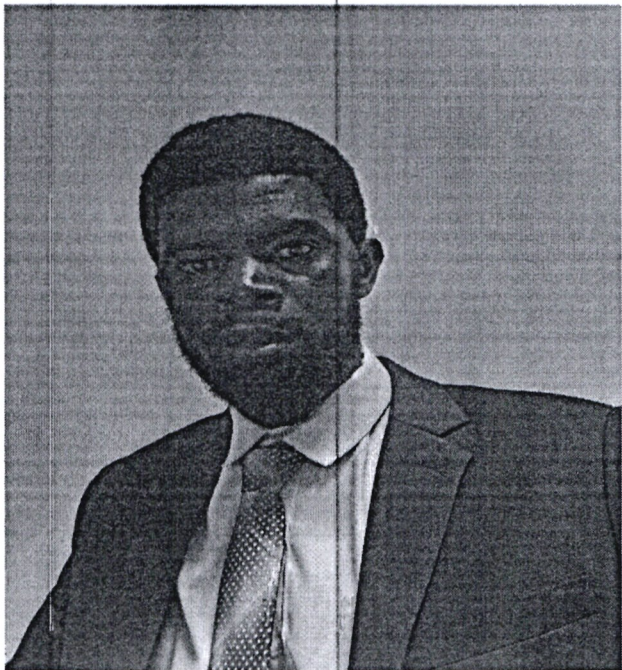

 Currently - Consultant with Jifahamu Kenya Foundation

8. John Owako



Mr. John Owako was born on 13th day of January 1990. He is the current Fund Administrator of Vihiga County Sports Fund. He also the Head of Financial Reporting Unit for Vihiga County Executive. Owako has also worked as a departmental Accountant for the department of Gender, Culture, Sports, Youth and Social Services (2020-2022). He is also the accountant in charge of compliance and statutory deduction at the County Treasury. John Owako is a holder of Bachelor's degree of Commerce Finance and Banking option and Diploma in accountancy from Kisii University and Kisumu National Polytechnic respectively. He also holds Certified Public Accountant (CPA part 2) and currently pursuing Advanced level of CPA.

5. Management Team

Name	Details of qualifications and experience
<p>1. JOHN OWAKO– Fund Administrator.</p> 	<p>Mr. John Owako was born on 13th day of January 1990.</p> <p>He is the current Fund Administrator of Vihiga County Sports Fund. He also the Head of Financial Reporting Unit for Vihiga County Executive.</p> <p>Owako has also worked as a departmental Accountant for the department of Gender, Culture, Sports, Youth and Social Services (2020-2022).</p> <p>He is also the accountant in charge of compliance and statutory deduction at the County Treasury.</p> <p>John Owako is a holder of Bachelor’s degree of Commerce Finance and Banking option and Diploma in accountancy from Kisii University and Kisumu National Polytechnic respectively. He also holds Certified Public Accountant (CPA part 2) and currently pursuing Advanced level of CPA.</p>
<p>2. SYLVESTERS KAANE – Chief Officer Youths and Sports</p> 	<p>Mr. Sylvesters Kaane was born on 12th day of December 1978.</p> <p>He is the Chief Officer responsible for Sports and Youths in the County Executive of Vihiga.</p> <p>Mr. Kane holds Master’s degree in Business Administration and Bachelor’s degree in Education from the University of Nairobi.</p>

3. CPA ISABEL PILI – FUND ACCOUNTANT



CPA Isabel was born on 2nd day of January 1989.

She is the current accountant for the Vihiga County Sports Fund.

She is also the accountant at the department of Public Service and Administration and Education Fund for more than five years.

CPA Isabel is a holder of degree in BCom accounts option and Certified Public Accountant of Kenya (CPA-K).

She Worked in several organisations performing various duties and responsibilities

6. Fund Chairperson's Report

The annual report and financial statements for the year ending 30th June, 2025 is the 5th report after the establishment of the Fund on 6th March, 2019. The report compares the performance of the fund by analysing budget estimates, actual expenditure and revenue realized. This financial statement will remain a very important tool in informing our future expenditure framework.

The fund Performance

The fund reliable source of income is generated from CARA (County Allocation of Revenue Act) through the department of Gender, Culture, Sports, Youth and Social Services, Vihiga County. Out of the projected revenue, the fund did realize all the amount resulting to 100 percent realization. The fund activities were funded despite the late disbursement of funds. These funds were not adequate to meet the teams' demands since no disbursement were made to the fund during the year under review, hence, under-performance.

The fund managed to fund the teams with the available funds and encouraged the Executive Committee of the teams to source for more support from other well-wishers/sponsors. In view of the budget deficit experienced, the fund management committee has already started engaging external agents with a view of mobilizing more resources for the teams in line with the provision of article 6-1(i) of the Act.

During the FY 2024/2025, the fund expenditure amounted to Kshs.15,343,223. This represents the absorption rate of 95% of the budget. Kshs.11,200,000 was spent on teams' sporting activities while Kshs.4,143,223 was spent on Fund committee activities and administration costs.

In the financial year 2024/2025, the fund experienced cash flow problems as there were delays in release of funds by the National Treasury to County Government which later adversely affected the fund. However, the management did their best to ensure the fund that were available benefited the teams and other sporting activities within the county despite the challenges.

The cash and cash equivalent stood at Kshs.3,256,793 as at 30th June 2025.

Conclusion

The FY 2024/2025 was a run-away point for the fund despite the limited funding but the performance was quiet encouraging. The fund management committee is however committed to nurture the talents of youth in the county by supporting sporting activities within the county.


I take this opportunity to thank H.E the Governor for his support. I would also wish to extend my appreciation to the CECM Finance and Economic Planning, CECM Gender, Culture, Sports, Youth and Social Services, the Sports Management Committee and the entire members of staff from the department of Sports for working hand in hand with the Committee to ensure that the fund achieves its objectives.

Lastly, I want to thank the youths of Vihiga County for their continued support by forming teams/clubs and for the efforts they are making to promote the image of Vihiga County. Thank you all for having confidence in our leadership.

Vihiga County Sports Fund

Annual Report and Financial Statements for the year ended June 30, 2025

Name: Mr. Humphrey Buradi Zadock

Signature.....  **Date:** 28th August, 2025

Chairperson of the Fund



7. Report of The Fund Administrator

The financial statements for the year ending 30th June, 2025 comprises of statement of financial performance, statement of financial position, changes in net assets, cash flows statement, statement of comparison of budget and actual and notes to the financial statements. The management has provided comparative figures for 2024/2025. The fund's key objective was to nurture the talents of youths in the county by promoting sporting activities and development of sports infrastructure. The funding has facilitated and enabled some of our local football teams participate in the premier, super and division 1 leagues and at international level. The fund has also supported other local teams participating in other sports, that is, Volley ball, Rugby, Para volleyball, Netball, Boxing and Athletics.

The report shows that the performance ratio was at 52% indicating a moderate performance, and this was occasioned by failure to disburse the funds by county treasury to the fund during the period under review. The fund management committee was also able to run the fund within the 3% administration costs as set out within the Act.

The fund raised its revenue through County Allocation of Revenue Act (CARA) which was an allocation in the Vihiga County budgets for FY 2024/2025. The fund faced financial challenges where the allocation of Kshs. 18,000,000 (eighteen million only) was not sufficient enough to finance the teams' budgets and other sporting activities.

The fund management committee also appeals to the Vihiga County Government management through the department of Gender, Culture, Sports, Youth and Social Services to increase the allocation to this fund in the FY 2024/2025 budgets.

Key Risk Management Strategies

The fund faces various challenges in the provision of recreational and sporting facilities. This is evidenced in the poorly undeveloped sports infrastructure with most sports-grounds unsatisfactorily maintained.

While some of the mainstream sports i.e football, Volley ball, rugby among others is visible and therefore have received support from the fund, others like basketball are hardly noticed and most young people criss-cross to Kisumu or Kakamega to access public playgrounds for such sports.

This hassled to huge untapped potential of talents and sports among the youth in the county especially after they leave school. The county lacks recreational facilities, thus lacking the necessary infrastructural outlook to provide recreational services.

The sports management committee through this Act aims at diversifying and reaching out to different type of sports for the benefit of a wide spectrum of youths.

8. Statement of Performance Against the County Fund’s Predetermined Objectives

Introduction

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

The key development objectives of the Fund as per the strategic plan for financial year 2024/2025 are to:

- a) Provide quality physical infrastructure in the County
- b) Improve sporting activities in the County.
- c) Amendment of the Sports Act 2019

Progress on attainment of Strategic development objectives

Program	Objective	Outcome	Indicator	Performance
Improve sporting activities in the County	To ensure all disciplines in sporting activities within the county benefited from the funds as provided in the regulations	Number of teams were successfully applied for the fund during the year.	Percentage of teams applying for funds	During the year, 13 teams accessed the fund and were able to excel successful in their games.

9. Corporate Governance Statement

8.1 Fund management committee

The county sports management structure was established under The Vihiga County Sports Management Act, 2019, part 11 sec 4&5.

The committee consist of;

- (a) Non-executive appointed by County Committee member responsible for sports in consultation with the executive committee who shall be the chairman.
- (b) One person with disability from the most representative sports association for people with disability to be appointed by the Executive Committee member for sports.
- (c) At least two (2) youth representatives from both genders appointed by the Executive Committee member for sports.
- (d) Four (4) representatives from the most representative county sports federation appointed by the Executive Committee member for sports
- (e) The County director for sports
- (f) The chief officer for sports who shall be responsible for matters relating to sports
- (g) A fund administrator who shall be the secretary to the committee who shall be appointed by the Executive Committee member for finance.

The committee has 4 meetings in every financial year. A special meeting shall be convened at any time as the case maybe.

8.2 Succession plan

Every member of the committee shall hold office on a part time basis for a period of three years but maybe eligible for re-appointment once.

8.3 Process of appointment and removal of committee members.

A member may be removed from office on recommendation of the executive committee or in case of:

- a. Inability to perform the functions of the office arising out of physical or mental incapacity.
- b. Gross misconduct
- c. Incompetence or negligence
- d. Absence from three consecutive meetings of the committee without a reasonable explanation.
- e. Violation of the constitution or any written law.

8.4 Roles and functions of the fund management committee.

The committee shall;

- a. Set policies on sports management
- b. Approve the county sports plan

- c. Review, approve and endorse recommendations of the director, oversee the application of the county sports plan and give any order or direction necessary for implementation.
- d. Consider, verify and approve funding for local teams and youth activities.
- e. Receive any gifts, grants and donation made to the fund and make disbursement therefrom.
- f. Attract lawful paid activities at the county sports facility's purpose of raising revenue.
- g. Raise funds through sports lotteries, investments or any other lawful means.
- h. Ensure that the sports activity carried out for the purpose of the fund complies with law.
- i. Provide oversight on the administration and management of the fund.
- j. Formulate guidelines to achieve the objective of the fund.
- k. Implement the national government policies on sport response.
- l. Ensure that money held in the fund including any earnings is spent only for the purposes for which the fund is established.

8.5 Conflict of Interest

Notwithstanding, the committee shall encourage community and private sector participation in stadia construction maintenance and management under its supervision and guidance.

8.6 Committee member's remuneration

Committee members shall be paid allowances in accordance with the established County salaries and remuneration commission guidelines.

10. Management Discussion and Analysis

The fund aims to build sport chatter that is result oriented. The fund management ensured that the expenditures are within their budget thus at the end of financial year 2024/2025, the cash and cash equivalent stood at kshs. 3,256,793. The fund committee is committed to source more funds which will be used to create opportunities for youth employment, wealth creation through nurturing of talent and promoting of sporting activities.

The fund management ensured the compliance with the operational laws such as PFM Act, PPAD Act, County Sports Act and regulations. The management will continue adhering to the laid down procedures and focus on improving the performance of the fund.

During the year under review, the Sports Fund Management initiated the preparation of Sports Fund strategic plan that will be for long term.

11. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

Macro-economic stability is one of the functions on which the implementation of the sports work plan and other policy documents are anchored. Such stability will be achieved through prudent management of macro-economic policies through sound monetary measures. Key sector areas identified to achieve the macro-economic stability include:

- i. Development of sports infrastructure
- ii. Identification and nurturing of sports and talents
- iii. Development of recreational facilities.

2. Environmental performance

Clean, secure and sustainable environment is a critical measure for development. There should be continued enforcement of environmental guidelines and regulations for sustainable development and environmental conservation. Measures undertaken towards environmental conservation includes:

- i. Maintaining the sports ground to remain green
- ii. Cleaning and disposing of all plastic materials.
- iii. Encouraging youth to be involved in tree planting exercise and tree conservation.

3. Corporate Social Responsibility / Community Engagements

The management committee has involved its stakeholders in their planning and implementation of sports programs. The system will continue to ensure Vihiga county residents feel the impact of sporting activities.

12. Report of the Management Committee

The committee submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are:

- i. Set policies on sport management
- ii. Consider verify and approve funding for local sports teams' activities.
- iii. Receive grants and donation made to the fund and make disbursement therefrom.
- iv. Ensure that the sports activities carried out are from intended purpose of the fund.

Results

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

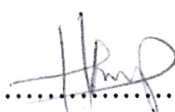
Trustees

The members of the management committee who served during the year are shown on page (vii) of the financial report.

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



Chair of the Board/Fund Administration Committee

Date:

13. Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Vihiga County Sports Management Act, 2019 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Vihiga County Sports Management Act, 2019. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2025, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

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

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

Approval of the financial statements

The Fund’s financial statements were approved by the Board on 28th August, 2025 and signed on its behalf by:

.....


Name: John Owako

Administrator of the County Public Fund



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON VIHIGA COUNTY SPORTS FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Vihiga County Sports Fund set out on pages 1 to 21, which comprise of the statement of financial position as at

Report of the Auditor-General on Vihiga County Sports Fund for the year ended 30 June, 2025

30 June, 2025 and the statement of comprehensive income, 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 Vihiga County Sports Fundas at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Vihiga Sports Management Fund Act, 2019 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Long Outstanding Receivables

The statement of financial position and as disclosed in Note 5 to the financial statements reflects receivables balance of Kshs.620,000 which has been outstanding for more than one year. The amount had been advanced to the department of gender, culture, youth, sports and social services. However, there was no written agreement between the Fund and the Department to have the funds refunded back. In addition, no authority was provided by the CEC in charge of finance for the advance.

In the circumstances, the accuracy and existence of the reported receivables amounting to Kshs.620,000 could not be confirmed.

2. Grants to Teams

The statement of financial performance reflects an amount of Kshs.11,200,000 relating to grants to teams as disclosed in Note 2 to the financial statements. This amount had been granted to seventeen (17) teams in varying amounts. It is however not clear, and management did not present evidence to show the criteria used in determining how much each of the teams was to be advanced. In addition, no acknowledgements were provided from the team treasurers to confirm that the amounts were indeed granted to the teams.

In the circumstances, the completeness and accuracy of the disclosed grants could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Vihiga County Sports Fund Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe

that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effects of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matters

Unresolved Prior Year Matters

In the prior year audit report, two issues were raised under the Report on Financial Statements and Effectiveness of Internal Controls, Risk Management and Governance, respectively. These include Accounts Receivables and Lack of Internal Audit Reports. Review of the status during audit of the Fund in 2024/2025 revealed that the matters remained unresolved.

Other Information

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Reports

Review of internal audit records revealed that internal audit unit did not prepare a quarterly internal audit report and submit the same to the accounting officer of the concerned entity, the audit committee and the County Treasury within 14 days of the end of the quarter. Contrary to regulations 166 of the Public Finance Management County Government Regulations 2015.

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

2. Failure by Teams to Submit Expenditure Reports

The Sports Management Act mandates that all sponsored teams prepare and submit expenditure reports detailing the use of sponsorship funds. However, the Sports Fund management did not adequately follow up with the sponsored teams to obtain these reports. This was contrary to Section 15(2) of the Vihiga County Sports Management Act, 2019 states that a local sports team or youth group sponsored by the Fund shall submit to the committee the record of expenditure of amounts received from the Fund once every quarter.

As a result, it was not possible to verify whether the funds were utilized for the intended purposes, thereby preventing confirmation of value for money.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance

were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit


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

to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

29 October, 2025

Vihiga County Sports Fund

Annual Report and Financial Statements for the year ended June 30, 2025

15. Statement of Financial Performance for the Year Ended 30th June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	1	18,000,000	-
			-
Total Revenue		18,000,000	-
Expenses			
Grants to Teams	2	11,200,000	3,400,000
Use of goods and services	3	4,143,223	732,885
Total Expenses		15,343,223	4,132,885
Surplus/(Deficit) for the Period		2,656,778	(4,132,885)

(The notes set out on pages 14 to 16 form an integral part of these Financial Statements)



Name: John Owako
Administrator of the Fund



Name: CPA Isabel Pili
Fund Accountant
ICPAK Member Number: 30116



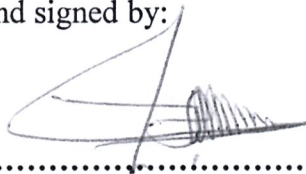
Vihiga County Sports Fund

Annual Report and Financial Statements for the year ended June 30, 2025

16. Statement of Financial Position as at 30 June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs.	Kshs.
Assets			
Current Assets			
Cash and Cash Equivalents	4	3,256,793	15
Receivables	5	620,000	620,000
Total current assets		3,876,793	620,015
Total Assets		3,876,793	620,015
Current Liabilities			
Payables	6	600,000	
Net Assets		3,276,793	620,015
Fund Balance Brought forward	7	620,015	4,752,900
Accumulated Surplus		2,656,778	(4,132,885)
Total Net Assets and Liabilities		3,276,793	620,015

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 28th August 2025 and signed by:



.....
Name: John Owako
Administrator of the Fund



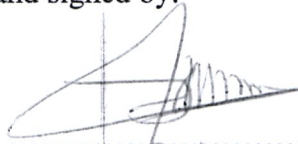
.....
Name: CPA Isabel Pili
Fund Accountant
ICPAK Member Number: 30116



17. Statement of Changes in Net Assets for the year ended 30th June 2025

Description	Revolvin	Revalnatio	Accumulated	Total
	g Fund	n Reserve	surplus	
		Kshs	Kshs	Kshs
Balance As At 1 July 2023	-	-	4,752,900	4,752,900
Surplus/(Deficit) For the Period	-	-	(4,132,885)	(4,132,885)
Funds Received During the Year	-	-	-	-
BalanceAsAt30 June 2024	-	-	620,015	620,015
	-	-		-
Balance As At 1 July 2024	-	-	620,015	620,015
Surplus/(Deficit) For the Period	-	-	2,656,778	2,656,778
Funds Received During the Year	-	-	-	-
BalanceAsAt30 June 2025	-	-	3,276,793	3,276,793

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 28th August 2025 and signed by:



Name: John Owako
Administrator of the Fund



Name: CPA Isabel Pili
Fund Accountant
ICPAK Member Number: 30116



Vihiga County Sports Fund

Annual Report and Financial Statements for the year ended June 30, 2025

18. Statement of Cash Flows for the Year Ended 30 June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the county government	1	18,000,000	-
Total receipts		18,000,000	-
Payments			
Grants to team	2	10,600,000	3,400,000
Use of Goods and services	3	4,143,223	732,885
Total payments		14,743,223	4,132,885
Adjusted for			
Changes in Receivables		-	(320,000)
Changes in Payables			
		-	(320,000)
Net cash flows from operating activities		3,256,778	(4,452,885)
Net increase/(decrease) in cash & cash equivalents		3,256,778	(4,452,885)
Cash and cash equivalents at 1 July	4	15	4,452,900
Cash and cash equivalents at 30 June	4	3,256,793	15
As per Statement of Assets		3,256,793	15

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 **28th August, 2025** and signed by:



Name: John Owako
Administrator of the Fund



Name: CPA Isabel Pili
Fund Accountant
ICPAK Member Number: 30116



Vihiga County Sports Fund
Annual Report and Financial Statements for the year ended June 30, 2025

19. Statement of Comparison of Budget and Actual Amounts for the Period

Description	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization
	Kes	Kes	Kes	Kes	Kes	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers From County Govt.	18,000,000	-	18,000,000	18,000,000	-	100
Balance b/f	-	15	15	15	-	100
Total Income	18,000,000	15	18,000,015	18,000,015	-	100
Expenses						
Grants to Teams	13,200,000		13,200,000	10,600,000	2,600,000	80
Use of goods and Services	4,800,000	15	4,800,015	4,143,223	656,793	86
Total Expenditure	18,000,000	15	18,000,015	14,743,223	3,256,793	82
Surplus For the Period	-	-	-	3,256,793		

Budget notes:

1. The underutilization realized was as a result of non-disbursement of funds to the Sports fund account during the year under review.

Vihiga County Sports Fund
Annual Report and Financial Statements For the year ended 30th June 2025

20. Notes to the Financial Statements

1. General Information

The Sports Fund entity is established by and derives its authority and accountability from Vihiga County Sports Management Act. The entity is wholly owned by the Vihiga County Government and is domiciled in Kenya. The entity's principal activity is to promote sporting activities in the county.

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) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025*

There were no new and amended standards issued in the financial year

(ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:

***Vihiga County Sports Fund
Annual Report and Financial Statements For the year ended 30th June 2025***

Discontinued Operations	Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector

	employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
--	--

(iii) Early adoption of standards

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

4. 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.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

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

b) Budget information

The original budget for FY 2024/25 was approved by the County Assembly on 30th June 2024. 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 Fund did not record additional appropriation on the FY 2024/2025 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

***Vihiga County Sports Fund
Annual Report and Financial Statements For the year ended 30th June 2025***

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 these financial statements.

c) Property, plant and equipment

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

a) 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.

b) Investment property

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

Summary of Significant Accounting Policies (Continued)

the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

c) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) 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.

e) 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.

f) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Changes in accounting policies and estimates

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

Summary of Significant Accounting Policies (Continued)

i) 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.

j) 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.

k) 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.

l) 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.

m) Comparative figures

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

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

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.

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6. Notes to the Financial Statements

1. Transfers from County Government

Description	FY 2024/2025	FY 2023/2024
	Kes	Kes
Transfers From County Govt. –Operations	18,000,000	-
Total	18,000,000	-

2. Grants to Teams

Description	FY 2024/2025	FY 2023/2024
	Kes	Kes
Vihiga Queens	1,650,000	975,000.00
Bunyore Starlets	1,050,000	375,000.00
Luanda Villa	2,100,000	500,000.00
Vihiga Western Spear	150,000	150,000.00
Mbale RFC	850,000	150,000.00
Vihiga Granites RFC	900,000	150,000.00
Vihiga Volleyball -Men	250,000	150,000.00
Vihiga Volleyball -Women	250,000	100,000.00
Vihiga Paravolley	650,000	50,000.00
Vihiga Netball Club	200,000	200,000.00
Vihiga County Executive Netball	200,000	-
Vihiga Boxing Association	100,000	150,000.00
Vihiga AthleticsKenya	100,000	250,000.00
Vihiga United F.C	1,600,000	-
Soccer Assasins	700,000	-
Kenya Tong IL Moodo Federation	150,000	200,000.00
Vihiga County Netkings	300,000	-
Total	11,200,000	3,400,000

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3. Use of Goods and Services

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
General Office Expenses	3,969,540	728,025
Training Costs	170,000	-
Bank Charges	3,683	4,860
Total	4,143,223	732,885

4. Cash and Cash Equivalent

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Vihiga County Sports Fund Account	3,256,793	15
Total Cash And Cash Equivalents	3,256,793	15

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

Financial Institution	Account number	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Current Account			
Equity Bank - Mbale	960280140066	0	15
SPA - CBK		3,256,793	
Grand Total		3,256,793	15

5. Account Receivables

Description	FY 2024/2025	FY 2023/2024
	Kes	Kshs
Current Receivables		
Transfers due from Department of Gender	620,000	620,000
Total Accounts Receivables	620,000	620,000

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6. Account Payables

Description	FY 2024/2025	FY 2023/2024
	Kes	Kshs
Current Payables		
Luanda Villa	600,000	-
Total Accounts Payables	600,000	-

7. Fund Balance Brought Forward

	2024/2025	2023/2024
	Kshs	Kshs
Bank accounts	15	258,730
Accounts Receivables	620,000	-
Accounts Payables	-	-
Total	620,015	258,730

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21. Annexes

Annex I: Progress on Follow Up Of Prior Year Auditor’s Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Accounts Receivables	The management acknowledges the Auditor’s observation on the above subject matter and responds as follows; The department through Chief officer committed to refund the monies borrowed as soon as they receive the funds into their departmental account from County Treasury. This was not honored because of failure to receive the June 2024 exchequer. The amount of Kshs. 300,000 that was borrowed by the department of Gender in the financial year 2022-2023 was refunded to the fund and these was well reported in the financial statements, and hence could have not been recorded again as outstanding since it was already refunded.	Not Resolved	18.12.2025
	Budgetary Control and Performance	The management acknowledges the Auditor’s observation on the above subject matter and responds as follows; The under-funding of Kshs. 5,000,000 was	Not Resolved	18.12.2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		as a result of the fund not receiving its allocation from the County Treasury as was budgeted for, similarly, the underperformance was as a result of late disbursement of fund by the County Treasury to the Fund which also caused by the late disbursement by the National Treasury. These funds were later disbursed to the fund account in early July, 2024.		
	Non-Implementation of Prior Year Audit Recommendations	The management acknowledges the Auditor's observation on the above subject matter and responds as follows; The management is committed on the development of the action plan for implementation of audit recommendations and issues raised by the Auditor General, however, the management had disclosed the same in the financial statements under prior year audit issues.	Addressed	
	Lack of Internal Audit Reports	The management acknowledges the Auditor's observation on	Addressed	

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Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		the above subject matter and responds as follows; The County Executive has established an internal audit function and the audit committee, which will ensure that the fund's operations are checked and audited as required by the law from this financial year 2024/2025.		



MR. JOHN OWAKO
Fund Administrator

Date.....



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Annex 2 – Trial Balance

<u>TRIAL BALANCE FOR THE YEAR ENDED 30 JUNE, 2025</u>		
ACCOUNT NO. & DESCRIPTION	DR(Kshs)	CR(Kshs)
Transfers from County Treasury		18,000,000
Fund Balance		620,015
Grants to Teams	-	
Vihiga Queens	1,650,000	
Bunyore Starlets	1,050,000	
Luanda Villa	2,100,000	
Vihiga Western Spear	150,000	
Mbale RFC	850,000	
Vihiga Granites RFC	400,000	
Vihiga Volleyball -Men	250,000	
Vihiga Volleyball -Women	250,000	
Vihiga Paravolley	650,000	
Vihiga Netball Club	200,000	
Vihiga County Executive Netball	200,000	
Vihiga Boxing Association	100,000	
Vihiga AthleticsKenya	100,000	
Vihiga United F.C	1,600,000	
Vihiga Rugby	500,000	
Soccer Assasins	700,000	
Kenya Tong IL Moodo Federation	150,000	
Vihiga County Netkings	300,000	

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USE OF GOODS AND SERVICES		
General Expenses	3,969,540	
Training Expenses	170,000	
Bank Charges	3,683	
ACCOUNTS RECEIVABLE		
Transfers due From Department of Gender	620,000	
ACCOUNTS PAYABLES		
Amount due to Luanda Villa		600,000
CASH AND CASH EQUIVALENTS		
A. CASH AT BANK		
Vihiga County Sports Fund Account - Equity - 0960280140066	3,256,792.50	
TOTAL	19,220,015	19,220,015