

REPUBLIC OF KENYA



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REPORT

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THE AUDITOR-GENERAL

ON

UASIN GISHU COUNTY INUA BIASHARA FUND

FOR THE YEAR ENDED 30 JUNE, 2024

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UASIN GISHU COUNTY INUA BIASHARA FUND

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2024**

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



Uasin Gishu County Inua Biashara Fund
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1. Acronyms and Glossary of Terms

a) Acronyms

CBK	Central Bank of Kenya
CECM	County Executive Committee Member
CEO	Chief Executive Officer
CO	Chief Officer
DG	Director General
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank

b) Glossary of Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

a) Background information

The Uasin Gishu County Inua Biashara Fund was established by the Uasin Gishu Inua Biashara Fund Act 2018 amended 2020 Further, amended 2022 and derives its authority and accountability from this Act. The Fund is wholly owned by the County Government of Uasin Gishu and is domiciled in Kenya. The funds objective is to promote the establishment of new small business and industries and to promote the development of existing small businesses and for connected purposes .The Funds principal activity is to provide access to capital and financing facilities to micro and small enterprises owned by the residents of Uasin Gishu County especially those owned by youth, women and other special interest groups

b) Principal Activities

The principal activities of the Fund as provided by Uasin Gishu County Inua Biashara Fund Act, 2018 section 3 are to;

- i. Establish and administer the Uasin Gishu County Inua Biashara Fund
- ii. Promote new small enterprises in the Uasin Gishu County especially those owned by special interest groups
- iii. Promote existing small enterprises in the Uasin Gishu County especially those owned by special interest groups

The proceeds of the Fund shall be appropriated for purposes of, as provided by Uasin Gishu County Inua Biashara Fund Act, 2018 section 4 (2) are,

- a) Providing access to capital and financing facilities to micro and small enterprises owned by residents of Uasin Gishu county especially those owned by youth, women and other special interest persons or their groups.
- b) Attracting and facilitating investment in micro and small enterprises oriented commercial infrastructure.
- c) Supporting micro and small enterprises to develop linkages with large enterprises.
- d) Facilitation marketing of products and services of micro and small enterprises owned by the residents of Uasin Gishu county in both domestic and international markets.
- e) Facilitating financial literacy through Capacity building

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- f) Providing access to financing facilities for local purchase orders and contracts particularly those owned by youth, women other special interest groups.

c) Fund Administration Committee

Ref	Name	Position
1	Mr Geoffrey Tanui	ViceChairperson
2	Mr Eliud Chemaget	Member
3	Mr Isaac Lagat	Member
4	Ms Loice Kebenei	Member
5	Ms Joanne Mutai	Secretary

d) Key Management team

Ref	Name	Position
1	Mr Silas Rono	Director Finance
2	Ms Joanne Mutai	Fund Administrator
3	Ms Agnes Cheruiyot	Fund Accountant

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Ms Mary Kiarie
2	Audit Committee Chairperson	CPA Zephania Ruto

f) Registered Offices

Uasin Gishu County Government,
P.O. Box 40-30100,
KVDA Plaza
Oloo Street Eldoret, KENYA

Uasin Gishu County Inua Biashara Fund

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g) Fund Contacts

Phone: 05320160000 Email: info@uasingishu.go.ke County HQ Phone : 05320130148 Email: info@uasingishu.go.ke

h) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

2. Family Bank
P.O. Box 2201 30100
Eldoret

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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

Uasin Gishu County Government,
P.O. Box 40-30100,
Eldoret, KENYA




3. Fund Administration Committee

Photo	Name, Details of qualifications and experience
	<p>MR GEOFFREY TANUI– CHAIRPERSON Mr. Tanui was born on 28th December 1977. He holds Bachelors Degree in Accounting (BCOM), he holds Masters Degree in Strategic Management. From 2005 to 2022 he was in banking and insurance. He is currently the Chief Officer Trade and Industrialization- County Government of Uasin Gishu.</p>
	<p>MR ISAAC LAGAT – MEMBER Mr Isaac Lagat was born on 8th November 1983. He holds a Bachelors Degree in Business Management and currently pursuing a masters degree in Project planning and Management form UON. The officer has over 13 years experience in credit management and administration in both private sector commercial financial institutions and public sector financial institutions. He is well versed with public sector management with over 10 years in Public sector management.</p>
	<p>ELIUD CHEMAGET – MEMBER Mr. Eliud Chemaget was born on 3rd November 1989. He has vast experience in an industrious environment, entrepreneurship, financial controls, credit, sales and relationship management. He holds Bachelor of Science With IT Major: (Mathematics & Computer Science) from Maseno University and Master of Business Administration (Finance) from Kenyatta University. He is currently the Chief Officer in charge of Finance in County Government of Uasin Gishu.</p>
	<p>MS LOICE KEBENEI – MEMBER Ms Kebenei was born on 4th October 1986. She is an advocate of the high court of Kenya with 5 years of experience post admission. She works at County Government of Uasin Gishu as a legal officer since 2015 to date. Holds a post graduate diploma from Kenya School of Law and an LLB Degree from Moi School of Law.</p>
	<p>MS JOANNE MUTAI – FUND MANAGER Ms Mutai was born on 24th February 1991. She has a Masters in Management and Leadership – Management University of Africa. International Business Administration (Finance) – United States International University Africa. She was a Business Analyst at Captiva Africa 2014, a Regional Head (Digital Skills for Africa) - Google Africa 2017-2019 and currently a Fund Manager- County Government of Uasin Gishu.</p>

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4. Management Team

Photo	Name, Details of qualifications and experience
	<p>MR SILAS RONO Mr. Rono was born on 15th October 1973. He has previously served in key positions in the defunct Local Authority as Accountant, Municipal Treasurer, and Deputy Treasurer. Since the inception of devolution, he has served as Principal Accountant and is currently the Director Finance at the County Government of Uasin Gishu. He is a member of the Certified Public Accountants of Kenya and the Certified Public Secretaries of Kenya.</p>
	<p>MS JOANNE MUTAI – FUND MANAGER Ms Mutai was born on 24th February 1991. She has an MBA Finance - University of Nairobi. BSc in International Business Administration (Finance) – United States International University Africa. She was a Business Analyst at Captiva Africa 2014, a Regional Head (Digital Skills for Africa) - Google Africa 2017-2019 and currently a Fund Manager- County Government of Uasin Gishu.</p>
	<p>MS AGNES CHERUIYOT – ACCOUNTANT Ms Cheruiyot was born on 16th October 1980. She has a Bachelor of Business Management in Accounting major, CPA-K (certified public accountant) and a member of ICPAK (institute of certified accountants of Kenya). She has worked as an accountant at Davies High School. Currently she is the fund accountant.</p>

5. Fund Chairperson's Report

The Inua Biashara Fund was aimed at touching the lives of the people of Uasin Gishu County especially the women, Youth and special groups. Our resilience and sustainability are reliant on the degree to which we remain true to our purpose: to make lives better. The most successful establishments in the world are those that have a clear social purpose, and we aim to play our part to create long-term sustained values, underpinned by sound principles. Now we can broadly fulfil this promise by delivering societal financial wellness and good governance. This is the reason the legislation on this particular Fund is very clear on relatively low interest rates of 5% per annum and a fair repayment period of 24 months. In the FY 2023/2024 business people, small and medium size enterprises and special groups were able to benefit from the Fund. During the financial year (FY) 23/24, the number of Fund members increased by 38% to 1292 from 808 MSMEs, and total Fund grew by 29% from KSH 84,055,000 to KSH 119,228,000.

The past year was particularly distinctive for the Fund for it was the year when we introduced the first training on green economy to beneficiaries of the Fund. When I joined the Fund in January 2023, I was profoundly impressed by how efficiently the Fund leveraged on technology to deliver a high level of service to our members and engagement with our respective stakeholders.

Industry participants emphasized that the digital revolution has changed the way we communicate, work, and live. Numerous advantages have resulted from technological improvements, including more production in MSMEs, better access to information and services, and more prospects for socioeconomic development. While numerous technologies can increase connectivity and get everyone online, achieving 100% connectivity requires the right incentives, sound investments, regulatory frameworks, and capacity building coordinated with a robust innovation ecosystem to achieve universal, accessible, reasonably priced, and secure connectivity.

There was also a significant rapid growth of the Agri-business and its impacts while emphasizing the importance of regulatory expectations to utilize strategically and efficiently new services through business models that ensure efficient service delivery.

The Uasin Gishu County Inua Biashara Fund Committee oversees the management of the Fund. I wish to sincerely appreciate the establishment of this Fund, whose main focus is the Uasin Gishu

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County's Women, Youth and Special groups; to empower them acquire the necessary skills through trainings, awarding them loans and necessary linkages, was a noble idea by the County Government of Uasin Gishu. Since inception, the Fund's performance has been outstanding.

In order to ensure transparency and accountability in optimal loan disbursement and recovery, the Board envisages automating all the Fund's operations. Development of an ICT system is on course.

Most entrepreneurs are currently looking up to funding from this establishment terming their reasons to be the low friendly interest rates and the friendly repayment period of two years.

Name.....*GEORGEY ANU*.....Signature.....*W B*.....Date.....*20/11/24*.....

Chairperson of the Board

Uasin Gishu County Inua Biashara Fund
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6. Report of The Fund Administrator

Inua Biashara Fund being formed under Inua Biashara Fund Act of 2018, gives the administration of this public entity mandate to execute proper management of the funds as cited in the ACT. As captured in the introduction the core principle activities were executed as per expectation.

In the FY20/21 the fund was able to advance KES 30,291,000 in total of loans to applicants.

In the FY 21/22 the fund was able to advance KES 33,704,000 in total of loans to applicants.

In the FY 22/23 the fund was able to advance KES 20,060,000 in total of loans to applicants.

In the FY 23/24 the Fund was able to advance KES 35,173,000 in total of loan to applicants

This brings the total number of loans given to KES 119,228,000

This Financial year the Fund trained 2900 MSMEs in 16 wards across the County. The main area of focus was Financial literacy. The training also adopted information on green economy and advantages of technology in the businesses of today.

The fund performance in terms of repayments is at 33%. Many of the beneficiaries in the mentioned years, suffered closure of businesses due to COVID 19 Pandemic. Those that are still running have very low cashflows making it hard for them to repay the loans.

The Fund is currently looking for ways to in cooperate Favourable terms for the agribusiness community. This will put in place avenues to assist beneficiaries pay their loans at ease.

During the year 359 individuals have not repaid anything at all. Most of these businesses closed down and others were agricultural based which never yielded as per expectation.

Name.....*Jaxine MUSA*.....Signature.....*[Signature]*.....Date.....*20/11/24*.....

Fund Administrator

7. Statement of Performance Against the County Fund's Predetermined Objectives

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 or 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.

Uasin Gishu County Inua Biashara Fund is a fund developed by the County Government of Uasin Gishu through an Act of County Assembly 2018. Its purpose is to provide for the establishments of Inua Biashara Fund to promote the establishment of new small businesses and industries and/or to promote the development of existing small businesses and for connected purposes. The Inua Biashara Fund is tasked to giving loans to SMEs at a subsidized interest rate and a friendly repayment period.

Inua Biashara Fund had an annual budget to disburse Ksh 30,291,000 in the FY 2020/2021, Kshs.33,704,000 in the FY 2021/2022, Kshs. 85,360,000 in the FY 2022/23 and 97,557,265 in the FY 2023/2024. The plan was to give out this amount to provide training, capital and financing to different businesses. The plan therefore was executed.

The Fund was able to advance loans to 404 beneficiaries in FY 2023/2024. The key development objectives of the Inua Biashara Fund in the FY 2023/2024 were:

- a) Provide access to capital and financing facilities to micro and small enterprises owned by the residents of Uasin Gishu County.
- b) Attracting and facilitating investment in micro and small enterprises oriented commercial infrastructure
- c) Supporting micro and small enterprises to develop linkages with large enterprises
- d) Facilitating marketing of products and services
- e) Capacity Building
- f) LPO financing

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Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Provide access to capital and financing activities	Credit disbursed to MSMEs.	Increased number of MSMEs funded	No of loans disbursed	In FY 2023/2024 the loan beneficiaries are repaying.
Attracting and facilitating investment in micro and small enterprises oriented commercial infrastructure	Development of proposals to attract investors and donor Funding establishments Exhibitions Social media marketing	Proposals developed and funded. Investment guide and policies for seamless integration of investors. Investment promotion agency	Number of proposals Amount of resources attracted	Yet to be accomplished
Supporting micro and small enterprises to develop linkages with large enterprises	Linking SMEs to markets	Marketing Enhanced	No of MSMEs marketed locally and internationally	Yet to be accomplished
Supporting MSMEs to develop linkages with large enterprises	Identification of MSMEs	Linkages established and strengthened	No of MSMEs linked with large enterprises	Yet to be accomplished
Capacity Building	Train MSMEs on Financial literacy and green economy	MSMEs trained	New market entries and better business management	Accomplished. Increased number of flourishing businesses
LPO Financing	Finance LPOs in the County	LPO financed	No of LPO financed	Yet to be accomplished

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8. Corporate Governance Statement

There is an existence of a fund committee known as Uasin Gishu County Inua Biashara Committee as per The Uasin Gishu County Inua Biashara Fund Act, 2018, 5 (1).

In the FY 2023/2024 there were a total of 7 committee meetings.

Meeting 1 – 1st August 2023

Meeting 2 – 12th September 2023

Meeting 3 – 26th October 2023

Meeting 4 – 6th March 2024

Meeting 5 – 9th April 2024

Meeting 6 – 22nd April 2024

Meeting 7 – 22nd May 2024

The committee consists of

- (1) Non-executive Chairperson
- (2) Chief Officer Finance
- (3) Chief Officer Trade
- (4) Director Trade
- (5) County Attorney
- (6) Fund Manager
- (7) Three other persons appointed by CECM

The chairperson and members appointed under Uasin Gishu County Inua Biashara Fund Act 2018 section 6 (1)(f) shall serve a term of 3 years and shall be eligible for re-appointment for one further term.

The committee member or chairperson shall be subject to such persons

1. Satisfying the requirements of chapter 6 of the constitution.
2. Holding a minimum of a bachelor's degree from a university recognised in Kenya or
3. On account of their training or experience.

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- i. Having over 10 years distinguished experience in financial, business or economic matters; or
- ii. Being knowledgeable about trade, industry, finance or the economy; or
- iii. Having legal knowledge of the matters pertaining to small business; or
- iv. Having experience in matters connected to it, and of problems experienced by small business enterprises; or
- v. Complying with other criteria to County Executive Committee Member in charge of trade may prescribe.

As guided by Uasin Gishu County Inua Biashara Fund Act 2018 section 8 (1) a member of the committee may be removed from office only for,

1. Violation of the constitution or any other law
2. Gross misconduct, whether in the performance of the members functions or otherwise,
3. Physical or mental incapacity to perform the functions of office
4. Incompetence
5. Neglect of duty

The committee shall have power to

- a) Receive reports and accounts from the Fund Administrator and forward the same to the County Executive Member for Finance and Economic planning
- b) Prepare or cause to be prepared estimates of the revenue and expenditure of the Fund for that financial year
- c) Receive loan applications from the fund administrator and identify beneficiaries
- d) Perform any other function that can be delegated from time to time by the CECM for Finance and Economic planning.

The performance of the committee members was excellent as per their functions stipulated by the law.

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A committee member whose ethics and conduct are questionable shall be removed by the Executive Committee Member upon recommendation by the committee.

The committee receives allowances from the Fund after every sitting as provided in the Act. 3% administration fee caters for the Committee allowances.

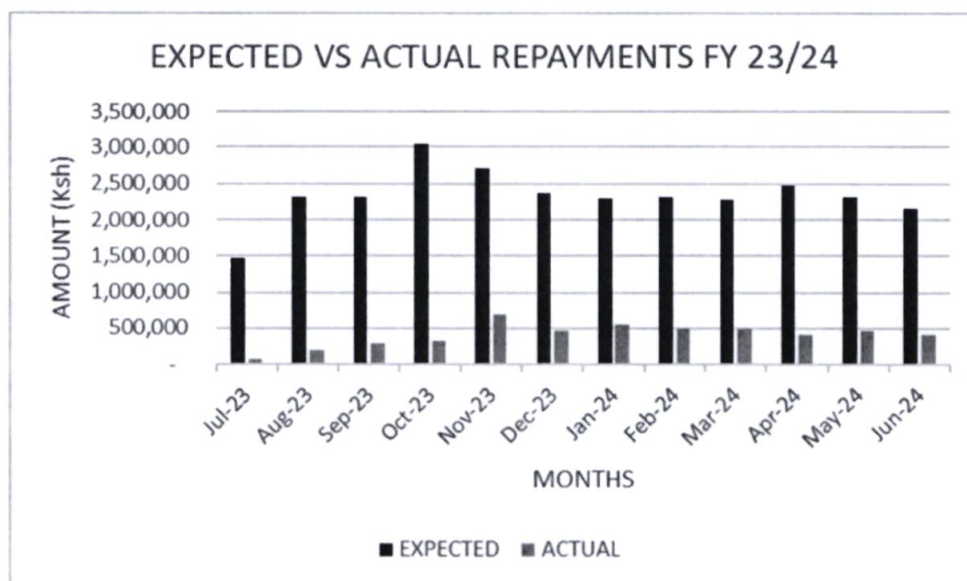
The accounts of the fund shall be examined, audited and reported upon annually by the Auditor-General in accordance with the Public Audit Act 2015.

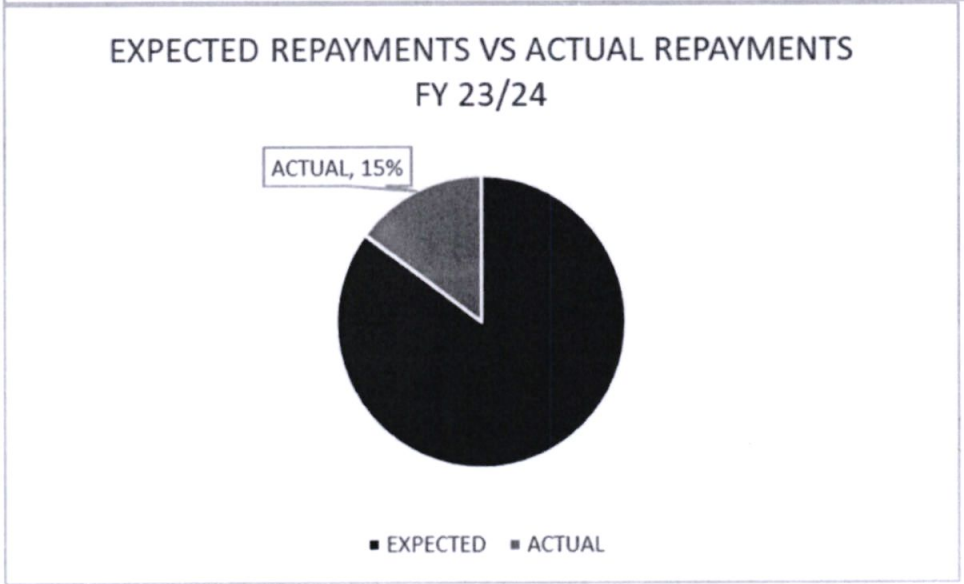
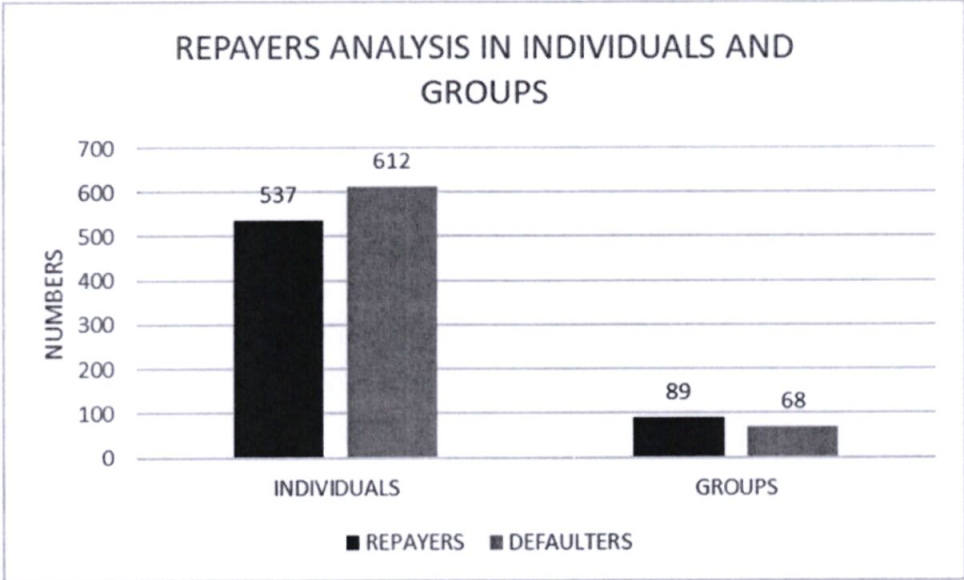
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9. Management Discussion and Analysis

Kenya's economy grew 5.2% in 2023, up from 4.8% in 2022, as agriculture rebounded, and services grew moderately. On the supply side, services accounted for 69% of the growth and agriculture for 23%, while on the demand side, household consumption accounted for 70%. Inflation edged up to 7.7% in 2023 from 7.6% in 2022, driven by core inflation (32% of the change), fuel inflation (26%), and cost-push inflation (9% year on year increase in the producer price index).

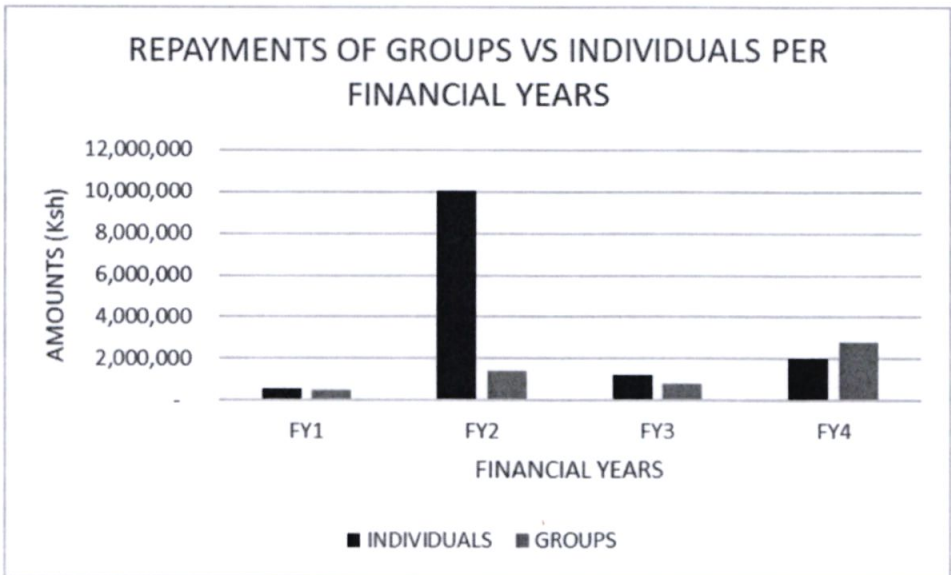
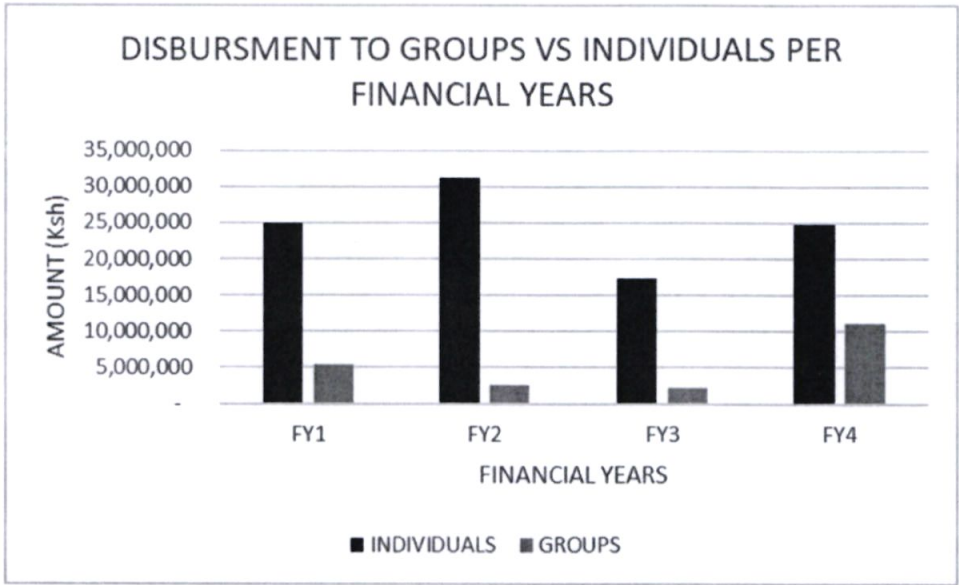
Inua Biashara Fund has in the FY23/24 seen growth within the fund regardless of the challenges that the Fund faced.



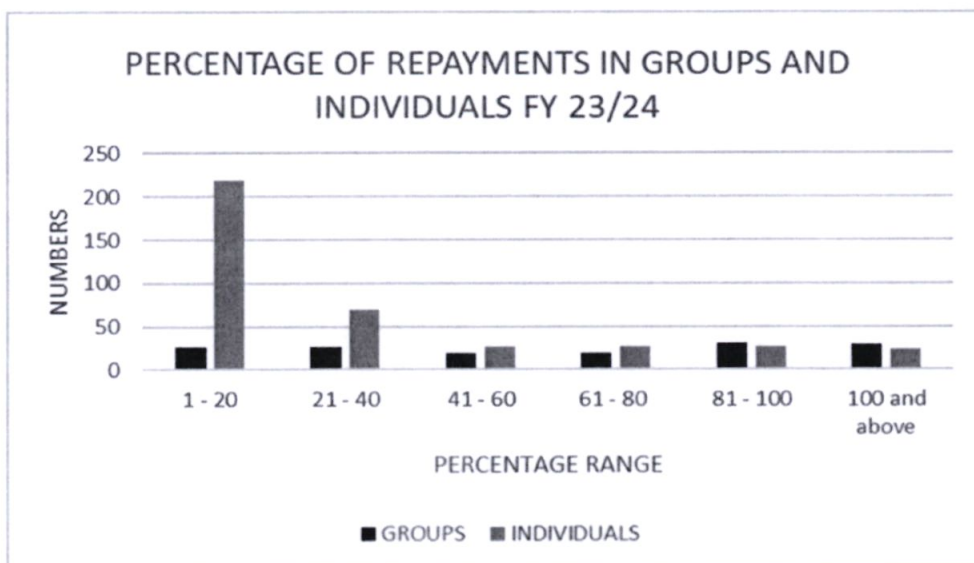
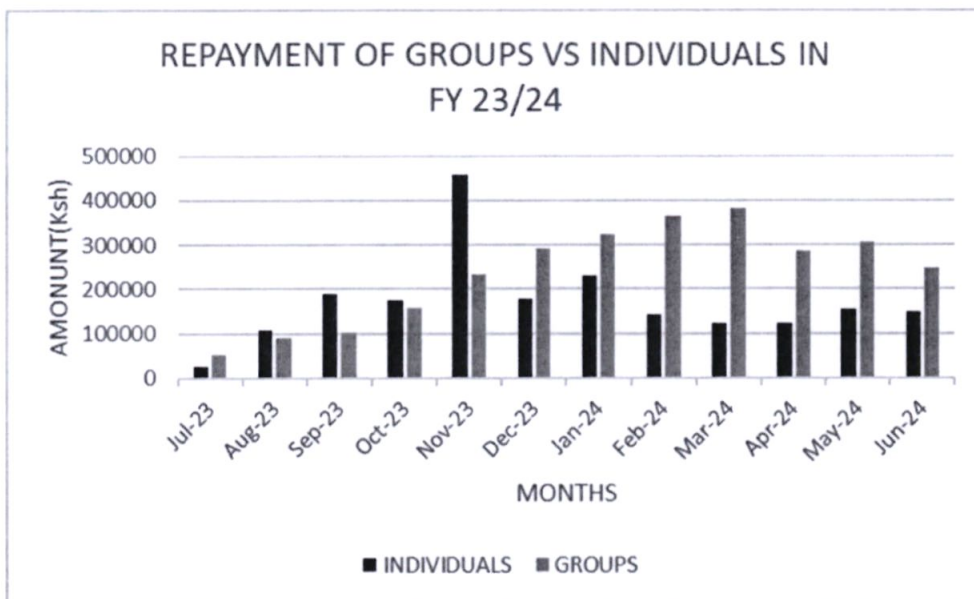


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10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile

Sustainability strategy is captured in 4 main areas (a) Climate Change adaptation (b) Climate Change mitigation (c) Ecological Conservation & Resource Efficiency and (d) pollution prevention. This is also called green finance.

Macroeconomic instability is often characterized by high and variable inflation, serious balance of payments problems, large fiscal deficits, low or negative output growth, and high and growing unemployment. Together these have a serious impact on the environment through their influence on incentives to preserve environmental resources or to invest in environmental protection.

The Key achievement in this area as a funds is that in every Capacity building done, there has been time slots set aside for the discussion on sustainability strategies broadly.

2. Environmental performance

The Inua Biashara Fund does not have its own Environmental Policy. It is guided by the policy used at the County level. The policy covers among other issues (a) Education & employment (b) Health & Social related (c) Social housing (d) Affordable food (e) Affordable infrastructure and (f) Financial services

3. Employee welfare

Inua Biashara Fund being an entity within the County Government, matters hiring and human resource is centrally controlled from the County Government and not the Fund.

4. Marketplace practices

a) Responsible competition practice.

The Inua Biashara Fund takes into considerations fair distribution of Funds across the 30 wards of Uasin Gishu County.

b) Responsible Supply chain and supplier relations

All contractors are vetted within the confines of the Procurement Law and the best contractor awarded respectfully. No contract is awarded before there are Funds in the Account.

c) Responsible marketing and advertisement

In the course of marketing the Inua Biashara Fund, there is put in place areas of emphasis (a) transparency and honesty (b) Client privacy (c) social responsibility (d) authenticity. This principle keeps the Fund in check on matters responsible marketing

d) Product stewardship

The Inua Biashara Fund puts into consideration Article 46 of the Constitution of Kenya provides for the following Consumer rights:

- i. Goods and services of reasonable quality;
- ii. Information necessary to enable consumers gain full benefit from goods and services;
- iii. Protection of consumer health, safety and economic interests; and
- iv. Compensation for loss or injury arising from defects in goods or services.

5. Corporate Social Responsibility / Community Engagements

In the mentioned year of Audit, the entity did not have a budget for CSR.

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11. Report of The Trustees

The Fund Committee submits their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Inua Biashara Fund affairs.

Principal activities

The principal activities of the Entity are

1. Establish and administer the Uasin Gishu County Inua Biashara Fund
2. Promote new small enterprises in the Uasin Gishu County especially those owned by special interest groups
3. Promote existing small enterprises in the Uasin Gishu County especially those owned by special interest groups

Results

The results of the Entity for the year ended June 30, 2024, are set out on page 2.


i) Fund Committee

The members of the Fund Committee who served during the year are shown on page iv. During the year, no fund committee retired/ resigned, and four was appointed with effect from 3rd June 2024 date.

Auditors

The Auditor-General is responsible for the statutory audit of the Inua Biashara Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Inua Biashara Fund for the year ended June 30, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board


.....
Name JOHNS MUSA

Corporation Secretary/Secretary to the Board/Committee

12. Statement of Fund Committee Responsibilities

Section 81 or 164 of the Public Finance Management Act, 2012 and Inua Biashara Fund Act, 2018, require the Fund Committee to prepare financial statements in respect of that Inua Biashara Fund which give a true and fair view of the state of affairs of the Inua Biashara Fund at the end of the financial year and the operating results of the Inua Biashara Fund for that year. The Fund Committee are also required to ensure that the Inua Biashara Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the Inua Biashara Fund. The Fund Committee is also responsible for safeguarding the assets of the Inua Biashara Fund.

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

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

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In preparing the financial statements, the Fund Committee have assessed the entity's ability to continue. Nothing has come to the attention of the Fund Committee to indicate that Inua Biashara 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 Inua Biashara Fund financial statements were approved by the Board on 7/July
2024 and signed on its behalf by:



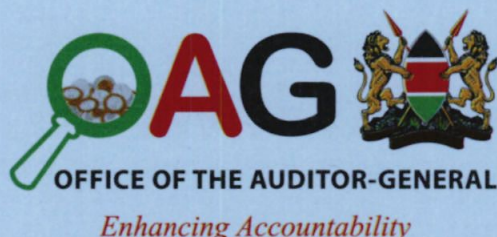
.....
Name *GEORGEY TANIA*
Chairperson of Fund Committee



.....
Name *JOSEPH MURIEL*
Fund Administrator

REPUBLIC OF KENYA

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



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P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON UASIN GISHU COUNTY INUA BIASHARA FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- 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 Uasin Gishu County Inua Biashara Fund set out on pages 1 to 39, which comprise of the statement of financial

position as at 30 June, 2024, 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 Uasin Gishu County Inua Biashara Fund at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Uasin Gishu County Inua Biashara Fund Act, 2018.

Basis for Qualified Opinion

1. Presentations of the Financial Statements

The statement of financial performance reflects public contributions and donations of Kshs.3,017,235. However, the corresponding Note 1 reflects Nil amount and Note 2 reflects the Kshs.3,017,235 under transfers from the County Government.

In the circumstances, the accuracy and completeness of the statement of receipts and payment could not be confirmed.

2. Transfers from County Government

Review of statement of comparison of budget and actuals amount for the Fund revealed that the fund received an amount of Kshs.100,574,500 in respect to transfer from Uasin Gishu County Executive. However, verification from the financial statement of the Uasin Gishu County Executive revealed that the amount transferred was Kshs.53,000,000 resulting to a variance of Kshs.47,574,500 which was not explained.

In the circumstances the accuracy of Kshs.100,574,500 reported in the statement of comparison of budget and actual amount could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Uasin Gishu County Inua Biashara 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.

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amount reflects final revenue budget and actual on comparable basis of Kshs.111,061,968 and Kshs.101,062,603 respectively resulting to under-funding of Kshs.9,999,365 or 9% of the budget. Similarly, the Fund expended Kshs.103,504,898 against actual receipts of Kshs.101,062,603 resulting to over-expenditure of Kshs.2,442,295 or 24% of the actual receipts. No explanation was provided for the over-expenditure.

The underfunding and over-expenditure affected the planned activities and may have impacted negatively on services delivery to the public.

2. Use of Goods and Services

The statement of financial performance reflects use of goods and services amount of Kshs.68,331,898 as disclosed in Note 7 to the financial statements. Comparison of the Kshs.68,331,898 to the previous year amounts of Kshs.55,792,646 revealed an increase of Kshs.12,539,252 or 22% increment which has not been explained.

3. Long-Term Receivables from Exchange Transactions

The statement of financial position reflects long-term receivables from exchange transactions amount of Kshs.25,703,373 as disclosed in Note 13 to the financial statements. Review of the schedules provided for audit, revealed that the long-term loans receivables increased by Kshs.15,673,373 or 156% from Kshs.10,030,000 to Kshs.25,703,373. However, Management did not provide explanation for the increase in long-term loans receivables.

In addition, Management did not maintain detailed loan amortization schedules for each loanee.

My opinion is not modified in respect of these matters.

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 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 Matter

Unresolved Prior Years Matters

In the audit report of the previous year, one (1) issue was raised under the Report on the Financial statements, four (4) issues under the report on Lawfulness and Effectiveness in the use of Public Resources and one (1) issue under the Report on the Effectiveness of Internal Control, Risk Management and Governance. However, there was no comment

on the prior year issues and the issues remain unresolved contrary to Section 149(2)(I) of the Public Finance Management Act, 2012 which require Accounting Officers designated for a County Government entity to try to resolve any issues resulting from an audit that remain outstanding.

Other Information

The Fund Administrator is responsible for the other information set out on pages iii to xxvi which comprise of Key Entity Information and Management, Inua Biashara Fund Committee Members, Management Team, Key Entity Information and Management, Chairman's Statement, Report of the Chief Executive Officer/Fund Administrator Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Fund Committee and Statement of Fund Committee Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Uasin Gishu County Inua Biashara Fund 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. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that other information is not materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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. Irregular Inter-Borrowing

Review of the bank statement revealed that an amount of Kshs.2,000,000 was irregularly transferred from the family bank account to Uasin Gishu County Executive without the approval of County Treasury contrary to Section 154(1)(a) of the Public Finance Management Act, 2012 which states that an Accounting Officer shall not authorize the

transfer of an amount that is appropriated for transfer to another County Government entity or person.

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

2. Non-Performance Loan

The statement of financial position reflects current portion of long-term receivables from exchange transactions of Kshs.94,045,032 which includes other exchange debtors amount of Kshs.13,777,913 as disclosed in Note 13 to the financial statements. Included in Kshs.13,777,913 is Kshs.1,153,827 which relates to loans that have been defaulted. However, no evidence was provided to indicate measures being taken by the Management to recover the defaulted loans from guarantors as required by Section 16(3) of the Uasin Gishu County Inua Biashara Fund (Amendment) Act, 2020.

In the circumstances, the recoverability of Kshs.1,153,827 could not be confirmed.

3. Receivables from Exchange Transactions

The statement of financial position reflects current portion of long-term receivables from exchange transactions amount of Kshs.94,045,032 and long-term receivables from exchange transactions of Kshs.25,703,373 both totalling to Kshs.119,748,405 as disclosed in Note 13 to the financial statements. Audit review of the loan amortization schedules revealed that approximately 16% of the loans were being serviced while 84% of the loans were not being serviced, an indication of low repayment rates and high defaults. In addition, Management was yet to redesignate any of the non-performing loans to civil debt and revert the interest rate to commercial rate as required by Section 16(3) of the Uasin Gishu County Inua Biashara Fund Act, 2018.

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

4. Administration Expenses

The statement of financial performance reflects use of goods and services of Kshs.68,331,898 which exceeds the allowable expenditure rate for use of goods and service of 3% of the approved budget of the Fund or approximately Kshs.3,017,235 of the approved budget. This is contrary to Section 34(4) of the Uasin Gishu County Inua Biashara (Amendment) Act, 2020 which states that the administration costs of the Fund shall be a maximum of three percent (3%) of the approved budget of the Fund.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Imprest Register

Review of the Imprest Management System revealed that the Fund did not have an imprest register which is an accountable document. It was therefore not possible to confirm the operations of imprests issue and surrenders.

In the circumstances, internal control on imprest management could not be confirmed.

2. Lack of a Policy on Provision for Bad and Doubtful Debts

Review of the accounting policies of the Fund revealed that Management had not developed a policy on provision for bad and doubtful debts.

In the circumstances, no provisions could be undertaken on loans.

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 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 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 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

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 INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires 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 IFPP 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

24 December, 2024

Uasin Gishu County Inua Biashara Fund
Annual Report and Financial Statements for the year ended June 30, 2024

14. Statement of Financial Performance for the Year Ended 30th June 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	3,017,235	2,640,000
Transfers From the County Government	2	-	-
Fines, Penalties and Other Levies	3	-	-
		3,017,235	2,640,000
Revenue From Exchange Transactions			
Interest Income	4	1,587,630	1,615,583
Other Income	5	-	-
		1,587,630	1,615,583
Total Revenue		4,604,865	4,255,583
Expenses			
Employee Costs	6		
Use of goods and services	7	68,331,898	55,792,646
Depreciation and Amortization Expense	8	203,700	291,000
Finance Costs	9		
Total Expenses		68,535,598	56,083,646
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
Surplus/(Deficit) for the Period		(63,930,733)	(51,828,063)

(The notes set out on pages 7 to 39 form an integral part of these Financial Statements)

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Name: JOANNE MUSTAI
Administrator of the Fund

.....
Name: Agnes Chemuyot
Fund Accountant
ICPAK Member Number: 30255

Uasin Gishu County Inua Biashara Fund
Annual Report and Financial Statements for the year ended June 30, 2024


15. Statement of Financial Position As at 30 June 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	387,306	9,707,404
Current Portion of Long- Term Receivables From Exchange Transactions	13	94,045,032	66,568,075
Prepayments	14	-	-
Inventories	15	-	-
Investments in financial assets	16	-	-
Total current assets		94,432,338	76,275,479
Non-Current Assets			
Property, Plant and Equipment	17	475,300	679,000
Intangible Assets	18	-	-
Long Term Receivables from Exchange Transactions	13	25,907,073	10,030,000
Investment Property	19	-	-
Total non- current assets		26,382,373	10,709,000
Total Assets (A)		120,427,405	86,984,479
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	-	-
Current Provisions	21	-	-
Current Portion of Borrowings	22	-	-
Employee Benefit Obligations	23	-	-
Social benefit liabilities	24	-	-
Total current liabilities		-	-
Non-Current Liabilities			
Non-Current Provisions	21	-	-
Long Term Portion of Borrowings	22	-	-
Non-Current Employee Benefit Obligation	23	-	-


Uasin Gishu County Inua Biashara Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Social benefit liabilities	24	-	-
Total Liabilities (B)			-
Net Assets (A-B)		120,814,711	86,984,479
Represented By:			
Revolving Fund		235,225,485	137,668,220
Reserves		-	-
Accumulated Surplus		(114,410,774)	(50,683,741)
Net Assets		120,814,711	86,984,479

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 _____ 2024 and signed by:



Name: Jobir Muriuki
Administrator of the Fund



Name: Agnes Cheruget
Fund Accountant
ICPAK Member Number: 30255

Uasin Gishu County Inua Biashara Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2021	29,100,000	-	461,570	29,561,570
Surplus/(Deficit) For the Period	-	-	682,752	682,752
Funds Received During the Year	23,208,220	-		23,208,220
Transfers	-		-	
Revaluation Gain	-	-	-	-
Balance As At 30 June 2022	52,308,220	-	1,144,322	53,452,542
Balance As At 1 July 2022	52,308,220	-	1,144,322	53,452,542
Surplus/(Deficit) For the Period		-	(51,828,063)	(51,828,063)
Funds Received During the Year	85,360,000	-	-	85,360,000
Transfers	-		-	
Revaluation Gain	-	-	-	-
Balance As At 30 June 2023	137,668,220	-	(50,683,741)	86,984,479
Balance As At 1 July 2023	137,668,220		(50,683,741)	86,984,479
Surplus(Deficit) for the period			(63,930,733)	(63,930,733)
Funds Received During the year	97,557,265			97,557,265
Transfers				
Revaluation Gain				
Balance As At 30 June 2024	235,225,485		(114,410,774)	120,814,711

Uasin Gishu County Inua Biashara Fund

Annual Report and Financial Statements for the year ended June 30, 2024

17. Statement of Cash Flows for The Year Ended 30 June 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		3,017,235	2,640,000
Interest received		488,103	223,081
Receipts from other operating activities		-	-
Total receipts		3,505,338	2,863,081
Payments			
Fund administration expenses		-	-
General expenses		68,331,898	55,792,646
Finance cost		-	-
Other payments		-	-
Net cash flows from operating activities	24	(68,331,898)	(52,929,565)
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets			(970,000)
Borrowing		(2,000,000)	
Proceeds from loan principal repayments		4,392,927	2,088,865
Loan disbursements paid out		(49,316,730)	(20,060,000)
Net cash flows used in investing activities		(46,923,803)	(23,814,136)
Cash flows from financing activities			
Proceeds from revolving fund receipts		97,557,265	85,360,000
Additional borrowings			-
Repayment of borrowings		4,873,000	(4,873,000)
Net cash flows used in financing activities		102,430,265	85,360,000
Net increase/(decrease) in cash & cash Equivalents		(9,320,098)	8,616,300
Cash and cash equivalents at 1 July		9,707,404	1,091,104
Cash and cash equivalents at 30 June		387,306	9,707,404

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

Uasin Gishu County Inua Biashara Fund
Annual Report and Financial Statements for the year ended June 30, 2024

18. Statement Of Comparison Of Budget And Actual Amounts For The Period 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	B	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations		-	-	-	-	
Transfers From County Govt.	110,000,000		110,000,000	100,574,500	9,425,500	91%
Interest Income	1,061,968	-	1,061,968	488,103	573,865	46%
Other Income	-	-	-	-	-	
Total Income	111,061,968	-	111,061,968	101,062,603	9,999,365	91%
Expenses						
Fund Administration Expenses	3,000,000	-	3,000,000	2,986,295	13,705	99.5%
General Expenses	7,000,000	-	7,000,000	10,872,486	(3,872,486)	
Finance Cost		-	-	-	-	
Loans	45,000,000		45,000,000	35,173,000	9,827,000	78%
Capacity building, training and travels	55,000,000		55,000,000	54,473,117	526,883	99%
Total Expenditure	110,000,000	-	110,000,000	103,504,898	6,495,102	94%
Surplus For the Period	-	-	-	(2,442,295)	3,504,263	
Capital expenditure						

Budget notes

1. Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

Uasin Gishu County Inua Biashara Fund
Annual Report and Financial Statements for the year ended June 30, 2024

3. *Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.*

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

xxx entity is established by and derives its authority and accountability from xxx Act. The entity is wholly owned by the xxx County Government and is domiciled in Kenya. The entity's principal activity is xxx.

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 2024

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 2024.

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></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 cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and	<p><i>Applicable 1st January 2025</i></p> <p>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:</p>

Discontinued Operations	<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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>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.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <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. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

Uasin Gishu County Inua Biashara Fund

Annual Report and Financial Statements for the year ended June 30, 2024

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. <i>State the expected impact of the standard to the Entity if relevant</i>
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(i) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity’s financial statements.)*

4. Summary of 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 20xx was approved by the County Assembly on xxxx. 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 recorded additional appropriations of xxxxx on the FY 20xx budget following the governing body's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on 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.

Summary of Significant Accounting Policies (Continued)

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 xxx of 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. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. (entity to amend appropriately)* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Summary of Significant Accounting Policies (Continued)

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 Company's financial statements. (amend as appropriate).* 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. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Summary of 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) 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.*

i) 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.

j) 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.

Summary of Significant Accounting Policies (Continued)

k) 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.

l) 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.

m) 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.

n) 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.

o) 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 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)

6. Notes To The Financial Statements Continued

1. Public contributions and donations

Description	2023/2024	2022/2023
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

2. Transfers from County Government

Description	2023/2024	2022/2023
	Kshs	Kshs
Transfers From County Govt. –Operations	3,017,235	2,640,000
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	3,017,235	2,640,000

3. Fines, penalties and other levies

Description	2023/2024	2022/2023
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	2023/2024	2022/2023
	Kshs	Kshs
Interest Income from Mortgage Loans	-	-
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	1,587,630	1,615,583
Interest Income On Bank Deposits	-	-
Total Interest Income	1,587,630	1,615,583

Notes to the Financial Statements Continued

Uasin Gishu County Inua Biashara Fund

Annual Report and Financial Statements for the year ended June 30, 2024

5. Other income

Description	2023/2024	2022/2023
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified. Disclose write backs if any or recoveries from write offs).

6. Employee Costs

Description	2023/2024	2022/2023
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other (Specify)	-	-
Total	-	-

7. Use of Goods and Services

Description	2023/2024	2022/2023
	Kshs.	Kshs.
General Office Expenses	1,181,340	4,072,600
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	2,986,295	2,480,550
Committee Allowances	-	-
Bank Charges	17,666	480
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-

Uasin Gishu County Inua Biashara Fund

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Description	2023/2024	2022/2023
	Kshs.	Kshs.
Rental Costs	-	-
Monitoring and evaluation	6,823,480	-
Telephone And Communication Expenses	-	-
Youth and women empowerment	2,850,000	-
Ward training	19,173,020	-
Provision For Doubtful Debts	-	-
Other (<i>Specify</i>)capacity building	35,300,097	49,239,016
Social benefit expenses*		
Total	68,331,898	55,792,646

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42

8. Depreciation and Amortization Expense

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Property Plant and Equipment	203,700	291,000
Intangible Assets	-	-
Total	203,700	291,000

9. Finance costs

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

Uasin Gishu County Inua Biashara Fund
Annual Report and Financial Statements for the year ended June 30, 2024

10. Gain/(loss) on disposal of assets

Description	2023/2024	2022/2023
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

11. Gain/ (loss) on Fair Value Investments

Description	2023/2024	2022/2023
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

12. Cash and cash equivalents

Description	2023/2024	2022/2023
	Kshs	Kshs
Xxx Car Loan Account	-	-
Xxx County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	387,306	9,707,404
Others (<i>Specify</i>)	-	-
Total Cash And Cash Equivalent	387,306	9,707,404

Notes to the Financial Statements Continued

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

Financial Institution	Account number	2023/2024	2022/2023
		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			
Family Bank	085000092749	255,497	8,738,383
Family Bank	085000099594	131,809	969,021
Sub- Total		387,306	9,707,404
d) Others(Specify)			
Cash In Transit			
Cash In Hand			
Sub- Total			
Grand Total			

13. Receivables from exchange transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
Current Receivables		
Interest Receivable	3,193,436	2,093,879
Current Loan Repayments Due	77,073,683	54,697,196
Other Exchange Debtors	13,777,913	9,777,000
Less: Impairment Allowance		
Total Current Receivables	94,045,032	66,568,075
Non-Current Receivables		
Long Term Loan Repayments Due	25,907,073	10,030,000
Total Non- Current Receivables	25,907,073	10,030,000
Total Receivables From Exchange Transactions	119,952,105	76,598,075

Notes to the Financial Statements Continued

Uasin Gishu County Inua Biashara Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Additional disclosure on interest receivable

Description	2023/2024	2022/2023
	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	3,193,436	2,093,879
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		

14. Prepayments

Description	2023/2024	2022/2023
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

15. Inventories

Description	2023/2024	2022/2023
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (<i>Specify</i>)	-	-
Total Inventories at The Lower of Cost and Net Realizable Value	-	-

Notes to the Financial Statements Continued

16. Investments in financial assets

Description	2023/2024	2022/2023
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c. Equity investments (specify)		
Equity/ shares in Entity xxx	-	-
Sub- total	-	-
Grand total	-	-

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

Movement of Equity Investments

Impairment allowance/ provision	2023/2024	2022/2023
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

e) Shareholding in other entities

For investments in equity share listed above, list down the equity investments under the following categories:

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Current year	Prior year
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

Uasin Gishu County Inua Biashara Fund
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Notes To The Financial Statements (Continued)

17. 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				970,000	970,000
Disposals			-	-	
Transfers/Adjustments					
At 30th June 2022				970,000	970,000
At 1st July 2022					
Additions				-	
Disposals				-	
Transfer/Adjustments					
At 30th June 2022				970,000	970,000
Depreciation And Impairment					
At 1 st July 2022				(291,000)	(291,000)
Depreciation					
Impairment				-	
At 30th June 2023				291,000	291,000
At 1st July 2023					
Depreciation				(203,700)	(203,700)
Disposals				-	
Impairment				-	
Transfer/Adjustment					
At 30th June 2024				494,700	494,700
Net Book Values					
At 30th June 2023				679,000	679,000
At 30th June 2024				475,300	475,000

Uasin Gishu County Inua Biashara Fund

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Notes To The Financial Statements (Continued)

18. Intangible assets

Description	2023/2024	2022/2023
	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	-	-

19. Investment Property

Description	2023/2024	2022/2023
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
At end of the year	-	-

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

Uasin Gishu County Inua Biashara Fund
Annual Report and Financial Statements for the year ended June 30, 2024
Notes To The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	2023/2024	% of the Total	2022/2023	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

(NB: Amount under deposits and retentions should tie to cash held in deposit account)

21. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	-	-	-	-
Additional provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Total provisions year end	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-

Uasin Gishu County Inua Biashara Fund

Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

22. Borrowings

Description	2023/2024	2022/2023
	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	(4,873,000)	4,873,000
Repayments of Domestic Borrowings During the Period	(-)	(-)
Balance At End of The Period	4,873,000	4,873,000

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

Description	2023/2024	2022/2023
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
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	2023/2024	2022/2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

(NB: the total of this statement should tie to note 22 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed). Borrowings should be measured at amortised cost as per IPSAS 41)

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Notes To The Financial Statements (Continued)

23. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	2023/2024	2022/2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

24. Social Benefit Liabilities

Description	2023/2024	2022/2023
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	=	=
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	=	=
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.

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Notes To The Financial Statements (Continued)

25. Cash generated from operations.

Description	2023/2024	2022/2023
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	(63,930,733)	(51,828.063)
Adjusted For:		
Depreciation	203,700	291.000
Amortisation		
Gains/ Losses On Disposal Of Assets		
Interest Income	(1,099,557))	(1,392,502)
Finance Cost		
Working Capital Adjustments		
Increase In Inventory		
Increase In Receivables		
Increase In Payables		
Net Cash Flow From Operating Activities	(64,826,590)	(52,929,565)

(The total of this statement should tie to the cash flow section on net cash flows from operating activities)

Notes To The Financial Statements (Continued)

26. 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) Board of Trustees; etc.

b) Related party transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	2023/2024	2022/2023
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	2023/2024	2022/2023
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

Other Disclosures Continued

e) Due to related parties

Description	2023/2024	2022/2023
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

27. Contingent assets and contingent liabilities

Contingent Liabilities	2023/2024	2022/2023
	Kshs	Kshs
Court Case Xxx Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

(Give details)

Notes To The Financial Statements (Continued)

28. 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:

Description	Total amount Kshs	Fully performin g Kshs	Past due Kshs	Impair ed Kshs
At 30 June 2024				
Receivables From Exchange Transactions	119,952,105	25,907,073	94,045,032	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	119,952,105	25,907,073	94,045,032	-
At 30 June 2023				
Receivables From Exchange Transactions	76,598,075	19,807,000	56,791,075	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	76,598,075	19,807,000	56,791,075	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

Notes To The Financial Statements (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due from xxxx

The board of trustees sets the Fund’s credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the entity’s short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2023				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

Notes To The Financial Statements (Continued)

c) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

i. Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

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

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

The Fund manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Notes To The Financial Statements (Continued)

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.

Description	Change in currency rate	Effect on surplus/ deficit	Effect on Equity
	Kshs	Kshs	Kshs
2023/2024			
Euro	10%	-	-
USD	10%	-	-
2022/2023			
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 xxx (2022: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (2021 – Kshs xxx).

Notes To The Financial Statements (Continued)

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:

Description	2023/2024	2022/2023
	Kshs	Kshs
Revaluation reserve		
Revolving fund	235,225,485	137,668,220
Accumulated surplus	(114,410,774)	(50,683,741)
Total funds	120,814,711	86,984,479
Total borrowings		
Less: cash and bank balances	(387,306)	(9,707,404)
Net debt/(excess cash and cash equivalents)	387,306	9,707,404
Gearing	0.0%	0.0%

29. Events after the reporting period

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

30. Ultimate and Holding Entity

The entity is a County Public Fund established by xxx Act (*state the legislation establishing the Fund*) under the Ministry of xxx. Its ultimate parent is the County Government of XXX.

31. Currency

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

20. 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				
2				
3				
4				

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Fund responsible for implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Fund Manager/Accounting Officer (enter title of head of Fund)

Date..... 20/11/24



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Annex II: Inter-Fund Confirmation Letter

[Insert your Letterhead]

[Insert name of beneficiary Fund]

[Insert Address]

The *[insert SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30th June 20xx as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by <i>[Insert name of beneficiary Fund]</i> as at 30 th June 20xx							
Reference Number	Date Disbursed	Amounts Disbursed by <i>[SC/SAGA/Fund]</i> (Kshs) as at 30 th June 2024				Amount Received by <i>[beneficiary Fund]</i> (KShs) as at 30 th June 20xx (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total			100,574,500		100,574,000		100,574,000

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Fund:

Name *SILAT ROZAB*

Sign 

Date *20/11/24*

Uasin Gishu County

Inua Biashara Fund/Board

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Annex III: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		