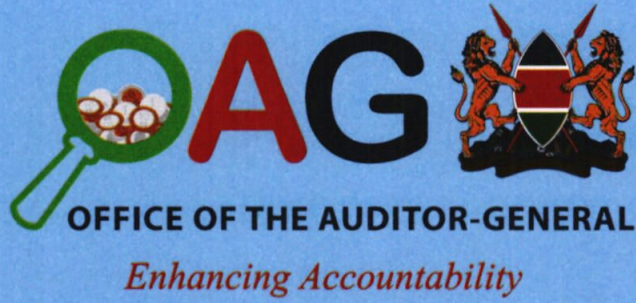


REPUBLIC OF KENYA



REPORT
OF
THE AUDITOR-GENERAL
ON
BUNGOMA COUNTY PERSONS WITH
DISABILITIES EMPOWERMENT FUND
FOR THE YEAR ENDED
30 JUNE, 2024

PAPERS LAID	
DATE	26.02.2025
TABLED BY	MAJORITY LEADER
COMMITTEE	
CLERK OF THE TABLE	BELINDA





COUNTY GOVERNMENT OF BUNGOMA

**BUNGOMA COUNTY PERSONS WITH DISABILITIES
EMPOWERMENT 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)

Bungoma County Persons with Disabilities Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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Bungoma County Persons with Disability Empowerment Fund
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1. Acronyms and Glossary of terms.

a) Acronyms

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

b) Glossary of Terms

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

2. Key Fund Information and Management

a) Background information

Bungoma County Persons with Disabilities Empowerment Fund is established by and derives its authority and accountability from the BUNGOMA COUNTY PERSONS WITH DISABILITIES EMPOWERMENT FUND REGULATIONS, 2015. The Fund is wholly owned by the County Government of Bungoma and is domiciled in Kenya.

The Fund's principal activity is

- (a) to provide funds to be used for granting low-interest loans to People Living with Disability with a view to scaling up their lending activities, value addition amongst other activities as may be prescribed;
- (b) to provide funds to support, revive and initiate micro-enterprises owned by PLWDs in sectors that can have an immediate impact to household economy;
- (c) to attract and facilitate investment in economic sectors that have linkages to micro, small and medium enterprises that benefit the PLWDs;
- (d) Facilitating access to business development services by micro and small enterprises;
- (e) Facilitating formalization and upgrading of informal micro and small enterprises; and promoting an entrepreneurial culture.

The Fund's principal activity is empower marginalized groups of the society by providing access to affordable loans and capacity building.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to enhance economic activities and social welfare of the marginalized persons in the society through access to loans.

**Bungoma County Persons with Disability Empowerment Fund
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c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Denson Barasa	Chairperson.
2	Moses Chebonya	Fund Administrator/Secretary
3	Adrian Sakwa	Member/PWDs representative
4	Umami Maloba	Member/Women Representative
5	Rev Johnstone Wanyonyi	Member/CBO representative
6	Metrine Tenga	Member/Youth Representative
7	Joseph Musungu	Member/Finance Representative
8	Cynthia Nanyokia	Member/Legal Representative

d) Key Management

Ref	Name	Position
1	Monica Salano	CECM- Gender, Culture, Sports and Youth.
2	Danson Barasa	Chairperson.
3	Fund Administrator	Moses Chebonya
4	Fund Accountant	Washington Makata

e) Fiduciary Oversight Arrangements

Ref	Position	Name
1	Directorate Internal Audit	CPA BRIAN MAKOKHA
2	Sector Committees	County Assembly
3	External Audits	Kenya Auditor General Office
4.	Controller of Budget	Office of controller of budget.

**Bungoma County Persons with Disability Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

f) Registered Offices

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

g) Fund Contacts

Telephone :(254) 775 228598
E-mail: genderempowermentfunds@gmail.com
www.bungoma.go.ke

h) Fund Bankers

Kenya Commercial Bank
Bungoma Branch
P.O. Box 48231
Bungoma, KENYA

i) Independent Auditors

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

j) Principal Legal Adviser





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

k) County Attorney





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

**Bungoma County Persons with Disability Empowerment Fund
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3. The Board of Trustees/ Fund Administration Committee





Name	Details of qualifications and experience
 <p>Danson Barasa</p>	<p>Prior to his appointment he worked as a teacher specific a principal of a high school and chairman KUPPET BUNGOMA Branch. Academic qualification: Bachelor of Arts Education from university of Nairobi. He has equally worked as a chief officer in several departments in the county; chief officer in the office of the governor, department of trade and industry, department of lands, housing and urban planning and now Ag. Chief officer gender and culture.</p> <p>The member is an executive chairperson as the chairperson born 13th February 1979.</p>
 <p>Fredrick Makokha</p>	<p>Masters in Gender and advocacy. Bachelor of Arts Education specialising in English literature. He is Gender director affairs in the department</p> <p>The member is an executive director as Fund Administrator, prior to his appointment, was a deputy principle of a high school. Main responsibility, Oversees daily fund operations. Born 20th May 1972 he is 52 years old</p>
 <p>Rev: Johnston Nyongesa</p>	<p>The member is the current Bishop of Anglican church of Kenya Bungoma branch. He is also an executive member of chamber of commerce Bungoma. Masters in theology and leadership from Nazarene university. He is an independent director as a member representing Business community. Born 07th November 1963 he is 61 years old</p>
 <p>Joseph Musungu</p>	<p>He is the accountant in charge of reporting at the county government. A certified public accountant (CPA K). A representative of the chief officer finance and economic planning in the fund. Born 23th May 1971 he is 53 years old.</p>

**Bungoma County Persons with Disability Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

	<p>Prior to his appointment, he worked as the director of disabled network of Bungoma; he is also the coordinator of NCPLD Bungoma branch. He holds a Bachelor of Arts linguistic religion from Kampala University. Born 27th January 1982 he is 42 years.</p>
	<p>She is the current NYC executive member in the region. A diploma holder in corporative management from Cooperatives college University. Born 10th October 1991 she 33 years old She is an independent director representing youths.</p>
	<p>The member works as the secretary of Maendeleo ya Wanawake Bungoma county. Academic qualifications; diploma in gender advocacy and mainstreaming from hamburger institute of Canada. Born 05th August 1978, she is 46 years old She is an independent director in the fund representing women.</p>
	<p>She holds LLB holder from university of Nairobi, post graduate diploma from the LSK an advocate of the low court. Currently she works in the county legal department. She is an executive director in the fund representing County Attorney. Born 12th September, 1985 she is 39 years.</p>

**Bungoma County Persons with Disability Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

4. Management Team

Name	Details of qualifications and experience
 <p>Danson Barasa</p>	<p>Prior to his appointment he worked as a teacher specific a principal of a high school and chairman KUPPET BUNGOMA Branch. Academic qualification: Bachelor of Arts Education from university of Nairobi. He has equally worked as a chief officer in several departments in the county; chief officer in the office of the governor, department of trade and industry, department of lands, housing and urban planning and now Ag. Chief officer gender and culture.</p> <p>The member is an executive chairperson as the chairperson, born 13th February 1979.</p>
 <p>Moses Chebonya</p>	<p>Academics qualifications: Masters in Gender and advocacy. Bachelor of Arts Education specialising in English literature. Work Experience: Gender director affairs and prior to his appointment, was a deputy principle of a high school. Main responsibility, Oversees daily operations of the fund. Born 20th May 1972 he is 52 years old</p>
 <p>CPA Ambrose Makokha</p>	<p>M.B.A Finance, certified public accountant currently is the director accounting services. 'Born on 26th December 1982.</p>
 <p>Lydia Wanjala</p>	<p>Academic qualifications: Bachelor of disaster management and international diplomacy.</p> <p>Work experience: Clerk funds.</p> <p>Responsibilities: updating of cashbooks, record keeping born on 20th October 1988.</p>

**Bungoma County Persons with Disability Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

5. Fund Committee Chairperson's Report

This year under review marks the eight year since the establishment of Bungoma County Persons living with disabilities\ Empowerment Fund. Cumulatively, since the inception of this revolving Fund, loans amounting to Kshs 5, 191,614 have been disbursed as a revolving fund. A number of PLWDs Groups that benefitted from the Fund has been sensitized and capacity build on the operations of the Fund to appreciate and comply with the repayment schedule as well as mandate of the fund.

Strategic plan 2020 to 2024 we are targeting to reach 350 groups of persons living with disability. Until the year under review, we have funded 135 groups so far and trained 75 groups on several topics that are empowerment related by the end of the period we shall have covered the targeted population. The Fund has recorded a number of success stories despite the various challenges with regard to its operational coast and benefits. Groups have enhanced economic activities and social status through entrepreneurial activities and hence achieved mandate of the fund. This was informed by the monitoring and evaluation exercise that we undertook. The exercise was aimed at assessing the impact and success stories of the Fund since its inception. It's apparent that many more groups are seeking for the funds to upgrade their economic activities.

Capacity building and creating general public awareness is paramount to the success of the Fund. This includes training on group dynamics, entrepreneurial skills, project management, record keeping as well as tendering reserved for women and youth at both county and national government level. These activities call for more resources, determination, dedication, proper management and funding to achieve the desired goals.

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

Name: Signature: Date: 20/09/2024
Chairperson of the Fund Committee.

**Bungoma County Persons with Disability Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

6. Report of the Fund Administrator

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

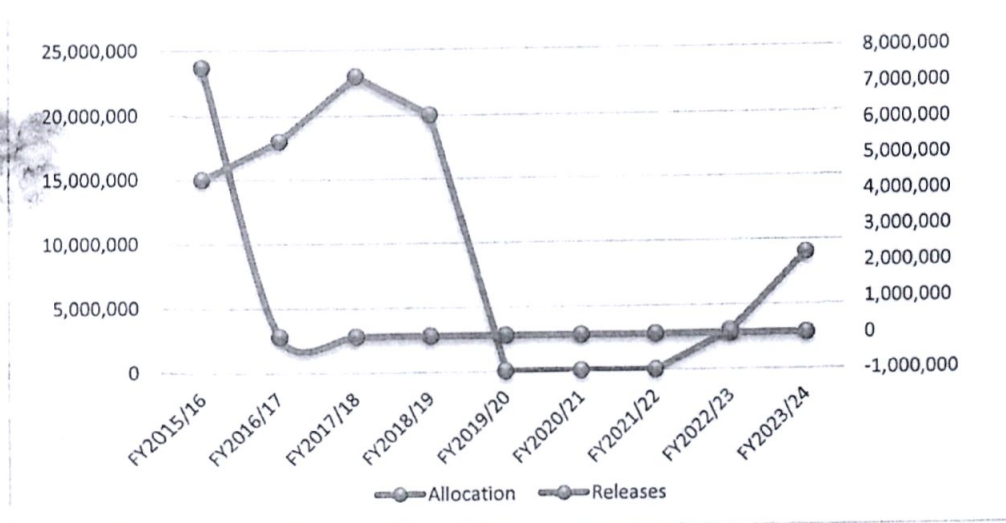
The the budget performance of the fund financial year 2023/2024 was as follows;

Allocation versus releases.

Financial Year	Allocations	Releases
FY 2015/16	15,000,000	7,535,256
FY 2016/17	18,000,000	0
FY 2017/18	23,000,000	0
FY 2018/19	20,000,000	0
FY2019/2020	0	0
FY2020/2021	0	0
FY2021/2022	0	0
FY2022/2023	3,000,000	0
FY2023/2024	12,437,614.95	0
Total	91,437,614.95	7,535,256

**Bungoma County Persons with Disability Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Pie chart representation



Physical progress based on outputs, outcomes and impacts since establishment of Bungoma County Persons with Disabilities Empowerment Fund

Since establishment of the fund, the fund has launched all the product that is group loaning and Asset financing. Relating to the increasing default rate in group loaning repayments, we had to suspend the group loan product. The fund was approved to offer three products namely; group loaning, asset financing and 27% as grants products as stated under the Third Schedule, Sub regulation 22 (1)-(b) of Bungoma County Disability Empowerment Fund Loan Products. This was after the advice from our county legal office to change some clauses in the regulation to do with vetting of groups. Through the fund committee directive, we suspended the advancing of the products to pave way to amend the regulations in order to seal the loopholes

So far we have reached to 300 groups sensitized on the availability and purpose on the fund. On the 280, we have funded 3 groups per ward in all the 45 wards across the county. Those wards that haven't been able to raise three groups that can qualify for funding will be given time to rise worthy groups and access funds.

**Bungoma County Persons with Disability Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Programs implemented by the fund and how they have been achieved.

- a. Training on AGPO opportunities
- b. So far we have trained more than 300 groups on AGPO opportunities around in collaboration with the department of procurement
- c. Launching of the loaning product. Currently we have all product running loans, asset financing and LPO financing. The year under review we have not advanced loans because we are reviewing the regulations before we requests exchequer releases.
- d. Capacity building the targeted group in financial literacy; Bungoma County has moderate education and literacy level but on financial literacy is poor. Many targeted groups have little or no financial knowledge. For the program to succeed we had to inform the community on the need to know how to save and invest at the same time. It has been successful so the respond has been positive and many partners has come on board to champion the course.
- e. Upgrading of business enterprises for PLWDs: more than 13 groups have been upgraded to Sacco and Companies to access more financial support. Many PLWDs have applied to be exempted for tax meaning they are joining big business enterprises.

High level of the financial performance to achieve value for money

Sustainability of the fund. The financial statement of Bungoma County Disability

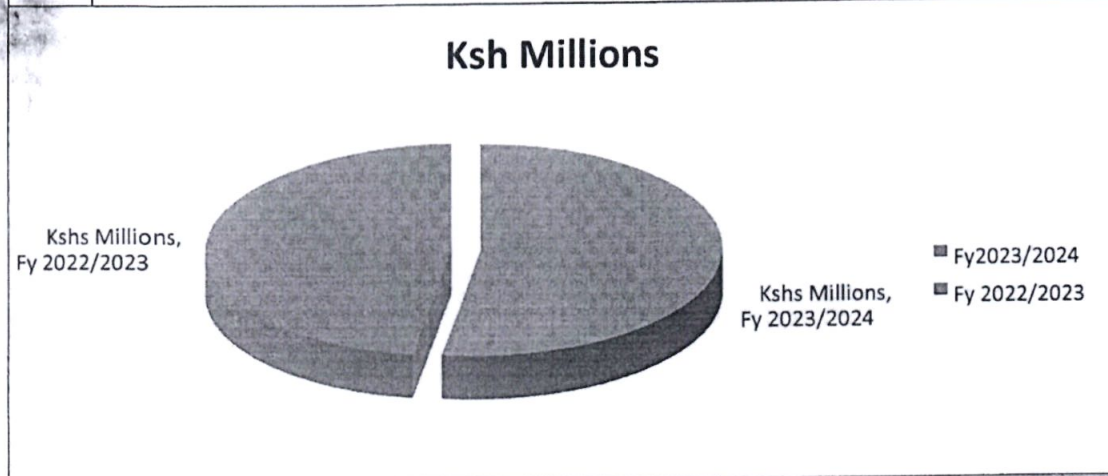
Empowerment Fund indicates zero expenditure on expenses only the bank charges in the FY 2023/2024 as well FY 2022/2023 and as follows with illustrations.

We have cut all expenses all expenses from the fund enable attain sustainability at all cost. The only expense the fund is incurring is the bank charges.

The Fund Administrator for Bungoma County Disability Empowerment Fund confirms that the Fund has complied fully with applicable Government Regulations and the terms of external financing covenants, and that the funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted. Though what was expected was not received but the fund relied on the revolving fund portfolio

**Bungoma County Persons with Disability Empowerment Fund
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N/So	Financial years	Expenses (kshs)
1	FY2023/2024	0
2	FY2022/2023	0



Bungoma County Persons with Disability Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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

Introduction

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

The key development objectives of the Bungoma County Persons with Disabilities Empowerment Fund year under review and strategic plan policies are to:

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

**Bungoma County Persons with Disabilities Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Bungoma county people living with disabilities empowerment fund	To provide funds for granting low-interest loans to PLWDs to scaling up their lending activities, value addition amongst other activities.	Increased number of loan and grants beneficiaries.	We didn't advanced loans to targeted groups under the year but followed up on the those repaying loans Targeted 350 groups in the county, so far we have funded 135 groups, 39%.	FY 2023/2024 we allocated the fund kshs 9M but didn't access the funds because we still reviewing regulations and could not access exchequer. No loan was advanced because we are reviewing the laws to check on the vetting loopholes of noncompliance
	To facilitating access to business development services by micro and small enterprises by PLWDs	Increased number of PLWDs groups coming to apply for tax exemptions.	27 applicants applied for exemptions to do business in county.	FY 2023/2024 we increased the number of PLWDs businesses by sensitising a number to start business enterprises and enjoy incentives from government.
	Facilitating formalization and upgrading of informal micro and small enterprises; and promoting an entrepreneurial culture	Formulations of Bungoma county micro finance corporation Act that will operationalize and upgrade all SMEs as well promote entrepreneurial knowledge in PLWDs sector.	Formulated a regulation Formulated a fund policy Now formulation micro finance Act.	FY 2023/2024 under the fund regulation, the fund will facilitate the registration of PLWDs business enterprises. streamlining the sensitization and training on 30% AGPO provision for the marginalised.

**Bungoma County Persons with Disability Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Program	Objective	Outcome	Indicator	Performance
Challenges in the fund.		Opportunities in the fund.		
a.	Loan default.	a.	Many partners championing empowerment of marginalized groups in the community.	
a.	Insufficient working capital.	b.	Agricultural Growth- western Kenya is agriculturally stable because of good weather patterns	
b.	Political interference	c.	Education and Literacy	
b.	Dynamics nature of youths and clients.	d.	Rural Development-devolution has enhanced development across	
c.	Poor investment and saving culture			
d.	Inequality-disability group has always not given priority in terms of resource mobility			

**Bungoma County Persons with Disabilities Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

8. Corporate Governance Statement

According to the legal framework of the fund, Bungoma County Persons with Disabilities Empowerment Fund Regulations, 2015, FIRST SCHEDULE, Sub-Regulation 16 (1) provides as to the conduct of business and affairs of the committee as relates to meetings,

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

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

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

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

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

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

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

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

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

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

**Bungoma County Persons with Disability Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Conflict of interest

If any person has a personal or fiduciary interest in a project, proposed contract or any matter before the Committee, and is present at a meeting of the Committee at which any matter is the subject of consideration, that person shall as soon as is practicable after the commencement of the meeting, declare such interest and shall not take part in any consideration or discussion of, or vote on any question touching such matter.

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

Quorum

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

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

Voting

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

Rules of Procedure and minutes

The Committee always—

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

Fund Committee Members remunerations.

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

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

Bungoma County Persons with Disability Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Ethics and conduct as well as governance audit.

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

Bungoma County Persons with Disability Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024

9. Management Discussion and Analysis

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

The total loan allocated as at now is Ksh 79M out of which we have received Kshs.7.5M representing 9.4 percent

Fund's key projects or investments decision implemented or ongoing,

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

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

Fund's compliance with statutory requirements,

Regulations of the Fund: The Public Finance Management Act No 18 of 2012. The Executive Committee Member of Finance has made and gazettes the regulations to operationalize the fund "THE BUNGOMA COUNTY PERSONS WITH DISABILITIES EMPOWERMENT FUND REGULATIONS, 2015"

COMPLIANCE WITH 3% ON EXPENDITURE IN THIS PARTICULAR FINANCIAL YEAR UNDER REVIEW.

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

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

Bungoma County Persons with Disability Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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

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

Major risks facing the Fund, material arrears in statutory and other financial obligations,

- (a) Liquidity risk
- (b) Credit risk
- (c) Capital risk management

10. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile

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

2. Environmental performance

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

3. Employee welfare

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

4. Market place practices-

Responsible competition practice.

The fund is in a process of amalgamating into a fully-fledged corporation that will be free from political interference. Our financing cost associated with our products are fairly affordable with a formative cause. It's a public fund and fully complies with necessary laws that govern public financial management.

5. Corporate Social Responsibility / Community Engagements

Currently the fund is not engaging in any form of SCR activities because of financial constraints but the main objective now is to attain sustainability first.

**Bungoma County Persons with Disability Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

11. Report of The Fund Administration Committee

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

Principal activities

The principal activities of the Fund are

- a The principal activities of the Fund are To provide funds to be used for granting low-interest loans, support, revive and initiate micro-enterprises in sectors that can have an immediate impact to household economy;
- b To attract and facilitate investment in economic sectors that have linkages to micro, small and medium enterprises
- c Promoting an entrepreneurial culture

Results

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

Committee Members

The members of the Committee who served during the year are shown on page vii and viii in accordance with Bungoma county person with Disabilities empowerment fund Regulation, No committee member is due for retire by rotation.

The committee members have been able to effectively discharge their duties through quarterly meetings as well as special meeting during the year under review. Special meetings were necessitated by the change of Chief Officers in charge of the Department of Gender and Culture, that is concerned with the Funds and who is also a committee member, the renewal of substantive Fund Administrator as per PFM Act by CECM in charge of Finance and Economic Planning and the other needs to review regulations of the Fund.

**Bungoma County Persons with Disability Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with the Public Finance Management (PFM) Act, 2012, which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

By Order of the Fund Committee



.....
Chair of the fund/ Fund Administration Committee

Date 20/09/2024

**Bungoma County Persons with Disability Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

12. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by the Bungoma County Persons with Disabilities Empowerment Fund Regulations, 2015 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

The Administrator of the Bungoma County Persons with Disabilities Empowerment Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Bungoma County Persons with Disabilities Empowerment Fund Regulations, 2015. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2024, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Bungoma County Persons with Disabilities Empowerment Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of

Bungoma County Persons with Disability Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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

Approval of the financial statements

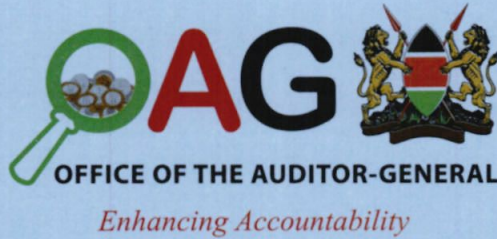
The Fund's financial statements were approved by the Committee on 20/09/ 2024
and signed on its behalf by:



Administrator of Bungoma County Persons with Disability Empowerment Fund

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON BUNGOMA COUNTY PERSONS WITH DISABILITIES EMPOWERMENT 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 Bungoma County Persons with Disabilities Empowerment Fund set out on pages 1 to 17 which comprise 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

Report of the Auditor-General on Bungoma County Persons with Disabilities Empowerment Fund for the year ended 30 June, 2024

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 effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Bungoma County Persons with Disabilities Empowerment Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with Public Sector Accounting Standards (Accrual Basis) and comply with Bungoma County Persons with Disabilities Empowerment Fund Regulations, 2017 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Receivables from Exchange Transactions

1.1 Unsupported Receivables Balance

The statement of financial position reflects a balance of Kshs.4,811,657 in respect to long term receivables from exchange transactions for the current and previous years and as disclosed in Note 2 to the financial statements refers to current loan repayments due. However, the general ledger and subsidiary ledgers supporting the receivables balance were not provided for audit review. Therefore, the names of borrowers, dates, amount borrowed and duration of advanced loans were not confirmed at the time audit.

In the circumstances, the accuracy and completeness of long-term receivables from exchange transactions balance of Kshs.4,811,657 could not be confirmed.

1.2 Non-Recovery of the Loans

Review of bank statements of the Fund's two bank accounts revealed that there were Nil cash inflows during the year under review. This indicates that there were zero loan recoveries made in respect to the loans which have been reported as outstanding at Kshs.4,811,657 in the last three (3) financial years from 2021/2022.

In the circumstances, accuracy, validity, and recoverability of long-term receivables from exchange transactions balance of Kshs.4,811,657 could not be confirmed.

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

Material Uncertainty Related to Sustainability of Services

The statement of financial performance reflects Nil revenue and expenditure for the year ended. In addition, the certificates of bank balances for the Fund's bank accounts indicates that there were no cash inflows and outflows during the financial year, and receivables balance of Kshs.4,811,657 as stated in the statement of financial position have remained outstanding for more than three (3) financial years.

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

My opinion is not modified in respect of this matter.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects revenue and expenditure budgets amounting to Kshs.12,437,615 and Kshs.373,128 respectively. However, the Fund reported Nil actual revenue and expenditures for the year under review. In addition, the approved budget of the Fund for the year under review was not provided for audit review. Further, the unbalance budget which results in to a budget surplus of Kshs.12,064,487 has not been explained or reconciled.

In the circumstances, the under-performance affected the planned activities and impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

As disclosed under the progress on follow up of auditor's recommendations section of the financial statements, some of the prior year audit issues remained unresolved as at 30 June, 2024. Management has not provided satisfactory reasons for the delay in resolving the issues. Further, review of Appendix I of the financial statements on progress on follow up of prior year auditor's recommendations revealed that the report shows the title of issues raised and does not include the actual audit issue raised in the previous financial year. Further, the report was not signed by the accounting officer as provided in the reporting template.

In the circumstances, the issues remain unresolved.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAI) 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 effect of the matter 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 overall governance were not effective.

Basis for Conclusion

Lack of Risk Management Policy

During the year under review, the Fund did not have a risk management policy in place and therefore had no approved processes and guidelines on how to mitigate operational, legal and financial risks.

In the circumstances, the effectiveness of risk management could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities

that govern them and that public resources are applied in an effective way. In addition, I also 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/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

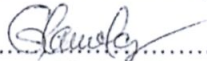
20 December, 2024


**Bungoma County Persons with Disabilities Empowerment 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

	Note	2023/2024	2022/2023
		Ksh	Ksh
Revenue			
Expenses			
General expenses		-	-
Total expenses		-	-
Deficit for the period		-	-

The notes set out on pages 6 to 15 form an integral part of these Financial Statements


 Name: Gladys Situma
 Fund Administrator

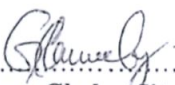

 Name: CPA Ambrose Makokha
 Director Accounting services
 ICPAK Member: 7929.

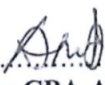
Bungoma County Persons with Disability Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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	1	35,575.2	35,576
long term receivables from exchange transactions	2	4,811,657	4,811,657
Total assets		4,847,232	4,847,233
Net assets			
Revolving Fund		5,191,614	5,191,614
Accumulated deficit		(344,382)	(344,381)
Total net assets		4,847,232	4,847,233

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 20/09/2024 and signed by:


 Name: Gladys Situma
 Fund Administrator


 Name: CPA Ambrose Makokha
 Director Accounting services
 ICPAK Member: 7929.

**Bungoma County Persons with Disabilities Empowerment 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

	Revolving Fund	Accumulated surplus	Adjustment	Total
	Ksh	Ksh		Ksh
Balance as at 1 July 2022	5,191,614	(344,381)		4,847,233
Surplus/deficit for the period				-
Prior year adjustment				-
Balance as at 30 June 2023	5,191,614	(344,381)	-	4,847,233
Balance as at 1 July 2023	5,191,614	(344,381)		4,847,233
Surplus/deficit for the period				-
Prior year adjustment				-
Balance as at 30 June 2024	5,191,614	(344,381)	-	4,847,233

(The fund doesn't operate with any reserves)

**Bungoma County Persons with Disabilities Empowerment 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.
Payments			
General expenses		-	-
Total Payments		-	-
Net cash flows from operating activities		-	-
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalent as at 1 December		35,575.2	35,576
Cash and cash equivalent as at 31 March	1	35,575.2	35,576

(The fund adopted direct method of cash flow preparation. We did not realize and receipts in the fund as well incurred any payments in the fund for the year under review)

**Bungoma County Persons with Disabilities Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	% utilization
	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024
Revenue	KShs	KShs	KShs	KShs	
Transfers from County Govt.	12,437,614.95	0	12,437,614.95	0	0%
Interest income	0	0	0	0	0%
Other income	0	0	0	0	0%
Total income	12,437,614.95	0	12,437,614.95	0	0%
Expenses					
Fund administration expenses	373,128.45	0	373,128.45	0	0%
General expenses	0	0	0	0	0%
Total expenditure	373,128.45	0	373,128.45	0	0%
Surplus for the period	12,064,486.50	0	12,064,486.50	0	0%

Budget notes

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

1. Zero % transfers from county government, the county government treasury did not remit to the fund account this financial year as there was no exchequer release.
2. Zero percent on interest income, failure to get releases this financial year, we did not advance any new loan to retain interest income from the new loans.
3. Zero percent on other income, we didn't expect any income as we didn't provide for in the budget and in our regulations. Exchequer is the only source of income in our fund.
4. Zero percent on fund administrative. There were no expenses incurred in the fund the year under review.

Bungoma County Persons with Disabilities Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024

19. Notes to the Financial Statements

1. General Information

Bungoma County Persons with Disabilities Empowerment Fund is established by and derives its authority and accountability from the BUNGOMA COUNTY PERSONS WITH DISABILITIES EMPOWERMENT FUND REGULATIONS, 2017. The Fund is wholly owned by the County Government of Bungoma and is domiciled in Kenya.

2. Statement of compliance and basis of preparation

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

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

3. Adoption of new and revised standards

(i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2024

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

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024

Standard	Effective date and impact:
IPSAS 43:	Applicable: 1st January 2025: 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.

**Bungoma County Persons with Disabilities Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Standard	Effective date and impact:
	<p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. There was no impact as the standard in not relevant to the fund.</p>
IPSAS 47- Revenue	<p>Applicable 1st January 2026 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. The impact will be how to report on unrealized revenue when it was projected in the fund.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023: The fund adopted the accrual basis in 2019 for the first time and currently it has no impact on the fund financial reporting</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023 We have realigned fully our financial instruments to accrual accounting basis of reporting and no impact to our financial statements.</p>

(iii) Early adoption of standards

The Fund did not apply any early standard. We have not received transfers recently hence no impact could be realised to be reported from the fund.

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.

b) Budget information

The original budget for FY 2023-2024 was approved by the County Assembly on 13th June 2023. No revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did record additional appropriations in the FY 2023-2024 budget following the governing body's approval of kshs 12,437,614.95

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.

Bungoma County Persons with Disabilities Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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 financial section of these financial statements.

a) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 41 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

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

Financial liabilities

Initial recognition and measurement

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

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

Bungoma County Persons with Disabilities Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Summary of Significant Accounting Policies (Continued).

Loans and borrowing

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

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

b) 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 chairperson, the fund administrator and accountant.

c) 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.

d) Comparative figures

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

e) Events after the reporting period

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

Bungoma County Persons with Disabilities Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Summary of Significant Accounting Policies (Continued)

f) Ultimate and Holding Entity

The fund is a County Public Fund established by BUNGOMA COUNTY PERSONS WITH DISABILITIES EMPOWERMENT FUND REGULATIONS, 2015 under the Department of Gender, Culture, Youth and Sport. Its ultimate parent is the County Government of Bungoma.

g) Currency

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

h) Changes in accounting policies and estimates

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

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.

Bungoma County Persons with Disabilities Empowerment Fund
Annual Report and Financial Statements for the year ended June 30, 2024

6. Notes to the Financial Statements

1. Cash and cash equivalents

Description	2023/2024	2022/2023
	Kshs	Kshs
Current Account	35,575.2	35,576
Total Cash And Cash Equivalents	35,575.2	35,576

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

Financial Institution	Account number	2023/2024	2022/2023
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank A/c A	1175217964	26,510.70	26,510.70
Account B	1212000048	9,064.50	9,065
Sub- Total		35,575.2	35,576

2. Receivables from exchange transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
Current Receivables		
Current Loan Repayments Due	4,811,657	4,811,657
Total Current Receivables	4,811,657	4,811,657

Additional disclosure on interest receivable

Description	2023/2024	2022/2023
	Kshs	Kshs
Current loan repayments due		
Current portion of long-term loans from previous years	4,811,657	4,811,657
Accrued principal from long-terms loans from previous periods	4,811,657	4,811,657
Current portion of long-term loans issued in the current year	0	0

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Notes to the Financial Statements (Continued)

Other Disclosures

3. 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/ is related to the following entities:

- a) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Fund Administration Committee;

b) Key management remuneration

	2023/2024	2022/2023
	Kshs	Kshs
Fund Administration Committee	0	0
Key Management Compensation	0	0
Total	0	0

Note: due to cost cutting and fund administration measures, one fund committee runs all three funds and that is why our management remuneration is zero.

Other Disclosures Continued

4. 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 fund committee. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

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

b) 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

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disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

c) Market risk

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

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

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

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

i. Interest rate risk

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

Management of interest rate risk

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

d) Capital risk management

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

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	2023/2024	2022/2023
	KShs	KShs
Revaluation reserve	0	0
Revolving fund	5,191,614	5,191,614
Accumulated surplus	(344,381)	(344,381)
Total funds	4,847,233 -	4,847,233 -
Total borrowings	0	0
Less: cash and bank balances	35,576	35,576
Net debt/(excess cash and cash equivalents)	0	0
Gearing	0%	0%

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20. Progress on Follow up of Prior Year Auditor's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
Report on the financial statements.				
1.	Non-Recovery of long outstanding loans.	We have allocated funds if accessed will operationalised the recovery efforts. We are as well reviewing the law to eliminate fake beneficiaries.	Resolved	30 th June, 2025
2.	Variance between the statement of financial performance and statement of comparison of budget and actual amount.	We have reconciled our balances in our ledgers	Partly resolved	30 th Dec, 2025
Emphasis of Matter				
	Sustainability of services	We have an allocation this financial year to operationalize fund mandates.	Partly resolved	30 th Dec 2025