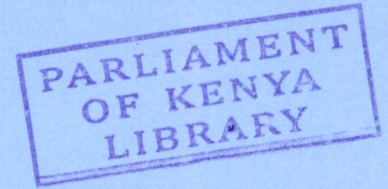
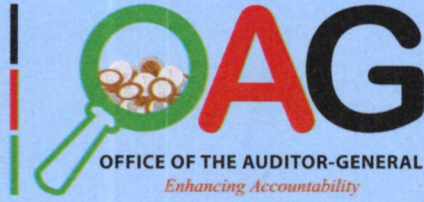


REPUBLIC OF KENYA



**REPORT**

**OF**

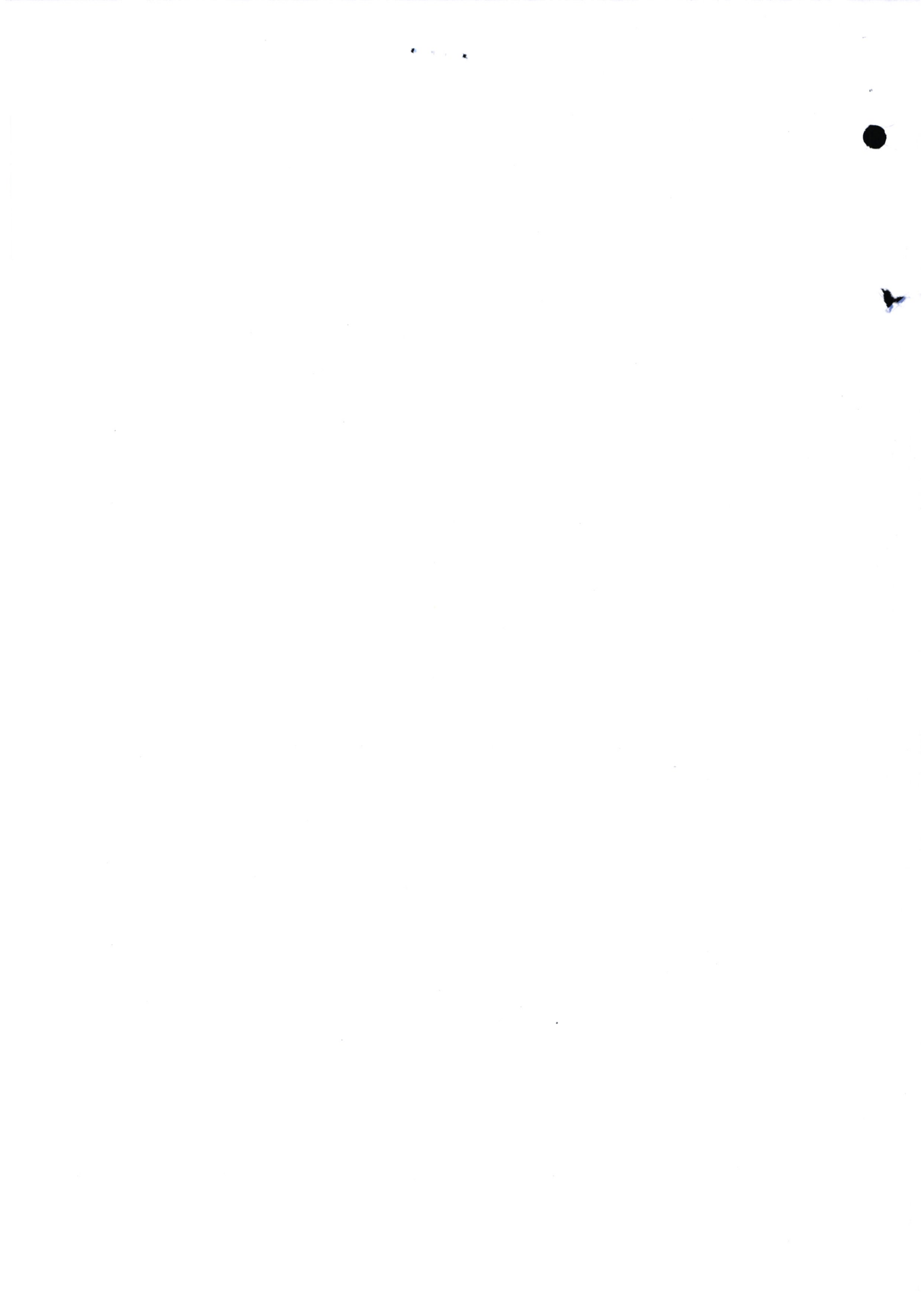
**THE AUDITOR-GENERAL**

**ON**

**BUNGOMA COUNTY PERSONS WITH  
DISABILITIES EMPOWERMENT FUND**

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

PAPERS LAID	
DATE	26/11/25
TABLED BY	S.M.L
COMMITTEE	-
CLERK AT THE TABLE	Belinda





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**COUNTY GOVERNMENT OF BUNGOMA**

**BUNGOMA COUNTY PERSONS WITH DISABILITIES EMPOWERMENT FUND**

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

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

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**Bungoma County Persons with Disabilities Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

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**2. Acronyms and Glossary of terms.**

**a) Acronyms**

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

### **3. 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.

**c) Board of Trustees/Fund Administration Committee**

Ref	Name	Position
1	David Chemayiek Maling'a	Chairperson.
2	Beatrice Nakhumicha	Co-chair
3	Gladys Situma	Fund Administrator/Secretary
4	Adrian Sakwa	Member/PWDs representative
5	Ummi Maloba	Member/Women Representative
6	Rev Johnstone Wanyonyi	Member/CBO representative
7	Metrine Tenga	Member/Youth Representative
8	Joseph Musungu	Member/Finance Representative
9	Cynthia Nanyokia	Member/Legal Representative

**d) Key Management**

Ref	Name	Position
1	Benedict Emachar	CECM- Gender, Culture, Sports and Youth.
2	David Chemayiek Maling'a	Chairperson.
3	Gladys Situma	Fund Administrator
4	CPA Martin Mabonga	Fund Accountant

**e) Fiduciary Oversight Arrangements**

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

**f) Registered Offices**

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

**g) Fund Contacts**

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

**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

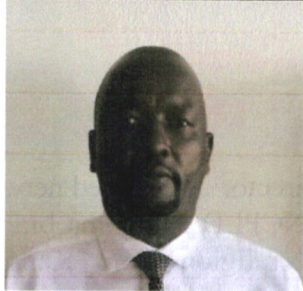

**4. The Board of Trustees/ Fund Administration Committee**

Name	Details of qualifications and experience
 <p><b>David Chemayiek</b></p>	<p>Prior to his appointment as a chair of the fund committee, he had worked as personal assistant to the PS department livestock. As a head logistic and inventory at New KICC and logistic and office manager at USAID APHIA II Eastern as well as logistic officer at African Education trust. Academic qualification: Bachelor Arts degree in economic and administration/political science from university of Nairobi. He is a certified procurement and supply management. He is a member of kenya institute of management. Currently the chief officer in gender and culture.</p>
 <p><b>Beatrice Nakhumicha</b></p>	<p>Academic qualifications: Bachelor of Education Arts, Post Graduate Diploma in Human Resource Management, Diploma in Management course from Kenya Management Institute (KEMI)</p> <p>Work Experience: Worked as Head Teacher for 23 Years, Board Member Mabonga Secondary school, Pastor Word of Reconciliation Kibabii Church and Currently serves as Chief Officer Youth and Sports.</p>
 <p><b>Gladys Situma</b></p>	<p>The member has a masters in project planning and management and a degree in social work and community development. As well as a diploma in community development and conflict management. Am convert reverend of church of God in East Africa</p> <p>Currently she the Ag. Director social welfare officer and now a fund administrator for the programme.</p>
 <p><b>Rev: Johnston Nyongesa</b></p>	<p>The member is the current Bishop of Anglican church of Kenya Bungoma branch. He is also an executive member of chamber of commerce Bungoma. Masters in theology and leadership from Nazarene university. He is an independent director as a member representing Business community. Born 07<sup>th</sup> November 1963 he is 61 years old</p>

**Bungoma County Persons with Disability Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

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

**5. Management Team**

Name	Details of qualifications and experience
 <p><b>David Chemayiek</b></p>	<p>Prior to his appointment as a chair of the fund committee, he had worked as personal assistant to the PS department livestock. As a head logistic and inventory at New KICC and logistic and office manager at USAID APHIA II Eastern as well as logistic officer at African Education trust. Academic qualification: Bachelor Arts degree in economic and administration/political science from university of Nairobi. He is a certified procurement and supply management. He is a member of kenya institute of management. Currently the chief officer in gender and culture.</p>
 <p><b>Beatrice Nakhumicha</b></p>	<p>Academic qualifications: Bachelor of Education Arts, Post Graduate Diploma in Human Resource Management, Diploma in Management course from Kenya Management Institute (KEMI)</p> <p>Work Experience: Worked as Head Teacher for 23 Years, Board Member Mabonga Secondary school, Pastor Word of Reconciliation Kibabii Church and Currently serves as Chief Officer Youth and Sports.</p>
 <p><b>Gladys Situma</b></p>	<p>The member has a masters in project planning and management and a degree in social work and community development. As well as a diploma in community development and conflict management. Am convert reverend of church of God in East Africa</p> <p>Currently she the Ag. Director social welfare officer and now a fund administrator for the programme.</p>
 <p><b>CPA Martin Mabonga</b></p>	<p>He holds a masters of Science degree in Finance and Accounting from Jomo Kenyatta University of Agriculture and Technology, masters of arts degree in Economics from Moi University, bachelor degree in Economics and Finance from Kenyatta University. He also has Certified Public Accounting (CPA), Certified Secretaries (CS) and Certified Investment and Financial Analysts (CIFA) qualifications. He is a member of Institute of Certified Public Accountants of Kenya (ICPAK) and Institute of Certified Public Secretaries of Kenya (ICPSK).</p>

**Bungoma County Persons with Disability Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

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**Lydia Wanjala**

Academic qualifications: Bachelor of disaster management and international diplomacy.

Work experience: Clerk funds.

Responsibilities: updating of cashbooks, record keeping born on 20<sup>th</sup> October 1988.

**6. 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: DAVID MALING'A Signature:  Date: 27/10/25  
**Chairperson of the Fund Committee.**

**Bungoma County Persons with Disability Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

**7. 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, 2025. 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 2024/2025 was as follows;**

**Allocation versus releases.**

<b>Financial Year</b>	<b>Allocations</b>	<b>Releases</b>
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
FY2024/2025	5,000,000	0
<b>Total</b>	<b>96437614.95</b>	<b>7,535,256</b>

**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.

**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**

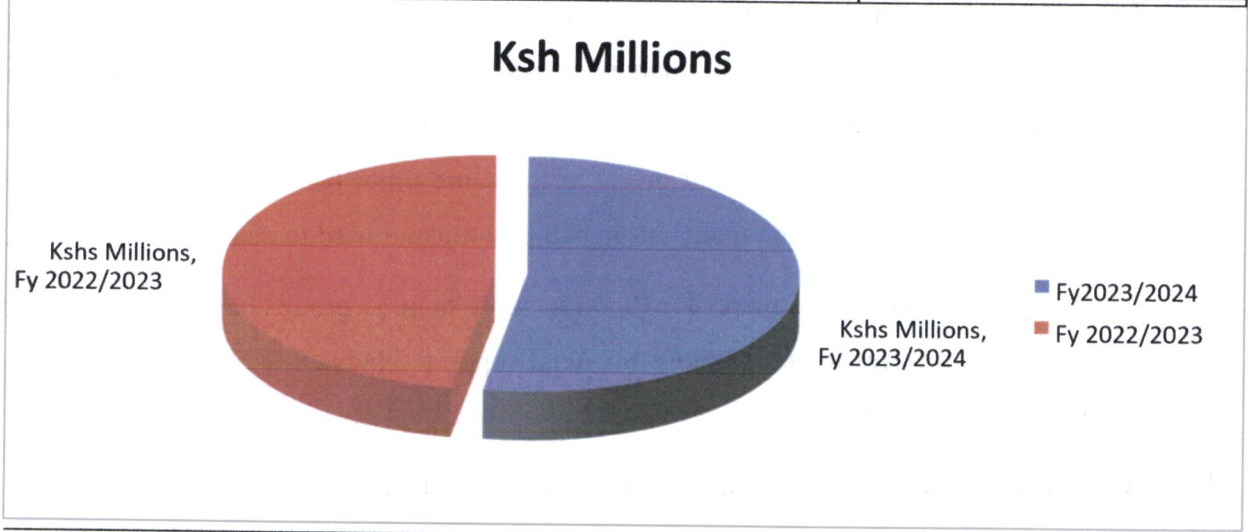
Sustainability of the fund. The financial statement of Bungoma County Disability Empowerment Fund indicates zero expenditure on expenses only the bank charges in the FY 2024/2025 as well FY 2023/2024 and as follows with illustrations.

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

N/So	Financial years	Expenses (kshs)
1	FY2024/2025	0
2	FY2023/2024	0



## **8. Statement of Performance against the County Fund's Predetermined Objectives**

### **Introduction**

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

The key development objectives of the 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, 2025**

**Progress on attainment of Strategic development objectives**

Below we provide the progress on attaining the stated objectives:

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Bungoma county 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 2024/2025 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 2024/2025 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 2024/2025 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.

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
<b>Challenges in the fund.</b>			<b>Opportunities in the fund.</b>	
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			

## **9. 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.

### **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.

**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.

## **10. 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 96M out of which we have received Kshs.7.5M representing 7.8 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.

**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

## **11. 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.

## **12. Report of The Fund Administration Committee**

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

### **Principal activities**

The principal activities of the Fund are

- 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, 2025, 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, 2025**

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**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

*DAVID MALINGA*  
.....

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

Date..... *20/10/25* .....

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

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

In compliance with this requirement, the Administrator of the **Bungoma County Persons with Disabilities Empowerment Fund**, established under the Bungoma County Persons with Disabilities Empowerment Fund Regulations, 2015, hereby presents the financial statements of the Fund for the financial year ended **30th June, 2025**.

The Administrator is responsible for the preparation and fair presentation of these financial statements, which reflect a true and fair view of the financial position of the Fund as at 30th June, 2025, and of its financial performance and cash flows for the year then ended. This responsibility includes:

Maintaining adequate financial management arrangements and ensuring they remain effective throughout the reporting period

Keeping proper accounting records that disclose, with reasonable accuracy, the financial position of the Fund at any given time;

Designing, implementing, and maintaining sound internal controls to ensure the financial statements are free from material misstatement, whether due to error or fraud;

Safeguarding the assets of the Fund

Selecting and applying appropriate accounting policies; and

Making reasonable and prudent accounting estimates where necessary.

The Administrator accepts full responsibility for these financial statements, which have been prepared in conformity with the **International Public Sector Accounting Standards (IPSAS)**, the **Public Finance Management Act, 2012**, and the **Bungoma County Persons with Disabilities Empowerment Fund Regulations, 2015**.

In the Administrator's opinion, the financial statements present fairly the Fund's transactions for the year ended 30th June, 2025, and its financial position as at that date. Further, the Administrator

**Bungoma County Persons with Disability Empowerment Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025**


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confirms the completeness of the accounting records relied upon in their preparation and the adequacy of the internal financial controls in place.

In preparing these financial statements, the Administrator has assessed the Fund's ability to continue operating as a going concern. Based on this assessment, nothing has come to the attention of the Administrator to suggest that the Fund will not remain a going concern for at least twelve months from the date of this statement.

**Approval of the financial statements**

The Fund's financial statements were approved by the Committee on 20/10/ 2025  
and signed on its behalf by:

  
\_\_\_\_\_

**Administrator of Bungoma County Persons with Disability Empowerment Fund**

# REPUBLIC OF KENYA

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HEADQUARTERS  
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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON BUNGOMA COUNTY PERSONS WITH DISABILITIES EMPOWERMENT FUND FOR THE YEAR ENDED 30 JUNE, 2025**

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of Bungoma County Persons with Disabilities Empowerment Fund set out on unnumbered pages which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial

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*Report of the Auditor-General on Bungoma County Persons with Disabilities Empowerment Fund for the year ended 30 June, 2025*

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

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

### **Basis for Qualified Opinion**

#### **1. Unconfirmed Cash and Cash Equivalent Balance**

The statement of financial position and Note 1 to the financial statements indicate cash and cash equivalents balance of Kshs.26,511 and Kshs.35,576 for the current and previous financial year 2023/2024. However, the cash book and certificate of bank balance as at 30 June 2025 were not provided for audit review, and the Fund did not operate separate bank accounts for its operational activities and loan collections contrary to Regulation 19(1) of Bungoma County Empowerment Fund Regulations, 2025 which requires separate accounts for operations and collections.

Additionally, the statement of cash flows reflects net increase in cash and cash equivalents amount of Kshs.9,064 whose nature and analysis was not provided.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.26,511 could not be confirmed.

#### **2. Unrecovered Loans**

The statement of financial position reflects long-term receivables from exchange transactions balance of Kshs.4,820,721, in respect to loans issued to several persons with disabilities groups which have remained outstanding for the last four (4) financial years from 2021/2022 to date. Review of the bank statements for the Fund's bank account revealed Nil cash inflows during the year under review. This indicates that there were zero loan recoveries and Management had not demonstrated efforts made to collect the loans and support the continued recognition irrecoverable debts as recoverable assets. Further, the loans general ledger does not contain dates for loans.

In the circumstances, the accuracy, validity and recoverability of long-term receivables from exchange transactions balance of Kshs.4,820,721 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Bungoma County 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 30 June, 2025, and there were no cash inflows and outflows during the financial year. Further, the statement of financial position indicates long-term receivables from exchange transactions balance of Kshs.4,820,721, which increased from Kshs.4,811,657 that had remained outstanding for more than four (4) financial years.

In the circumstances, the Fund had 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 budget amounting to Kshs.5,000,000 each against Nil actual revenue and expenditures for the year under review. Further, the Fund's approved budget for the year was not provided for audit review.

In the circumstances, Management did not observe fiscal discipline.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

## **Other Matter**

### **Unresolved Prior Year Matters**

Follow-up of the Auditor-General's recommendations for the previous financial year 2023/2024 revealed that several audit issues were raised as stated in **Appendix I**. However, the Appendix 1 to the financial statements for the current financial year 2024/2025 in respect to progress on follow-up of prior year Auditor's recommendations does not contain the issues raised by the Auditor-General in the previous year 2023/2024 audit report. Further, the Management did not provide explanation for delay in resolving the reported audit issues.

In the circumstances, the issues remain unresolved.

### **Other Information**

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

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

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

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

### **Conclusion**

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

## **Basis for Conclusion**

### **Unsecured Loans**

The statement of financial position reflects long-term receivables from exchange transactions balance of Kshs.4,820,721 as disclosed in Note 2 to the financial statements. However, no documentation was provided for audit review to support the existence of collateral pledged against the loans, or enforceability of recovery.

In the circumstances, the Management was in breach of Section 149(2)(b) of the Public Finance Management Act, 2012 requires Accounting Officers to maintain proper records for all financial transactions.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to 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 governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards 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 ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

07 November, 2025

## Appendix I

### Unresolved Prior Year Issues


Reference No. of the Auditor-General's Report	Title of Audit Issue	Status
	<b>Report on the Financial Statements</b>	
1.1	Unsupported Receivables Balance	Not-resolved
1.2	Non-Recovery of the Loans	Not-resolved
	Material Uncertainty Related to Sustainability of Services	Not-resolved
	<b>Other matters</b>	
	Unresolved Prior Year Issues	Not-resolved
	<b>Report on Effectiveness of Internal Controls, Risk Management and Governance</b>	
	Lack of Risk Management Policy	Not-resolved

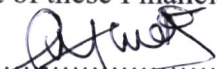
**Bungoma County Youth and Women Empowerment Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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

	Note	2024/2025	2023/2024
		Ksh	Ksh
<b>Revenue</b>			
<b>Expenses</b>			
General expenses		-	-
<b>Total expenses</b>		-	-
<b>Deficit for the period</b>		-	-

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

  
.....  
**Name: Gladys Situma**  
**Fund Administrator**

  
.....  
**Name: CPA Martin Mabonga**  
**Fund Accountant**  
**ICPAK Member: . 18007**

**Bungoma County Persons with Disability Empowerment Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

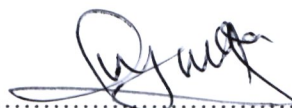
**15. Statement of Financial Position as at 30 June 2025**

<b>Description</b>	<b>Note</b>	<b>2024/2025</b>	<b>2023/2024</b>
		<b>Kshs.</b>	<b>Kshs.</b>
Assets			
Current assets			
Cash and cash equivalents	1	26,510.70	35,576
long term receivables from exchange transactions	2	4,820,721	4,811,657
<b>Total assets</b>		<b>4,847,232</b>	<b>4,847,233</b>
<b>Net assets</b>			
Revolving Fund		5,191,614	5,191,614
Accumulated deficit		(344,382)	(344,381)
<b>Total net assets</b>		<b>4,847,232</b>	<b>4,847,233</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 20/10 2025 and signed by:



**Name: Gladys Situma**  
**Fund Administrator**



**Name: CPA Martin Mabonga**  
**Fund Accountant**  
**ICPAK Member: 18007**

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

**16. Statement of Changes in Net Assets for the year ended 30<sup>th</sup> June 2025**

	Revolving Fund	Accumulated surplus	Adjustment	Total
	Ksh	Ksh		Ksh
<b>Balance as at 1 July 2023</b>	<b>5,191,614</b>	<b>(344,381)</b>		<b>4,847,233</b>
Surplus/deficit for the period				-
Prior year adjustment				-
<b>Balance as at 30 June 2024</b>	<b>5,191,614</b>	<b>(344,381)</b>	-	<b>4,847,233</b>
<b>Balance as at 1 July 2024</b>	<b>5,191,614</b>	<b>(344,381)</b>		<b>4,847,233</b>
Surplus/deficit for the period				-
Prior year adjustment				-
<b>Balance as at 30 June 2025</b>	<b>5,191,614</b>	<b>(344,381)</b>	-	<b>4,847,233</b>

(The fund doesn't operate with any reserves)

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

**17. Statement of Cash Flows for The Year Ended 30 June 2025**

<b>Description</b>	<b>Note</b>	<b>2024/2025</b>	<b>2023/2024</b>
		<b>Kshs.</b>	<b>Kshs.</b>
<b>Payments</b>			
General expenses		-	-
<b>Total Payments</b>		-	-
<b>Net cash flows from operating activities</b>		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>9,064</b>	-
Cash and cash equivalent as at 1 July		35,576	35,576
<b>Cash and cash equivalent as at 30 June</b>	1	<b>26,511</b>	<b>35,576</b>

(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)

**18. Statement of Comparison of Budget and Actual Amounts for the year ended 30, June 2025**

	<b>Original budget</b>	<b>Adjustments</b>	<b>Final budget</b>	<b>Actual on comparable basis</b>	<b>% utilization</b>
	<b>2024/2025</b>	<b>2024/2025</b>	<b>2024/2025</b>	<b>2024/2025</b>	<b>2024/2025</b>
<b>Revenue</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	
Transfers from County Govt.	5,000,000	0	5,000,000	0	0%
Interest income	0	0	0	0	0%
Other income	0	0	0	0	0%
<b>Total income</b>	<b>5,000,000</b>	<b>0</b>	<b>5,000,000</b>	<b>0</b>	<b>0%</b>
<b>Expenses</b>					
Staff costs	0		0		
General expenses	150,000	0	150,000	0	0%
<b>Totalexpenditure</b>	<b>150,000</b>	<b>0</b>	<b>150,000</b>	<b>0</b>	<b>0%</b>
<b>Capital expenditure</b>	<b>4,850,000</b>	<b>0</b>	<b>4,850,000</b>	<b>0</b>	<b>0%</b>
<b>Surplus for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>

**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, 2025**

**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 2025**

IPSASB deferred the application date of standards from 1<sup>st</sup> January 2025 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1<sup>st</sup> January 2025.

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

<b>Standard</b>	<b>Effective date and impact:</b>
<b>IPSAS 43:</b>	<b>Applicable: 1<sup>st</sup> January 2025:</b> 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, 2025**

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>
<p>IPSAS 47- Revenue</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b> 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>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2023:</b> The fund adopted the accrual basis in 2019 for the first time and currently it has no impact on the fund financial reporting</p>
<p>Other improvements to IPSAS</p>	<p><b><i>Applicable 1<sup>st</sup> January 2023</i></b> 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 released 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 2024-2025 was approved by the County Assembly on 18<sup>th</sup> June 2024. 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 2024-2025 budget following the governing body's approval of kshs 5,000,000

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.

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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

***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.

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***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.

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**6. Notes to the Financial Statements**

**1. Cash and cash equivalents**

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Account	26,510.70	26,510.70
Current Account	Closed	9,064
<b>Total Cash And Cash Equivalents</b>	<b>26,510.70</b>	<b>35574.7</b>

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

		2024/2025	2023/2024
Financial Institution	Account number	Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank A/c	1175217964	26,510.70	26,510.70
Kenya commercial Bank A/c	1212000048	Closed	9,064
<b>Sub- Total</b>		<b>26,510.70</b>	<b>35,574.7</b>

**2. Receivables from exchange transactions**

Description	2024/2025	2023/2024
	Kshs	Kshs
<b>Current Receivables</b>		
Current Loan Repayments Due(loans)	4,811,657	4,811,657
Recoverable from Unclaimed Financial Assets Authority	9,064	0
<b>Total Current Receivables</b>	<b>4,820,721</b>	<b>4,811,657</b>

**Note:** The bank account was inactive and funds were transferred to UFAA, Account No 1212000048 closing balance was kshs 9,064.50. The claim in progress.

**Additional disclosure on interest receivable**

Description	2024/2025	2023/2024
	Kshs	Kshs
<b>Current loan repayments due</b>		
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
Recoverable from Unclaimed Financial Assets Authority	9,064	0
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**

	2024/2025	2023/2024
	Kshs	Kshs
Fund Administration Committee	0	0
Key Management Compensation	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

*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.*

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**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 minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

**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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	<b>2024/2025</b>	<b>2023/2024</b>
	<b>KShs</b>	<b>KShs</b>
Revaluation reserve	0	0
Revolving fund	5,191,614	5,191,614
Accumulated surplus	(344,381)	(344,381)
<b>Total funds</b>	<b>4,847,233</b>	<b>4,847,233</b>
Total borrowings	0	0
Less: cash and bank balances	26,510.70	35,576
Net debt/(excess cash and cash equivalents)	0	0
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

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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:
<b>Report on the financial statements.</b>				
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 <sup>th</sup> June, 2026
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 <sup>th</sup> Dec, 2026
<b>Emphasis of Matter</b>				
	Sustainability of services	We have an allocation this financial year to operationalize fund mandates.	Partly resolved	30 <sup>th</sup> Dec 2026

