

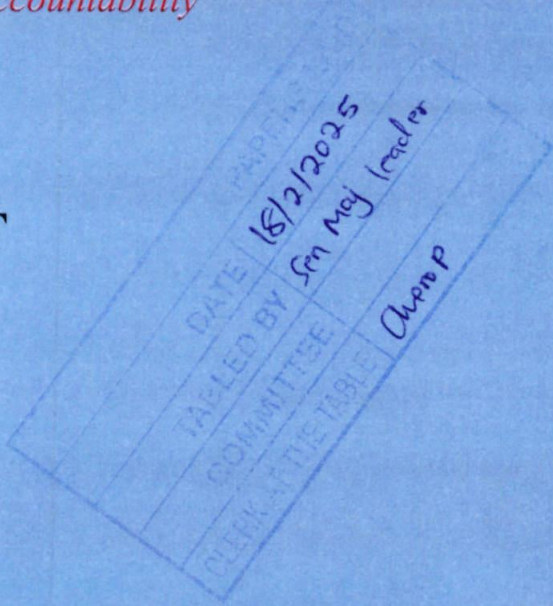
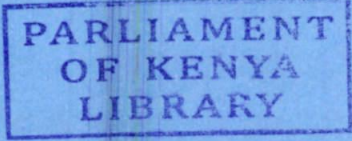
REPUBLIC OF KENYA



Enhancing Accountability



REPORT



OF

THE AUDITOR-GENERAL

ON

KIAMBU COUNTY JIINUE FUND

**FOR THE YEAR ENDED
30 JUNE, 2024**



KIAMBU COUNTY JIINUE FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

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KIAMBU COUNTY JIINUE FUND

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

1. Acronyms, Abbreviations, and Definition of Key Terms

A: Acronyms and Abbreviations

CBK	Central Bank of Kenya
CECM	County Executive Committee Member
CEO	Chief Executive Officer
BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
DOB	Date of Birth
OAG	Office of the Auditor General
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
Kshs	Kenya Shillings
KCB	Kenya Commercial Bank
CRB	Credit Reference Bureau
MSMEs	Micro, Small and Medium Enterprises
SRC	Salaries and Remuneration Commission
ETR	Electronic Tax Register
ECL	Expected Credit Loss
FY	Financial Year
SC	State Corporations
USD	United States Dollar
KPLC	Kenya Power and Lighting Company
RTGS	Real Time Gross Settlement
MOU	Memorandum of Understanding
CSR	Corporate Social Responsibility
CPA	Certified Public Accountant
BA	Bachelor of Arts
MA	Master of Arts
Ag	Acting
MBA	Master of Business Administration
BBA	Bachelor of Business Administration

KIAMBU COUNTY JIINUE FUND

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

BSC	Bachelor of Science
BCOM	Bachelor of Commerce
LTD	Limited
KNCCI	Kenya National Chamber of Commerce and Industry
NBV	Net Book Value

B: Definition of Key Terms

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

Comparative Year- Means the prior period.

KIAMBU COUNTY JIINUE FUND

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

2. Key Entity Information and Management

(a) Background information

Kiambu Jiinue Fund is established by and derives its authority and accountability from the PFM Act and The Public Finance Management (Kiambu County Jiinue Fund) Regulations, 2021. The Fund is wholly owned by the County Government of Kiambu and is domiciled in Kiambu County headquarters, Kenya.

The fund's objective is to facilitate access of affordable credit to micro, small and medium enterprises within the county by providing solutions which include negotiated financial subsidies and loan guarantees.

(b) Principal Activities

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

- Alleviation of the negative effects felt during the covid pandemic, and significant economic contraction (recession) on businesses within the County after the covid pandemic;
- Establishment of a framework for investing in and facilitating growth of micro and small enterprises to spur economic growth in the County;
- Facilitation of access to affordable credit to micro and small enterprises within the County from financial institutions by providing solutions which include negotiated financial subsidies;
- Negotiation by the County Government on an economic stimulus package scheme with financial facilities.

(c) Key Management

The Fund's day-to-day management is under the following key organs:

SN	Name	Position
1	Maryanne Kahuno	Ag. Chief Officer Youth Affairs & Sports
2	William Kimani	Chief Officer Finance, Ict & Economic Planning
3	John G. Mwangi	Fund Administrator
4	Maureen K. Gitonga	Fund Accountant

KIAMBU COUNTY JIINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.****Key Entity Information and Management (continued)****(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CECM- Youth Affairs, Sports, Communication & Public Relations	Ali Osman Korar
2.	Ag. CO – Youth Affairs and Sports	Maryanne Kahuno
3.	Fund Administrator	John G. Mwangi
4.	Fund Accountant	Maureen K. Gitonga

(e) Fiduciary Oversight Arrangements

SN	POSITION	NAME
1	Directorate Internal Audit	County Government Of Kiambu
2	County Public Accounts Committee	County Assembly Of Kiambu
3	County Public Investment Committee	County Assembly Of Kiambu

(f) Entity Headquarters

Kiambu County Government Headquarters
Kiambu Town
P.O. Box 2344-00900
Kiambu, KENYA

(g) Entity Contacts

Telephone:(254) 0709877000
Email:info@kiambu.go.ke
Website: www.kiambu.go.ke

KIAMBU COUNTY JIINUE FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

Key Entity Information and Management (continued)

(h) Entity Bankers

1. Kenya Commercial Bank

Kiambu Branch

Accounts:

1. 1285258592
2. 1285264037
3. 1285264185

(i) Independent Auditor

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(j) Principal Legal Adviser

i) The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

ii) The County Attorney



Kiambu County Government

Kiambu Town

P.O. Box 2344-00900

Kiambu, Kenya

3. The Board of Directors

Name	Details of qualifications and experience
 <p>ALI OSMAN KORAR</p>	<p>County Executive Committee Member Youth Affairs, Sports, Communication & Public Relations. D.O.B: 02/04/1994 BCOM – Finance Work Experience:</p> <ul style="list-style-type: none">➤ 2022 to Date – CECM Youth Affairs and Sports County Government of Kiambu➤ 2018– Secretary General Mount Kenya University➤ 2017– Accountant Thika Water➤ 2016 – Accountant at Helping Hands <p>Jiinue Fund Board Chairman</p>
 <p>JOHN G. MWANGI</p>	<p>Jiinue Fund Administrator D.O.B: 23/04/1976 MBA – Strategic Management CPA – K Work Experience:</p> <ul style="list-style-type: none">➤ 2022 to Date – Fund Administrator (Jiinue Fund) County Government of Kiambu➤ 2020 to 2021 – Ag. Director (Jijenge Fund) County Government of Kiambu➤ 2014 to 2019 – Fund Manager (Kiambu County Youth, Women and Persons with Disabilities Enterprise Development Fund) County Government of Kiambu➤ 2012 to 2013 – Head of County Treasury County Government of Kiambu <p>Jiinue Fund Board Secretary</p>

KIAMBU COUNTY JIINUE FUND

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

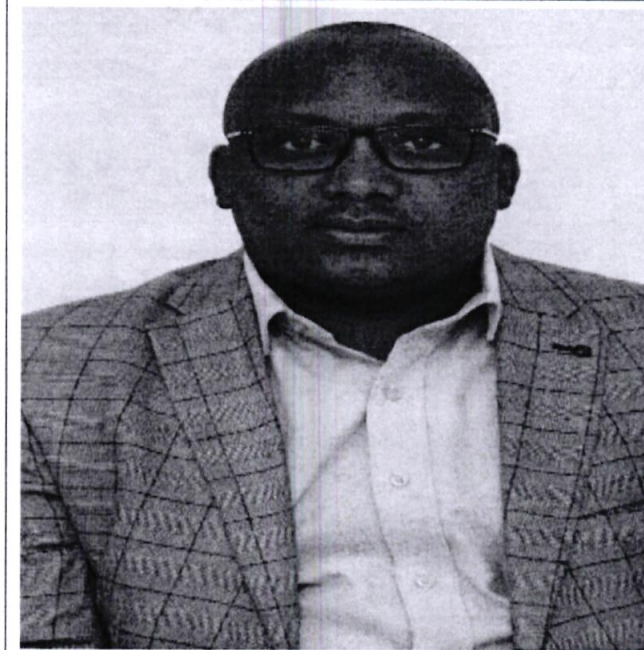


MARYANNE KAHUNO

Ag. Chief Officer Youth Affairs & Sports
D.O.B: 15/02/1988
Bachelor of Travel and Tour Operations Management
Bachelor of Historical and Cultural Sciences
Master of Historical and Cultural Sciences
Certificate in International Project Management
Work Experience:
➤ Oct 2023 to Date – Ag. Chief Officer Youth Affairs & Sports County Government of Kiambu
➤ Aug 2021 to Oct 2023 – Director Youth Affairs County Government of Kiambu
➤ 2019 to 2021 – Consultant, Various Governmental & Non-Governmental Organisations at Heritage and Cultural Expert, Kenya
➤ Dec 2018 to July 2019 – Young Professional, Communication and Information Programme at Kenya National Commission for UNESCO
➤ Apr 2018 to Dec 2018 – Young Professional, Culture Programme at Kenya National Commission for UNESCO
➤ 2012 to 2017 – Programme Officer (Grants) at GRM International
Jiinue Fund Board Member

KIAMBU COUNTY JIINUE FUND

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



WILLIAM KIMANI

Chief Officer Finance, ICT and Economic Planning

D.O.B: 25/08/1977

BBA – Finance and Accounting

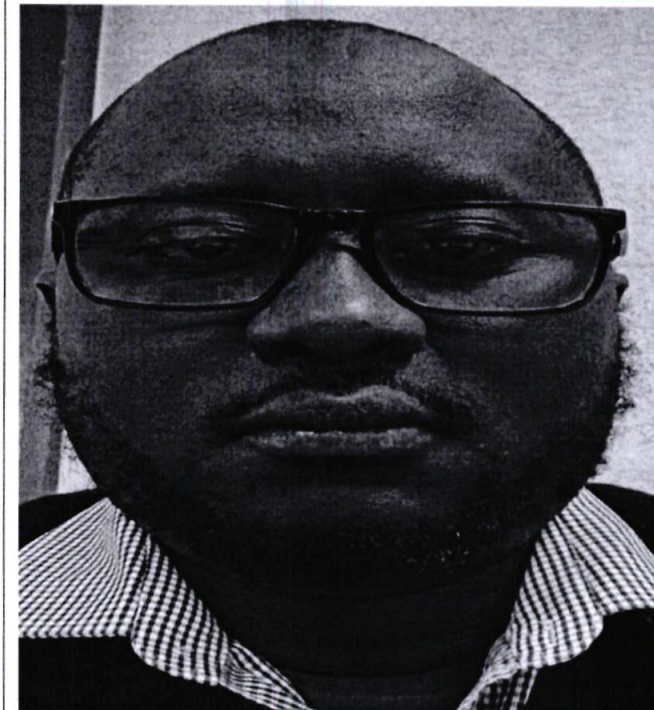
MBA - Finance

CPA – K

Work Experience:

- 2019 to Date - Chief Officer Finance Economic planning and ICT County Government of Kiambu
- 2018 to 2019 – Chief Officer Administration County Government of Kiambu
- 2017 - Director Administration County Government of Kiambu

Jiinue Fund Board Member



DANIEL KIRATHE

County Solicitor

D.O.B: 07/07/1985

Bachelor of Law

Post Graduate Diploma (Legal Practice)

Work Experience:

- August 2020 to Date – County Solicitor County Government of Kiambu
- January 2015 to Date – Managing Partner Kirathe and Co-Advocates.
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Jiinue Fund Board Member

KIAMBU COUNTY JIINUE FUND

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



CAROLINE MWANGI

Business Community Representative

D.O.B: 21/06/1990

Diploma in Human Resource Management

BCOM- Entrepreneurship and Innovation

CPA – K

Work Experience:

- 2013 to Date – Founder and C.E.O at Kimplanter Seedlings and Nurseries Ltd
- 2021 to Date – Founder and Trustee at Carol Kimplanter Foundation
- April 2014 to July 2016 - Konoike Construction Company Ltd (Administrator)
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Jiinue Fund Board Member



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ii) The County Attorney



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KIAMBU COUNTY JIINUE FUND

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



MARYANNE KAHUNO

Ag. Chief Officer Youth Affairs & Sports

D.O.B: 15/02/1988

Bachelor of Travel and Tour Operations Management

Bachelor of Historical and Cultural Sciences

Master of Historical and Cultural Sciences

Certificate in International Project Management

Work Experience:

- Oct 2023 to Date – Ag. Chief Officer Youth Affairs & Sports County Government of Kiambu
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Jiinue Fund Board Member

KIAMBU COUNTY JIINUE FUND

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



WILLIAM KIMANI

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D.O.B: 25/08/1977

BBA – Finance and Accounting

MBA - Finance

CPA – K

Work Experience:

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- 2017 - Director Administration County Government of Kiambu

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KIAMBU COUNTY JIINUE FUND

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BCOM- Entrepreneurship and Innovation
CPA – K
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➤ February 2011 to March 2013 – Konoike Construction Company LTD (Junior Administrator & Accounts Clerk)

Jiinue Fund Board Member




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Business Community Representative
D.O.B: 11/10/1982
BSC – International Business Administration
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➤ Current: KNCCI Central Region CEO – 3 years
➤ KNCCI CEO Kiambu County – 1 year
➤ Business Marketing and Health Sector – 8 years(Ansell Pharmaceuticals and Dynamics Marketing Ltd)
➤ Banking – 5 years

Jiinue Fund Board Member

4. Key Management Team

Name	Details of qualifications and experience
 <p>MARYANNE KAHUNO</p>	<p>Ag. Chief Officer Youth Affairs & Sports D.O.B: 15/02/1988</p> <p>Bachelor of Travel and Tour Operations Management</p> <p>Bachelor of Historical and Cultural Sciences</p> <p>Master of Historical and Cultural Sciences</p> <p>Certificate in International Project Management</p> <p>Work Experience:</p> <ul style="list-style-type: none"> ➤ Oct 2023 to Date – Ag. Chief Officer Youth Affairs & Sports County Government of Kiambu ➤ Aug 2021 to Oct 2023 – Director Youth Affairs County Government of Kiambu ➤ 2019 to 2021 – Consultant, Various Governmental & Non-Governmental Organisations at Heritage and Cultural Expert, Kenya ➤ Dec 2018 to July 2019 – Young Professional, Communication and Information Programme at Kenya National Commission for UNESCO ➤ Apr 2018 to Dec 2018 – Young Professional, Culture Programme at Kenya National Commission for UNESCO ➤ 2012 to 2017 – Programme Officer (Grants) at GRM International <p>Responsibility - Jiinue Fund Account Signatory</p>

KIAMBU COUNTY JIINUE FUND

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



WILLIAM KIMANI

Chief Officer Finance, ICT and Economic Planning

D.O.B: 25/08/1977

BBA – Finance and Accounting

MBA - Finance

CPA – K

Work Experience:

- 2019 to Date - Chief Officer Finance Economic planning and ICT County Government of Kiambu
- 2018 to 2019 – Chief Officer Administration County Government of Kiambu
- 2017 - Director Administration County Government of Kiambu

Responsibility - Jiinue Fund Account Signatory



JOHN G. MWANGI

Jiinue Fund Administrator

D.O.B: 23/04/1976

MBA – Strategic Management

CPA – K

Work Experience:

- 2022 to Date – Fund Administrator (Jiinue Fund) County Government of Kiambu
- 2020 to 2021 – Ag. Director (Jijenge Fund) County Government of Kiambu
- 2014 to 2019 – Fund Manager (Kiambu County Youth, Women and Persons with Disabilities Enterprise Development Fund) County Government of Kiambu
- 2012 to 2013 – Head of County Treasury County Government of Kiambu

Responsibility - Jiinue Fund Account Signatory



MAUREEN K. GITONGA

Jiinue Fund Accountant

D.O.B: 10/04/1993

BA – Economics and Finance

MA – Economics (International Trade and Finance)

CPA – 2

Work Experience:

- 2022 to current – Fund Accountant (Jiinue Fund) County Government of Kiambu
- February 2020 to 2021 – Fund Accountant (Jijenge Fund) County Government of Kiambu
- April 2018 to February 2020 – Finance Officer Kenya Urban Support Program County Government of Kiambu
- 2016 to April 2018 – Finance Officer (Education, Culture and Social Services) County Government of Kiambu
- 2015 to Nov 2016 – Procurement Officer County Government of Kiambu

Responsibility - Jiinue Fund Accountant

KIAMBU COUNTY JIINUE FUND

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

5. Chairman's Statement

The *Kiambu County Jiinue Fund* was established under the Public Finance Management (Kiambu County Jiinue Fund) Regulations, 2021, and is based within the Department of Youth Affairs, Sports, Communication and Public Relations. This fund primarily aims to support the youth in Kiambu County by facilitating access to affordable credit for micro, small, and medium enterprises (MSMEs), though it doesn't lock out women, persons living with disabilities and venerable persons within the county both in existing businesses and startups.

Fund Launch and Objective

The Fund was officially launched on June 10th, 2022, by His Excellency, the Governor. The launch event was attended by members of the County Assembly, key stakeholders, and the public, marking a significant milestone in our commitment to economic empowerment, with the primary objective of the Fund being to provide affordable credit solutions to MSMEs through negotiated financial subsidies and loan guarantees, thereby fostering economic growth and job creation, especially for youth-led businesses within the county.

Governance and Management

As we enter the Fund's third year of operation, there has been a change in leadership within the board and management team, with new Chairperson and County Executive Committee Member for Youth Affairs, Sports, Communication and Public relation under whose department the Fund is domiciled, also the Chief Officer Youth and Sports is a new member to the board. The current board consists of seven members, including two representatives from the private sector. However, it should be noted that the board does not currently meet the gender equality requirement of one third, as it has only two female members with a non-renewable tenure of three years for the members drawn from the private sector. The two representatives from the private sector are serving their last year in the board.

Fund Performance and Financial Overview

Since its launch, the Kiambu County Jiinue Fund has generated significant interest, resulting in numerous applications and inquiries. As of the end of the financial year on June 30th, 2024, the Fund has facilitated the disbursement of Ksh 227,043,971 to 631 applicants across the county. These funds were distributed through an interest subsidy of Ksh 18.5 million, which was fully

KIAMBU COUNTY JIINUE FUND

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

utilized within the first quarter of the financial year 2022/2023, and a guarantee fund of Ksh 30 million designed to support businesses with minimal security in accessing credit.

The Fund has been substantially supported by KCB Bank, which has allocated Ksh 1.3 billion to this initiative. Additionally, the Kiambu County Government had appropriated Ksh 138 million for interest sharing, credit guarantee and administrative costs within a 3 years period. This collaboration has been instrumental in the successful implementation and operation of the Fund, contributing to its objective of promoting economic development within the county.

It's important to note that during the financial year 2023/2024 the County treasurer didn't not appropriate the budgetary allocation of Ksh 50 million out of the deficit of Ksh 88 million for the continuous operations of fund due to cashflow constraints and this affected the operations of the fund and disbursement of the loans, so no loans were disbursed in this financial year and more efforts were put on the recoveries.

Loan defaulted hampers the progressive of the fund growth and more efforts are being put in place to ensure repayment of the loans. These measures include Listing with the credit reference bureau, debt collection agencies and attachment of properties through auctioneers.

Conclusion

In summary, the Kiambu County Jiinue Fund has made considerable progress in its mission to empower MSMEs and promote youth entrepreneurship in Kiambu County. Moving forward, it is essential to continue monitoring the Fund's performance with more efforts in collection of defaulted loans, conduct more civic education, trainings on business management and financial literacy, address the governance issue related to gender equality, and explore further opportunities for growth and impact through more partnership with institutions, organizations and agencies willing to collaborate with the county.

We would like to extend our gratitude to the Kiambu County Government and KCB Bank for their ongoing support and partnership, which have been crucial in achieving the Fund's objectives.

Thank you.

Ali Osman Korar.....Signature..........Date.....12/11/2024.....

Chairperson of the Board

KIAMBU COUNTY JIINUE FUND

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

6. Report of the Fund Administrator

The Kiambu County Jiinue Fund was established under the Public Finance Management (Kiambu County Jiinue Fund) Regulations, 2021, with the primary objective of supporting micro, small, and medium enterprises (MSMEs) within Kiambu County by providing affordable credit solutions. Following a fair procurement process, we partnered with KCB Bank Ltd to administer the Fund effectively. The Fund was officially launched on June 10th, 2022, with various stakeholders present, including Board members, members of the County Assembly, key partners such as KCB Bank Ltd, KCB foundation, Zetech University, and members of the public.

Current Economic Context

The continuous operationalization of Fund is timely, considering challenges being faced by MSMEs and the impact of the global economic recession. Factors such as global currency depreciation, adverse weather conditions, and the Ukraine-Russia conflict and the middle East crisis fueled by the Israel-Palestine Conflict have exacerbated the economic strain on small businesses. Further the implementation of the Finance Bill 2023 introduced new tax measures targeting the micro and small businesses with introduction on new taxes and e-Tims requirements. The Fund aims to continue providing crucial support to these enterprises during these challenging times especially with business management and financial literacy training

Governance and Management

In its third year of operation, there has been a change in leadership, with a new chairman who is also the County Executive Member for Youth Affairs, Sports, Communications and Public Relations and Chief Officer for Youth Affairs and Sports now overseeing the Fund. The Board, comprised of seven members including two from the private sector, and out of the seven members only two are female member. The board only met twice in this financial year 2023/2024 since there was very little activities in the operations with no disbursement of funds from the county treasury.

Fund Performance and Challenges

As of June 30th, 2024, KCB Bank has disbursed Ksh 227,043,971 to 631 applicants across Kiambu County and of the loans disbursed ksh 203,022,572 from 476 applicants were repaid back and the current outstanding loans are Ksh 24,021,398 from 155 applicants. Despite the progress, we face challenges, including applicants listed with the Credit Reference Bureau (CRB) and misconceptions

KIAMBU COUNTY JIINUE FUND

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

that the Fund is a grant. These issues primarily affect youth applicants. To address this, KCB Bank, through its foundation, is continuously offering financial literacy training to educate applicants and encourage responsible borrowing.

There was very little activity in this financial year since the County treasury did not appropriate any funding due to cashflow constraints. The budgetary allocation was ksh 50 million out of the remaining Ksh 88 million. This hampered the operations of the fund and more loans disbursements.

Description	No.	Amount (Ksh)
Jiinue fund scheme portfolio	631	227,043,971.00
Jiinue fund scheme paid loans	476	203,022,572.52
Jiinue fund scheme outstanding portfolio as at 31st May 2024	155	24,021,398.48

Financial Strategy and Support

Kiambu County has provided an interest subsidy and loan guarantees to bridge the gap for youth who lack collateral, offering loans of up to Ksh 150,000 and interest subsidies for MSMEs on loans of up to Ksh 1 million with an interest payment of upto 7% and a repayment period of upto 2 years. Over the next three years, the Fund aims was to disburse Ksh 1.3 billion, targeting about 200 micro and small enterprises per ward. This initiative was expected to reduce poverty, create jobs, and attract more investments to Kiambu County.

Partnership and Collaboration

Our partnership with KCB Bank leverages its expertise in micro-lending and includes provisions for business development training, mentorship, and market linkages for MSMEs. The bank also collaborates in monitoring and evaluating businesses to address challenges proactively with professional assistance.

KIAMBU COUNTY JIINUE FUND

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Impact and Future Outlook

The Kiambu County Jiinue Fund, despite being launched during a politically active period, has measures in place to ensure that only eligible businesses with repayment capability access the funds. KCB Bank conducts thorough due diligence and credit scoring to support this objective. The County Government's allocation of Ksh 138 million has facilitated the creation of a Ksh 1.3 billion Fund through KCB Bank, representing a significant opportunity to stimulate economic growth, foster entrepreneurship, and enhance community well-being in Kiambu County.

Business Model	Targeted Disbursements KES	Interest Payment by Kiambu County KES	Guarantee by Kiambu County KES
Interest Sharing	1 Billion	60 Million	0
Interest Sharing Plus Guarantee	300 Million	18 Million	60 Million
Total	1.3 Billion	78 Million	60 Million
Total			138 Million

Budget Performance Overview

Below is an overview of the original budget versus actual budget performance, highlighting the Fund's financial activities and allocations:

Description	Original Budget (Ksh)	Actual Expenditure (Ksh)
Fund Allocation by County	138,000,000	50,000,000
Disbursements to Beneficiaries	1,300,000,000	227,043,971
Interest Subsidies	18,500,000	79,004
Loan Guarantees	30,000,000	23,359,188

.....

JOHN G. MWANGI

Fund Administrator

7. Statement of Performance against Predetermined Objectives for FY 2023/2024

Kiambu County Jiinue Fund has one strategic pillar and objective within the current Strategic Plan for the FY 2023/2024. The strategic pillar is as follows:

Pillar1: Enterprise Fund with an objective to promote welfare through self-employment and enterprise development among the Youth, PWDs and Women.

Kiambu County Jiinue Fund develops its annual work plans based on the above Enterprise Fund pillar as entrenched in the CIDP and the CADP. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Fund did not achieve its performance targets set for the FY 2023/2024 period for its Enterprise Fund strategic pillar, as indicated in the table below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Enterprise Fund	To promote welfare through self-employment and enterprise development among the Youth, PWDs and Women.	To provide an average of 600 beneficiaries being a targeting 10 beneficiaries per ward with low interest loans.	Providing low interest loans to young people, women and PWDs.	The fund did not achieve its performance target since it did not receive any budgetary appropriation from the County treasury. Target = 0%

KIAMBU COUNTY JIINUE FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

8. Corporate Governance Statement

The fund has so far held two board meetings in the FY 2023/2024 and there was 100% attendance by the board members.

The board is comprised of both county and two non-county members from the private sector representative appointed by the Governor on a three years non-renewable tenure to ensure there's no vacuum in the advisory board.

The Board had developed a draft Fund policy and is in the process of developing a board charter in the First quarter of the FY 2022/2023.

The board was established using the following criteria:

- the Executive Member who shall be the chairperson;
- the Chief Officer;
- the Officer Administering the Fund who shall be the Secretary to the Board;
- the Chief Officer responsible for Finance or designate;
- the County Solicitor or designate;
- two persons representing the Kiambu business community;

The two persons representing the Kiambu Business Community shall be appointed by the Governor and shall serve for a non-renewable term of three years.

Roles and Functions of the Board

- continually review the policy framework of the Fund for purposes of advising the Executive Member on the policy needs of the Fund;
- consider and recommend the estimates of revenue to and expenditure from the Fund;
- approve the Fund's budget;
- approve the opening and closing of bank accounts in line with the Act;
- approve disbursements from the Fund;
- approve the financial statements of the Fund prepared in accordance with the Act;

KIAMBU COUNTY JIINUE FUND

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

- analyse reports submitted to it by financial institutions to ensure that beneficiaries of the fund are persons or businesses domiciled in Kiambu County;
- advise and report to the County Executive Committee on matters relating to the operation of the Fund;
- receive, review and approve reports on the performance of the Fund;
- receive and address complaints and take any appropriate action;
- oversee the efficient management and operation of the Fund and other matters that may arise in relation to the Fund; and
- Perform such other function as may be necessary for the proper discharge of its mandate.

The board has not been properly inducted and has received very little training on their roles and functions.

The Board has established a draft Fund policy and measures to address conflict of interest where it may arise.

The Board remuneration is as per the SRC circulation on board remunerations.

KIAMBU COUNTY JIINUE FUND

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

9. Management Discussion and Analysis

Introduction

This report provides a comprehensive overview of the Kiambu County Jiinue Fund's operational and financial performance over the last year and its impact on the local economy. Established under the Public Finance Management (Kiambu County Jiinue Fund) Regulations, 2021, the Fund aims to support micro, small, and medium enterprises (MSMEs) in Kiambu County by providing affordable credit solutions. The following sections outline the Fund's activities, financial performance, compliance with statutory requirements, key risks, and a review of the economic environment.

1. Operational and Financial Performance

Performance Overview (Last Year)

Since its official launch on June 10th, 2022, the Kiambu County Jiinue Fund has made significant strides in supporting MSMEs within Kiambu County. During the financial year ending June 30th, 2023, the Fund, in partnership with KCB Bank Ltd, disbursed Ksh 227,043,971 to 632 applicants across the county. The Fund provided interest subsidies totaling Ksh 18.5 million and a guarantee fund of Ksh 30 million, directly supporting small businesses in need of financial assistance.

Budget Performance

Description	Original Budget (Ksh)	Actual Expenditure (Ksh)
Fund Allocation by County	138,000,000	50,000,000
Disbursements to Beneficiaries	1,300,000,000	227,043,971
Interest Subsidies	18,500,000	79,004
Loan Guarantees	30,000,000	23,359,188

Financial Strategy and Future Outlook

The Fund aims to disburse Ksh 1.3 billion over the next three years, targeting approximately 200 micro and small enterprises per ward. This strategy is expected to significantly reduce poverty, create jobs, and attract investments, thereby fostering economic growth in Kiambu County.

2. Key Projects and Investment Decisions

Implemented Projects:

- **Launch of the Jiinue Fund:** The Fund was launched to provide financial support to MSMEs, particularly focusing on youth-led enterprises. The collaboration with KCB Bank Ltd enabled

the establishment of a substantial loan portfolio, supported by interest subsidies and loan guarantees.

Ongoing Initiatives:

- **Financial Literacy Training:** In response to challenges faced by applicants, KCB Bank, through its foundation, has initiated financial literacy training programs aimed at educating potential beneficiaries on responsible borrowing and financial management.
- **Expansion of Micro-Lending Services:** Plans are underway to expand the reach of the Jiinue Fund by increasing the number of disbursed loans and enhancing accessibility for entrepreneurs throughout Kiambu County.

3. Compliance with Statutory Requirements

The Fund is committed to maintaining full compliance with all relevant statutory and regulatory requirements. During the reporting period, the following compliance activities were undertaken:

- **Regulatory Adherence:** All operations have been conducted in alignment with the Public Finance Management (Kiambu County Jiinue Fund) Regulations, 2021, the Public Finance Management Act and the PSASB ensuring proper governance and oversight of financial activities.
- **Board Composition and Gender Equality:** Efforts are underway to comply with gender equality requirements, as the current board includes only two female members, contrary to statutory guidelines.

4. Major Risks Facing the Organization

Identified Risks:

- **Credit Risk:** Many applicants are listed with the Credit Reference Bureau (CRB), posing a risk to the repayment of disbursed loans. Mitigation strategies include thorough due diligence and enhanced credit scoring processes.
- **Economic Downturn:** The ongoing global economic recession, currency depreciation, and geopolitical tensions (e.g., Ukraine-Russia conflict) continue to impact the viability of small businesses and the broader economic environment.

Risk Mitigation Strategies:

- **Strengthening Partnerships:** Working closely with KCB Bank Ltd to ensure rigorous credit assessments and proactive financial management support for beneficiaries.

KIAMBU COUNTY JIINUE FUND

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

- **Enhancing Financial Literacy:** Continued focus on financial education programs to improve borrower understanding of credit obligations and encourage prudent financial behavior.

5. Material Arrears in Statutory and Other Financial Obligations

- **Current Status:** The Fund has no reported arrears in statutory or other financial obligations as of the end of the financial year 2023/2024. All financial commitments have been met in accordance with the Public Finance Management Act and other relevant regulations.

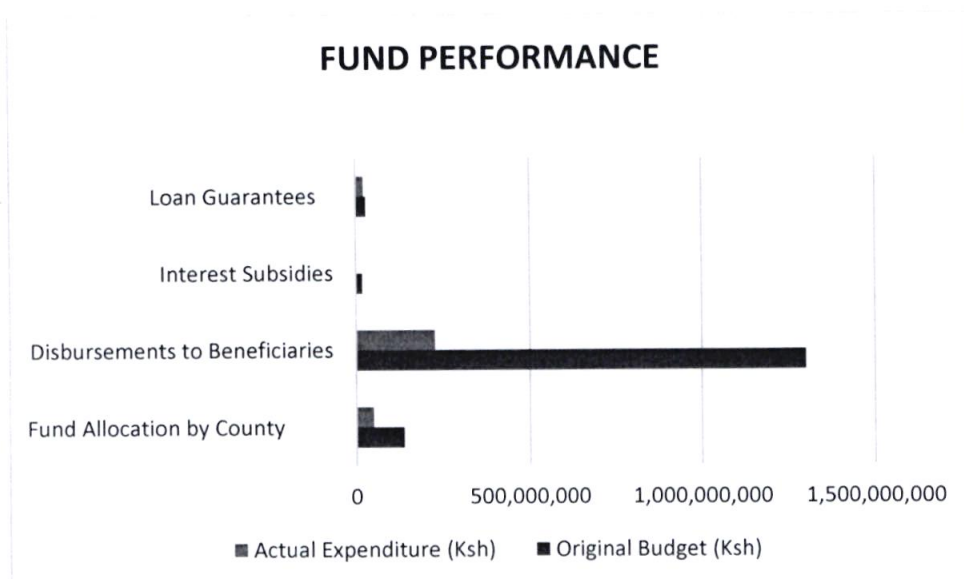
6. Review of the Economy

Economic Context and Impact on MSMEs:

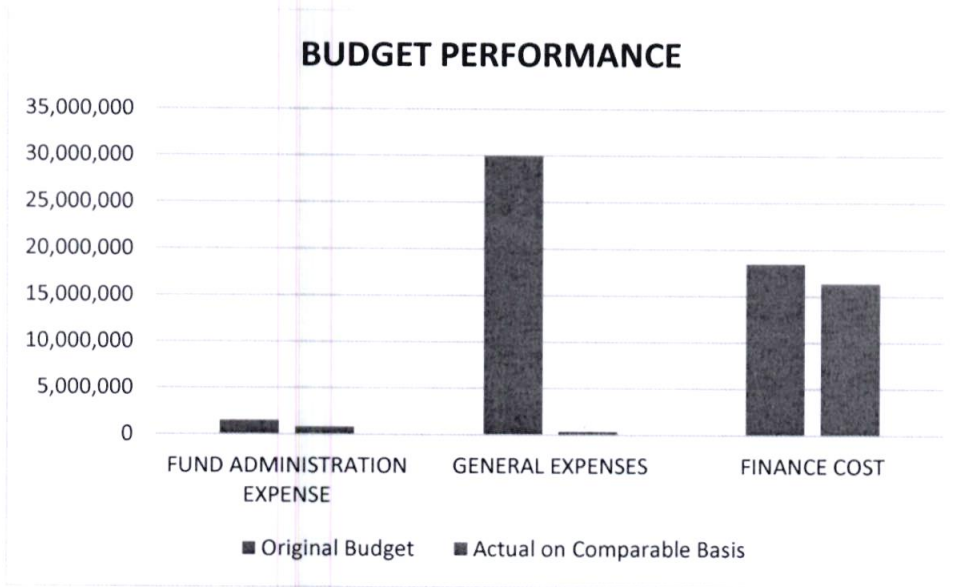
- **Global economic recession:** MSMEs continue to face challenges in recovering from the economic effects of the COVID-19 pandemic, exacerbated by global economic downturns, inflation, and supply chain disruptions.
- **Local Economic Environment:** Despite these challenges, Kiambu County remains committed to supporting economic resilience through targeted financial interventions, such as the Jiinue Fund, to ensure continued growth and development.

Conclusion

In conclusion, the Kiambu County Jiinue Fund has demonstrated strong operational performance in its inaugural year, supporting MSMEs in navigating a challenging economic landscape. Moving forward, we are committed to enhancing governance, expanding financial support, and ensuring compliance to achieve our goal of fostering sustainable economic growth in Kiambu County.



Graph 1.1 Fund Performance



Graph 1.2 Budget Performance

KIAMBU COUNTY JIINUE FUND

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

10. Environmental and Sustainability Reporting

The fund did not participate in any CSR activities.

11. Report of the Board

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

i) Principal activities

The principal activities of the Fund is to:

- Alleviation of the negative effects of a declared pandemic, or significant economic contraction (recession) on businesses within the County;
- Establishment of a framework for investing in and facilitating growth of micro and small enterprises to spur economic growth in the County;
- Facilitation of access to affordable credit to micro and small enterprises within the County from financial institutions by providing solutions which include negotiated financial subsidies;
- Negotiation by the County Government on an economic stimulus package scheme with financial facilities.

ii) Results

The results of the Fund for the year ended 30 June, 2024 are set out on page 1 to 8 that talks about the total amount disbursed and the number of beneficiaries for the year ended 30 June, 2024.

iii) Board of Directors

The members of the Board of Trustees who served during the year are shown on page vii to x. The changes in the Board during the financial year are as shown below:

1. The Chief Officer Youth Affairs, Sports and Communications

iv) Auditors

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

By Order of the Board

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John G. Mwangi

Secretary to the Board

KIAMBU COUNTY JIINUE FUND

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

12. Statement of the Board Responsibilities

Section 81 or 164 of the Public Finance Management Act, 2012 and the Public Finance Management (Kiambu County Jiinue Fund) Regulations, 2021, require the Directors/Fund Committee to prepare financial statements in respect of that Kiambu County Jiinue Fund, which give a true and fair view of the state of affairs of the Kiambu County Jiinue Fund at the end of the financial year/period and the operating results of the Kiambu County Jiinue Fund for that year/period. The Directors/Fund Committee are also required to ensure that the Kiambu County Jiinue Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the Kiambu County Jiinue Fund. The Directors/Fund Committee is also responsible for safeguarding the assets of the Kiambu County Jiinue Fund.

The Directors/Fund Committee are responsible for the preparation and presentation of the Kiambu County Jiinue Fund financial statements, which give a true and fair view of the state of affairs of the Kiambu County Jiinue Fund for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Entity; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Kiambu County Jiinue Fund; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors/Fund Committee accept 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 the Public Finance Management (Kiambu County Jiinue Fund) Regulations, 2021. The Directors/Fund Committee are of the opinion that the Kiambu County Jiinue Fund financial statements give a true and fair view of the state of the Kiambu County Jiinue Fund transactions during the financial year ended June 30, 2024, and of the Kiambu County Jiinue Fund financial position as at that date. The Directors/Fund Committee further confirms the completeness of the accounting records maintained for the Kiambu County Jiinue Fund, which have

KIAMBU COUNTY JIINUE FUND

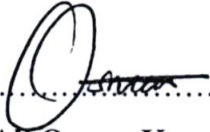
Annual Report and Financial Statements for the year ended June 30, 2024.

been relied upon in the preparation of the Kiambu County Jiinue Fund financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors/Fund Committee have assessed the entity's ability to continue as a going concern basis of preparation of the financial statements. Nothing has come to the attention of the Directors/Fund Committee to indicate that the Kiambu County Jiinue 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 Kiambu County Jiinue Fund financial statements were approved by the Board on 18th November 2024 and signed on its behalf by:



Ali Osman Korar

Chairperson of the Board



John G. Mwangi

Fund Administrator

REPUBLIC OF KENYA

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Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON KIAMBU COUNTY JIINUE 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; 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 Kiambu County Jiinue Fund set out on pages 1 to 66, which comprise of the statement of financial position as at

Report of the Auditor-General on Kiambu County Jiinue Fund for the year ended 30 June, 2024

30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kiambu County Jiinue Fund as at 30 June, 2024, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Public Finance Management (Kiambu County Jiinue Fund) Regulations, 2021.

Basis for Qualified Opinion

Ineligible Payments

The statement of financial performance reflects grants and subsidies amount of Kshs.6,345,089 as disclosed in Note 20 to the financial statements. The amount was paid as guarantee for loan defaults by beneficiaries. However, the Fund did not have a provision for bad debts policy. Further, the beneficiaries, the amount of loan guaranteed and amounts under default could not be confirmed.

In the circumstances, the accuracy and completeness of the payment of Kshs.6,345,089 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.50,000,000 and Kshs.166,933 respectively, resulting in under-funding of Kshs.49,833,067 or 99% of the budget. Similarly, the fund spent Kshs.6,348,284 against budgeted expenditure of Kshs.50,000,000, resulting in an under-utilization of Kshs.43,651,716 or 87% of the actual receipts.

The under-funding and under-utilization affected the planned activities of the Fund and may have impacted negatively on service delivery to the public.

Further, documents provided for audit revealed that the Fund had a budget of Kshs.4,000,000 which entailed training expenses, hospitality services, purchase of office furniture and general equipment and routine maintenance of other assets. However, the amount was at variance with the budgeted amount of Kshs.1,500,000 reflected in the statement of comparison of budget and actual amounts. The variance of Kshs.2,500,000 was not explained.

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 matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Prior Year Audit Issues

In the audit report of the previous year, several matters were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Appendix I on progress on follow up of prior year Auditor's recommendations indicate that most of the issues have been resolved. However, Management has not provided evidence on how the resolution was arrived at. Therefore, the matters remain unresolved.

Other Information

The Management are responsible for the other information set out on page iv to xxviii which comprise of Key Entity Information and Management, The Board of Directors, Key Management Team, Chairman's Statement, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board and Statement of Board Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Kiambu County Jiinue Fund financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. 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

1. Management of the Fund

The County Government of Kiambu transferred Kshs.50,000,000 to the Fund during 2021/2022 financial year for the purpose of subsidizing loan interest of beneficiaries, guarantee of loan beneficiaries and operations of the Fund. Review of the records provided for audit revealed that there was no evidence of identification of the beneficiaries, applications, vetting and monitoring of the beneficiaries by the Fund Committee yet there was a transfer of Kshs.6,345,089 to a local bank in respect to recovery of loan defaulters in the financial 2023/2024.

The Fund has retained Kshs.23,359,188 in the local bank intended for covering loan defaults of principal and interest by beneficiaries. However, this amount remains idle without any productive utilization. In addition, during the audit period, an amount of Kshs.166,933 was recovered from bad debts; however, Kshs.87,938 was deposited into the Guarantee Account, while Kshs.78,995 was deposited into the Subsidy Account. There was no supporting documentation explaining the rationale for depositing these amounts into separate accounts, and the Memorandum of Understanding (MOU) with the County Government lacks clear guidelines on this matter.

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

2. Failure to Convene the Minimum Threshold of Board Meetings

Review of Board meeting minutes provided for audit by Jiinue Fund Management revealed that the Board held only two (2) meetings in the financial year under review, contrary to Regulation 10(5) of the Kiambu County Jiinue Fund Regulations, 2021 which states that the Board shall hold not less than twelve (12) meetings and not more than (24) twenty-four meetings every year on such days and such venues as is determined by the chairperson in consultation with the secretary.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects 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 governance were not effective.

Basis for Conclusion

Lack of Policies and Manuals

During the year under review, the Fund Management paid Kshs.6,345,089 to a local bank as a guarantee for loan defaults by beneficiaries. However, it was noted that Management had not developed essential documents, including a risk management policy, risk assessment report, and an operational policy and manual, to effectively guide the Fund's operations and mitigate potential risks.

In the circumstances, it was not possible to confirm the effectiveness of the operations of the Fund during the year under review.

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 December, 2024

KIAMBU COUNTY JIINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.****14. Statement of Financial Performance for the year ended 30 June 2024**

	Notes	2023/2024	2022/2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	-	-
Public contributions and donations	7	-	-
Transfers in-kind	8	-	-
		-	-
Revenue from exchange transactions			
Interest income	9	-	-
Rendering of services	10	-	-
Rental revenue from facilities and equipment	11	-	-
Fees and other charges	12	-	-
Other income	13	166,933	-
Total revenue		166,933	-
Expenses			
Use of goods and services	14	3,195	235,544
Employee costs	15	-	-
Board Expenses	16	-	600,700
Depreciation and amortization expense	17	-	-
Repairs and maintenance	18	-	-
Contracted services	19	-	-
Grants and subsidies	20	6,345,089	16,755,719
Finance costs	21	-	-
Total expenses		6,348,284	17,591,963
Surplus/deficit from operating activities		(6,181,351)	(17,591,963)
Other gains/(losses)			
Gain/Loss on sale of assets	22	-	-
Gain/Loss on foreign exchange transactions	23	-	-
Gain /Loss on fair value of investments	24	-	-
Impairment loss	25	-	-
Surplus/ (deficit) before tax		-	-
Taxation	26	-	-
Surplus/(deficit) for the Year		(6,181,351)	(17,591,953)

KIAMBU COUNTY JIINUE FUND

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

	Notes	2023/2024	2022/2023
		Kshs	Kshs
Net Surplus for the year		(6,181,351)	(17,591,953)

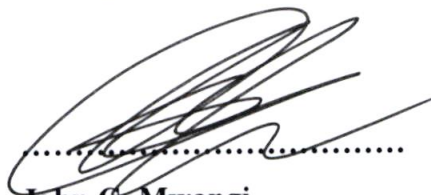
The notes set out on pages 25 to 55 form an integral part of these Financial Statements. The Financial Statements set out on page 1 to 8 were signed on behalf of the Board of Directors by:



.....
Ali Osman Korar

Chairman Board

Date *18/11/2024*



.....
John G. Mwangi

Fund Administrator

ICPAK M/No: 3368

Date *18.11.2024*



.....
Maureen K. Gitonga

Fund Accountant

Date *18/11/2024*

15 Statement of Financial Position as at 30 June 2024

	Notes	2023/2024	2022/2023
		KShs	KShs
Assets			
Current Assets			
Cash and Cash equivalents	27	24,114,579	30,295,910
Receivables from Exchange Transactions	28	-	-
Receivables from Non-Exchange Transactions	29	-	-
Inventories	30	-	-
Investments in financial assets	31	-	-
Total Current Assets		24,114,579	30,295,910
Non-Current Assets			
Receivables from Exchange Transactions	28	-	-
Investments in financial assets	31	-	-
Property, Plant and Equipment	32	-	-
Intangible Assets	33	-	-
Investment Property	34	-	-
Total Non- Current Assets		-	-
Total Assets (A)		24,114,579	30,295,910
Liabilities			
Current Liabilities			
Trade and Other Payables	35	-	-
Refundable Deposits from Customers	36	-	-
Current Provision	37	-	-
Finance Lease Obligation	38	-	-
Deferred Income	39	-	-
Employee Benefit Obligations	40	-	-
Current Portion of Borrowings	41	-	-
Taxation	42	-	-
Total Current Liabilities		-	-

KIAMBU COUNTY JIINUE FUND

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	Notes	2023/2024	2022/2023
		Kshs	Kshs
Non-Current Liabilities			
Non-Current Provisions	37	-	-
Non-Current Employee Benefit Obligation	40	-	-
Borrowings	41	-	-
Service Concession Liability	43	-	-
Deferred Tax Liabilities	44	-	-
Total Non- Current Liabilities		-	-
Total Liabilities (B)		-	-
Net Assets (A-B)		24,114,579	30,295,910
Represented By:			
Reserves		-	-
Accumulated Surplus		24,114,579	30,295,910
Revolving Fund		-	-
Capital Fund		-	-
Net Assets		24,114,579	30,295,910

The financial statements set out on pages 1 to 8 were signed on behalf of the Board of Directors by:


.....

Ali Osman Korar

Chairman of the Board

Date

18/11/2024


.....

John G. Mwangi

Fund Administrator

ICPAK M/No: 3368

Date

18.11.2024


.....

Maureen K. Gitonga

Fund Accountant

Date

18/11/2024

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

Description	Revaluation reserve	Fair value adjustment reserve	Accumulated surplus	Revolving Fund	Capital/Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, 2022	-	-	47,887,873	-	-	47,887,873
Revaluation gain		-	-	-	-	-
Fair value adjustment on investments	-	-	-	-	-	-
Surplus/ deficit for the year	-	-	(17,591,963)	-	-	(17,591,963)
Funds received During the year	-	-	-	-	-	-
Transfers from accumulated surplus to revolving fund	-	-	-	-	-	-
Capital/development grants received during the year	-	-	-	-	-	-
As at June 30, 2023	-	-	30,295,910	-	-	30,295,910
As at July 1, 2023	-	-	30,295,910	-	-	30,295,910
Revaluation gain	-	-	-	-	-	-
Fair value adjustment on investments	-	-	-	-	-	-
Surplus/ (deficit) for the year	-	-	(6,181,351)	-	-	(6,181,351)
Funds received During the year	-	-	-	-	-	-
Transfers from accumulated surplus to revolving fund	-	-	-	-	-	-
Capital/development grants received during the year	-	-	-	-	-	-
As at June 30, 2024	-	-	24,114,579	-	-	24,114,579

KIAMBU COUNTY JIINUE 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

		2023/2024	2022/2023
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities		-	-
Public contributions and donations		-	-
Interest received		-	-
Rendering of services		-	-
Rental revenue from facilities and equipment		-	-
Fees and other charges		-	-
Other income(<i>Bad debts recovered</i>)		166,933	-
Total receipts		166,933	-
Payments			
Use of goods and services		3,195	235,544
Employee costs		-	-
Board Expenses		-	600,700
Repairs and maintenance		-	-
Contracted services		-	-
Grants and subsidies		6,345,089	16,755,719
Finance costs		-	-
Total payments		6,348,284	17,591,963
Net cash flows from/(used in) operating activities	45	(6,181,351)	(17,591,963)
Cash flows from investing activities			
Purchase of PPE		-	-
Purchase of Intangible assets		-	-
Proceeds from sale of PPE		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Purchase of investments		-	-
Proceeds from sale of investments		-	-
Net cash flows from/(used in) investing activities		-	-

KIAMBU COUNTY JIINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.**

	2023/2024		2022/2023
	Notes	Kshs	Kshs
Cash flows from financing activities			
Revolving fund receipts		-	-
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash flows from financing Activities		-	-
Net increase/(decrease) in cash & Cash equivalents		(6,181,351)	(17,591,963)
Cash and cash equivalents at the beginning (1st July)	27	30,295,930	47,887,873
Cash and cash equivalents at the end (30th June)	27	24,114,579	30,295,910

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	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c= (a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers from County Government	50,000,000	-	50,000,000	-	50,000,000	-
Public Contributions and Donations	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Rendering of Services	-	-	-	-	-	-
Rental Revenue from Facilities and Equipment	-	-	-	-	-	-
Fees and other charges	-	-	-	-	-	-
Other Income (<i>Bad debts recovered</i>)	-	-	-	166,933	(166,933)	-
Total Income	50,000,000	-	50,000,000	166,933	49,833,067	0.33%
Expenses						
Use of Goods and Services	500,000	-	500,000	3,195	496,805	0.64%
Employee costs	-	-	-	-	-	-
Board Expenses	1,000,000	-	1,000,000	-	1,000,000	-
Repairs and Maintenance	-	-	-	-	-	-
Contracted Services	-	-	-	-	-	-
Grants and Subsidies	48,500,000	-	48,500,000	6,345,089	42,154,911	13.08%
Finance costs	-	-	-	-	-	-
Total Expenditure	50,000,000	-	50,000,000	6,348,284	43,651,716	12.7%
Surplus for the period	-	-	-	(6,181,351)	6,181,351	-
Capital Expenditure	-	-	-	-	-	-

19. Notes to the Financial Statements

1. General Information

Jiinue Fund entity is established by and derives its authority and accountability from Public Finance Management (Kiambu County Jiinue Fund) Regulations, 2021. The entity is wholly owned by the Kiambu County Government and is domiciled in Kenya. The entity's principal activity is

- Alleviation of the negative effects of a declared pandemic, or significant economic contraction (recession) on businesses within the County;
- Establishment of a framework for investing in and facilitating growth of micro and small enterprises to spur economic growth in the County;
- Facilitation of access to affordable credit to micro and small enterprises within the County from financial institutions by providing solutions which include negotiated financial subsidies;

Negotiation by the County Government on an economic stimulus package scheme with financial facilities.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts, and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Fund. The financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

KIAMBU COUNTY JIINUE FUND

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

3. Adoption of New and Revised Standards

- i. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

Standard	Effective date and impact
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.

KIAMBU COUNTY JIINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.**

<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector</p>

KIAMBU COUNTY JIINUE FUND

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

	employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
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ii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees and other charges

The Fund recognizes revenues from fees and other charges when the event occurs, and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

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 Fund and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The Entity recognizes revenue from the rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

KIAMBU COUNTY JIINUE FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

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.

Rental income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the County Assembly June, 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals to conclude the final budget. The Fund recorded no additional appropriations. The Fund'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 an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 18 of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Fund operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates, and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits, and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a

KIAMBU COUNTY JIINUE FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Fund and the same taxation authority.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

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

e) Property, plant, and equipment

All property, plant, and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Fund recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

Finance leases are leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Fund. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Fund also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Fund will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Fund. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Research and development costs

The Fund expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Fund can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

KIAMBU COUNTY JIINUE FUND

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Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

Financial instruments

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

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

KIAMBU COUNTY JIINUE FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note 28 (c).

b) Financial liabilities

Classification

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

i) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Fund.

j) Provisions

Provisions are recognized when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Fund expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the

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

k) Contingent liabilities

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

l) Contingent assets

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

m) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

n) 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.

o) Employee benefits

Retirement benefit plans

The Fund provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a

KIAMBU COUNTY JIINUE FUND
Annual Report and Financial Statements for the year ended June 30, 2024.

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

p) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

q) Borrowing costs

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

r) Related parties

The Fund 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 Fund, or vice versa. Members of key management are regarded as related parties and comprise the Fund Committees, the Fund Administrator, and senior managers.

s) Service concession arrangements

The Fund analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Fund recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement, or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Fund also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) 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 an insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and various commercial banks at the end of the financial year.

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

KIAMBU COUNTY JIINUE FUND

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Fund'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:

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 Fund 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 Fund. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 37. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

KIAMBU COUNTY JIINUE FUND

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6. Transfers from Other Government entities

Description	2023/2024	2022/2023
	Kshs	Kshs
Unconditional Grants		
Operational Grant	-	-
Unconditional development grants	-	-
Other Grants(<i>specify</i>)	-	-
Total Unconditional Grants	-	-
Conditional Grants amortised/ transferred to revenue		
Development Grant	-	-
Operational Grant	-	-
Other Organizational Grants (<i>specify</i>)	-	-
Total Government Grants and Subsidies	-	-

b) Transfers from Ministry/County Departments

Name of The Entity Sending the Grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognised in capital fund	Total transfers 2023/2024	2022/2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry/County Department	-	-	-	-	-
Ministry	-	-	-	-	-
Total	-	-	-	-	-

KIAMBU COUNTY JINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.****7. Public Contributions and Donations**

Description	2023/2024	2022/2023
	Kshs	Kshs
Research Donations	-	-
Donations transferred to revenue on conditions being met.	-	-
Other Public Donations (Specify)	-	-
Total Transfers and Sponsorships	-	-
Reconciliation of Public Contributions and Donations		
Balance Unspent at Beginning of The Year	-	-
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions To Be Met - Remain Liabilities	-	-

8. Transfers in-kind.

Description	2023/2024	2022/2023
	Kshs	Kshs
Payments by Ministry/County Department on behalf of the entity	-	-
Others	-	-
Total Transfers in-kind	-	-

9. Interest income

Description	2023/2024	2022/2023
	Kshs	Kshs
Interest on loans	-	-
Others	-	-
Total Interest income	-	-

10. Rendering of Services

Description	2023/2024	2022/2023
	Kshs	Kshs
Training Fees	-	-
Others	-	-
Total Revenue from The Rendering of Services	-	-

11. Rental Revenue from Facilities and Equipment

Description	2023/2024	2022/2023
	Kshs	Kshs
Operating Lease Revenues	-	-
Contingent Rentals*	-	-
Total Rentals	-	-

12. Fees and other charges

Description	2023/2024	2022/2023
	Kshs	Kshs
Fees	-	-
Charges from defaults	-	-
Others	-	-
Total Fees and other charges	-	-

13. Other Income

Description	2023/2024	2022/2023
	Kshs	Kshs
Interest on cash investments and fixed deposits	-	-
Interest on Bank balances	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Skills development levy	-	-
Bad debts recovered	166,933	-
Miscellaneous incomes	-	-
Total Other income	166,933	-

KIAMBU COUNTY JIINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.****14. Use of Goods and Services**

Description	2023/2024	2022/2023
	Kshs	Kshs
Electricity	-	-
Water	-	-
Subscriptions	-	-
Advertising	-	-
Admin Fees	-	-
Audit Fees	-	-
Conferences and Delegations	-	105,000
Consulting Fees	-	-
Consumables	-	-
Fuel and Oil	-	-
Insurance	-	-
Legal Expenses	-	-
Licenses and Permits	-	-
Postage	-	-
Printing and Stationery	-	100,000
Hire Charges	-	-
Rent expenses	-	-
Security Costs	-	-
Skills Development Levies	-	-
Inventory Scrapping	-	-
Telecommunication	-	-
Training	-	-
Travel, Subsistence & Other Allowances*	-	-
Bank charges	3,195	30,544
Other program support expenses	-	-
Total	3,195	235,544

KIAMBU COUNTY JIINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.****15. Employee Costs**

Description	2023/2024	2022/2023
	Kshs	Kshs
Salaries and wages	-	-
Employer contribution to health insurance schemes	-	-
Employer contribution to pension schemes	-	-
Travel, accommodation, subsistence, & other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
Gratuity	-	-
Extraneous	-	-
Other employee related costs *	-	-
Employee costs	-	-

16. Board Expenses

Description	2023/2024	2022/2023
	Kshs	Kshs
Chairman/Directors' Honoraria	-	-
Sitting Allowances	-	600,700
Medical Insurance	-	-
Induction and Training	-	-
Travel and Accommodation	-	-
Other Allowances	-	-
Total	-	600,700

17. Depreciation and Amortization Expense

Description	2023/2024	2022/2023
	Kshs	Kshs
Property, plant, and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	-	-

KIAMBU COUNTY JIINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.****18. Repairs and Maintenance**

Description	2023/2024	2022/2023
	Kshs	Kshs
Property and equipment	-	-
Investment Property	-	-
Equipment and Machinery	-	-
Vehicles	-	-
Furniture and Fittings	-	-
Computers	-	-
Others (specify)	-	-
Total Repairs and Maintenance	-	-

19. Contracted Services

Description	2023/2024	2022/2023
	Kshs	Kshs
Actuarial Valuations	-	-
Investment Valuations	-	-
Property Valuations	-	-
Others (specify)	-	-
Total Contracted Services	-	-

20. Grants and Subsidies

Description	2023/2024	2022/2023
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Community Trust	-	-
Sporting Bodies	-	-
Loan Interest Subsidy	-	16,396,456
Guarantee Fund (Loan Defaults)	6,345,089	359,263
Total Grants and Subsidies	6,345,089	16,820,797

KIAMBU COUNTY JIINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.****21. Finance Costs**

Description	2023/2024	2022/2023
	Kshs	Kshs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Unwinding of discount on lease liabilities	-	-
Interest on bank overdrafts	-	-
Interest on loans from commercial banks	-	-
Total finance costs	-	-

22. Gain/Loss on Sale of Assets

Description	2023/2024	2022/2023
	Kshs	Kshs
	-	-
Property, plant and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
Total gain on sale of assets	-	-

23. Gain/Loss on foreign exchange transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
Gain on foreign exchange transactions	-	-
Loss on foreign exchange transactions	-	-
Total Gain/Loss	-	-

24. Gain/ (loss) on Fair Value Investments

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

KIAMBU COUNTY JIINUE FUND

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

25. Impairment Loss

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

26. Taxation

Description	2023/2024	2022/2023
	Kshs	Kshs
Current income tax charge	-	-
Tax charged on rental income	-	-
Tax charged on interest income	-	-
Deferred tax: [note 44]	-	-
Original and reversal of temporary differences	-	-
Income tax expense reported in the statement of financial performance	-	-

27. Cash and Cash Equivalents

Description	2023/2024	2022/2023
	Kshs	Kshs
Bank balances	24,114,579	30,295,910
On - Call Deposits	-	-
Fixed Deposits Account (<i>below 3 months</i>)	-	-
Others (<i>Specify</i>)	-	-
Total Cash and Cash Equivalents	24,114,579	30,295,910

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2023/2024	2022/2023
		Kshs	Kshs
a) Bank balances			
KCB Bank	1285258592	23,359,188	29,617,404
KCB Bank	1285264037	79,005	10
KCB Bank	1285264185	676,386	678,516
Sub- Total		24,114,579	30,295,910
b) On - Call Deposits			
Bank		-	-

KIAMBU COUNTY JIINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.**

Financial Institution	Account number	2023/2024	2022/2023
		Kshs	Kshs
Sub- Total		-	-
c) Fixed Deposits Account			
Bank		-	-
Sub- Total		-	-
d) Others (Specify)		-	-
Cash In Transit		-	-
Cash In Hand		-	-
Mobile Money Accounts		-	-
Sub- Total		-	-
Grand Total		24,114,579	30,295,910

28. Receivables from Exchange Transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
Current Receivables		
Loan interest receivable	-	-
Current Loan Repayments Due	-	-
Fees and other charges due	-	-
Other (<i>specify</i>)	-	-
Less: Impairment Allowance	-	-
Total Current Receivables		
Non-Current Receivables		
Long Term Loan Repayments Due	-	-
Total Non- Current Receivables	-	-
Total Receivables from Exchange Transactions	-	-

KIAMBU COUNTY JIINUE FUND

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(b) Ageing analysis for Receivables from exchange transactions

Description	2023/2024		2022/2023	
	Kshs		Kshs	
	2023/2024	% of the total	2022/2023	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	%	-	%

(c) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/ provision	2023/2024		2022/2023	
	Kshs		Kshs	
At the beginning of the year	-		-	
Additional provisions during the year	-		-	
Recovered during the year	-		-	
Written off during the year	-		-	
At the end of the year	-		-	

29. Receivables from Non-Exchange Transactions

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Specify	-		-	
Total receivables	-		-	
Ageing Analysis- Receivables from non-exchange transactions	2023/2024	% of the total	2022/2023	% of the total
Less than 1 year	-	%	-	%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

KIAMBU COUNTY JIINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.****Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions**

Description	2023/2024	2022/2023
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

30. Inventories

Description	2023/2024	2022/2023
	Kshs	Kshs
Consumable stores	-	-
Other goods held for resale	-	-
Catering	-	-
Others (specify)	-	-
Less: allowance for impairment	-	-
Total inventories at the lower of cost and net realizable value	-	-

31. Investments in financial assets

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

KIAMBU COUNTY JIINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.****d) Movement of Equity Investments**

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

e) Shareholding in other entities

For investments in equity share listed under note 31 above, list down the equity investments under the following categories:

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

KIAMBU COUNTY JIINUE FUND

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32. Property, Plant and Equipment

Cost/Revalued amount	Land	Buildings	Motor vehicles	Furniture and fittings	ICT Equipment	Office Equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation rate	-	-	-	-	-	-	-	-	-
As At 1 July 2022	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-	-
As at 30 th June 2023	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
As at 30th June 2024	-	-	-	-	-	-	-	-	-
Depreciation And Impairment									
At 1 July 2022	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-	-	-	-
As At 30 th 2024	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As at 30th June 2024	-	-	-	-	-	-	-	-	-
Net Book Values									
As at 30th June 2023	-	-	-	-	-	-	-	-	-
As at 30th June 2024	-	-	-	-	-	-	-	-	-

KIAMBU COUNTY JIINUE FUND

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

Valuation

The fund has no Land and buildings as we use the county facilities hence no need for valuation

(b) Property, Plant and Equipment at Cost

If the freehold land, buildings, and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment	-	-	-
Furniture and Fittings	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	-	-
Office Equipment	-	-
Furniture and Fittings	-	-
Others (<i>specify</i>)	-	-
Total	-	-

KIAMBU COUNTY JIINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.****33. Intangible Assets**

Description	2023/2024	2022/2023
	Kshs	Kshs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

34. Investment Property

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

KIAMBU COUNTY JIINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.****35. Trade and Other Payables**

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Trade payables	-		-	
Employee payables	-		-	
Third-party payments	-		-	
Other payables	-		-	
Total trade and other payables	-		-	
Ageing analysis: (Trade and other payables)	2023/2024	% of the Total	2022/2023	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

36. Refundable Deposits Customers

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Customer deposits	-		-	
Prepayments	-		-	
Other deposits	-		-	
Total deposits	-		-	
Ageing analysis: (Refundable deposits)	2023/2024	% of the Total	2022/2023	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

KIAMBU COUNTY JIINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.****37. Provisions**

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance brought forward at the beginning of the year	-	-	-	-	-
Additional provisions during the year	-	-	-	-	-
Provision utilised during the year	-	-	-	-	-
Change due to discount and time value for money	-	-	-	-	-
Total provisions at the end year	-	-	-	-	-
Analysed as:					
Current Provisions	-	-	-	-	-
Non-Current Provisions	-	-	-	-	-

38. Finance Lease Obligation

Description	2023/2024	2022/2023
	Kshs	Kshs
At the start of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
At end of the year	-	-

Maturity Analysis

Period	Amount (Kshs)
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 And Onwards	-
Less: Unearned Interest	-
Total	-

Analysed as:

Description	Amount (Kshs)
Current	-
Non- Current	-
Total	-

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The deferred income movement is as follows:

39. Deferred Income

Description	2023/2024	2022/2023
	Kshs	Kshs
National/ County Government	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

	National/ County Government	Public contributions and donations	Total
	Kshs	Kshs	Kshs
Balance Brought Forward	-	-	-
Additions	-	-	-
Transfers To Capital Fund	-	-	-
Transfers To Income Statement	-	-	-
Other Transfers	-	-	-
Balance Carried Forward	-	-	-

40. Employee Benefit Obligations

Description	Defined benefit plan	Post- employe nt medical benefits	Other Benefits	2023/2024	2022/2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total Employee Benefits Obligation	-	-	-	-	-

Retirement benefit Asset/ Liability

The fund has no employee cost therefore, there is no retirement benefit scheme.

KIAMBU COUNTY JIINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.****Recognition of Retirement Benefit Asset/ Liability**

a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

Description	2023/2024	2022/2023
	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial gains/ losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (specify)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement of the net defined benefit liability (asset)	-	-

b) Amounts recognised in the Statement of Financial Position

Description	2023/2024	2022/2023
	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded status (=a-b)	-	-
Restrictions on asset recognised	-	-
Others (specify)	-	-
Net asset or liability arising from defined benefit obligation	-	-

The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 0 per employee per month. Other than NSSF the Entity also has a defined contribution scheme operated by 0 Pension Fund. Employees contribute 0% while employers contribute 0% of basic salary. Employer contributions are recognized as expenses in the statement of financial performance within the period they are incurred.

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Description	2023/2024	2022/2023
	Kshs	Kshs
a) External borrowings		
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-
b) Domestic borrowings	-	-
Balance at beginning of the year	-	-
Domestic borrowings during the year	-	-
Repayments during the year	-	-
Balance at end of the year	-	-
Balance at end of the period- domestic and External borrowings c = a+b	-	-
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

The analyses of both external and domestic borrowings are as follows:

	2023/2024	2022/2023
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organisation'	-	-
Sterling Pound Denominated Loan From 'Y Organisation'	-	-
Euro Denominated Loan from Z Organisation'	-	-
Domestic Borrowings	-	-
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Total Balance at End Of The Year	-	-

KIAMBU COUNTY JIINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.****42. Taxation**

Description	2023/2024	2022/2023
	Kshs	Kshs
At beginning of the year	-	-
Income tax charge for the year (note 26)	-	-
Under/(over) provision in prior year/s (note 26)	-	-
Income tax paid during the year	-	-
At end of the year	-	-

43. Service Concession Liability

Description	2023/2024	2022/2023
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

44. Deferred Tax Liability

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year-end is attributable to the following items:

Description	2023/2024	2022/2023
	Kshs	Kshs
Accelerated capital allowances	-	-
Unrealised exchange gains/(losses)	-	-
Revaluation surplus	-	-
Tax losses carried forward	-	-
Provisions for liabilities and charges	-	-
Net deferred tax liability/(asset)	-	-
The movement on the deferred tax account is as follows:		

KIAMBU COUNTY JIINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.**

Balance at beginning of the year	-	-
Credit to revaluation reserve	-	-
Under provision in prior year	-	-
Income statement charge/(credit)	-	-
Balance at end of the year	-	-

45. Cash Generated from Operations

Description	2023/2024	2022/2023
	Kshs	Kshs
Surplus/Deficit for the year	(6,181,351)	(17,591,953)
Adjusted for:		
Depreciation	-	-
Non-cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working capital adjustments		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
Net cash flow from operating activities	(6,181,351)	(17,591,953)

46. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on the 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 Entity 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 Entity's financial risk management objectives and policies are detailed below:

KIAMBU COUNTY JIINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.****i) Credit risk**

The Entity 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 assessments in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	24,114,579	-	-	-
Total	24,114,579	-	-	-
As at 30 June 2023				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	30,295,910	-	-	-
Total	30,295,910	-	-	-

KIAMBU COUNTY JIINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.****Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has a significant concentration of credit risk on amounts due from KCB. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have 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 Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1	Between 1-3	Over	Total
	month	months	months	
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-
As at 30th June 2023				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

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Financial Risk Management

iii) Market risk

The Jiinue Fund 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 rates, 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 Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by the 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 way it manages and measures the risk.

a) Foreign currency risk

The Fund has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Jiinue Fund manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting expected sales proceeds and matching the same with expected payments.

Financial Risk Management

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

2023/2024

Description	In Kshs Kshs	Other currencies Kshs	Total Kshs
As at 30th June 2024			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-

KIAMBU COUNTY JIINUE FUND**Annual Report and Financial Statements for the year ended June 30, 2024.**

Financial Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Foreign currency sensitivity analysis**2023/2024**

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

Financial Risk Management

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
2023/2024			
Euro	-	-	-
USD	-	-	-
Sterling pound	-	-	-
2022/2023			
Euro	-	-	-

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USD	-	-	-
Sterling pound	-	-	-

b) 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 Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Entity's deposits.

Management of interest rate risk

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

Sensitivity analysis

The fund being a sinking fund there are no profits made hence no sensitivity analysis is conducted.

Fair value of financial assets and liabilities

a) Financial instruments are measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Jiinue Fund's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Jiinue Fund considers relevant and observable market prices in its valuations where possible.

The following table shows an analysis of financial and non-financial instruments recorded at fair value by level of the fair value hierarchy:

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Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2024				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Total	-	-	-	-
As at 30th June 2023				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Total	-	-	-	-

There were no transfers between levels 1, 2, and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

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

Description	2023/2024	2022/2023
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Reserve	-	-
Accumulated Surplus	24,114,579	30,295,910
Total Funds	24,114,579	30,295,910
Total Borrowings	-	-
Less: Cash and Bank Balances	24,114,579	30,295,910
Net Debt/(Excess Cash And Cash Equivalents)	-	-
Gearing	-	-

KIAMBU COUNTY JIINUE FUND

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47. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the Jiinue Fund include those parties who have the 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.

Government of Kenya

The Government of Kenya is the principal shareholder of the Jiinue Fund, holding 100% of the Jiinue Fund equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Entity, both domestic and external.

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of Directors.
- vi) Others (*specify*)

Description	2023/2024	2022/2023
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Rent income from govt. Agencies	-	-
Others (specify)	-	-
Total	-	-
b) Purchases from related parties		
Purchases of electricity from KPLC	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. Agencies	-	-
Others (specify)	-	-
Total	-	-
c) Grants /transfers from the government		
Grants from National government	-	-
Grants from County government	-	-

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Description	2023/2024	2022/2023
	Kshs	Kshs
Donations in kind	-	-
Total	-	-
a) Expenses incurred on behalf of related party		
Salaries and wages for employees	-	-
Goods and services	-	-
Others (<i>specify</i>)	-	-
Total		
b) Key management compensation		
Directors' emoluments	-	-
Compensation to key management	-	-
Total	-	-

48. Segment Information

Not Applicable

49. Contingent Assets and Contingent Liabilities**Contingent Assets**

Description	2023/2024	2022/2023
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets Arising from Determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
Total	-	-

Contingent Liabilities

Description	2023/2024	2022/2023
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-

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Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
Total	-	-

50. Capital Commitments

Capital Commitments	2023/2024	2022/2023
	Kshs	Kshs
Authorised for	-	-
Authorised and contracted for	-	-
Total	-	-

51. Events after the Reporting Period

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

52. Ultimate And Holding Entity

The Entity is a Corporation/ or a Semi-Autonomous Government Agency under the Ministry/County of Kiambu. Its ultimate parent is the Government of Kenya.

53. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

20. Appendices

Appendix 1: Implementation Status of Auditor-General’s Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NRO/KCE-JF/2022-2023 1	<p>Inaccuracies in the Financial Statements:</p> <p>i. The statement of cash flows reflects negative net cash flows from operating activities amounting to Kshs.17,591,963. However, re-computation of the statement revealed negative net cash flows from operating activities amounting to Kshs.17,583,379 resulting to an unreconciled variance of Kshs.8,584.</p>	<p>i) Bank charges were understated as Ksh. 30,544 instead of Ksh. 39, 128. The charges have since been computed correctly.</p> <p>ii) This was a mispresentation in the worksheets which was corrected in the draft responses that were submitted to the auditor</p> <p>iii) The amount negative Ksh. 17,591,963 and Ksh. 47,887,873 is the total net</p>	Resolved	

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	<p>ii. Note 25 to the financial statements reflects net cash flows from operating activities of negative Kshs.17,591,963 and Kshs.47,887,873 for 2022/2023 and 2021/2022 financial years respectively. However, re-computation of the Note revealed nil net cash flows from operating activities for both years.</p> <p>iii. Further, Note 25 to the financial statements reflects finance cost amount of negative Kshs.17,591,963 and Kshs.47,887,873 for 2022/2023 and 2021/2022 financial years respectively. However, the statement of cash flows reflects finance cost amounting to Kshs.16,387,873 and Kshs.2,112,127 respectively resulting to an unexplained variance of negative Kshs.33,979,836 and Kshs.45,775,746, respectively.</p>	<p>cashflows from operating activities including expenses incurred in 2022/2023 and 2021/2022 respectively which was stated as finance cost in Note 25 to reflect the total net cashflows from operating activites hence the variance of negative Ksh. 33,979,836 and Ksh 45,775,746.</p> <p>iv) In the draft response that was submitted to the auditors this amount was included in the capital risk management as it was erroneously omitted.</p> <p>v) This was noted and it was a result of wrong computation which was also corrected in the draft responses submitted to auditor.</p>		
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	<p>iv. Section 28(d) to the financial statements on capital risk management reflects nil balance for cash and bank balances for both financial years. However, the bank balances of Kshs.30,295,910 and Kshs.47,887,873 for 2022/2023 and 2021/2022 financial years respectively were not disclosed.</p> <p>v. The statement of comparison of budget and actual amounts reflects total income under performance difference column amounting to negative Kshs.50,000,000. However, re-computation of the statement revealed total income of Kshs.50,000,000 under performance difference column.</p> <p>vi. The statement of comparison of budget and actual amounts reflects total expenditure under actual on comparable basis and performance</p>	<p>vi) This was a result of wrong computation which was corrected in the draft responses submitted to auditor.</p> <p>vii) This was a misrepresentation which was corrected in the draft responses that were submitted to the auditor.</p>		
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	<p>difference columns amounting to Kshs.17,571,963 and negative Kshs.17,571,963 respectively. However, re-computation of the statement reflects total expenditure of Kshs.17,591,963 and Kshs.32,408,037 resulting to an unexplained variance of Kshs.20,000 and Kshs.49,980,000, respectively.</p> <p>vii. The statement of financial position reflects nil net assets balance. However, re-computation of the statement revealed net assets balance of Kshs.30,295,910 resulting to an unreconciled variance of Kshs.30,295,910.</p>			
<p>OAG/NRO/KCE- JF/2022-2023</p> <p>2</p>	<p>Unsupported Expenditure</p> <p>1.1 Use of Goods and Services</p> <p>The statement of financial performance and as disclosed in Note 7 to the financial statements reflects use of goods and</p>	<p>2.1</p> <ul style="list-style-type: none"> ➤ The payment voucher for loan default guarantee was presented during audit. ➤ The Fund did not have a loan committee meeting 	Resolved	

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	<p>services expenditure amounting to Kshs.1,204,090 which includes other (loan default guarantee) of Kshs.359,262. However, the loan default guarantee amounts of Kshs.359,262 were not supported by payment vouchers, minutes of meetings for loan committee and loan movement schedules.</p> <p>2.2 Finance Costs</p> <p>The statement of financial performance and as disclosed in Note 9 to the financial statements reflects finance costs amounting to Kshs.16,387,873. The finance costs relate to interest subsidy paid by the Fund for the beneficiaries to access the loans. However, the finance cost was not supported by payment vouchers, assessment reports for the loan beneficiaries, Board minutes approving the interest subsidy and the list of loan beneficiaries.</p>	<p>however, the bank presented an official communication with the list of defaulters and amount for record purposes</p> <p>2.2</p> <ul style="list-style-type: none"> ➤ The payment voucher for the interest subsidy was presented during audit ➤ The Fund was working with the youth officer in vetting the applications through phones calls and site visits and the same relayed to the fund administrator for presentation to the board then after the approval by the board the list was then sent to the bank for credit scoring and CRB checks The bank communicated back with a list of successful beneficiaries 	<p>Resolved</p>	
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		<p>➤ A list of all loan beneficiaries from KCB Bank was presented during audit.</p>		
<p>OAG/NRO/KCE- JF/2022-2023</p> <p>3</p>	<p>Understated Employee Costs</p> <p>The statement of financial performance and as disclosed in Note 6 to the financial statements reflects nil employee cost. Review of the bank statement for a local bank revealed payments toward salary amounting to Kshs.540,300 which were not recorded in the financial statements.</p>	<p>The bank statement for KCB Account No.1285264185 shows a narration of payments towards salaries which instead were board allowances and board retreat. It was an RTGS instruction which the KCB Bank misconstrued to be salaries to employees.</p>	<p>Resolved</p>	
<p>OAG/NRO/KCE- JF/2022-2023</p> <p>4</p>	<p>Irregular Payment for Office Stationeries</p> <p>The statement of financial performance reflects use of goods and services expenditure amounting to Kshs.1,204,090 as disclosed in Note 7 to the financial statements which includes printing and stationery payment of Kshs.100,000. Review of the payment voucher revealed that the printing and stationery payment was supported with cash sale receipt of Kshs.100,000 with narration of surrender of imprest. However, the payment voucher</p>	<p>We agree with the observations that the stationeries did not go to the store owing to the fact that we were working at a location away from the office which made it difficult to go to the main store. However, in future this has been corrected and we are now going to adhere to all stores procedures.</p>	<p>Resolved</p>	

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	was not supported by imprest warrant, store counter receipt vouchers, inspection and acceptance report and market survey.			
1	<p>OAG/NRO/KCE-JF/2022-2023</p> <p>Lack of Approved Budget for Kiambu County Jiinue Fund</p> <p>The statement of comparison of budget and actual amounts reflects budgeted transfers from County Government amount of Kshs.50,000,000. However, the amount was not supported by approved budget and work plan. This was contrary to Regulation 30(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that the budget preparation process for the following financial year shall start not later than the 30 August of the current financial year with the issuance of the annual budget circular by the County Executive Committee Member and in compliance with formats and recommendations contained in the annual</p>	<p>The approved budget and work plan were presented during audit and the said figures reconciled during the draft responses and submitted to the auditor.</p>	Resolved	

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	budget preparation circular or guidelines, instructions and the financial manual.			
OAG/NRO/KCE- JF/2022-2023	Overdrawn Bank Account The statement of financial position reflects cash and cash equivalents balance of Kshs.30,295,910. Review of one of the local bank accounts revealed that on 15 September, 2022, the account was overdrawn by an amount of Kshs.8,584 without authorization and approval. This was contrary to Section 119(4) of the Public Finance Management Act, 2012 which requires an Accounting Officer for a County Government entity not to cause a bank account of the entity to be overdrawn beyond the limit authorised by the County Treasury or a Board of a County Government entity, if any.	The overdraft was not authorized by the County Fund but KCB Bank rectified it per attached slip and subsequent statements.	Resolved	
2				
OAG/NRO/KCE- JF/2022-2023	Irregularities on Management of the Fund The County Government of Kiambu transferred an amount of Kshs.50,000,000 to the Fund during 2021/2022 financial year	➤ The Fund was vetting the applications through phones calls and site visits by the youth officers and the same relayed to the fund		
3				

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	<p>for the purpose of subsidizing loan interest of beneficiaries, guarantee of loan beneficiaries and operations of the Fund. However, review of the records provided for audit revealed that there was no evidence of identification of the beneficiaries, applications, vetting and monitoring of the beneficiaries by Fund Committee yet there was transfer of funds amounting to Kshs.16,387,873 from the Fund for repayment of interest subsidies on loans. Further, recommendations to the Board by the Financial Institution on the outcome of vetting process were not submitted for audit verification. This was contrary to Regulation 11(2) of the Kiambu County Jiinue Fund Regulations, 2021 which require that the financial institution shall receive, register, vet and appraise applicants regarding their credit worthiness and the extent thereof and recommend to the Board the credit worthiness of the prospective borrowers.</p>	<p>administrator, approval by the board then to the bank.</p> <ul style="list-style-type: none"> ➤ The money was to be held in guarantee in case of any loan default as per the MOU with the bank and during the MOU negotiation the terms agreed which the Bank couldn't negate upon was that the Money will not earn any interest ➤ As per the Memorandum of Understanding with the bank, it's the obligation of the bank to follow up on default and institutes all recovery measures not limited to chattels repossessions, auctioneer services and listing with the Credit Reference Bureau which they have being adhering to. 	<p>Resolved</p>	
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	<p>In addition, the Fund has retained an amount of Kshs.30,000,000 in a local bank for payment of loan defaults (principal and interest) by the beneficiaries. However, during the year under review, loan default payments of Kshs.359,263 was paid without effort to recover from guaranteed loan beneficiaries. Further, Regulation 12 requires that the Board shall in partnership with the financial institution organize for a sensitization of prospective applicants in order to create awareness and identify the likely number of prospective applicants and actual needs for credit and other financial services for planning purposes. However, evidence was not provided to confirm that the Board and the financial institution organized and conducted sensitization programs as required.</p>			
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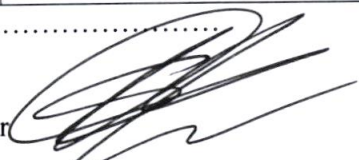
KIAMBU COUNTY JIINUE FUND

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	<p>Lack of Policies and Manuals</p> <p>During the year under review, the Fund Management made payments for guaranteed interest on loans and default on loan guarantee to a financial institution for disbursements of loans to the beneficiaries amount of Kshs.16,387,873 and Kshs.359,262, respectively. Review of the records revealed that Management did not prepare risk management policy, risk assessment report, operational policy and manual to guide the Fund. This was contrary to Regulation 42(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that an Accounting Officer shall - (d) manage, control, and ensure that policies are carried out efficiently and wastage of public funds is eliminated.</p>	<p>The Fund has a draft fund policy manual which was never approved due to the limited board meetings and lack of engagement of a technical person with the board approval and procurement of the same. The management will endeavor to prepare policies and manuals to guide in the fund operations.</p>	<p>Resolved</p>	
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John G. Mwangi

Fund Administrator



Date:

18.11.2024

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Appendix II: Projects implemented by Jiinue Fund

Projects implemented by the Entity Funded by development partners and/ or the Government.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
-	-	-	-	-	-	-
-	-	-	-	-	-	-

Status of Project Completion

S/No	Project Name	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

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Appendix IV: Transfers from Other Government Entities

Name of the Entity Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development /Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Reserve	Deferred Income	Receivables	Others - must be specific	
N/A	-	Recurrent	-	-	-	-	-	-	-
N/A	-	Development	-	-	-	-	-	-	-
Total			-	-	-	-	-	-	-

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Appendix V- Inter-Entity Confirmation Letter

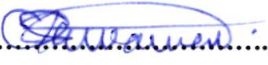
Name of transferring entity: **County Treasury**

Name of beneficiary entity: **Jiinue Fund**


Confirmation of amounts received by [insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
N/A	-	-	-	-	No Funds were transferred to the fund.
Total	-	-	-	-	

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

Head of Accounts Department - Disbursing Entity:

Name SOLOMON WAWERO Sign  Date 18/11/2024

Head of Accounts Department - Beneficiary Entity:

Name JOHN G. MWANGI Sign  Date 18.11.2024

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Appendix VI: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
N/A	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-

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Appendix VII: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
N/A	-	-	-	-	-	-

20



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