

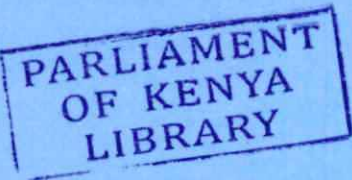
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

UWEZO FUND OVERSIGHT
BOARD

FOR THE YEAR ENDED
30 JUNE, 2024

NATIONAL ASSEMBLY PAPERS LAID	
DATE:	14 MAR 2025
	DAY: FRIDAY
TABLED BY:	DEPUTY MAJORITY LEADER CHON. OWEN BAYA, MP)
CLERK-AT THE-TABLE:	IRENE NDUKU



REPUBLIC OF KENYA



UWEZO FUND OVERSIGHT BOARD

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)

UWEZO FUND OVERSIGHT BOARD
Annual Report and Financial Statements for the year ended June 30, 2024

Table of Contents

1.	Acronyms, Abbreviations, and Definition of Key Terms.....	ii
2.	Key Entity Information and Management.....	iv
3.	The Board of Directors/Fund Committees.....	vii
4.	Key Management Team.....	xii
5.	Chairman's Statement.....	xv
6.	Report of the Chief Executive Officer/Fund Administrator.....	xvi
7.	Statement of Performance against Predetermined Objectives for FY 2023/2024	xviii
8.	Corporate Governance Statement.....	xxi
9.	Management Discussion and Analysis.....	xxiv
10.	Environmental and Sustainability Reporting.....	xxvii
11.	Report of the Directors/Fund Committee.....	xxix
12.	Statement of Directors/Fund Committee Responsibilities.....	xxx
13.	Report of The Independent Auditors on Uwezo Fund.....	xxxii
14.	Statement of Financial Performance for the year ended 30 June 2024.....	1
15.	Statement of Financial Position as at 30 June 2024.....	2
16.	Statement of Changes in Net Assets for the year ended 30 June 2024.....	3
17.	Statement of cash flows for the year ended 30 th June 2024.....	4
18.	Statement of Comparison of Budget and Actual amounts for the year ended 30 th June 2024.....	5
19.	Notes to the Financial Statements.....	6
	Appendices.....	20

1. Acronyms, Abbreviations, and Definition of Key Terms

A: Acronyms and Abbreviations

AIE	Authority to Incur Expenditure
ARM&C	Audit Risk Management and Compliance Committee
BETA	Bottom Up Economic Transformation Agenda
CBK	Central Bank of Kenya
CEO	Chief Executive Officer
CO	Chief Officer
CS	Cabinet Secretary
CUFMCs	Constituencies Uwezo Fund Management Committees
FRM	Finance and Resource Mobilization
HRA	Human Resource and Administration
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
PFM	Public Finance Management
PPE	Property Plant & Equipment
PPS	Programs Publicity and Strategy
PSASB	Public Sector Accounting Standards Board
PSIP	Public Sector Service Internship Programme
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
MSMEs	Ministry of Small and Micro medium Enterprises
PS	Principal Secretary

UWEZO FUND OVERSIGHT BOARD
Annual Report and Financial Statements for the year ended June 30, 2024.

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 Financial Year 2022/2023

2. Key Entity Information and Management

(a) Background information

Uwezo Fund was established by Legal Notice No. 21 of the Public Finance Management (Uwezo Fund) Regulations, 2014 of 21st February, 2014. At the Cabinet level, Uwezo Fund is represented by the Cabinet Secretary for the Ministry of Cooperatives and MSMEs Development who is responsible for the general policy and strategic direction of the Fund. The Fund is administered in all the two hundred and ninety constituencies in the republic.

(b) Principal Activities

The principal activity of the Fund is to expand access to finances in promotion of youth and women businesses and enterprises at the constituency level for economic growth towards the realization of the goals of Vision 2030. The clientele of the Fund was later expanded to include persons with disabilities. This is achieved through provision of affordable credit to the target groups, capacity building towards enterprise development and provision of mentorship opportunities for sustainable growth of their enterprise. The vision of the Fund is equitable social economic transformation of the youth, women and persons with disabilities and its mission is to provide accessible and affordable loans, capacity enhancement, market linkages to youth, women and persons with disabilities for sustainable enterprises.

(c) Key Management

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

No	Details
1.	Uwezo Fund Oversight Board
2.	Fund Administrator/Accounting Officer
3.	Uwezo Fund Secretariat
4.	Constituency Uwezo Fund Management Committees

(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:

1. Principal Secretary - Susan Mang'eni
2. Head of Secretariat - CPA. Peter L. Lengapiani , MBS
3. Head of Finance and Accounts - CPA. Shadrack Indeche
4. Supply Chain Management - Samuel Okeyo
5. Programme Coordination - Danson Kamanda
6. Human Resource Management and Development- Gad Etyang
7. Corporate Affairs & Communication - Benadette Owade
8. Internal Audit and Risk Management - CPA. Jennifer Mureithi

UWEZO FUND OVERSIGHT BOARD
Annual Report and Financial Statements for the year ended June 30, 2024.

Key Entity Information and Management (continued)

(e) Fiduciary Oversight Arrangements

- I. Special Funds Accounts Committee of Parliament
- II. The Fund Oversight Board and through the following committees:
 - Programmes, Publicity and Strategy Committee
 - Finance and Resource Mobilization Committee
 - Human Resource and Administration Committee
 - Audit, Risk Management and Compliance Committee

(f) Entity Headquarters

Uwezo Fund Headquarters
P.O. Box 42009 – 00100,
Lonrho House 16th Floor,
Standard Street.
Nairobi, Kenya.

(g) Entity Contacts

Telephone: (254) 776 154 204
E-mail: info@uwezo.go.ke
Website: www.uwezo.go.ke

(h) Entity Bankers

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

Kenya Commercial
Bank
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

National Bank of Kenya Ltd
Harambee Avenue
P.O. Box 72866
City Square 00200
Nairobi, Kenya

Co - operative Bank of
Kenya
Kimathi Street
P. O. Box 7512 - 00200
Nairobi, Kenya

UWEZO FUND OVERSIGHT BOARD
Annual Report and Financial Statements for the year ended June 30, 2024.

Equity Bank Ltd.
P.O. Box 75104 - 00200
Nairobi, Kenya

Family Bank Ltd.
P. O. Box 74145 - 00200
Nairobi, Kenya

Consolidated Bank Ltd.
P. O. Box 51133 - 00200
Nairobi, Kenya

African Banking Cooperation
P.O. Box 46452 - 00100
Nairobi, Kenya

Key Entity Information and Management (continued)

(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

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P O Box 40112
City Square 00200

3. The Board of Directors/Fund Committees

Directors	Details
 <p>Ms. Anne Wambui Njuguna Chair of the Board</p>	<p>Key Academic and Professional Qualifications</p> <ul style="list-style-type: none"> ➤ Bachelor of Commerce (Actuarial Science Option) Kenyatta University ➤ Certified Public Accountant (Part II, Section 4) <p>Work Experience</p> <ul style="list-style-type: none"> ➤ Jan 2018 to date -Director at Impressive Design Interiors ➤ June 2011 - June 2017- Business Director at Petan Investment ➤ June 2013 to date, House of Grace Ministries International (Volunteer Accountant) <p>Key Skills</p> <ul style="list-style-type: none"> ➤ Accounting, ➤ Organizational development ➤ Leadership. ➤ analytical and Problem Solving, ➤ Excellent Communication Skills <p>Independent Director</p>
 <p>Mr. Sam Ogola. Chairperson- Finance Resource Mobilization</p>	<p>Key Academic and Professional Qualifications</p> <ul style="list-style-type: none"> ➤ MA, Gender and Development studies. (UON) ➤ Bachelor of Laws, (MKU) ➤ Bachelor of Arts (Political Science) (UON) ➤ Post Graduate Diploma in Law. ➤ Advocate of the High Court of Kenya) ➤ Certified Professional Mediator. ➤ Member, Law Society of Kenya <p>Work Experience</p> <ul style="list-style-type: none"> ➤ 2012 to date, Practising Advocate of the High Court of Kenya. ➤ 2012 to 2022, Consultant, Researcher, Trainer and Adjunct Lecturer ➤ Managing Partner: Sam Ogola & Company Advocates

	<p>Key Skills</p> <ul style="list-style-type: none"> ➤ Legal Knowledge ➤ Research gender & Development ➤ Public Service Administration <p>Independent Director</p>
 <p>Ms. Wanjiku Muhato Chairperson Programes, Publicity and Strategy Committee</p>	<p>Key Key Academic and Professional Qualifications</p> <ul style="list-style-type: none"> ➤ Executive Master in Business Administration, ➤ Master of Arts in Gender and Development. ➤ Bachelor of Arts, Literature <p>Work Experience</p> <ul style="list-style-type: none"> ➤ 2007 to Date Tamasha Strategies Limited (Founder & Executive director) ➤ 2007 to date, Tamasha Foods Limited (Founder & Executive director) ➤ 1991 to 2007 USAID East & South Africa Region, Regional Advisor on Gender Issues ➤ 1978 to 1989, GOK, Senior Assistant Secretary <p>Key Skills</p> <ul style="list-style-type: none"> ➤ Economic Development ➤ Program Planning, Research, Monitoring & Evaluation. ➤ Gender development. <p>Independent Director</p>

UWEZO FUND OVERSIGHT BOARD

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



Ms. Susan Mange'ni
Principal Secretary MSME & D

Key Qualification

Master of Arts
Entrepreneurship development

Work Experience

Principal Secretary
State Department for MSMEs and Development



Hon Hussein Haret Borle
Chairperson Human Resource and
Administration

Key Key Academic and Professional Qualifications

- Bachelor of Art (Economics)-Moi University,
- Higher Diploma HRM-KNEC,
- Member of IHRM No.5866

Work Experience

- 2017 - 2022. Member of Garissa County Assembly.
- 2009 - 2017, Human resource and Administration Manager - Northern Water Services Board
- 1992 - 1999- Personnel Officer, Kenya Posts & Telecommunications Corporation

Key Skills

- Computer skills

Independent Director





Flora Kiprof
Chairperson ARM & C

- Bachelor Of Arts in Transformational Church Leadership
- Diploma in Transformational Church Leadership- PAC University
- Certificate of Proficiency-College of insurance, Kenya certificate

Work Experience

- 1999 to date Manger, Ronrift Insurance Agency
- 1989 to 1999, Interlink Insurance Agency



	<p>Key Skills</p> <ul style="list-style-type: none"> ➤ Managerial skills ➤ Strategic Marketing, ➤ Leadership and Governance ➤ Supervision skills ➤ <p>Independent Director</p>
 <p>Ms. Naomi Matheri</p>	<p>Key Key Academic and Professional Qualifications</p> <ul style="list-style-type: none"> ➤ Master of Arts (Economics) ➤ Bachelor of Science (Statistics) ➤ <p>Work Experience</p> <ul style="list-style-type: none"> ➤ Deputy Director, Debt Management (National Treasury <p>Key Skills</p> <ul style="list-style-type: none"> ➤ Public Finance Policy Analysis and management. ➤ Knowledge in economic policy analysis & Management. ➤ Budget making ➤ Proficiency in statistical data analysis <p>Alternate to CS the National treasury and economic planning</p>
 <p>Peter L. Lengapiani, MBS Head of Secretariat</p>	<p>Key Academic and Professional Qualifications</p> <ul style="list-style-type: none"> ➤ MA (Project Planning and Management) – University of Nairobi ➤ BCom, UON ➤ CPA (K), Member of ICPAK <p>Work Experience</p> <ul style="list-style-type: none"> ➤ October 2018 to date Head of Secretariat for Uwezo Fund Oversight Board. ➤ March 2013 to October, 2018, Senior Programmes Manager Co-ordination, NG-CDF.

UWEZO FUND OVERSIGHT BOARD

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




	<ul style="list-style-type: none">➤ September 2009 to 2013 Principal Field Operation Officer/ Regional Co-ordinator, NG-CDF. <p>Key Skills</p> <ul style="list-style-type: none">➤ Leadership and team player➤ Public finance management Public policy formulation
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4. Key Management Team

Management	Details
 <p>Peter L. Lengapiani, MBS</p> <p>MA (Project Planning and Management) – University of Nairobi CPA (K) Member of ICPAK</p>	<p>Head of Secretariat</p>
 <p>CPA. Shadrack Indeché</p> <p>BSc. Agricultural Economics (University of Nairobi) CPA (K)-Strathmore University Member of ICPAK Msc. Finance (Ongoing)</p>	<p>Head of Finance & Accounts</p>

UWEZO FUND OVERSIGHT BOARD

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

 <p>Gad Etyang</p> <p>Bachelor of Arts the University of Nairobi 1992, Higher Dip HRM, TOT, Member IHRM, Trained in Corporate Governance</p>	<p>Head Human Resource Management and Administration</p>
 <p>Mr Samuel Okeyo</p> <p>B. Com Daystar University Diploma in Purchasing and Supplies. Member KISM</p>	<p>Head Supply Chain Management</p>
 <p>CPA. Jenifer Mureithi</p> <p>B. Com (Finance) CPA (K). Member of ICPAK Member of IAA</p>	<p>Head of Internal Audit and Risk Management</p>

UWEZO FUND OVERSIGHT BOARD

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

 <p>Mr. Danson Kamanda</p> <p>Masters in Economics Degree in Economic and Statistics</p>	<p>Head Programs and Coordination</p>
 <p>Ms. Benedette Owade</p> <p>BBM-Moi University Dip public relations (KIM) Member of PRSK and IHRM</p>	<p>Head Corporate Affairs and Communication</p>

5. Chairman's Statement

This year is a significant period in the Fund's existence, as it marks ten years since its establishment in February 2014. The period provides an appropriate opportunity for reflection on the Fund's performance, challenges and lessons learnt over the years.

As the chairperson of the Board, I take pride in the achievements made toward realizing the economic empowerment of groups that would otherwise not benefit from the mainstream banking sector. Through the Fund, the population at the bottom of the pyramid has accessed the requisite finances for start-up or injection into their enterprises towards economic growth and development.

The Fund started the year albeit skeleton Board which affected smooth operations of the Fund. However, in the month of November, the full constitution of the Board membership was realized with the appointment of two additional Board members. This eased the Board's role of providing oversight of the Fund's operations.

The Board prides in key milestones of the year being, the development of the 2023-2027 strategic plan, the review of loaning guidelines to re-invigorate the Fund's performance in the constituencies, the development of the partnership framework, and investment policy among other policy guidelines. These policies have provided foundational support towards enhanced performance of the Fund. Similarly, in the year, the Fund was able to make splendid progress towards digitalization of the Fund having digitalized loan application and loan repayment. Further, the Board actualized the use of the E-board towards enhanced efficiency in Board operations. The Fund was also able to induct all the Board members on key aspects such as cooperate governance, a skill that contributed immensely to the successful execution of the members' role.

The Board is highly indebted to the State Department for Micro, Small Medium Enterprises (MSMEs) Development for the valued guidance and support offered in the implementation of the Fund during the period under review. The support enhanced the Fund's ability to navigate the challenges and align accordingly towards realization of the Bottom-up Economic Transformation Agenda.

I wish to thank and greatly appreciate the contribution of my fellow members of the Board whose valued deliberations have made pragmatic decisions that have steered the Fund to greater heights of prosperity. Finally, the efforts of the Management team would not go unmentioned, as they dedicated hours of hard work and diligence to the realization of the Fund's mandate. It is the contribution of all team members that made the Fund realize the progress recorded in the year 2023/24.



ANNE WAMBUI NJUGUNA
CHAIRPERSON

6. Report of the Chief Executive Officer/Fund Administrator

I am pleased to present the financial statements for Uwezo Fund Oversight Board for the Year 2023/2024. This report highlights the year's financial position, performance, the cash flows amongst other key statements regarding the financial reporting of the Fund. The key mandate of the Fund is to expand access to finances for the promotion of enterprises owned by youth, Women and Persons with Disabilities for economic empowerment. Towards this end, the Fund disbursed Kshs.518 million drawn from amounts revolving from loan repayments and balances in the main accounts in the constituencies. These funds reached a total of 4,832 beneficiaries with the lion's share of Kshs.408 million going to 3,693 women, Kshs. 98 million benefiting 1,031 youth groups and Kshs.12 million benefiting 119 groups of Persons with Disabilities. About 46.8 % of the year's disbursement was directed to the Agriculture sector, while only 0.7% was directed to manufacturing.

The current year's disbursement has raised the Fund's cumulative disbursement to Kshs. 7.89 Billion having reached 81,794 groups (52,997 W/G, 26,714 Y/G and 2,083 PWDs/G). This has been facilitated by revolving of Kshs.1.99 billion of the cumulative amounts repaid (Kshs. 3.01 billion). The annual loan collection was Kshs. 211 million across the constituencies having been adversely affected by limited resources towards the facilitation of loan recovery campaigns in the constituencies.

The Fund's statement of financial performance for the year indicated a total revenue of **Kshs.184,062,780** and **Kshs.258,783,429** expense resulting to a **Kshs.74,720,649** net deficit. The Statement of financial position indicates the Fund's key non-current asset being the long-term receivables amounting to **Kshs. 5,168,026,629** these being loans that are cumulatively outstanding from the constituencies. The total cumulative Capital fund for the Fund as at 30th June, 2024 stood at **Kshs.6,968,100,004**.

The Fund achieved remarkable progress besides the funding component. Key among the milestones was the digitalization of the Fund's processes, towards which loan application and repayment were onboarded onto the e-citizen platform. In addition, the Board rolled out the e-Board as a mechanism towards increased efficiency in Board meetings.

In addition to the provision of credit, the Fund provides capacity building of the beneficiary groups across the country. This ensures that these groups enhance their entrepreneurial skills and prepares them to take advantage of Government initiatives such as AGPO. Through the training, the Fund has promoted the concept of table banking which has not only enhanced the saving culture among the beneficiary groups, but also played an important role in the advancement of cohesion amongst the groups.

Despite the significant milestones achieved so far, the Fund has not been without challenges. The Fund's constituency operations were adversely affected by

UWEZO FUND OVERSIGHT BOARD

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

the delay in the re-constitution of the Constituency Uwezo Fund Management Committees. In the year under review, the Fund experienced reduced budgetary provisions that affect its efficient and effective operations.

In addition, the Fund continued to experience low repayment rates across some constituencies during the period under review. This limits the funds available for re-lending to groups. In the year under review, the Fund initiated the mapping of the defaulters with a view to implement category-specific loan recovery strategies. This activity will be continued in the subsequent year towards its logical conclusion. The staffing challenge continues to impede on the Fund's optimal performance. In the period under review, this challenge was eased through the deployment of 325 interns under the public service internship program who were deployed into the constituencies, Huduma centers and at the Fund's Headquarters, however, the insufficiency of human resources still persists.

The challenges notwithstanding, I wish to recognize the efforts made by the limited staff deployed to the Fund from the various MDAs. It is their commitment to the mandate of the Fund that has steered hope amidst the challenges faced in our passion to deliver. Similarly, I appreciate members of Constituency Committees for the support they give to the Fund towards realizing its mandate. It is the selflessness of this team that has made the achievements aforementioned a reality.

Finally, I wish to thank the Board of Directors for their valued direction, timely guidance and decision-making that enabled us to deliver impressive results.



**PETER LENGAPIANI
HEAD OF SECRETARIAT**

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

The Fund has five strategic pillars and objectives within its Strategic Plan for the FY 2023-2027. These strategic pillars are as follows: -

Pillar 1: Financial Inclusion and Resource Mobilization

Pillar 2: Business Development Services and Publicity

Pillar 3: Re-engineering and Fund Processes

Pillar 4: Strengthening legal, policy, institutional and infrastructure

Uwezo Fund develops its annual work plans based on the above pillars. The assessment of the Fund's performance against its annual work plan is done on a quarterly basis. The Fund achieved its performance targets set for the FY 2022/2023 period for its strategic pillars, as indicated in the diagram below

Strategic Pillar	Objective	Key Performance Indicators	Activity	Achievements
Financial Inclusion and Resource Mobilization	To expand access to finances for the women, youth and PWDs at the constituency level for businesses and enterprises development	No. of groups funded	Disbursement of loan funds to groups at the constituencies	4832 groups of youth, women and PWDs issued with loans
	Enhance Fund sustainability	Fund's sustainability enhanced through increased loan repayment from 2.7B to 3 B	Increase loan repayment	Kshs. 302,000,000 was raised through loan repayment efforts
	Effective implementation of the Fund	No. of CUFMCs Secretariat trained	Capacity building of the CUFMCs Secretariat in 100 constituencies	98 officers trained in constituencies

UWEZO FUND OVERSIGHT BOARD

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

Strategic Pillar	Objective	Key Performance Indicators	Activity	Achievements
	Review investment policy	Investment policy developed and implemented	Invest available funds awaiting approvals and disbursement	Kshs. 200,000,000 was invested (account on call)
Business development services and Publicity	To promote sustainable enterprises	Women, Youth and PWDs Groups Empowered	Train and mentor 4000 groups of Youth, Women and Persons with Disabilities	4832 Women, Youth and PWDs groups were trained on entrepreneurship, Mentorship and Coaching, Linkages and market access
	To increase awareness and visibility of the Fund	No. of trade fairs and exhibitions attended	Trade Fairs, Conferences and Exhibitions	Attended 8 trade fairs and various conferences
	Implement table banking model in 2000 groups	Train champions in constituencies	Training of groups on table banking	1 500 Groups were effectively trained on structured table banking
Reengineering	Digitize the Fund processes and services	Reduced turnaround time and improved efficiency	Development of an Online Loan Application and Repayment portal/system	Online Loan Application and Repayment portal/system developed

UWEZO FUND OVERSIGHT BOARD

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

Strategic Pillar	Objective	Key Performance Indicators	Activity	Achievements
Strengthening Institutional Capacity and Infrastructure	To promote good governance/policy direction for the Fund	No. of Board meetings held	Full Board Meetings	4 Full Board Meetings held
	Compliance with the regulations of the Fund and PFM for effectiveness	No. of Audits	Audits the operation of the Fund in the constituencies and headquarters	Audit done in 87 constituencies and headquarters
	Provide opportunities for youth to acquire skills on the job	No. of interns engaged	Internship engagement	325 interns engaged
	Effective operations	No. of goods and services procured	Procurement of office equipment and consumables	The Fund utilized Kshs. 64,440,804 for the promotion of local content and Kshs. 15.5M for AGPO
	Ensure effective and efficient implementation of the Fund	The Strategic Plan	Development of Strategic Plan	Draft Strategic Plan developed

8. Corporate Governance Statement

Uwezo Fund recognizes good corporate governance as an important aspect towards meeting its objectives. To achieve long-term success of the Fund, the Board has ensured consistent maintenance and practical application of good corporate governance. The Fund complies with the Corporate Governance Guidelines as prescribed by the Inspectorate of State Corporations being the primary regulatory body of Semi-Autonomous Government Agencies (SAGAs) and ascribe to the ethical standards as set out by the Public Officer Ethics Act.

The Board of Directors

Uwezo Fund is governed by a Board of Directors, composed of Independent Directors appointed by the Cabinet Secretary, Ministry of Cooperatives and MSME Development, the Chairperson nominated by the Cabinet Secretary and appointed by the President and Principal Secretaries for the National Treasury and State Department for MSMEs Development. The Board is accountable to the Kenyan citizens and the Ministry of Cooperatives and MSME Development for the overall performance and is collectively responsible for the long-term success of the Fund.

The functions of the Board as outlined in section 6 of the Public Finance Management (Uwezo Fund) Regulations, 2014 include to provide overall management, design and oversight of the Fund, to develop relevant guidelines and review them as the need arises, to guide the operations and implementation of the Fund amongst others. The board continued to discharge these duties with utmost diligence in the period under review.

Board and Committee Membership

The current composition of the Board is seven members comprising the Board chairperson, four independent members, PS/PS representatives for the National Treasury and the State department for MSME development. The Board's size and composition is determined by the Public Finance Management (Uwezo Fund) regulations, 2014, Board Charter and Mwongozo Code of Regulations. Full details of the current Board members, their qualifications, skills, experience and tenure are indicated on pages (vii) to (ix) of the 2023/2024 Reports and Financial Statements.

To enhance effective and efficient dispensing of the Board's mandate, four Board committees were put in place by the Board;

- i) The Finance and Resource Mobilization Committee
- ii) The Programmes, Publicity and Strategy Committee
- iii) The Human Resource and Administration Committee
- iv) The Audit, Risk Management and Compliance Committee

UWEZO FUND OVERSIGHT BOARD
Annual Report and Financial Statements for the year ended June 30, 2024.

The Committee membership and meeting attendance of the Board for the FY. 2023/2024 is as set out below:

	Name	Position at the Board	Board Meetings		Committee Meetings				TOTAL
			Board meetings attended	Special Board Meeting	Finance and Resource Mobilization	Human Resource & Administration	Programmes, Publicity and Strategy	Audit, Risk Management and Compliance	
1.	Ms. Anne Wambui Njuguna	Chairperson	4	1					5
2.	Mr. Sam Ogola	Independent	4	1	5	4	1		15
3.	Ms. Wanjiku Muhato	Independent	4	1		2	5	5	17
4.	Ms. Flora Kiprop	Independent	2			2	2	2	8
5.	Hon. Hussein Haret Borle	Independent	2		2	2			6
6.	Ms. Susan Mange'ni	PS-MSMEs & Development	2	1	3	2	5	3	16
7.	Ms. Naomi Matheri	Representative of CS National Treasury	4	1	5	2	5	5	22
8.	Mr. Peter Lengapiani, MBS	Head of secretariat (Secretary to the Board)	4	1	5	4	5	5	24

Constituency Uwezo Fund Management Committees (CUFMC's)

The activities of the Fund at the constituency level, are undertaken by Constituency Uwezo Fund Management Committees (CUFMC's). The composition of these committees is stipulated in Section 15 (2) of the Public Finance Management (Uwezo Fund) Regulations, 2014 which consist of four government representatives, ward representatives nominated by the Constituency Member of Parliament and three constituency representatives nominated by the County Member of Parliament representing Women, Youth and PWD.

Secretariat

The day to day operations of the Fund is undertaken by a team of Secretariat both at the constituency and Headquarters. In the constituencies, the National Government Constituency Development Fund Manager, Sub-county Youth Development Officer and the Sub-County Development Officer provide secretariat services to the constituency committees. At the Headquarters, a team of 21 officers deployed from various MDAs undertake the day to day running of the Fund.

Succession Planning

Succession planning is an integral part of the continuity of an organization. To ensure continuity in the constituencies, the Fund has put in place a Secretariat composed of Public servants to spearhead the operations of the Fund. The Board through the Public Service Commission has approved its Human Resource instruments and initiated review of its legal instruments to enable the Board employ its own staff. This ensures that there is continuity in information/implementation when new Board and Committee is constituted every three years. Towards ensuring succession planning at the Board level, the term of the current Board members have been staggered to ensure continuity of the Fund's business with minimal interruptions.

Induction and Training

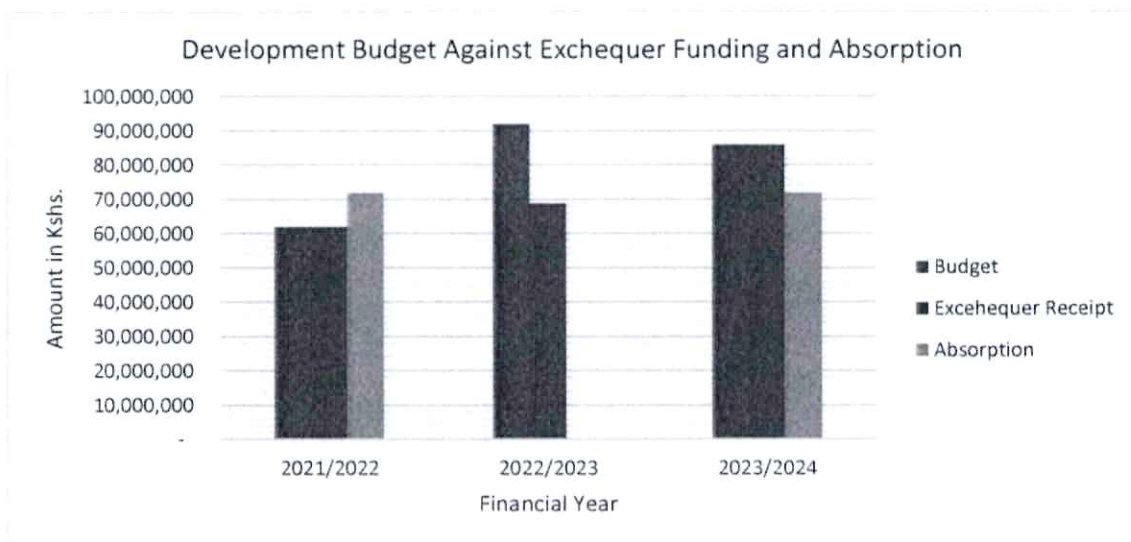
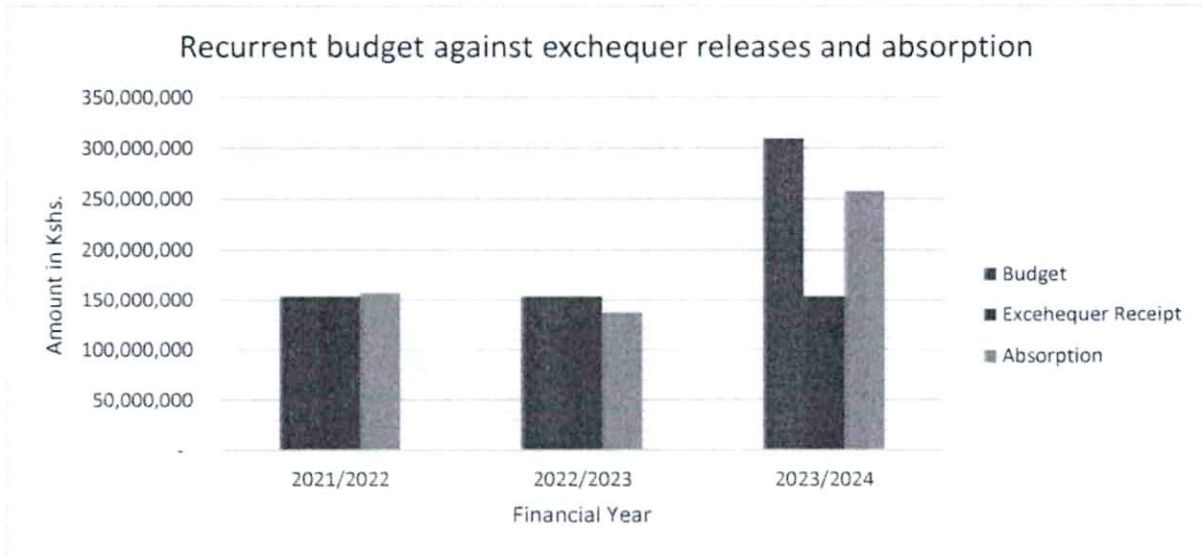
The Fund inducted and trained Board members on corporate governance to equip them with the requisite skills and competences on board operations and governance issues. The Chair of Audit was trained due to the special skills required to enhance her capacity to steer the activities of the committee.

Conflict of Interest

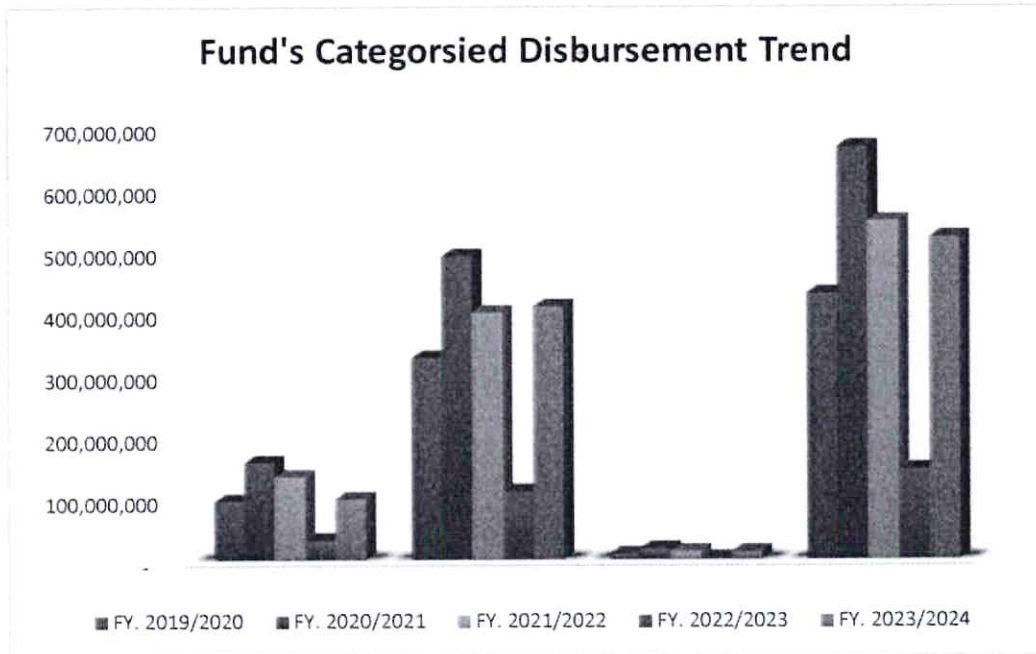
In adherence to accountability and transparency, the Fund maintains a register for conflict of interest which board members sign to declare matters they may be conflicted in during all Board meetings

9. Management Discussion and Analysis

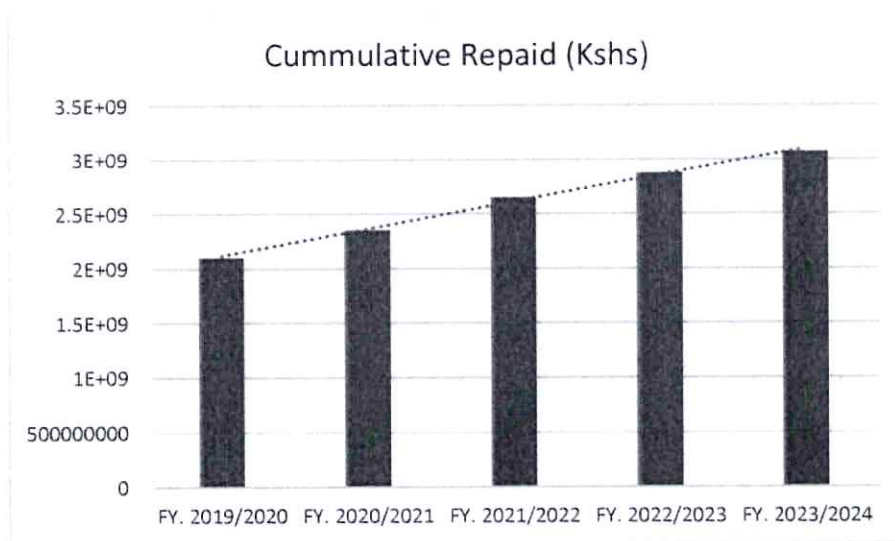
The printed estimate budgetary allocation for the Fund was Kshs. 86,000,000 for Development and Kshs. 309,700,000 for recurrent totalling to Kshs.395,700,000. The Fund received exchequers of Kshs.86,000,000 and Kshs. 153,700,000 for development and recurrent respectively totalling to Kshs.239,700,000.



UWEZO FUND OVERSIGHT BOARD
Annual Report and Financial Statements for the year ended June 30, 2024.



Disbursement for FY.2022/2023 were affected by expiry of term of CUFMCs in constituencies and delay in new nominations following electoral transition. In the FY, 2023/2024, the upwards disbursement trend picked.



The Fund's cummulative collection have been increasing albeit in a slower rate across the years.

Fund's New Development

To address the important question of sustainability and responsiveness to the Fund's clientele needs, the Fund has developed the 2023- 2027 Strategic Plan and Re-engineering Strategy. The documents spell out the new roadmap for the Fund towards enhanced financial inclusion, digitalization and revamped loan products that respond to Fund's target beneficiaries' needs. Further, the Fund has proposed to introduce affordable interest rates to its loan products to address the aspect of its sustainability. This is driven by the need to wean the Fund from the exchequer reliance with time.

Sustainability of the Fund

The budgetary allocation for the financial year 2023/2024 continued to focus on enhancing accessibility to affordable credit and sustainability of the Fund. Towards enhanced sustainability of the Fund, loan repayment efforts in constituencies and capacity building of the Constituency Committees were prioritised in the period under review. In addition, business development opportunities were availed for the Fund's beneficiaries which included participation in exhibitions, trade fairs and public forums aimed at enhancing the group's ability to expand markets and linkages. The head office continued to provide oversight role to the constituencies for achievement of its mandate.

10. Environmental and Sustainability Reporting

i). Sustainability strategy and profile

The Fund continues to contribute towards socio-economic empowerment of the marginalized population through provision of affordable credit, business development services and linkages towards increased market for the youth, women and PWD owned enterprises. This is a key step towards addressing Sustainable development goals No. 1, 5 and 8. The Fund has prioritized timely repayment of the loans to ensure availability of funds for promotion of more enterprises in the constituencies. In addition, the Fund has put in place requisite policies and guidelines to support its sustainability, they include, the strategic plan 2023-2027, resource mobilization policy, investment policy and policies on cross cutting issues that affect employees. Further, the Fund engaged in several community/public forums towards sensitizing them on the space of the Fund in their overall social economic development agenda.

ii). Environmental performance

The Fund has a partnership policy that guides collaboration not only in core mandate but also in environment sustainability. During the Financial year 2023/2024, the Fund Partnered with Kosi Africa in activities that are geared into conservation of environment.

iii). Employee welfare

The Fund has a staff establishment that is anchored in its strategic plan. In the year under review it has a staff establishment of 21 members of staff that have a fair gender spread. The Fund in its effort to develop employee's welfare considers staff training as an essential aspect of employee development. The Fund has continuously upgraded its officer's core competencies, knowledge, skills and aptitudes inducing their ability to assimilate technology. In compliance with guidance from the Salaries and Remuneration Commission (SRC), the Fund faithfully remunerates the employees' extraneous allowance accordingly. The Fund embeds its employees' treatment on the provisions of the Human Resource Policies and Procedures Manual for Public Service, 2016.

iv). Corporate Social Responsibility / Community Engagements

Uwezo Fund has its share of concern towards undertaking corporate social responsibility activities and other forms of community engagements. Uwezo Fund partnered with Kosi Africa for a tree planting exercise in Busia County. The Busia School Campaign Launch, christened #Mindset Shift and Sustainable Practices for Quality Education, that ran from the 11th - 16th of September, 2023 and involved visiting 15 schools in Busia County. The initiative aimed to provide educational support to children who face immense challenges due to their socio-economic

UWEZO FUND OVERSIGHT BOARD
Annual Report and Financial Statements for the year ended June 30, 2024.

circumstances. A total of 750 seedlings were donated by the Uwezo fund oversight board in alignment with the Edu Green project's goal of acquiring 50 seedlings for each of the 15 schools as a means of generating sustainable income for the children and fostering environmental stewardship among them.



Members of staff during a tree planting Exercise in Busia County.



The PS, MSME&D, Susan Mange'ni leading a tree planting exercise

Uwezo fund participated in a tree planting exercise at Bomas of Kenya led by Ms. Anne Njuguna the Board Chair planted 5000 tree seedlings which is in line with the presidential directive target of planting 5B trees by 2030. The exercise was held on 10th May 2024.



The Chair of the Board, Ms Anne Njuguna at a tree Planting exercise at Bomas of Kenya



Director Sam Ogolla during a tree planting exercise at Bomas of Kenya

UWEZO FUND OVERSIGHT BOARD
Annual Report and Financial Statements for the year ended June 30, 2024.

11. Report of the Directors/Fund Committee

The Directors submit this report together with the financial statements for the year ended June 30th, 2024 which show the state of the Uwezo Fund Affairs.

i) Principal activities

The principal activity of the Fund is to provide affordable loans to women, youth and persons with disabilities led enterprises at the constituency level. It also provides capacity building to enable the beneficiaries to take advantage of the 30th% government procurement preference. Uwezo Fund, therefore, is an avenue for incubating enterprises, catalysing innovation, promoting industry, creating employment, and growing the economy.

ii) Results

The results of the entity for the year ended June 30th, 2024 are set out on page 1 to 5 that includes the summary of the deficit during the year.

iii) Directors/Fund Committee

The members of the Board of Directors who served during the year are shown on pages vii to xi accordance with Section 4 of the Public Finance Management (Uwezo Fund) Regulations, 2014.

iv) Auditors

The Auditor-General is responsible for the statutory audit of Uwezo Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Board



HEAD OF THE SECRETARIAT

UWEZO FUND

Date.....13/12/24.....

12. Statement of Directors/Fund Committee Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 11 (e) of the Public Fund Management (Uwezo Fund) regulations, 2014 provide for the preparation of financial statements in respect of Uwezo Fund, which give a true and fair view of the state of affairs of the Fund at the end of the financial year and the operating results of the Fund for the year 2023/2024. The Directors are also required to ensure that the Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the Fund. The Directors are also responsible for safeguarding the assets of the Fund.

The Directors are responsible for the preparation and presentation of the Uwezo Fund financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30th, 2024. This responsibility includes: 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 Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for Uwezo Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with accrual basis of accounting method under the international Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012 and the Public Finance Management (Uwezo Fund) regulations, 2014. The Directors are of the opinion that the Fund's financial statements give a true and fair view of the state of the Fund's transactions during the financial year ended June 30th, 2024, and the Fund's financial position as at June 30th 2024. The Directors further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control. Nothing has come to the attention of the Directors to indicate that Uwezo Fund will not remain a going concern for at least the next twelve months from the date of this statement.

UWEZO FUND OVERSIGHT BOARD
Annual Report and Financial Statements for the year ended June 30, 2024.

Approval of the financial statements

The Fund's financial statements were approved by the Board on and signed on its behalf by:



.....

Chairperson of the Board

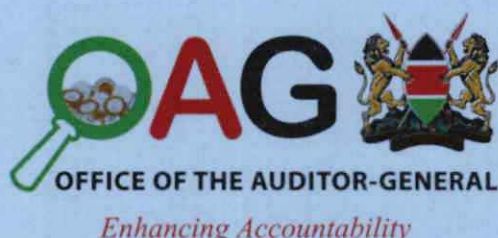


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Head of Secretariat

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON UWEZO FUND OVERSIGHT BOARD FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Uwezo Fund Oversight Board set out on pages 1 to 23, which comprise of the statement of financial position as at 30 June, 2024 and the statement of 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 Uwezo Fund Oversight Board as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Legal notice No.21 of Public Finance Management (Uwezo Fund) Regulations, 2014 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Long Term Receivables

1.1 Lack of Provision for Bad and Doubtful Debts

The statement of financial position reflects long term receivables – outstanding loans of Kshs.5,168,026,629 as disclosed in Note 16 to the financial statements. However, the Fund Management has not developed a policy on provision of bad and doubtful debts against the long-term receivables. This is contrary to paragraph 1 of the International Public Sector Accounting Standard (IPSAS) 19 - provisions, contingent liabilities and contingent assets that provides that, the entity that prepares and presents financial statements under accrual basis of accounting shall apply IPSAS 19 in accounting for provisions, contingent liabilities, and contingent assets.

In the circumstances, the recoverability, accuracy and completeness of long-term receivables—outstanding loans amount of Kshs.5,168,026,629 could not be confirmed.

1.2 Non-Distinction between Current and Non-Current Receivables

The statement of financial position reflects long term receivables – outstanding loans of Kshs.5,168,026,629 as disclosed in Note 16 to the financial statements. It was observed that the Management did not provide the loan repayments criteria or the accounting policy for classifying as either current or long-term due. The Management acted contrary to Paragraph 70 of IPSAS 1 which provides that, an entity shall present current and non-current assets, and current and non-current liabilities, as separate classifications on the face of its statement of financial position.

In the circumstances, due to failure to designate loan repayments due as either current or long-term, the completeness and valuation of the long-term receivables of Kshs.5,168,026,629 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of Uwezo Fund Oversight Board Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical

responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

1. Financial Performance

The statement of financial performance reflects a deficit of Kshs.74,182,749 during the year under review. Although, the Management and as disclosed under the statement of Directors/Fund Committee responsibilities states that the Fund will remain a going concern for at least the next twelve months from the date of the statement, strategies need to be put in place to avert such an occurrence so that the Fund does not face financial challenges in the future.

In the circumstances, the Fund is likely to face financial challenges in future if the current situation is not reversed.

2. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final income budget and actual on comparable basis of Kshs.309,700,000 and Kshs.153,700,000 respectively, resulting to an under-funding of Kshs.156,000,000 or 50% of the budget. However, the Fund spent Kshs.211,756,370 against actual receipts of Kshs.153,700,000 resulting to an over-utilization of Kshs.58,056,303 or 38% of actual receipts.

In the circumstances, the underfunding and over-utilization of expenditure can adversely affect the service delivery by Uwezo fund to the members of public.

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the 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

Unresolved Prior Year Matters

In the prior year audit report, issues were raised under 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. The issues have been not resolved, and they are yet to be deliberated in Parliament.

Other Information

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matter 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

Unrecovered Administration Fees from Fund Loan

Report of the Chief Executive Officer/Fund Administrator on Roman page xvi states that the Fund disbursed Kshs.518,000,000 in the year ended to the constituencies. However, it was noted that the Fund reported Nil income under revenue from exchange transactions contrary to Regulation 3(1)(c) of the Public Finance Management (Uwezo Fund) Regulations, 2014 that states that, the Fund shall consist of income generated from the proceeds of the Fund. In addition, Regulation 20 states that the administrative fee for Fund loan shall be a maximum of one per cent.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and the Board of Directors

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.

The Board of Directors is 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

27 December, 2024

UWEZO FUND OVERSIGHT BOARD
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 government entities	5	153,700,000	154,530,000
Transfers in kind	6	30,362,780	31,946,562
Total revenue		184,062,780	186,476,562
Expenses			
Employee costs	7	35,019,209	36,662,772
Use of goods and services	8	99,449,143	60,024,514
Board expenses	9	6,920,526	5,431,503
Depreciation expense	10	5,067,206	6,962,747
Repairs and maintenance	11	3,032,678	2,214,566
Contracted Services	12	2,442,528	2,428,650
Constituencies' Administration Costs	13	106,852,139	58,574,005
Total expenses		258,783,429	169,870,107
Net Surplus for the year		-74,720,649	16,606,455

The notes set out on page 6 to 20 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors/Fund committee by:



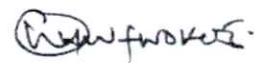
Name: Anne W. Njuguna
 Chairman Board/Fund

Date... 13/12/2024



Name: Peter Lengapiani
 Head of Secretariat

Date... 13/12/24



Name: Shadrack Indeché
 Head of Finance

ICPAK M/No:11616

Date... 13/12/2024

UWEZO FUND OVERSIGHT BOARD
Annual Report and Financial Statements for the year ended June 30, 2024.
15 Statement of Financial Position as at 30 June 2024

	Notes	2023-2024 KShs	2022-2023 KShs
Current assets			
Cash and cash equivalents	14(a)	1,930,318,417	2,256,314,120
Receivables from non-exchange transactions	14(b)	2,245,306	1,028,200
Work-in-Progress	15	19,522,765	19,522,765
Total current assets		1,952,086,489	2,276,865,085
Non-current assets			
Long term receivables –outstanding loans	16	5,168,026,629	4,826,616,733
Property, plant and equipment	17	29,287,278	31,992,984
Total Non-Current Assets		5,197,313,907	4,858,609,717
Total assets		7,149,400,396	7,135,474,802
Current liabilities			
Trade other exchange payables transactions	18	3,033,900	387,057
Net assets		7,146,366,496	7,135,087,745
Represented By:			
Accumulated surplus		164,396,492	239,117,741
Revaluation reserve		13,870,000	13,870,000
Capital Fund		6,968,100,004	6,882,100,004
Net Assets		7,146,366,496	7,135,087,745

The financial statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:



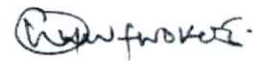
Name: Anne W. Njuguna
Chairman Board/Fund

Date...13/12/2024



Name: Peter Lengapiani
Head of Secretariat

Date...13/12/24



Name: Shadrack Indeché
Head of Finance

ICPAK M/No:11616

Date...13/12/2024

UWEZO FUND OVERSIGHT BOARD
Annual Report and Financial Statements for the year ended June 30, 2024.

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

Description	Retained Surplus	Revaluation Reserve	Gok Development Grant Loan Fund	Total
At June 30, 2021	226,154,420	0	6,751,100,004	6,977,254,424
Total comprehensive deficit (Surplus)	-3,643,134			-3,643,134
Motor vehicle revalued during the year		13,870,000	-	13,870,000
Development grants received during the year			62,000,000	62,000,000
At June 30, 2022	222,511,286	13,870,000	6,813,100,004	7,049,481,290
Total comprehensive deficit (Surplus)	16,606,454			166,064,543
Development grants received during the year			69,000,000	69,000,000
At June 30, 2023	239,117,141	13,870,000	6,882,100,004	7,135,087,145
Total comprehensive deficit (Surplus)	-74,720,649			-74,720,649
Development grants received during the year			86,000,000	86,000,000
At June 30, 2024	164,396,492	13,870,000	6,968,100,004	7,146,366,496

UWEZO FUND OVERSIGHT BOARD
Annual Report and Financial Statements for the year ended June 30, 2024.

17. Statement of Cash Flows For The Year Ended 30th JUNE 2024

Cash flows from operating activities Receipts			
Transfers from other Government entities		153,700,000	154,530,000
Total Receipts Payments		153,700,000	154,530,000
Employee Costs		4,656,429	4,716,210
Use of Goods and services		99,449,143	60,024,514
Board Expenses		6,920,526	5,431,503
Repairs and Maintenance		3,032,678	2,214,566
Contracted Cleaning Services		2,442,528	-
Administration Costs		106,852,139	58,574,005
Total		223,353,443	130,960,798
Net cash flows from operating activities		-69,653,443	23,569,202
Increase in Receivables		1,217,106	1,028,200
Decrease in Payables		-2,646,843	-1,700,854
Net Cash used in Operating Activities	21	-68,223,706	20,840,148
Cash flows From Investing Activities			
Purchase of property, plant, equipment and intangible assets		-2,362,100	-13,680,000
Non-current receivables		-341,409,896	-36,095,070
Net cash flows used in investing activities		-343,771,996	-49,775,070
Cash flows from financing activities			
Grant for capital loan fund from GOK		86,000,000	69,000,000
Net Cash flows from financing activities		86,000,000	69,000,000
Net increase/(decrease) in cash and cash equivalents		-325,995,702	40,065,078
Cash and cash equivalents at 1st July, 2023		2,256,314,120	2,216,249,042
Cash and cash equivalents at 30th June, 2024		1,930,318,418	2,256,314,120

UWEZO FUND OVERSIGHT BOARD

Annual Reports and Financial Statements for the year ended June 30 2024

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization	Explanation of Material Variator
	Kshs	Kshs	Kshs	Kshs	Kshs		
	a	b	c= (a+b)	d	e=(c-d)	f=d/c*100	
Revenue							
Transfers from Other Governments entities	153,700,000	156,000,000	309,700,000	153,700,000	156,000,000	60%	Budget not fully funded
Total Income	153,700,000	156,000,000	309,700,000	153,700,000	156,000,000		
Expenses							
Use of Goods and Services	117,821,575		117,821,575	99,449,143	18,372,432	84.4%	Austerity measures on travel and branding
Employee costs	6,000,000		6,000,000	4,656,429	1,343,571	77.6%	Non-deployment of staff
Board Expenses	9,236,400		9,236,400	6,920,526	2,315,874	75%	
Repairs and Maintenance	4,020,125		4,020,125	3,032,678	987,447	75.4%	Austerity measures on renovations
Contracted Services	9,220,000		9,220,000	2,442,528	6,777,472	26.5%	No appropriate service providers
Grants and Subsidies	153,700,000		153,700,000	95,255,000	58,445,000	62.0%	Budget not fully funded
Total Expenditure	299,998,100		299,998,100	211,756,370			
Deficit for the period				(58,056,303)			

Reconciliation

Deficit from Comparison of Budget and Actual Amounts	(58,056,303)
Add: Depreciation	(5,067,206)
Grants expenditure Kshs.106,852,139	
Less Grants Disbursed (Kshs.95,255,000)	
Carry over expenditure	(11,597,139)
Deficit as per the statement of financial performance	<u>(74,720,648)</u>

UWEZO FUND OVERSIGHT BOARD

Annual Reports and Financial Statements for the year ended June 30 2024

19. Notes to the Financial Statements

1. General Information

Uwezo Fund is established by and derives its authority and accountability from Public Finance Management (Uwezo Fund) Regulations, 2014. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to:

- (a) Expand access to finances in promotion of youth and women business and enterprises at the constituency level for economic growth towards the realisation of the goals of vision 2030;
- (b) To generate gainful self-employment for the youth and women; and
- (c) To model an alternative framework in funding community driven development.

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis. 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 judgement 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.

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 Public Finance Management Act, 2012, the Public Finance Management (Uwezo Fund) Regulations, 2014 and the International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

UWEZO FUND OVERSIGHT BOARD**Annual Reports and Financial Statements for the year ended June 30 2024****2. 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.*

IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol 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.

UWEZO FUND OVERSIGHT BOARD

Annual Reports and Financial Statements for the year ended June 30 2024

	<p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<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 employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

ii. Early adoption of standards

The Entity did not early –adopt any new or amended standards in the financial year 2023/2024.

UWEZO FUND OVERSIGHT BOARD

Annual Reports and Financial Statements for the year ended June 30 2024

3. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees and other charges

The *Entity* 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 *Entity* 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.

b) Property, plant, and equipment

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

c) Cash and cash equivalents.

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts

UWEZO FUND OVERSIGHT BOARD
Annual Reports and Financial Statements for the year ended June 30 2024

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.

d) Comparative figures

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

e) 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

4. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Uwezo Fund 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 *Entity*. 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

UWEZO FUND OVERSIGHT BOARD
Annual Reports and Financial Statements for the year ended June 30 2024

5. Transfers from Other Government entities

Unconditional Grants		
Operational Grant	153,700,000	153,530,000
Donation from Cooperative bank		1,000,000,000
Total Government Grants and Subsidies	153,700,000	154,530,000

b) Transfers from Ministry

	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry of MSMEs	153,700,000	0	86,000,000	239,700,000	153,530,000
Total				239,700	153,530,000

6. Transfers in-kind.

Ministry of MSMEs	30,362,780	31,946,562
Total Transfers in-kind	30,362,780	31,946,562

The Fund has a staff establishment of 26 members who are seconded from various ministries, this amount relates to their annual cumulative salaries that was paid by the parent ministries.

UWEZO FUND OVERSIGHT BOARD**Annual Reports and Financial Statements for the year ended June 30 2024****7. Employee Costs**

Description	2023-2024	2022-2023
	KShs	KShs
Salaries and Wages	30,362,780	31,946,562
Extraneous Allowance	4,656,429	4,716,210
Total	35,019,209	36,662,772

8. Use of Goods and Services

Description	2023-2024	2022-2023
	KShs	KShs
Electricity	1,699,996	1,025,989
Subscriptions	472,254	0
Advertising	3,406,550	3,18,000
Conferences and Delegations	3,536,680	1,808,810
Consumables	2,064,750	1,663,446
Fuel and Oil	4,446,601	1,895,385
Postage and telecommunication	1,958,855	1,959,293
Printing and Stationery	371,388	320,845
Training and Hire Charges	7,419,674	2,857,680
Rent expenses	11,978,424	11,974,584
Travel, Subsistence & Other Allowances*	61,613,221	36,181,172
Bank charges	352,750	218,560
Specialized materials and supplies	128,000	118,750
Total	99,449,143	60,024,514

9. Board Expenses

Description	2023-2024	2022-2023
	KShs	KShs
Chairman/Directors' Honoraria	960,000	375,484
Sitting Allowances	2,725,890	
Medical Insurance	371,995	0
Induction and Training	451,335	2,641,619
Travel and Accommodation	1,886,976	
Other Allowances	524,330	2,414,400
Total	6,920,526	5,431,503

UWEZO FUND OVERSIGHT BOARD
Annual Reports and Financial Statements for the year ended June 30 2024

10. Depreciation Expense

Description	2023-2024 KShs	2022-2023 KShs
Property, plant, and equipment	5,067,526	6,962,747
Total depreciation	5,067,526	6,962,747

11. Repairs and Maintenance

Description	2023-2024 KShs	2022-2023 KShs
Vehicles	2,662,247	1,620,691
Computers	370,431	204,000
Total Repairs and Maintenance	3,032,678	2,214,566

12. Contracted services

Description	2023-2024 KShs	2022-2023 KShs
Cleaning services	2,442,528	2428,650
Total Contracted Services	2,442,528	2428,650

13. Constituencies Administration costs

Description	2023-2024 KShs	2022-2023 KShs
Balance B/F	30,762,966	41,491,971
Transfers	95,255,000	47,845,000
Sub-total	126,017,966	89,336,971
Unutilised (Bal b/d)	19,165,827	30,762,966
Expenditure	106,852,139	58,574,005
Unutilized Funds-Constituencies' bank balances	19,165,827	30,762,966
Sub-total	19,165,827	30,762,966
Total Cost incurred	106,852,139	58,574,005

UWEZO FUND OVERSIGHT BOARD

Annual Reports and Financial Statements for the year ended June 30 2024

14. Cash and Cash Equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Cash and Cash Equivalent	1,930,318,417	2,256,314,120
Total Cash and Cash Equivalents	1,930,318,417	2,256,314,120

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
a) Bank balances			
Central bank of Kenya	1000203714	83,311,967	365,611,967
Cooperative bank of Kenya (H.Q)	01141530598800	48,264,611	8,627,729.84
Equity bank (Headquarters)	1770283276069	200,000,000	0
African Banking Cooperation	Various	3,190,396	3,422,183.50
Chase Bank SBM	Various	869,240	869,240
Consolidated Bank	Various	15,300,395	15,300,395
Cooperative bank	Various	462,754,832	515,350,589.05
Equity bank	Various	557,118,926	716,209,172
Family bank	Various	40,523,223	55,979,378.19
First community bank	Various	87,200,814	92,963,399
Kenya commercial bank	Various	424,081,658	474,254,110
National bank of Kenya	Various	7,702,355	7,725,956
Grand Total		1,930,318,417	2,256,314,120

14. (b) Receivables from Non-Exchange Transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Outstanding Staff Imprest	2,245,306	1,028,200
Total Receivables from Non-Exchange Transactions	2,245,306	1,028,200

15. Work in Progress

Description	2023-2024	2022-2023
	KShs	KShs
ERP	19,522,765	19,522,765
Total	19,522,765	19,522,765

UWEZO FUND OVERSIGHT BOARD**Annual Reports and Financial Statements for the year ended June 30 2024**

16. Long term Receivables-Outstanding Loans

Description	2023-2024 KShs	2022-2023 KShs
Loan Capital Fund	6,729,648,941	6,729,648,941
Transfers to Loan Fund A/C	72,000,000	-
Sub-total	6,801,648,941	6,729,648,941
Bank Balance in CBK A/C	51,684,198	51,684,198
Bank Balance in Loan Repayment A/C	1,017,505,334	1,218,126,398
Bank Balance in Main A/C	564,432,780	633,221,612
Sub-total	1,633,622,312	1,903,032,208
	5,168,026,629	4,826,616,733

UWEZO FUND OVERSIGHT BOARD

Annual Reports and Financial Statements for the year ended June 30 2024

17. Property, Plant and Equipment

Description	Motor Vehicles	Office Furniture & Fixtures	Computers & Related Equipment	Office Equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
End of Year-June 2019	58,587,800	10,742,301	12,112,888	9,654,016	91,097,006
Additions	-	-	97,000	-	97,000
Transfers/Adjustments	-	-	-1,437,000	-	-1,437,000
End of Year- June 2020	58,587,800	10,742,301	10,772,888	9,654,016	89,757,006
Additions			4,536,154	1,660,000	6,196,154
Transfers/Adjustments					
End of Year- June 2021	58,587,800	10,742,301	15,309,042	11,314,016	95,953,160
Additions		331,350	1,663,000	1,594,500	3,588,850
Transfers/Adjustments					
End of Year- June 2022	58,587,800	11,073,651	16,972,042	12,908,516	99,542,010
Additions	13,680,000				13,680,000
Transfers/Adjustments					
End of June 2023	72,267,800	11,073,651	16,972,042	12,908,516	113,222,010
Additions		1393900	3,804,400	63,800	5,262,100
Transfers/Adjustments					
End of June 2024	72,267,800	12,467,551	20,776,042	12,972,316	118,484,1109
DEPRECIATION AND IMPAIRMENT					
At June 30, 2019	55,687,800	6,822,371	11,106,555	5,567,021	79,183,745

UWEZO FUND OVERSIGHT BOARD

Annual Reports and Financial Statements for the year ended June 30 2024

Depreciation	0	1,342,788	0	1,205,462	2,548,250
Transfers/Adjustments	-	-	-479,000	-	-479,000
At June 30 ,2020	58,587,800	8,165,158	10,675,888	6,772,483	84,201,328
Depreciation		1,342,788	1,544,385	1,225,862	4,113,035
Transfers/Adjustments					
At June 30 ,2021	58,587,800	9,507,946	12,220,273	7,998,345	88,314,363
Depreciation		0	1,544,385	1,225,862	2,770,247
Transfers/Adjustments					0
At June 30 ,2022	58,587,800	9,507,946	13,764,658	9,224,207	91,084,611
Depreciation	4,192,500	0	1,544,385	1,225,862	6,962,747
Transfers/Adjustments					0
*At June 30, 2023	62,780,300	9,507,946	15,309,043	10,450,069	98,047,358
Depreciation	2,371,875	986,436	1,393,614	315,281	5,067,206
Transfers/Adjustments					0
*At June 30, 2024	65,152,175	10,494,382	16,164,757	10,765,350	103,114,564
Net Book Values.					
At June 30, 2019	2,900,000	3,919,930	1,006,333	4,086,995	11,913,259
At June 30, 2020	2,900,000	2,577,143	145,333	2,881,533	8,504,009
At June 30, 2021	2,900,000	1,234,355	3,137,102	3,315,671	10,587,128
*At June 30, 2022	30,450,000	1,565,705	3,255,717	3,684,309	38,955,731
*At June 30, 2023	26,257,500	1,565,705	1,711,332	2,458,447	31,992,984
*At June 30, 2024	23,885,625	579,269	2,679,218	2,143,166	29,287,278

UWEZO FUND OVERSIGHT BOARD
Annual Reports and Financial Statements for the year ended June 30 2024

UWEZO FUND OVERSIGHT BOARD
Annual Reports and Financial Statements for the year ended June 30 2024

18. Trade other exchange payables

Description Current Liabilities	2023-2024	2022-2023
	KShs	KShs
Opening Balance	387,057	2,087,911
Increase/(decrease)	2,646,843	-1,700,854
Closing Balance	<u>3,033,900</u>	387,057

19. Purchase of Property, plant, equipment and intangible asset

Description	2023-2024	2022-2023
	KShs	KShs
Purchase of motor vehicles	-	13,680,000
Computers & Related equipment	904,400	-
Office Furniture and Fittings	1,393,900	-
Other Office Equipment	<u>63,800</u>	-
	<u>2,362,100</u>	<u>13,680,000</u>

20. Non-Current Receivables

Description	2023-2024	2022-2023
	KShs	KShs
Outstanding Loans		
Opening Balance	4,826,616,733	4,790,521,663
Increase/(decrease)	<u>341,409,896</u>	<u>36,095,070</u>
Closing Balance	<u>5,168,026,629</u>	<u>4,826,616,733</u>

21. Net Cash Used in Operation Activities

Description	2023/2024	2022/2023
	KShs	KShs
Surplus/Deficit for the year	-74,720,649	16,606,455
Adjusted for:		
Depreciation	5,067,206	6,962,747
Working capital adjustments		
Less Decrease in payables	-2,646,843	-1,700,854
Less Increase in Receivables	1,217,106	1,028,200
Net cash flow from operating activities	-68,223,706	20,840,148

UWEZO FUND OVERSIGHT BOARD
Annual Reports and Financial Statements for the year ended June 30 2024

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 <i>(Resolved/ Not Resolved)</i>	Timeframe <i>(Put a date when you expect the issue to be resolved)</i>
1.	Long Outstanding Receivables – Outstanding Loans As previously reported, the statement of Financial position reflects long-term receivables-outstanding loan balance of Kshs. 4,826,616,733 as disclosed in note 14 to the financial statements. However, the balance was not supported with debtors' ledgers detailing loans issued since inception, repayments made and outstanding balances. In addition, the Fund's overall loan performance as at 30 th June 2023 indicates loan disbursement of Kshs. 6,729,949 and loan repayments of Kshs. 2,874,370,396 or 42%, resulting to a balance of Kshs. 3,855,502,553	As at 30 th June, 2023, the Fund's financial statement recorded outstanding loans to groups balance of Kshs. 4,826,616,733 being cumulative amount from all the 290 constituencies since inception. Validation of these returns often include submission of loan performance records, which detail, amounts disbursed to all the groups in the constituencies, amounts repaid as at reporting period, the amounts outstanding and timelines for loan completion. This information is manually maintained and collated in Excel prescribed format which are submitted to the Headquarters.	Not Resolved	Immediately

UWEZO FUND OVERSIGHT BOARD

Annual Reports and Financial Statements for the year ended June 30 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timelines (Put a date when you expect the issue to be resolved)
	whose recoverability was doubtful. Further, no provision for bad and doubtful debts has been made. In the circumstances, the accuracy and completeness of the long-term receivables-outstanding loans balance of Kshs. 4,826,616,733 could not be confirmed.	During the period under review, Loan repayment listings/debtors' ledgers totalling to Kshs. 4,826,616,733 from all the 290 Constituencies were received. From these records a total of outstanding loans to groups has been supported, representing all the 290 constituencies total outstanding loans to groups as captured in the Fund's financial statements. These loan listings/debtors' ledger support the figure indicated in the financial statements as outstanding loans to groups. A summary of the constituencies loan listings/debtors' ledgers is attached. Further, the detailed loan listing/debtors' ledgers received from constituencies are available for audit review.		
2.	Other Matters			
	i) Budgetary Control and Performance			
.	The statement of comparison of budget and actual amounts reflects	During the year under review, the Fund reported under expenditure on	Not Resolved	Immediately

UWEZO FUND OVERSIGHT BOARD

Annual Reports and Financial Statements for the year ended June 30 2024

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)
	<p>final expenditure budget and actual on comparable basis of Kshs. 362,993,319 and Kshs. 169,870,107 respectively resulting to under expenditure of Kshs. 193,123,212 or 53% of the budget.</p> <p>The under expenditure affected the planned activities which may have impacted negatively on the service delivery to the public.</p>	<p>its budgetary allocation. It is worth to note that;</p> <p>a) The Fund is patronized by the President at the national level, Women representative at the county level and member of parliament at the Constituency level.</p> <p>b) The financial year under audit review fell within the electioneering year.</p> <p>c) At the constituency level the Fund's activities are implemented by the Constituency Uwezo Fund Management Committees (CUFMCs) and in this year, most of their terms had expired and the appointment authorities who are the constituency's patrons were not in the office. This therefore slowed down the operations of the Fund's activities in the constituencies largely contributing to the low absorption of the budgetary allocations.</p>		
	ii) Unresolved Prior Years Matters			
	<p>In the audit report of the previous year, issues were raised under the report on effectiveness</p>	<p>In the audit report of the previous year, the audit issues raised were responded to and the responses were</p>	<p>Not Resolved</p>	<p>Immediately</p>

UWEZO FUND OVERSIGHT BOARD
Annual Reports and Financial Statements for the year ended June 30 2024

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)
	of Internal Controls, Risk management and Governance. However, the issues remain unresolved.	submitted to the parliamentary committee through request letter reference: NA/DAASC/PAC/2023/196 of 20 th September June, 2022 vide forwarding letter refence UWZ/FIN/5/6		

Guidance Notes:

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



Head of Secretariat

Peter Lengapiani

Date: 13/12/24

UWEZO FUND OVERSIGHT BOARD
Annual Reports and Financial Statements for the year ended June 30 2024

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	
MSMEs	26/09/2023	Recurrent	12,800,000	✓					
MSMEs	23/10/2023	Recurrent	12,800,000	✓					
MSMEs	28/11/2023	Recurrent	12,808,333	✓					
MSMEs	15/11/2023	Recurrent	12,800,000	✓					
MSMEs	06/12/2023	Recurrent	12,808,333	✓					
MSMEs	13/03/2024	Recurrent	38,400,000	✓					
MSMEs	24/04/2024	Recurrent	12,808,333	✓					
MSMEs	03/06/2024	Recurrent	12,808,333	✓					
MSMEs	11/06/2024	Recurrent	12,808,333	✓					
MSMEs	19/06/2024	Recurrent	12,858,335	✓					
MSMEs	27/02/2024	Development	16,000,000		✓				
MSMEs	06/05/2024	Development	14,000,000		✓				
MSMEs	27/02/2024	Development	16,000,000		✓				
MSMEs	30/06/2024	Development	40,000,000		✓				
Total			239,700,000						

UWEZO FUND OVERSIGHT BOARD
Annual Reports and Financial Statements for the year ended June 30 2024

Appendix V- Inter-Entity Confirmation Letter

Name of transferring entity: State Department for Micro, Small & Medium Enterprises (MSMES)

Name of beneficiary entity: Uwezo Fund Oversight Board

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
FT232691FZ9W	26/09/2023	12,800,000	-	12,800,000	Received
FT23296FXR2M	23/10/2023	12,800,000	-	12,800,000	Received
FT233325KSD	28/11/2023	12,808,333	-	12,808,333	Received
FT233196FTFM	15/11/2023	12,800,000	-	12,800,000	Received
FT2334080T2N	06/12/2023	12,808,333	-	12,808,333	Received
FT2407391JLF	13/03/2024	38,400,000	-	38,400,000	Received
FT24115YB6T8	24/04/2024	12,808,333	-	12,808,333	Received
FT2415527768	03/06/2024	12,808,333	-	12,808,333	Received
FT24163KMRTX	11/06/2024	12,808,333	-	12,808,333	Received
FT24171GKT5N	19/06/2024	12,858,335	-	12,858,335	Received
FT24058XTLF3	27/2/2024	=	16,000,000	16,000,000	Received
FT241573P0ZQ	06/05/2024	=	14,000,000	14,000,000	Received
FT24058PTHPG	27/2/2024	=	16,000,000	16,000,000	Received
FT24190387PP	30/06/2024	=	40,000,000	40,000,000	
Total		153,700,000	86,000,000	239,700,000	

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

Head of Accounts Department - Disbursing Entity:

Name STEPHEN KAKANGA Sign *[Signature]* Date 13/12/2024

UWEZO FUND OVERSIGHT BOARD
Annual Reports and Financial Statements for the year ended June 30 2024

Head of Accounts Department - Beneficiary Entity:

Name SHADRACK INDEEHE Sign  Date 13/12/2024