


REPUBLIC OF KENYA



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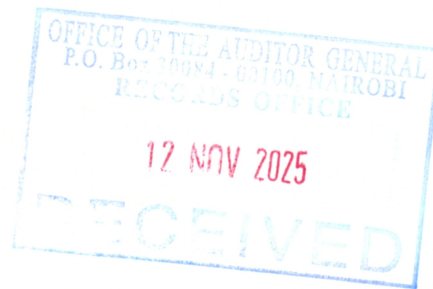
THE AUDITOR-GENERAL

ON

UWEZO FUND OVERSIGHT BOARD

FOR THE YEAR ENDED

30 JUNE, 2025



UWEZO FUND OVERSIGHT BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2025

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



UWEZO FUND OVERSIGHT BOARD
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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 mandate 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 2025 and who had direct fiduciary responsibility were:

1. Principal Secretary - Susan Mang'eni
2. Head of Secretariat - Peter L. Lengapiani , MBS
3. Head of Finance and Accounts - Shadrack Indeche , CPA
4. Supply Chain Management - Titus Lesuuda
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 - Jennifer Mureithi, CPA

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(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

- 1 Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
- 2 National Bank of Kenya Ltd
Harambee Avenue
P.O. Box 72866
City Square 00200
Nairobi, Kenya
- 3 Equity Bank Ltd.
P.O. Box 75104 - 00200
Nairobi, Kenya
- 4 Consolidated Bank Ltd.
P. O. Box 51133 - 00200
Nairobi, Kenya

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

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

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

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

9 Premier Bank
P.O. BOX 26219 - 00100
Nairobi, Kenya

10 Chase Bank/ SBM Bank
P.O. BOX 34886 - 00100
Nairobi, Kenya

(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

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3. The Board of Directors/Fund Committees

Directors	Details
 <p>Ms. Anne Wambui Njuguna Chairperson of the Board</p>	<p>Key Academic and Professional Qualifications</p> <ul style="list-style-type: none"> ➤ MBA (Strategic Management) Daystar University - Ongoing ➤ Bachelor of Commerce (Actuarial Science Option) Kenyatta University ➤ Certified Public Accountant of Kenya (CPAK) <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 Member - Chairperson</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, Practicing 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 Member</p>



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 <p>Ms. Wanjiku Muhato Chairperson Programmes, Publicity and Strategy Committee</p>	<p>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 Member</p>
 <p>Ms. Susan Mange'ni Principal Secretary MSME & D</p>	<p>Key Academic and Professional Qualifications</p> <ul style="list-style-type: none"> ➤ Master of Arts Entrepreneurship Development, UON ➤ BA in Political Science and Public Administration ➤ Member International Visitors Leadership Programme (IVLP) ➤ Member Mandela Institute for Development Studies (MINDS) ➤ Member Women Democracy Network (WDN) <p>Work Experience</p> <ul style="list-style-type: none"> ➤ Board Member – YEDF, KIPPRA, Competition Tribunal of Kenya ➤ Member working group on socio-economic audit of the Constitution of Kenya 2010. ➤ Principal Secretary – Ministry of Co-operatives and MSMEs Development, State Department for MSMEs Development <p>Key Skills</p> <ul style="list-style-type: none"> ➤ Strategic leadership ➤ Public Policy ➤ Enterprise and MSMEs Development ➤ Governance and Institutional Building ➤ Youth and Women Empowerment <p>Non-Independent Member - Principal Secretary</p>

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 <p>Hon Hussein Haret Borle Chairperson Human Resource and Administration</p>	<p>Key Academic and Professional Qualifications</p> <ul style="list-style-type: none">➤ Bachelor of Art (Economics)-Moi University,➤ Higher Diploma HRM-KNEC,➤ Certificate of Proficiency in Trustee Development Kenya (College of Insurance),➤ Diploma Institute of Purchasing and Supplies (Foundation Stage)➤ Member of IHRM No.5866 <p>Work Experience</p> <ul style="list-style-type: none">➤ 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 <p>Key Skills</p> <ul style="list-style-type: none">➤ Personnel Management and Administration,➤ Political and legislative➤ Economic Development➤ Computer skills <p>Independent Member</p>
 <p>Flora Kiprop Chairperson ARM & C</p>	<p>Key Academic and Professional Qualifications</p> <ul style="list-style-type: none">➤ Masters of Arts in Leadership – PAC (Ongoing)➤ Bachelor of Arts in Transformational Leadership - PAC➤ Diploma in Transformational Church Leadership-PAC University➤ Certificate of Proficiency-College of insurance, Kenya certificate <p>Work Experience</p> <ul style="list-style-type: none">➤ 1999 to date Manager, 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 Member</p>

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Ms. Naomi Matheri

Key Academic and Professional Qualifications

- Master of Arts (Economics)
- Bachelor of Science (Statistics)

Work Experience

- Director, Planning, Public Finance Management (National Treasury),
- Deputy Director Debt Management,
- Assistant Director Debt Management,
- Senior Economic Policy Analyst,
- Economist

Key Skills

- Public Finance Management,
- Economic Policy Analysis & Management,
- Planning and Budgeting,
- Resource Mobilization,
- Debt Management,
- Proficiency in statistical data analysis

Non-Independent Member - Alternate to CS The National Treasury and Economic Planning



Peter L. Lengapiani, MBS
Head of Secretariat

Key Academic and Professional Qualifications

- MA (Project Planning and Management) – University of Nairobi
- Bachelor of Commerce (Finance) - UON
- CPA (K), Member of ICPAK

Work Experience

- October 2018 to date Head of Secretariat for Uwezo Fund Oversight Board.
- March 2013 to October, 2018, Senior Programmes Manager Co-ordination, Uwezo Fund.
- September 2009 to 2013 Principal Field Operation Officer/ Regional Co-ordinator, NG-CDF.

Key Skills



- Leadership and Governance,
- Public Finance Management,
- Public Policy formulation,
- Resource Mobilization

Secretary and Ex-Officio Member

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4. Key Management Team

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


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 <p>Gad Etyang</p> <p>Mr. Gad Etyang</p> <p>Bachelor of Arts in Government Philosophy- UON 1992, Higher Diploma in HRM, Training of Trainers - KSG, Corporate Governance – Centre of Corporate Governance Member IHRM</p>	<p>Head Human Resource Management and Administration</p>
 <p>Mr Titus Lesuuda</p> <p>Bachelor of Purchasing and Supplies Management Member of Kenya Institute of Supplies Management (KISM)</p>	<p>Head Supply Chain Management</p>
 <p>CPA. Jenifer Mureithi</p> <p>Bachelor of Commerce (Finance) CPA (K). Member of ICPAK Member of IAA</p>	<p>Head of Internal Audit and Risk Management</p>

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 <p>Mr. Danson Kamanda</p> <p>Masters of Arts (Economics) Bachelor of Arts (Economics)</p>	<p>Head Programs and Coordination</p>
 <p>Ms. Benedette Owade</p> <p>Bachelor of Business Management -Moi University Diploma in Public Relations (KIM) Member of PRSK</p>	<p>Head Corporate Affairs and Communication</p>

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5. Chairman's Statement

I take pride to enumerate the Fund's progress in the Financial Year 2024/2025 towards the achievement of its mandate as provided in the Public Finance Management (Uwezo Fund) Regulation 2014. The period was characterised by increased responsiveness to the Fund's clientele, the women, youth and persons with disabilities towards addressing their socio-economic challenges. The Fund continued to provide grassroots empowerment to these groups across the constituencies through its existing products and services.

The period was marked by deliberate implementation of the performance improvement plan following the Board evaluation for the period ended 30th June 2024, in which the Board's corporate score was 91.8. One of the key areas pointed out for improvement was capacity building of Board members to equip them for their mandate. This was adequately addressed in the Financial year 2024/2025. Further during the period, the Fund in liaison with key stakeholders developed a new product to address the national outcry of youth unemployment in the country. This product, dubbed, 'Wezsha Majuu' was designed to provide credit to groups of youths that having secured employment opportunities outside the country were incapacitated by their lack of finances to meet their pre-departure costs. The pilot phase of the programme witnessed facilitation of 221 candidates to take up jobs in the UAE and Russia. The jobs secured were in the following industries, construction, animal husbandry and taxi operations.

In realization of the diminishing receipts from the exchequer to support the Fund's operations, the Fund initiated resource mobilization strategies. This was undertaken through partnerships and investment of its resources on transit in call on deposits. Notable partnerships in the year include the Financial institutions that supported the Fund's capacity building programmes, Estonian Centre for International Development (ESTDEV), which is working with the Fund to actualize digitalization of its loan processes.

The key challenges that affected the Fund in the year was reduced resources, which continue to adversely affect the Funds ability to adequately support the Constituency Management Committees. In addition, varied performances across the constituencies continued to affect the Fund's aggregate performance with some constituencies' committees still ungazetted which occasioned limited operations in such. Staffing continue to adversely affect the Fund's operationalization of its activities across the constituencies. The year 2024/2025 witnessed receipt of instructions from the Cabinet regarding implementation of State Corporation Reforms, which indicated possible merger of Uwezo Fund with the Women Enterprise Development Fund and the Youth Enterprise Development Fund. These slowed down the implementation of activities in the Fund. However, this process was not completed in the period. Going forward, the Fund will prioritize in increased resource mobilization efforts to address the resource gaps, complete the digitalization of its processes and address productivity concerns in its operations.

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

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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 greatly appreciate the contribution of the members of the Board whose valued deliberations and support have resulted to valued resolutions 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 into 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 2024/2025.



**ANNE WAMBUI NJUGUNA
CHAIRPERSON**

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6. Report of the Chief Executive Officer/Fund Administrator

It gives me great pleasure to present financial statements for the Uwezo Fund Oversight Board for Year 2024/2025. The report highlights the year's financial position, performance, the cash flows amongst other key statement regarding the financial reporting of the Fund. The Fund's is to expand access to finances for promotion of enterprises owned by youth, Women and Persons with Disabilities for economic empowerment. This mandate is actualized through provision of affordable credit, capacity building, market linkages and mentorship of target beneficiaries.

In the reporting period the Fund lend Kshs. 431 million to 3,901 groups (3001 women groups, 780 youth groups and 120 groups of persons with disabilities). This amount included Kshs. 207 million loaned to 1,131 repeat borrowers. This was achieved through revolving of Kshs. 227 million from loan repayments and balances in the main accounts in the constituencies. Revolved amounts represented 53% of the total money lend to groups in the year. The current year's disbursement has raised the Fund's cumulative disbursement to Kshs 8.3 Billion having reached 84,939 groups (55,398 women groups, 27,415 youth groups and 2,126 PWD groups). This has been facilitated by revolving of Kshs 2.3 billion of the cumulative amounts repaid (Kshs 3.3 billion). The annual loan collection was Kshs. 328 million across the constituencies having been adversely affected by limited resources towards facilitation of loan recovery campaigns in the constituencies

Notable aspects in the Fund's statement of financial performance is an increase in revenue from exchange transactions by **Kshs 23,734,317** being interest income. The Fund's long-term receivables have increased from **Kshs. 5,168,026,629** to **Kshs. 5,231,770,827**. The Fund has initiated efforts to categorise these amounts into current and non-current receivables, a process that is yet to be completed. This information will provide the Fund with basis for the development of bad and doubtful debts policy as advised from previous audit report.

Remarkable progress was realized in the financial year, including the development and roll out of the '*Wezeshu Majuu*' loan product targeting labour migrants that lacked funds to facilitate pre-departure costs. The programme attached applicants from 715 candidates with 221 funded in the pilot cohort. The total amount of loans disbursed under this programme is **Kshs.31,719,296**.

The Fund's digitalization efforts have realized application of loan through the e-citizen platform, the roll of which is prioritized in the Financial year 2025/2026. Additionally, partners such as the Estonian Centre for Development (ESTDEV) have greatly impacted on these efforts. To date the business process analysis is complete and a prototype ready. Development of the front-end solution is underway and will be completed by September 2025. Other digitalization efforts in the pipeline include the digitalization of the table banking portal

The Fund has participated in sensitization and capacity enhancement programmes for its beneficiaries, with efforts towards increased mentorship of the beneficiaries Through the forums, 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 advancement of cohesion amongst the groups. The Fund provided on-job experience for 177 interns under the PSIP programme who were deployed in the constituencies as well as the headquarters.

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Despite the significant milestones achieved so far, the Fund has not been without challenges. The Fund's constituency operations were adversely affected by delay in the re-constitution of the Constituency Uwezo Fund Management Committees, reduced budgetary provision and the staffing challenge that affected its efficient and effective operations. Notably the Fund received nil allocation for the development component in the period under review. In addition, the State Corporation reforms instructions indicating intention to merge the Fund, occasioned slowdown in its programmes and activities.

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 the impressive results.



PETER LENGAPIANI, MBS
HEAD OF SECRETARIAT

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7.Statement of Performance against Predetermined Objectives for FY 2024/2025

The Fund has four 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 institutional capacity 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 2024/2025 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	Kshs. 431,415,000 to 3,901 groups of youth, women and PWDs funded (Over 63,285 individual youths, women and PWDs)
	Enhance Fund sustainability	Fund's sustainability enhanced through increased loan repayment from 3.07B to 3.3 B	Increase loan repayment	Kshs. 211,000,000 was collected
	Review investment policy	Investment policy developed and implemented	Invest available funds awaiting approvals and disbursement	Kshs. 17,440,234 was realized as AIA
Strategic Pillar	Objective	Key Performance Indicators	Activity	Achievements

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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	3901 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	participated in 8 trade fairs and various conferences
	Implement table banking model in 2000 groups	Train champions in constituencies	Training of groups on table banking	1500 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

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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 Code of Governance for State Corporations (Mwongozo), the Public Finance Management Act 2012, Public Officers Ethics Acts 2016 and the broader provisions of the Constitution of Kenya 2010.

The Fund operationalized the Board and its constituent committees including a committee in charge of Audit as outlined by the Code of Governance for State Corporations (Mwongozo). These committees are the Programmes, Publicity and Strategy Committee, Finance and Resource Mobilization Committee, Human Resource and Administration Committee and the Audit, Risk Management and Compliance Committee. The committees and the Board held meetings as scheduled in the Board's Calendar of events.

At the Constituency level, the Fund's governance structure is spearheaded by the Constituency Uwezo Fund Management Committee, which is the decision-making organ at the constituencies. In all its operations, the Fund has engraved tenets of good governance in its delivery of services.

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. Key resolutions made by the Board in the year contributed immensely to the Fund's performance.

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 (viii) to (xi) of the 2024/2025 Reports and Financial Statements.

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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

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The Committee membership and meeting attendance of the Board for the financial year 2024/2025 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	2					6
2.	Mr. Sam Ogola	Independent	4	2	5	4			15
3.	Ms. Wanjiku Muhato	Independent	4	2		4	4	5	19
4.	Ms. Flora Kiprop	Independent	4	2		4	4	5	19
5.	Hon. Hussein Haret Borle	Independent	4	2	5	4			15
6.	Ms. Susan Mange'ni, CBS	PS-MSMEs & Development	2	2	3	-	1		8
7.	Ms. Naomi Matheri	Representative of CS National Treasury	4	2	5	-	4	5	20
8.	Mr. Peter Lengapiani, MBS	Head of Secretariat (Secretary to the Board)	4	2	5	4	4	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 consists 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.

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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 30 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. This ensures that even in the absence of a fully constituted CUFMC, the operations of the Fund in the constituencies are not interrupted. 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 all Board members on corporate governance to equip them with the requisite skills and competencies on board operations and governance issues. In addition, the Board members were trained on key areas that prepared them for their mandates such as training on financials for the non-financial Directors. The Chairperson of Audit was also trained on audit matters to enhance her capacity to steer the activities of the committee.

Conflict of Interest

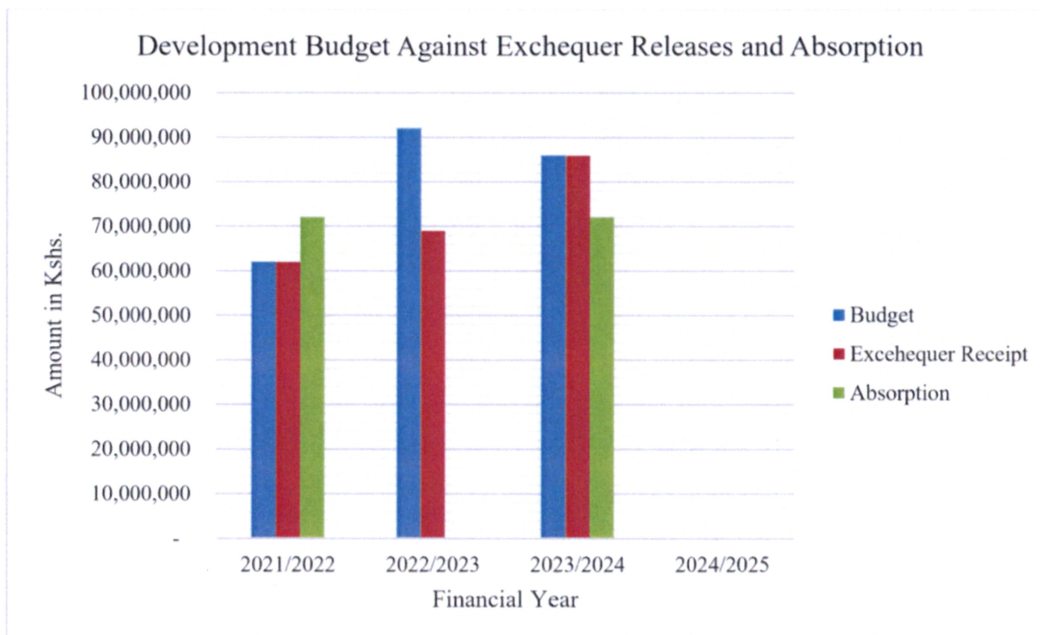
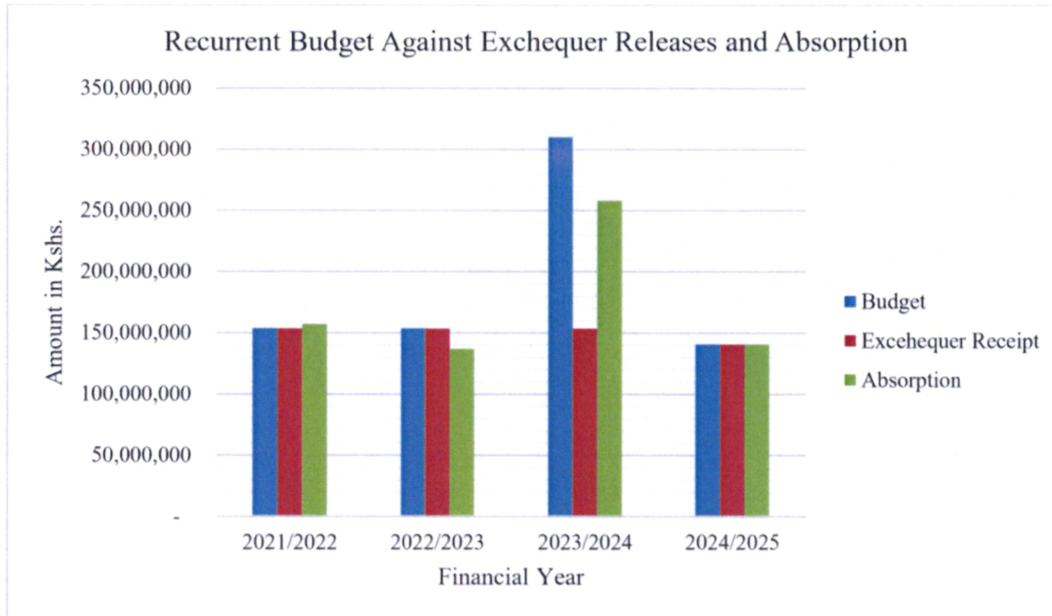
In adherence to accountability and transparency, the Fund maintains a register for conflict of interest which board members sign to declare matters they may be conflicted in during all Board meetings. In addition, the Fund has developed a conflict of interest policy to spell out on the management and declaration of conflict both among the staff and the Board members.

UWEZO FUND OVERSIGHT BOARD

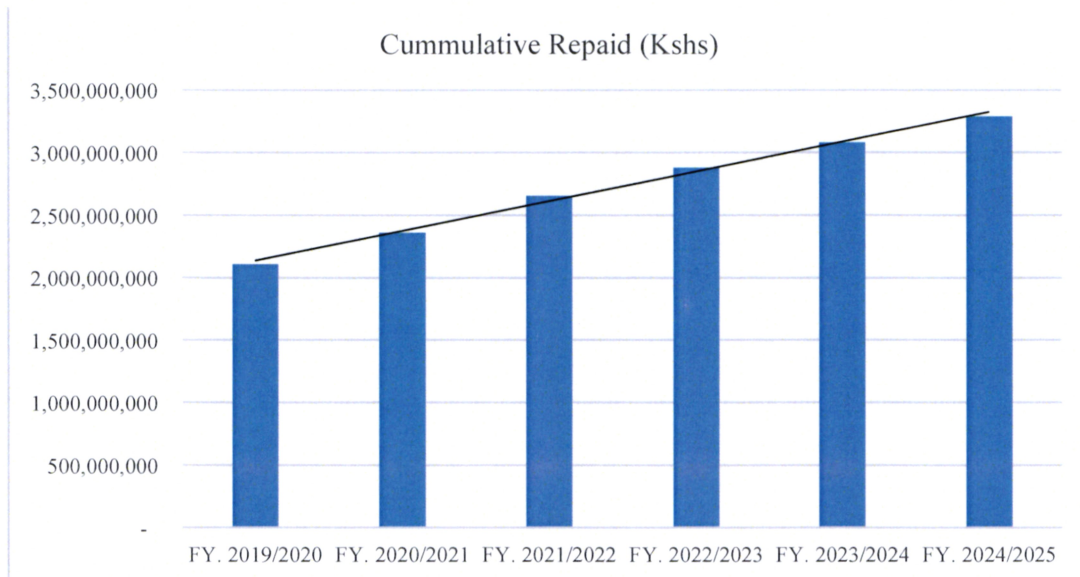
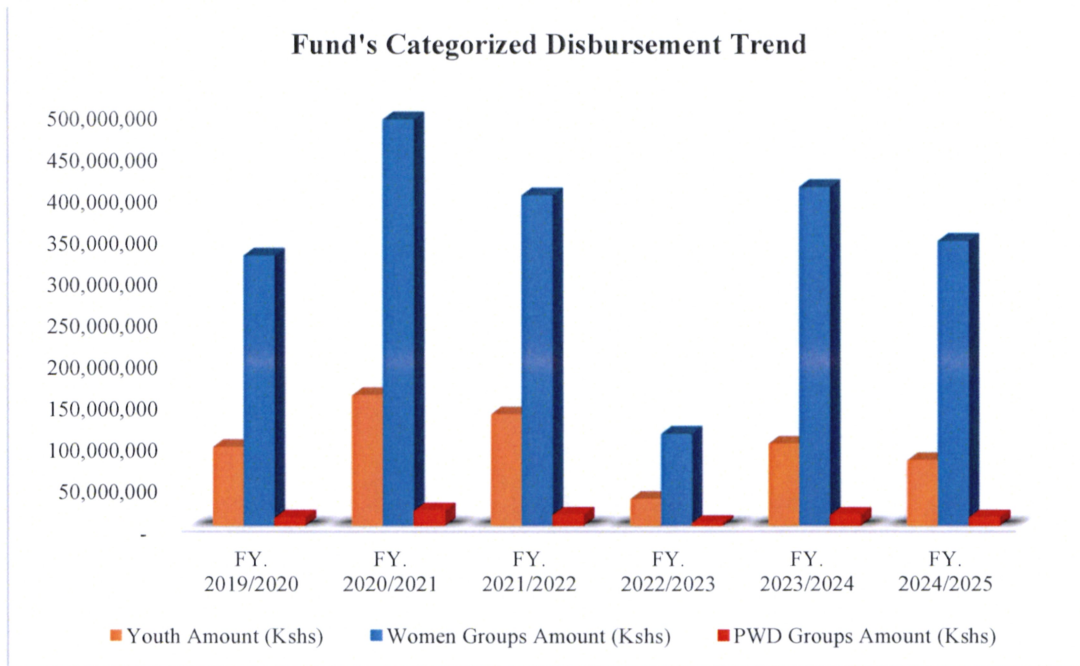
Annual Report and Financial Statements for the year ended June 30, 2025.

9. Management Discussion and Analysis

The printed estimate budgetary allocation for the Fund was Kshs. 140,700.000 with no allocation under development. under recurrent vote. The Fund received the full budget allocation in exchequers by the end of the financial year 2024/2025.



UWEZO FUND OVERSIGHT BOARD
Annual Report and Financial Statements for the year ended June 30, 2025.



The Funds cumulative collections have been increasing albeit in a slower rate across the years.

UWEZO FUND OVERSIGHT BOARD

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

Sustainability of the Fund

The budgetary allocation for the financial year 2024/2025 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.

UWEZO FUND OVERSIGHT BOARD
Annual Report and Financial Statements for the year ended June 30, 2025.

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 2024/2025, 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 30 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. During the financial year 2024/2025 the Fund together with Kenya Forest Services organized a tree planting exercise on 5th June 2025 at Ngong Road Forest, Bomas Block B where 500 trees were planted. The event demonstrated the Fund's continued commitment to environmental stewardship, community engagement, and national development goals.

UWEZO FUND OVERSIGHT BOARD
Annual Report and Financial Statements for the year ended June 30, 2025.



Seedlings preparations and sorting.



Tree planting preparations by Kenya Forest Service officers and locals.



Members of staff during the tree planting exercise at Bomas



UWEZO FUND OVERSIGHT BOARD

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

11. Report of the Directors/Fund Committee

The Directors submit this report together with the financial statements for the year ended June 30th, 2025 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 Uwezo Fund for the year ended June 30th, 2025 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 viii 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.....12/11/2025.....

UWEZO FUND OVERSIGHT BOARD

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

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 2024/2025. 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, 2025. This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud
- (iv) safeguarding the assets of the Fund
- (v) selecting and applying appropriate accounting policies
- (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, 2025, and the Fund's financial position as at June 30th 2025. 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.

In preparing the financial statements, the Directors have assessed the entity's ability to continue as a going concern. 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 despite the Fund reporting a net deficit of Kshs.47,025,312.

Approval of the financial statements

The Fund's financial statements were approved by the Board on12/11/2025..... and signed on its behalf by:

.....
Name: Ann W. Njuguna

.....
Name: Peter Lengapiani

Chairperson of the Board

Head of Secretariat

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON UWEZO FUND OVERSIGHT BOARD FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Uwezo Fund Oversight Board set out on page 1 to 21, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and

other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Uwezo Fund Oversight Board as at 30 June, 2025 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. Unconfirmed Recoverability of the Long Outstanding Loans

The statement of financial position reflects long term receivables – outstanding loans balance of Kshs.4,188,880,827 as disclosed in Note 21 to the financial statements. However, the balance has been outstanding for over three (3) years .

In the circumstances, the recoverability, accuracy and completeness of long-term receivables–outstanding loans amount of Kshs. 4,188,880,827 could not be confirmed.

2. Receipts in Bank Statement Not in Cashbook

The statement of financial position reflects cash and cash equivalents of Kshs.1,824,638,636 as disclosed in Note 17 to the financial statements. However, review of the bank reconciliation statements revealed receipts amounting to Kshs.127,091,150 in the bank statements but not in the cash books which dates back to 2018. Further, no official receipts had been issued to the groups that deposited the funds. In addition, the loan accounts of the affected groups were not adjusted to reflect the repayments.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.1,824,638,636 could not be confirmed.

3. Inaccuracies under Cash Generated from Operations

Note 24 to the financial statements reflects debit net cash flows balance from operating activities of Kshs.41,935,584 which includes Kshs.2,821,293 in respect of contributed assets. However, the amount relates to purchase of property, plant and equipment which has already been captured in the statement of cash flows.

In the circumstances, the accuracy and completeness of cash generated from operations of Kshs.2,821,293 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the 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.47,025,312 for the year under review. Although, 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 this statement, strategies need to be put in place to avert such occurrences in the future.

In the circumstances, the Fund is likely to face financial challenges in future if strategies are not put in place to reverse the trend.

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.384,979,540 and Kshs.400,885,867 resulting in over-collection of Kshs.15,906,327. However, the Fund spent Kshs.200,566,127 against the final approved budget of Kshs.388,442,540 resulting to an under-expenditure of Kshs.187,876,413 or 48% of the budget.

The under-utilization affected the planned activities and may have impacted negatively on service delivery to the 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 significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion Section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Financial Statements and Report on Lawfulness and Effectiveness of Use of Public Resources. The issues as detailed in the **Appendix I** remain unresolved as at 30 June, 2025.

Other Information

The Management is responsible for the Other Information set out in the report, which comprise of Key Entity Information and Management Information. The Other Information is provided by the Directors/Fund Committees, Key Management Team, Chairperson of the Executive Officer/Fund Administrator, Statem

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.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Staff Under-Establishment

The Fund has an in post of twenty-nine (29) members of staff representing 7% of its approved establishment of three hundred and ninety-three (393) members of staff. Review of records indicated that the twenty-nine members of staff are on secondment from several State Departments.

Further, at the constituency level the Fund has employed one member of staff from the State Department of Youth Affairs and Creative Economy who are officials supporting the Fund's objectives in disbursing loans and other support to youth groups within their respective regions. It was observed that these officers are responsible for the whole constituency which are very expansive.

In the circumstances, failure to adequately staff the Fund with employees of requisite skills and tenure of service may impede its effective service delivery to the citizens.

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 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 serve as a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of a Disaster Recovery Plan and Business Continuity Plan

Review of the Fund's ICT environment revealed that there was no disaster recovery plan/business continuity plan in place. In case of any disaster, the Fund may not be able to recover any information because its' operations are manual system. In the absence of a disaster recovery plan/business continuity plan, the Fund lacks a blueprint for identifying, preventing and mitigating against disasters and ensuring its operations are not interrupted.

In the circumstances, existence of effective disaster management measures could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I 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

20 November, 2025

Appendix

Unresolved Prior Year Matters 2023-2024

Reference No. of the Auditor-General's Report	Observation
	Report on Financial Statements
1	Long Term Receivables
1.1	Lack of Provision for Bad and Doubtful Debts
1.2	Non-Distinction between Current and Non-Current Receivables
	Emphasis of Matter
1	Financial Performance
2	Budgetary Control and Performance
	Report on Lawfulness and Effectiveness in the Use of Public Resources
	Unrecovered Administrative Fees


UWEZO FUND OVERSIGHT BOARD


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

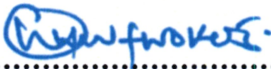
14. Statement of Financial Performance for the year ended 30 June 2025

	Notes	2024-2025	2023-2024
Revenue from non-exchange transactions		Kshs.	Kshs.
Transfers from other Governments Entities	6	137,878,707	153,700,000
Transfer from other governments-gifts and services in kind	7	34,148,450	30,362,780
		172,027,157	184,062,780
Revenue from Exchange Transactions			
Interest Income	8	23,707,160	-
Total revenue		195,734,317	184,062,780
Expenses			
Use of goods and services	9	95,776,067	99,449,143
Employee costs	10	38,901,056	35,019,209
Board expenses	11	13,198,493	6,920,526
Depreciation and Amortization Expense	12	4,599,419	5,067,206
Repairs and maintenance	13	4,269,152	3,032,678
Contracted Services	14	2,942,136	2,442,528
Constituencies' Administration Costs	15	76,806,380	106,852,139
Total expenses		236,492,703	258,783,429
Surplus/ (deficit) before tax		(40,758,386)	(74,720,649)
Taxation	16	(6,266,926)	-
Net Surplus for the year		(47,025,312)	(74,720,649)

The notes set out on pages 7 to 17 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Directors/Fund committee by:


.....
Name: Ann W. Njuguna
Chairman Board/Fund


.....
Name: Peter Lengapiani
Accounting Officer


.....
Name: Shadrack Indeche
Head of Finance

Date 12/11/2025

Date 12/11/2025

ICPAK M/No: 11616
Date 12/11/2025

UWEZO FUND OVERSIGHT BOARD

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

15. Statement of Financial Position as at 30 June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	17	1,824,638,636	1,930,318,418
Receivables from exchange non-transactions	18	4,661,969	2,245,306
Receivables from exchange transactions	19	1,043,319,502	-
Intangible Assets	20	19,522,765	19,522,765
Total Current Assets		2,892,142,872	1,952,086,489
Non-current assets			
Long term receivables – outstanding loans	21	4,188,880,827	5,168,026,629
Property, plant and equipment	22	24,687,859	29,287,278
Total Non-Current Assets		4,213,568,686	5,197,313,907
Total assets		7,105,711,558	7,149,400,396
Liabilities			
Current liabilities			
Trade other exchange payables transactions	23	3,549,081	3,033,900
Total Current Liabilities		3,549,081	3,033,900
Net assets		7,102,162,477	7,146,366,496
Represented By:			
Revaluation reserve		13,870,000	13,870,000
Accumulated surplus		117,371,180	164,396,492
Revolving Fund		6,968,100,004	6,968,100,004
Capital Fund		2,821,293	-
Total net assets and liabilities		7,102,162,477	7,146,366,496

The financial statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:


 Name: Ann W. Njuguna


Chairman Board/Fund

Date 12/11/2025


 Name: Peter Lengapiani

Accounting Officer

Date 12/11/2025


 Name: Shadrack Indeche

Head of Finance

ICPAK M/No: 11616

Date 12/11/2025

UWEZO FUND OVERSIGHT BOARD
Annual Report and Financial Statements for the year ended June 30, 2025.

16. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Revaluation reserve	Accumulated surplus	Revolving Fund	Capital/ Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, 2023	13,870,000	239,117,141	6,882,100,004	-	7,135,087,145
Deficit for the year	-	(74,720,649)		-	(74,720,649)
Capital/development grants received during the year			86,000,000	-	86,000,000
As at June 30, 2024	13,870,000	164,396,492	6,968,100,004	-	7,146,366,496
					-
As at July 1, 2024	13,870,000	164,396,492	6,968,100,004	-	7,146,366,496
Surplus/ (deficit) for the year		(47,025,312)			(47,025,312)
Acquisition of Computers				2,821,293	2,821,293
Capital/development grants received during the year			-		-
As at June 30, 2025	13,870,000	117,371,180	6,968,100,004	2,821,293	7,102,162,477

UWEZO FUND OVERSIGHT BOARD

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

17. Statement of Cash Flows for the year ended 30 June 2025

	Note	2024-2025	2023-2024
		kshs	Kshs
Cash flows from operating activities			
Receipts			
Government grants and subsidies		155,318,941	153,700,000
Total Receipts Payments		155,318,941	153,700,000
Employee Costs		4,752,606	4,656,429
Goods and services		95,776,067	99,449,143
Remuneration of Directors		13,198,493	6,920,526
Repairs and Maintenance		4,269,152	3,032,678
Contracted Services		2,942,136	2,442,528
Administration Costs		79,137,364	106,852,139
Total		200,075,818	223,353,443
Net cash flows from operating activities	24	(44,756,877)	(69,653,443)
Increase in receivables		-	1,217,106
Increase in Payables		-	(2,646,843)
Net Cash used in Operating Activities		(44,756,877)	(68,223,706)
Cash flows From Investing Activities			
Purchase of property, plant, equipment and intangible assets		(2,821,293)	(2,362,100)
Non-current receivables		(60,922,905)	(341,409,896)
Net cash flows used in investing activities		(63,744,198)	(343,771,996)
Cash flows from financing activities			
Grant for capital loan fund from GOK		2,821,293	86,000,000
Net Cash flows from financing activities		2,821,293	86,000,000
Net increase/(decrease) in cash and cash equivalents		(105,679,782)	(325,995,702)
Cash and cash equivalents at 1st July, 2024	17	1,930,318,418	2,256,314,120
Cash and cash equivalents at 30th June, 2025	17	1,824,638,636	1,930,318,418

UWEZO FUND OVERSIGHT BOARD

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

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c= (a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers from Other Governments entities	137,462,000	-	137,462,000	137,462,000	-	100%
Appropriation In Aid	8,217,540	-	8,217,540	23,707,160	(15,489,620)	288%
Balance brought down- Recurrent	156,600,000	-	156,600,000	156,600,000	-	100%
Balance brought down- Development	82,700,000	-	82,700,000	82,700,000	-	100%
Total Income	384,979,540	-	384,979,540	400,469,160	(15,489,620)	104%
Expenses					-	
Use of Goods and Services	106,854,540	-	106,854,540	95,776,067	11,078,473	90%
Employee costs	7,000,000	-	7,000,000	4,752,606	2,247,394	68%
Board Expenses	16,100,000	-	16,100,000	13,198,493	2,901,507	82%
Repairs and Maintenance	4,550,000	-	4,550,000	4,269,152	280,848	94%
Contracted Services	11,400,000	-	11,400,000	2,942,136	8,457,864	26%
Grants Transfers	156,600,000	-	156,600,000	76,806,380	79,793,620	49%
Domestic Loans	82,700,000	-	82,700,000	-	82,700,000	0%
Total Expenditure	385,204,540	-	385,204,540	197,744,834	187,459,706	51%
Deficit for the period	(225,000)	-	(225,000)	202,724,326	(202,949,326)	
Capital Expenditure	3,238,000	-	3,238,000	2,821,293	416,707	87%

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Budget notes

- i. Appropriation In Aid increased by 150% due unforeseen Wezesha Majuu program administration fee which was introduced and approved in May 2025.
- ii. Use of Goods and Services costs reduced by 11% due to the local travel, subsistence and other allowances.
- iii. Employee Cost reduced by 32% due non deployment of requested staff
- iv. Board Expenses reduced by 18% due to non-implementation of the reviewed guidelines on management and terms of service for board members.
- v. Contracted Services reduced by 74% due to protracted procurement process for impact assessment exercise
- vi. Grants Transfers reduced by 51% due to delayed submissions of returns
- vii. Domestic Loans reduced due late approval of the Wezesha Majuu program by the National Treasury

Reconciliation:

Reconciliation	
Deficit as per statement of comparison of budget and actual amounts	205,962,326
Less: Balances brought forward	
Recurrent	156,600,000
Development	82,700,000
	(33,337,674)
Less: Depreciation	4,599,419
Taxation	6,266,926
	(44,204,019)
Less: Purchase of computers and IT equipment	2,821,293
Deficit as per statement of financial performance	(47,025,312)

UWEZO FUND OVERSIGHT BOARD

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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 Fund is wholly owned by the Government of Kenya and is domiciled in Kenya. The Fund'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.

2. 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.

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3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
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 an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
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.ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.

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	<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 2024/2025.

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Annual Reports and Financial Statements for the year ended June 30, 2025.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees and other charges

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

ii) Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services, and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Fund and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

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 Fund recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Uwezo fund uses reducing balance method in depreciating its property, plant and equipment at the rate of 25% for motor vehicles, 12.5% for office furniture, 33.3% for computers and 12.5% for office equipment.

c) Cash and cash equivalents.

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

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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, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Fund's financial statements in conformity with IPSAS requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates, and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Fund based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

- a) The condition of the asset is based on the assessment of experts employed by the Fund.
- 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

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Description	2024-2025	2023-2024
	Kshs	Kshs
Unconditional Grants		
Operational Grant	137,878,707	153,700,000
Total Government Grants and Subsidies	137,878,707	153,700,000

7. Transfer in-kind.

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries to members of staff from various MDAs	34,148,450	30,362,780
Total Transfers in-kind	34,148,450	30,362,780

8. Interest Income

Description	2024-2025	2023-2024
Interest earned on call on deposit	20,889,759	-
Administration fee	2,817,401	-
Total	23,707,160	-

9. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Electricity	1,835,695	1,699,996
Subscriptions	0	472,254
Advertising	2,502,570	3,406,550
Conferences and Delegations	3,785,409	3,536,680
Consumables	2,437,416	2,064,750
Fuel and Oil	4,122,621	4,446,601
Postage and telecommunication	2,151,503	1,958,855
Printing and Stationery	61,281	371,388
Training and Hire Charges	14,218,883	7,419,674
Rent expenses	12,501,910	11,978,424
Travel, Subsistence & Other Allowances	51,767,519	61,613,221
Bank charges	391,260	352,750
Specialized materials and supplies		128,000
Total	95,776,067	99,449,143

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10. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and Wages	34,148,450	30,363,789
Extraneous Allowance	4,752,606	4,656,429
Total	38,901,056	35,019,209

11. Board Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman/Directors' Honoraria	974,400	960,000
Sitting Allowances	2,665,548	2,725,890
Medical Insurance	530,787	371,995
Induction and Training	999,469	451,335
Travel and Accommodation	5,558,132	1,886,976
Duty	2,470,156	524,330
Total	13,198,493	6,920,526

12. Depreciation

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant, and equipment	4,599,419	5,067,206
Total depreciation	4,599,419	5,067,206

13. Repairs

Description	2024-2025	2023-2024
	Kshs	Kshs
Vehicles	3,760,652	2,662,247
Computers	508,500	370,431
Total Repairs and Maintenance	4,269,152	3,032,678

14. Contracted services

Description	2024-2025	2023-2024
	Kshs	Kshs
Cleaning services	2,942,136	2,442,528
Total Contracted Services	2,942,136	2,442,528

UWEZO FUND OVERSIGHT BOARD**Annual Reports and Financial Statements for the year ended June 30, 2025.****15. Constituencies Administration Costs**

Description	2024-2025	2023-2024
	KShs.	KShs.
Balance B/F	19,165,827	30,762,966
Transfers	79,491,000	95,255,000
Sub-total	98,656,827	126,017,966
Unutilized (Bal b/d)	21,850,447	19,165,827
Constituencies Administration Cost	76,806,380	106,852,139

16. Taxation

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Tax on Interest income paid	3,133,463	
Tax on interest income due	3,133,463	
Income tax expense reported in the statement of financial performance	6,266,926	

17. Cash and Cash equivalents Detailed current and Fixed deposit accounts

Financial institution	Bank Accounts	2024-2025	2023-2024
		KShs.	KShs.
Central Bank of Kenya	1000203714	43,945,078.00	83,311,967
Cooperative bank (Headquarters)	01141530596600	21,608,600.99	48,264,611
Equity – Uwezo Fund Oversight Board	1770283276069	234.05	200,000,000
Equity – Wezesha Majuu Loan Disbursement	1770286390632	10,278,654.35	
Equity – Wezesha Majuu Loan Repayment	1770286390660	-	
Equity – Call on Deposit	1770386416504	175,795,000.00	
African Banking Cooperation	Various	5,332,910.00	3,190,396
Chase Bank/SBM	Various	869,240.00	869,240
Consolidated Bank	Various	15,278,998.00	15,300,395
Co-operative Bank	Various	442,885,453.00	462,754,832
Equity Bank	Various	578,871,938.77	557,118,926
Family Bank	Various	41,485,109.07	40,523,223
First Community Bank	Various	91,524,023.81	87,200,814
Kenya commercial bank	Various	389,993,711.81	424,081,658
National Bank of Kenya	Various	6,769,684.00	7,702,355
Grand - Total		1,824,638,636	1,930,318,418

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18. Receivables from Non-Exchange Transactions

Description	2024-2025	2023-2024
	KShs.	KShs.
Outstanding Staff Imprest	4,661,969	2,245,306
Total receivables from non-exchange transactions	4,661,969	2,245,306

19. Receivables from Exchange Transactions

Description	2024-2025	2023-2024
	KShs.	KShs.
Receivables from Exchange Transactions (Dues from Direct Line Insurance)	429,502	-
Current Loan Repayments Due	1,042,890,000	
Total	1,043,319,502	-

20. Intangible Assets (ERP – Work in Progress)

Description	2024-2025	2023-2024
	KShs.	KShs.
ERP – Work in Progress at the Beginning of the year	19,522,765	19,522,765
Amortization and Impairment	-	-
Net Book Value	19,522,765	19,522,765

21. Non-current Receivables

	2024-2025	2023-2024
	KShs.	KShs.
Long-term Receivables Outstanding Loans	4,188,880,827	5,168,026,629
Closing Balance	4,188,880,827	5,168,026,629

Ageing Analysis for Receivables from Exchange Transactions

Description	FY.2024/2025	% of the total
Less than 1 year	383,895,000	7.34
Between 1-2 years	513,785,000	9.82
Between 2-3 years	145,210,000	2.78
Over 3 years	4,188,880,827	80.07
Total	5,231,770,827	100.00

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22. Property, Plant and Equipment

Cost/Revalued Amount	Motor vehicles	Office Furniture& Fittings	Computers & Related Equipment	Office Equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
	Depreciation Rate	25%	12.50%	33.33%	12.50%
As at 1st July 2023	72,267,800	12,467,551	20,776,042	12,972,316	118,483,709
Additions	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
As at 30th June 2024	72,267,800	12,467,551	20,776,042	12,972,316	118,483,709
Additions	-	-	-	-	-
Transfers/Adjustments	-	-	2,821,293	-	2,821,293
As at 30th June 2025	72,267,800	12,467,551	23,597,335	12,972,316	121,305,002
					-
DEPRECIATION AND IMPAIRMENT					
As At 1st July 2023	50,754,050	12,874,718	22,311,731	11,144,431	97,084,930
Depreciation	2,371,875	986,436	1,393,614	315,281	5,067,206
Transfers/Adjustments	-	-	-	-	-
As At 30th June 2024	48,382,175	11,888,282	20,918,117	10,829,150	92,017,724
Depreciation	1,778,906	246,646	2,297,996	275,871	4,599,419
Transfers/Adjustments	-	-	-	-	-
As At 30th June 2025	50,161,081	12,134,928	23,216,113	11,105,021	96,617,143
					-
Net Book Values.					
At June 30, 2024	23,885,625	579,269	- 142,075	2,143,166	26,465,985
At June 30, 2025	22,106,719	332,623	381,222	1,867,295	24,687,859

UWEZO FUND OVERSIGHT BOARD**Annual Reports and Financial Statements for the year ended June 30, 2025.****23. Trade & other exchange payables transactions**

Description Current Liabilities	2024-2025	2023-2024
	KShs.	KShs.
Opening Balance	3,033,900	3,033,900
Increase/(decrease)	515,181	
Closing Balance	3,549,081	3,033,900

24. Net Cash Used in Operating activities

Description	2024/2025	2023/2024
	Kshs	Kshs
Surplus/Deficit for the year	(47,204,594)	(74,720,649)
Adjusted for:		
Depreciation	4,778,701	5,067,206
Working capital adjustments		
Increase in receivables	(2,846,165)	-
Increase in payables	515,181	-
Net cash flow from operating activities	(44,756,877)	(69,653,443)

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20. Appendices

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Lack of Provision for Bad and Doubtful Debt			
	<p>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</p>	<p>Management submits that cumulatively, Kshs.5,168,026,629 was the amount long term receivables for the Fund as at 30th June 2024. The Board in realization of the fact that part of these funds has been outstanding for long, initiated documentation and categorization of these loans in Constituencies. This information will provide the basis for the development of the necessary policies to guide treatment of the bad and doubtful debts. The exercise is an extensive process involving manual categorization of funded beneficiaries across the 290 constituencies. To date 123. Constituencies have submitted their categorized defaulters’ data accounting for</p>	<p>Not Resolved</p>	<p>Immediately</p>

UWEZO FUND OVERSIGHT BOARD

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	<p>provisions, contingent liabilities, and contingent assets.</p> <p>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.</p> <p>Recommendation.</p> <p>The Management should develop a policy on the provision for bad and doubtful debts which should be approved by the Fund Board</p>	<p>Kshs3,533,589,246 of the outstanding loan balances, this accounts for 68% of the amount outstanding as at 30th June 2023.</p>		
2	Non-Distinction between Current and Non-Current Receivables			
	<p>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-</p>	<p>As correctly pointed out by the Auditor, the Fund's financial statement reflected an amount of Kshs. 5,168,026,629 being long term receivables for the Fund. This figure includes all outstanding loans of the Fund cumulative since its inception. The Fund being revolving in nature with a long loan repayment period which cumulates to 30 months (inclusive of a six months' grace period), provides for a relatively long period of the loan servicing. Following discussion and</p>	<p>Not Resolved</p>	<p>Immediately</p>

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	<p>current liabilities, as separate classifications on the face of its statement of financial position.</p> <p>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.</p>	<p>recommendation from the auditors on the need to provide a distinction between the current and Non-current receivables, the Fund has guided the constituencies on the requisite categorization for the Loan Fund as at June 2025. This will supplement earlier efforts of categorizing the loans into different categories on the basis of recoverability levels.</p> <p>The completion of the exercise has been delayed owing to the heavy financial requirement to support the constituencies and the manual operations of the Fund.</p>		
i) Unresolved Prior Years Matters				
	<p>In the audit report of the previous year, issues were raised under the report on effectiveness of Internal Controls, Risk management and Governance. However, the issues remain unresolved.</p>	<p>In the audit report of the previous year, the audit issues raised were responded to and the Fund is yet to appear before the Special Fund Audit Committee of Parliament.</p>	Not Resolved	Immediately



Head of Secretariat

Peter Lengapiani

Date: 12/11/2025

UWEZO FUND OVERSIGHT BOARD

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Appendix II: 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	01/08/2024	Recurrent	11,725,000	✓					11,725,000
MSMEs	13/09/2024	Recurrent	11,725,000	✓					11,725,000
MSMEs	01/10/2024	Recurrent	11,725,000	✓					11,725,000
MSMEs	31/10/2024	Recurrent	11,725,000	✓					11,725,000
MSMEs	28/11/2024	Recurrent	11,725,000	✓					11,725,000
MSMEs	07/01/2025	Recurrent	11,725,000	✓					11,725,000
MSMEs	27/01/2025	Recurrent	8,903,707	✓					8,903,707
MSMEs	27/01/2025	Development	2,821,293		✓				2,821,293
MSMEs	11/03/2025	Recurrent	11,725,000	✓					11,725,000
MSMEs	03/04/2025	Recurrent	11,725,000	✓					11,725,000
MSMEs	15/05/2025	Recurrent	23,450,000	✓					23,450,000
MSMEs	18/06/2025	Recurrent	11,725,000	✓					11,725,000
Total			140,700,000						140,700,000

UWEZO FUND OVERSIGHT BOARD

Annual Reports and Financial Statements for the year ended June 30, 2025.


Appendix III- Inter-Entity Confirmation Letter


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

Name of beneficiary entity: Uwezo Fund Oversight Board

Confirmation of amounts received by Uwezo Fund as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
FT2421485G62	01/08/2024	11,725,000	-	11,725,000	Received
FT24257DJX5Q	13/09/2024	11,725,000	-	11,725,000	Received
FT24275FKPMD	01/10/2024	11,725,000	-	11,725,000	Received
FT24305F93QZ	31/10/2024	11,725,000	-	11,725,000	Received
FT243332Y4N3	28/11/2024	11,725,000	-	11,725,000	Received
FT25007SNYY5	07/01/2025	11,725,000	-	11,725,000	Received
FT2502760N2K	27/01/2025	11,725,000	-	11,725,000	Received
FT250709H8Q8	11/03/2025	11,725,000	-	11,725,000	Received
FT25093GN97V	03/04/2025	11,725,000	-	11,725,000	Received
FT25135PZ2D2	15/05/2025	23,450,000	-	23,450,000	Received
FT25169V7MJJ	18/06/2025	11,725,000	-	11,725,000	Received
Total		<u>140,700,000</u>		<u>140,700,000</u>	

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

Head of Accounts Department - Disbursing Entity:
 Name: Stephen Rakanga Sign  Date 12/11/2025

Head of Accounts Department - Beneficiary Entity:
 Name: Shadrack Indeche Sign  Date 12/11/2025

UWEZO FUND OVERSIGHT BOARD

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Corporate Social Responsibility/Community Engagement	Tree Planting exercise in conjunction with Kenya Forest Services at Bomas of Kenya.	Environmental stewardship, community engagement and national development goals.	Tree Planting				71,900	GOK	Kenya Forest Services

