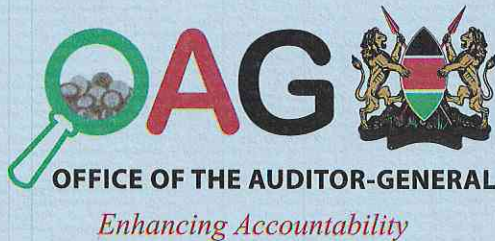


REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

OAG/KRO/BOMET CERF /2023/2024/ (17)

31 December, 2024

Mr. Isaac K Kitur

Clerk of the Bomet County Assembly,
P. O. Box 590-20400

BOMET



Dear Sir,

REPORT OF THE AUDITOR-GENERAL ON BOMET COUNTY EDUCATION REVOLVING FUND FOR THE YEAR ENDED 30 JUNE, 2024

I transmit the report on the examination and audit of **Bomet County Education Revolving Fund** for the year ended 30 June, 2024 in accordance with the provisions of Article 229(7) of the Constitution of Kenya for the necessary action as required by Article 229(8) of the Constitution.

Yours sincerely

for 

FCPA Sylvester N. Kiini
For: AUDITOR-GENERAL

Copy to: **Dr. Chris Kiptoo, CBS**
Principal Secretary
The National Treasury
P.O. Box 30007 - 00100
NAIROBI.

Mr. Jeremiah Nyegenye, CBS
Clerk to the Senate
P. O. Box 41842 - 00100
NAIROBI.

H.E. Hon. Dr. Hillary Barchok, EGH
Governor
County Government of Bomet
P.O. Box 19-20400
BOMET

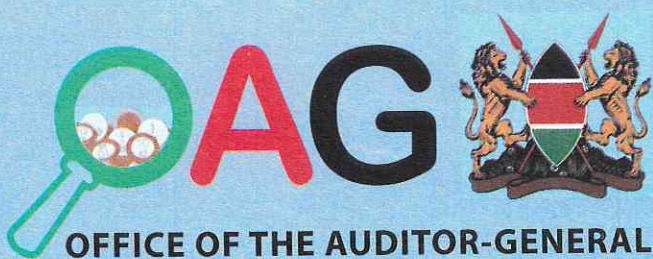
Hon. Rosa Chepngetich Bett
C.E.C.M. Finance and Economic Planning
County Government of Bomet
P. O Box 19-20400
BOMET

Case Office
20/12/25

Tabled
on 12/2/2025
@OAG



REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

**BOMET COUNTY EDUCATION
REVOLVING FUND**

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



BOMET COUNTY EDUCATION REVOLVING FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2024

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

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings

b) Glossary of Terms

Fiduciary Management The key management personnel who had financial responsibility

Provide a list of Acronyms and Key terms used in the financial report as per above example. The list to be exhaustive)

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

2. Key Entity Information and Management

a) Background information

Bomet County Education Revolving Fund is established by and derives its authority and accountability from The Bomet County Education Revolving Fund Policy, 2019 and The Bomet County Education Revolving Fund Regulations, 2019. The Fund is wholly owned by the County Government of Bomet and is domiciled in Kenya.

Objectives of the revolving Fund

The goal of Bomet County is to improve access to higher education by offering financial support to identified students from Bomet County studying in identified institutions of higher learning in Kenya; This is also informed by the need by Bomet County, to improve access and strengthening technical courses offered at Vocational Training Centres (VTCs) to offer quality, market driven, relevant and affordable training to enhance job creation, technological and industrial development within the county.

This will be achieved only if there is a sustainable funding mechanism in the long term. This policy will guide the establishment of a Revolving Fund to be known as Bomet County Education Revolving Fund which shall be managed and administered by a Committee which for purposes of this policy will be the Fund Administrator in collaboration with HELB.

The Fund's principal activity is to meet tuition expenses for the beneficiaries of the fund by equitably sharing the funds among the twenty-five wards existing in the county.

b) Principal Activities

The principal activity of the Fund is to equitably share the funds among the twenty-five wards existing in the county. Regulation 5(1) of the fund further states that the fund shall be used to;

- a) Provide education support to eligible students of Bomet county enrolled in vocational training centres, Universities and tertiary colleges both public and private.
- b) Provide loans on agreed terms to qualified students to institutions approved under the criteria in these regulations.
- c) Meeting any expenditure related to administration of the fund as shall be approved by the executive member; provided that not more than 3% of the total monies consisting of the fund shall be utilized for administration of the fund.

c) Fund Administration Committee

Ref	Name	Position
1	Richard Rono	Loan Committee Chairperson
2	Dr John Keter	Fund Administrator
3	Kipngetich Kirui	Loan Committee Member
4	Indiatsi Mabale	Loan Committee Member

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

5	Andrew Sigei	Loan Committee Member
6	Eunice Siele	Loan Committee Member
7	Hellen Rotich	Loan Committee Member
8	Rosaline Langat	Loan Committee Member
9	Peter Langat	Loan Committee Member
10	Mrs.Agnes Ngeno	Loan Committee Member

d) Key Management team

Ref	Name	Position
1	Mrs. Agnes ngeno	CECM
2	Dr John Keter	Fund Administrator
3	CPA Jacob Koech	Accountant

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Internal Audit	County Audit Committee
2	County Assembly	Public investments Committee

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

f) Registered Offices

P.O. Box 19 - 20400

Department of Education and vocational Training Building

Huduma Centre Avenue

Bomet, KENYA

g) Fund Contacts

Telephone: (254) 717 289 000

E-mail : ecd.vti@bomet.go.ke

Website: www.bomet.go.ke

h) Fund Bankers

Equity Bank-Bomet Branch

AC/NO: 1220275961647

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Key Entity and Management (Continued)

i) Independent Auditors

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

j) Principal Legal Adviser

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

k) County Attorney

The County Attorney
County Attorney Office
Bomet County
P.O. Box 19 – 20400
Huduma Centre Avenue
Bomet, KENYA

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

3. Fund Administration Committee

Name	Details of qualifications and experience	Position
1. Mrs. Agnes Ngeno 	Key Academic Qualification: Master Degree Work Experience: 20 Years	CECM Education and vocational training
2. Dr John keter 	Key Academic Qualification: PhD Work Experience: 15 Years	Chief officer Education and vocational training(Fund administrator)
3. Richard Rono 	Key Academic Qualification: Master Degree Work Experience: 17 Years	Consultant E-Governance
4. Indiatsi Mabale 	Key Academic Qualification: Master Degree Work Experience: 24 Years	County Director of Education Bomet County
5. Kipngetich Kirui 	Key Academic Qualification: Doctorate Degree Work Experience: 28 Years	Lecturer Moi University
6. Eunice Siele 	Key Academic Qualification: Degree Work Experience: 18 Years	Head Teacher Kabisoge Pri School

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

7. Langat Peter 	Key Academic Qualification: Degree Work Experience: 5 Years	Banker
8. Andrew Sigei 	Key Academic Qualification: Master Degree Work Experience: 21 Years	CEC Finance and Economic Planning
9. Rosaline Langat 	Key Academic Qualification: Degree Work Experience: 10 Years	Chaplain Kibingei Girls Sec School
10. Hellen Rotich 	Key Academic Qualification: Master Degree Work Experience: 23 Years	Lecturer Kabianga University

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

4. Management Team

Name	Details of qualifications and experience	Position
1. Mrs. Agnes Ngeno 	Key Academic Qualification: Master Degree Work Experience: 20 Years	CECM Education and vocational training
2. Dr John keter 	Key Academic Qualification: PhD Work Experience: 15 Years	Chief officer Education and vocational training(Fund administrator)
3. CPA Jacob Koech	Key Academic Qualification: Degree, CPAK and CIFAk Work Experience: 10 years	Accountant

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

5. Fund Chairperson's Report

The Bomet County Education Revolving Fund is being administered as per Article 4 (2) and Article 5 of the The Bomet County Education Revolving Fund Policy, 2019.

During the 2019/2020 FY the membership of the county committee of the Revolving Fund was established and it carried out its key mandate for the smooth administration of the Revolving Fund. The key management team was developed as loans secretariat committee.

The management committees held its first meeting in September 2019 after the money had been successfully sent to HELB account.

The Revolving Fund is mandated to carry out the following functions in collaboration with HELB.

- The loan will be awarded to eligible needy students undertaking a course in tertiary institutions that are recognized in Kenya.
- Award loans to eligible students in tertiary institutions and public and private universities who for any reasons cannot access National Government HELB kitty or access is insufficient funds that are not enough to see them through their studies.
- Charge the college and undergraduate students an interest rate of 4% p.a. which is payable after loan maturity. The interest charged on the loan will form part of the administration fees for the revolving fund, payable to HELB
- HELB will identify all the students who qualify to be awarded loans and implemented as per the Criteria and Means Testing Instrument established by the Committee and submit a report of all applications in order of need and suggested amounts to the Committee which shall scrutinize the list and approve the beneficiaries to be awarded loans.

Name Dr. Richard Njoroge Signature [Signature] Date 18/12/20

Chairperson of the Fund

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

6. Report of the Fund Administrator

The revolving fund was not able to utilize the budget for 2019/2020 financial year due to reallocation of the budgeted Ksh. 20 million to emergency kitty to combat Covid 19 pandemic during supplementary budget.

Equally in the FY 2020/2021 the fund did not receive any allocation. Out of the budgeted Ksh. 20 Million a sum of Ksh. 10 Million was wired to the fund account in July of the current financial year and application is on as at the date of this report.

These funds will be disbursed to students during 2021/2022 financial year; hence, this report is only reporting on state of the accounts.

In the 2022/2023 Financial Year the fund did not receive any monies from the Exchequer hence resulting in unutilized budget of Ksh.20 Million.

Signed: _____

DR. JOHN KETER

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

Introduction

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

Strategic objectives

The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key objectives of Bomet County Revolving fund are to:

- a) Provide education support to eligible students of Bomet county enrolled in vocational training centres, Universities and tertiary colleges both public and private.
- b) Provide loans on agreed terms to qualified students to institutions approved under the criteria in these regulations.

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above objectives to specific sectors, all the objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into real outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement:

Bomet County entered partnership with the Higher Education Loans Board through signing of a service contract on 17th January 2019 and established the Bomet County Education Revolving Scheme that aims at providing affordable funding to needy students from Bomet County pursuing higher education.

Below we provide the progress on attaining the stated objectives:

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

DEPARTMENT OF EDUCATION AND VOCATIONAL TRAINING

Department	Objectives	Outcome	Indicator	Performance
EDUCATION AND VOCATIONAL TRAINING	• To increase equitable access to technical and higher education in Bomet County • To support highly qualified Bomet County Students who may not afford higher education • To provide loans to residents of Bomet County pursuing courses in technical institutes, public and private universities and other tertiary institutions • To ensure sustainable revolving loans fund		No. of students in tertiary institution benefited from revolving fund	In FY 19/20, 2,787 students in tertiary institution benefited from revolving fund

8. Corporate Governance Statement

The Bomet County Education Revolving fund committee was commissioned on 16th of July 2019 and sat for the first meeting on 10th September 2019.

Existence of a board/trustee charter

The county education revolving fund is established through memorandum of understanding between HELB and Bomet county government through the Higher Education Loans Act.

The service agreement led to enactment of regulations through the county assembly of Bomet. The HELB charter is used by both parties in ensuring that the fund is administered according to the relevant laws.

Process of Appointment and Removal of County Education Loans Committee

The composition of the County Education Loans Committee shall consist of the following persons appointed by the Governor on recommendation of the County Executive Committee Member at the time responsible for Education and Vocational Training

- (a) chairperson appointed by the Governor
- (b) CEC Member responsible for Finance
- (c) CEC Member responsible for Education and Vocational Training
- (d) chief Officer for Education and Vocational Training who will be the secretary
- (e) county Director of Education (National Government) who shall be an ex officio member
- (f) County Education Board chairman
- (g) one person representing faith based organizations and
- (h) (h) three persons appointed by CEC member for Education and Vocational Training each representing women youth and persons living with disability

Roles and Functions of the Board

- a) to advise the CEC member for Education on loan disbursements and loans awarding
- b) approve the list of beneficiaries to be granted loans
- c) to provide oversight and supervisory role in giving loans to students from the funds outsourced to the HELB by the County

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

- d) to fundraise in support of the County Education Revolving Fund
- e) to receive any gifts donations grants or endowments made to the committee and to make legitimate disbursements there from
- f) to determine the maximum number of eligible persons or students to be granted loans in a particular year
- g) in consultation with HELB set up the criteria conditions and formulate policies governing the granting and disbursement and management of loans
- h) liaise with HELB in the approval of disbursement of financial assistance
- i) receive quarterly reports from HELB concerning the management of the project in the agreed format
- j) consider and grant waiver/amnesty of bad debts as deemed appropriate
- k) inform HELB of proposed changes deemed appropriate from time to time
- l) pay all administrative fees in the mode in the fee schedule and
- m) to perform any other functions for implementation of these Regulations,

Board/trustee remuneration

The members of the committees are paid allowances as approved by SRC and the County Treasury

Ethics and Conduct as Well as Governance Audit

In awarding a loan the Committee shall be guided by the following principles—

- (a) fairness in allocating monies
- (b) equitable distribution and allocation of monies to all parts of the County
- (c) inclusivity and non-discrimination in ensuring that all residents are included in the process
- (e) accountability and transparency
- (f) efficiency in funds disbursement and
- (g) special needs of the applicant for example young single mothers, persons with disabilities among others will be given priority.

9 Management Discussion and Analysis

During the 2019/2020 FY the membership of the county committee of the Revolving Fund was established and it carried out its key mandate for the smooth administration of the Revolving Fund. The key management team was developed as loans secretariat committee.

The management committees held its first meeting in September 2019 after the money had been successfully sent to HELB account.

1. Loan Application

From inception of the scheme, the County Government has invited applications twice for the financial years 2019/2020 and 2021/2022.

The scheme was launched on 18th July 2019 with the County Government providing an initial funding of Kshs. 29,100,000 for the financial year 2019/2020. An additional Ksh. 9,700,000 was received for the financial year 2021/2022 bringing the total amount of funds received from the County to Ksh. 38,800,000.

2. Scheme Disbursements

Out of the total amount of **Kshs.38,8M**, **Kshs 37.04M** has been disbursed to **2,836** students. This amount inclusive of the administrative fee which will be expensed to the student upon recovery.

2.1. Disbursement by Gender

It is noted that **65%** of the those who received funding from the County were male, while **35%** were female. The table below show the fund distribution per gender.

Gender	No. of students	Amount allocated (KSH)	Percentage %
Female	984	12,302,500	35%
Male	1852	24,742,000	65%
Grand Total	2836	37,044,500.00	100 %

2.2 Disbursement by Level of Study.

The highest number of beneficiaries from this fund are University students pursuing undergraduate degrees utilizing 90% of total amount disbursed.

Level of study	No. of students	Total amount (KSH)	Percentage %
Degree	2511	33,386,500.00	90%
Diploma	300	3,378,000.00	9%

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Certificate	25	280,000.00	1%
Grand Total	2836	37,044,500.00	100%

2.3 Disbursements per Ward

Siongiroi ward was the highest beneficiary with 8.50% in terms of allocation, followed closely by Kipsonoi ward at 7.68%. Chepchabas ward ranked the lowest in terms of allocation per ward at 0.20%. This is attributed to the low number of applications received from the ward.

S/No.	Ward	No. Of Students.	Total Amount (KSH)	Percentage %
1.	Boito	62	810,500.00	2.19%
2.	Chebunyo	162	2,238,000.00	6.04%
3.	Chemagel	131	1,631,000.00	4.40%
4.	Chemaner	72	878,000.00	2.37%
5.	Chepchabas	5	73,000.00	0.20%
6.	Chesoen	117	1,582,000.00	4.27%
7.	Embomos	86	1,097,000.00	2.96%
8.	Kapletundo	183	2,485,000.00	6.71%
9.	Kembu	110	1,416,500.00	3.82%
10.	Kimulot	48	665,500.00	1.80%
11.	Kipreres	58	807,500.00	2.18%
12.	Kipsonoi	209	2,844,000.00	7.68%
13.	Kongasis	156	2,016,500.00	5.44%
14.	Longisa	110	1,368,500.00	3.69%
15.	Merigi	113	1,502,500.00	4.06%
16.	Mogogosiek	97	1,305,000.00	3.52%
17.	Mutarakwa	104	1,300,000.00	3.51%
18.	Ndanai/Abosi	177	2,267,000.00	6.12%
19.	Ndaraweta	41	537,500.00	1.45%
20.	Nyangores	130	1,682,000.00	4.54%
21.	Rongena/Manaret	88	1,064,000.00	2.87%
22.	Sigor	117	1,545,500.00	4.17%
23.	Silibwet Township	145	1,769,500.00	4.78%
24.	Singorwet	81	1,011,000.00	2.73%
25.	Siongiroi	234	3,147,500.00	8.50%
	Grand Total	2836	37,044,500.00	100.00%

3. Loan Recoveries

Bomet County Education Revolving Fund

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

A total of **201** loan beneficiaries have begun repaying their loans and have paid a total of **Kshs. 706,883.15** has been recovered and is available for distribution to more students.

10. Environmental and Sustainability Reporting

Bomet County revolving fund exists to transform lives. This is our purpose; the driving force behind everything we do. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile

Accountability is one of the processes whereby a leader or government seeks to ensure integrity. In a global stakeholder society, accountability is among the key challenges of organizations. Responsible leaders are concerned with reconciling and aligning the demands, needs, interests, and communities, shareholders, nongovernmental organizations (NGOs), the environment, and society at large. The government's track record in terms of CSR accounting will be effective when appropriate CSR measures are included in its internal activities.

Economic sustainability implies that macroeconomic and financial stability, as well as the prevention of balance-of-payments crises are a basic requirement for sustained economic and social development. It also implies that human and financial resources must be used in a way that ensures continuous and lasting improvements in standards of living. Inappropriate consumption and production patterns, and waste of human, natural and financial resources compromise the quality of the natural environment and jeopardize peace.

The revolving fund intends to achieve its goals by:

- Ensuring equity distribution of the available resources and with emphasis on programs that promotes quality education;
- Proper planning and allocation of resources, promote policies that encourage entrepreneurship and job creation to stimulate sustainable economic growth;
- Strengthening partnership and resource mobilization strategies to address resource limitation.

2. Environmental performance

Environmental sustainability implies that the quality and protection of the natural environment, as well as successful adaptation to climate change, influence the scope for long-term social progress and economic development. Environmental degradation, waste of non-renewable natural resources and the various impacts of climate change have a direct effect on living conditions. They also raise the risk of social friction and reduce the scope for economic growth and the allocation of public finances.

In ensuring a sustainable consumption and production patterns, the county shall leverage on this goal in ensuring that cleaner production mechanisms are adopted and promote the principle of 3Rs (Reduction, Reuse and Recycle) to reduce production of wastes; and

Goal 13: Take urgent action to combat climate change and its impacts. To achieve this goal, the county fund will strive to;

- Strengthen resilience and adaptive capacity to climate related hazards and natural disasters;
- Integrate climate change measures into funds policies, strategies and planning; and • Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.

Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss. A large percentage of the county is terrestrial with the biodiversity thereon facing threats due to land degradation as a result of increasing population. The county is committed to conserving and restoring the use of ecosystems such as forests, dry land and mountains.

On Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development. The fund is committed to developing multi-stakeholder partnerships to share knowledge, expertise, technology and financial support to achieve the SDGs. The county will also pursue the Public-Private Partnerships (PPPs) to foster these achievements.

3. Employee welfare

County Public Service Board is establish and abolish offices in the County public service; appoint persons to hold or act in offices of the county public service considering gender ratio including in the Boards of county funds within the county and to confirm appointments; exercise disciplinary control over, and remove, persons holding or acting in those offices as provided in the law; prepare regular reports for submission to the County Assembly on the execution of the functions of the Board; promote the values and principles referred to in Articles 10 and 232; evaluate and report to the County Assembly on the extent to which the values and principles referred to in Articles 10 and 232 are complied with in the County Public Service; facilitate the development of coherent integrated human resource planning and budgeting for personnel emoluments in counties; advise the county government on human resource management and development; advise county government on the implementation and monitoring of the national performance management system in counties; and make recommendations to the Salaries and Remuneration Commission (SRC), on behalf of the county government, on the remuneration, pensions and gratuities for County Public Service employees.

The fund has complied with the Occupational Safety and Health Act, 2007 in revising a written statement of general policy with respect to the safety and health at work of his employees and other arrangements for the time being in force for carrying out the policy

4. Market place practices-

The fund makes its effort to:

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Responsible competition practice: This has been well articulated in the revolving funds Vision, where distribution of resource is done based on the number of Wards in the County.

Responsible Supply chain and supplier relations: The fund maintains good business practices, treats its own suppliers responsibly by honoring contracts and respecting payment practices on time. This is done with no discrimination when it comes to payment Responsible marketing and advertisement- The fund comply with ethical marketing practices. This has been done when new varieties of product are introducing to the market for the resident to subscribe

Community Engagements-The county government has been bringing on board all stakeholders in policy development, budgeting and implementation through public participation. This has solved governance challenges such as uncoordinated public participation and stakeholder engagement, inequitable distribution of public resources, unfairness in recruitment and promotions and misappropriation

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

11. Report of the committees

The committee submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of the Fund affairs. This report has been highlighted under management discussion and analysis.

Principal activities

The principal activities of the Fund continue to be as highlighted in 2b of key entity information and management.

Results

The results of the Fund for the year ended June 30, 2024 are set out on page xvii and xviii.

Committees

The members of the committee who served during the year are shown on page iv and v.

Auditors

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

By Order of the Board


.....

Chair of the Fund Administration Committee

Date:

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

12. Statement of Management's Responsibilities

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

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

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Bomet County Education Revolving Fund regulations. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the period ended June 30, 2024, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control. In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

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

Approval of the financial statements

The Fund's financial statements were approved by the Board on _____ 2024 and signed on its behalf by:


.....

DR. John Keter
Fund Administrator

REPUBLIC OF KENYA

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



Enhancing Accountability

HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON BOMET COUNTY EDUCATION REVOLVING FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bomet County Education Revolving Fund set out on pages 1 to 34, which comprise the statement of financial

Report of the Auditor-General on Bomet County Education Revolving Fund for the year ended 30 June, 2024

position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison 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 Bomet County Education Revolving Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Bomet County Education Revolving Fund Regulations, 2019 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccurate Total Non- Current Assets

The statement of financial position reflects total non-current assets balance of Kshs.38,996,098. However, the amount differs with the recomputed balance of Kshs.35,790,360 resulting in unexplained variance of Kshs.3,205,738.

In the circumstance, accuracy and completeness of non-current assets amounting to Kshs.38,996,098 could not be confirmed.

2. Unsupported Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.3,205,738 as disclosed in Note 5 to the financial statements. However, the cash book, bank statements and bank reconciliation statements in support of the amount were not provided for audit review.

Further, the statement reflects restated cash and cash equivalents comparative balance amounting to Kshs.1,757,760. However, journal voucher in support of the restatement was not provided for audit review.

In the circumstance, the accuracy and completeness of cash and cash equivalents totalling 3,205,738 could not be confirmed.

3. Unsupported receivables from exchange transaction.

The statement of financial position reflects long-term receivables from exchange transactions totalling Kshs.35,790,360 as further disclosed in Note 6 to the financial statements. Review of records revealed that an amount of Kshs.38,800,000 was transferred to Higher Education loans Board (HELB) for disbursements to students but only Kshs.37,044,500 was disbursed to two thousand eight hundred and thirty-six (2,836) beneficiaries during the year under review resulting to undisbursed amount of Kshs.1,755,500. However, no reason was provided for failure to disburse the whole amount of Kshs.38,800,000.

Further, ageing analysis and supporting schedules showing the repayment dates and amounts owing by each beneficiary were not provided for audit review.

In addition, though loan repayments for the months of April and June, 2024 amounting to Kshs.1,101,618 and Kshs.1,254,142, respectively, were received the same was not disclosed in the financial statements. Further, the current portion of long-term receivables from exchange transactions was also not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of long-term receivables from exchange transactions totalling Kshs.35,790,360 could not be confirmed.

4. Inaccuracy of Revolving Fund

The statement of financial position reflects revolving fund totalling Kshs.35,790,360. However, the amount differs with the revolving fund amounting to Kshs.40,054,140 reflected in the statement of changes in net assets resulting in unexplained variance of Kshs.4,263,780. Further, the statement of changes in net assets reflects revolving fund opening balance of Kshs.38,802,260. However, the balance differs with the prior year audited balance of Kshs.38,800,000 resulting in unreconciled variance of Kshs.2,260.

In addition, the statement of financial position reflects restated revolving comparative figure amounting to Kshs.37,044,500. However, journal voucher in support of the restatement was not provided for audit review.

In the circumstances, the accuracy and completeness of revolving fund totalling Kshs.35,790,360 could not be confirmed.

5. Inaccuracy of Reserves Fund

The statement of financial position reflects reserves totalling Kshs.3,205,738. However, the amount differs with the Nil reserves reflected in the statement of changes in net assets resulting in unexplained variance of Kshs.3,205,738.

Further, the statement of financial position reflects restated reserves comparative figure amounting to Kshs.1,755,000. However, journal voucher in support of the restatement was not provided for audit review.

In the circumstances, the accuracy and completeness of reserves totalling Kshs.3,205,738 could not be confirmed.

6. Inaccuracy of Accumulated Surplus

The statement of financial position reflects Nil accumulated surplus which differs with the recomputed accumulated surplus amounting to Kshs.198,418 resulting in unreconciled variance of Kshs.198,418.

Further, the statement of changes in net assets reflects Nil accumulated surplus. However, the Nil balance differs with the recomputed accumulated surplus amounting to Kshs.198,418 resulting in unreconciled variance of Kshs.198,418.

In addition, the statement of financial position reflects restated accumulated surplus comparative figure of Kshs.2,260 which differs with the prior year audited amount of

Kshs.2,320 resulting in unreconciled variance of Kshs.60. However, journal voucher in support of the restatement was not provided for audit review.

In the circumstances, the accuracy and completeness of Nil accumulated surplus could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis of 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 reports of previous year, ten (10) issues were raised under the Report on Financial Statements, Emphasis of Matter, Other Matter, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on the Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues or given any explanation for failure to resolve the issues.

My opinion is not modified in respect of this matter.

Other Information

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Failure to Prepare a Budget

The Fund operated without an approved budget in the year under review. This was contrary to Regulation 4(2)(c) of the Bomet County Education Revolving Fund Regulations, 2019 which requires the Administrator of the Fund to prepare a budget and such plans for better administration of the Fund to be approved by the County Executive Committee in charge of Finance. Management attributed the lack of budgetary allocation in the last two years as the reason for failure to prepare the budget.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and 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 Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards

(Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

systems in accordance with the provisions of Section 7(1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 December, 2024

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

12. Statement of Financial Performance for the Year Ended 30th June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	-	-
		-	-
Revenue From Exchange Transactions			
Interest Income	3	196,098	-
Total Revenue		196,098	-
Expenses			
Use of goods and services	4	-	-
Total Expenses		-	-
Other Gains/Losses			
Surplus/(Deficit) for the Period		196,098	-

The notes set out on pages 9 to 33 form an integral part of these Financial Statements

Name: *Dr. John K. Koker*
 Administrator of the Fund

Name: *CPA Jason Karon*
 Fund Accountant
 ICPAK Member Number: *19149*

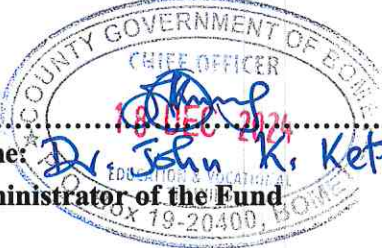
Bomet County Education Revolving Fund
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13. Statement of Financial Position As at 30 June 2024

Description	Note	2023-2024	Restated Figures 2022-2023	2022-2023
		Kshs		Kshs
Assets				
Current Assets				
Cash and Cash Equivalents	5	3,205,738	1,757,760	2,320
Total current assets		3,205,738	1,757,760	2,320
Non-Current Assets				
Long Term Receivables from Exchange Transactions	6	35,790,360	37,044,500	38,800,000
Total non- current assets		38,996,098	38,802,260	38,800,000
Total Assets (A)		38,996,098	38,802,260	38,802,320
Liabilities				
Current Liabilities				
Trade and Other Payables from Exchange Transactions	7	-		-
Total current liabilities		-		-
Non-Current Liabilities				
Non-Current Provisions	8	-		-
Total Liabilities (B)		-		-
Net Assets (A-B)		38,996,098	38,802,260	38,802,320
Represented By:				
Revolving Fund		35,790,360	37,044,500	38,800,000
Reserves		3,205,738	1,755,500	-
Accumulated Surplus			2,260	2,320
Net Assets		38,996,098	38,802,260	38,802,320

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2024 and signed by:

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024


Name: Dr. John K. Keter
Administrator of the Fund


Name: CPA Jaim Helen
Fund Accountant
ICPAK Member Number: 1969

Bomet County Education Revolving Fund
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14. Statement of Changes in Net Assets for the year ended 30th June 2024

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2022	38,802,260	-		38,802,260
Surplus/(Deficit) For the Period	-	-		-
Funds Received During the Year		-	-	-
Transfers		-	-	
Revaluation Gain	-	-	-	-
Balance As At 30 June 2023	38,802,260	-		38,802,260
Balance As At 1 July 2023	38,802,260	-		38,802,260
Surplus/(Deficit) For the Period	-	-	-	-
Funds Received During the Year	1,254,140	-	-	1,254,140
Transfers to revenue account	(2,260)	-	-	(2,260)
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	40,054,140	-	-	40,054,140

Bomet County Education Revolving Fund
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15. Statement of Cash Flows for The Year Ended 30 June 2024

Description	Note	2023-2024	Restated figures 2022-2023	2022-2023
		Kshs		Kshs
Cash flows from operating activities				
Receipts				
Transfers from the county government		-		-
Interest received		196,098		-
Receipts from other operating activities		-		-
Total receipts		196,098		-
Payments				
Fund administration expenses		-		-
General expenses		-		-
Finance cost		-		-
Other payments		-		-
Net cash flows from operating activities	9	196,098		-
Cash flows from investing activities				
Purchase of property, plant, equipment and Intangible assets		-		-
Proceeds from sale of property, plant & equipment		-		-
Proceeds from loan principal repayments		1,254,140		-
Loan disbursements paid out		-		-
Net cash flows used in investing activities		1,254,140		-
Cash flows from financing activities				
Proceeds from revolving fund receipts		-		-
Additional borrowings		-		-
Transfer to revenue account		(2,260)		-
Net cash flows used in financing activities		-		-
Net increase/(decrease) in cash & cash Equivalents		1,447,978		-
Cash and cash equivalents at 1 July 2023	5	1,757,760	1,757,760	2,320
Cash and cash equivalents at 30 June 2024	5	3,205,738	1,757,760	2,320

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024


Name: Dr. John K. Kefer
Administrator of the Fund


Name: CPA Jacob Koech
Fund Accountant
ICPAK Member Number: 19149

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

16. Statement Of Comparison Of Budget And Actual Amounts For The Period 2024

Description	Original budget	Adjustments		Final budget		Actual on comparable basis		Performance difference	% Utilization
	Kshs	a	b	C=(a+b)	Kshs	d	Kshs		
Revenue								e=(c-d)	f=d/c*100
Public Contributions and Donations	-	-	-	-	-	-	-	-	-
Transfers From County Govt.	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	196,098	-	-	-
Other Income	-	-	-	-	-	-	-	-	-
Total Income	-	-	-	-	-	196,098	-	-	-
Expenses									
Fund Administration Expenses	-	-	-	-	-	-	-	-	-
General Expenses	-	-	-	-	-	-	-	-	-
Finance Cost	-	-	-	-	-	-	-	-	-
Total Expenditure	-	-	-	-	-	-	-	-	-
Surplus For the Period	-	-	-	-	-	196,098	-	-	-
Capital expenditure	-	-	-	-	-	-	-	-	-
Budget notes									

1. Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

3. *Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.*

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

17. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Bomet County Revolving is established by and derives its authority and accountability from The Bomet County Education Revolving Fund Policy, 2019 and The Bomet County Education Revolving Fund Regulations, 2019. The entity is wholly owned by the Bomet County Government and is domiciled in Kenya. The entity's principal activity is to improve access to higher education by offering financial support to identified students from **Bomet County** studying in identified institutions of higher learning in Kenya.

2. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

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

There were no new and amended standards issued in the financial year.

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

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.

Bomet County Education Revolving Fund

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IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	<i>Applicable 1st January 2026</i> 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.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> 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

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

	to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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.

(i) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

ii. Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

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

b) Budget information

The original budget for FY 2024 was approved by the County Assembly on 30th June 2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of nil on the FY 2024 budget following the governing body's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024
Summary of Significant Accounting Policies (Continued)

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 16 of these financial statements.

c) Property, plant and equipment

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

a) Intangible Assets

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

The useful life of the intangible assets is assessed as either finite or indefinite.

b) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately)* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024
Summary of Significant Accounting Policies (Continued)

c) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Bomet County Education Revolving Fund
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Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024
Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

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

e) Provisions

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

f) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024
Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

i) Changes in accounting policies and estimates

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

j) Employee benefits – Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024
Summary of Significant Accounting Policies (Continued)

k) Foreign currency transactions

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

l) Borrowing costs

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

m) Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

o) Comparative figures

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

Bomet County Education Revolving Fund
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Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

State all judgements, estimates and assumptions made e.g.

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

(Include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

6. Notes To The Financial Statements Continued

1. Transfers from County Government

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers From County Govt. –Operations	-	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	-	-

2. Fines, penalties and other levies

Description	2023-2024	2022-2023
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

3. Interest income

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest Income from the fund	196,098	-
Interest Income On Bank Deposits	-	-
Total Interest Income	196,098	-

4. Use of Goods and Services

Description	2023-2024	Insert Previous FY
	Kshs.	Kshs.
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	-	-
Bank Charges	-	-
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-

Bomet County Education Revolving Fund
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Description	2023-2024	Insert Previous FY
	Kshs.	Kshs.
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (<i>Specify</i>)	-	-
Social benefit expenses*	-	-
Total	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024
Notes To The Financial Statements (Continued)

5. Cash and cash equivalents

Description	2023-2024	Restated figure 2022-2023	2022-2023
	Kshs		Kshs
Bomet county Education Revolving fund	-	2,260	2,320
Helb	3,205,738	1,755,500	-
On – Call Deposits	-		-
Current Account	-		-
Others (<i>Specify</i>)	-		-
Total Cash And Cash Equivalents	3,205,738	1,757,760	2,320

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024
Notes to the Financial Statements Continued

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

Financial Institution	Account number	2023-2024	Restated Figures 2022-2023	2022-2023
		Kshs		Kshs
a) Fixed Deposits Account				
Kenya Commercial Bank		-		-
Equity bank	-	-		-
Sub- Total		-		-
b) On - Call Deposits				
Kenya Commercial Bank		-		-
Equity Bank - Etc.		-		-
Sub- Total		-		-
c) Current Account				
Kenya Commercial Bank		-		-
Equity bank	1220278687861	-	2,260	2,320
Sub- Total		-	2,260	2,320
d) Others(Specify)		-		-
Helb(Undispersed)		1,755,500		-
Helb(Repayments, principal and interest)		1,450,238		-
Sub- Total		3,205,738		-
Grand Total		3,205,738	2,260	2,320

6. Receivables from exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Current Loan Repayments Due	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	-	-
Non-Current Receivables		

Bomet County Education Revolving Fund**Annual Report and Financial Statements for the year ended June 30, 2024**

Long Term Loan Repayments Due	35,790,360	38,800,000
Total Non- Current Receivables	35,790,360	38,800,000
Total Receivables From Exchange Transactions	35,790,360	38,800,000

Notes to the Financial Statements Continued**Additional disclosure on interest receivable**

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due	-	-
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	37,545,860	38,800,000
Current portion of long-term loans issued in the current year		

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024
Notes To The Financial Statements (Continued)

7. Trade and other payables from exchange transactions

Description	2023-2024		Insert Comparative FY	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

(NB: Amount under deposits and retentions should tie to cash held in deposit account)

8. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	-	-	-	-
Additional provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Total provisions year end	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024
Notes To The Financial Statements (Continued)

9. Cash generated from operations.

Description	2023-2024	2022-2023
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	-	-
Adjusted For:		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	196,098	-
Finance Cost	-	-
Working Capital Adjustments	-	-
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow From Operating Activities	196,098	-

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

10. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Board of Trustees; etc.

b) Related party transactions

Description	2023-2024 Kshs	2022-2023 Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	2023-2024 Kshs	2022-2023 Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	2023-2024 Kshs	2022-2023 Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due from xxxx

The board of trustees sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June (Current FY)				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June (Comparative FY)				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

Bomet County Education Revolving Fund**Annual Report and Financial Statements for the year ended June 30, 2024****Notes To The Financial Statements (Continued)****c) Market risk**

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

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

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

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

i. Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

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

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June (Current FY)			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

The Fund manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Bomet County Education Revolving Fund
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Notes To The Financial Statements (Continued)

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
(Current FY)			
Euro	10%	-	-
USD	10%	-	-
(Comparative FY)			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 0 (2022: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (2021 – Kshs 0).

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

d) Capital risk management.

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

Description	Current FY	Comparative FY
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-	-

13. Events after the reporting period

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

14. Ultimate and Holding Entity

The entity is a County Public Fund established by Bomet County Education Revolving Fund Act under the Ministry of Education. Its ultimate parent is the County Government of Bomet.

15. Currency

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

Bomet County Education Revolving Fund
Annual Report and Financial Statements for the year ended June 30, 2024

20. Annexes

Annex I: Progress on Follow Up of Prior Year Auditor's Recommendations

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

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	Unsupported administration fee	In the process of resolving	To be Resolved	
2	Unsupported other income	In the process of resolving	To be Resolved	
3	Unsupported cash and cash equivalent	In the process of resolving	To be Resolved	
4	Long term receivable from exchange transaction	In the process of resolving	To be Resolved	
5	Unsupported current portion of long-term receivable from exchange transactions	In the process of resolving	To be Resolved	
6	Sustainability of service	In the process of resolving	To be Resolved	
7	Lack of approved budget	In the process of resolving	To be Resolved	
8	Name of the fund	In the process of resolving	To be Resolved	

Fund Manager

Date.....

