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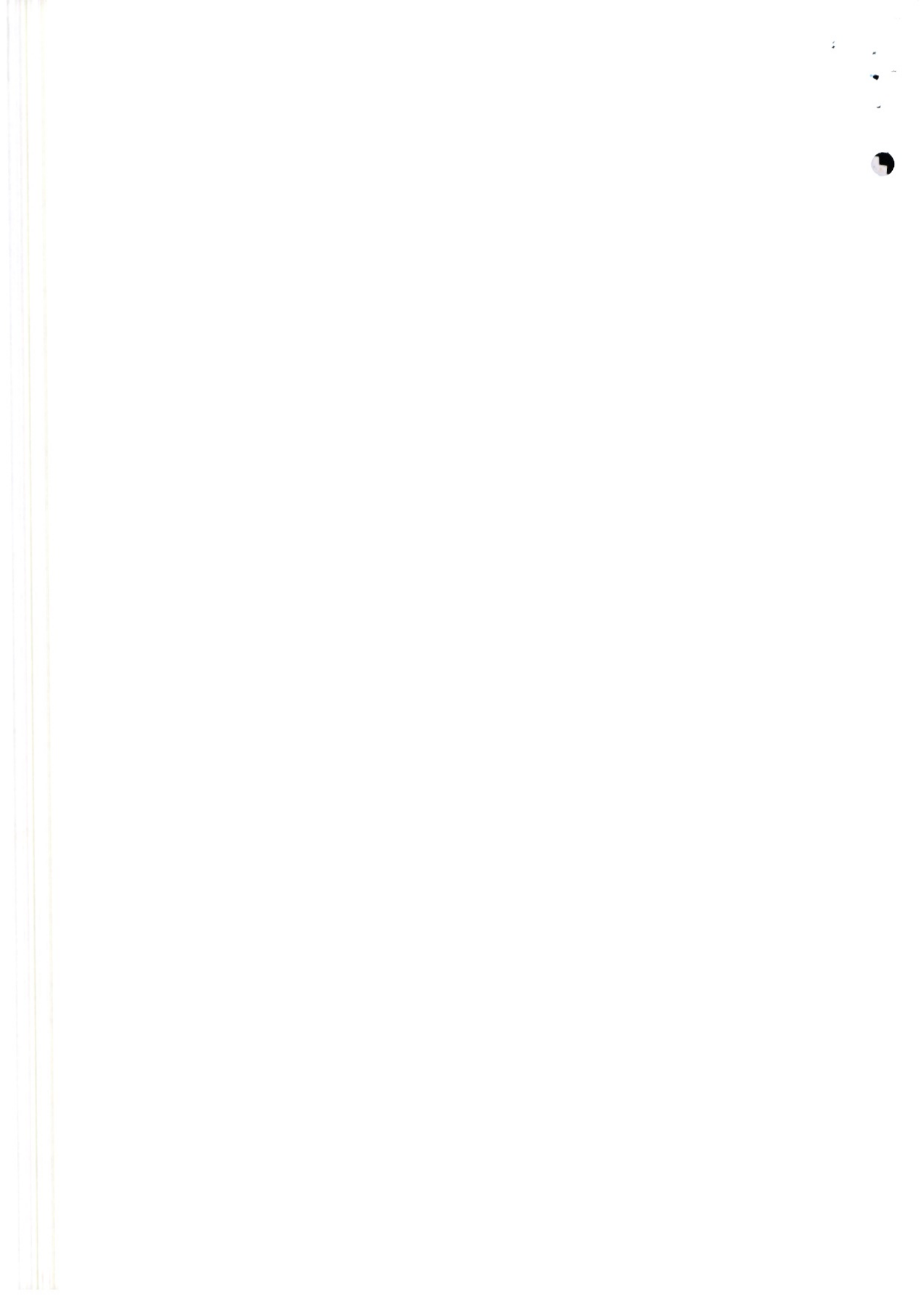
OF

THE AUDITOR-GENERAL

ON

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR AND MORTGAGE REVOLVING FUND**

**FOR THE YEAR ENDED
30 JUNE, 2019**





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**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR AND MORTGAGE REVOLVING FUND**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019**

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

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Reports
For the year ended June 30, 2019

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

The Elgeyo/Marakwet County Revolving Fund Act (Act No. 4 of 2014) establishes the Loans and Mortgage Fund for the Members of County Assembly and staff of the County Assembly. The Fund is wholly owned by the County Assembly of Elgeyo Marakwet and is domiciled in Kenya.

The principal purpose and object of the Act is to establish a loan scheme to provide loans to members of the scheme to purchase vehicles or residential houses in addition to develop, renovate or repair their residential property.

At the time of enactment of the Act, the scheme was for Members of the Assembly only in exclusion of staff. Subsequently, the principal Act was amended through the Elgeyo/Marakwet County (Amendment) Act, 2016 (Act No. 3 of 2016) to include staff members in the scheme.

b) Principal Activities

The principal activity/mission/ mandate of the Fund are to provide for low-interest Car and Mortgage loans to members and staff of the County Assembly.

Loan Management Committee

Ref	Name	Position
1	Hon. David Kiprono Kipketer	Chairperson
2	Hon. Gilbert Kimaiyo Kosgei	Vice Chair
3	Hon. Ambrose Kiplagat Kimutai	Member
4	Hon. Truphena Jemutai Yego	Member
5	Hon. Musa Kiplagat Limo	Member
6	Hon. Evans Limo Biwott	Member
7	Jane Jebiwott Kiptum	Secretary/Fund Administrator
8	David Barngetung	Member
9	Peter Kimaiyo	Member
10	Susan Cheboi	Member

c) Key Management

Ref	Name	Position
1	Jane Jebiwott Kiptum	Clerk to the County Assembly
2	Elias Maritim	Deputy Clerk
3	Joseph Kalessi Rutto	Principal Finance Officer
4	Rael Rotich	Principal Human Resource Officer
5	Collins Limo	Chief Legal Officer
6	William Cheptum	Payroll Manager

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
Reports
For the year ended June 30, 2019**

d) Registered Offices

P.O. Box 53-30700
County Assembly Building
Along Iten/Kapsowar Road
Iten, KENYA

e) Fund Contacts

Telephone:(254) 716647700
E-mail: info@emcassembly.go.ke
Website: www.emcassembly.go.ke

f) FundBankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
Iten Branch
P.O. Box 456-30700
Iten
3. Trans National Bank
Iten Branch
P.O. Box 55-30700
Iten

g) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O.Box 30084-00100
Nairobi, Kenya

h) Principal Legal Adviser

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

2. THE LOAN MANAGEMENT COMMITTEE

For the overall management of the scheme, the Elgeyo/Marakwet County Revolving Fund Act (Act No. 4 of 2014) established the Loans Management Committee. In consideration of the amendment to include members of the staff in the scheme, the composition of the membership of the committee therefore changed. In addition, three members of the staff were included to be part of the loans management committee.

	Name	Designation
1	Hon. David Kiprono Kipketer	Chairperson and MCA Sengwer Ward
2	Hon. Gilbert Kimaiyo Kosgei	Vice Chair and MCA Kaptarakwa Ward
3	Hon. Ambrose Kiplagat Kimutai	Member and MCA Kapchemutwa Ward
4	Hon. Truphena Jemutai Yego	Member and Nominated MCA Representing Gender
5	Hon. Musa Kiplagat Limo	Member and MCA Tambach Ward
6	Hon. Evans Limo Biwott	Member and MCA Kapyego Ward
7	Jane Jebiwott Kiptum	Secretary and Clerk to the County Assembly
8	David Barngetung	Member and Senior Procurement Officer
9	Peter Kimaiyo	Member and Hansard Editor
10	Susan Cheboi	Member and Senior Clerk Assistant

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3. MANAGEMENT TEAM

The key management personnel who held office during the year ended 30th June, 2018 and who had direct fiduciary responsibility were:

	Name	Details of qualifications and experience
1.	Jane Jebiwott Kiptum	Bachelor of Laws (LLB). 16years' Experience. Clerk to the County Assembly.
2.	Elias Maritim	Bachelor of Laws (LLB). 12 years' Experience. Deputy Clerk
3.	Joseph Kalessi Rutto	Bachelor of Commerce / CPA (K). 13years' experience. Principal Finance Officer
4.	Rael Rotich	Bachelor of Business Management. 17years' experience. Principal Human Resource Officer
5.	Collins Limo	Bachelor of Laws (LLB). 7years' experience. Chief Legal Officer
6.	William Cheptum	Bachelor of Business Management (Accounting). 19years' experience. Payroll Manager

4. LOAN MANAGEMENT COMMITTEE CHAIRPERSON'S REPORT

Clause 6 of The Elgeyo/Marakwet County Revolving Fund Act, 2014 establishes the Loan Management Committee which consists of nine (9) members. Six of the members are members of county assembly; three are members of staff with Clerk to the County Assembly as an *ex-officio* member being the secretary.

The functions of the board are as set out in clause 7 of the said Act and shall include among others: Approving applications for loans in accordance with the prescribed terms and conditions of borrowing, overseeing the implementation and carrying out of policies formulated by the County Assembly Service Board (CASB) for the management and administration of the fund and setting out the criteria and conditions, with approval of the CASB for granting of loans.

The loan management committee held a total of Eleven (11) numbers of sittings during the entire period. They approved additional loans of **Kshs 49.38M** to staff of the county assembly and another **Kshs. 3.3 M** to one Hon. Member.

There were no changes in the fund during the year in terms of board and key management team. The performance of the fund is quite impressive. Despite the challenge of limited financing to the fund, the scheme has been able to benefit both staff and MCA's. However, the assembly every financial year endeavors to appropriate additional funding to the fund in order to benefit the remaining staff of the county assembly

Signed: _____



Hon. David Kiprono Kipketer

ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND
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For the year ended June 30, 2019

5. REPORT OF THE FUND ADMINISTRATOR

The financial statements for County Assembly Car & Mortgage Fund for the period ended 30th June, 2019 have been prepared to comply with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

During the financial year, the fund received additional **Kshs 25 M** cash from exchequer. As at the end of the year, we were able to recover principal loan amounting **Kshs. 52.68 M** leaving an outstanding loan balance of **Kshs. 225.77 M** as indicated in the financial statements. The amount recovered on a monthly basis revolves back to benefit other members of the scheme.

Prior to disbursements of the loan, due diligence is normally carried out. The Assembly secured services of a valuer, insurance and lawyer who carry out valuation, insurance and charging of the properties respectively. The loans have been secured using titles and log books.

The performance of the fund is quite impressive. Despite the challenge of limited financing to the fund, the scheme has been able to benefit both staff and MCA's. However, the assembly every financial year endeavors to appropriate additional funding to the fund in order to benefit the remaining staff of the county assembly.

Signed:  _____

Jane Kiptum – Mutai

Clerk to the County Assembly



6. CORPORATE GOVERNANCE STATEMENT

For the overall management of the scheme, the Act established the Loans Management Committee. In consideration of the amendment to include members of the staff in the scheme, the composition of the membership of the committee therefore changed. There were twelve (23) meetings during the financial year.

7. MANAGEMENT DISCUSSION AND ANALYSIS

Elgeyo/Marakwet County Assembly Car and Mortgage Revolving Fund became operational after the enactment of The Elgeyo/Marakwet County Revolving Fund Act, 2014. The fund had an initial amount of Kshs. 150 Million which was only meant for Hon. Speaker and Members of County Assembly. Subsequently, on 4th July, 2016 the principal Act was amended for the scheme to accommodate staff of the county assembly. An initial amount of Kshs. 30 Million was appropriated specifically for staff. Since then, the fund has tremendously grown.

The fund is managed internally having Loan Management Committee consisting of nine (9) members who are responsible for the day-to-day running of the fund with the County Assembly clerk being the fund administrator. The fund is implemented in compliance with provisions of the said Act, and other statutory requirements. Prior to disbursement of the funds, a clear appraisal process is followed through various departments like Human Resource/Payroll, Finance and legal. Properties and vehicles are also valued and insured before final charging is done by lawyer.

Apart from the risk of a politician losing his/her seat, the fund does not face major risks since the loans are fully secured using titles and log books. The assembly recovers on a monthly basis through payroll all deductions and remits to the fund accounts. So far, there are no arrears accrued to the fund.

8. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

There were no corporate Social Responsibility activities undertaken during the year related to the fund.

ELGEYO MARAKWET COUNTY ASSEMBLY
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9. REPORT OF THE LOAN MANAGEMENT COMMITTEE

The board submit their report together with the audited financial statements for the year ended June 30, 2019 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are to provide for low-interest Car and Mortgage Loans to Hon. Members and Staff of the County Assembly

Results

The results of the Fund for the year ended June 30, 2019 are set out on page 14 to 17

Management Committee

The members of the Board who served during the year are shown on page 4. There were no changes in the Board during the financial year.

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


Secretary of the Board

Date: 15/01/2020



10. 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 The Elgeyo/Marakwet County Revolving Fund Act, 2014 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, 2019. 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 The Elgeyo/Marakwet County Revolving Fund Act, 2014. 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 financial year ended June 30, 2018, 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 15th January 2020 and signed on its behalf by:

Jane Kiptum – Mutai



Administrator of the County Public Fund



*ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND*

Reports

For the year ended June 30, 2019

**11. REPORT OF THE INDEPENDENT AUDITOR ON ELGEYO MARAKWET
COUNTY ASSEMBLY CAR AND MORTGAGE REVOLVING FUND.**

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON ELGEYO MARAKWET COUNTY ASSEMBLY CAR AND MORTGAGE REVOLVING FUND FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Elgeyo Marakwet County Assembly Car and Mortgage Revolving Fund set out on pages 14 to 48, which comprise the statement of financial position as at 30 June, 2019, 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 Elgeyo Marakwet County Assembly Car and Mortgage Revolving Fund as at 30 June, 2019, 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 Elgeyo Marakwet County Assembly Car and Mortgage Revolving Fund Act, 2014.

Basis for Qualified Opinion

1.0 Inaccuracies in the Financial Statements

The following variances were noted between balances in the financial statements and those in the supporting schedules;

	Financial statements (Kshs.)	Supporting schedules (Kshs.)	Difference (Kshs.)
Loan Disbursements Paid Out	279,392,557	52,678,313	226,714,244
Interest Income	7,237,840	6,816,605	421,235
Proceeds from Loan Principal Repayments	53,620,821	60,489,804	(6,868,983)

Consequently, the accuracy of the financial statements could not be confirmed.

2.0 Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts for the year ended 30 June, 2019 reflects nil approved budget against total actual income of Kshs.7,237,840 and actual total expenditure of Kshs.1,096,604 resulting to a surplus of Kshs.6,141,236. No reason was provided for generating income and spending without an approved budget. In addition, the approved budget was not provided for audit review. As a result, the accuracy and completeness of the nil budget for the year ended 30 June, 2019 could not be confirmed.

3.0 Long Term Receivables from Exchange Transactions

The statement of financial position reflects under non-current assets, long term receivables from exchange transactions of Kshs.225,771,735 as at 30 June, 2019 but the supporting schedule reflects Kshs.225,719,359 resulting in an unexplained difference of Kshs.52,376. Further, a review of receivables indicated that the portion recoverable within one year has not been classified under current portion of long-term receivables from exchange transactions.

Further, the long term receivables from exchange transactions of Kshs.225,771,735 as at 30 June, 2019 differs from the reconciled balance of Kshs.459,724,124 after taking into consideration repayments and new loans. The difference of Kshs.233,952,389 has not been explained or reconciled.

Consequently, the accuracy and validity of long-term receivables from exchange transactions balance of Kshs.225,771,735 could not be confirmed.

4.0 Cash and cash equivalents

Note 11 to the financial statements reflects a bank balance of Kshs.36,554,770 in the Trans National Bank. However, the reconciliation statement reflects a cashbook balance of Kshs.36,415,594 and the actual cashbook reflects a balance of Kshs.36,391,033 resulting in unreconciled balances of Kshs.139,176 and Kshs.163,737 respectively. Further, and as previously reported, no evidence was provided for audit verification to show that the opening of the bank accounts was authorized by the Elgeyo Marakwet County Treasury as required by Section 119(1) of the Public Finance Management Act, 2012 which stipulates that the County Treasury is responsible for authorizing the opening, operating and closing of bank accounts for the County Government and its entities.

Consequence, the accuracy and completeness of cash and cash equivalents as at 30 June, 2019 could not be confirmed.

5.0 Statement of Cash Flows

The statement of cash flows for the year ended 30 June, 2019 reflects loan disbursement paid out of Kshs.279,392,557 and proceeds from revolving fund of Kshs.251,714,548. An analysis of the amounts indicated that they relate to cash movements from inception of the Fund and not during the period as required by International Public Sector Accounting Standard (IPSAS) No. 2.

Consequently, loan disbursement of Kshs.279,392,557 and proceeds from revolving fund of Kshs.251,714,548 in the statement of cash flows are misstated.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Elgeyo Marakwet County Assembly Car and Mortgage Revolving Fund in accordance with ISSAI 130 on 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 judgment, are of most significance in the audit of the financial statements. I have determined that there are no key audit matters to communicate in my report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unsecured Loans

As reported in the previous year, a total of Kshs.279,392,557 has been disbursed to both Members of the County Assembly and staff towards Car and Mortgage loans. However, copies of designs, bills of quantities, official search of the title, valuation reports of the cars from a registered valuer and certified copies of the sale agreements were not provided for audit review. Further, transfer deed duly signed by the members of the scheme and a letter authorizing the board to sell the property in case of default in payment were not provided for audit review. In addition, log books for the cars purchased were also not jointly issued between the board and the members. Further, no documentary evidence in support of comprehensive insurance for the cars was provided for audit verification.

Consequently, the Fund is exposed to the risk of default by the members before recovery of the full loan.

2. Fund Administration Expenses

Included in the expenses of Kshs.1,096,604 reflected in the statement of financial performance for the year ended 30 June, 2019 is fund administrative expenses of Kshs.1,031,200 which was 14.24% of the actual income of Kshs.7,237,840 contrary to Section 197 (1) (d) of Public Finance Management (County Government) Regulations, 2015 which requires that fund administration costs of county public fund to be at a maximum of three (3%) percent of the approved budgets of the Fund.

3. Long Term Receivables from Exchange Transactions - Disbursement of Loans

The statement of financial position as at 30 June, 2019 reflects under noncurrent assets, long term receivables from exchange transactions of Kshs.225,771,735. Although review of documents provided have indicated that properties used as security were valued and loans disbursed insured, the application forms were not accompanied by copies of designs of the proposed residential property and bills of quantities in respect of the proposed development.

Consequently, it was not possible to confirm that the loans for development of residential property were utilized for purchase, development, renovation or repair of residential property for the occupation of the applicant or his or her immediate family as required by section 16(1) of the Elgeyo Marakwet County Revolving Fund Act, 2014.

Further, a review of charging status for the balances indicated that out of the 70 beneficiaries with outstanding loans as at 30 June, 2019, only loans for 25 beneficiaries with balances of Kshs.97,471,921 had been charged while the remaining 45 with balances totalling to Kshs.128,299,816 had not been charged as summarized below;

Charging status	No of beneficiaries	Balance as at 30 June 2019 Kshs.
Charged	25	97,471,921
Charging on-going	45	128,299,816
Total	70	225,771,736

Consequently, full recoverability of the loans not yet charged is doubtful.

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, 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 overall governance were not effective.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control 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 control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the Elgeyo Marakwet County Assembly Car and Mortgage Revolving Fund ability to continue as a going concern/ sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the County Government is aware of the intention to terminate the Elgeyo Marakwet County Assembly Car and Mortgage Revolving Fund or to cease operations.

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

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

Those charged with governance are responsible for overseeing the Elgeyo Marakwet County Assembly Car and Mortgage Revolving Fund financial reporting process, reviewing the effectiveness of how the entity 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Elgeyo Marakwet County Assembly Car and Mortgage Revolving Fund policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Elgeyo Marakwet County Assembly Car and Mortgage Revolving Fund ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Elgeyo Marakwet County Assembly Car and Mortgage Revolving Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Elgeyo Marakwet County Assembly Car and Mortgage Revolving Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

19 October, 2021

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND**

Financial statements

For the year ended June 30, 2019

12. FINANCIAL STATEMENTS

**12.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH
JUNE 2019**

	Note	2018/2019	2017/2018
		KShs	KShs
Revenue from non-exchange transactions			
Public contributions and donations	1	-	-
Transfers from the County Government	2	-	-
Fines, penalties and other levies	3	-	-
		-	-
Revenue from exchange transactions			
Interest income	4	7,237,840	4,840,126
Other income	5	-	-
		7,237,840	4,840,126
Total revenue		7,237,840	4,840,126
Expenses			
Fund administration expenses	6	1,031,200	522,900
Staff Costs	7	-	-
General expenses	8	65,404	13,816
Finance costs	9	-	-
Total expenses		1,096,604	536,716
Other gains/losses			
Gain/loss on disposal of assets	10	-	-
Surplus/(deficit) for the period		6,141,236	4,303,410


The notes set out on pages 33 to 44 form an integral part of these Financial Statements


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12.2. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2019

	Note	2018/2019	2017/2018 RE- STATED	2017/2018
		KShs	KShs	KShs
Assets				
Current assets				
Cash and cash equivalents	11	38,061,339	5,977,290	5,977,290
Current portion of long term receivables from exchange transactions	12	-	-	226,714,548
Prepayments	13	-	-	-
Inventories	14	-	-	-
Non-current assets				
Property, plant and equipment	15	-	-	-
Intangible assets	16	-	-	-
Long term receivables from exchange transactions	12	225,771,735	226,714,548	-
Total assets		263,833,074	232,691,838	232,691,838
Liabilities				
Current liabilities				
Trade and other payables from exchange transactions	17	-	-	-
Provisions	18	-	-	-
Current portion of borrowings	19	-	-	-
Employee benefit obligations	20	-	-	-
Non-current liabilities				
Non-current employee benefit obligation	20	-	-	-
Long term portion of borrowings	19	-	-	-
Total liabilities		-	-	-
Net assets		-	-	-
Revolving Fund		251,343,886	226,343,886	226,343,886
Reserves		-	-	-
Accumulated surplus		12,489,188	6,347,952	6,347,952
Total net assets and liabilities		263,833,074	232,691,838	232,691,838

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 15th January 2020 and signed by:


 Administrator of the Fund
 Name: Jane Kiptum Mutai


 Fund Accountant
 Name: Joseph Kalessi Rutto
 ICPAK Member No: 7406

12.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30TH JUNE 2019

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2017	181,343,886	-	2,044,542	183,388,428
Surplus/(deficit) for the period	-	-	4,303,410	4,303,410
Funds received during the year	45,000,000	-	-	45,000,000
Revaluation gain	-	-	-	-
Balance as at 30 June 2018	226,343,886	-	6,347,952	232,691,838
Balance as at 1 July 2018	226,343,886	-	6,347,952	232,691,838
Surplus/(deficit) for the period		-	6,141,236	6,141,236
Funds received during the year	25,000,000	-	-	25,000,000
Revaluation gain	-	-	-	-
Balance as at 30 June 2019	251,343,886	-	12,489,188	263,833,074

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12.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2019

	Note	2018/2019	2017/2018
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the County Government		-	-
Interest received	4	7,237,840	4,840,126
Receipts from other operating activities		-	-
Total Receipts		7,237,840	4,840,126
Payments			
Fund administration expenses	6	1,031,200	522,900
General expenses	8	65,404	13,816
Finance cost		-	-
Total Payments		1,096,604	536,716
Net cash flows from operating activities	21	6,141,236	4,303,410
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(-)	(-)
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments		53,620,821	24,397,929
Loan disbursements paid out		(279,392,557)	(251,112,477)
Net cash flows used in investing activities		(225,771,736)	(226,714,548)
Cash flows from financing activities			
Proceeds from revolving fund receipts		251,714,548	45,000,000
Additional borrowings		-	-
Repayment of borrowings		(-)	(-)
Net cash flows used in financing activities		251,714,548	45,000,000
Net increase/(decrease) in cash and cash equivalents		32,084,048	(177,411,138)
Cash and cash equivalents at 1JULY	11	5,977,290	183,388,428
Cash and cash equivalents at 30 JUNE	11	38,061,338	5,977,290

12.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30TH JUNE 2019

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2019	2019	2019	2019	2019	2019
	KShs	KShs	KShs	KShs	KShs	
Revenue						
Public contributions and donations	-	-	-	-	-	
Transfers from County Govt.						
Interest income	-	-	-	7,237,840	(7,237,840)	100%
Other income	-	-	-	-	-	
Total income	-	-	-	7,237,840	(7,237,840)	100%
Expenses						
Fund administration expenses	-	-	-	1,031,200	(1,031,200)	100%
General expenses	-	-	-	65,404	(65,404)	100%
Finance cost	-	-	-	-	-	
Total expenditure	-	-	-	1,096,604	(1,096,604)	100%
Surplus for the period	-	-	-	6,141,236	(6,141,236)	100%

**ELGEYO MARAKWET COUNTY ASSEMBLY
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Significant accounting policies

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12.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. 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.

2. Adoption of new and revised standards

a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2019

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2019

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss

ELGEYO MARAKWET COUNTY ASSEMBLY

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Standard	Effective date and impact:
	<p>model that is applicable to all financial instruments subject to impairment testing; and</p> <ul style="list-style-type: none">• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ul style="list-style-type: none">(a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.

c) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2019.

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Significant accounting policies

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. 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.

4. Budget information

The original budget for FY 2018/2019 was approved by the County Assembly on 2nd July 2018. 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 **Kshs. 25,000,000** on the FY 2018/2019 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.

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 actual as per the statement of financial performance has been presented under section 12.5 of these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. 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 costs are 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.

6. 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.

7. Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

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Significant accounting policies

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or a entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. 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.

9. 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.

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.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

10. Nature and purpose of reserves

The Entity does not create and maintain any reserves.

11. 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.

12. Employee benefits– Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are postemployment 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.

13. 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. 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.

15. 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.

16. 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.

17. Comparative figures

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

18. Events after the reporting period

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

19. Ultimate and Holding Entity

20. The entity is a County Public Fund established by the Elgeyo/Marakwet County Revolving Fund Act, 2014 under the Elgeyo/Marakwet County Assembly. Its ultimate parent is the County Government of Elgeyo Marakwet.

21. Currency

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

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Significant accounting policies

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

22. 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:

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.

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

Provisions

Provisions were raised and management determined an estimate based on the information available. There were no additional provisions.

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.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

23. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

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

	Total amount KShs	Fully performing KShs	Past due KShs	Impaired KShs
At 30 June 2019				
Receivables from exchange transactions	-	-	-	-
Receivables from non exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2018				
Receivables from exchange transactions	-	-	-	-
Receivables from non exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

**ELGEYO MARAKWET COUNTY ASSEMBLY
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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 no significant concentration of credit risk on amounts due.

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.

	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	KShs	KShs	KShs	KShs
At 30 June 2019				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2018				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

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**Significant accounting policies
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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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:

		Other currencies	Total
	KShs	KShs	KShs
At 30 June 2019			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables			
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

ELGEYO MARAKWET COUNTY ASSEMBLY

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	KShs	KShs	KShs
2019			
Euro	10%	-	-
USD	10%	-	-
2018			
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.

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND**

**Significant accounting policies
For the year ended June 30, 2019**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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:

	2019	2018
	KShs	KShs
Revaluation reserve	-	-
Revolving fund	251,343,886	226,343,886
Accumulated surplus	12,489,188	6,347,952
Total funds	263,833,074	232,691,839
Total borrowings	-	-
Less: cash and bank balances	(38,061,339)	(5,977,290)
Net debt/(excess cash and cash equivalents)	225,771,735	226,714,548
Gearing	85.57%	97.43%

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND**

Notes to the financial statements

For the year ended June 30, 2019

12.7. NOTES TO THE FINANCIAL STATEMENTS

1. Public contributions and donations

Description	2018/2019	2017/2018
	KShs	KShs
Donation from development partners	-	-
Contributions from the public	-	-
Total	-	-

2. Transfers from County Government

Description	2018/2019	2017/2018
	KShs	KShs
Transfers from County Govt. – operations	-	-
Payments by County on behalf of the entity	-	-
Total	-	-

3. Fines, penalties and other levies

Description	2018/2019	2017/2018
	KShs	KShs
Late payment penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	2018/2019	2017/2018
	KShs	KShs
Interest income from Car Mortgage loans	6,868,983	4,782,694
Interest income from investments	-	-
Interest income on bank deposits	368,857	57,432
Total interest income	7,237,840	4,840,126

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND**

**Notes to the financial statements
For the year ended June 30, 2019**

5. Other income

Description	2018/2019	2017/2018
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income	-	-
Total other income	-	-

6. Fund administration expenses

Description	2018/2019	2017/2018
	KShs	KShs
Staff costs (Note 7)	-	-
Loan processing costs	1,031,200	522,900
Professional services costs	-	-
Administration fees	-	-
Total	1,031,200	522,900

7. Staff costs

Description	2018/2019	2017/2018
	KShs	KShs
Salaries and wages	-	-
Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs	-	-
Total	-	-

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND**

Notes to the financial statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. General expenses

Description	2018/2019	2017/2018
	KShs	KShs
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	-	-
Printing and stationery	-	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Bank Charges	65,404	13,816
Hospitality	-	-
Depreciation and amortization costs	-	-
Other expenses	-	-
Total	65,404	13,816

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND**

Notes to the financial statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Finance costs

Description	2018/2019	2017/2018
	KShs	KShs
Interest on Bank overdrafts	-	-
Interest on loans from banks	-	-
Total	-	-

10. Gain/(loss) on disposal of assets

Description	2018/2019	2017/2018
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

11. Cash and cash equivalents

Description	2018/2019	2017/2018
	KShs	KShs
EMCA Car & Mortgage loan account	38,061,339	5,977,290
County mortgage account	-	-
Fixed deposits account	-	-
On – call deposits	-	-
Current account	-	-
Others (Cash in Transit)	-	-
Total cash and cash equivalents	38,061,339	5,977,290

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND**

Notes to the financial statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

	2018/2019	2017/2018
Financial institution	KShs	KShs
a) Fixed deposits account		
Kenya Commercial bank	-	-
Equity Bank, etc	-	-
Sub-total	-	-
b) On - call deposits		
Kenya Commercial bank	-	-
Equity Bank - etc	-	-
Sub-total	-	-
c) Current account		
Kenya Commercial Bank	1204932468	1,506,569
Trans National Bank	180001	36,554,770
Sub-total	38,061,339	5,977,290
d) Others(specify)		
Cash in transit	-	-
Cash in hand	-	-
M Pesa	-	-
Sub-total	-	-
Grand total	38,061,339	5,977,290

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND**

Notes to the financial statements

For the year ended June 30, 2019

12. Receivables from exchange transactions

Description	2018/2019	2017/2018 RE- STATED	2017/2018
	KShs		KShs
Current Receivables			
Interest receivable	-	-	-
Current loan repayments due	-	-	226,714,548
Other exchange debtors	-	-	-
Less: impairment allowance	(-)	-	(-)
Total Current receivables	-	-	226,714,548
Non Current receivables			
Long term loan repayments due	225,771,735	226,714,548	-
Total Non- current receivables	225,771,735	226,714,548	-
Total receivables from exchange transactions	225,771,735	226,714,548	226,714,548

NOTE:

The re-statement resulted from wrong classification of outstanding loans in 2017/2018 FY under current loan repayment due now classified as long term loan repayment due.

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND**

Notes to the financial statements
For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Prepayments

Description	2018/2019	2017/2018
	KShs	KShs
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Other prepayments (specify)	-	-
Total	-	-

14. Inventories

Description	2018/2019	2017/2018
	KShs	KShs
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Other inventories(specify)	-	-
Total inventories at the lower of cost and net realizable value	-	-

ELGEYO MARAKWET COUNTY ASSEMBLY

CAR & MORTGAGE REVOLVING FUND

Notes to the financial statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	KShs	KShs	KShs	KShs	KShs
At 1st July 2017	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
At 30th June 2018	-	-	-	-	-
At 1st July 2018					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
At 30th June 2019	-	-	-	-	-
Depreciation and impairment					
At 1 st July 2017	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th June 2018	-	-	-	-	-
At 1st July 2018					
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-
At 30th June 2019	-	-	-	-	-
Net book values					
At 30th June 2018	-	-	-	-	-
At 30th June 2019	-	-	-	-	-

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND**

Notes to the financial statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Intangible assets-software

Description	2018/2019	2017/2018
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

17. Trade and other payables from exchange transactions

Description	2018/2019	2017/2018
	KShs	KShs
Trade payables	-	-
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
Total trade and other payables	-	-

18. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year (1.07.2018)	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Transfers from non -current provisions	-	-	-	-
Balance at the end of the year (30.06.2019)	-	-	-	-

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND**

Notes to the financial statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Borrowings

Description	2018/2019	2017/2018
	KShs	KShs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the period	-	-
Repayments of domestic borrowings during the period	-	-
Balance at end of the period	-	-

The table below shows the classification of borrowings into external and domestic borrowings:

	2018/2019	2017/2018
	KShs	KShs
External Borrowings		
Dollar denominated loan from 'xxx organization'	-	-
Sterling Pound denominated loan from 'yyy organization'	-	-
Euro denominated loan from 'zzz organization'	-	-
Domestic Borrowings		
Kenya Shilling loan from KCB	-	-
Kenya Shilling loan from Barclays Bank	-	-
Kenya Shilling loan from Consolidated Bank	-	-
Borrowings from other government institutions	-	-
Total balance at end of the year	-	-

The table below shows the classification of borrowings long-term and current borrowings:

Description	2018/2019	2017/2018
	KShs	KShs
Short term borrowings(current portion)	-	-
Long term borrowings	-	-
Total	-	-

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND**

Notes to the financial statements
For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Total
	KShs	KShs	KShs	KShs
Current benefit obligation	-	-	-	-
Non-current benefit obligation	-	-	-	-
Total employee benefits obligation	-	-	-	-

21. Cash generated from operations

	2018/2019	2017/2018
	KShs	KShs
Surplus/ (deficit) for the year before tax	-	-
Adjusted for:		
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Fund Expenses	(1,096,604)	(536,716)
Interest income	7,237,840	4,840,126
Finance cost	-	-
Working Capital adjustments		
Increase in inventory	-	-
Increase In receivables	-	-
Increase in payables	-	-
Net cash flow from operating activities	6,141,236	4,303,410

22. 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:

- The County Government;
- The Parent County Government Ministry;
- Key management;
- Board of Trustees; etc

ELGEYO MARAKWET COUNTY ASSEMBLY**CAR & MORTGAGE REVOLVING FUND**

Notes to the financial statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**b) Related party transactions**

	2018/2019	2017/2018
	KShs	KShs
Transfers from related parties' (From Exchequer through ElgeyoMarakwet County Assembly Operational Budget)	25,000,000	45,000,000
Transfers to related parties	-	-
Total	25,000,000	45,000,000

c) Key management remuneration

	2018/2019	2017/2018
	KShs	KShs
Loan Management Committee	1,031,200	522,900
Board of Trustees	-	-
Key Management Compensation	-	-
Total	1,031,200	522,900

d) Due from related parties

	2018/2019	2017/2018
	KShs	KShs
Due from parent Ministry	-	-
Due from County Government	-	-
Total	-	-

e) Due to related parties

	2018/2019	2017/2018
	KShs	KShs
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Total	-	-

23. Contingent assets and contingent liabilities

Contingent liabilities	2018/2019	2017/2018
	KShs	KShs
Court case xxx against the Fund	-	-
Bank guarantees	-	-
Total	-	-

ELGEYO MARAKWET COUNTY ASSEMBLY

CAR & MORTGAGE REVOLVING FUND

Notes to the financial statements

For the year ended June 30, 2019

13. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Transfers from the county government	The statement of receipts and payments for the year ended 30 th June, 2018 reflects a nil transfer from the County Government balance. This is because currently, we are using IPSAS accrual basis of accounting as opposed to IPSAS cash basis. Consequently, the Kshs 45Million received was capitalized in the fund as reflected in the statement of changes in net assets.	Joseph K. Rutto – Principal Finance Officer	Un-resolved	30 th June, 2020
2.0	Proceeds from the Principal loan repayments	The variance of Ksh. 30,303 in the statement of cash flow was reconciled with the figure of Ksh. 24,397,929 reflected in the	Joseph K. Rutto – Principal Finance Officer	Un-resolved	30 th June, 2020

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND**

Notes to the financial statements
For the year ended June 30, 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		amended financial statements			
3.0	Interest income	<p>The total interest income as reflected in the statement of financial performance for the year ended 30th June, 2018 was Kshs 4,840,126. Apart from the interest received from loans amounting to Ksh. 3,674,084, the other interest was as follows:</p> <p>Final interest received from outstanding loans during 2016/17 financial year disbursed to former Members of County Assembly and speaker amounting to Kshs. 1,108,610 from Family bank, Interest from KCB amounting to Ksh. 22,294 and another Interest income from Trans National Bank</p>	Joseph K. Rutto – Principal Finance Officer	Un-resolved	30 th June, 2020

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND**

Notes to the financial statements
For the year ended June 30, 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.0	Approved Budget	totalling Ksh. 35,138. The Kshs 45 Million approved budget for the fund as earlier mentioned was capitalized and reflected in the statement of changes in net assets as per IPSAS accrual basis of accounting.	Joseph K. Rutto – Principal Finance Officer	Un-resolved	30 th June 2020
5.0	Cash and Cash Equivalents	Indeed, there was no cash book and bank reconciliation statement for Family Bank account up to 3 rd September, 2018 since the fund was managed exclusively by the bank. However from 4 th September, 2018 the entire principal and all accrued earned interest from the first assembly loan disbursements money was transferred to EMC Assembly Car and Mortgage Revolving Fund	Joseph K. Rutto – Principal Finance Officer	Un-resolved	30 th June 2020

**ELGEYO MARAKWET COUNTY ASSEMBLY
CAR & MORTGAGE REVOLVING FUND**

Notes to the financial statements
For the year ended June 30, 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Bank Account Number 1204932468 held at KCB Iten branch on 4 th September, 2017. Since then, the family bank account ceased to be in operation and has already been closed.			
1.0	Un authorized Bank Accounts	The opening of the bank accounts for Trans Nation Bank and Kenya Commercial Bank has been ratified by the County Treasury.	Joseph K. Rutto – Principal Finance Officer	Un-resolved	30 th June 2020
2.0	Un secured loans	Prior to loan issuance, the members surrenders titles and or log books for valuation and charging and are available for verification. The loan is also insured by APA insurance.	Joseph K. Rutto – Principal Finance Officer	Un-resolved	Ongoing because of the continuous loan disbursements to both staff and Hon. members

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)

2. RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

CHEQUE		PAYEE	AMOUNT		DETAILS	AMOUNT	
No.	Date		Sh.	cts.		Sh.	cts.

3. PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

4. RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT

DETAILS	AMOUNT		DETAILS	AMOUNT	
	Sh.	cts.		Sh.	cts.
			18/6/19 AM \$ mortgage		
			was recorded for		
			June 2019	3668.17	-
			TOTAL	3,668.17	

Statement For Period 01/06/2019 To 08/07/2019

Curr : KES Account : 180001/500UCA00/1/0

Branch : 18 - ITEN

Address : EMC CAR AND MORTGAGE FUND ACC

P.O. Box 55

30700

ITEN

Name : 1) EMC CAR AND MORTGAGE FUND ACC

2)

3)

4)

5)

6)

Date	Description	Reference	Value Date	Money Out	Money In	Balance
30/05/2019	OPENING BALANCE		30/05/2019	-	-	36,106,314.42
13/06/2019	LOAN DISBURSEMENT TO PRISCILA JEPKOECH KURGTA	42	13/06/2019	-3,187,610.00	-	32,918,704.42
19/06/2019	CASH WITHDRAWAL	44	19/06/2019	-51,100.00	-	32,867,604.42
21/06/2019	.INWARD CHEQUE	43	21/06/2019	-120,180.00	-	32,747,424.42
29/06/2019	INTEREST FOR 29/06/2019		29/06/2019	-	163,737.00	32,911,161.42
29/06/2019	TAX DEDUCTED..		29/06/2019	-24,561.00	-	32,886,600.42
01/07/2019	ORIGBRCD = 99 RTGS B/O ELGEYO MARAKWET COUNTY		01/07/2019	-	3,668,170.00	36,554,770.42
Total Debits (4) and Credits (2) :				-3,383,451.00	3,831,907.00	

Account Summary :

Opening Balance	36,106,314.42	You may E-Mail us on : customerservice@tnbl.co.ke
Closing Balance	36,554,770.42	
Total Debit Amount	-3,383,451.00	
Total Credit Amount	3,831,907.00	

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 ITEN BRANCH

By

ANALYSIS OF MORTGAGE LOAN REPAYMENT SCHEDULE: JULY 2018 - JUNE 2019

	NAME	OUTSTANDING LOAN AS AT 1ST JULY 2018 (KES)	PRINCIPAL LOAN PAID (KES)	PRINCIPAL LOAN BALANCE (KES)	INTEREST RECEIVED (KES)	TOTAL REPAYMENTS (KES)	REMARKS
1	HON CHRISTOPHER KIMUTAI KIBOR	4,319,198.76	1,074,315.97	3,244,882.79	114,884.03	1,189,200.00	
2	HON WILLIAM KIPKOSGEI CHERUTICH	4,328,119.35	1,074,083.18	3,254,036.17	115,116.82	1,189,200.00	
3	HON NATHAN KILIMO CHELANGA	4,334,274.42	1,073,857.43	3,260,416.99	115,342.57	1,189,200.00	
4	HON JAMES CHIRCHIR CHEPLAITI	4,313,043.69	1,074,503.18	3,238,540.51	114,696.82	1,189,200.00	
5	HON EVALYNE JEPCHUMBA KIPTOO	4,403,804.42	1,072,099.49	3,331,704.93	117,100.51	1,189,200.00	
6	HON GILBERT KIMAIYO KOSGEI	4,314,929.97	1,074,445.81	3,240,484.16	114,754.19	1,189,200.00	
7	HON MAUREEN JEPKOSGEI MASIT	4,313,119.35	1,074,500.88	3,238,618.47	114,699.12	1,189,200.00	
8	HON JONAH KIPKORIR TANUI	4,299,929.97	1,074,902.05	3,225,027.92	114,297.95	1,189,200.00	
9	HON JOHN KIPLAGAT YATOR	4,403,728.76	1,072,101.79	3,331,626.97	117,098.21	1,189,200.00	
10	HON ZACHARIA KIPLAGAT MAGUT	4,314,048.39	1,074,472.62	3,239,575.77	114,727.38	1,189,200.00	
11	HON LORNA JEROTICH TANUI	4,314,817.18	1,074,487.78	3,240,329.40	114,712.22	1,189,200.00	
12	HON VINCENT K. TANUI	4,315,005.62	4,315,005.62	0.00	41,823.38	4,356,829.00	Loan Cleared
13	HON SHADRACK LULLEY KIPTOO	4,312,787.09	1,074,510.99	3,238,276.10	114,689.01	1,189,200.00	
14	HON SALINA JEMOSOP KIMITTO	4,365,586.83	1,057,028.73	3,308,558.10	116,331.27	1,173,360.00	
15	HON EVANS LIMO BIWOTT	4,313,056.22	1,074,541.34	3,238,514.88	114,658.66	1,189,200.00	
16	HON EMILY KIROP	4,327,930.91	1,074,127.46	3,253,803.45	115,072.54	1,189,200.00	
17	HON JASLINE JEPKOSGEI RUTTO	4,313,416.87	1,074,491.83	3,238,925.04	114,708.17	1,189,200.00	
18	HON JANE KAITANY	4,328,119.35	1,074,083.18	3,254,036.17	115,116.82	1,189,200.00	
19	HON WINNIE JEBET KANDA	4,399,648.40	1,072,225.90	3,327,422.50	116,974.10	1,189,200.00	
20	HON WILLIAM KIPRONO KIPLAGAT	4,336,140.66	1,073,800.66	3,262,340.00	115,399.34	1,189,200.00	
21	HON DAVID KIPRONO KIPKETER	4,405,670.66	1,072,042.73	3,333,627.93	117,157.27	1,189,200.00	
22	HON NEDDY KIPTOO JERUTO	4,314,124.04	1,074,470.32	3,239,653.72	114,729.68	1,189,200.00	
23	HON LAWI KIPNGETICH KIBIRE	4,312,930.91	1,074,545.16	3,238,385.75	114,654.84	1,189,200.00	
24	HON PHILEMON KIPLAGAT SABULEI	9,941,265.64	2,298,713.79	7,642,551.85	255,767.51	2,554,481.30	
25	HON TRUPENA JEMUTAI YEGO	4,333,857.00	1,073,870.12	3,259,986.88	115,329.88	1,189,200.00	
26	HON GLORIA JEBET CHANGWONY	4,330,118.40	1,073,983.84	3,256,134.56	115,216.16	1,189,200.00	
27	HON JOHN LOCHAA KITUM	4,330,118.40	1,073,983.84	3,256,134.56	115,216.16	1,189,200.00	
28	HON WILSON TICH CHEBOI	4,405,670.66	1,072,042.73	3,333,627.93	117,157.27	1,189,200.00	
29	HON PAUL KIPCHUMBA KIPYATICH	4,329,500.92	1,074,002.62	3,255,498.30	115,197.38	1,189,200.00	
30	HON THOMAS KIPROP KIMUNEI	4,328,998.42	1,074,056.45	3,254,941.97	115,143.55	1,189,200.00	
31	HON AMBROSE KIPLAGAT KIMUTAI	4,315,700.97	1,074,460.90	3,241,240.07	114,739.10	1,189,200.00	
32	HON MUSA KIPLAGAT LIMO	4,382,699.01	1,072,741.43	3,309,957.58	116,458.57	1,189,200.00	
33	HON PHILIP KIPKOSGEI KIPRUTTO	4,417,511.91	1,071,759.65	3,345,752.26	117,440.35	1,189,200.00	
34	HON ELISHA KIPLAGAT KEITANY	4,314,929.97	1,074,445.81	3,240,484.16	114,754.19	1,189,200.00	
35	SALLY TOROITICH	3,955,639.38	961,323.93	2,994,315.45	101,156.07	1,062,480.00	
36	LIVINGSTONE TALEL	3,965,090.00	908,620.24	3,056,469.76	153,859.76	1,062,480.00	
37	HON PRISCILLA KURGAT	3,187,610.00	91,130.98	3,096,479.03	7,969.03	99,100.00	
	TOTAL	164,242,143	42,919,780	121,322,362	4,254,150	47,173,930	

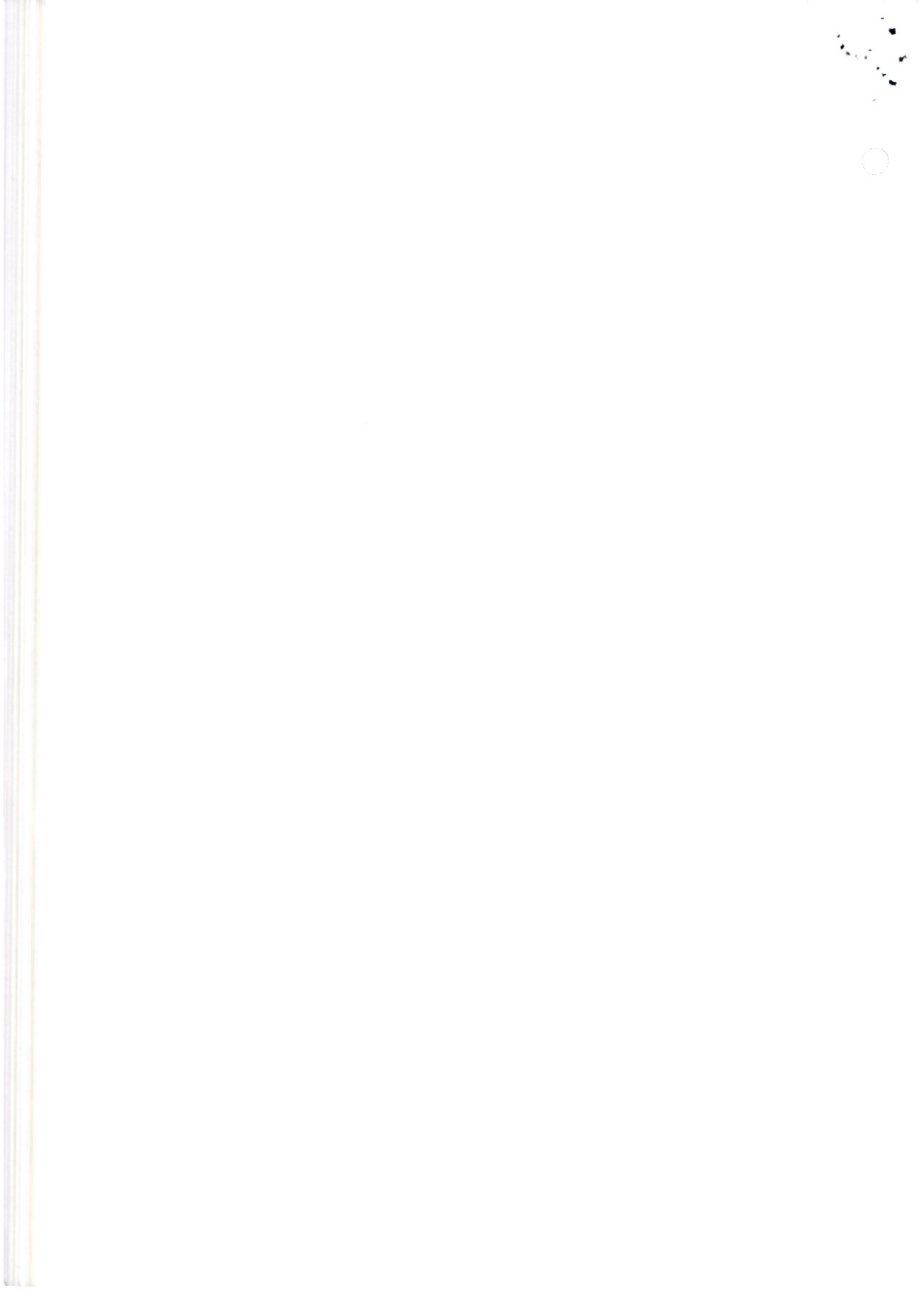


ACCOUNT STATEMENT

Customer: 1204932468 EMC ASSEMBLY CAR AND MRTG REV FUND
Product Name: Business Current Account
Statement Period: 01 JUN 2019 -

TXN DATE	DESCRIPTION	VALUE DATE	MONEY OUT	MONEY IN	LEDGER BALANCE
	BALANCE B/FWD				2,675,762.00
12 JUN 2019	Salary Payment AT-ITEN MORTGAGE CHO 51 MD C19163	12 JUN 2019	-1,000,000.00		1,675,762.00
12 JUN 2019	SWIFT Remit Cha AT-ITEN APA LIFE ASSURAN A C-120	12 JUN 2019	-600.00		1,675,162.00
12 JUN 2019	Outward SWIFT P AT-ITEN APA LIFE ASSURAN S W-CBAF	12 JUN 2019	-1,406,498.00		268,664.00
29 JUN 2019	Tax Amount Due AT-DPC 1204932468 1204932468 ACC	01 JUL 2019	-60.00		268,604.00
29 JUN 2019	Maint Chrg AT-DPC 1204932468 1204932468 ACC MAINK	01 JUL 2019	-300.00		268,304.00
01 JUL 2019	Inward SWIFT Pa AT-DP ELGEYOMARAKWET / REC/0030	01 JUL 2019		45,295.00	313,599.00
01 JUL 2019	Inward SWIFT Pa AT-DP ELGEYOMARAKWET / REC/0030	01 JUL 2019		1,192,970.00	1,506,569.00
	BALANCE AT PERIOD END		-2,407,458.00	1,238,265.00	1,506,569.00

FOR: KCB BANK KENYA LTD.
[Signature]
Customer Service, Manager
ITEN



ANALYSIS OF MORGAGE LOAN REPAYMENT SCHEDULE: JULY 2018 - JUNE 2019

	OUTSTANDING LOAN AS AT 1ST JULY 2018 (KES)/TOTAL LOAN TAKEN DURING 2018/19 FY	PRINCIPAL LOAN PAID (KES)	PRINCIPAL LOAN BALANCE (KES)	INTEREST RECEIVED (KES)	TOTAL REPAYMENTS (KES)	REMARKS	
1	JANE KIPTUM MUTAI	10,491,160	1,005,419	9,485,740	296,581	1,302,000	
2	JOSEPH KALESSI RUTTO	2,997,373	569,935	2,427,438	70,065	640,000	
3	DAVID BARNGETUNY	7,764,995	712,240	7,052,755	211,059	923,299	
4	SUSAN CHEBOI	2,821,639	268,113	2,553,526	79,887	348,000	
5	WILLIAM CHEPTUM	4,349,956	413,242	3,936,715	123,158	536,400	
6	ELKANA CHEBII	2,858,732	270,771	2,587,960	80,949	351,720	
7	JOSEPH KITUM	2,279,256	225,388	2,053,868	64,412	289,800	
8	EVANS KIPCHUMBA	4,965,147	399,047	4,566,100	120,673	519,720	
9	RICHARD KWAMBAI	1,130,638	490,422	640,216	26,778	517,200	
10	ISAAC ROTICH	3,328,197	311,461	3,016,736	94,139	405,600	
11	PETER KIPTUM	3,429,460	260,062	3,169,398	80,798	340,860	
12	RAEL ROTICH	1,305,808	1,305,808	(0)	21,602	1,327,410	Loan Cleared
13	SUSAN CHEROP	2,426,215	221,071	2,205,144	68,729	289,800	
14	PRISCA KIPYATOR	591,144	126,313	464,831	16,007	142,320	
15	ELIAS MARITIM	6,966,076	613,859	6,352,216	197,341	811,200	
16	RAEL ROTICH	9,611,671	713,144	8,898,527	230,306	943,450	
17	WILLIAM KOECH	2,981,976	263,437	2,718,539	84,203	347,640	
18	STANLEY KIPRONO	6,570,226	555,197	6,015,029	177,823	733,020	
19	BARNABAS RICHARD	5,446,000	492,633	4,953,367	156,567	649,200	
20	FESTUS KIPCHUMBA	1,674,210	149,284	1,524,926	47,756	197,040	
21	HILLARY KIPNGENO YEGO	1,900,000	177,341	1,722,659	54,499	231,840	
22	TIMOTHY K. TOROITICH	350,000	66,003	283,997	9,597	75,600	
23	COLINS LIMO	850,000	117,367	732,633	20,108	137,475	
24	LUCY KEMBOI	690,000	92,664	597,336	14,076	106,740	
25	WATSON KIPLAGAT	4,130,095	182,714	3,947,381	63,886	246,600	
26	JAMES BIWOTT	1,730,041	79,282	1,650,759	25,118	104,400	
27	ERICK KIPCHOROR	300,000	92,556	207,444	4,044	96,600	
28	BETSY CHERUIYOT	2,415,056	91,394	2,323,662	29,356	120,750	
29	DERICK BARTAI	4,115,095	152,755	3,962,340	50,045	202,800	
30	VINCENT KIPRONO	3,230,023	90,920	3,139,103	28,330	119,250	
31	JOY LUBHANGA	1,930,029	40,680	1,889,349	17,280	57,960	
32	RAPHAEL KIGEN	2,130,050	48,060	2,081,990	15,690	63,750	
33	HILDA KORIR	1,930,045	29,139	1,900,906	9,501	38,640	
34	TIMOTHY K. KIPCHUMBA	2,930,045	35,569	2,894,476	12,901	47,570	
35	MAURYN KOECH	2,530,059	37,752	2,492,307	12,468	50,220	
	TOTAL	115,150,415	10,701,041	104,449,374	2,614,833	13,315,874	

