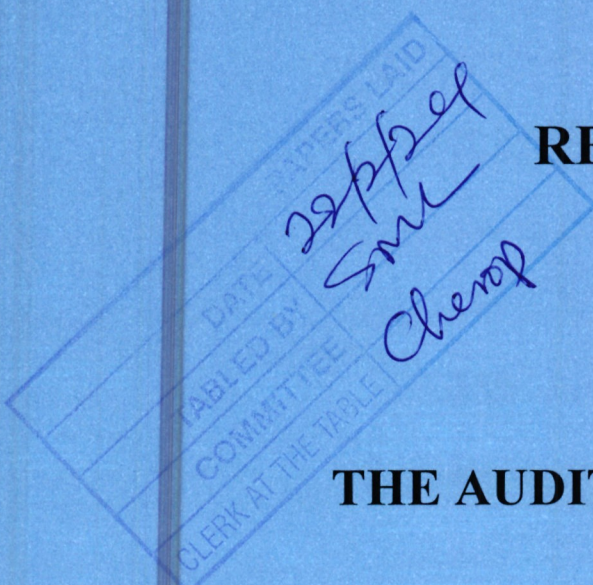
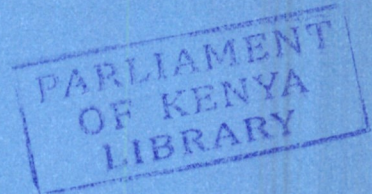


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



REPORT

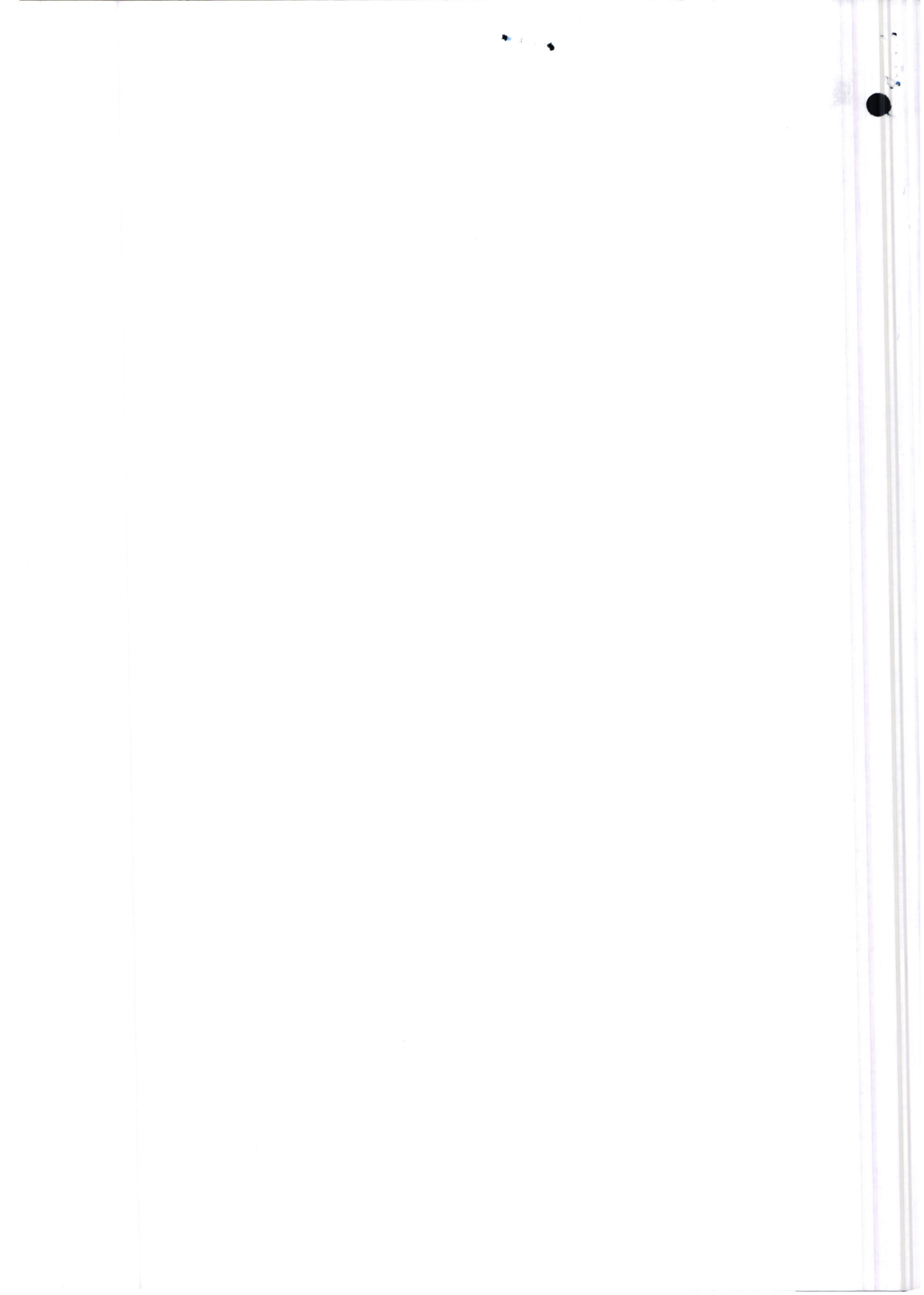
OF

THE AUDITOR-GENERAL

ON

**NYANDARUA COUNTY EXECUTIVE (STATE
AND PUBLIC OFFICERS) CAR LOAN AND
MORTGAGE SCHEME FUND**

**FOR THE YEAR ENDED
30 JUNE, 2023**





**NYANDARUA COUNTY EXECUTIVE (STATE & PUBLIC) OFFICERS'
CAR LOAN AND MORTGAGE SCHEME FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2023**

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



Nyandarua County Executive (State & Public) Officers' Car Loan and Mortgage Scheme Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Table of Content

1. Acronyms and Glossary of Terms	iii
2. Key Nyandarua county Executive (state& Public) Officers car loan and mortgage fund Information and Management	iv
3. Fund Administration Committee	vii
4. Management Team	ix
6. Report of The Fund Administrator	xiii
7. Statement of Performance Against the County Fund's Predetermined Objectives	xv
8. Corporate Governance Statement	xvi
9. Management Discussion and Analysis	xvii
10. Environmental and Sustainability Reporting	xviii
11. Report of The Trustees	xix
12. Statement of Management's Responsibilities	xx
13. Report of The Independent Auditor on the Financial Statements for Nyandarua county (state &Public) Officers car loan and Mortgage Scheme Fund	xxii
14. Statement of Financial Performance for the Period Ended 30 th June 2023	1
15. Statement of Financial Position as At 30 th June 2023	2
16. Statement of Changes in Net Assets for the period ended 30 th June 2023	4
17. Statement of Cash Flows for the Period Ended 30 th June 2023	5
18. Statement of Comparison of Budget and Actual Amounts for the Period Ended 30 th June, 2023	7
19. Notes to the Financial Statements	8
20. Annexes	38

***Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023***

1. Acronyms and Glossary of Terms

a) Acronyms

BOM:	Board of Management
CEC:	County Executive Committee
CECM:	County Executive Committee Member
CG:	County Government
FY:	Financial Year
ICPAK:	Institute of Certified Public Accountants of Kenya
IPSAS:	International Public Sector Accounting Standards
PFM:	Public Finance Management
PSASB:	Public Sector Accounting Standards Board
Kshs:	Kenya Shillings

b) Glossary of Terms

Fiduciary Management: The key management personnel who had financial responsibility.

2. Key Nyandarua county Executive (state& Public) Officers car loan and mortgage fund Information and Management

a) Background information

Nyandarua County Executive (State & Public Officers) Car Loan & Mortgage Scheme Fund was established by and derives its authority and accountability from PFM Act, 2012 and regulations, 2022. The Fund is wholly owned by the County Government of Nyandarua and is domiciled in Kenya.

The fund's objective is to provide loans to members of the scheme for;

- i. Acquisition, development, renovation or repair of immovable properties
- ii. Purchase of motor vehicles and
- iii. Refinancing in relation to immovable properties or motor vehicle for County state and public officers to motivate them and retain the requisite services for the County Public Service.

The Fund's principal activity is to provide avenue through which staff would easily and affordably acquire properties thereby transforming their livelihoods. This would improve staff motivation and retention for better service delivery to the citizen of Nyandarua.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to refinance, grant Car and Mortgage Loans to state and Public Officers.

c) Fund Administration Committee

Ref	Name	Position
1	Muigai Wainaina	Chairman
2	Mr Juvenalis Gitau Thiong'o	Vice Chairman
3	Ms Anne W Kariuki	Fund Administrator
4	Mr Joseph Wahome	Member
5	Ms Mirriam Muturi	Member
6	Mr Joseph Mugo	Member

**Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

d) Key Management team

Ref	Name	Position
1	Mr Muigai Wainaina	Chairman-Signatory to the bank
2	Mr. Juvenalis Gitau Thiong'o	V. Chairman - Signatory to the bank
3	Ms. Anne W Kariuki	Fund Administrator-Signatory to the bank
4	Mr. Joseph Wahome	Signatory to the bank
5	Mr. Joseph Mugo	Signatory to the bank
6	Ms. Margaret Gachomo	Fund Accountant

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Antony Mutuga Mbogo
3	Nyandarua County Assembly	Special Funds Committee

f) Registered Offices

P.O. Box 701-20303
Headquarter Building
Gilgil -Nyahururu Highway
Olkalau , KENYA

g) Fund Contacts

Telephone: (254) 20266859
E-mail: info@nyandarua.go.ke
Website: www.nyandarua.go.ke

h) Fund Bankers

1. Family Bank of Kenya
Olkalou Branch
P.O. Box 74145
City Square 00200
Nairobi, Kenya

**Key Nyandarua county Executive (state& Public) Officers car loan and mortgage fund and
Management (Continued)**

i) Independent Auditors

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

j) Principal Legal Adviser

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

k) County Attorney

Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund Annual Report and Financial Statements for the year ended June 30, 2023

3. Fund Administration Committee

1.



MUIGAI WAINAINA

Ag, County Secretary, Nyandarua County.

He was born in 1973. He is currently doing a PHD at Kenyatta University, he holds a masters of Arts in Economics from UON, he is CPA certified from Strathmore University as well as a Bachelor of Arts in Economics, Kenyatta University. Other qualifications, include Strategic Leadership Development Programme, KSG, Senior Management Course, KSG, Disaster Risk Reduction, Monitoring and Evaluation and Performance Management.

His work experience includes Ag. Chief Officer, Finance & Economic Development. Head, Macro Planning, County Government. Ag. Director, Economic Planning. District Development Officer and Company Financial Adviser, Crystal Motors (K) Ltd

His Technical skills include, Coordination of Project Management Committees. Public Finance Management and Reporting. Preparation of County Plans (Budget, Fiscal Paper, CIDP) and Monitoring and Evaluation.

2.



Juvenalis Gitau Thiong'o

Chief Officer –Finance

He hold Master's Degree in Business Administration (Finance option), CPA(K) and Bachelor of commerce (Accounting option) .He has worked on private sectors as Head of Finance, Finance and Operation Manager, Ware house manager and Branch manager. He has 20 years work experience. He was born on 14th Decvber 1977.

3.



Anne Kariuki

Fund Administrator

She is a holder of Bachelor's degree in Business Administration (Finance and Accounting option) and also CPA (K). She has 10 years' experience working in different capacities with County Government and is currently serving as Ag. Director, Cabinet Affairs. She was born on 24th July, 1970.

4.



Mr. Joseph Wahome
Director, Finance

He is a holder of Master degree in Business Administration, CPA (K) and Bachelor degree BBA (Finance & Accounting). He has 7 years working experience in government as director finance. He has over 17 years' experience as a senior accountant. He was born on 02/01/1974

5.



Joseph Mugo Gachambi
Advocate Of The High Court Of Kenya

He graduated from Moi University and did his postgraduate diploma in legal studies at Kenya School of Law. He got admitted to the bar in 2019. He is a licensed advocate practicing law in Kenya.

He is a young vibrant advocate who started his law career in the 2017 at Arimi Kimathi & Company Advocates as a pupil. Upon completion of his pupillage at Arimi Kimathi & Company Advocates, he got a one year contract in 2019 at Kenya Law Reform Commission where he acquired legislative drafting skills. He was later employed as an associate at the Wambui Kibicho Law Consultancy in 2020 where he practiced law and did legislative drafting consultancy. In 2021, he was later employed by the County Government of Nyandarua as a Senior Legal Officer, where he deputized the County Attorney and headed the policy and legislative drafting division in the Office of the County Attorney. In 2022 he was appointed to act as the County Attorney.

6.



Ms Muturi Mirium W.
Ag. Director, Human Resource Management

Ms. Muturi is a holder of Bachelors of Arts Degree from the University of Nairobi and is a possession of a Higher Diploma in HR. She served as an Administrative Officer for over 8 years. She has experience of over 10 years as a senior HR officer in Government, and is currently a Deputy Director HRM. She is a member of the HR professional body, IRM

Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund Annual Report and Financial Statements for the year ended June 30, 2023

4. Management Team

Name

1.



MUIGAI WAINAINA

Ag, County Secretary, Nyandarua County.

He was born in 1973. He is currently doing a PHD at Kenyatta University, he holds a masters of Arts in Economics from UON, he is CPA certified from Strathmore University as well as a Bachelor of Arts in Economics, Kenyatta University. Other qualifications, include Strategic Leadership Development Programme, KSG, Senior Management Course, KSG, Disaster Risk Reduction, Monitoring and Evaluation and Performance Management.

His work experience includes Ag. Chief Officer, Finance & Economic Development. Head, Macro Planning, County Government. Ag. Director, Economic Planning. District Development Officer and Company Financial Adviser, Crystal Motors (K) Ltd

His Technical skills include, Coordination of Project Management Committees. Public Finance Management and Reporting. Preparation of County Plans (Budget, Fiscal Paper, CIDP) and Monitoring and Evaluation.

2.



Juvenalis Gitau Thiong'o

Chief Officer –Finance

He hold Master's Degree in Business Administration (Finance option), CPA(K) and Bachelor of commerce (Accounting option) .He has worked on private sectors as Head of Finance, Finance and Operation Manager, Ware house manager and Branch manager. He has 20 years work experience. He was born on 14th December 1977.

3.



Anne Kariuki
Fund Administrator

She is a holder of Bachelor's degree in Business Administration (Finance and Accounting option) and also CPA (K). She has 10 years' experience working in different capacities with County Government and is currently serving as Ag. Director, Cabinet Affairs. She was born on 24th July, 1970.

4.



Mr. Joseph Wahome
Director, Finance

He is a holder of Master degree in Business Administration, CPA (K) and Bachelor degree BBA (Finance & Accounting). He has 7 years working experience in government as director finance. He has over 17 years' experience as a senior accountant. He was born on 02/01/1974

5.



Joseph Mugo Gachambi
Advocate Of The High Court Of Kenya

He graduated from Moi University and did his postgraduate diploma in legal studies at Kenya School of Law. He got admitted to the bar in 2019. He is a licensed advocate practicing law in Kenya.

He is a young vibrant advocate who started his law career in the 2017 at Arimi Kimathi & Company Advocates as a pupil. Upon completion of his pupillage at Arimi Kimathi & Company Advocates, he got a one year contract in 2019 at Kenya Law Reform Commission where he acquired legislative drafting skills. He was later employed as an associate at the Wambui Kibicho Law Consultancy in 2020 where he practiced law and did legislative drafting consultancy. In 2021, he was later employed by the County Government of Nyandarua as a Senior Legal Officer, where he deputized the County Attorney and headed the policy and legislative drafting division in the Office of the County Attorney. In 2022 he was appointed to act as the County Attorney.

**Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

6.



Margaret Gachomo

Fund Accountant,

She is CPA(K), Bachelor of commerce (Accounting option) .She worked with the local authority before devolution as an accountant and commercial manager of water company on secondment. She has 25 years' work experience. She was born on 27th December 1975.

5. Fund Chairperson’s Report


Nyandarua County (state and public officers) Car Loan & Mortgage Fund was established through approval of the County Assembly. The Funds derives their authority and accountability from PFM Act, 2012 and regulations, 2022. The Fund was established as Revolving Fund with the annual enhancement from the Executive Budget and appropriations by the County Assembly and is based on projected credit needs and the number of staffs.

The County Treasury prepared the budget for 2022/23 in accordance with section 135 of the PFM Act and later submitted to the County Assembly for considerations and approval. The budget was approved paving way for expenditure on 24th may 2022. The fund allocated Kshs. **70,000,000** in the budget.

During the Financial period the Fund disbursed a total of **Ksh 132,120,000** to thirty-three applicants. This has been a staff motivation tool.

The Nyandarua County (state and public officers) Car Loan & Mortgage Fund recorded an increase on long-term receivable to Kshs. **452,891,474** from ksh **361,675,980**.

We are confident that the growth will be maintained into the future.

Name Mr Muigai Wainaina Signature..........Date.....**27/9/23**

Chairperson of the Fund

***Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023***

6. Report of The Fund Administrator

In the year under review, the fund administration changed from Ms. Anne W. Kariuki who took over the duties of Fund Administrator on January, 2023 from Ms. Teresa K. Njeru who performed the duties for the period 1st July – 31st December, 2022.

In the FY 2022/2023, the County Assembly approved the Budget which appropriated Kshs. **70,000,000** (Seventy million) to the fund. There was no transfer to the Fund by the end of the period.

In the period ended 30th June, 2023, the fund received revolving fund from exchequer amounting to Ksh **70,000,000**, the Reserves of Kshs. **404,967,860** and an accumulated surplus of Kshs. **367,259**. This resulted to a total net asset and liabilities of Kshs. **475,335,120**.

During the period the fund disbursed a total of Ksh **132,120,000** to thirty-three applicants. The maximum received was Kshs **24,000,000** and the least **Kshs 1, 300,000**. The committee approves loans on consideration of 1/3 rule.

The total amount of loan repayment within the period ended 30th June, 2023 amounted to Kshs **38,948,570**.

We are confident that the fund will sustain the impressive performance to the future which is a prerequisite in meeting its goals and objectives of providing affordable loan products to the staff.

The fund performance within the period had interest income amounting to Kshs **13,482,729** against operation costs of **Kshs 13,117,469** resulting to a surplus of **Kshs 367,260**.

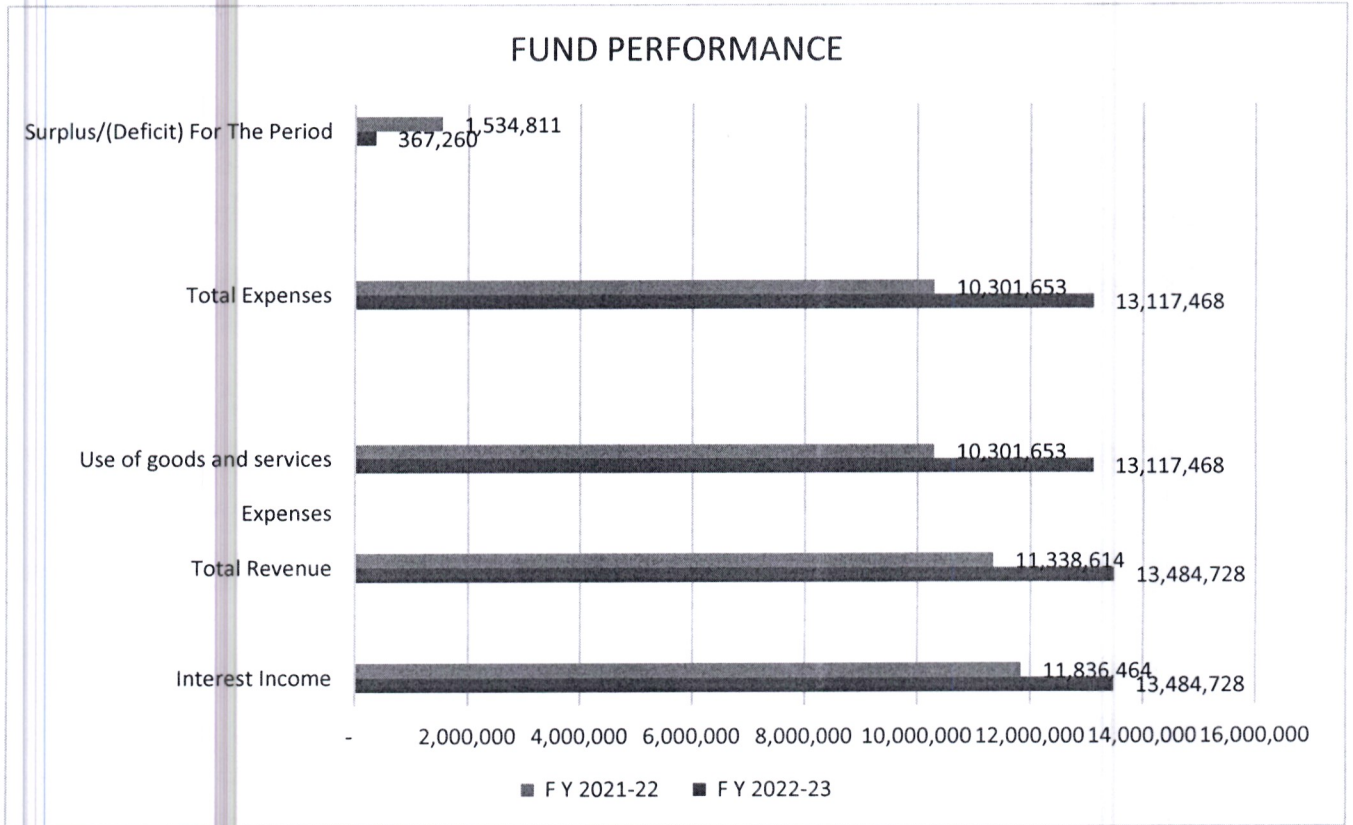
During the beginning of the period the funds were merged and the account for civil servant car loan and mortgage fund changed its name to Nyandarua County Executive (state and public officers) car loan and Mortgage fund.

One of the major challenges in the management of the fund is the high number of applicants against the budgetally allocation. To address the high demand for the fund, there is need for enhancement of the fund in order to serve a large number of staffs.

Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund Annual Report and Financial Statements for the year ended June 30, 2023

The fund major risk is the death of a beneficiary whereby the management is forced to recover the loans from the employee's benefits disadvantaging the next of Kins.

The fund performance in the financial year is as illustrated below bar chart



[Handwritten Signature]

Date 27/9/23

**Name: CPA Anne W. Kariuki
Fund Administrator**

Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund Annual Report and Financial Statements for the year ended June 30, 2023

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

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial period, the Accounting officer will prepare financial statements of the Nyandarua County Executive (State and Public Officers) car loan and Mortgage Scheme Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board including a statement of the County Nyandarua County Executive (State and Public Officers) car loan and Mortgage Scheme Fund’s performance against predetermined objectives. The key development objectives of the Nyandarua County Executive (state and public officers)’ Car Loan & Mortgage Scheme Fund 2018-2022 plan are to:

- a) Facilitate the acquisition of a car or property for County public servants to motivate them and retain the requisite services for the County Public Service.

Progress on the attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
County Executive (State and Public Officers) car loan and Mortgage Scheme Fund	To facilitate property acquisition by the County state and public staff	Motivated staff	Staff turnover ratio/rate	Total number of loans issued as at 30 th June, 2023 amounted to ksh 132,120, 000. The number of beneficiaries were 33 and the repayments within the Financial period amounted to Ksh 38,948,472.

8. Corporate Governance Statement

The roles and functions of the Fund are as stipulated in the Nyandarua County Executive (state and public officers) Car Loan & Mortgage Scheme Fund Regulation while the remuneration to the Committee is as per the provisions of the Salaries and Remuneration Committee.

In administration of the fund, the main challenge is the low allocation of the fund as compared to the high number of staffs who are in dire need of the mortgage. The management of the fund has a list of all applicants. The disbursement of the fund is done as per the application sequence. Going forward, there is need to enhance the allocation of the fund to attract a large number of beneficiaries.

To enhance integrity in the dispensation of the roles of the Committee, members are to avoid any conflict of interest or declare where is.

**Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

9. Management Discussion and Analysis

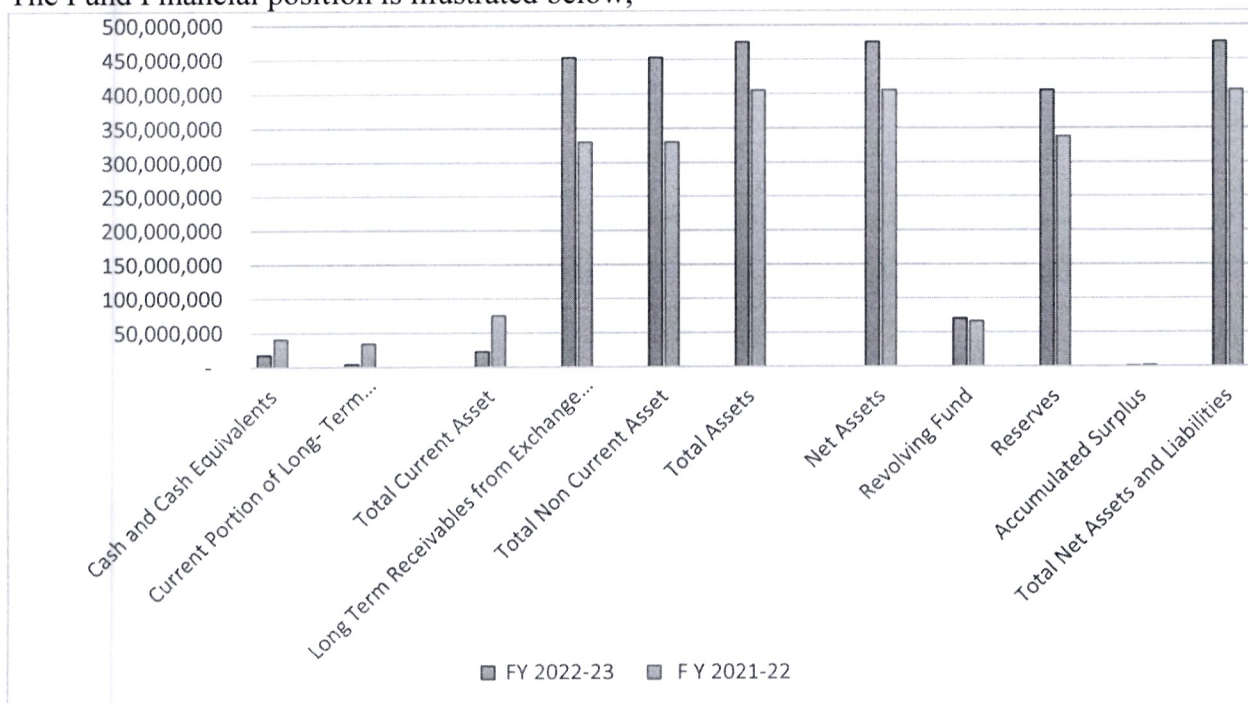
The fund management was guided by the PFM Act and regulations to govern its operations and comply with disbursement policies.

As at 30th June, 2023, long term loan repayments due were Kshs **38,948,570** against kshs **41,823,765** in the previous FY 21/22.

During the period, **Kshs. 132,120,000** was disbursed against Kshs. **102,370,000** disbursed in the FY 2020/2022. This is indicative of growth in fund allocation and disbursement.

The fund reserve as at 30th June, 2023 amounted to ksh **404,967,860** compared to FY 2021-22 of kshs **337,433,049**. The total net asset and liabilities for the period ended 30th June, 2023 amounted to Ksh **475,335,120** compared to f/y 2021-22 **ksh 404,967,860**.

The Fund Financial position is illustrated below;



During the Financial Period there was no liability or statutory obligation.

10. Environmental and Sustainability Reporting

Nyandarua County Executive (state and public officers) s' Car Loan & Mortgage Scheme Fund exists to motivate staff to reduce rate of staff turnover thus retaining skills in the labour force. Also, by offering loans at subsidized rates, it reduces strain for staff when taking up projects for personal development. Key factors on which the disbursement of the loans is anchored to:

1. Sustainability strategy and profile -

The Revolving Fund sustainability is assured through the existence of Fund Managers/Administrators – Family Bank who ensure that the loans taken up by staff act as custodian of collaterals whilst the beneficiaries can repay the loan without strain on their financial resources as per the requirement of the 1/3rd rule. A proportion of the Income interest is also lumped up with the Fund and marginally contribute to the growth of the Fund.

2. Employee welfare

Employee welfare is essential for sustainability in the implementation of County Programmes and projects. Disbursement of the loans at the favourable rates allow for personal development whilst removing hurdles that limit their disposable income.

***Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023***

11. Report of The Trustees

The Trustees submit their report together with the financial statements for the period ended June 30, 2023 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are to grant car loans and mortgage loans to State and Public Officers of Nyandarua County.

Results

The results of the Fund for the period ended June 30, 2023 are set out on page 1


Committee

The members of the Committee who served during the period are shown on page vii.

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

 27/9/23

Mr. Muigai Wainaina
Fund Chairman

12. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial period, the Administrator of a County Public Fund established by *Section 116 of the PFM Act, 2012* 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 period ended. 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. 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 period ended June 30, 2023 and of the Fund's financial position as at that date. The Administrator further confirms 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.

***Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023***

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

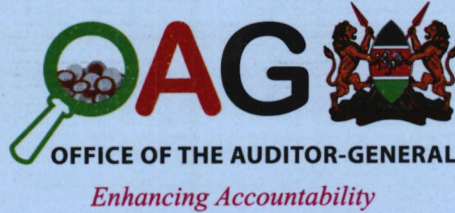
The Fund's financial statements were approved by the Board on 27/9/ 2023 and signed on its behalf by:



CPA Anne W. Kariuki
Administrator to the Fund

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NYANDARUA COUNTY EXECUTIVE (STATE AND PUBLIC OFFICERS) CAR LOAN AND MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund set out on

Report of the Auditor-General on Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund for the year ended 30 June, 2023

pages 1 to 39, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of 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 the Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund as at 30 June, 2023 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 Public Finance Management Act, 2012 and the Public Finance Management (Nyandarua County Executive State and Public Officers) Car Loan and Mortgage Scheme Fund) Regulations, 2022.

Basis for Qualified Opinion

1. Non-Performing Loans

The statement of financial position reflects Kshs.452,891,474 in respect of long-term receivables from exchange transactions. However, as reported in the previous year, the balance includes Kshs.11,585,281 in respect of loans owed by three (3) scheme members, which were not serviced during the year under review. Management explained that the loans were owed by individuals whose contracts were terminated. However, there was no evidence to confirm the efforts made by Management to recover the outstanding loan balances.

In the circumstances, the accuracy and recoverability of the loans in default could not be confirmed.

2. Non-Disclosure of Merged Prior Year Comparative Balances

Information available indicated that two former funds: Nyandarua County Civil Servants' Car Loan and Mortgage Scheme Fund and Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund were merged through the Public Finance Management (Nyandarua County Executive State and Public Officers) Car Loan and Mortgage Scheme Fund) Regulations, 2022 that resulted to a new entity known as Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund. However, contrary to the requirement of accounting standards, no disclosure was included in the financial statement to clarify the consolidated comparative figures.

In the circumstances, the accuracy of comparative balances disclosed in the financial statements could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund Management 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. There were no key audit matters to report in the year under review.

Other matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management had not resolved the issues. No satisfactory explanation was provided for the delay in resolving the issues.

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 Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, based on the audit procedures performed, 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

Inadequacies in Composition of the Loans Management Committee

Review of the composition of the loan management committee revealed absence of the Chief Officer in charge of Lands and an officer appointed by the County Secretary to represent the welfare of County staff, contrary to the provisions of Regulation 6(1) of the Public Finance Management (Nyandarua County Executive State and Public Officers) Car Loan and Mortgage Scheme Fund) Regulations, 2022.

In the circumstances, the effectiveness of the loan's management could not be confirmed. Further, the Management was in breach of the law.

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.

Basis for Conclusion

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

Responsibilities of Management and the Fund Administration Committee

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

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

Management is also responsible for the submission of the Fund's 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.

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

Auditor-General's Responsibilities for the Audit

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 controls 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 controls 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 controls 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 controls 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 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 controls.
- 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 applicable 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 Fund's ability to continue 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 Fund to cease to continue 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 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 controls 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.


 FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 December, 2023

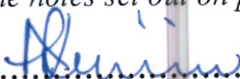
Nyandarua County Executive (State & Public) Officers' Car Loan and Mortgage Scheme Fund

Annual Report and Financial Statements for the year ended June 30, 2023

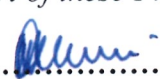
14. Statement of Financial Performance for the Period Ended 30th June 2023

	Note	2022-2023	2021-2022
		ksh	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	13,484,728	11,836,464
Other Income	5		-
Total Revenue		13,484,728	11,836,464
Expenses			
Employee Costs	6		-
Use of goods and services	7	13,117,469	10,301,653
Depreciation and Amortization Expense	8		-
Finance Costs	9		-
Total Expenses		13,117,469	10,301,653
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10		-
Surplus/(Deficit) For The Period		367,260	1,534,811

(The notes set out on pages 20 to 30 form an integral part of these Financial Statements)


.....

Name: CPA Anne W Kariuki
Administrator of the Fund
ICPAK Member No; 5194


.....

Name: CPA Margaret W Gachomo
Fund Accountant
ICPAK Member Number:14009

**Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

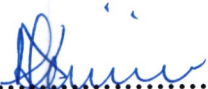
15. Statement of Financial Position as At 30th June 2023

	Note	2022-2023	2021-2022
		ksh	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	11	17,980,469	40,784,640
Current Portion of Long- Term Receivables From	12	4,199,397	34,058,211
Exchange Transactions			
Accrued interest receivable from of long-term loans of previous years	12	263,780	663
Prepayments	13	-	-
Inventories	14	-	-
Total Current Asset		22,443,646	74,843,515
Non-Current Assets			
Property, Plant and Equipment	15	-	-
Intangible Assets	16	-	-
Long Term Receivables from Exchange Transactions	12	452,891,474	330,124,345
Total Non Current Asset		452,891,474	330,124,345
Total Assets		475,335,120	404,967,860
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		-	-

**Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**


Net Assets		475,335,120	404,967,860
Revolving Fund		70,000,000	47,389,578
Transfers			18616422
Reserves		404,967,860	337,433,049
Accumulated Surplus		367,260	1,534,811
Total Net Assets and Liabilities		475,335,120	404,973,860

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Nyandarua county Executive (state& Public) Officers car loan and mortgage fund financial statements were approved on 27/9/2023 and signed by:



Name: Anne W Kariuki
Administrator of the Fund

ICPAK; Member No 5194



Name: CPA Margaret Gachomo
Fund Accountant

ICPAK Member No; 14009

Nyandarua County Executive (State & Public) Officers' Car Loan and Mortgage Scheme Fund

Annual Report and Financial Statements for the year ended June 30, 2023

16. Statement of Changes in Net Assets for the period ended 30th June 2023

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2022	337,433,049	-		337,433,049
Surplus/(Deficit) For the Period	-	-	1,534,811	1,534,811
Funds Received During the Year	66,000,000	-	-	66,000,000
Revolving fund	(18,610,422)			(18,610,422)
Transfers	18,610,422	-	-	18,610,422
Revaluation Gain	-	-	-	-
Balance As At 30 June 2021	403,433,049	-	1,534,811	404,967,860
Balance As At 1 July 2022	404,967,860	-	-	404,967,860
Surplus/(Deficit) For the Period			367,260	367,260
Funds Received During the Year	70,000,000	-	-	70,000,000
Transfers		-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2023	474,967,860	-	367,260	475,335,120



.....
Name: CPA Anne W Kariuki
Administrator of the Fund
ICPAK Member No; 5194



.....
Name: CPA Margaret Gachomo
Fund Accountant
ICPAK Member No:14009

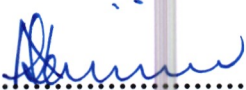
**Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

17. Statement of Cash Flows for the Period Ended 30th June 2023

	Note	2022-2023	2021-2022
			Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations	1		-
Transfers from the county government	2		-
Interest income	4	13,484,728	11,835,800
Receipts from other operating activities	5		-
Total receipts		13,484,728	11,835,800
Payments			
Fund administration expenses	6	-	497,850
General expenses/Use of Goods	7	13,117,469	9,803,803
Finance cost	9		-
		13,117,469	10,301,653
Net cash flows from operating activities	21	367,260	1,534,147
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets	15		-
Proceeds from sale of property, plant & equipment	10		-
Proceeds from loan principal repayments		38,948,570	41,823,765
Loan disbursements paid out		(132,120,000)	(102,370,000)
Net cash flows used in investing activities		(93,171,430)	(60,546,235)

**Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Cash flows from financing activities			
Proceeds from revolving fund receipts/Transfers		70,000,000	66,000,000
Additional borrowings			-
Repayment of borrowings			-
Net cash flows used in financing activities		70,000,000	66,000,000
Net increase/(decrease) in cash & cash Equivalent		(22,804,170)	6,987,912
Cash and cash equivalents at 1 July		40,784,640	33,796,728
Cash and cash equivalents at 30 June		17,980,469	40,784,640



.....
Name: CPA Anne W Kariuki
Administrator of the Fund
ICPAK Member No; 5194



.....
Name: CPA Margaret Gachomo
Fund Accountant
ICPAK Member No:14009

Nyandarua County Executive (State & Public) Officers' Car Loan and Mortgage Scheme Fund
 Annual Report and Financial Statements for the year ended June 30, 2023

18. Statement of Comparison of Budget and Actual Amounts for the Period Ended 30th June, 2023

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		% Utilisation	
	2023	Kshs	2023	Kshs	2023	Kshs	2,023	Kshs	2023	Kshs	2023	
Revenue												
Public Contributions And Donations	-		-		-		-					
Transfers From County Govt.			-		-		-					
Interest Income	13,664,774		-		13,664,774		13,484,728		180,046		99%	
Other Income	-		-		-		-		-			
Total Income	13,664,774		-		13,664,774		13,484,728		180,046		99%	
Expenses												
Fund Administration Expenses	9,809,647		-		9,809,647		9,729,647		-		99%	
Committee Allowances	3,577,431		-		3,577,431		3,113,660		463,771		87%	
Withholding tax	273,272				273,272		270,272				99%	
Bank Charges	4,425				4,425		3,890				88%	
Finance Cost	-		-		-		-		-			
Total Expenditure	13,664,774		-		13,664,774		13,117,469		463,771		95.99%	
Surplus For The Period	0		-		0		367,260					

Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund

Report and Financial Statements for the Period ended June 30, 2023

19. Notes to the Financial Statements

1. General Information

The Fund is established by and derives its authority and accountability from Public Finance Management Act, 2012. The Fund is wholly owned by the Nyandarua County Government and is domiciled in Kenya. The Nyandarua county Executive (state& Public) Officers car loan and mortgage fund's principal activity is to grant car loans and mortgage loans to civil servants of Nyandarua County.

2. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the periods presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

(i) Relevant new standards and amendments to published standards effective for the period ended 30 June 2022

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

(ii) New and amended standards and interpretations in issue but not yet effective in the period ended 30 June 2022

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: 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 Nyandarua

Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund

Report and Financial Statements for the Period ended June 30, 2023

Standard	Effective date and impact:
	<p>county Executive (state& Public) Officers car loan and mortgage fund's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <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 model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Nyandarua county Executive (state& Public) Officers car loan and mortgage fund's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Nyandarua county Executive (state& Public) Officers car loan and mortgage fund 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> <p>(a) The nature of such social benefits provided by the Nyandarua county Executive (state& Public) Officers car loan and mortgage fund;</p>

Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund

Report and Financial Statements for the Period ended June 30, 2023

Standard	Effective date and impact:
	<p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Nyandarua county Executive (state& Public) Officers car loan and mortgage fund's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement

Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund

Report and Financial Statements for the Period ended June 30, 2023

Standard	Effective date and impact:
	Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1 st January 2023.
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Nyandarua county Executive (state& Public) Officers car loan and mortgage fund.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

(iii) Early adoption of standards

The Nyandarua county Executive (state& Public) Officers car loan and mortgage fund did not early – adopt any new or amended standards in period 2023.

Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund

Report and Financial Statements for the Period ended June 30, 2023

1. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Nyandarua county Executive (state& Public) Officers car loan and mortgage fund 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.

b) Budget information

The original budget for FY 2022-2023 was approved by the County Assembly on 25th May 2022 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 Nyandarua county Executive (state& Public) Officers car loan and mortgage fund upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Nil on the FY 2022-2023 budget following the governing body's approval.

The Nyandarua county Executive (state& Public) Officers car loan and mortgage fund's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 7 of these financial statements.

Summary of Significant Accounting Policies (Continued)

c) Property, plant and equipment

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

a) 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 Nyandarua county Executive (state& Public) Officers car loan and mortgage fund 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 considering 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.

Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund

Report and Financial Statements for the Period ended June 30, 2023

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 Nyandarua county Executive (state& Public) Officers car loan and mortgage fund 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 considering 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 Nyandarua county Executive (state& Public) Officers car loan and mortgage fund assesses at each reporting date whether there is objective evidence that a financial asset or an Nyandarua county Executive (state& Public) Officers car loan and mortgage fund of financial assets is impaired. A financial asset or an Nyandarua county Executive (state& Public) Officers car loan and mortgage fund 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 Nyandarua county Executive (state& Public) Officers car loan and mortgage fund of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an Nyandarua county Executive (state& Public) Officers car loan and mortgage fund 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 Nyandarua county Executive (state& Public) Officers car loan and mortgage fund 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.

Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund

Report and Financial Statements for the Period ended June 30, 2023

Summary Of Significant Accounting Policies (Continued)

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 considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

b) 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 Nyandarua county Executive (state& Public) Officers car loan and mortgage fund.

c) Provisions

Provisions are recognized when the Nyandarua county Executive (state& Public) Officers car loan and mortgage fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Nyandarua county Executive (state& Public) Officers car loan and mortgage fund expects some or all of a provision to be reimbursed, for example, under an insurance contract,

Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund

Report and Financial Statements for the Period ended June 30, 2023

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 Nyandarua county Executive (state& Public) Officers car loan and mortgage fund does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The Nyandarua county Executive (state& Public) Officers car loan and mortgage fund 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 Nyandarua county Executive (state& Public) Officers car loan and mortgage fund 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.

d) Nature and purpose of reserves

The Nyandarua county Executive (state& Public) Officers car loan and mortgage fund creates and maintains reserves in terms of specific requirements. *Nyandarua county Executive (state& Public) Officers car loan and mortgage fund to state the reserves maintained and appropriate policies adopted.*

e) Changes in accounting policies and estimates

The Nyandarua county Executive (state& Public) Officers car loan and mortgage fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

f) Employee benefits – Retirement benefit plans

The Nyandarua county Executive (state& Public) Officers car loan and mortgage fund provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Nyandarua county Executive (state& Public) Officers car loan and mortgage fund pays fixed contributions into a separate Nyandarua county Executive (state& Public) Officers car loan and mortgage fund (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 period in which they become payable.

Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund

Report and Financial Statements for the Period ended June 30, 2023

Summary Of Significant Accounting Policies (Continued)

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.

g) 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

h) 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.

i) Related parties

The Nyandarua county Executive (state& Public) Officers car loan and mortgage fund regards a related party as a person or an Nyandarua county Executive (state& Public) Officers car loan and mortgage fund with the ability to exert control individually or jointly, or to exercise significant influence over the Nyandarua county Executive (state& Public) Officers car loan and mortgage fund, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

j) 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 period. 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 period.

k) Comparative figures

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

Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund

Report and Financial Statements for the Period ended June 30, 2023

Summary Of Significant Accounting Policies (Continued)

l) Events after the reporting period

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

m) Ultimate and Holding Nyandarua county Executive (state& Public) Officers car loan and mortgage fund

The Fund is a County Public Fund established by PFM Act under the Finance Department. Its ultimate parent is the County Government of Nyandarua.

n) Currency

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

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions – The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are described below. The Nyandarua county Executive (state& Public) Officers car loan and mortgage fund based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Nyandarua county Executive (state& Public) Officers car loan and mortgage fund. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

b) Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Nyandarua county Executive (state& Public) Officers car loan and mortgage fund
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

c) Provisions

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

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

Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund

Report and Financial Statements for the Period ended June 30, 2023

6. Notes to the Financial Statements

1. Public contributions and donations

Description	2022-2023	2021-2022
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

2. Transfers from County Government/Revolving fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers From County Govt. –Operations	70,000,000	66,000,000
Transfer from county executive car loan and mortgage fund	-	-
Total	70,000,000	66,000,000

3. Fines, penalties and other levies

Description	2022-2023	2021-2022
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	2022-2023	2021-2022
		Kshs
Interest Income From car & Mortgage Loans	13,484,728	11,835,800
Accrued Interest Income		664

Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund

Report and Financial Statements for the Period ended June 30, 2023

Interest Income On Bank Deposits		-
Total Interest Income	13,484,728	11,836,464

5. Other income

Description	2022-2023	2021-2022
	Kshs	Kshs
Insurance Recoveries	-	-
Income From Sale Of Tender Documents	-	-
Miscellaneous Income		
Total Other Income	-	-

6. Employee Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
A	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other	-	-
Total	-	-

7. Use of Goods and Services

Description	2022-2023	2021/22
		Kshs.
Fund Administration cost	9,729,647	7,408,894
Committee allowances	3,113,660	
General expenses/use of goods		2,884,900

Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund

Report and Financial Statements for the Period ended June 30, 2023

Bank Charges	3,890	7,860
Withholding tax on interest fund balance	270,272	-
Other (<i>Specify</i>)	-	-
Total	13,117,469	10,301,653

8. Depreciation and Amortization Expense

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

9. Finance costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

10. Gain/(loss) on disposal of assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, Plant And Equipment	-	-
Intangible Assets	-	-
Total	-	-

11. Cash and cash equivalents

Description	2022-2023	2021-2022
-------------	-----------	-----------

Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund

Report and Financial Statements for the Period ended June 30, 2023

		Kshs
Car Loan Account	-	-
County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	17,980,469	40,784,640
Others	-	-
Total Cash And Cash Equivalents	17,980,469	40,784,640

Notes to the Financial Statements Continued

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

		2022-2023	2021-2022
Financial Institution	Account number	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		-	-
Family Bank	037000011607	17,791,812	40,784,640
Sub- Total		17,791,812	40,784,640
d) Others(Specify)		-	-

Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund

Report and Financial Statements for the Period ended June 30, 2023

Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		17,791,812	40,784,640

12. Receivables from exchange transactions

Description	2022-2023	2021-2022
		Kshs
Current Receivables		
Interest Receivable		-
Current Loan Repayments Due	4,199,397	-
Other Exchange Debtors		-
Less: Impairment Allowance		-
Total Current Receivables	4,199,397	-
Non-Current Receivables		
Long Term Loan Repayments Due	452,891,474	363,918,776
Total Non- Current Receivables		363,918,776
Total Receivables From Exchange Transactions	457,090,871	363,918,776

Additional disclosure on interest receivable

Description	2022-2023	2021-2022
		Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years		663.00

Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund

Report and Financial Statements for the Period ended June 30, 2023

Accrued interest receivable from of long-term loans of previous years	263,780	-
Interest receivable from current portion of long-term loans issued in the current year	1,125,386	-
Current loan repayments due	1,389,166	
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	11,585,281	-
Current portion of long-term loans issued in the current year	-	-

13. Prepayments

Description	2022-2023	2021-2022
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (Specify)	-	-
Total	-	-

14. Inventories

Description	2022-2023	2021-2022
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (Specify)	-	-
Total Inventories At The Lower Of Cost And Net Realizable Value	-	-

Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund
Report and Financial Statements for the Period ended June 30, 2023

Notes to the Financial Statements (Continued)

15. Property, plant and equipment

Cost	Land and Buildings Kshs	Motor vehicles Kshs	Furniture and fittings Kshs	Computers and office equipment Kshs	Total Kshs
At 1st July 2022	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	(-)	(-)	(-)	-	(-)
Transfers/Adjustments	-	-	-	(-)	(-)
At 30th June 2023	-	-	-	-	-
At 1st July 2023	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)
Transfer/Adjustments	(-)	-	-	(-)	(-)
At 30th June, 2023	-	-	-	-	-
Depreciation And Impairment					
At 1st July 2022	(-)	(-)	(-)	(-)	(-)
Depreciation	(-)	(-)	(-)	(-)	(-)
Impairment	(-)	-	-	-	(-)
At 30th June, 2023	-	-	-	-	-
At 1st July 2023					
Depreciation	(-)	(-)	(-)	-	(-)
Disposals	(-)	-	-	-	-
Impairment	(-)	(-)	-	-	(-)

**Nyandarua County Executive (State and Public Officers) Car Loan and Mortgage Scheme Fund
Report and Financial Statements for the Period ended June 30, 2023**

Cost	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Transfer/Adjustment	-	(-)	(-)	-	-
At 30 th June, 2023	-	-	-	-	-
Net Book Values	-	-	-	-	-
At 30 th June 2022	-	-	-	-	-
At 30 th June, 2023	-	-	-	-	-

Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Notes to The Financial Statements (Continued)

16. Intangible assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Cost		
At Beginning Of The Period	-	-
Additions	-	-
At End Of The Period	-	-
Amortization And Impairment		
At Beginning Of The Period	-	-
Amortization	-	-
At End Of The Period	-	-
Impairment Loss	-	-
At End Of The Period	-	-
NBV	-	-

17. Trade and other payables from exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Payables	-	-
Refundable Deposits	-	-
Transfer to Capital	-	-
Other Payables	-	-
Total Trade And Other Payables	-	0

18. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At The Beginning Of The Period (1.07.2022)	-	-	-	-
Additional Provisions	-	-	-	-
Provision Utilised	(-)	(-)	(-)	(-)
Change Due To Discount And Time Value For Money	(-)	(-)	(-)	(-)
Transfers From Non -Current Provisions	-	-	-	-
Balance At The End Of The Period (30.06.2023)	-	-	-	-

Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements (Continued)

19. Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
Balance at Beginning of The Period	-	-
External Borrowings During the Period	-	-
Domestic Borrowings During the Period	-	-
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:

	2022-2023	2021-2022
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From ‘ Organisation’	-	-
Sterling Pound Denominated Loan From ‘Organisation’	-	-
Euro Denominated Loan from Organisation’	-	-
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 Period	-	-

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Short Term Borrowings(Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements (Continued)

20. Employee benefit obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2022-2023	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

21. Cash generated from operations

		2021-2022	2020-2021
		Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	367,260		1,534,811
Adjusted For:			
Depreciation		-	-
Amortization		-	-
Gains/ Losses On Disposal Of Assets		-	-
Interest Income			(664)
Finance Cost		-	-
Working Capital Adjustments			
Increase In Inventory		-	-
Increase In Receivables		-	-
Increase In Payables			-
Net Cash Flow From Operating Activities	367,260	-	1,534,147

Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Other Disclosures

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:

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

b) Related party transactions

	2022-2023	2021-2022
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

	2022-2023	2021-2022
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

	2022-2023	2021-2022
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Other Disclosures Continued

e) Due to related parties

	2022-2023	2021-2022
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

23. Contingent assets and contingent liabilities

Contingent Liabilities	2022-2023	2021-2022
	Kshs	Kshs
Court Case Against The Fund	-	-
Bank Guarantees	-	-
Total	-	-

Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Other Disclosures Continued

24. 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, considering 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 Nyandarua county Executive (state & Public) Officers car loan and mortgage fund'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 Nyandarua county Executive (state & Public) Officers car loan and mortgage fund'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 30th June, 2023				
Receivables From Exchange Transactions	475,335,120	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	17,791,812	-	-	-
Total	493,126,935	-	-	-
At 30 June 2022				
Receivables From Exchange Transactions	364,183,219	-	-	-
Receivables From Non Exchange Transactions	-	-	-	-
Bank Balances	40,784,640	-	-	-

Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Total	404,967,860	-	-	-
--------------	--------------------	---	---	---

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 Nyandarua county Executive (state& Public) Officers car loan and mortgage fund has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The Nyandarua county Executive (state& Public) Officers car loan and mortgage fund 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 Nyandarua county Executive (state& Public) Officers car loan and mortgage fund's short, medium and long-term funding and liquidity management requirements. The Nyandarua county Executive (state& Public) Officers car loan and mortgage fund 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 30th June, 2023				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30th June 2022				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund

Annual Report and Financial Statements for the year ended June 30, 2023

c) Market risk

The Committee has put in place an internal audit function to assist it in assessing the risk faced by the Fund 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 Fund'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 Nyandarua county Executive (state & Public) Officers car loan and mortgage fund's exposure to market risks or the manner in which it manages and measures the risk.

i. Foreign currency risk

The Nyandarua county Executive (state & Public) Officers car loan and mortgage fund has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the fund'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 30th June, 2023			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund

Annual Report and Financial Statements for the year ended June 30, 2023

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
2023			
Euro	10%	-	-
USD	10%	-	-
2021			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

Interest rate risk is the risk that the Nyandarua county Executive (state& Public) Officers car loan and mortgage fund's financial condition may be adversely affected as a result of changes in interest rate levels. The Nyandarua county Executive (state& Public) Officers car loan and mortgage fund'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 period.

Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Using the end of the period figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs 0 (2023: KShs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs (2022 – KShs 0)

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 Nyandarua county Executive (state& Public) Officers car loan and mortgage fund capital structure comprises of the following funds:

	2022-2023	2021-2022
	Kshs	Kshs
Revaluation reserve	404,967,860	337,433,049
Revolving fund	70,000,000	66,000,000
Accumulated surplus	367,260	1,534,811
Total funds	475,335,120	404,967,860
Total borrowings	-	-
Less: cash and bank balances	-17,791,812	-40,784,640
Net debt/(excess cash and cash equivalents)		
Gearing	0%	0%

25. Events after the reporting period

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

26. Ultimate and Holding Nyandarua county Executive (state& Public) Officers car loan and mortgage fund

The Nyandarua county Executive (state& Public) Officers car loan and mortgage fund is a County Public Fund established by PFM Act and Regulation 2022 under the department of Finance. Its ultimate parent is the County Government of Nyandarua.

27. Currency

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

Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund

Annual Report and Financial Statements for the year ended June 30, 2023

20. Annexes

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

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

Referen ce No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>Unsupported Committee allowances</p> <p>The statement of the Financial performance and as disclosed in note 7 to the financial statement reflects Kshs 8,778,503 in respect of use of goods and services, which include kshs 1,859,600 in respect to committee allowances. However, the balance has not been supported with names of the committee members, appointment letters, rate of payout, the number of sittings and minutes of the meeting</p>	<p>Kshs 1,859,600 in respect to committee allowances. See the support of the names of the committee members, rate of payout, the number of sittings and minutes of the meeting. The regulation stipulates who are the committee members</p>	<p>Nott Resolved- Awaiting External Auditor for Review</p>	<p>30th Dec 2023</p>
2	<p>Current portion Long term receivable from exchange Transaction.</p> <p>As Reported in the previous year, the statement of the Financial Position and as disclosed in note 12 to the Financial Statements reflects current portion of long term receivables balance of kshs 31,551,635 as at 30th June 2022, However the balance is not supported by a detailed schedule indicating the prior</p>	<p>current portion of long term receivables balance of kshs 31,551,635 as at 30 th June 2022, see the detailed schedule that is combined of long term and current receivables which indicates the prior year Opening balance, additions for the year or</p>	<p>Nott Resolved- Awaiting External Auditor for Review</p>	<p>30th Dec 2023</p>

Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	year Opening balance , additions for the year or repayment to arrive at the closing balance. In circumstances, the accuracy and completeness of the current portion of long-term receivables of ksh 31,551,635 balance could not be confirmed	repayment to arrive at the closing balance.		

Fund Administrator 

Date.....27/9/23.....

**Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Annex II: Inter-Fund Confirmation Letter

The wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 th June 20xx						
Reference Number	Date Disbursed	Amounts Disbursed by [Nyandarua county (state & public)Officers car loan and mortgage fund (Kshs) as at 30 th June 2023			Amount Received by [beneficiary Fund] (KShs) as at 30 th June 20xx (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)		
N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total						

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

Head of Accountants department of beneficiary Fund:

Name Joseph W. Wachame Sign Date 27/9/23

Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund
 Annual Report and Financial Statements for the year ended June 30, 2023

Annex III: Reporting of Climate Relevant Expenditures

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

Nyandarua County Executive (State & Public) Officers Car Loan and Mortgage Scheme Fund
 Annual Report and Financial Statements for the year ended June 30, 2023

Annex IV: Reporting on Disaster Management Expenditure

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