

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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| COMMITTEE | — |
| CLERK AT THE TABLE | CAROLINE C. |

OF

THE AUDITOR-GENERAL

ON

**NYANDARUA COUNTY ASSEMBLY
(MEMBERS) CAR LOAN AND MORTGAGE
SCHEME FUND**

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

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REPUBLIC OF KENYA
NYANDARUA COUNTY ASSEMBLY
OFFICE OF THE CLERK

NYANDARUA COUNTY ASSEMBLY

MEMBERS CAR LOAN AND MORTGAGE SCHEME FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2023

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



Nyandarua County Assembly Members car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2023

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1. Key Entity Information and Management

a) Background information

Nyandarua County Assembly members' car loan and mortgage fund is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/TS/WH/3/14 of 14th February 2014. Section 167 of the Public Finance Management (PFM) Act 2012 mandates the administrator of public funds with the preparation of annual financial statements.

For proper management of the fund and as advised by the SRC in the circular under the reference, Nyandarua County Assembly members' car loan and mortgage fund adopted the PFM regulations of 2014 to guide in the operationalization of the fund. As advised by the SRC and as provided for under regulation 16 of the said regulations, the County Assembly Service Board appointed a banking institution to manage the fund.

Nyandarua County Assembly Members' car loan and mortgage fund was incorporated/ established under the PFM Act on 30th April 2014 and it's regulated by Nyandarua County Assembly Car loan and Mortgage regulations and Salaries and Remuneration Commission circulars. The Fund is wholly owned by the County Assembly of Nyandarua and is domiciled in Kenya.

The fund has been internally administered in the County Assembly under the leadership of the clerk who doubles as the fund administrator.

The SRC in its circular reference SRC/ADM/CIR/1/13 Vol.III (128) dated 17th December 2014 provided guidelines for access of car loan and mortgage benefits by state and public officers. Arising therefrom, the County Assembly Service Board approved and adopted the Members Loans Policy Paper on 17th March 2015

The fund is wholly owned by the County Assembly of Nyandarua and is domiciled in Kenya.

b) Principal Activities

The principal activities of Nyandarua County Assembly MCAs car loan and mortgage fund is to grant car loans and Mortgages to the Members of the County Assembly of Nyandarua at a rate prescribed by the Salaries and Remuneration commission.

Vision

“The fund of choice for Members of the County Assembly.”

Mission

“To provide affordable, accessible and sustainable mortgage and car loans to the Members of the County Assembly.”

Core Values

The fund upholds the values of accountability, transparency, excellence, accessibility, integrity, responsiveness, equity and team work.

c) Board of Trustees/Fund Administration Committee

| Ref | Name | Position |
|-----|------------------------------|--------------------|
| 1 | Hon Stephen Wachira Waiganjo | Chairman |
| 2 | James Kiiru Gachomba | Vice Chairman |
| 3 | Charles Wahinya Wambui | Member |
| 4 | Samuel Mathu Wainaina | Member |
| 5 | Gideon Mukiri Muchiri | Fund Administrator |

d) Technical Committee

| Ref | Name | Position |
|-----|------------------------|---------------------------------|
| 1 | Gideon Mukiri Muchiri | County Assembly Clerk |
| 2 | Charles Wahinya Wambui | Director Finance and Accounting |
| 3 | Dominic Chege Wacera | Senior Accountant |
| 4 | Leah Njoki Wanjiku | Senior Human Resource Officer |
| 5 | Samuel Irungu Kigotho | Senior Clerk Assistant |

e) Key Management

| Ref | Position | Name |
|-----|-----------------------------|-----------------------|
| 1 | Fund Manager/ Administrator | Gideon Mukiri Muchiri |
| 2 | Fund Accountant | Dominic Chege Wacera |

f) Registered Offices

P.O. Box 720-20303
Assembly Chambers Building
Olkalou- Nairobi Highway
Olkalou, Kenya

g) Fund Contacts

Telephone: (254) 743-079333
E-mail: clerk@assembly.nyandarua.go.ke
Website: www.nyandaruaassembly.go.ke

h) Fund Bankers

Equity Bank Limited
Olkalou Branch
P.O. Box 215-20303
Olkalou-Kenya

i) Independent Auditors



Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 3008- 00100
Nairobi, Kenya

j) Principal Legal Adviser

The County Attorney
County Government of Nyandarua
P.O. Box 721-20303
Olkalou, Kenya

2. The Board of Trustees

The board of trustees during the financial year consisted of:

| | |
|---|---|
|  | <p>Hon Stephen Wachira Waiganjo – Chair – Board of Trustees</p> <p>Hon. Stephen Wachira Waiganjo is the speaker of Nyandarua County Assembly, and was sworn in on 23rd September 2022.</p> <p>He is also the Chairperson of the Count Assembly Service Board , and is an innovative, self-motivated, hardworking, committed and a result-oriented leader.</p> <p>Before joining the Assembly, he was the managing partner at Wachira Waiganjo & Company Advocates. He previously worked as a Senior Legal Researcher at Kithure Kindiki and Company Advocates.</p> <p>Hon. Waiganjo holds a Bachelors of Law degree from the University of Nairobi, a Diploma in Law from Kenya School of Law and a Certificate in Computer Science and Information Technology.</p> |
|  | <p><u>Gideon Mukiri Muchiri – Ag. Clerk</u></p> <p>Mr. Mukiri is the Director of ICT and Corporate Communications and the Acting Clerk.</p> <p>He is a computer programmer, system analyst and software engineer.</p> <p>Mr Mukiri holds a Master’s degree MBA in business administration (strategic management option) and Bachelor of Science degree in information Systems from Laikipia University.</p> <p>He is also a member of Computer Society of Kenya CSK and an associate member of Kenya institute of management KIM</p> |



Charles Wahinya Wambui-Member

He is Currently the Director Finance Accounting, Budget and Economic Planning

He has a vast experience in Public Finance for 25Periods,

Mr Wahinya holds a Bachelor of Commerce degree accounting option

He is also a certified public accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK).



Hon. SAMUEL MATHU WAINAINA

Hon Samuel Mathu Wainaina is the MCA for Mirangine Ward serving his second consecutive term.


He is the Vice- chairperson of both Nyandarua County Assembly Service Board(CASB) and the Committee on Powers and Privileges.

He is also a member of the County Public Accounts and Investments; Agriculture, livestock and Fisheries; and Water, Environment, Climate Change and Natural Resources.

Hon Mathu holds a Bachelor's Degree in Public Administration and Governance, Diploma in Water Resources Management from Kenya Water Institute and a Diploma in Community Development and Social work form Mount Kenya University.

Before he joined the Assembly, he was the Director of Sawath Africa Sawmill. He has also worked in the technical department of Nakuru Water and Sanitation Company

Other responsibilities he held previously were being the treasurer on Mirangine Youth Sacco, vice chairperson of

| | |
|--|--|
| | <p>Mirangine District Youth Council and Treasurer of Nakumira Company.</p> |
|  | <p>HON JAMES KIIRU GACHOMBA</p> <p>Hon Kiiru Gachomba is a veteran politician serving his third term as the MCA for Njabini Kiburu Ward in Nyandarua County Assembly.</p> <p>He is a member of Nyandarua County Assembly Service Board (CASB) and vice chairperson Special Funds Accounts Committee.</p> <p>He is also a member of the County Budget and Appropriations; Public Service, Administration and Devolution; Tourism, Cooperatives Development, Trade and Industrialization.</p> <p>In his first two terms as the MCA he served as the Chairperson of the Budget and Appropriations Committee. He was a member of Agriculture, Livestock, and fisheries committee; Youth affairs, Sports and the Arts committee; legal Affairs, labor, intergovernmental Relations & Coordination Committee.</p> <p>Before he was elected as the MCA, hon Gachomba was a councilor representing the same ward in the defunct Nyandarua County Council where he served as the chairperson of the powerful Audit Committee and a member of town planning and Education.</p> <p>Hon Gachomba holds a degree in Community Development from Laikipia University and a Diploma in County Governance from Jomo Kenyatta University of Agriculture and Technology.</p> |



Commissioner Emma Mwihaki Kibiro-Member

Ms. Emma Mwihaki Kibiro is a member of Nyandarua County Assembly Service Board (CASB) and was sworn in on 23rd November 2022.

The County Assembly Service Board directs and supervises administration of services in the Assembly among other roles.

Ms Emma is a scientific researcher professional with experience. Her finest skills are in data management and presentation, proposal development and scientific research consultancy.

Before her appointment, she worked as a Research Officer at Nyandarua County Assembly, and previously worked as an expert reviewer at Vick Agricare, and as a Research Scientist at the National Museums of Kenya. She holds a Master of Science in Mycology from the University of Eldoret and a Bachelor of Science in Microbiology from Moi University.

She is currently pursuing a Bachelor of Law degree at Mount Kenya University and a Doctor of Philosophy (PhD) in Plant Pathology from University of Eldoret.



FR. PAUL MWANGI WANJORA-MEMBER

Fr. Paul Mwangi Wanjora is A Member of Nyandarua County Assembly Service Board (CASB) and was sworn in on 23rd November 2022.

He is also the Father in charge Tumaini Catholic Parish and also an associate pastor at Rironi Catholic Parish.

The County Assembly Service Board directs and supervises administration of services in the Assembly among other roles.

Before being appointed to CASB, Fr. Wanjora was a legal advisor at Nyandarua County Government and a legal officer at the Catholic Diocese of Nyahururu.

Previously, he served as the Father in charge of St.Paul Murungaru Catholic Parish and practiced Law with Kinyua Njogu and Company Advocates in Nyahururu.

Fr. Wanjora holds a Bachelor of Law degree from the University of Nairobi and a Diploma in Law from the Kenya School.

He also holds a Bachelor of Arts in Theology from St. Thomas Aquinas Seminary and a Bachelor of Arts in Philosophy from Urbanianan University.

3. Management Team

The management during the financial Period consisted of:



Gideon Mukiri Muchiri – Fund Administrator.

Mr. Mukiri is the Director of ICT and Corporate Communications and the Acting Clerk.

He is a computer programmer, system analyst and software engineer.

Mr Mukiri holds a Master’s degree MBA in business administration (strategic management option) and Bachelor of Science degree in information Systems from Laikipia University.

He is also a member of Computer Society of Kenya CSK and an associate member of Kenya institute of management KIM



Dominic Chege Wacera– Fund Accountant

Mr. Dominic was appointed as the Fund Accountant on 5th October 2016.

He is a Senior Accountant at Nyandarua County Assembly where he has served since 2014.

He holds a Bachelor of Arts (Economics) from the University of Nairobi and a Master of Science in Finance (MSC Finance) from the University of Nairobi.

He is also a Certified Public Accountant CPA(K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK)

4. Board/Fund Chairperson's Report

It is my pleasure to present, on behalf of the board of trustees, Nyandarua County Assembly MCAs car loan and mortgage fund's financial statements for the Period ended 30th June 2023. The financial statements present the financial performance of the fund over the past Period.

The Nyandarua County Assembly MCAs car loan and mortgage fund was established through approval of the County Assembly, under Regulations 2015 and accordance with Public Finance Management Act, 2012.

Sustainability

The fund and its stakeholders are increasingly emphasizing on the need to ensure sustainability for both its investments and its resource mobilization and financing capabilities with an objective of ensuring that the fund's going concern is secured. The fund has conducted a basic assessment of available options for feasible financing tools that would assure the fund of its long-term sustainability. The fund has reviewed its current resource mobilization strategies and proposed feasible sustainability financing options.

Review of performance

The Nyandarua County Assembly MCAs Car Loan and Mortgage Fund initial capital consisted of the monies appropriated by the County Assembly in the FY 2013/14 amounting to Kshs 131 Million to operate as a revolving fund with annual increase from the Assembly's budget based on anticipated credit needs projections, funds available as well as repayments from the beneficiaries. In the FY 2014/2015, the fund grew with a further Ksh 74,000,000 and a further Ksh 5,000,000 in the FY 2015/2016 totalling to Ksh 210,000,000 in the revolving fund.

During the financial year 2021/2022, Ksh 82 Million and a further Ksh 90.692 Million was transferred from the fund and used to advance car grants and transport facility reimbursement to the members of the County Assembly while Ksh 114,921,255 was

*Nyandarua County Assembly Members Car Loan and Mortgage Scheme Fund
Reports and Financial Statements for The Year Ended June 30, 2023*

allocated by the National treasury and used to grow the revolving fund. In effect, as at 30th June 2023, the total value of the fund was Ksh 105,423,880

Future outlook

The outlook of the Fund for 2022/2023 looks brighter. The fund focus is looking to build a robust and sustainable fund with a motivated workforce and structures that enhance efficiency and effectiveness in the service delivery. The fund looks forward to continued support from the county government and the National treasury to the realization of its mandate.

Appreciation

I take this opportunity to express my sincere gratitude and appreciation to the National Treasury, County Assembly, stakeholders, management, Members and fellow trustees for their continued support which made us achieve these results.

I look forward to your continued support in the future.

Signed: _____

Hon Stephen Wachira Waiganjo

The Chairman

Nyandarua County Assembly MCAs car loan and mortgage fund

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

Introduction

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

The key development objectives of the Fund as per the strategic plan for the period 2022 - 2027 are to:

- a) *To institutionalize employee welfare and wellness support programme*

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

| Program | Objective | Outcome | Indicator | Performance |
|------------------------|---|--|----------------------|---|
| Institutional Capacity | To institutionalize employee welfare and wellness support | Available Members car loan and mortgage scheme | Budgetary allocation | In FY 22/23 the allocation for Members car loan and mortgage was Kes. 114.9M which was absorbed |

6. Report of the Fund Administrator

It is my pleasure to present the Nyandarua County Assembly MCAs car loan and mortgage fund's financial statements for the Period ended 30th June 2023. The financial statements present the financial performance of the fund over the past Period.

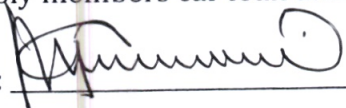
Financial Performance

During the period July 2022 to 30th June 2023, Ksh 114,921,255 was received as an appropriation from the annual budget of Nyandarua County Assembly . The fund therefore opened with a balance of Ksh 78,000,000 and ended with Ksh 105,423,880 in revolving fund in the period under review, having issued car reimbursements worth Ksh 90,692,000

The year was good in general despite the political wrangles. Good progress was made and the momentum has been created to enable the fund continue on a trajectory into prosperity. We have identified gaps and areas to improve on in the subsequent Periods. Finally, we are confident that the Fund will sustain the impressive performance to the future which is prerequisite in meeting its goals and objectives of providing affordable loan products to the Members

I take this opportunity to thank the board of trustees for their support. I would also want to thank all Members who we have worked hand in hand to ensure that Nyandarua County Assembly members car loan and mortgage fund achieves its mission.

Signed: _____



Gideon Mukiri Muchiri

Fund Administrator.

7. Corporate Governance Statement

THE BOARD

Nyandarua County Assembly members Car loan and Mortgage scheme is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/TS/WH/3/14 of 14th February 2014 and Section 167 of the Public Finance Management (PFM) Act 2012. Its mandate is to provide mortgage and car loans to members of Members. The fund is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. Essential to the establishment of a corporate governance framework in the fund is a formal governance structure with the board of trustees at its apex. The operations of the fund are governed by Public Finance Management regulations as well as Salaries and remuneration Commission. The structure is designed to ensure an informed decision-making process based on accurate reporting to the board.

THE BOARD OF TRUSTEES

The trust deed of 2014 provides that the board of trustees shall be made up of five trustees, including the chairman, and shall consist of a chairperson and five other members identified for appointment through a competitive process. The board of trustees is responsible for the long-term strategic direction of the fund and recruitment of the Fund Administrator and senior management. The board of trustees exercise leadership, enterprise, integrity and judgment in directing the Fund.

The trustees are provided with full, appropriate and timely information that enables them to maintain full and effective control over the strategic, financial, operational and compliance issues. The day-to-day running of the operations of the fund is delegated to the fund administrator but the board of trustees is responsible for establishing and maintaining the fund's system of internal controls for the realization of its mandate of providing financial support for adequate services.

All members of the board of trustees have been taken through a comprehensive induction programme, and are adequately trained on their roles as board members. The trustees are

professional, committed and guided by the mission, vision and core values of the Fund in execution of their duties. At the end of each financial year, the board, its committees, individual trustees and the Fund Administrator are evaluated by an independent body against targets agreed to at the beginning of the year.

BOARD MEETINGS

The board of trustees meets monthly or as needs arises in order to monitor the implementation of the fund's strategic plan and achievement of the targets in the performance contract signed with the county assembly and consider loan applications. The board of trustees also plays an oversight role over all other financial and operational issues.

AUDIT AND RISK COMMITTEE

In ensuring that corporate governance and integrity is enhanced in between the governance of the fund, the board of trustees has established an audit and risk committee. The committee was established to advice the board of trustees on institutional risk management and compliance. The committee held eight meetings and prepared several reports during the year. The committee also met the Fund's external auditors from the Office of the Auditor General to deliberate on risk management issues. The members of this committee during the year under review were:

| S/No. | Name | Position in committee | Period Served |
|--------------|---------------------|--------------------------------------|------------------------------------|
| 1 | Joachim Githinji | Chairperson | 1 st April 2020 to date |
| 2 | Mrs. Beth Wang'ombe | Vice Chairperson | 2016-to date |
| 3 | Ms. Damaris Wanjiku | Member | 1 st April 2020 to date |
| 4 | Mr. Charles Wahinya | Member | 2016-to date |
| 5 | Mr. Charles Kimani | Secretary | 2016-to date |

STATEMENT OF COMPLIANCE

The board of trustees confirms that the fund has throughout the FY2020/2021 complied with all statutory and regulatory requirements and that the fund has been managed in accordance with the principles of good corporate governance. External legal audit was conducted which confirmed that the institution had complied with all relevant laws, regulations and requirements.

INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control

The trustees are responsible for reviewing the effectiveness of the fund's system of internal control which is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against unauthorized use or disposition and the maintenance of proper accounting records and the reliability of financial information used within the business or for publication. These controls are designed to manage rather than eliminate the risk of failure to achieve business objectives due to circumstances which may reasonably be foreseen and can only provide reasonable and not absolute assurance against material misstatement or loss.

Standing Instructions

The fund has a Code of Ethics and Service Charter that is applicable to all employees. These have a number of standing instructions to employees of the fund designed to enhance internal control.

Organization Structure

A clear organizational structure exists, detailing lines of authority and control responsibilities. The professionalism and competence of Members is maintained both through rigorous recruitment policies and a performance appraisal system which establishes targets, reinforces accountability and awareness of controls, and identifies appropriate training requirements. Training plans are prepared and implemented to ensure that Members develop and maintain the required skills to fulfil their responsibilities, and that the fund can meet its future management requirements.

Strategic Plan

The business of the fund is determined by the strategic plan. The strategic plan sets out the objectives of the fund, and the annual targets to be met to attain those objectives. The strategic plan is evaluated annually to assess the achievement of those objectives. The board on an annual basis approves the work plan supported by the financial plan for the year. Progress against the plan is monitored on a quarterly basis.

Internal Control Framework

The fund continues to review its internal control framework to ensure it maintains a strong and effective internal control environment. Business processes and controls are reviewed on an ongoing basis. A risk-based audit plan, which provides assurance over key business processes and operational and financial risks facing the fund, is approved by the audit and risk committee. The audit and risk committee considers significant control matters raised by management and both the internal and external auditors and reports its findings to the board. Where weaknesses are identified, the committee ensures that management takes appropriate action. No significant failings or weaknesses were identified during the FY 2022/2023.

Risk Management

The fund has in place a risk management framework which guides the fund in identifying, assessing and managing the risks. The fund has developed a risk register which documents and prescribes mitigating measures of all the risks both external and internal facing the fund. The risk management framework and register are regularly reviewed to incorporate any emerging issues in the operating environment. The risk management is coordinated by the head of internal audit, who reviews all the risks in the fund and updates the risk register and ensures that all new and emerging risks are appropriately evaluated and any further actions identified. The identified risks are reported to the audit and risk committee to assist the board in the management of risks.

Management Team

The management team headed by the Fund Administrator implements the board decisions and policies through action plans. The team meets regularly to review these action plans to ensure that the board's objectives are achieved effectively and efficiently.

Auditor: The fund is audited by the officers from the Office of the Auditor-General.

8. Management Discussion and Analysis

The fund has continued to grow over the years and the management has put measures in place to safeguard against risks.

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 Members with an established credit history.

The management has ensured that we comply with statutory requirements relating to the functions of the fund and also making sure that statutory deductions are remitted on time to avoid incurring penalties and interests for non-compliance.

BUSINESS PERFORMANCE

Revenue

The fund earned revenues amounting to Kes. 3,201,130 from interest earned on loans disbursed.

Cash flow

The cash and cash equivalents increased stood at Kes. 176,696,608 as at 30th June 2023. There was significant cash inflow from collections from Members, insurance deducted and disbursements from the County Revenue Fund.

OPERATIONAL PERFORMANCE

The fund's core operating activity has been the offering mortgage and car loans to members of Members. The County Assembly has supported the fund and increased collections from members of Members has also added to the fund's better performance.

Employees

Human capital is a critical ingredient towards ensuring realisation of our key strategic objectives and mandate. As our stakeholders increase their expectations, it is imperative to ensure adequate and motivated human resource capacity is available to provide services.

Through concerted team efforts by management and members of Members, the fund attained an overall performance contractual rating of "Very Good" as at the end of the financial year. In the same period, Members satisfaction index which measures Members perceptions improved from 76% in the previous year to 78% in the period.

Conclusion

We appreciate the unrelenting support from the board of trustees, management, Members, the county government, development partners and all the key stakeholders. We look forward to the continued partnerships and cooperation in areas of mutual interest in the FY 2023/2024.

9. Environmental and Sustainability Reporting

Corporate social responsibility is an integral part of our culture. As a responsible organisation, we respect the interests of our stakeholders – our employees, customers, suppliers and the wider community and we actively seek opportunities both to improve the environment and to contribute to the well-being of the communities around us.

During the period under review, the fund was not engaged in any corporate social responsibility activities

We are looking forward to getting involved more in these and other areas, and the management team has been tasked with coming up with more CSR ideas.

10. Report of The Trustees

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

Principal activities

The principal activity of the Fund is to provide financing to the members of Members to purchase cars for personal use and build or renovate residential houses.

Results

The results of the Fund for the year ended 30th June 2023 are set out on pages 11 to 28.


Trustees

The members of the Board of Trustees who served during the year are shown on page 4. There were changes in the Board during the period under review.

Auditors

The Office of 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

Signed: 

Date: 29/09/2023

Stephen Wachira Waiganjo

Chairperson of the Board

11. Statement of Management's Responsibilities

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

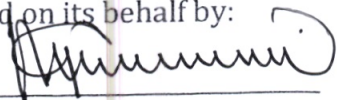
The Clerk of the County assembly who is the administrator of the Nyandarua Members Car Loan and Mortgage Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2023. 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 Nyandarua Members Car Loan and Mortgage 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 is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the period ended June 30, 2023, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Nyandarua Members Car Loan and Mortgage 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 29/09/2023 and signed on its behalf by:



Administrator of the County Assembly Members Car Loan and Mortgage Fund

REPUBLIC OF KENYA

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



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON NYANDARUA COUNTY ASSEMBLY (MEMBERS) 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 Assembly (Members) Car Loan and Mortgage Scheme Fund set out on pages 1 to 23, which

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

comprise 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Nyandarua County Assembly (Members) 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 Assembly (Members) Car Loan and Mortgage Scheme Fund) Regulations, 2021.

Basis for Qualified Opinion

1. Inconsistencies Between the Statement of Financial Performance and the Statement of Comparison of Budget and Actual Amounts

Review of the financial statements revealed un-explained and unreconciled variances between the statement of financial performance and the statement of comparison of budget and actual amounts as analyzed below;

| Item | Statement of Financial Performance Balance (Kshs.) | Statement of Comparison of Budget and Actual Balance (Kshs.) | Variance (Kshs.) |
|----------------|---|---|-------------------------|
| Total Revenue | 3,201,130 | 321,993,130 | 318,792,000 |
| Total Expenses | 6,505 | 318,792,000 | 318,785,495 |

Additionally, the statement of comparison of budget and actual amounts has not been presented and disclosed in accordance with the approved and recommended format as follows:

- i. The column for adjustments which accounts for changes/movement in the various balances was not included and as such it was not possible to account for the changes noted between the original budget and actual on comparable basis columns.
- ii. There was no reconciliation statement to account for the differences noted between the statement of financial performance (prepared on accrual basis) and statement of comparison of budget and actual amounts (prepared on cash basis).

In the circumstances, the accuracy and completeness of both statements of financial performance and comparison of budget and actual amounts could not be confirmed.

2. Cash Deposit in a Bank Under Receivership

The statement of financial position reflects cash and cash equivalents balance of Kshs.176,696,608 as disclosed in Note 4 to the financial statements. However, as reported in previous year, the balances include an amount of Kshs.50,000,000 deposited in a local bank in Receivership and held in trust by Kenya Deposit Insurance Corporation (KDIC) whose access is restricted to the Fund.

In the circumstances, the accuracy, completeness and existence of the cash and cash equivalents balance of Kshs.50,000,000 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 Assembly (Members) 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 report of the previous year, several issues were raised under opinion paragraph and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or given any explanation for failure to resolve the issues contrary to Section 149(2)(l) of the Public Finance Management Act, 2012 which require accounting officers designated for county government entities to try to resolve any issues resulting from an audit that remain outstanding.

In the circumstances, the issues remain unresolved.

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, I confirm that, nothing 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

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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Failure to Develop a Risk and Fire Management Strategy

As reported in the previous year, the Fund has not developed a risk and fire management strategy. This is contrary to Regulation 158(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that 'the Accounting Officer shall ensure that (a) the County Government entity develops risk management strategies, which include fraud prevention mechanism; and (b) the County Government entity develops a system of risk management and internal control that builds robust business operations. Failure to develop a risk management strategy may impair the effectiveness in managing a robust business operation of the Fund.

In the circumstances, the effectiveness of the internal controls mechanism to handle risks could not be confirmed.

2. Lack of a Finance and Accounting Policy Manual

Audit review of the Fund's records revealed that it has not developed its own finance and accounting manual among other policy manuals or adopted the County Assembly's one to guide Management in processing financial transactions. This is contrary to Section 149 (2)(e) of the Public Finance Management Act, 2012 which states that an Accounting Officer for a County Government entity is accountable to the County Assembly for ensuring that all applicable accounting and financial controls, systems, standards, laws and procedures are followed when procuring or disposing of goods, adequate arrangements are made for their custody, safeguarding and maintenance'.

In the circumstances, the effectiveness of the accounting and financial system in place could not be confirmed.

3. Information, Communication and Technology (ICT) Environment

Review of the Fund's ICT environment revealed that there was no approved ICT Policy in place during the year under review, which includes data security policy, and disaster recovery plans. Further, the Fund's ICT structure was not provided for audit review. In addition, the Fund did not have an Information Technology (IT) steering committee for

ensuring effective IT controls and strategies. There is no evidence that the Fund adopted the Nyandarua County Assembly's ICT policies and strategies.

In the circumstances, the effectiveness of the ICT controls could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the 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 financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

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

Auditor-General's Responsibilities for the Audit

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 controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal 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's 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 control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

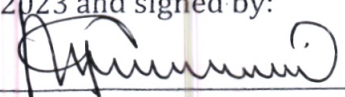
13 March, 2024


Nyandarua County Assembly Members Car Loan and Mortgage Scheme Fund
Reports and Financial Statements for The Year Ended June 30, 2023

13. Statement of Financial Performance for the Year Ended 30th June 2023

| Description | Note | 2023 | 2022 |
|---|------|------------------|------------------|
| | | Kes. | Kes. |
| Revenue from exchange transactions | | | |
| Interest income | 1 | 3,201,130 | 670,177 |
| Other income | | - | 587,602 |
| | | | |
| Total revenue | | 3,201,130 | 1,257,779 |
| Expenses | | | |
| Fund administration expenses | 2 | - | 670,177 |
| Staff Costs | 2 | - | 587,602 |
| Finance costs/bank Charges | 3 | 6,505 | 0 |
| Total expenses | | 6,505 | 1,257,779 |
| Other gains/losses | | | |
| Gain/loss on disposal of assets | | - | - |
| Surplus/(deficit) for the period | | 3,194,625 | 0 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29/09/2023 and signed by:


Administrator of the Fund
Gideon Mukiri Muchiri


Fund Accountant
Dominic Chege Wacera

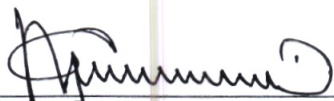
ICPAK Member Number: 15593

*Nyandarua County Assembly Members Car Loan and Mortgage Scheme Fund
Reports and Financial Statements for The Year Ended June 30, 2023*

14. Statement of Financial Position as at 30th June 2023

| Description | Note | 2023 | 2022 |
|--|------|--------------------|--------------------|
| | | KShs | KShs |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 4 | 126,696,608 | 78,000,000 |
| Under Moratorium | | 50,000,000 | 50,000,000 |
| Non-current assets | | | |
| Property, plant and equipment | | - | - |
| Intangible assets | | - | - |
| Long term receivables from exchange transactions | 5 | 212,500,619 | |
| Total assets | | 389,197,227 | 128,000,000 |
| Liabilities | | | |
| Accrued Insurance | 6 | 585,193 | - |
| Accrued Repayments | 12 | 105,088,154 | - |
| Net assets | | | |
| Revolving Fund | 10 | 280,329,255 | 128,000,000 |
| Reserves | | - | - |
| Accumulated surplus | 11 | 3,194,625 | |
| Total net assets and liabilities | | 389,197,227 | 128,000,000 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29/09/2023 and signed by:



Administrator of the Fund
Gideon Mukiri Muchiri

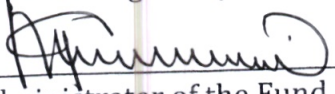



Fund Accountant
Dominic Chege Wacera
ICPAK Member Number: 15593

15. Statement of Changes in Net Assets as at 30th June 2023

| Description | Revolving Fund | Accumulated Surplus | Total |
|--|----------------|---------------------|--------------|
| Balance as at 1 July 2018 | 210,000,000 | - | 210,000,000 |
| Surplus/(deficit) for the period | - | - | - |
| Funds received during the Period | | - | |
| Revaluation gain | - | - | - |
| Balance as at 30 September 2019 | 210,000,000 | - | 210,000,000 |
| Balance as at 1 July 2020 | 210,000,000 | - | 210,000,000 |
| Funds Transferred to Car Grant | 80,000,000 | - | |
| Revaluation gain | - | - | - |
| Balance as at 30 June 2021 | 130,000,000 | - | 130,000,000 |
| Balance as at 1 July 2022 | 128,000,000 | - | 128,000,000 |
| Funds Received from Administrator | 128,100,000 | | 128,100,000 |
| Surplus during the year | | 3,194,625 | 3,194,625 |
| Funds Transferred to Car Grant | (90,692,000) | - | (90,692,000) |
| Funds Received during the period | 114,921,255 | - | 114,921,255 |
| Balance as at 30 th June 2023 | 280,329,255 | 3,194,625 | 283,523,880 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29/09/2023 and signed by:


 Administrator of the Fund
 Gideon Mukiri Muchiri

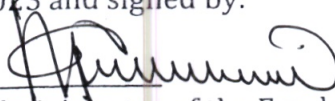

 Fund Accountant
 Dominic Chege Wacera
 ICPAK Member Number: 15593


*Nyandarua County Assembly Members Car Loan and Mortgage Scheme Fund
Reports and Financial Statements for The Year Ended June 30, 2023*

16. Statement of Cash Flows for the year ended 30 June 2023

| | Not e | 2023 | 2022 |
|---|----------|--------------------|--------------------|
| | | KShs | KShs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Interest received | 1 | 3,201,130 | 670,177 |
| Receipts from other operating activities | | - | 587,602 |
| Total Receipts | | 3,201,130 | 1,257,779 |
| Payments | | | |
| Fund administration expenses | 2 | 0 | 670,177 |
| General expenses/Staff Costs | 2 | | 587,602 |
| Finance cost | 3 | 6,505 | |
| Total Payments | | 6,505 | 1,257,779 |
| Net cash flows from operating activities | | 3,194,625 | 0.00 |
| Cash flows from investing activities | | | |
| Proceeds from sale of property, plant and equipment | | - | - |
| Proceeds from loan principal repayments | 7 | 23,272,728 | 0 |
| Transfer to Car grant | 8 | - 90,692,000 | - 2,000,000 |
| Net cash flows used in investing activities | | -67,419,272 | -0 |
| Cash flows from financing activities | | | |
| Proceeds from revolving fund receipts | 13 | 114,921,255 | |
| Interest earned on savings | | | |
| Insurance Paid Out | 9 | -2,000,000 | |
| Net cash flows used in financing activities | | 112,921,255 | -2,000,000 |
| Net increase/(decrease) in cash and cash equivalents | | 48,696,608 | -2,000,000 |
| Cash and cash equivalents at 1 JULY | | 128,000,000 | 130,000,000 |
| Cash and cash equivalents at 30th June | | 176,696,608 | 128,000,000 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29/09/2023 and signed by:


Administrator of the Fund
Gideon Mukiri Muchiri

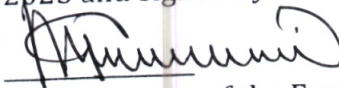

Fund Accountant
Dominic Chege Wacera
ICPAK Member Number: 15593

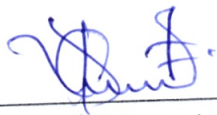
Nyandarua County Assembly Members car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2023

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

| Description | Original budget | Actual on comparable basis | Performance Difference | % utilisation |
|-----------------------------|-----------------|----------------------------|------------------------|---------------|
| CASH AT BANK | 78,000,000 | 78,000,000 | 0 | 100 |
| EXCHEQUER RECEIPTS | 114,921,255 | 114,921,255 | 0 | 100 |
| FROM ADMINISTRATOR | 114,696,887 | 102,598,017 | 12,098,870 | 89 |
| PROJECTED INTEREST | 3,201,130 | 3,201,130 | 0 | 100 |
| PROJECTED REPAYMENTS | 23,272,728 | 23,272,728 | 0 | 100 |
| TOTAL PROJECTED REVENUES | 334,092,000 | 321,993,130 | 12,098,870 | 96 |
| ADMINISTRATIVE COSTS | 400,000 | 6,505 | 393,495 | 2 |
| LOAN DISBURSEMENT | 239,000,000 | 228,100,000 | 10,900,000 | 95 |
| CAR REIMBURSEMENT | 90,692,000 | 90,692,000 | 0 | 100 |
| PROJECTED SURPLUS | 4,400,000 | 3,201,130 | 1,198,870 | 73 |
| TOTAL PROJECTED EXPENDITURE | 329,692,000 | 318,792,000 | 10,900,000 | 97 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29/09 2023 and signed by:


 Administrator of the Fund
 Gideon Mukiri Muchiri


 Fund Accountant
 Dominic Chege Wacera
 ICPAK Member Number: 15593

*Nyandarua County Assembly Members Car Loan and Mortgage Scheme Fund
Reports and Financial Statements for the Year Ended June 30, 2023*

18. Significant Accounting Policies

1. General Information

Nyandarua County Assembly Members Car loan and Mortgage Fund was incorporated/ established under the PFM Act on 30th April 2016 and it's regulated by Nyandarua County Assembly Car loan and Mortgage regulations and Salaries and Remuneration Commission circulars.

2. Statement of compliance and basis of preparation

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

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

3. Adoption of new and revised standards

(i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2023

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 year ended 30 June 2023

| 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 Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: |

*Nyandarua County Assembly Members Car Loan and Mortgage Scheme Fund
Reports and Financial Statements for the Year Ended June 30, 2023*

| Standard | Effective date and impact: |
|---|--|
| | <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 Entity'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 Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. |
| <p>Amendments to Other IPSAS resulting from</p> | <p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> 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. |

*Nyandarua County Assembly Members Car Loan and Mortgage Scheme Fund
Reports and Financial Statements for the Year Ended June 30, 2023*

| Standard | Effective date and impact: |
|---------------------------------|---|
| IPSAS 41, Financial Instruments | <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> |
| Other improvements to IPSAS | <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 <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> |
| IPSAS 43 | <p>Applicable 1st January 2025</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</p> |

*Nyandarua County Assembly Members Car Loan and Mortgage Scheme Fund
Reports and Financial Statements for the Year Ended June 30, 2023*

| Standard | Effective date and impact: |
|---|---|
| | <p>financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> |
| <p>IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations</p> | <p>Applicable 1st January 2025</p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</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 entity did not early – adopt any new or amended standards in year 2023.

*Nyandarua County Assembly Members Car Loan and Mortgage Scheme Fund
Reports and Financial Statements for the Year 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 entity and can be measured reliably.

ii. Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2022-2023 was approved by the County Assembly on 23rd 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 entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Kes. 30 million on the FY 2022-2023 budget following the governing body's approval.

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

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

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

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Reports and Financial Statements for the Year Ended June 30, 2023
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 entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Intangible Assets

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

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

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 Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

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

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

Summary Of Significant Accounting Policies (Continued)

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 Entity.

c) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

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Summary Of Significant Accounting Policies (Continued)*

Contingent assets

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

d) Nature and purpose of reserves

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

e) Changes in accounting policies and estimates

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

f) Employee benefits - Retirement benefit plans

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

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

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.

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Summary Of Significant Accounting Policies (Continued)*

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

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 year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

k) Comparative figures

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

l) Events after the reporting period

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

m) Ultimate and Holding Entity

Nyandarua County Assembly Members Car loan and Mortgage Fund was incorporated/ established under the PFM Act on 30th April 2016 and it's regulated by Nyandarua County Assembly Car loan and Mortgage regulations and Salaries and Remuneration Commission circulars. Its ultimate parent is the County Government of Nyandarua.

n) Currency

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

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Summary Of Significant Accounting Policies (Continued)*

o) 5. Significant judgments and sources of estimation uncertainty

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

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

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

b) Useful lives and residual values

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

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

c) Provisions

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

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

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Other Disclosures

p) Financial risk management

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

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

a) Credit risk

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

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

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

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

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

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

b) Liquidity risk management

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

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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.

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

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

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.

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ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kes. xxx (2022: Kes. xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kes. xxx (2021 – Kes. xxx)

d) Capital risk management

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

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19. Notes to the Financial Statements

1. Interest Income

| Description | 2023 | 2022 |
|-------------------------------------|------------------|------------------|
| | Kes. | Kes. |
| Interest income from mortgage loans | 3,201,130 | 670,177 |
| Other Income | - | 587,602 |
| Total interest income | 3,201,130 | 1,257,779 |

2. Fund Administration Expenses

| Description | 2023 | 2022 |
|------------------------------|----------|------------------|
| | Kes. | Kes. |
| Fund Administration Costs | 0 | 670,177 |
| Staff Costs | - | 587,602 |
| Total interest income | 0 | 1,257,779 |

3. Finance costs

| Description | 2023 | 2022 |
|--------------|--------------|----------|
| | Kes. | Kes. |
| Bank Charges | 6,505 | - |
| Total | 6,505 | - |

4. Cash and cash equivalents

| Description | 2023 | 2022 |
|--|--------------------|--------------------|
| | Kes. | Kes. |
| Equity Bank AC Number 0620267678184 | 126,696,608 | 78,000,000 |
| Under Moratorium in KDIC | 50,000,000 | 50,000,000 |
| Total cash and cash equivalents | 176,696,608 | 128,000,000 |

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Non-Current Receivables from exchange transactions

| Description | 2023 | 2022 |
|---|--------------------|----------|
| | Kes. | Kes. |
| Non Current receivables | | |
| Long term loan repayments due | 212,500,619 | - |
| Total Non current receivables | 212,500,619 | - |
| Total receivables from exchange transactions | 212,500,619 | - |

6. Trade and other payables from exchange transactions

| Description | 2023 | 2022 |
|---------------------------------------|----------------|----------|
| | Kes. | Kes. |
| Insurance Owing | 585,193 | - |
| Total Trade and other payables | 585,193 | - |

This relates to insurance deducted from the individual loanees which is deducted at the time of issuing the loans but is usually not paid to the insurance company immediately in lump sum but remains as part of the funds available for lending and thus forming part of the liabilities as at the year end.

7. Proceeds from loan principal repayments

| Description | 2023 | 2022 |
|--|-------------------|----------|
| | Kes. | Kes. |
| Principal Loan Repayments | 23,272,728 | - |
| Total Principal Loan Repayments | 23,272,728 | - |

8. Loan Disbursements

| Description | 2023 | 2022 |
|---------------------------------|-------------------|------------------|
| | Kes. | Kes. |
| Loan Disbursements paid out | 90,692,000 | 2,000,000 |
| Total Loan Disbursements | 90,692,000 | 2,000,000 |

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9. Repayment of Borrowings

| Description | 2023 | 2022 |
|--------------------------------------|------------------|----------|
| | Kes. | Kes. |
| Insurance Paid out | 2,000,000 | - |
| Total Repayment of Borrowings | 2,000,000 | - |

10. Revolving Fund

| Description | 2023 | 2022 |
|------------------------------------|--------------------|--------------------|
| | Kes. | Kes. |
| Balance Brought forward | 128,000,000 | 128,000,000 |
| Exchequer Receipts during the Year | 114,921,255 | - |
| Transfer to car Reimbursement | -90,692,000 | - |
| Owings | 128,100,000 | - |
| Total Revolving fund | 280,329,255 | 128,000,000 |

11. Accumulated Surplus

| Description | 2023 | 2022 |
|----------------------------|------------------|----------|
| | Kes. | Kes. |
| Balance Brought forward | - | - |
| Surplus during the year | 3,194,625 | - |
| Accumulated surplus | 3,194,625 | - |

12. Accrued Repayments

| Description | 2023 | 2022 |
|---------------------------|--------------------|----------|
| | Kes. | Kes. |
| Accrued Repayments | 105,088,154 | - |
| Accrued Repayments | 105,088,154 | - |

13. Exchequer Receipts

| Description | 2023 | 2022 |
|---------------------------|--------------------|----------|
| | Kes. | Kes. |
| Exchequer Receipts | 114,921,255 | - |
| Exchequer Receipts | 114,921,255 | - |

Nyandarua County Assembly Members Car Loan and Mortgage Scheme Fund Reports and Financial Statements for the Year Ended June 30, 2023

20. Progress on Follow up of Auditor Recommendations

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|--|--|---|--|---|
| 1.0 | Unsupported Interest Income | All components are now fully supported | Fund Accountant | Resolved | We now are in control of most administrative tasks of the fund |
| 2.1 | Non maintenance of a Trial Balance | We will make sure that this is prepared and fully updated | Fund Accountant | Resolved | Trial Balance and Ledgers are prepared and upto date. |
| 3.21 | Non Preparation of Budget | We will ensure this is prepared and submitted to the Fund Committee for approval | Fund Administrator | Resolved | Budget ready and available for review |