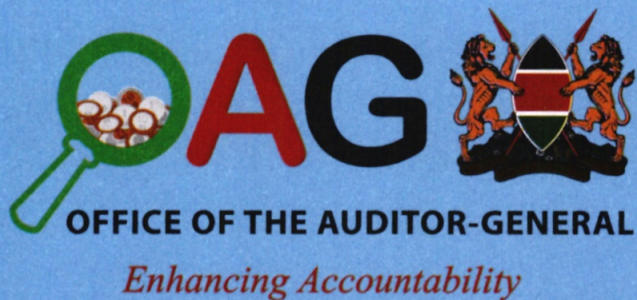


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**WEST POKOT COUNTY ASSEMBLY CAR LOAN
& MORTGAGE SCHEME FUND**

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

PAPERS LAID	
DATE	28/03/2024
TABLED BY	ML
COMMITTEE	—
CLERK AT THE TABLE	Candace C.



**WEST POKOT COUNTY ASSEMBLY CAR LOAN AND MORTGAGE
FUND**

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

1. KEY ENTITY INFORMATION AND MANAGEMENT	2
2. THE BOARD OF TRUSTEES	6
3. STATEMENT OF PERFORMANCE AGAINST COUNTY FUND'S PREDETERMINED OBJECTIVES	7
4. MANAGEMENT TEAM	8
5. FUND CHAIRPERSON'S REPORT	9
6. REPORT OF THE FUND ADMINISTRATOR	10
7. CORPORATE GOVERNANCE STATEMENT	11
8. MANAGEMENT DISCUSSION AND ANALYSIS	12
9. REPORT OF THE TRUSTEES	13
10. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES	15
11. REPORT OF THE INDEPENDENT AUDITOR	16
12. FINANCIAL STATEMENTS	17
12.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2023	17
12.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023	18
12.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2023	19
12.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023 .	20
12.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30th JUNE 2023	22
12.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	23
12.7. NOTES TO THE FINANCIAL STATEMENTS	38
13. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS	56

**West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023**

1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

The West Pokot County Assembly Car loan and Mortgage Fund is established by and derives its authority and accountability from The West Pokot County Assembly Car Loan and Mortgage (Amendment) Act, 2017 of 5th December 2017. The Fund is wholly owned by the West Pokot County Assembly and is domiciled in Kenya.

The fund's objective is to:

- (i) provide a loan scheme for the purchase, development, renovation, or repair of residential property,
- (ii) provide loan scheme for the purchase of vehicles by members of the scheme

b) Principal Activities

The principal mandate of the Fund is to provide quality services and convenient loan facilities to its members.

c) Fund Administration Committee

Ref	Name	Position
1	Hon. Martin Komongiro	Chair Person
2	Hon. Peter Lokor Yerer	Member
3	Hon. Victor Siywat	Member
4	Hon. Jane Chemengich	Member
5	Hon. David Alukulem	Member
6	Hon. Wilson Chekeruk	Member
7	Lucia Chenanga	Administrator
8	Denis Plapan Rotich	Director Finance
9	Jacinta Tulel	Director Legal Counsel
10	Edgar kitilit	Director Human Resource

d) Key Management

Ref	Name	Position
1	Leonard Limareng	Accounting Officer
2	Lucia Chenanga	Director Budget and Fiscal Analysis
3	Denis P. Rotich	Director Finance
4	Amos Kisang	Director Accounting
5	John Takaramoi	Principal Accounts Controller
6	Edgar K. Kitilit	Director Human Resource
7	Solomon Chemeltorit	Head of internal Audit

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

Fiduciary oversight arrangements

In order to instil financial prudence over the management of the fund various institutions and committees have been established. They include the County Assembly Audit Committee, County Public Accounts and Investments Committee, County Budget Appropriations Committee and the Senate Public Accounts Committee.

Audit Committee

This is a requirement of each public entity as per the Public Finance Management Act regulations 2015. The Audit Committee is required to have timely and regular sittings and come up with an annual report that must highlight its effectiveness, its calendar of activities, the audit charter and significant issues considered by the committee. Some of its roles include:

- Review the fund annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles
- Review other sections of the annual report and regulatory filings before release and consider the accuracy and completeness of information
- Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing standards.

County Public Accounts Committee

Established under the West Pokot County Assembly standing orders 199(1) and its responsibilities are:

- Examine the accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly
- Examine the reports, accounts and workings of the county public investments

County Budget and appropriation committee

Established under the West Pokot County Assembly Standing Order 200 and its responsibilities are:

The functions of the Committee shall be to-

- Investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the county budget,

**West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023**

- Discuss and review the estimates and make recommendations to the County Assembly;
- Examine the County Budget Policy Statement presented to the County Assembly;
- Examine Bills related to the national budget, including Appropriations Bills; and
- Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

The Senate Public Accounts Committee

The Public Accounts Committee is established pursuant to the provisions of S.O. No. 205. It consists of a chairperson and not more than sixteen other Members.

- The Public Accounts Committee is responsible for the examination of the accounts showing the appropriations of the sum voted by the House to meet the public expenditure and of such other accounts laid before the House as the Committee may think fit.
- The Public Accounts Committee constituted immediately following the general election shall serve for a period of three calendar years and that constituted thereafter shall serve for the remainder of the parliamentary term.

e) Registered Offices

P.O. Box 06 - 30600
County Assembly Building
Kapenguria, KENYA

f) Fund Contacts

Telephone: (254) 0722799853
E-mail: info@westpokotassembly.org
Website: www.westpokotassembly.go.ke

g) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Access Bank Kenya Plc
Kapenguria Branch
P.O. Box 295-30600

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

Along Kapenguria – Lodwar Highway,
Kapenguria

h) Independent Auditors

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

i) Principal Legal Adviser

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

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

2. THE BOARD OF TRUSTEES

The West Pokot County Assembly's Fund's operations is only managed by the Fund Administration Committee as per the Act. The Fund has not established a Board of Trustees.

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

**3. STATEMENT OF PERFORMANCE AGAINST COUNTY FUND'S
PREDETERMINED OBJECTIVES**

The Management Committee's priority in the financial year was to recover in full loans advanced to its outgoing members and issue loans to the newly elected members. The fund was able to recover in full loans to its outgoing members.

As at 30th June 2023, new loans amounting Kshs171,800,000 had been disbursed to new members. It is also important to note that Kshs 70,000,000 advanced to the County Assembly for payment of Car grants was reimbursed in full in the financial year.

The fund budgeted for recurrent expenditure comprising of sitting and daily subsistence allowances for the committee. Of the Kshs 3,000,000 budgeted, Kshs 1,805,000 was utilized as fund administration expenses. It also budgeted for a software that would fully automate operations of the fund. However, this was not purchased because of the transition period that was occasioned by the general election. The committee expects to make this purchase in the 2023-2024 financial year.





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.

There were no development projects undertaken by the Fund in the financial year.

**West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023**

4. MANAGEMENT TEAM

Name	Details of qualifications and experience
	<p>Lucia Chenanga Born on 23rd July 1977 Holder of a Masters of Business Administration (Mt Kenya University), Bachelors of Business Administration (KEMU) Has over 20 years' experience in public and private sector. Currently the Director of Budget and Fiscal Analysis.</p>
	<p>Denis P. Rotich Born on 30th December 1981 Holder of a Bachelors of Commerce Degree (Accounting) from Daystar University and CPA Section 3. Has 17 years' experience in Finance in both private and public sector. Currently the Director of Finance in the County Assembly.</p>
	<p>Edgar P. Kitilit Born on 17th December 1982 Holder of Masters of Business Administration-Human Resource (Daystar University), has over 14 years' experience in public and private sector. Currently the Director of Human Resource Management.</p>
	<p>Jacinta Tulel Born on 22nd May 1985 Holder of a post-Graduate Diploma in Law from Kenya School of Law. Degree in Law from Moi University Has over 12 Years experience in Legal matters. Currently the Director Legal Services in the County Assembly.</p>

**West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023**

5. FUND CHAIRPERSON'S REPORT

The Fund was created through the West Pokot Mortgage (Members) Scheme Fund Regulations, 2014 and the West Pokot County Car Loan (Members) Scheme Fund Regulations, 2014 which was later amended to The West Pokot County Assembly Car loan and Mortgage (Amendment) Act, 2017 with its main mandate to offer members car loans and mortgages.

The Fund in its inception was financed with Kshs 137,700,000 as its seed capital that would offer loans to its members at a 3% interest rate and revolve over the years. In the 2022/23 financial year, the fund oversaw changes in its management committee in which 6 outgoing members were replaced by new members elected after the 2022 polls. The management committee has a membership of 6 members of the County Assembly, 4 members of staff and a secretariat.

The fund has continued to perform well and has posted a surplus of Kshs 62,063.39 compared to a deficit of Kshs 778,853 reported in the financial year ended June 30th, 2022. The improved performance is attributed to the increase in interest income from loans to new members.

The Management Committee's main objective is to ensure that there is continuity in the fund and that there is no default on loans disbursed to members. It is also the committee's responsibility to ensure that there is financial prudence, high internal controls systems and proper governance of the fund.

Signed _____

Hon. Martin Komongiro



**West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023**

6. REPORT OF THE FUND ADMINISTRATOR

The salaries and Remuneration commission (SRC) in fulfilment of its constitutional mandate and in exercise of the powers conferred to it under Article 230 of the constitution of Kenya and section 13 of Salaries and remuneration Commission Act, 2011 set and advised on the car and mortgage benefits for members and other state officers. Consequently, the County Assembly through the West Pokot Mortgage (Members) Scheme Fund Regulations, 2014 and the West Pokot County Car Loan (Members) Scheme Fund Regulations, 2014 established the Fund.

The County Assembly Car loan and Mortgage Fund became operational in February 2014 and received a funding of KES 137,700,000.00. The funds' performance over the last financial years has been outstanding. This has been attributed to the consistency in loan repayments and interest earned from loans. In the year ended 30th June 2023, the fund had KES 12,844,525 in accumulated surplus, this being an indicator that the fund is continuously growing. The fund recovered all loans due from its members in the 2nd assembly. During the financial year, Kshs 70,000,000 advanced to the County Assembly for payment of car grants in line with the SRC directive was reimbursed to the fund restoring the initial capital from Kshs 67,700,000 reported in the 2021/22 financial year to Kshs 137,700,00 in the current year.

A total of Kshs 171,800,000 was disbursed as loans to new members from November 2022 and as at 30th June 2023, Kshs 27,420,348 had been paid as principal repayments. Within this period the fund earned Kshs 1,906,883 as interest.

All the securities for the loans of the County Assembly members are under safe custody of the Fund Administrator according to the provision of the West Pokot County Assembly Car and Mortgage Act 2017.

I expect that in the next financial year the fund will continually improve and offer better services to its members.

Signed: 
Lucia Chenanga



West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

7. CORPORATE GOVERNANCE STATEMENT

To ensure efficient running of the fund, the committee had 50 sittings in the financial year ended 30th June 2023. Although the committee planned for an induction workshop for the new members in the financial year, it was thought prudent that it be moved to the 2023/24 financial year. In addition, the committee will also be trained on governance and proper management and institution of internal controls for the fund.

8. MANAGEMENT DISCUSSION AND ANALYSIS

The fund has complied to all statutory requirement and met all its financial obligations in the financial year ending 30th June 2023. Additionally, the fund has not carried out any projects or investment or faced any litigation in the financial year. However, a key area of concern is the risk associated to properly securing of loans which the committee is endeavouring to enforce in line with the Act.

**West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023**

9. REPORT OF THE TRUSTEES

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

Principal activities

The principal activities of the Fund are to provide mortgages and car loans to its members.

Results

The results of the Fund for the year ended June 30, 2023 are set out on page 17,18,19,20,21 and 22

Trustees

The members of the Board of Trustees who served during the year are shown on page 2. The changes in the Board during the financial year are as shown below:

New Management Committee

Hon. Martin Komongiro	Chair Person
Hon. Peter Lokor Yerer	Member
Hon. Victor Siywat	Member
Hon. Jane Chemengich	Member
Hon. David Alukulem	Member
Hon. Wilson Chekeruk	Member
Lucia Chenanga	Administrator
Denis Plapan Rotich	Member
Jacinta Tulel	Member
Edgar kitilit	Member

Outgoing Management Committee

Hon. Samwel Timtim Korinyang	Chair person
Hon. Peter Lokor Yerer	Member
Hon. Francis Krop Losia	Member
Hon. Martin Komongiro	Member
Hon. Emanuel Maddy Polokou	Member
Lucia Chenanga	Administrator
Denis Plapan Rotich	Member
Jacinta Tulel	Member
9. Edgar Kitilit	Member

**West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023**

Auditors

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

By Order of the Board

Member of the Board
Date:   2023



**West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023**

10. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by *The West Pokot County Assembly Car Loan and Mortgage (Amendment) Act, 2017* shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

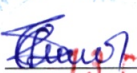
The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) 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 the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*quote the applicable legislation establishing the County Public Fund*). The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2020, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

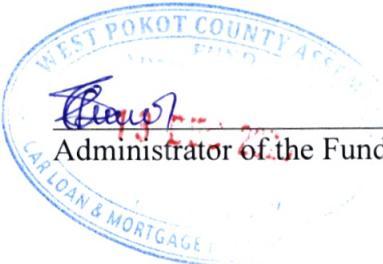
In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Board on 13/12/ 2023 and signed on its behalf by:

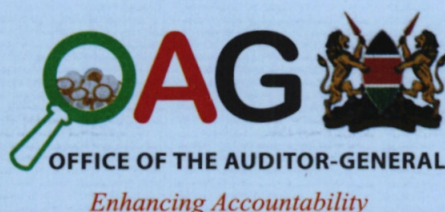


Administrator of the Fund



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON WEST POKOT COUNTY ASSEMBLY CAR LOAN & 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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 West Pokot County Assembly Car Loan and Mortgage Scheme Fund set out on pages 17 to 56, which comprise of the statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of

Report of the Auditor-General on West Pokot County Assembly Car Loan and Mortgage Scheme Fund for the year ended 30 June, 2023

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 West Pokot County Assembly 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 West Pokot County Assembly Car Loan and Mortgage Scheme Fund Act, 2015 as amended by the West Pokot County Assembly Car Loan and Mortgage Scheme Fund (Amendment) Act, 2017 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Understated Interest Income

The statement of financial performance for the year ended 30 June, 2023 reflects an amount of Kshs.1,906,883 in respect to interest income with a prior year comparative amount of Kshs.823,170. However, the interest income amount of Kshs.1,906,883 differs with the supporting loan repayment schedules amount of Kshs.1,943,706 resulting in unreconciled variance of Kshs.36,823.

In the circumstances, completeness and accuracy of interest income could not be confirmed.

2. Misstatement of Long-term Receivables from Exchange Transactions

The statement of financial position reflects long-term receivables from exchange transactions amount of Kshs.146,960,597 with a comparative prior year amount of Kshs.14,273,000. However, the long-term receivables from exchange transactions balance of Kshs.146,960,597 did not agree with the loan ledger balance of Kshs.147,841,476 resulting in unreconciled variance of Kshs.880,879.

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

3. Accuracy of Proceeds from Principal Loan Repayments

The statement of cash flows for the year ended 30 June, 2023 reflects an amount of Kshs.27,420,348 in respect to proceeds from principal loan repayments. However, analysis of the loan repayment schedules and monthly payroll recoveries revealed an amount of Kshs.24,845,725 resulting in unreconciled variance of Kshs.2,574,623.

In the circumstances, the accuracy and completeness of proceeds from principal loan repayments balance could not be confirmed.

4. Understatement of Prior Year Revolving Fund Balance

The statement of financial position reflects revolving fund of Kshs.137,700,000 as at 30 June, 2023 with a comparative prior year 2021/2022 balance of Kshs.67,700,000. However, the prior year balance of Kshs.67,700,000 did not agree with the financial year 2020/2021 audited balance of Kshs.137,700,000 resulting in unreconciled understatement of Kshs.70,000,000.

In the circumstances, the accuracy of the prior year comparative revolving fund balance could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Audit Matters

The audit reports of the year ended 30 June, 2022 and earlier highlighted issues under the report on financial statements, report on report on lawfulness and effectiveness in use of public resources and report on the effectiveness of internal controls, risk management and governance. The progress on follow up of auditor's recommendations section of the financial statements does not disclose the progress made in resolving the prior year audit issues which remained unresolved as at 30 June, 2023.

Other Information

The Management is responsible for the other information set out on page 2 to 15 which comprise of Key Entity Information and Management, Board of Trustees, Statement of Performance Against the Fund's Predetermined Objectives, Management Team, Fund Chairperson's Report, Report of the Fund Administrator, Corporate Governance Statement, Management Discussion and Analysis, Report of the Trustees and Statement of Management Responsibilities.

The other information does not include the financial statements and my audit report thereon.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and 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 the International Standards of Supreme Audit Institutions (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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as the 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, the 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.

The 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, the 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 control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal 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 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 Management.
- Conclude on the appropriateness of 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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 February, 2024

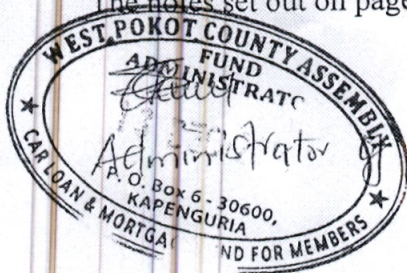
**West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023**

12. FINANCIAL STATEMENTS

12.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2023

	Note	2023/2022	2022/2021
		KShs	KShs
Revenue from non-exchange transactions			
Public contributions and donations	1	-	-
Transfers from the County Government	2	-	-
Fines, penalties and other levies	3	-	-
		-	-
Revenue from exchange transactions			
Interest income	4	1,906,882.59	823,170.00
Other income	5	-	-
		-	-
Total revenue		1,906,882.59	823,170.00
Expenses			
Fund administration expenses	6	1,805,000.00	1,589,500.00
General expenses	8	-	-
Finance costs	9	39,819.20	12,523.00
Total expenses		1,844,819.20	1,602,023.00
Other gains/losses			
Gain/loss on disposal of assets	10		
Surplus/(deficit) for the period		62,063.39	(778,853.00)

The notes set out on pages 38 to 52 form an integral part of these Financial Statements



the fund.

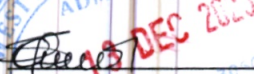


**West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023**

12.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2023/2022 KShs	2022/2021 KShs
Assets			
Current assets			
Cash and cash equivalents	11	3,579,050	63,673,638
Current portion of long- term receivables from exchange transactions	12	74,896	2,605,841
Prepayments	14	-	-
Inventories	15	-	-
		-	-
Non-current assets			
Property, plant and equipment	16	-	-
Intangible assets	17	-	-
Long term receivables from exchange transactions	12	146,960,597	4,273,000
		-	-
Total assets		150,614,542	80,552,479
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	18	70,017	70,017
Provisions	19	-	-
Current portion of borrowings	20	-	-
Employee benefit obligations	23	-	-
		-	-
Non-current liabilities			
Non-current employee benefit obligation		-	-
Long term portion of borrowings	20	-	-
Total liabilities		-	-
Net assets		150,544,525	80,482,462
Revolving Fund		137,700,000	67,700,000
Reserves		-	-
Accumulated surplus		12,844,525	12,782,462
Total net assets and liabilities		150,544,525	80,482,462

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 13 DEC 2023 and signed by:


Administrator of the Fund
Name:


Fund Accountant
Name:
ICPAK Member Number:

29212

**West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023**

12.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2023

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
	KShs	KShs	KShs	KShs
Balance as at 1 July 2021	67,700,000	-	13,561,314.79	81,261,314.79
Surplus/(deficit) for the period	-	-	(778,853.00)	(778,853.00)
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2022	67,700,000	-	12,782,461.79	80,482,461.79
Balance as at 1 July 2022	67,700,000	-	12,782,461.79	80,482,461.79
Surplus/(deficit) for the period		-	62,063.39	62,063.39
Funds received during the year	70,000,000	-	-	70,000,000
Revaluation gain	-	-	-	-
Balance as at 30 June 2023	137,700,000	-	12,844,525	150,544,525



West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

12.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023/2022	2022/2021
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the County Government		-	-
Interest received		1,906,883	823,170
Receipts from other operating activities		-	-
Total Receipts		1,906,883	823,170
Payments			
Fund administration expenses		(1,805,000)	(1,589,500)
General expenses		-	-
Finance cost		(39,819)	(12,523)
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (Repayment from staff fund)	21	14,223,000	5,400,000
Increase/(Decrease) in Accounts Payable: (deposits and retention)	22	-	-
Net cash flows from operating activities		14,285,064	4,621,147
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(-)	(-)
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments		27,420,348	48,067,417
Loan disbursements paid out		(171,800,000)	(3,673,000)
Net cash flows used in investing activities		(130,094,588)	49,015,564
Cash flows from financing activities			
Proceeds from revolving fund receipts		70,000,000	-
Additional borrowings		-	-
Repayment of borrowings		(-)	(-)

**West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023**

Net cash flows used in financing activities		70,000,000	-
Net increase/(decrease) in cash and cash equivalents		(60,094,588)	49,015,564
Cash and cash equivalents at 1 JULY	11	63,673,638	14,658,074
Cash and cash equivalents at 30 JUNE	11	3,579,050	63,673,638



12.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30th JUNE 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilisation
	2023	2023	2023	2023	2023	2023
	KShs	KShs	KShs	KShs	KShs	
Revenue						
Public contributions and donations	-	(-)	-	-	(-)	
Transfers from County Govt.						
Interest income	3,000,000	-	3,000,000	1,906,882	1,093,118	64%
Other income	-	-	-	-	-	
Total income	3,000,000	(-)	3,000,000	-	(-)	
Expenses						
Fund administration expenses	2,000,000	-	2,000,000	1,805,000	195,000	90%
General expenses	955,000	(-)	955,000	-	(-)	0%
Finance cost	45,000	(-)	45,000	39,819	5,181	88%
Total expenditure	3,000,000	(-)	3,000,000	1,844,819	-	61%
Surplus for the period	-	-	-	62,063	-	

Budget notes

1. The fund expected to procure a software to automate its operations at an estimated cost of Kshs 800, 000 but was not able because it was a transition period. This resulted to the un utilised general expenses amounting to Kshs 955,000

12.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

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

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

2. Adoption of new and revised standards

a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

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

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

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

West Pokot County Assembly Car Loan and Mortgage 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 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 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other Improvements to IPSAS</p>	<p>Applicable: 1st January 2021:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.</p>

**West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023**

Standard	Effective date and impact:
	<p>Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p>
	<p>IPSAS 40, Public Sector Combinations. Amendments to include the effective date paragraph which were inadvertently omitted when IPSAS 40 was issued</p>

c) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2023.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

4. Budget information

The original budget for FY 2022/2023 was approved by the County Assembly on 24th 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.

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 22 of these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its 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.

6. Intangible assets

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

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

7. Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Held-to-maturity

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

Impairment of financial assets

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

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

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Inventories

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

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

9. Provisions

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

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

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

Contingent liabilities

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contingent assets

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

10. Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

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.

11. 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.

12. Foreign currency transactions

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. 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.

14. 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.

15. 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.

16. Comparative figures

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

17. Events after the reporting period

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

18. Ultimate and Holding Entity

The entity is a County Public Fund established by West Pokot Mortgage (Members) Scheme Fund Regulations, 2014 and the West Pokot County Car Loan (Members) Scheme Fund Regulations, 2014.

19. Currency

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

20. 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.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. 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.

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

21. Financial risk management

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

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

a) Credit risk

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

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

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

	Total amount KShs	Fully performing KShs	Past due KShs	Impaired KShs
At 30 June 2023				
Receivables from exchange transactions	147,035,493	147,035,493	-	-
Receivables from non exchange transactions	-	-	-	-
Bank balances	3,579,049	3,579,049	-	-
Total	150,614,542	150,614,542	-	-
At 30 June 2022				
Receivables from exchange transactions	16,878,841	16,878,841	-	-
Receivables from non exchange transactions	-	-	-	-
Bank balances	63,673,638	63,673,638	-	-
Total	80,552,479	80,552,479	-	-

**West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The entity has no significant concentration of credit risk on amounts due.

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

b) Liquidity risk management

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	KShs	KShs	KShs	KShs
At 30 June 2023				
Trade payables	-	-	70,017.10	70,017.10
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	70,017.10	70,017.10
At 30 June 2022				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

		Other currencies	Total
	KShs	KShs	KShs
At 30 June 2023			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables			
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	KShs	KShs	KShs
2023			
Euro	10%	-	-
USD	10%	-	-
2022			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Capital risk management

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

	2023/2022	2022/2021
	KShs	KShs
Revaluation reserve	-	-
Revolving fund	137,700,000	67,700,000
Accumulated surplus	12,844,525	12,782,462
Total funds	150,544,525	80,482,462
Total borrowings	-	-
Less: cash and bank balances	(3,579,049)	(63,673,638)
Net debt/(excess cash and cash equivalents)	(3,579,049)	(63,673,638)
Gearing	2%	79%

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

12.7. NOTES TO THE FINANCIAL STATEMENTS

1. Public contributions and donations

Description	2023/2022	2022/2021
	KShs	KShs
Donation from development partners	-	-
Contributions from the public	-	-
Total	-	-

2. Transfers from County Government

Description	2023/2022	2022/2021
	KShs	KShs
Transfers from County Govt. – operations	-	-
Payments by County on behalf of the entity	-	-
Total	-	-

3. Fines, penalties and other levies

Description	2023/2022	2022/2021
	KShs	KShs
Late payment penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	2023/2022	2022/2021
	KShs	KShs
Interest income from Mortgage loans	1,906,882.59	823,170.00
Interest income from car loans	-	-
Interest income from investments	-	-
Interest income on bank deposits	-	-
Total interest income	1,906,882.59	823,170.00

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

5. Other income

Description	2023/2022	2022/2021
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income		
Total other income	-	-

6. Fund administration expenses

Description	2023/2022	2022/2021
	KShs	KShs
Staff costs (Note 7)	-	-
Loan processing costs	1,805,000.00	1,589,500.00
Professional services costs	-	-
Administration fees	-	-
Total	1,805,000.00	1,589,500.00

7. Staff costs

Description	2023/2022	2022/2021
	KShs	KShs
Salaries and wages	-	-
Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs	-	-
Total	-	-

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. General expenses

Description	2023/2022	2022/2021
	KShs	KShs
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	-	-
Printing and stationery	-	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Bank Charges	39,819.20	12,523.00
Hospitality	-	-
Depreciation and amortization costs	-	-
Other expenses	-	-
Total	39,819.20	12,523.00

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Finance costs

Description	2023/2022	2022/2021
	KShs	KShs
Interest on Bank overdrafts	-	-
Interest on loans from banks	-	-
Total	-	-

10. Gain/(loss) on disposal of assets

Description	2023/2022	2022/2021
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

11. Cash and cash equivalents

Description	2023/2022	2022/2021
	KShs	KShs
West Pokot County Assembly Car Mortgage – Disbursement A/c	17,026.35	-5,352,196.10
West Pokot County Assembly Car Mortgage – Repayment A/c	3,562,023.60	69,025,834.25
Fixed deposits account	-	-
On – call deposits	-	-
Current account	-	-
Others	-	-
Total cash and cash equivalents	3,579,049.95	63,673,638.15

**West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

		2023/2022	2022/2021
Financial institution	Account number	KShs	KShs
a) Fixed deposits account			
Kenya Commercial bank		-	-
Equity Bank, etc		-	-
Sub- total		-	-
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank - etc		-	-
Sub- total		-	-
c) Current account			
Access Bank Kenya Plc	261237/500TCA00/1/0	17,026.35	-5,352,196.10
Access Bank Kenya Plc	261237/500TCA00/2/0	3,562,023.60	69,025,834.25
Sub- total		3,579,049.95	63,673,638.15
d) Others(specify)			
Cash in transit		-	-
Cash in hand		-	-
M Pesa		-	-
Sub- total		-	-
Grand total		3,579,049.95	63,673,638.15

12. Receivables from exchange transactions

Description	2023/2022	2022/2021
	KShs	KShs
Current Receivables		
Interest receivable	74,895.92	74,895.92
Current loan repayments due	-	2,530,944.82
Other exchange debtors	-	-
Less: impairment allowance	(-)	(-)
Total Current receivables	74,895.92	2,605,840.74
Non-Current receivables		
Long term loan repayments due	146,960,596	14,273,000.00
Total Non- current receivables	146,960,596	14,273,000.00
Total receivables from exchange transactions	147,035,493	16,878,841

**West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023**

Additional disclosure on interest receivable

Description	2023/2022	2022/2021
	KShs	KShs
Interest receivable		
Interest receivable from current portion of long-term loans of previous years	74,895.92	74,895.92
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due		
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

13. Revenue from Non-Exchange transaction

Description	KShs	KShs
	2023/2022	2022/2021
	KShs	KShs
Transfer to County Executive	-	-
Transfer to West Pokot County Assembly Staff Fund	-	-
Total receivables from non-exchange transactions	-	-

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Prepayments

Description	2023/2022	2022/2021
	KShs	KShs
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Other prepayments(specify)	-	-
Total	-	-

15. Inventories

Description	2023/2022	2022/2021
	KShs	KShs
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Other inventories(specify)	-	-
Total inventories at the lower of cost and net realizable value	-	-

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	KShs	KShs	KShs	KShs	KShs
At 1st July 2021	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	(-)	(-)	-	-	(-)
Transfers/adjustments	-	(-)	-	(-)	(-)
At 30th June 2022	-	-	-	-	-
At 1st July 2022					
Additions	-	-	-	-	-
Disposals	(-)	-	-	-	(-)
Transfer/adjustments	(-)	-	-	(-)	(-)
At 30th June 2023	-	-	-	-	-
Depreciation and impairment					
At 1 st July 2021	(-)	(-)	(-)	(-)	(-)
Depreciation	(-)	(-)	(-)	(-)	(-)
Impairment	(-)	-	-	-	(-)
At 30th June 2022	-	-	-	-	-
At 1st July 2022					
Depreciation	(-)	(-)	(-)	-	(-)
Disposals	xxx	-	-	-	-
Impairment	(-)	(-)	-	-	(-)
Transfer/adjustment	-	(-)	(-)	-	-
At 30th June 2023	-	-	-	-	-
Net book values					
At 30th June 2022	-	-	-	-	-
At 30th June 2023	-	-	-	-	-

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Intangible assets-software

Description	2023/2022	2022/2021
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

18. Trade and other payables from exchange transactions

Description	2023/2022	2022/2021
	KShs	KShs
Trade payables	70,017.10	70,017.10
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
Total trade and other payables	70,017.10	70,017.10

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

19. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year(1.07.2022)	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	(-)	(-)	(-)	(-)
Change due to discount and time value for money	(-)	(-)	(-)	(-)
Transfers from non -current provisions	-	-	-	-
Balance at the end of the year (30.06.2023)	-	-	-	-

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Borrowings

Description	2023/2022	2022/2021
	KShs	KShs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the period	(-)	(-)
Repayments of domestics borrowings during the period	(-)	(-)
Balance at end of the period	-	-

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

	2023/2022	2022/2021
	KShs	KShs
External Borrowings		
Dollar denominated loan from 'xxx organisation'	-	-
Sterling Pound denominated loan from 'yyy organisation'	-	-
Euro denominated loan from zzz organisation'	-	-
Domestic Borrowings		
Kenya Shilling loan from KCB	-	-
Kenya Shilling loan from Barclays Bank	-	-
Kenya Shilling loan from Consolidated Bank	-	-
Borrowings from other government institutions	-	-

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

Total balance at end of the year	-	-
---	---	---

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

Description	2023/2022	2022/2021
	KShs	KShs
Short term borrowings(current portion)	-	-
Long term borrowings	-	-
Total	-	-

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. CHANGES IN RECEIVABLE

Description of the error	2023/2022	2022/2021
	KShs	KShs
Account receivable as at 1 st July 2022 (A)	16,878,841	-
Account receivable issued during the year (B)	171,800,000	-
Account receivable settled during the Year (C)	41,643,348	-
Net changes in account receivables D= A+B-C	147,035,493	-

22. CHANGES IN ACCOUNTS PAYABLE

Description of the error	2023/2022	2022/2021
	KShs	KShs
Accounts Payable as at 1 st July 20122 (A)	70,017.10	70,017.10
Accounts Payable held during the year (B)	-	-
Accounts Payable paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	70,017.10	70,017.10

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

23. Employee benefit obligations

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

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. Cash generated from operations

	2023/2022	2022/2021
	KShs	KShs
Surplus/ (deficit) for the year before tax	-	-
Adjusted for:		
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	(-)	(-)
Interest income	(-)	(-)
Finance cost	-	-
Working Capital adjustments		
Increase in inventory	(-)	(-)
Increase in receivables	(-)	(-)
Increase in payables	-	-
Net cash flow from operating activities	-	-

25. Related party balances

a) Nature of related party relationships

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

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

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

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

b) Related party transactions

	2023/2022	2022/2021
	KShs	KShs
Transfers from related parties'	-	-
Transfers to related parties	-	-

c) Key management remuneration

	2023/2022	2022/2021
	KShs	KShs
Board of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

	2023/2022	2022/2021
	KShs	KShs
Due from parent Ministry	-	-
Due from County Government	-	-
Total	-	-

e) Due to related parties

	2023/2022	2022/2021
--	-----------	-----------

West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023

	KShs	KShs
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Total	-	-

26. Contingent assets and contingent liabilities

Contingent liabilities	2023/2022	2022/2021
	KShs	KShs
Court case against the Fund	-	-
Bank guarantees	-	-
Total	-	-

**West Pokot County Assembly Car Loan and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2023**

13. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS

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

Guidance Notes:

- a) Use the same reference numbers as contained in the external audit report;
- b) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- c) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- d) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to County Treasury.