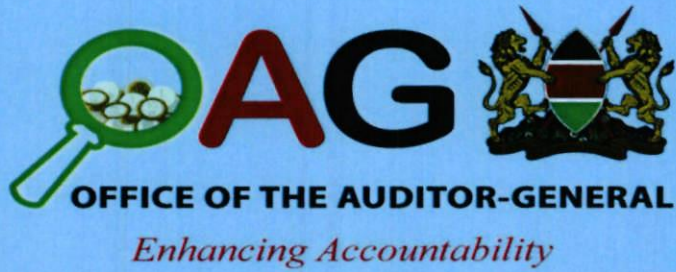
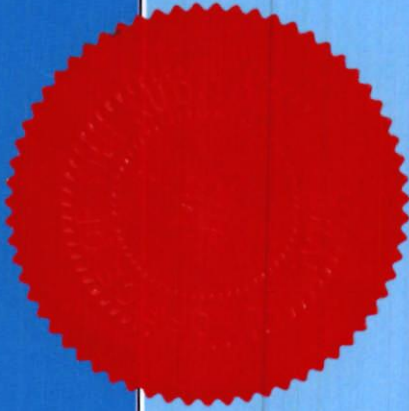


REPUBLIC OF KENYA



PARLIAMENT
OF KENYA
LIBRARY



REPORT

OF

PAPERS LAID	
DATE	23/02/2022
TABLED BY	SMZ
COMMITTEE	
CLERK AT THE TABLE	Dreem

THE AUDITOR-GENERAL

ON

**KWALE COUNTY ASSEMBLY MEMBERS AND
STAFF LOAN SCHEME FUND**

**FOR THE YEAR ENDED
30 JUNE, 2020**



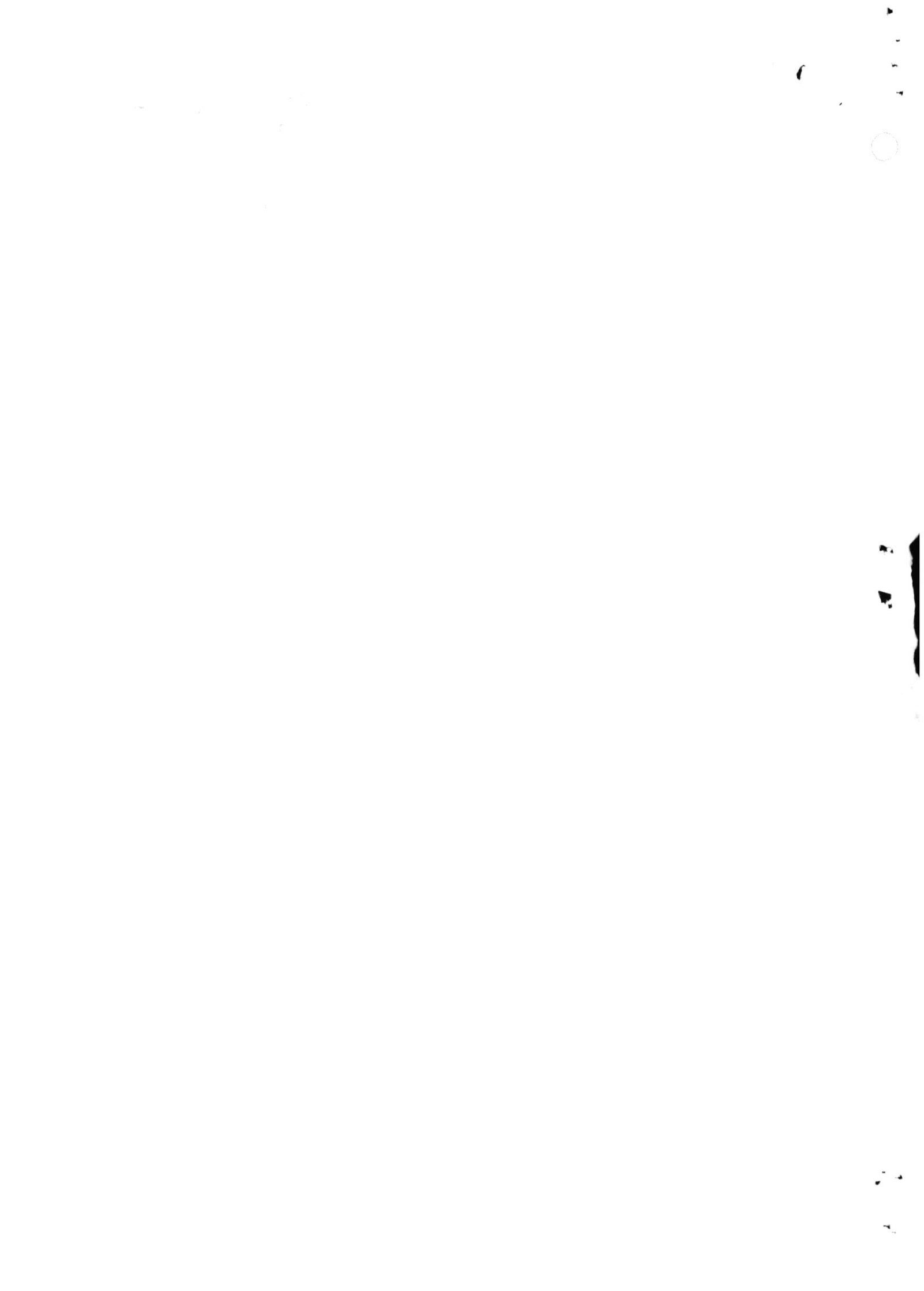


**KWALE COUNTY ASSEMBLY MEMBERS AND STAFF LOAN SCHEME
FUND**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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



Kiawe County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

TABLE OF CONTENTS

1. KEY ENTITY INFORMATION AND MANAGEMENT.....	2
2. THE BOARD OF TRUSTEES	4
3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY’S PREDETERMINED OBJECTIVES	5
4. MANAGEMENT TEAM	6
5. FUND CHAIRPERSON’S REPORT	7
6. REPORT OF THE FUND ADMINISTRATOR	8
7. CORPORATE GOVERNANCE STATEMENT	9
8. MANAGEMENT DISCUSSION AND ANALYSIS	10
9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING	11
10. REPORT OF THE TRUSTEES	12
11. STATEMENT OF MANAGEMENT’S RESPONSIBILITIES	13
12. REPORT OF THE INDEPENDENT AUDITOR	14
13. FINANCIAL STATEMENTS	15
13.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020.....	15
13.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020	16
13.3. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020	17
13.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020	18
13.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020	19
13.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	20
13.7. NOTES TO THE FINANCIAL STATEMENTS	32
14. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR’S RECOMMENDATIONS	47
15. ANNEXES	48
15.1. ANNEX 1- ANALYSIS OF CAR LOAN RECEIVABLES	48
15.2. ANNEX 2- ANALYSIS OF MORGAGE LOAN RECEIVABLES	51
15.3. ANNEX 3- ANALYSIS OF SCHEDULE OF RETENTION	54

Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

The Kwale County Assembly Members and Staff Loan Scheme Fund is established by and derives its authority and accountability from the Kwale County Assembly Members and Staff Loan Scheme Act 2016 and provision of Section 116 of the PFM Act 2012. The Fund is wholly owned by the County Government of Kwale and is domiciled in Kenya.

The Fund is managed through a Committee. The Committee is composed of two Members of the County Assembly (MCAs) who are appointed by the speaker and three Staff members, two of whom are appointed by the Clerk.

The fund's objective is to provide descent residential housing and motor vehicles for transport to its members.

The Fund's principal activity is to disburse and manage loans to members.

b) Principal Activities

The Kwale County Assembly Members and staff loan Scheme fund is envisioned to see empowered mobility and descent residence of its members in the county through provision of affordable car loans and mortgage facilities.

The principal activity/mission/ mandate of the Fund is to disburse and manage loans to members in the following forms;

1. Mortgage loan
2. Car Loan.

c) Fund Administration Committee

Ref	Name	Position
1	Sawa Hamisi Ngalaa	Chairperson
2	Saidi Saidi Maganga	Fund Administrator
3	Hon Alfred Ruwa Bavu	Member
4	Hon Teresia B Muoki	Member
5	Fatuma Kingi	Member



Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

d) Registered Offices

P.O. Box 231 - 80403
County Assembly Building's
Kwale-Kinango Road/Highway
Kwale, KENYA

e) Fund Contacts

Telephone: (254)
E-mail: info@kwalecountyassembly.co.ke
Website: www.kwalecountyassembly.co.ke

f) Fund Bankers

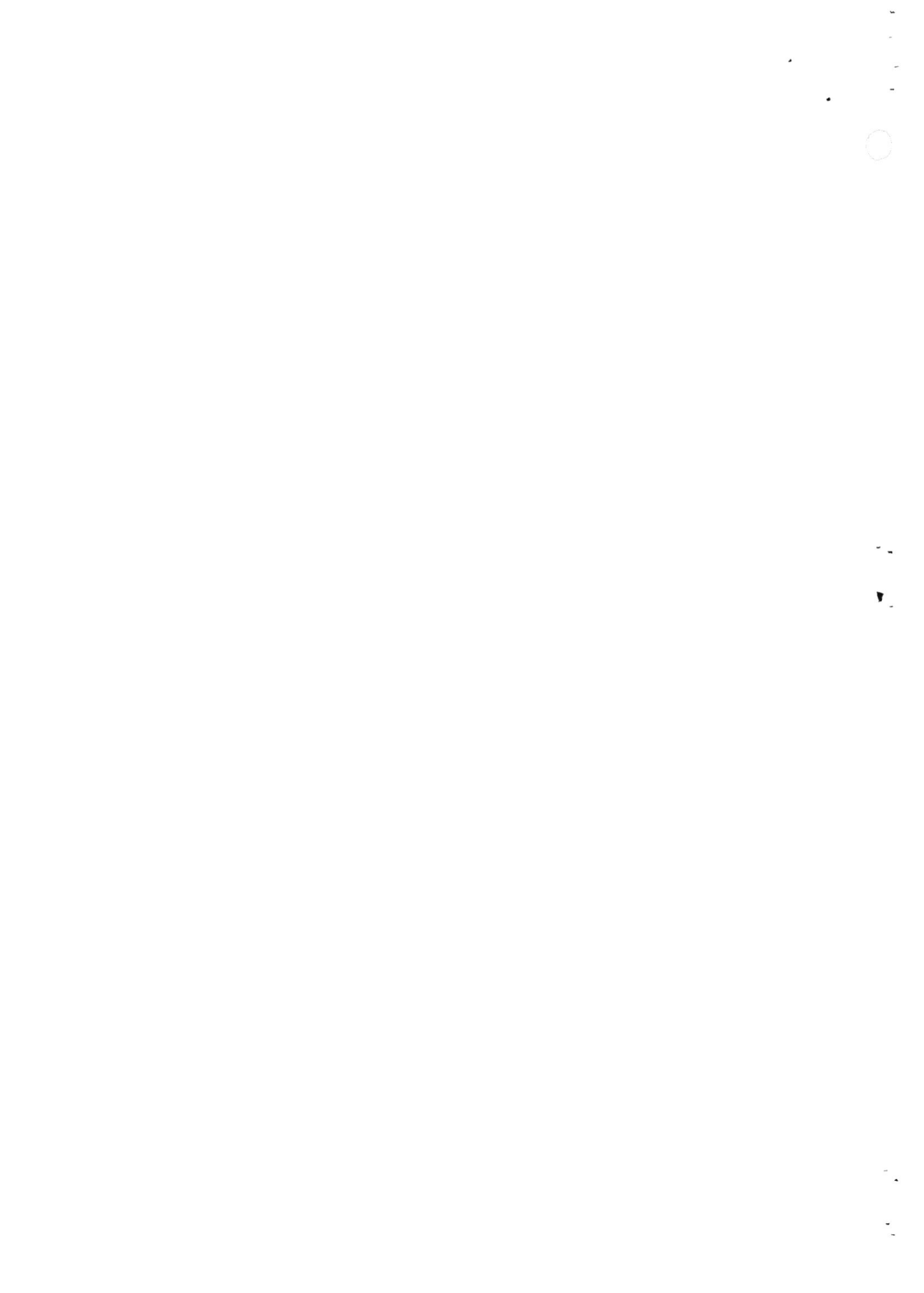
- Kenya Commercial Bank
P.O. Box 43-80403
Kwale
- Family Bank of Kenya
Nkuruma road Branch
Mombasa

g) Independent Auditors

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

h) Principal Legal Adviser

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



Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

2. THE BOARD OF TRUSTEES

The Kwale County Assembly Members and Staff Loan Scheme Fund has no Board of Trustees. It operates under The Fund Committee.

**3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'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 Kwale County Assembly is operating a loan scheme fund as anchored in the Kwale County Assembly Members & Staff Loan Scheme Fund Act 2016. The Fund has two main objectives:

- a) Offer loans for Mortgages
- b) Offer loans to buy cars.

Progress on attainment of Strategic development objectives







Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Car Loan	To improve on mobility to and from work places.	Efficient time management in mobility.	Number of Loan applied	100% disbursement for all loans applied.
Mortgage Loan	To improve living standards through provision of loans for houses.	Improved living standards and shelter.	Number of Loans applied.	95% disbursement for all loans applied.



***Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020***

4. MANAGEMENT TEAM

Name	Details of qualifications and experience
 1. Sawa Hamisi Ngala	Chairman of the Fund Committee and a senior clerk to the County Assembly of Kwale. Mr. Sawa holds a bachelor's degree in business from Methodist University. He boasts a wealth of experience in parliamentary procedures and has been the Chairman for Kwale Civic Workers Sacco for over 10 years.
 2. Saidi Maganga	Fund administrator, an Accountant by profession and a CPA(K) with a holder of bachelor's degree in Finance from the University of Nairobi. Mr. Maganga previously worked with Abercrombie and Kent (k) ltd and Kenya Petroleum Refineries Limited in Finance Department.
 3. Hon. Alfred Bavu	A Member of the Fund and a re-owned law maker of the County Assembly of Kwale representing the people of Kinango Ward. A teacher by profession with a wealthy of teaching experience.
 4. Hon. Teresia B. Muoki	A Member of the Fund and a re-owned law maker of the County Assembly of Kwale representing special interest group. Previously worked with NGO world in managerial capacity.
 5. Fatuma Kingi	A Member of the Fund and a legal drafter of the County Assembly of Kwale. Holds a bachelor's degree in law from Kampala University.
 6. Fatuma Mwalupa	An Ex-Official of the Fund, being the Accounting Officer of the County Assembly of Kwale under which the funds operations lay.

***Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020***

5. FUND CHAIRPERSON'S REPORT

The year 2020/2021 is anticipated to have a low level of lending activities though a significant unit of the Fund's clientele composed of mostly staff of the County assembly desire to take up loans. The focus will be centred on timely recoveries of the outstanding loans to ensure further disbursement to new applicants.


The Fund Committee had secured an allocation of additional funding of Kshs 100,000,000 in the county's annual budget in the financial year 2019/2020. However, the Committee did not receive the said funding during the year under review due to gaps in the Members and staff loan scheme Fund Act as cited by the Controller of Budget. We look forward to propose the necessary amendments to the law.

I take this opportunity to thank all the committee members who dedicated their time and energy to ensure quality service delivery and meeting the fund's Scheme's objective. It was not easy, but the success we recorded was through your collaborative effort. I must say a big thank you.

A big thank to our esteemed clients whose presence ensured that we had someone to serve. Above all, to the entire management of county Assembly who provided invaluable input whenever sought to do so.

I look forward to your support in the year 2020/2021 as we endeavour to put a roof and power mobility to you, our esteemed clients. God bless you all

Signed: _____



Sawa Hamisi Ngala

Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

6. REPORT OF THE FUND ADMINISTRATOR

The County Assembly is operationalizing a fund scheme for the purpose of enabling its member's access loans to purchase cars and acquire housing facilities.

The operations of the fund are guided by the County Assembly Members and Staff loan scheme Act 2016 and as subsequently amended. There is a committee which manages the day today affairs of the fund. The committee membership is composed of five Members, three being members of the staff, one of whom shall be the chairman, and two members from among the Members of the county Assembly.

One of the strengths of the fund has been its ability to maximise on monthly loan recoveries. In this regard the fund managed to recover a total of Kshs 48,538,747.23 of which Kshs 21,035,020 was recovered from car loan division and Kshs 27,503,727.69 was recovered from the mortgage division. As a revolving fund, the recoveries were further applied to disburse a total principal loan of Kshs 57,638,590.00 of which Kshs 1,500,000.00 was disbursed under the Car loan facility and Kshs 56,138,590.00 under the Mortgage facility. A total of sixteen members of the fund benefited from the facility during the year.

Though the fund had secured new budgetary allocation of Kshs 100,000,000 from the county government of Kwale in the financial year 2019/2020, the money was never disbursed to the fund account due to technical hitches with the Kwale County Assembly Members and Staff Loan scheme Fund Act. The Controller had proposed some amendments to the Act before the money could be disbursed. However, due to COVID-19 pandemic, the County Assembly programs were interrupted for a good period of the year and the year therefore lapsed before the amendments could be effected.

The main source of revenue of the fund is interest income. During the year total of Kshs 6,234,157 was realized as interest income. The major contributor was the mortgage unit which realised a total of Kshs 4,741,555 followed by car loan unit with a performance of Kshs 1,492,602.

The total expenses of the fund during the year amounted to Kshs 6,171,486.

The fund realised a net profit for the year was kshs 62,671.

Three beneficiaries of the fund ceased to be employees of the County Assembly; Hon. Juma Maone, Mr. Denis Mutui and Mr. William Mjape who have loans which are slowly or not serviced amounting to Ksh 3,914,868 for Car Loan & Ksh. 12,026,694.73 for Mortgage Loan.



CPA Saidi Maganga
Fund Administrator

7. CORPORATE GOVERNANCE STATEMENT

The fund management committee had 19 number of committee meetings during the year to deliberate on fund operational issues. The attendance of the meetings were attended by all the committee members. Appointment of committee members is governed by the Act, which stipulates that, two members of the County Assembly (MCA) appointed by the Speaker, One member of the Staff appointed by the CEC Finance as the Fund Manager and two members of staff appointed by Clerk of the County Assembly.

8. MANAGEMENT DISCUSSION AND ANALYSIS

The Fund has a total Capital of Kshs. 207,681,392 comprising of a revolving Fund of Kshs 197,430,000 and an Accumulated surplus of Kshs. 10,251,392.

The demand for new loans is more than what the Fund can currently support. The Management is fast tracking on the amendments of the Act as advised by the Office of Controller of Budget. This will enable future budgetary provisions and release of funds by COB.

The Management has put in place measures to safeguard the fund by successfully procuring Insurance against death or permanent disability by Fund members or beneficiaries.

9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The County Assembly of Kwale has undertaken various activities to ensure communities within Kwale County benefits from its corporate social responsibility mandate.

On the year under review, the County was hard hit by the pandemic that resulted into lockdown that made many families unable to afford meals in a day.

The County Assembly mobilised food donations from well-wishers and distributed the same to the affected families within the County.

Through the Ward offices, the Members of the County Assembly of Kwale embarked on a raft of measures to make awareness of the pandemic at the ward level and to sensitize citizens on the importance of adherence to the protocols of the Ministry of Health.

Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

10. REPORT OF THE TRUSTEES

The Kwale County Assembly Members and Staff Loan Scheme Fund has no Board of Trustees. It operates under The Fund Committee.

11. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

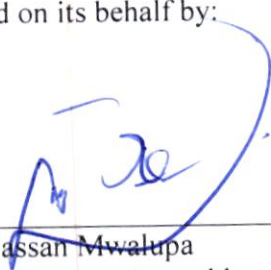
Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by the County Assembly of Kwale Members and Staff Loan Scheme Act 2016, shall prepare financial statements for the Fund in accordance with the 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, 2020. 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 judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial 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.

The Fund's financial statements were approved by the Board on 4/01/2021 2020 and signed on its behalf by:



Fatuma Hassan Mwalupa
Ag. Clerk –County Assembly of Kwale

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 KWALE COUNTY ASSEMBLY MEMBERS AND STAFF LOAN SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kwale County Assembly Members and Staff Loan Scheme Fund set out on pages 15 to 47, which comprise the statement of financial position as at 30 June, 2020, statement of financial performance, statement of changes in net assets, statement of cash flows and the 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 Kwale County Assembly Members and Staff Loan Scheme Fund as at 30 June, 2020, 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 Kwale County Assembly Members and Staff Loan Scheme Act, 2016, amended in 2017.

Basis for Qualified Opinion

1.0 Receivables from Exchange Transactions

As previously reported, the statement of financial position as at 30 June, 2020 reflects current portion of long-term receivables from exchange transactions amounting to Kshs.61,650,268 and long-term receivables from exchange transactions amounting to Kshs.143,262,127, all totaling to Kshs.204,912,395 as disclosed in Note 12 to the financial statements. Review of records relating to the receivables revealed as follows:

1.1 Lack of Car Loan Securities and Logbooks not Jointly Registered

Records provided for audit review reflected forty-nine (49) outstanding car loans with a balance of Kshs.36,124,796. However, logbooks for nineteen (19) outstanding car loans with a balance of Kshs.14,196,556 were not provided for audit review. Further, five (5) outstanding car loans with a balance of Kshs.4,755,711 were registered in the name of the individual borrowers, contrary to Section 18(2) of the Kwale County Assembly Members and Staff Loan Scheme Fund Act, 2016 which requires ownership documents for secured properties be registered jointly between the County Assembly Service Board and the borrower and be kept in the custody of the fund manager until the loan is repaid in full by the member.

Consequently, the recoverability of receivables from exchange transactions balance of Kshs.18,952,267 and compliance with the law as at 30 June, 2020 could not be confirmed.

1.2 Land Title Deeds Not Charged by the Fund

Records of outstanding mortgages revealed an outstanding amount of Kshs.166,516,293 in respect of mortgages issued to fifty-two (52) borrowers. However, the Management provided forty (40) title deeds in respect of outstanding mortgage balances amounting to Kshs.122,421,136. The remaining twelve (12) title deeds of borrowers with an outstanding balance of Kshs.44,095,157 were not in the custody of the scheme's management, and thus, existence of the property securities for which the amounts were issued could not be confirmed. Further, out of the forty (40) title deeds provided, twenty-eight (28) with outstanding loan balance of Kshs.80,839,572 had not been charged as securities for loans issued contrary to SRC circular Ref.No:SRC/TS/CGVT/3/61/VOL V (42) which requires all title deeds to be charged as security against loans issued.

Consequently, the existence of security and recoverability of receivables from exchange transactions balance of Kshs.124,934,729 could not be confirmed.

1.3 Loans Owed by Former Employees and Members of County Assembly

Included in the receivables from exchange transactions amount of Kshs.204,912,395 is Kshs.18,941,563 in respect of loans advanced to three (3) former employees of the County Assembly who were not servicing their loans. Further, the receivables from exchange transactions includes Kshs.843,236, in respect of outstanding car loans from two (2) Members of the County Assembly. However, one borrower with a loan balance of Kshs.421,618 had ceased to be a Member of County Assembly (MCA), while the other MCA with an outstanding balance of Kshs.421,618 had not serviced the loan for over three (3) years. Management indicated that full recoveries had been made by the County Executive when it was in charge of the County Assembly's payroll. However, no evidence of the recoveries was provided for audit review.

Consequently, the accuracy and recoverability receivables from exchange transactions balance of Kshs.19,784,799 as at 30 June, 2020 could not be confirmed.

2.0 Trade and Other Payables from Exchange Transactions

2.1 Retention Fees

As previously reported, the statement of financial position as at 30 June, 2020 reflects trade and other payables from exchange transactions amounting to Kshs.9,544,684, out of which, Kshs.7,263,763 relate to retention fees deducted from loans that were disbursed to staff and Members of County Assembly (MCAs). Records provided for audit indicated that the fee was to cater for incidental costs incurred while charging properties or when transferring the properties to the beneficiaries. However, no set criteria for determining the amount to be deducted was provided for audit review.

Further, retention fee of Kshs.1,050,000 was deducted during the year under review in respect of four (4) loans. However, eleven (11) loans also issued during the year were not subjected to retention fees deduction, with no explanation provided for the anomaly.

In addition, the Fund management paid Kshs.1,350,000 to one borrower as incidental costs. However, retention records indicate that the borrower had been deducted Kshs.1,200,000 from the approved loan, thereby resulting in an overpayment of Kshs.150,000.

Consequently, the accuracy and completeness of trade and other payables from exchange transactions of Kshs.7,263,763 as at 30 June, 2020 could not be confirmed.

2.2 Accrued Expenses

As previously reported, note 18 to the financial statements reflects accrued expenses totalling Kshs.2,268,000. Records provided for audit review indicated that the amount relates to the Fund Manager's responsibility allowances which had been provided for in the budget and not paid for over two years. The Management did not explain the reasons for non-payment of the allowances.

Consequently, the accuracy, completeness and validity of accrued expenses of Kshs.2,268,000 as at 30 June, 2020 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kwale County Assembly Members and Staff Loan Scheme Fund Management in accordance with the 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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amount reflects final revenue budget and actual on comparable basis of Kshs.7,002,000 and Kshs.6,234,156 respectively resulting to shortfall of Kshs.767,844 or 11% of the approved budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.7,002,000 and Kshs.6,171,486 respectively, resulting in underperformance amounting to Kshs.830,514 or 12% of the budget.

The revenue shortfall may affect the sustainability of the revolving loan Fund while under expenditure may be an indication of failure to undertake planned activities which may negatively affect the running of the Fund.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: No. AG.4/16/3 Vol.1(9) dated 24 June, 2020

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Uninsured Mortgage Properties

Note 12 to the financial statements reflects total receivables from exchange transactions amounting to Kshs.204,912,395, in respect of outstanding principal amounts of car and mortgage loans issued to MCAs and staff. However, no evidence was provided to confirm that the fifty two (52) mortgages totaling Kshs.166,516,293 had been insured as required in Section 22 (2) of the Kwale County Assembly Members and Staff Loan Scheme Fund Act, 2016. The Act states that "Where a member or a staff has taken a loan from the scheme to purchase developed land, the member shall take out such insurances on the property as to cushion the member and the board against any risks that may reasonably be foreseen".

Consequently, the recoverability of mortgages in an event of damages to the secured property was in doubt. In addition, Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Governance and Risk Management Systems sections 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.

Additional Mortgage Funding to Members

Note 12 to the financial statements for the year ended 30 June, 2020 reflects receivables from exchange transactions balance of Kshs.204,912,395, out of which, Kshs.56,138,590 was in respect of mortgages to various borrowers during the year. Records provided for audit review indicated that Kshs.6,100,000 additional mortgage loans were issued to five (5) members of staff with outstanding loans balances amounting to Kshs.36,271,900. However, the Scheme management did not provide an approved policy on issuance of additional loans to borrowers with outstanding loan balances.

Further, the Management did not provide evidence of reviewed application documents for the original mortgages before approval and release the additional loans. This was an indication of inadequate controls and weaknesses in loan appraisal process which may lead to misappropriation of mortgage loans and irregular application for additional loans.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards and for maintaining effective internal control as Management determines is necessary to enable

the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control.

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

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

In addition to the responsibility for the preparation and presentation of the Fund's financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public money is applied in an effective manner in line with Article 229(6) of the Constitution of Kenya, 2010.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 February, 2022


Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020


13. FINANCIAL STATEMENTS

13.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2020

	Note	2019/2020	2018/2019
		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	6,234,156	6,286,898
Other income	5	-	-
		6,234,156	6,286,898
Total revenue		6,234,156	6,286,898
Expenses			
Fund administration expenses	6	4,291,000	822,400
General expenses	8	1,880,486	2,746,400
Finance costs	9	-	17,536
Total expenses		6,171,486	3,586,336
Other gains/losses			
Gain/loss on disposal of assets	10	-	-
Surplus/(deficit) for the period		62,670	2,700,562

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The fund financial statements were approved on 4/01/2021 2020 and signed by


 Fatuma Hassan Mwalupa
 Ag. Clerk – County Assembly

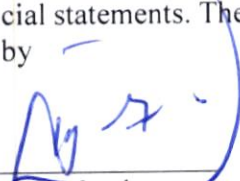

 CPA Saidi Maganga – No. 10759
 Fund Administrator

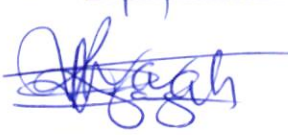
Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

13.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2019/2020	2018/2019
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	11	12,313,682	24,062,574
Current portion of long- term receivables from exchange transactions	12	61,650,268	54,970,880
Prepayments	14	-	-
Inventories	15	-	-
		73,963,950	79,033,454
Non-current assets			
Property, plant and equipment	16	-	-
Intangible assets	17	-	-
Long term receivables from exchange transactions	12	143,262,127	139,154,032
		143,262,127	139,154,032
Total assets		217,226,077	218,187,486
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	18	9,544,684	10,568,763
Provisions	19	-	-
Current portion of borrowings	20	-	-
Employee benefit obligations	23	-	-
		9,544,684	10,568,763
Non-current liabilities			
Non-current employee benefit obligation	23	-	-
Long term portion of borrowings	20	-	-
Total liabilities		9,544,684	10,568,763
Net assets		207,681,393	207,618,723
Revolving Fund	26	197,430,000	197,430,000
Reserves			
Surplus/Deficit		62,670	2,700,562
Accumulated surplus	27	10,188,723	7,488,160
Total net assets and liabilities		207,681,393	207,618,723

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The fund financial statements were approved on 4/01/2021 2020 and signed by


 Fatuma Hassan Mwalupa
 Ag. Clerk – County Assembly

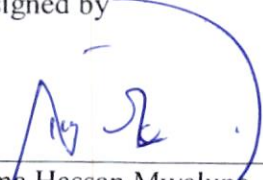

 CPA Saidi Maganga – No. 10759
 Fund Administrator

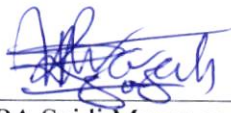
Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

13.3. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2018	197,430,000	-	7,488,160	204,918,160
Surplus/(deficit) for the period	-	-	2,700,562	2,700,562
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2019	197,430,000	-	10,188,722	207,618,722
Balance as at 1 July 2019	197,430,000	-	10,188,722	207,618,722
Surplus/(deficit) for the period	-	-	62,670	62,670
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2020	197,430,000	-	10,251,392	207,681,392

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The fund financial statements were approved on 04/01/2021 2020 and signed by


 Fatuma Hassan Mwalupa
 Ag. Clerk – County Assembly

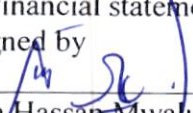

 CPA Saidi Maganga – No. 10759
 Fund Administrator

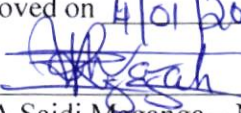
**Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020**

13.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2019/2020	2018/2019
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the County Government		-	-
Interest received	4	6,234,156	6,286,898
Receipts from other operating activities		-	-
Total Receipts		6,234,156	6,286,898
Payments			
Fund administration expenses	6	(4,291,000)	(822,400)
General expenses	8	(1,880,486)	(2,746,400)
Finance cost	9	-	(17,536)
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	21	(10,787,484)	(16,395,145)
Increase/(Decrease) in Accounts Payable: (deposits and retention)	22	(1,024,079)	135,960
Net cash flows from operating activities		(11,748,892)	(13,558,623)
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		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(11,748,892)	(13,558,623)
Cash and cash equivalents at 1 JULY	11	24,062,574	37,621,197
Cash and cash equivalents at 30 JUNE	11	12,313,682	24,062,574

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The fund financial statements were approved on 4/01/2021 2020 and signed by


Fatuma Hassan Mwalupa
Ag. Clerk – County Assembly

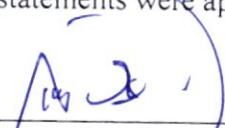

CPA Saidi Maganga – No. 10759
Fund Administrator


Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

13.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30th JUNE 2020

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilisation
	2020	2020	2020	2020	2020	2020
	KShs	KShs	KShs	KShs	KShs	
Revenue						
Public contributions and donations	-	-	-	-	-	
Transfers from County Govt.	552,000		552,000		552,000	0%
Interest income	6,450,000	-	6,450,000	6,234,156	215,844	97%
Other income	-	-	-	-	-	
Total income	7,002,000	-	7,002,000	6,234,156	767,844	89%
Expenses						
Fund administration expenses	5,022,000	-	5,022,000	4,291,000	731,000	85%
General expenses	1,980,000	-	1,980,000	1,880,486	99,514	95%
Finance cost	-	-	-	-	-	
Total expenditure	7,002,000	-	7,002,000	6,171,486	830,514	88%
Surplus for the period	-	-	-	62,670	- 62,670	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Fund financial statements were approved on 04/01/2021 2020 and signed by:


 Fatuma Hassan Mwalupa
 Ag. Clerk – County Assembly


 CPA Saidi Maganga – No. 10759
 Fund Administrator

13.6. 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;

Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

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> <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. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. 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>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> <ul style="list-style-type: none"> 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 b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. <p>Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time</p>

**Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020**

Standard	Effective date and impact:
	<p>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 2020.

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 under simple interest on reducing balance basis.

4. Budget information

The original budget for FY 2019/2020 was approved by the County Assembly on 30th June 2019.

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.

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.



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

11. Changes in accounting policies and estimates

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

12. Employee benefits – Retirement benefit plans

The Entity do not have a retirement benefit scheme.

13. Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Apparently, the Fund operates on domestic currency since all the members are natives of within Kwale County whose currency is in Kenya Shillings.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Borrowing costs

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

15. Related parties

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

16. Cash and cash equivalents

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

17. Comparative figures

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

18. Events after the reporting period

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

19. Ultimate and Holding Entity

The entity is a County Public Fund established by Kwale County Assembly Members and Staff Loan Scheme Funds Act 2016.

20. Currency

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

21. 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

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

Unless otherwise specified, the entity does not make any provisions.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

22. 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 Committee.

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.

i. 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.

Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) 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:

	2020	2019
	KShs	KShs
Revaluation reserve	-	-
Revolving fund	197,430,000	197,430,000
Accumulated surplus	10,251,393	10,188,723
Total funds	207,681,393	207,618,723
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	207,681,393	207,618,723

13.7. NOTES TO THE FINANCIAL STATEMENTS

1. Public contributions and donations

Description	2019/2020	2018/2019
	KShs	KShs
Donation from development partners	-	-
Contributions from the public	-	-
Total	-	-

2. Transfers from County Government

Description	2019/2020	2018/2019
	KShs	KShs
Transfers from County Govt. – operations	-	-
Payments by County on behalf of the entity	-	-
Total	-	-

3. Fines, penalties and other levies

Description	2019/2020	2018/2019
	KShs	KShs
Late payment penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	2019/2020	2018/2019
	KShs	KShs
Interest income from Mortgage loans	4,741,555	3,832,121
Interest income from car loans	1,492,601	1,900,963
Interest income from investments	-	-
Interest income on bank deposits	-	553,815
Total interest income	6,234,156	6,286,898

Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Other income

Description	2019/2020	2018/2019
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income	-	-
Total other income	-	-

6. Fund administration expenses

Description	2019/2020	2018/2019
	KShs	KShs
Staff costs (Note 7)	1,017,000	822,400
Loan processing costs	-	-
Committee training expenses	3,274,000	
Professional services costs	-	-
Administration fees	-	-
Total	4,291,000	822,400

7. Staff costs

Description	2019/2020	2018/2019
	KShs	KShs
Salaries and wages	492,000	492,000
Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs (Personal Allowances paid)	525,000	330,400
Total	1,017,000	822,400

Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. General expenses

Description	2019/2020	2018/2019
	KShs	KShs
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	628,863	-
Postage	-	-
Printing and stationery	-	-
Rental costs	-	-
Legal Charges	-	1,740,000
Security costs	-	-
Telecommunication	-	-
Bank Charges	28,023	-
Hospitality	-	-
Depreciation and amortization costs	-	-
Other expenses (Daily subsistence allowances)	1,223,600	1,006,400
Total	1,880,486	2,746,400

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Finance costs

Description	2019/2020	2018/2019
	KShs	KShs
Interest on Bank overdrafts	-	-
Bank Charges	-	17,536
Total	-	17,536

10. Gain/(loss) on disposal of assets

Description	2019/2020	2018/2019
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

11. Cash and cash equivalents

Description	2019/2020	2018/2019
	KShs	KShs
Car loan account	-	-
County mortgage account	-	-
Fixed deposits account	-	-
Current account-KCB	12,123,681	-
Current account-Family bank	190,001	24,062,574
Others	-	-
Total cash and cash equivalents	12,313,682	24,062,574

**Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

		2019/2020	2018/2019
Financial institution	Account number	KShs	KShs
a) Fixed deposits account			
Kenya Commercial bank		-	-
Equity Bank, etc		-	-
Sub- total		-	-
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank - etc		-	-
Sub- total		-	-
c) Current account			
Kenya Commercial bank	1182792197	12,123,681	23,872,573
Family Bank	095000038226	190,001	190,001
Sub- total		12,313,682	24,062,574
d) Others(specify)			
Cash in hand		-	-
M Pesa		-	-
Sub- total		-	-
Grand total		12,313,682	24,062,574

12. Receivables from exchange transactions

Description	2019/2020	2018/2019
	KShs	KShs
Current Receivables		
Interest receivable	2,262,135	-
Accrued interest on delayed recoverable -Car Loan		80,763
Accrued interest on delayed recoverable -Mortgage		471,567
Current loan repayments due	59,388,133	-
Principal Loan due in 12 months - (Car Loan)	-	21,426,892
Principal Loan due in 12 months - (Mortgage)	-	32,991,659
Total Current receivables	61,650,268	54,970,880
Non-Current receivables		
Long term loan repayments due	143,262,127	-
Principal Loan due After 12 months - (Car Loan)		34,255,088
Principal Loan due After 12 months - (Mortgage)		104,898,943
Total Non- current receivables	143,262,127	139,154,032
Total receivables from exchange transactions	204,912,395	194,124,911

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Additional disclosure on interest receivable

Description	2019/2020	2018/2019
	KShs	KShs
Interest receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due		
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

13. Receivables from Non-Exchange transaction

Description	2019/2020	2018/2019
	KShs	KShs
Transfer to County Executive	-	-
	-	-
Total receivables from non-exchange transactions	-	-

Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Prepayments

Description	2019/2020	2018/2019
	KShs	KShs
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Other prepayments(specify)	-	-
Total	-	-

15. Inventories

Description	2019/2020	2018/2019
	KShs	KShs
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Other inventories(specify)	-	-
Total inventories at the lower of cost and net realizable value	-	-

Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

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 2019					
Additions	-	-	0	0	0
Disposals	-	-	0	0	0
Transfer/adjustments	-	-	0	0	0
At 30th June 2020	-	-	0	0	0
Depreciation and impairment					
At 1 st July 2018	-	-	0	0	0
Depreciation	-	-	0	0	0
Impairment	-	-	0	0	0
At 30th June 2019	-	-	0	0	0
At 1st July 2019					
Depreciation	-	-	0	0	0
Disposals	-	-	0	0	0
Impairment	-	-	0	0	0
Transfer/adjustment	-	-	0	0	0
At 30th June 2020	-	-	0	0	0
Net book values					
At 30th June 2019	-	-	0	0	0
At 30th June 2020	-	-	0	0	0

Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Intangible assets-software

Description	2019/2020	2018/2019
	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	2019/2020	2018/2019
	KShs	KShs
Excess direct deposit- Felistus Kalungu	12,921	-
Refundable deposits	7,263,763	9,092,763
Accrued expenses	2,268,000	1,476,000
Other payables	-	-
Total trade and other payables	9,544,684	10,568,763

19. Provisions

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

Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Borrowings

Description	2019/2020	2018/2019
	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:

	2019/2020	2018/2019
	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	-	-
Total balance at end of the year	-	-

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

Description	2019/2020	2018/2019
	KShs	KShs
Short term borrowings(current portion)	-	-
Long term borrowings	-	-
Total	-	-

Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. CHANGES IN RECEIVABLE

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Account receivable as at 1 st July 2019 (A)	194,124,911	177,729,766
Account receivable issued during the year (B)	63,872,747	-
Account receivable settled during the Year (C)	53,085,263	194,124,911
Net changes in account receivables D= A-(A+B-C)	- 10,787,484	- 16,395,145

22. CHANGES IN ACCOUNTS PAYABLE

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Accounts Payable as at 1 st July 2019 (A)	10,568,763	10,432,803
Accounts Payable held during the year (B)	1,854,921	-
Accounts Payable paid during the Year (C)	2,879,000	10,568,763
Net changes in account receivables D= A+B-C	- 1,024,079	135,960

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	-	-	-	-

**Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. Cash generated from operations

	2019/2020	2018/2019
	KShs	KShs
Surplus/ (deficit) for the year before tax	62,670	2,700,562
Adjusted for:		
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Interest income		
Fund administration expenses		-
General expenses		-
Finance cost	-	-
Working Capital adjustments	62,670	2,700,562
Increase in inventory	-	-
Increase in receivables	(10,787,484)	(16,395,145)
Increase in payables	(1,024,079)	135,960
Net cash flow from operating activities	(11,748,892)	(13,558,623)

25. Fund Balances B/f

	Adjustments	2019/2020	2018/2019
		KShs	KShs
Bank Accounts			
- Family Bank - Fixed			-
- Family Bank - Current		190,001	190,001
- KCB Bank		23,872,573	37,431,196
Accounts receivables		194,124,911	177,729,766
Adjustment bon opening receivables			
Accounts Payables		(10,568,763)	(10,432,803)
Totals		207,618,723	204,918,160

Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. Revolving Fund b/f

	2019/2020	2018/2019
Revolving Fund Balance b/f	197,430,000	197,430,000
Add: Changes in receivables		
Less: Accumulated Surplus/Deficit b/f		
Revolving Fund b/f	197,430,000	197,430,000

27. Accumulated Surplus/Deficit b/f

	2019/2020	2018/2019
Fund balances b/f	207,618,723	204,918,160
Add: Changes in receivables		
Less: Revolving fund	197,430,000	197,430,000
Accumulated Surplus/Deficit b/f	10,188,723	7,488,160

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. Related party balances

a) Nature of related party relationships

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

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

Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

b) Related party transactions

	2019/2020	2018/2019
	KShs	KShs
Transfers from related parties'	-	-
Transfers to related parties	-	-

c) Key management remuneration

	2019/2020	2018/2019
	KShs	KShs
Board of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

	2019/2020	2018/2019
	KShs	KShs
Due from parent Ministry	-	-
Due from County Government	-	-
Total	-	-

e) Due to related parties

	2019/2020	2018/2019
	KShs	KShs
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Total	-	-

29. Contingent assets and contingent liabilities

Contingent liabilities	2019/2020	2018/2019
	KShs	KShs
Court case xxx against the Fund	-	-
Bank guarantees	-	-
Total	-	-

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

The Kwale County Assembly has not yet received the Audit report for FY 2018-2019 for further deliberations.

**Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020**

15. ANNEXES

15.1. ANNEX 1- ANALYSIS OF CAR LOAN RECEIVABLES

COUNTY ASSEMBLY OF KWALE							
CAR LOAN LOANS RECOVERIES - July 2019 TO June 2020							
Beneficiary Name	PRINCIPAL LOAN			Principal loan		Accrued Intrest C/F	
	Outstanding Loan B/F (01.07.2019)	Issued In The year	Recoveries in the year	Outstanding Loan C/F (30.06.2020)	Long Term (Due after 12 Months)		Short Term (Due in 12 Months)
ALFRED RUWA BAVU	1,443,980		526,098	917,882	269,965	647,917	-
ALI MABAVU	879,339		234,685	644,654	395,110	249,543	-
ANDREW MULEI	1,348,722		476,657	872,065	373,742	498,323	-
ANTHONY YAMA	743,227		366,188	377,039	171,382	205,658	-
ANTONY ODINDO	1,165,889		585,024	580,865	264,030	316,836	-
BINTIALI HAMADI KIBAMBA	827,513		291,672	535,841	256,272	279,569	-
CHAKA JULIUS NYONDO	378,842		114,285	264,556	151,175	113,381	-
DANIEL MBINDA	381,374		381,374	- 0.00	0	0	-
DENIS MUTUI	2,642,700		-	2,642,700	1,422,992	1,219,708	196,078
ELIZABETH MWANGOLO RUWA	1,262,436		460,545	801,891	320,756	481,134	-
FATUMA KINGI	1,076,852		268,410	808,442	523,110	285,332	-
FATUMA MASITO	1,551,257		520,302	1,030,955	412,382	618,573	-
FATUMA MWALUPA	1,143,314		445,341	697,973	232,658	465,316	-
SWALEH B. SIMBA	421,618		-	421,618	0	421,618	-
FELISTUS KALUNGU	742,380		742,380	-	0	0	-
GUZO MWATERO	452,745		452,745	-	0	0	-
GUZO MWATERO	-	1,500,000	198,972.57	1,301,027	982,408	318,619	-
HANIFA BADI MWAJIRANI	1,053,210		317,072	736,138	352,066	384,072	-



Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

ANALYSIS OF CAR LOAN RECEIVABLES(CONTINUED)							
HASSAN YUSSUF MWASIPHO	1,283,927		426,362	857,565	389,802	467,763	-
JAMES DAWA	3,132,991		1,186,740	1,946,251	717,040	1,229,211	-
JANET MWANIA	528,202		213,081	315,121	92,683	222,438	-
JERUMANI MAKRAA	421,618		-	421,618	0	421,618	-
JOHN GENYA KALU	951,395		298,983	652,412	339,254	313,158	-
JOSEPH KITUMBO NDEME	1,144,990		536,994	607,996	0	607,996	-
JOSEPHAT CHIREMA KOMBO	1,352,191		437,405	914,786	365,915	548,872	-
JUMA MAONE	1,272,169		-	1,272,169	508,867	763,301	139,939
JUMA MASUDI	1,240,237		452,375	787,861	315,145	472,717	-
KENETH KITANA	900,000		336,644	563,356	165,693	397,663	-
KHAMISI MOHAMMED	667,458		273,332	394,126	115,920	278,207	-
LILY UMAZI MKALLA	518,141		239,248	278,893	82,027	196,866	-
LUCY WAWERU	965,926		965,926	0.00	0	0	-
MANZA BEJA BENY	1,262,436		460,545	801,891	320,756	481,134	-
MARY KALINGA	1,262,436		460,545	801,891	320,756	481,134	-
MELDA NYAKITI	844,542		283,095	561,447	240,620	320,827	-
MERCY NDIRANGU	543,294		219,168	324,126	95,331	228,795	-
MISHI MAYUMBE	1,230,723		1,230,723	-	0	0	-
MWANAKOMBO B. RASHID	749,005		228,188	520,817	280,440	240,377	-
MWANASITI SAID MWADZOGOLO	434,806		409,887	24,919	0	24,919	-
MWANDOTO BIJUMA SAPHATI	713,136		260,116	453,019	181,208	271,812	-
MWAPHATSA MWANAUBA OMARI	1,240,237		452,375	787,861	315,145	472,717	-
MWERUPHE NDORO	1,127,967		358,404	769,563	349,801	419,761	-
MWINYI BURDAI	1,240,237		376,035	864,202	345,681	518,521	-
MWINYI KHALFANI MWASERA	1,567,745		531,521	1,036,225	495,586	540,639	-
NASSORO B. MGUTTA	1,262,436		421,637	840,799	336,320	504,479	-
PATRICK MANGALE	1,240,237		452,375	787,861	315,145	472,717	-

Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

ANALYSIS OF CAR LOAN RECEIVABLES(CONTINUED)							
PAUL MWALONYA	700,748		282,687	418,061	122,959	295,102	-
PHILIP ZIRO	1,141,594		358,823	782,770	407,041	375,730	-
POKEA BAKARI SIKUKUU	1,283,927		426,362	857,565	389,802	467,763	-
RAIA MKUNGU	1,409,492		351,291	1,058,201	453,515	604,686	-
SAIDI SAIDI MAGANGA	1,375,464		307,339	1,068,125	739,471	328,654	-
SALYA MBOTO	466,947		150,920	316,028	116,431	199,596	-
SAWA HAMISI NGALAA	85,348		85,348	- 0.00	0	0	-
SULEIMAN NZALA	1,240,237		376,035	864,202	345,681	518,521	-
SWALEH B. SIMBA	848,993		309,714	539,279	215,712	323,567	-
TERESIA B MUOKI	493,183	-	493,044	138	0	138	-
	55,659,815	1,500,000	21,035,020	36,124,796	15,607,794	20,517,002	336,016



Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

15.2. ANNEX 2- ANALYSIS OF MORGAGE LOAN RECEIVABLES

COUNTY ASSEMBLY OF KWALE								
MORTGAGE LOANS RECOVERIES - July 2019 TO June 2020								
Staff Name	Amount	PRINCIPAL LOAN			Principal loan			Accrued Intrest C/F
		Outstanding Loan B/F (01.07.2019)	Issued In The year	Recoveries in the year	Outstanding Loan C/F (30.06.2020)	Long Term (Due after 12 Months)	Short Term (Due in 12 Months)	
ALFRED RUWA BAVU	2,100,000.00	1,807,524.11		619,686.67	1,187,837.44	539,926	647,911	
ALI MASEMO	7,000,000.00	6,893,051.65		113,446.62	6,779,605.03	6,411,482	368,123	
ALI MNGUMI PILANI	4,100,000.00	0.00	4,100,000.00	0.00	4,100,000.00	3,888,841	211,159	61,500.00
ANDREW MULEI	3,000,000.00	2,023,083.02		594,328.52	1,428,754.50	612,323	816,431	
ANTHONY YAMA	3,000,000.00	2,346,812.72		693,616.05	1,653,196.67	751,453	901,744	
ANTONY ODINDO	2,500,000.00	2,228,720.40		731,581.01	1,497,139.39	641,631	855,508	
BINTIALI HAMADI KIBAMBA	3,400,000.00	2,336,610.50		825,890.22	1,510,720.28	647,452	863,269	
CELLINE LUSWETI	5,000,000.00	3,744,825.03		1,111,344.15	2,633,480.88	1,463,045	1,170,436	
DANIEL MBINDA	6,900,000.00	0.00	6,900,000.00	10,147.13	6,889,852.87	6,535,011	354,842	
DICKSON MANGALE	5,500,000.00	0.00	5,500,000.00	0.00	5,500,000.00	5,222,689	277,311	27,500.00
ELIAS MATANGA	3,500,000.00	0.00	5,100,000.00	13,973.86	5,086,026.14	4,824,085	261,941	
ELIZABETH MWANGOLO RUWA	3,000,000.00	2,411,216.12		805,912.27	1,605,303.85	767,754	837,550	
FATUMA MASITO	2,650,000.00	1,944,989.40		671,406.42	1,273,582.98	578,901	694,682	
FELISTUS KALUNGU	1,500,000.00	0.00	1,500,000.00	0.00	1,500,000.00	1,386,792	113,208	3,750.00
GUZO MWATERO	5,500,000.00		5,500,000.00	64,387.88	5,435,612.12	5,062,884	372,728	
HAMIS MOHAMED OMAR	3,500,000.00	2,896,451.72		825,741.26	2,070,710.46	941,232	1,129,478	
HANIFA BADI MWAJIRANI	3,000,000.00	2,216,792.52		758,218.93	1,458,573.59	662,988	795,586	
HAPPY SAMINI	3,200,000.00	3,200,000.00	1,000,000.00	0.00	4,200,000.00	3,977,974	222,026	

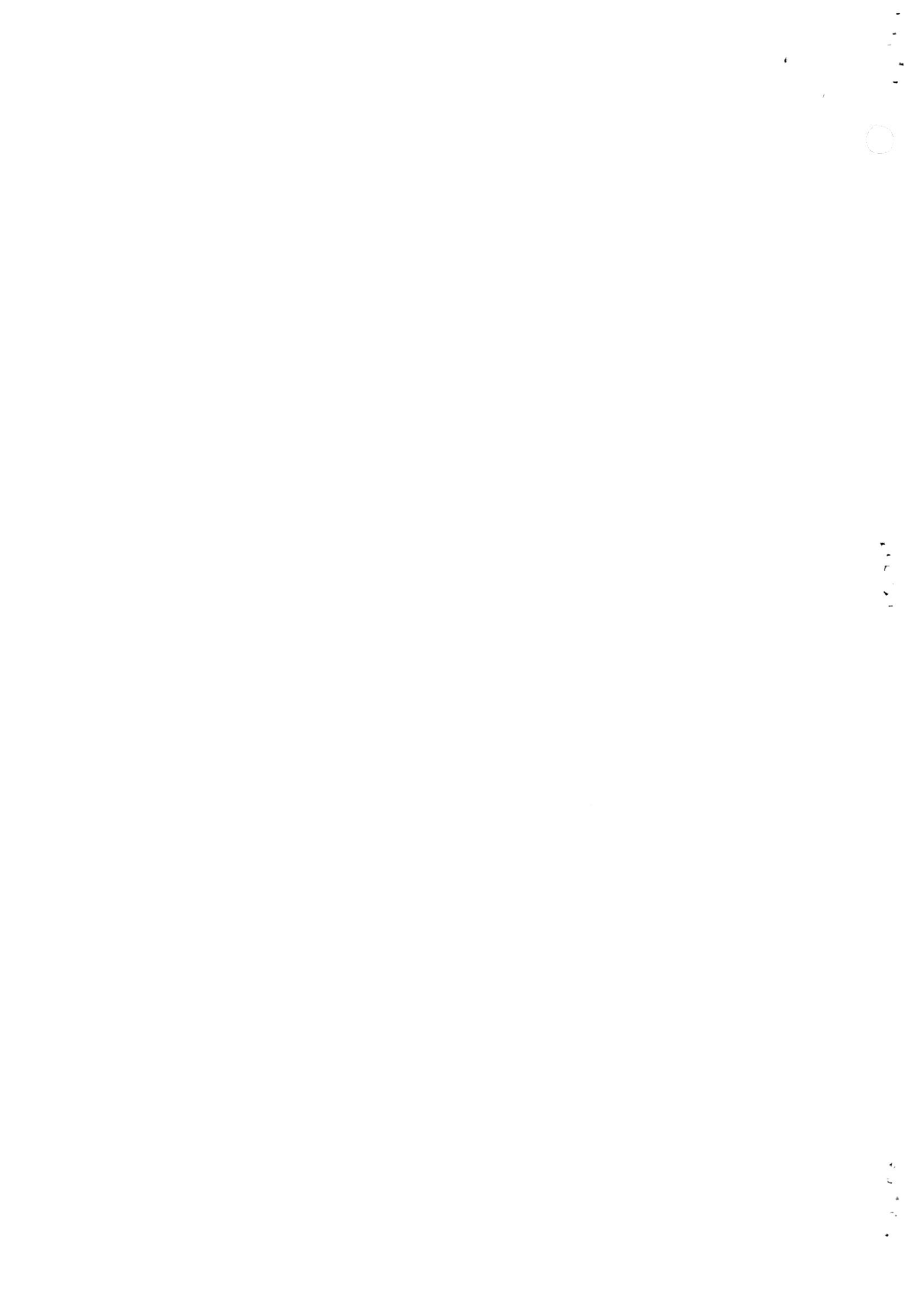
Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

ANALYSIS OF MORGAGE LOAN RECEIVABLES(CONTINUED)								
HASSAN YUSSUF MWASIPHO	3,000,000.00	2,209,602.89		759,847.70	1,449,755.19	621,324	828,432	
JOHN NANGINYI	3,000,000.00	3,000,000.00	2,700,000.00	63,129.75	5,636,870.25	5,334,895	301,975	
JOSEPH KITUMBO NDEME	3,000,000.00	2,273,842.98		755,952.63	1,517,890.35	689,950	827,940	
JOSEPH R. ZECHA	4,000,000.00	3,857,805.40		146,519.58	3,711,285.82	3,505,103	206,183	
JOSEPH TSUMA DANDA	5,000,000.00	3,695,551.50		1,266,021.28	2,429,530.22	971,812	1,457,718	
JOSEPHAT CHIREMA KOMBO	2,000,000.00	2,000,000.00	748,650.00	675,426.24	2,073,223.76	763,819	1,309,404	
JUMA MAONE	3,000,000.00	3,000,000.00		0.00	3,000,000.00	1,200,000	1,800,000	487,500.00
JUMA MASUDI	3,000,000.00	1,937,485.79		663,448.48	1,274,037.31	579,108	694,929	
LUCY WAWERU	6,500,000.00	6,278,009.60		396,995.70	5,881,013.90	5,549,689	331,325	
MARIAM MARUMU	2,800,000.00	0.00	2,800,000.00	0.00	2,800,000.00	2,659,414	140,586	
MARY KALINGA	3,000,000.00	2,061,715.64		728,726.32	1,332,989.32	571,281	761,708	
MISHI MAYUMBE	3,000,000.00	2,061,715.64		770,025.18	1,291,690.46	553,582	738,109	
MWAKARIBU H. MWAKARIBU	5,000,000.00	3,846,302.93		948,245.85	2,898,057.08	1,610,032	1,288,025	
MWANASITI SAID MWADZOGOLO	3,000,000.00	2,121,462.98		726,909.04	1,394,553.94	633,888	760,666	
MWANDOTO BIJUMA SAPHATI	3,000,000.00	2,162,887.72		741,187.37	1,421,700.35	646,227	775,473	
MWAPHATSA MWANAUBA OMARI	3,000,000.00	2,162,887.72		741,187.37	1,421,700.35	646,227	775,473	
MWAZANI MKULU	4,700,000.00	4,700,000.00	1,239,940.00	0.00	5,939,940.00	5,564,786	375,154	
MWERUPHE NDORO	3,000,000.00	1,984,021.38		527,334.83	1,456,686.55	662,130	794,556	
MWINYI KHALFANI MWASERA	2,650,000.00	1,958,642.41		670,991.13	1,287,651.28	515,061	772,591	
NASSORO B. MGUTTA	1,500,000.00	1,202,173.35		377,905.12	824,268.23	374,667	449,601	
OMAR KITENGELE	2,000,000.00	1,721,451.67		590,177.50	1,131,274.17	514,216	617,059	



Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

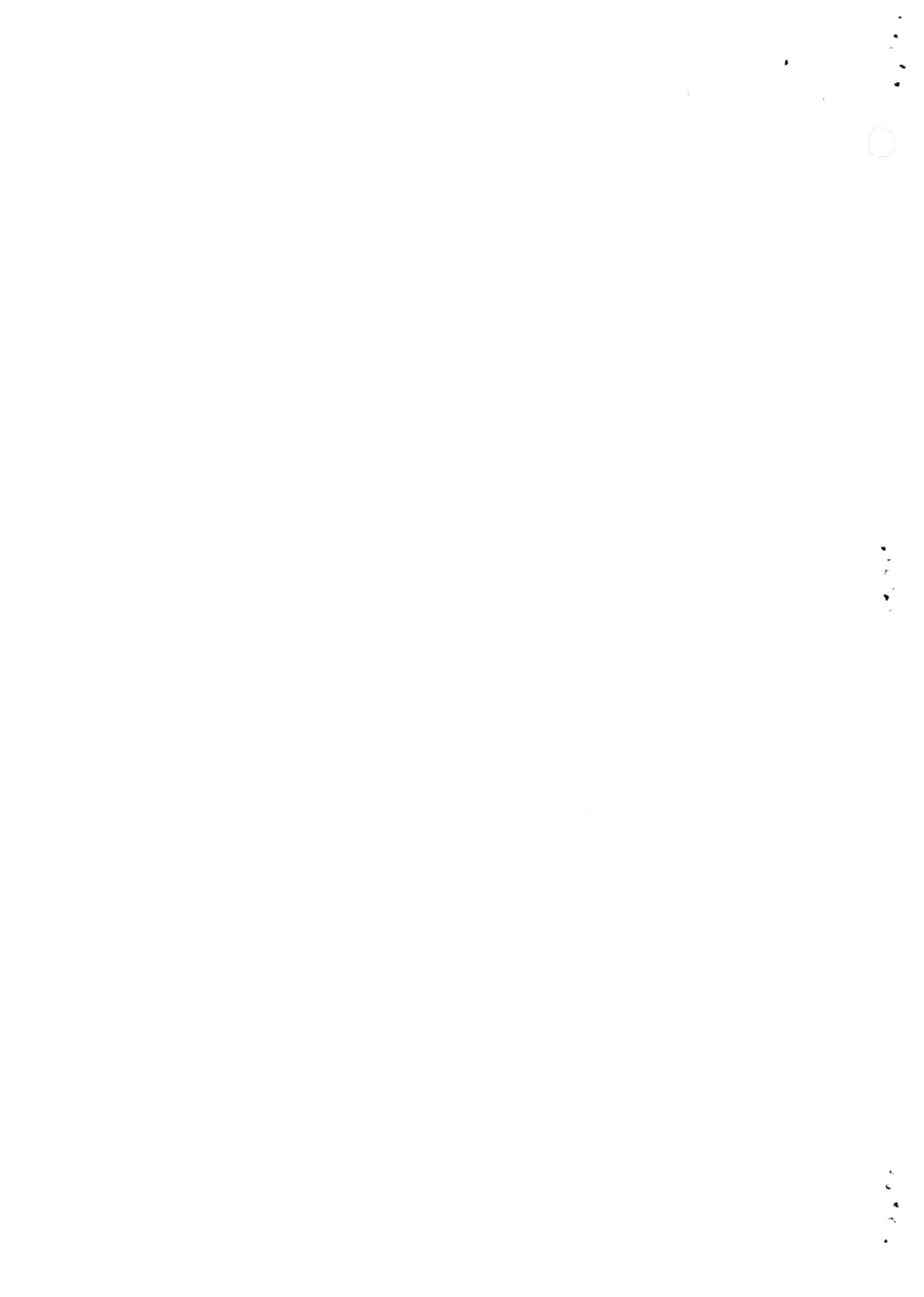
ANALYSIS OF MORGAGE LOAN RECEIVABLES(CONTINUED)								
OMARI GAMBERE	3,600,000.00	0.00	3,600,000.00	0.00	3,600,000.00	3,414,592	185,408	54,000.00
PHILIP ZIRO	2,400,000.00	2,264,321.05		202,098.19	2,062,222.86	1,819,608	242,614	
POKEA BAKARI SIKUKUU	3,000,000.00	2,209,602.89		759,847.70	1,449,755.19	621,324	828,432	
RAIA MKUNGU	3,000,000.00	2,413,506.02		667,305.67	1,746,200.35	793,727	952,473	
SAID M. NZAO	7,000,000.00	0.00	8,250,000.00	28,134.95	8,221,865.05	7,798,421	423,444	
SAIDI SAIDI MAGANGA	400,000.00	12,376,636.21	1,700,000.00	42,883.57	14,033,752.64	12,630,377	1,403,375	450,000.00
SAMMY RUWA	12,000,000.00	8,092,332.03		2,859,941.50	5,232,390.53	2,242,453	2,989,937	
SAWA HAMISI NGALAA	5,500,000.00	0.00	5,500,000.00	169,743.94	5,330,256.06	4,995,371	334,885	
SULEIMAN NZALA	3,000,000.00	2,025,685.40		718,556.13	1,307,129.27	522,852	784,278	
SWALEH B. SIMBA	3,000,000.00	2,054,821.35		612,422.20	1,442,399.15	618,171	824,228	
TERESIA B MUOKI	3,400,000.00	2,463,952.14		843,800.31	1,620,151.83	648,061	972,091	
WILLIAM MJAPE	12,500,000.00	12,026,694.73		0.00	12,026,694.73	11,352,301	674,394	841,868.63
YUSSUF HASSAN MBWANA	5,000,000.00	3,677,413.30		1,209,281.47	2,468,131.83	1,121,878	1,346,254	
	201,300,000.00	137,890,601.91	56,138,590.00	27,503,727.69	166,525,464.22	127,662,812	38,862,652	1,926,119



Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

15.3. ANNEX 3- ANALYSIS OF SCHEDULE OF RETENTION

SCHEDULE OF RETENTION MONIES						
Name of Beneficiary	Processed Loan	Disbursed	Retention B/F (01.07.2019)	Retention in the year	Retention Paid in the year	Retention C/F(30.06.2020)
Hamisi Mwakaribu	5,000,000.00	4,200,000.00	300,000.00		300,000.00	-
Joseph Danda	5,000,000.00	4,500,000.00	- 40.00			(40.00)
Sammy Ruwa	12,000,000.00	11,000,000.00	350,000.00			350,000.00
William Mjape	12,500,000.00	11,233,000.00	-			-
Jackson Ngoro	3,000,000.00	2,799,997.00	200,003.00			200,003.00
Juma Masudi	3,000,000.00	2,800,000.00	200,000.00			200,000.00
Yusuf Mbwana	5,000,000.00	4,550,000.00	450,000.00			450,000.00
Juma Maone	3,000,000.00	2,800,000.00	200,000.00			200,000.00
Suleiman Nzalla	3,000,000.00	2,800,000.00	200,000.00			200,000.00
Anthony Yama	3,000,000.00	2,800,000.00	200,000.00			200,000.00
Andrew Mulei	3,000,000.00	2,800,000.00	200,000.00			200,000.00
Swaleh Simba	3,000,000.00	2,900,000.00	100,000.00			100,000.00
Teresia Muoki	3,400,000.00	3,000,000.00	400,000.00			400,000.00
Merry Kalinga	3,000,000.00	2,800,000.00	200,000.00		200,000.00	-
Mishi Mayumbe	3,000,000.00	2,800,000.00	200,000.00			200,000.00
Mwanasiti Mwadzogolo	3,000,000.00	2,800,000.00	200,000.00			200,000.00
Lucy Waweru	6,500,000.00	6,265,000.00	235,000.00			235,000.00
Mwinyi Mwasera	2,650,000.00	2,450,000.00	200,000.00			200,000.00
Sikukuu Pokea	3,000,000.00	2,800,000.00	200,000.00			200,000.00



Kwale County Assembly Members and staff Loan scheme Fund
Reports and Financial Statements
For the year ended June 30, 2020

ANALYSIS OF SCHEDULE OF RETENTION(CONTINUED)

Hanifa Badi	3,000,000.00	2,618,000.00	382,000.00			382,000.00
Mwanauba Mwaphatsa	3,000,000.00	2,618,000.00	382,000.00			382,000.00
Bijuma Mwandoto	3,000,000.00	2,800,000.00	200,000.00			200,000.00
Cellin Lusweti	5,000,000.00	4,700,000.00	300,000.00		300,000.00	-
Joseph Kitumbe	3,000,000.00	2,800,000.00	200,000.00			200,000.00
Philip Ziro	2,400,000.00	2,200,000.00	113,800.00			113,800.00
Ali Masemo	7,000,000.00	6,500,000.00	-			-
Joseph Zecha	4,000,000.00	3,600,000.00	400,000.00			400,000.00
Nassoro Mguta	1,500,000.00	1,400,000.00	100,000.00			100,000.00
Elizabeth Mwangolo	3,000,000.00	2,800,000.00	200,000.00			200,000.00
Hamisi Mohamed	3,500,000.00	3,200,000.00	300,000.00		300,000.00	-
Alfred Bavu	2,100,000.00	1,900,000.00	200,000.00			200,000.00
Omar Kitengele	2,000,000.00	1,800,000.00	200,000.00		200,000.00	-
Anthony Oloo Odindo	2,500,000.00	2,300,000.00	200,000.00		200,000.00	-
Mwazani Mkulu	4,700,000.00	3,500,000.00	1,200,000.00		1,350,000.00	- 150,000.00
Saidi Maganga	12,000,000.00	11,720,000.00	280,000.00			280,000.00
Chirema Kombo	2,000,000.00	1,800,000.00	200,000.00			200,000.00
Happy Samini	3,200,000.00	3,000,000.00	200,000.00			200,000.00
Daniel Mbinda	6,900,000.00	6,700,000.00	-	200,000.00		200,000.00
Dickson Nyundo	5,500,000.00	5,300,000.00	-	200,000.00		200,000.00
Sawa Ngalaa	5,500,000.00	5,050,000.00		450,000.00		450,000.00
John Nanginyi	5,700,000.00	5,500,000.00		200,000.00	29,000.00	171,000.00
	175,550,000.00	161,903,997.00	9,092,763.00	1,050,000.00	2,879,000.00	7,263,763.00

