

Scanned
23/09/2021



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

PAPERS LAID	
DATE	08/09/2021
TABLED BY	Sen. K. M. W. Njoroge
COMMITTEE	OF
CLERK AT THE TABLE	[Signature]

THE SENATE
RECEIVED
03 SEP 2021
DIRECTOR LEGISLATIVE AND
PROCEDURAL SERVICES

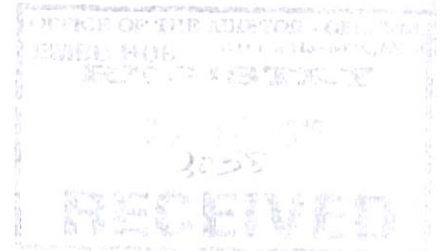
THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF ISIOLO CAR LOAN SCHEME FUND

FOR THE YEAR ENDED 30 JUNE, 2019

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2019



COUNTY ASSEMBLY OF ISIOLO

CAR LOAN SCHEME FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2019

Contents

KEY ASSEMBLY INFORMATION AND MANAGEMENT	3
I. FORWARD BY THE CLERK OF THE ASSEMBLY	5
II. STATEMENT OF MANAGEMENT RESPONSIBILITIES	6
III. STATEMENT OF FINANCIAL PERFORMANCE	7
AS AT 30 JUNE 2019	7
IV. STATEMENT OF FINANCIAL POSITION	8
AS AT 30 JUNE 2019	8
V. STATEMENT OF CASHFLOW	9
VI. STATEMENT OF CHANGES IN NET ASSETS	10
VII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	11
VIII. SIGNIFICANT ACCOUNTING POLICIES	12
IX. NOTES TO THE FINANCIAL STATEMENTS	14
X. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	17

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2019

KEY ASSEMBLY INFORMATION AND MANAGEMENT

(a) Background information

The County Assembly is constituted as per the constitution of Kenya is headed by the Speaker, who is responsible for the general policy and strategic direction of the County Assembly.

(b) Key Management

The Assembly's day-to-day management is under the following key organs:

- Clerks Department
- Accounts and Finance Department
- Human resource and Procurement Department
- Budget and Audit Department

(c) Fiduciary Management

The key management personnel who held office during the year ended 30th June, 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Clerk	Salad Boru Guracha
2.	Principal Accountant	Issadin Muktar
3.	Principal Finance	Rahima Atikiya
4.	Principal Human Resource	Abubakar Ali Boru
5.	Principal Auditor	Hadija Yussuf

(d) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

- Audit and finance committee activities
- County Assembly's Public Accounts committee

(e) Assembly Headquarters

P.O. Box 195 - 60300
County Assembly Building
Isiolo, KENYA

(f) Assembly Contacts

Telephone: (254) 0719574394
E-mail: clerkisiolo@gmail.com.
Website: www.isiolo.go.ke

(g) Assembly Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Equity Bank Limited
P.O. Box 197
Isiolo
3. National Bank of Kenya
Isiolo Branch
P.O BOX 72866-00200 Nairobi

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2019

FORWARD BY THE CLERK OF THE ASSEMBLY

The Isiolo County Assembly Car Loan Scheme Fund was established in the financial year 2015/2016. And amount of Kshs. 22,000,000 was set aside as a revolving fund

VALUE FOR MONEY

Isiolo County Assembly car loan scheme funds were utilized in accordance with the provisions of Public Finance Management Act 2012 and the purpose for which they were intended for.

PROGRESS LOAN DISBURSEMENT

During the financial year 2018/2019 the County Assembly recovered **Kshs.6, 528,816.80** from members of county assembly.



29/08/2019

Clerk of the County Assembly

Sign

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2019

II. STATEMENT OF MANAGEMENT RESPONSIBILITIES

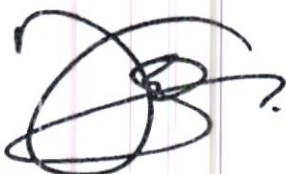
The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (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 County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2019 and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Assembly's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

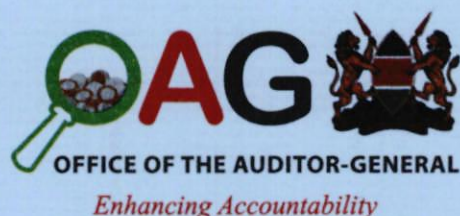
The County Assembly's financial statements were approved and signed by the Clerk of the County Assembly on **Aug 29, 2019**.



Clerk of the County Assembly

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 COUNTY ASSEMBLY OF ISIOLO CAR LOAN SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Disclaimer of Opinion

I have audited the accompanying financial statements of County Assembly of Isiolo Car Loan Scheme Fund set out on pages 7 to 17, which comprise the statement of financial position as at 30 June, 2019, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

I do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. Trial Balance not Provided

The Fund's trial balance for the financial year ended 30 June, 2019 was not provided for audit.

In the circumstances, the validity and accuracy of all the balances in the Fund's financial statements for the year ended 30 June, 2019 could not be confirmed.

2. Inaccuracy of the Financial Statements

2.1 Variances in the Opening Balances

Comparative balances for fifteen (15) items reflected in the Fund's financial statements were at variance with the audited balances reflected in the 2017/18 financial statements as indicated below:

Financial Statement	Items	Balances in the 2018/2019 Financial Statements (Kshs.)	Balances in the 2017/2018 audited Financial Statements (Kshs.)	Variance (Kshs.)
Statement of financial position	Cash and Bank	847,935	1,410,589	(562,654)
	Accounts Receivables	20,713,905	21,944,123	(1,230,218)
	Deferred Interest	555,592	785,719	(230,127)
	Car loan fund	21,075,248	22,000,100	(924,852)
	Accumulated surplus	(69,000)	572,464	(641,464)
Statement of financial performance	Interest income not received	74,361	588,130	(513,769)
	Total expenditure	143,631	143,361	270
	Surplus/ (Deficit)	(69,000)	444,769	(513,769)
Statement of cash flow	Surplus/ (Deficit)	(69,000)	444,769	(513,769)
	Interest income not received	637,015	464,686	172,329
	Loan repayment	2,478,702	1,426,156	1,052,546
	Increase in cash and cash equivalents	20,227,313	19,664,659	562,654
	Cash and cash equivalent at the end of the year	847,935	1,410,589	(562,654)
Statement of changes in net assets	Accumulated fund	195,865	572,464	(376,599)
	Balance as at 30 June, 2018	22,195,865	22,572,564	(376,699)

In the circumstances, the accuracy of the comparative balances on the fifteen (15) items reflected in the financial statements could not be confirmed.

2.2 The Statement of Financial Position

The statement of financial position reflects a balance of Kshs.22,000,000 and a negative balance of Kshs.138,791 in respect to car loan fund and accumulated surplus respectively, both totaling to Kshs.21,861,209. However, the re-computed accumulated surplus balance was Kshs.433,673 instead of the reported accumulated deficit balance of Kshs.138,791 resulting into an unreconciled variance of Kshs.294,882.

2.3 The Statement of Cash Flows

The statement of cash flows reflects amounts of Kshs.6,528,817 and Kshs.631,634 in respect of loan repayments and interest income not received, respectively. However, details of the loan recoveries and interest income were not provided for audit review.

Further, the statement of financial position reflects an increase of Kshs.340,553 in accounts receivables from Kshs.20,713,905 as at 30 June, 2018 to Kshs.21,054,458 as

at 30 June, 2019. The statement also reflects an increase of Kshs.924,752 in car loan fund from Kshs.21,075,248 as at 30 June, 2018 to Kshs.22,000,000 as at 30 June, 2019. However, these changes have not been reflected in the statement of cash flows.

In addition, the statement of cash flows reflects an amount of Kshs.22,000,000 in respect to cash and cash equivalents at the beginning of the year. However, the audited financial statements for financial year 2017/2018 reflected a balance of Kshs.1,410,589 resulting to an unreconciled variance of Kshs.20,589,411.

2.4 The Statement of Changes in Net Assets

The statement of changes in net assets presented for audit for the year ended 30 June, 2019 do not show comparative amounts for 2017/2018 financial year. This is contrary to Paragraph 53 of International Public Sector Accounting Standard No.1 which requires comparative information to be disclosed in respect of the previous period for all amounts reported in the financial statements, both on the face of the financial statements and in the notes.

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

Further, the statement of changes in net assets reflects an amount of Kshs.22,195,865 as the loan fund opening balance while the audited financial statements for financial year 2017/2018 reflected a balance Kshs.22,572,564 resulting to an unreconciled variance of Kshs.376,699.

2.5 Car Loan Fund

Note 9 to the financial statements reflects an opening balance of Kshs.21,075,248 in respect to amounts transferred to the Fund while the 2017/2018 audited financial statements reflected a closing balance of Kshs.22,000,100 resulting to an unreconciled variance of Kshs.924,852.

In the circumstance, the accuracy of the financial statements for the year under review could not be confirmed.

3. Cash and Cash Equivalents

The statement of financial position reflects a balance of Kshs.1,605,542 in respect to cash and cash equivalents. However, the cash book, bank statements, bank reconciliation statement and certificate of bank balances and the board of survey report as at 30 June, 2019 were not provided for audit review.

Under the circumstances, the validity and accuracy of the cash and cash equivalents balance of Kshs.1,605,542 could not be confirmed.

4. Unsupported Account Balances

The financial statements reflected balances of Kshs.195,865, Kshs.322,854, Kshs.11,802, Kshs.21,054,458 and Kshs.631,634 relating to interest, administrative

costs, bank charges, accounts receivables and deferred interest, respectively. However, the respective supporting documents and schedules for the balances were not provided for audit review.

In the circumstances, the validity and accuracy of the account balances reflected in the financial statements could not be confirmed.

5. Presentation of the Financial Statements

The financial statements submitted for audit contained the following anomalies:

- (i) While the Public Sector Accounting Standards Board (PSASB) stipulates that the Fund's financial statements be prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS), the cover page of the Fund's financial statements indicate that the financial statements are prepared in accordance with the both Accrual and Cash Basis of Accounting Method under the IPSAS. In addition, page 12 and 16 of the financial statements indicate that the financial statements are prepared in accordance with Cash Basis and therefore misleading to the users of the financial statements.
- (ii) The Fund's financial statements reflect County Assembly of Isiolo as part of the header and therefore misleading to the users of the financial statements as to whether they relate to the Fund or to the County Assembly of Isiolo.
- (iii) The Funds financial statements under page 3 and 6 reflects Key Assembly Information and Management and Statement of Management Responsibilities respectively containing information about the County Assembly of Isiolo instead of the Fund's information. Further, PSASB stipulates that the Fund's financial statements should reflects information about the board of trustees, management team, chairperson's report, report of the administrator, corporate governance statement, management discussion and analysis and report of the trustees. However, these details are not included in the Fund's financial statements for the year under review.
- (iv) The Fund's statement of financial performance for the year ended 30 June, 2019 has been reflected as statement of financial performance as at 30 June, 2019 instead of for the year ended 30 June, 2019 in line with IPSAS 1 on presentation of financial statements.
- (v) Note 7 to the financial statements reflects Kshs.21,054,458 in respect to accounts receivables. However, the loans due balance has not been broken down to current accounts receivables and non-current accounts receivables in contravention of Paragraph 76 of IPSAS 1 which provides that an asset shall be classified as current if it is expected to be realized within twelve months after the reporting date. All other assets shall be classified as non-current.
- (vi) The Administrator of the Fund did not indicate his name while the Fund Accountant did not indicate both his name and Institute of Certified Public Accountants of Kenya

(ICPAK) Membership Number contrary to the Public Sector Accounting Standards Board (PSASB) guidelines which stipulates that the statement of financial performance should be signed by Administrator of the Fund who should also indicated his/her name and the Fund Accountant who should also indicate his/her name and his/her (ICPAK) membership number.

(vii) The progress on follow up of prior years' audit recommendations has not been reflected in the financial statements.

In the circumstances, the Fund's financial statements are not prepared in accordance with the stipulated PSASB guidelines for financial reporting.

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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

I do not express a conclusion on the lawfulness and effectiveness in the use of public resources as required by Article 229(6) of the Constitution. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

I do not express a conclusion on the effectiveness of internal controls, risk management and governance as required by Section 7(1)(a) of the Public Audit Act, 2015. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

In addition to the responsibility for the preparation and presentation of the 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 resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how 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

My responsibility is to conduct an audit of the financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, my responsibility is to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them, and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. I also consider internal control, risk management and governance processes and systems in order to give an assurance on the effectiveness of internal controls, risk management and governance 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit conclusion on lawfulness and effectiveness in use of public resources, and on effectiveness of internal controls, risk management and governance.

I am independent of the County Assembly of Isiolo Car Loan Scheme Fund Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya.



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

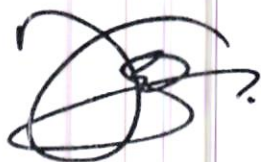
24 August, 2021

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2019

III. STATEMENT OF FINANCIAL PERFORMANCE
AS AT 30 JUNE 2019

	Note	2018-2019	2017-2018
Income		Kshs	Kshs.
Interest	1	195,865	74,361
Other Income	2	0	
Total Income		195,865	74,361
EXPENDITURE			
Administrative Costs	3	322,854	134,781
Bank Charges	4	11,802	8,580
Total Expenditure		334,656	143,631
Surplus/ (Deficit)		(138,791)	(69,000)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Assembly financial statements were approved on Aug 29, 2019 and signed by:



 Clerk of the Assembly



 Principal Finance Officer

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2019

IV. STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2018-2019	2017-2018
		Kshs	Kshs.
Assets			
Non- Current Assets	5	0	-
Current Assets			
Cash and Bank	6	1,605,542	847,935
Accounts Receivables	7	21,054,458	20,713,905
Total Assets		22,660,000	21,561,840
 Current Liability			
Deferred Interest	8	631,634	555,592
Total Current Liabilities		631,634	555,592
 Financed by			
Car Loan Fund	9	22,000,000	21,075,248
Accumulated Surplus		(138,791)	(69,000)
Total		21,861,209	21,006,248
 Total		 22,492,779	 21,561,840

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Assembly financial statements were approved on June 29, 2019 and signed by:



Clerk of the Assembly



Principal Finance Officer

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2019

V. STATEMENT OF CASHFLOW

	Notes	2018-2019 Kshs	2017-2018 Kshs.
Statement of Cash flow			
Surplus/(deficit)		(138,791)	(69,000)
Interest income not received		631,634	(637,015)
Cash flow from Operating Activities		<u>492,843</u>	<u>(706,015)</u>
Financing Activities			
Loan Fund received		0	0
Loan Loan Disbursed	9	(22,000,000)	(22,000,000)
Loan Repayment		6, 528,817	2,478,702
Net Cash from financing Activities		<u>(15,471,183)</u>	<u>(19,521,298)</u>
Increase in cash and cash Equivalent		(14,978,340)	(20,227,313)
Cash and cash equivalent at Beginning of year		22,000,000	21,075,248
Cash and cash equivalent at end of year		<u><u>7,021,660</u></u>	<u><u>847,935</u></u>

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2019

VI. STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 JUNE 2019

	Loan Fund	Accumulated Fund	Total
At June 30 th 2018	22,000,000	195,865	22,195,865
Transfer into the fund			-
Surplus/(Deficit) year		(138,791)	(138,791)
At June 2019	22,000,000	57,074	22,057,074

**VII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE PERIOD ENDED 30 JUNE 2019**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of utilization difference to final budget
	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS					
Interest on Loan	195,865	0		195,865	100%
Other Receipt	-	-	-	0	100%
TOTAL	195,865	0		195,865	100%
PAYMENTS					
Administration Costs				322,865	100%
Bank Charges				11,802	100%
TOTAL				334,667	100%

VIII. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. **Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Assembly. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts.

2. **Recognition of Income**

The Assembly recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Assembly. In addition, the Assembly recognises all payments when the event occurs and the related cash has actually been paid out by the Assembly.

3. **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.

4. **Accounts Receivable**

For the purposes of these financial statements, interest on loans and principal amount due from the loans issued to authorised public officers and/or institutions which were which has not been repaid at the end of the financial year is treated as receivables.

5. **Non-current assets**

The fund did not have any no current Assets

6. **Differed Interest**

Interest due from the loan disbursed are recognised and amortized during the life time of loan repayment on annual basis.

7. **Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Assembly's budget

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2019

was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates.

8. Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

9. Subsequent events

Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2019

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM THE COUNTY ASSEMBLY

		2018/2019	2017/2018
		Kshs	Kshs
Interests		195,865	74,361
Total		195,865	74,361

2. OTHER RECEIPTS

		2018/2019	2017/2018
		Kshs	Kshs
Interest from Bank		0	0
Total		0	0

3. ADMINISTRATIVE COSTS

		2018/2019	2017/2018
		Kshs	Kshs
Administrative costs		322,854	134,781
Total		322,854	134,781

4. BANK CHARGES

		2018/2019	2017/2018
		Kshs	Kshs
Bank Charges		11,802	8,580
Total		11,802	8,580

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2019

5. NON ASSETS

		2018/2019	2017/2018
		Kshs	Kshs
Non Financial Assets		0	0
Total		0	0

6. ACCOUNTS RECEIVABLES

		2018/2019	2017/2018
		Kshs	Kshs
Loans Due		21,054,458	20,713,905
Total		21,054,458	20,713,905

7. BANK ACCOUNTS

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2018/2019	2017/2018
		Kshs	Kshs
<i>National Bank Of Kenya Account No.00121001340301 Car loan Account</i>	Recurrent	1,605,542	1,410,589
Total		1,605,542	1,410,589

8. DIFFERED INTEREST

		2018/2019	2017/2018
		Kshs	Kshs
Differed Interest		631,634	555,592
Total		631,634	555,592

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2019

9. CAR LOAN FUND

	2018/2019	2017/2018
	Kshs	Kshs
Funds Transferred	22,000,000	21,075,248
Total	22,000,000	21,075,248

11 RELATED PARTY DISCLOSURES

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the County Assembly.

- Members of County Assembly;
- Key management personnel that include the Clerk of the Assembly and heads of departments;

Related party transactions:

	2018/2019	2017/2018
	Kshs	Kshs
Compensation to the Administrator	0	0
Key Management compensation	0	0
	=====	=====
Transfers from the County Treasury	0	0
	=====	=====

COUNTY ASSEMBLY OF ISIOLO
Reports and Financial Statements
For the year ended June 30, 2019

X. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	Timeframe: (<i>Put a date when you expect the issue to be resolved</i>)

Clerk of the County Assembly



Sign.....

Date 29/08/2019