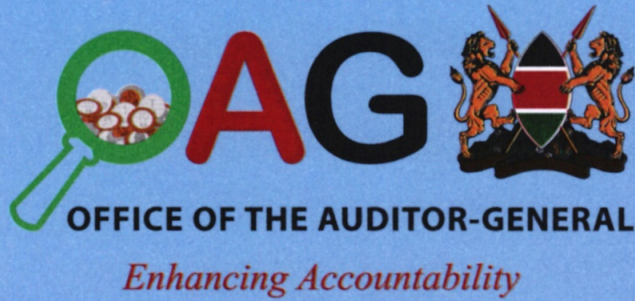


REPUBLIC OF KENYA



REPORT

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| DATE | 16/04/2024 |
| TABLED BY | MAJORITY LEADER |
| COMMITTEE | FINANCE & BUDGET |
| CLERK AT THE TABLE | G. CHEROP |

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ON

**SAMBURU COUNTY EXECUTIVE STAFF
MORTGAGE (MEMBERS) SCHEME FUND**

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





OFFICE OF THE AUDITOR GENERAL
UPPER EASTERN REGIONAL OFFICE - ISIYOLO

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P.O. Box 1027 - 60300, ISIYOLO

**SAMBURU COUNTY EXECUTIVE STAFF MORTGAGE (MEMBERS)
SCHEME FUND**

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

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

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**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

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1. Acronyms and Glossary of Terms

a) Acronyms

| | |
|--------|---|
| ACTED | Agency for Technical Cooperation and Development |
| ASAL | Arid and Semi-Arid Lands |
| BOM | Board of Management |
| CCCAP | County Climate Change Action Plan |
| CFA | Community Forest Association |
| DRM | Disaster Risk Management |
| ECL | Expected Credit Loss |
| EMCA | Environmental Management and Coordination Act |
| FAO | Food and Agriculture Organization |
| FCDC | Frontier Counties Development Council |
| FLOCCA | Financing Locally-Led Climate Action Program |
| FY | Financial Year |
| ICPAK | Institute of Certified Public Accountants of Kenya |
| IMPACT | Indigenous Movement for Peace Advancement & Conflict Transformation |
| IPSAS | International Public Sector Accounting Standards |
| KFS | Kenya Forest Service |
| KSH | Kenya Shillings |
| NDMA | National Drought Management Authority |
| NEMA | National Environmental Management Authority |
| NRM | National Resource Management |
| PCRA | Participatory Climate Risk Assessment |
| PFM | Public Finance Management |
| PSASB | Public Sector Accounting Standards Board |
| SDG | Sustainable Development Goals |
| SNV | Netherlands Development Organization |
| SRC | Salaries and Remuneration Commission |
| UNICEF | United Nations Children's Fund |
| USAID | US Agency for International Development |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

WARUA Water Resource User Association

WUA Water Users Association

b) Glossary of Terms

Fiduciary Management The key management personnel who had financial responsibility

Vision 2030 Long-term development blueprint for the country

*(Provide a list of Acronyms and Key terms used in the financial report as per above example.
The list to be exhaustive)*

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

2. Key Entity Information and Management

a) Background information

Samburu County Executive Staff Mortgage (Members) Scheme Fund was established by and derives its authority and accountability from Samburu County Executive Staff Mortgage Scheme Fund Regulations, 2016. The Fund is wholly owned by the County Government of Samburu and is domiciled in Kenya.

The Fund's objective is to provide a loan scheme for the purchase, development, renovation or repair of residential property by members of the scheme.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to provide loan facility to members.

c) Board of Trustees/Fund Administration Committee

| Ref | Name | Position |
|------------|-------------------------|-------------------|
| 1 | Mr. Mike Lekadaa | Chair Person |
| 2 | Mr. Samwel Saraphino | Vice Chair Person |
| 3 | Mr. Solomon Letirok | Secretary |
| 4 | Mr. Charles Lerantilei | Member |
| 5 | Dr. Fred Ndeki Lekiluai | Member |
| 6 | Mr. Tyson Lemako | Member |
| 7 | Mrs. Rosemary Tenty | Member |

(This section will be applicable for Public Funds that have a Board of Trustees/Fund Administration Committee. Input names of all the members who held office during the period)

d) Key Management Team

| Ref | Name | Position |
|------------|----------------------|-------------------|
| 1 | Mr. Mike Lekadaa | Chair Person |
| 2 | Mr. Samwel Saraphino | Vice Chair Person |
| 3 | Mr. Solomon Letirok | Secretary |
| 4 | Ms. Annelisa Sajina | Fund Accountant |

(Include all positions regarded as top management for the Fund).

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

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

| SN | Position | Name |
|-----------|------------------------|-------------------------|
| 1 | Head of Internal Audit | CPA Jacob Leadise |
| 2 | Chair Person | Mr. Mike Lekadaa |
| 3 | Vice Chair Person | Mr. Samwel Saraphino |
| 4 | Secretary | Mr. Solomon Letirok |
| 5 | Member | Mr. Charles Lerantilei |
| 6 | Member | Dr. Fred Ndeki Lekiluai |
| 7 | Member | Mr. Tyson Lemako |
| 8 | Member | Mrs. Rosemary Tenty |

f) Registered Offices

P.O. Box 3 – 20600
Samburu County Headquarters,
Maralal-Nyahururu Road,
Maralal, KENYA

g) Fund Contacts

Telephone: +254 065 62456, +254 65 62075
E-mail: info@samburu.go.ke

Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
P.O. BOX 260
Maralal, Kenya
Branch: Maralal
Account No. 1169663966

Key Entity and Management (Continued)

h) Independent Auditors

Auditor General
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



j) County Attorney

Samburu County Headquarters,
P.O. Box 3-20600,
Maralal-Nyahururu Road,
Maralal, KENYA

3. Board of Trustees/ Fund Administration Committee (Or Any Other Corporate Governance Body for The Fund)

| Name | Details of qualifications and experience |
|---|---|
| <p>1. Mr. Mike Lekadaa</p>  | <p>Mike Lekadaa is a highly motivated and dedicated professional with a strong educational background in criminology and forensic investigation. He holds a Bachelor of Arts (B.A.) in Criminology from Egerton University, where he developed a deep understanding of the social and psychological factors influencing criminal behaviour, as well as the broader criminal justice system.</p> <p>In addition, Mike has earned a Diploma in Forensic and Criminal Investigations from the same University. He brings vast experiences from both private and public sector. He is currently the chief officer for Lands and Physical Planning at Samburu County Government.</p> |
| <p>2. Mr. Samwel Sarafino</p>  | <p>Mr. Samuel Sarafino Lasanguruguri holds a Bachelor degree in education-special needs, a Diploma in special education and a continuing Masters student in Education Management and Planning. He has Served in the Ministry of Education as an Assistant director of education, managed education projects and programs, Trainer of trainers in community lead programs. Trainer of facilitators in partners lead programs. Children rights advocate and community mobilizer. Extensive experience in teaching career. He is currently the chief officer for public works.</p> |
| <p>3. Mr. Solomon Letirok</p>  | <p>Mr. Letirok Salaine Solomon has extensive experience in public finance with emphasis on Internal audit, Financial management, Performance audit and Risk management.</p> <p>He is a Certified Accountant, and a member of the institute of Certified Public Accountants of Kenya(ICPAK) and Institute of Internal Auditors Kenya. He holds a bachelor's degree in Business Management (Accounting option).</p> <p>He has experience in the Kenyan public service at both the national government and county levels. Held supervisory/managerial positions while working at National Treasury in different capacities and within the County Government of Samburu and is presently Chief Officer Finance.</p> |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

| | |
|--|--|
| <p>4. Mr. Charles Lerantilei</p>  | <p>Charles Lerantilei is a dynamic professional with a solid educational foundation and extensive expertise in Community Development and Project Management. He holds a Bachelor of Science (BSc) in Community Development from Laikipia University, which has provided him with a comprehensive understanding of the socio-economic, cultural, and environmental factors that shape communities.</p> <p>He is also currently pursuing a master’s degree in Project Planning and Management from Mount Kenya University. He has been a project coordinator for various organization such as Child fund, AMREF and world vision. He is currently the Chief Officer for irrigation and fisheries at the Samburu County Government.</p> |
| <p>5. Dr. Fredrick Ndeki Lekiluai</p>  | <p>Dr. Fredrick Ndeki Lekiluai is the current chief officer of health – Public Health and Sanitation in Samburu County Government.</p> <p>He is a health professional who has a rich experience in health administration & health care financing. He previously Served as the sub-county Medical Officer – Samburu East.</p> <p>He is a graduate of Bachelor of Medicine & Bachelor of Surgery, in addition he also holds a higher diploma in Lung &Skin diseases.</p> |
| <p>6. Mr. Tyson Lemako</p>  | <p>Mr. Lemako Tyson is currently the Chief Officer in Department of Skills Development & Vocational Training. He holds BSc Degree in Agricultural Educational & Extension from Egerton University. Awaiting graduation for MSc in Agriculture and Rural Development. He brings a wealth of experience as a Former High Principal and Director of Agriculture. He has attended several Managerial Courses in Kenya School Of Government SMC and SLDP.</p> |




**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

7. Mrs. Rosemary Tenty


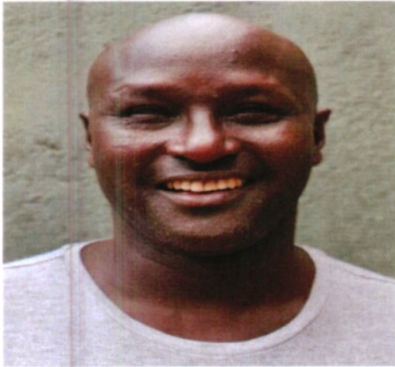


Mrs Rosemary Tenty holds a bachelor's degree in Education from Kenyatta University. She has taught and headed several schools in Samburu and Kajiado counties. She has also worked in Samburu county as a CEC for two years. Currently she is the Chief Officer for Gender, Social Services and Culture



4. Management Team

| Name | Details of qualifications and experience |
|---|---|
| <p>1. Mr. Mike Lekadaa</p>  | <p>Mike Lekadaa is a highly motivated and dedicated professional with a strong educational background in criminology and forensic investigation. He holds a Bachelor of Arts (B.A.) in Criminology from Egerton University, where he developed a deep understanding of the social and psychological factors influencing criminal behaviour, as well as the broader criminal justice system.</p> <p>In addition, Mike has earned a Diploma in Forensic and Criminal Investigations from the same University. He brings vast experiences from both private and public sector. He is currently the chief officer for Lands and Physical Planning at Samburu County Government.</p> |
| <p>2. Mr. Samwel Sarafino</p>  | <p>Mr. Samuel Sarafino Lasanguruguri holds a Bachelor degree in education-special needs, a Diploma in special education and a continuing Masters student in Education Management and Planning. He has Served in the Ministry of Education as an Assistant director of education, managed education projects and programs, Trainer of trainers in community lead programs. Trainer of facilitators in partners lead programs. Children rights advocate and community mobilizer. Extensive experience in teaching career. He is currently the chief officer for public works.</p> |
| <p>3. Mr. Solomon Letirok</p>  | <p>Mr. Letirok Salaine Solomon has extensive experience in public finance with emphasis on Internal audit, Financial management, Performance audit and Risk management.</p> <p>He is a Certified Accountant, and a member of the institute of Certified Public Accountants of Kenya(ICPAK) and Institute of Internal Auditors Kenya. He holds a bachelor's degree in Business Management (Accounting option).</p> <p>He has experience in the Kenyan public service at both the national government and county levels. Held supervisory/managerial positions while working at National Treasury in different capacities and within</p> |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

| | |
|--|--|
| | <p>the County Government of Samburu and is presently Chief Officer Finance.</p> |
| <p>4. Mr. Charles Lerantilei</p>  | <p>Charles Lerantilei is a dynamic professional with a solid educational foundation and extensive expertise in Community Development and Project Management. He holds a Bachelor of Science (BSc) in Community Development from Laikipia University, which has provided him with a comprehensive understanding of the socio-economic, cultural, and environmental factors that shape communities.</p> <p>He is also currently pursuing a master's degree in Project Planning and Management from Mount Kenya University. He has been a project coordinator for various organization such as Child fund, AMREF and world vision. He is currently the Chief Officer for irrigation and fisheries at the Samburu County Government.</p> |
| <p>5. Dr. Fredrick Ndeki Lekiluai</p>  | <p>Dr. Fredrick Ndeki Lekiluai is the current chief officer of heath – Public Health and Sanitation in Samburu County Government.</p> <p>He is a health professional who has a rich experience in health administration & health care financing. He previously Served as the sub-county Medical Officer – Samburu East.</p> <p>He is a graduate of Bachelor of Medicine & Bachelor of Surgery, in addition he also holds a higher diploma in Lung &Skin diseases.</p> |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

| | |
|--|--|
| <p>6. Mr. Tyson Lemako</p>  | <p>Mr. Lemako Tyson is currently the Chief Officer in Department of Skills Development & Vocational Training. He holds BSc Degree in Agricultural Educational & Extension from Egerton University. Awaiting graduation for MSc in Agriculture and Rural Development. He brings a wealth of experience as a Former High Principal and Director of Agriculture. He has attended several Managerial Courses in Kenya School Of Government SMC and SLDP.</p> |
| <p>7. Mrs. Rosemary Tenty</p>  | <p>Mrs Rosemary Tenty holds a bachelor's degree in Education from Kenyatta University. She has taught and headed several schools in Samburu and Kajiado counties. She has also worked in Samburu county as a CEC for two years. Currently she is the Chief Officer for Gender, Social Services and Culture.</p> |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

5. Board/Fund Chairperson's Report

I would like to thank members of staff involved in the day to day operations of the Fund that includes the payroll staff, Fund Accountant and the reporting unit of the County Treasury. I take special notice that financial reports for this fund have been continuously done on monthly basis in the last financial year, accurate financial standing from where future decisions will be based on.

New loans were issued to eight new members in the last Financial Year ended June 2023 and two more shortly after closure of FY 2022/23.

From these Financial Reports, we noted the following challenges;

- Lower than expected payroll recoveries on all the members that benefited. This has resulted in under recovery of about 33,657,067.34 from the inception of the fund up to the end of June 2023.
- Members who initially benefitted have continuously defaulted on their repayments.

The committee has in the past held meetings and deliberations on how these gaps would be bridged and it is only a matter of time before the challenges noted are fully addressed.

An important development with regards to the management of this fund is that the office has already procured a system for the fund and it is in trial stages. This will go a long way in enhancement of day to day operations and improve the overall management and performance of the fund.

With measures already in place, it's my belief that Samburu County Executive Staff Mortgage (Members) Scheme Fund will soon perform to its optimal capacity and expectation for the benefit of all its members.

Name Mike Lekadaa: Signature.....Date.....

Chairperson of the Board/Fund

6. Report of The Fund Administrator

On behalf of the Committee charged with administration of Samburu County Executive Staff Mortgage (Members) Scheme Fund, I would like to take this early opportunity to register my deep appreciation to all the stakeholders that have undertaken any function or task in the management of this Fund in the financial year ended June 2023.

It is worth mentioning that due to a myriad of challenges, the fund had stopped issuance of new loans to members but this has now resumed having put measures in place that guaranteed safety and accountability of the funds. Consequently, the reporting team has been in a position to generate monthly financial reports that have kept management of the fund abreast with current financial information of the fund. The committee needs to intensify its meetings in order to address issues that come up on timely basis.

Apart from the challenges mentioned above, the Committee has been able to pin point a few other challenges and how they can be addressed as follows;

- Lower than expected threshold on repayments by beneficiaries in prior periods. While the committee put up some efforts in recovery process, not much was achieved so far since this is an on-going process.
- Some of our former staff members whose employment were terminated for one reason or the other have stopped making monthly repayments.

The committee will pursue all defaulters by serving them with demand letters before engaging other recovery measures.

- Use of manual excels in generation of reports – This has been possible due to the few number of beneficiaries but this may not be feasible in future. The Fund had initiated the process of procurement an accounting system for the fund and we are glad the system is currently in its testing stage.
- Funds borrowed to implement county activities amount to KSH 14,750,848 needs to be repaid back to the Fund account. The mentioned amount represents the sum total of withdrawals done from the fund's bank account during periods of extreme cash unavailability to facilitate urgent activities that were time bound eg. 2017 camel derby event. Nonetheless, Samburu County Executive has made arrangements to repay back the amounts to the Fund's bank account in FY 2023/24.

Having identified the mentioned gaps and with measures already put in place, the Fund is in a better place relative to prior periods.

In conclusion I would like to thank all the stakeholders who have contributed positively to the wellbeing of the fund and it is my hope that we will be able to continue to serve with the same spirit going into the future in order to ensure that the intent and objective of the scheme comes to fruition.

Signed: *TLem.*

Solomon Letirok

Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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

Right from its commencement, the objective of Samburu County Executive Staff Mortgage (Members) Scheme fund has always been that the Fund shall provide loan schemes for the purchase, development, renovation or repair of residential property by members of the Scheme.

Up until June 2023, the Fund had disbursed a total of KSH 311,900,000 to fifty-three members. One of the pre-requisites for members to qualify for loans has been submission of residential building plans on bona-fide land ownership.

On repayments schedule, a total of KSH 110,438,406.53 had been repaid. However, this was noted as an under repayment of KSH 33,657,067.34 majorly due to prior years under recovery on all beneficiaries at the payroll level. Consequently, a few of former employees stopped making their repayments shortly after they left employment. The Management Committee of the fund will deliberate on this and issue out its recommendations.

8. Corporate Governance Statement

The top decision making organ charges with corporate governance with regards to the management of Samburu County Executive Staff Mortgage (Members) Scheme Fund is the Loans Management Committee. With its recent appointment, the Committee endeavours to execute its mandate in line with the provisions of the Act.

The appointment of the Committee stems its authority from Samburu County Executive Staff Mortgage Scheme Fund Regulations, 2016. This therefore means, members of the committee are bound to hold office for the duration that they will be employed by Samburu County Government as Chief Officers in the respective departments defined in the Act. This therefore means should there be an occurrence either in form of dismissal or transfers to departments not defined by the Act, they cease to be members of the Committee and the CEC member automatically appoints a new office bearer to take up the vacant position in adherence with the Act.

Members are expected to hold quarterly meetings or adhoc meetings should there arise an urgent need to do so. Members require trainings on the administration of the fund especially at this point when they are all newly appointed. Performance of members is expected to be in line with the recommendations of the Act.

Should there be a conflict of interest in the execution of Committee duties, concerned members are encouraged to declare the interest in writing and communicate the same to the Chairperson. Members are expected to draw sitting allowances from the Fund commensurate with amounts recommended by the SRC should there be meetings.

It is the expectation of public, employer and all other stakeholders that members act impartially and with decorum in the execution of their duties.

Governance audit is expected to be conducted annually hand in hand with financial audits.

9. Management Discussion and Analysis

According to management, the Fund has performed fairly well given the conditions that pre-existed in the year.

A lot have been identified as challenges and the committee now that it has the mandate to operate will endeavour to bridge the gaps identified in order to improve the standing of fund going into the future.

The committee does not have intentions to conduct investments or implement projects at this point in time. The committee will continue to neutralize the challenges identified in order to optimize its operational capacity and ensure that members' confidence is built in the scheme.

The fund is governed by Samburu County Executive Staff Mortgage Scheme Fund Regulations, 2016 and will endeavour to comply with the Act and other statutory requirements in execution of its mandates.

The major risk that the Fund faces is risk of defaults as a result of members who may no longer be in employment. Though these are covered by the collaterals provided at the point of loan application.

10. Environmental and Sustainability Reporting

The Samburu County Water and Environment sector comprises Water and Sanitation; Environment; Natural Resources and Energy. The sector is one of the key enablers towards the achievement of Sustainable Development Goals (SDGs), specifically Goal 6: Ensure availability and sustainable management of water and sanitation for all; Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all; Goal 13: Take urgent action to combat climate change and its impacts; and Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss. It is also an enabler in several other SDGs, Vision 2030 and Agenda 4 items.

The economy of Samburu County is highly dependent on livestock, agro-pastoralism and tourism which is vulnerable to climate risks and shocks. The increasing frequency of extreme weather events e.g. floods and droughts, poses challenge to sustainable socio-economic development. To safeguard these development gains, the sector, in consultation with various stakeholders, has put in place several adaptive mechanisms to mitigate negative impacts of the climate change to achieve sustainable development. Samburu has demonstrated its commitment to climate action by enacting legislations that are aligned to the national and international frameworks to ensure sustainable development.

The Environmental Management and Coordination Act (EMCA) of 1999 (amended in 2015 to align with the Kenya constitution, 2010) creates the County Environment Committee comprising, inter alia, representatives of pastoralists within Samburu County. Further, the National Environment Policy (2013) aims to a better quality of life for present and future generations (of all Kenyans) through sustainable management and use of the country's environment and natural resources. Its provisions most relevant to ASALs and rangelands are found in several sections such as provisions for forest ecosystems, provision for ASALs, provision for land resource, provision for biodiversity and wildlife resources, and provision for livestock resources.

The County government has made efforts to formulate environmental policies and acts such as; Samburu County Climate Change Policy, 2022; Sustainable Forest management and Tree Growing Policy, 2022; Rangelands management and grazing Policy, 2022 as well as the Climate Change Act, 2022. Samburu Climate Change Policy, in its policy objective number two highlights the Strengthening of community resilience to enhance their adaptive capacities to climate change and livelihood diversification and further in objective six policy statement speaks of reducing vulnerability of women to climate change impacts thus providing for policy framework to assessment of climate Risks and women participation in climate change interventions. The Samburu County act of 2022 on the other hand has the objective of anchoring the process that ensures climate resilience is enhanced through development, management, implementation of climate actions. The Act also seeks to protect the climate system for the benefit of the present and future generations by supporting the national and international legislations and policies. With regards to waste management, the county is yet to formulate county specific policy, however, the National Environment policy of 2003 and the National Sustainable Waste Management policy of 2021 and Environmental Management and Coordination Act of 1999 (Revised in 2015) are sufficient in guiding how waste management is managed and handled at the county.

The sector has also conducted countywide Participatory Climate Risk Assessment (PCRA) whose outcomes and recommendations has informed the development of a five-year County Climate Change Action Plan (CCCAP) aimed at providing a clear and concise response priorities to climate

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

variability and change. With the climate change policy and the Action Plan in place, the sector is focused on implementing key interventions that can help to achieve the goal of low carbon climate resilient development pathway. These efforts will go a long way in addressing adverse effects of climate change cutting across key sectors that are important to the economy and society: Environment, Water and Forestry; Agriculture, Livestock and bee keeping; Trade; Energy; Physical Infrastructure; Tourism; and Health.

These efforts have enabled the success of the sector in increasing county forest cover from 15.8% to 23.29% (KFS 2021) from tree planting initiatives and establishment of NRM institutions such as Community Forest Associations (CFAs), Water Resource User Associations (WRUAs), Water Users Associations (WUAs). These institutions are key in protection and management of fragile ecosystems within the county. The sector has also secured material recovery sites in Wamba, Suguta Marmar Archers Post and Maralal for proper solid waste management within major towns in the county. Plans are also underway in the fencing of Kisima and Baragoi sites. We have also rehabilitated 200 hectares of degraded areas under invasive species on pilot basis Meibae and West-Gate community conservancies and developed soil conservation structures (such as gabions and terraces) to control soil erosion.

11. Report of The Trustees

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

Principal activities

The principal activity of the Fund is issuance and management of mortgage loans to members of staff.

Results

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

Trustees

The Loans Management Committee who served during the year are shown on page viii.

Auditors

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

By Order of the Board

.....

Chair of the Board/Fund Administration Committee

Date:

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

12. 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 Samburu County Executive Staff Mortgage Scheme Fund Regulations, 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, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Samburu County Executive Staff Mortgage Scheme Fund Regulations, 2016. 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, 2023, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the 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. OR

Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

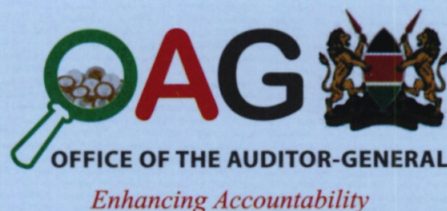
The Fund’s financial statements were approved by the Board on 28/09 2023 and signed on its behalf by:


.....

Administrator of the County Public Fund

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON SAMBURU COUNTY EXECUTIVE STAFF MORTGAGE (MEMBERS) SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Samburu County Executive Staff Mortgage (Members) Scheme Fund set out on pages 1 to 47, which comprise the

Report of the Auditor-General on Samburu County Executive Staff Mortgage (Members) Scheme Fund for the year ended 30 June, 2023

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Samburu County Executive Staff Mortgage (Members) Scheme Fund as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Public Finance Management (Samburu County Staff Mortgage Scheme Fund) Regulations, 2016.

Basis for Qualified Opinion

1.0 Unsupported Expenditure on Employee Costs

The statement of financial performance and Note 6 to the financial statements reflects expenditure on employee costs totalling to Kshs.1,162,800. However, Management did not provide payment vouchers, staff files and payroll extract for the period or bank statements to support the expenditure on employee costs.

In the circumstances, the accuracy, propriety and completeness of expenditure on employee costs totalling to Kshs.1,162,800 could not be confirmed.

2.0 Unsupported Cash and Cash Equivalents Balance

The statement of financial position and Note 12 to the financial statements reflects a balance of Kshs.31,745,958 in respect to cash and cash equivalents. However, certificate of bank balance was not provided for audit verification.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.31,745,958 could not be confirmed.

3.0 Unsupported Loan Disbursement Balance

The statement of financial position and Note 13 to the financial statements, reflects a balance of Kshs.221,938,357 in respect of long-term receivables from exchange transactions which includes a balance of Kshs.105,000,000 in respect to loans disbursed to twelve (12) members of staff. As previously reported, the respective loan application files were not provided for audit review.

In the circumstances, the accuracy and completeness of the balance of Kshs.105,000,000 for loans disbursed to members could not be confirmed.

4.0 Inaccuracy in the Statement of Cash Flows

The statement of financial performance and Note 4 to the financial statements reflects revenue totalling to Kshs.6,758,202 in respect of interest income. However, the statement of cash flows reflects a corresponding Nil revenue under the same item resulting to unreconciled variance of Kshs.6,758,202.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of internal Controls, Risk Management and Governance. However, Management did not provide the status and the timeframes for the resolution of the audit issues and reasons for the delay in resolving the prior year audit issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

1.0 Disbursement of Unsecured and Uninsured Loans

The statement of financial position and Note 13 to the financial statements reflects balances of Kshs.221,938,357 and Kshs.26,402,748 in respect of long-term and current portion of receivables from exchange transactions respectively being loans to members of staff of the County Executive that were granted without any collateral security. As previously reported, the loans and mortgages granted to members did not have a mortgage protection and fire policy with an approved insurance firm contrary to Regulation 16(1) of the Public Finance Management (Samburu County Executive Staff Mortgage Scheme Fund) Regulations, 2016 which requires that a borrower shall take out and maintain a mortgage protection policy and a fire policy with an insurance firm approved by the committee, the cost of which shall be borne by the borrower.

In the circumstances, Management was in breach of the law.

2.0 Unauthorized Borrowing by the County Executive

The statement of financial position and Note 15 to the financial statements reflects other receivables balance of Kshs. 14,750,848 representing outstanding loan balances from the Samburu County Executive. As previously reported, the receivables balance is in respect of cash withdrawals from the Fund bank account whose supporting documentation were not provided. In addition, the cash withdrawals were not approved by the County Assembly contrary to Section 142 of the Public Finance Management Act, 2012 which requires that County Government entities seek the authority of the County Assembly to borrow cash on a short-term basis for cash management purposes only and ensure that the money borrowed is repaid within a year from the date on which it was borrowed.

In the circumstances, Management was in breach of the law.

3.0 Unapproved Budget

The statement of comparison of budget and actual amounts reflects total budget revenue and expenditure of Kshs.6,758,202 and Kshs.1,164,117, respectively. However, the budget was not approved contrary to Section 149(2) of the Public Finance Management Act, 2012 which requires the Accounting Officer to prepare estimates of the expenditure of the entity in conformity with strategic plan and submit the estimates of an entity which is not a county corporation to County Executive Committee Member for finance for approval by the County Executive Committee and subsequently by the County Assembly.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAI) 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, in all material respects, with the authorities that govern them. I believe that the

audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of a Financial Management System

Review of records revealed that Management has not developed a reliable financial management system and instead use a Microsoft Excel application which is unable to provide sufficient information to aid management in decision making capable of producing accurate and reliable accounts free from errors, fraud and which will be useful in management decisions and statutory reporting.

In the circumstances, the adequacy of safeguards for proper and accurate accounting for the fund operations could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal 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 the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Staff Mortgage (Members) Scheme 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.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


31 January, 2024

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**


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

| Description | Note | FY 2022/23 | FY 2021/22 |
|---|------|------------------|------------------|
| | | Kshs | Kshs |
| Revenue From Non-Exchange Transactions | | | |
| Public Contributions and Donations | 1 | 0 | 0 |
| Transfers From the County Government | 2 | 0 | 0 |
| Fines, Penalties and Other Levies | 3 | 0 | 0 |
| | | 0 | 0 |
| Revenue From Exchange Transactions | | | |
| Interest Income | 4 | 6,758,202 | 6,456,186 |
| Other Income | 5 | 0 | 0 |
| | | 6,758,202 | 6,456,186 |
| Total Revenue | | 6,758,202 | 6,456,186 |
| | | | |
| Expenses | | | |
| Employee Costs | 6 | 1,162,800 | 100,000 |
| Use of goods and services (Bank Charges) | 7 | 1,317 | 1,065 |
| Depreciation and Amortization Expense | 8 | | |
| Finance Costs | 9 | 0 | 0 |
| Total Expenses | | 1,164,117 | 101,065 |
| Other Gains/Losses | | | |
| Gain/Loss on Disposal of Assets | 10 | 0 | 0 |
| Gain /Loss on fair value of investments | 11 | 0 | 0 |
| Surplus/(Deficit) for the Period | | 5,594,085 | 6,355,121 |

(The notes set out on pages 0 to 0 form an integral part of these Financial Statements)



Name: Solomon Letirok
Administrator of the Fund



Name: Annelisa Sajina
Fund Accountant

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**


15. Statement of Financial Position As at 30 June 2023

| Description | Note | FY 2022/23 | FY 2021 |
|--|------|--------------------|--------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | 12 | 31,745,958 | 9,828,665 |
| Current Portion of Long- Term Receivables From Exchange Transactions | 13 | 26,402,748 | 22,780,999 |
| Prepayments | 14 | | |
| Other Receivables (From County Gvt) | 15 | 14,750,848 | 16,300,000 |
| Investments in financial assets | 16 | 0 | 0 |
| Total current assets | | 72,899,554 | 48,909,664 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 17 | 0 | 0 |
| Intangible Assets | 18 | 0 | 0 |
| Long Term Receivables from Exchange Transactions | 13 | 221,938,357 | 238,280,133 |
| Investment Property | 19 | 0 | 0 |
| Total non- current assets | | 221,938,357 | 238,280,133 |
| Total Assets | | 294,837,911 | 287,189,797 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and Other Payables from Exchange Transactions | 20 | 1,734,480 | 0 |
| Current Portion of Borrowings | 21 | 0 | 0 |
| Employee Benefit Obligations | 22 | 0 | 0 |
| Social benefit liabilities | 23 | 0 | 0 |
| Prior Year Adjustment | 24 | 319,549 | |
| Total current liabilities | | 2,054,029 | 0 |
| Non-Current Liabilities | | | |
| Long Term Portion of Borrowings | 21 | 0 | 0 |
| Non-Current Employee Benefit Obligation | 22 | 0 | 0 |
| Social benefit liabilities | 23 | 0 | 0 |
| Total Liabilities | | 2,054,029 | 0 |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

| Description | Note | FY 2022/23 | FY 2021/22 |
|---|------|--------------------|--------------------|
| | | Kshs | Kshs |
| Net Assets | | | |
| Revolving Fund | | 247,992,000 | 247,992,000 |
| Reserves | | 0 | 0 |
| Accumulated Surplus | | 44,791,882 | 39,197,797 |
| Total Net Assets and Liabilities | | 294,837,911 | 287,189,797 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 28/09 2023 and signed by:



Name: Solomon Letirok
Administrator of the Fund



Name: Annelisa Sajina
Fund Accountant

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

16. Statement Of Changes in Net Assets for the year ended 30th June 2023

| Description | Revolving Fund | Revaluation Reserve | Accumulated surplus | Prior Year Adjustment | Receipts from other operating activities | Total |
|-----------------------------------|--------------------|---------------------|---------------------|-----------------------|--|--------------------|
| | | Kshs | Kshs | Kshs | Kshs | Kshs |
| Balance As At 1 July 2021 | 247,992,000 | - | 32,842,676 | - | 130,640 | 280,965,316 |
| Surplus/(Deficit) For the Period | - | - | 6,355,121 | - | - | 6,355,121 |
| Funds Received During the Year | - | - | - | - | - | - |
| Transfers | - | - | - | - | - | - |
| Refund to County Assembly | - | - | - | - | (130,640) | (130,640) |
| Revaluation Gain | - | - | - | - | - | 0 |
| Balance As At 30 June 2022 | 247,992,000 | - | 39,197,797 | 0 | 0 | 287,189,797 |
| Balance As At 1 July 2022 | 247,992,000 | - | 39,197,797 | 0 | 0 | 287,189,797 |
| Surplus/(Deficit) For the Period | - | - | 5,594,085 | - | - | 5,594,085 |
| Funds Received During the Year | - | - | - | - | - | - |
| Transfers | - | - | - | - | - | - |
| Prior Year Adjustment | - | - | - | 319,549 | - | 319,549 |
| Reversal of Insurance cheques | - | - | - | - | 1,734,480 | 1,734,480 |
| Revaluation Gain | - | - | - | - | - | - |
| Balance As At 30 June 2023 | 247,992,000 | - | 44,791,882 | 319,549 | 1,774,480 | 294,837,911 |

(Provide details on the nature and purpose of reserves)

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

17. Statement of Cash Flows for The Year Ended 30 June 2023

| Description | Note | FY 2022/23 | FY 2021/22 |
|---|------|-------------------|------------------|
| | | Kshs | Kshs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Public contributions and donations | | 0 | 0 |
| Transfers from the county government | | 0 | 0 |
| Interest received | | 0 | 0 |
| Receipts from other operating activities | 25 | 3,283,633 | -130,640 |
| Total receipts | | 3,283,633 | -130,640 |
| Payments | | | |
| Employee Costs | 6 | 1,162,800 | 100,000 |
| General expenses | 7 | 1,317 | 1,065 |
| Finance cost | | 0 | 0 |
| Other payments | | 0 | 0 |
| Total payments | | 1,164,117 | 101,065 |
| Net cash flows from operating activities | 24 | 2,119,516 | -231,705 |
| Cash flows from investing activities | | | |
| Purchase of property, plant, equipment and Intangible assets | | (0) | (0) |
| Proceeds from sale of property, plant & equipment | | 0 | 0 |
| Proceeds from loan principal repayments | | 19,797,777 | 27,256,573 |
| Loan disbursements paid out | | (0) | -26,900,000 |
| Net cash flows used in investing activities | | 19,797,777 | 356,573 |
| Cash flows from financing activities | | | |
| Proceeds from revolving fund receipts | | 0 | 0 |
| Additional borrowings | | 0 | 0 |
| Repayment of borrowings | | (0) | (0) |
| Net cash flows used in financing activities | | (0) | (0) |
| Net increase/(decrease) in cash & cash Equivalents | | 21,917,293 | 124,868 |
| Cash and cash equivalents at 1 July | | 9,828,665 | 9,703,797 |
| Cash and cash equivalents at 30 June | | 31,745,958 | 9,828,665 |

PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

18. Statement Of Comparison Of Budget And Actual Amounts For The Period

| Description | Original budget | Adjustments | Final budget | Actual on comparable basis | Performance difference | % Utilization |
|--|------------------|-------------|------------------|----------------------------|------------------------|---------------|
| | Kshs | Kshs | Kshs | Kshs | Kshs | |
| | a | b | C=(a+b) | d | e=(c-d) | f=d/c*100 |
| Revenue | | | | | | |
| Public Contributions and Donations | 0 | (0) | 0 | 0 | (0) | |
| Transfers From County Govt. | | | | | | |
| Interest Income | 6,758,202 | - | 6,758,202 | 6,758,202 | (0) | 100% |
| Receipts from other operating activities | | | | | 0 | |
| Total Income | 6,758,202 | - | 6,758,202 | 6,758,202 | (0) | 100% |
| Expenses | | | | | | |
| Fund Administration Expenses | 1,162,800 | - | 1,162,800 | 1,162,800 | (0) | 100% |
| General Expenses | 1,317 | - | 1,317 | 1,317 | (0) | 100% |
| Finance Cost | 0 | (0) | 0 | 0 | (0) | |
| Total Expenditure | 1,164,117 | - | 1,164,117 | 1,164,117 | (0) | 100% |
| Surplus For the Period | 5,594,085 | - | 5,594,085 | 5,594,085 | 0 | 100% |
| | | | | | | |
| Capital expenditure | 0 | 0 | 0 | 0 | 0 | 100% |

Budget notes

1. Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

19. Notes to the Financial Statements

1. General Information

Samburu County Executive Staff Mortgage (Members) Scheme Fund entity is established by and derives its authority and accountability from Samburu County Executive Staff Mortgage Scheme Fund Regulations, 2016 Act. The entity is wholly owned by the Samburu County Government and is domiciled in Kenya. The entity's principal activity is provision of loans to members.

2. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

(i) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023*

| Standard | Effective date and impact |
|--|--|
| IPSAS 41: Financial Instruments | Applicable: 1st January 2023 The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

| Standard | Effective date and impact |
|---|---|
| | <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(State the impact of the standard to the Entity if relevant)</i></p> |
| <p>IPSAS 42: Social Benefits</p> | <p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows. <p><i>(State the impact of the standard to the Entity if relevant)</i></p> |
| <p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p> | <p>Applicable: 1st January 2023</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

| Standard | Effective date and impact |
|-----------------------------|--|
| | <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>(State the impact of the standard to the Entity if relevant)</i></p> |
| Other improvements to IPSAS | <p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> <p><i>State the impact of the standard to the Entity if relevant</i></p> |

(ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

| Standard | Effective date and impact: |
|----------|--|
| IPSAS 43 | <p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
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| Standard | Effective date and impact: |
|---|---|
| | <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p> |
| <p>IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations</p> | <p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p> |

(iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity’s financial statements.)*

4. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2022/23 was approved by the County Assembly on 30th June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of nil amount on the FY 2023 budget following the governing body's approval.

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

Summary of Significant Accounting Policies (Continued)

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented in page 6 of these financial statements.

c) Property, plant and equipment

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

d) Intangible Assets

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

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

e) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. (entity to amend appropriately)* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Summary of Significant Accounting Policies (Continued)

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Summary of Significant Accounting Policies (Continued)

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Significant Accounting Policies (Continued)

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

g) 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.

h) 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.

i) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

Summary of Significant Accounting Policies (Continued)

j) 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.

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.

k) Nature and purpose of reserves

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

l) 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.

m) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

n) Foreign currency transactions

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

o) 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.

p) 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.

q) 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.

r) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 0.

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

(Include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

6. Notes To The Financial Statements

1. Public contributions and donations

| Description | FY 2022/23 | FY 2021/22 |
|------------------------------------|------------|------------|
| | Kshs | Kshs |
| Donation From Development Partners | 0 | 0 |
| Contributions From The Public | 0 | 0 |
| Total | 0 | 0 |

(Provide brief explanation for this revenue)

2. Transfers from County Government

| Description | FY 2022/23 | FY 2021/22 |
|--|------------|------------|
| | Kshs | Kshs |
| Transfers From County Govt. –Operations | 0 | 0 |
| Payments By County On Behalf Of The Entity | 0 | 0 |
| Unconditional Development grants | 0 | 0 |
| Total | 0 | 0 |

3. Fines, penalties and other levies

| Description | FY 2022/23 | FY 2021/22 |
|------------------------|------------|------------|
| | Kshs | Kshs |
| Late Payment Penalties | 0 | 0 |
| Fines | 0 | 0 |
| Total | 0 | 0 |

(Provide brief explanation for this revenue)

4. Interest income

| Description | FY 2022/23 | FY 2021/22 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Interest Income from Mortgage Loans | 6,758,202 | 6,456,186 |
| Interest Income From Car Loans | 0 | 0 |
| Interest Income From Investments in financial assets | 0 | 0 |
| Interest Income On Bank Deposits | 0 | 0 |
| Total Interest Income | 6,758,202 | 6,456,186 |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
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(Provide brief explanation for this revenue)

Notes to the Financial Statements Continued

5. Other income

| Description | FY 2022/23 | FY 2021/22 |
|--------------------------------------|------------|------------|
| | Kshs | Kshs |
| Insurance Recoveries | 0 | 0 |
| Income from Sale of Tender Documents | 0 | 0 |
| Bad debts recovered | 0 | 0 |
| Miscellaneous Income | 0 | 0 |
| Total Other Income | 0 | 0 |

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified. Disclose write backs if any or recoveries from write offs).

6. Employee Costs

| Description | FY 2022/23 | FY 2021/22 |
|------------------------------|------------------|----------------|
| | Kshs | Kshs |
| Salaries And Wages | 0 | 0 |
| Staff Gratuity | 0 | 0 |
| Staff Training Expenses | 0 | 0 |
| Social Security Contribution | 0 | 0 |
| Travels and Accommodation | 1,162,800 | 100,000 |
| Total | 1,162,800 | 100,000 |

7. Use of Goods and Services

| Description | FY 2022/23 | FY 2021/22 |
|--------------------------------|------------|------------|
| | Kshs. | Kshs. |
| General Office Expenses | 0 | 0 |
| Loan Processing Costs | 0 | 0 |
| Professional Services Costs | 0 | 0 |
| Administration Fees | 0 | 0 |
| Committee Allowances | 0 | 0 |
| Bank Charges | 1,317 | 1,065 |
| Electricity And Water Expenses | 0 | 0 |
| Fuel And Oil Costs | 0 | 0 |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

| Description | FY 2022/23 | FY 2021/22 |
|--------------------------------------|--------------|--------------|
| | Kshs. | Kshs. |
| Insurance Costs | 0 | 0 |
| Postage And Courier | 0 | 0 |
| Printing And Stationery | 0 | 0 |
| Rental Costs | 0 | 0 |
| Security Costs | 0. | 0. |
| Telephone And Communication Expenses | 0 | 0 |
| Bank Charges | 0 | 0 |
| Audit Fees | 0 | 0 |
| Provision For Doubtful Debts | 0 | 0 |
| Other (<i>Specify</i>) | 0 | 0 |
| Social benefit expenses* | | |
| Total | 1,317 | 1,065 |

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42

8. Depreciation and Amortization Expense

| Description | FY 2022/23 | FY 2021/22 |
|------------------------------|------------|------------|
| | Kshs. | Kshs. |
| Property Plant and Equipment | 0 | 0 |
| Intangible Assets | 0 | 0 |
| Total | 0 | 0 |

9. Finance costs

| Description | FY 2022/23 | FY 2021/22 |
|------------------------------|------------|------------|
| | Kshs | Kshs |
| Interest On Bank Overdrafts | 0 | 0 |
| Interest On Loans From Banks | 0 | 0 |
| Total | 0 | 0 |

10. Gain/(loss) on disposal of assets

| Description | FY 2022/23 | FY 2021/22 |
|-------------------------------|------------|------------|
| | Kshs | Kshs |
| Property, Plant and Equipment | 0 | 0 |
| Intangible Assets | 0 | 0 |
| Total | 0 | 0 |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
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11. Gain/ (loss) on Fair Value Investments

| Description | FY 2022/23 | FY 2021/22 |
|---|------------|------------|
| | Kshs | Kshs |
| Investments at Fair Value- Equity investments | 0 | 0 |
| Fair value – Investment property | 0 | 0 |
| Fair value- other financial assets (specify) | 0 | 0 |
| Total Gain | 0 | 0 |

12. Cash and cash equivalents

| Description | FY 2022/23 | FY 2021/22 |
|--|-------------------|------------------|
| | Kshs | Kshs |
| Samburu County Car Loan Account | 0 | 0 |
| Samburu County Mortgage Account | 31,745,958 | 9,828,665 |
| Fixed Deposits Account | 0 | 0 |
| On – Call Deposits | 0 | 0 |
| Current Account | 0 | 0 |
| Others (<i>Specify</i>) | 0 | 0 |
| Total Cash And Cash Equivalents | 31,745,958 | 9,828,665 |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes to the Financial Statements Continued

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

| Financial Institution | Account number | FY 2022/23 | FY 2021/22 |
|----------------------------------|----------------|-------------------|------------------|
| | | Kshs | Kshs |
| a) Fixed Deposits Account | | | |
| Kenya Commercial Bank | | 0 | 0 |
| Equity Bank, Etc. | | 0 | 0 |
| Sub- Total | | 0 | 0 |
| b) On - Call Deposits | | | |
| Kenya Commercial Bank | | 0 | 0 |
| Equity Bank - Etc. | | 0 | 0 |
| Sub- Total | | 0 | 0 |
| c) Current Account | | | |
| Kenya Commercial Bank | | 31,745,958 | 9,828,665 |
| Bank B | | 0 | 0 |
| Sub- Total | | 0 | 0 |
| d) Others(Specify) | | | |
| Cash In Transit | | 0 | 0 |
| Cash In Hand | | 0 | 0 |
| Sub- Total | | 0 | 0 |
| Grand Total | | 31,745,958 | 9,828,665 |

13. Receivables from exchange transactions

| Description | FY 2022/23 | FY 2021/22 |
|--|--------------------|--------------------|
| | Kshs | Kshs |
| Current Receivables | | |
| Interest Receivable | -98,128 | 1,616,757 |
| Current Loan Repayments Due | 19,702,512 | 19,196,977 |
| Other Exchange Debtors | 6,798,364 | 1,967,265 |
| Less: Impairment Allowance | | |
| Total Current Receivables | 26,402,748 | 22,780,999 |
| Non-Current Receivables | | |
| Long Term Loan Repayments Due | 194,981,526 | 206,670,996 |
| Longterm portion of Interest receivable | 16,436,223 | 22,826,513 |
| Longterm portion of Other exchange debtors | 10,520,608 | 8,782,624 |
| Total Non- Current Receivables | 221,938,357 | 238,280,133 |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

| | | |
|---|--------------------|--------------------|
| Total Receivables From Exchange Transactions | 248,341,106 | 261,061,132 |
|---|--------------------|--------------------|

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

| Description | FY 2022/23 | FY 2021/22 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Interest Receivable | | |
| Interest receivable from current portion of long-term loans of previous years | 0 | 0 |
| Accrued interest receivable from of long-term loans of previous years | 0 | 0 |
| Interest receivable from current portion of long-term loans issued in the current year | 0 | 0 |
| Current loan repayments due | | |
| Current portion of long-term loans from previous years | 0 | 0 |
| Accrued principal from long-terms loans from previous periods | 0 | 0 |
| Current portion of long-term loans issued in the current year | 0 | 0 |

14. Prepayments

| Description | FY 2022/23 | FY 2021/22 |
|--------------------------------------|-------------------|-------------------|
| | Kshs | Kshs |
| Prepaid Rent | 0 | 0 |
| Prepaid Insurance | 0 | 0 |
| Prepaid Electricity Costs | 0 | 0 |
| Other Prepayments (<i>Specify</i>) | 0 | 0 |
| Total | 0 | 0 |

15. Other Receivables

| Description | FY 2022/23 | FY 2021/22 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Samburu County Executive | 14,750,848 | 16,300,000 |
| Spare Parts And Meters | 0 | 0 |
| Catering | 0 | 0 |
| Other Inventories (<i>Specify</i>) | 0 | 0 |
| Total Inventories at The Lower of Cost and Net Realizable Value | 14,750,848 | 16,300,000 |

Notes to the Financial Statements Continued

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

16. Investments in financial assets

| Description | FY 2022/23 | FY 2021/22 |
|---|------------|------------|
| | Kshs | Kshs |
| a. Investment in Treasury bills and bonds | | |
| Financial institution | | |
| CBK | 0 | 0 |
| CBK | 0 | 0 |
| Sub- total | 0 | 0 |
| b. Investment with Financial Institutions/ Banks | | |
| Bank x | 0 | 0 |
| Bank y | 0 | 0 |
| Sub- total | 0 | 0 |
| c. Equity investments (specify) | | |
| Equity/ shares in Entity 0 | 0 | 0 |
| Sub- total | 0 | 0 |
| Grand total | 0 | 0 |

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

Movement of Equity Investments

| Impairment allowance/ provision | FY 2022/23 | FY 2021/22 |
|---|------------|------------|
| | Kshs | Kshs |
| At the beginning of the year | 0 | 0 |
| Purchase of investments in the year | 0 | 0 |
| Sale of investments during the year | (0) | (0) |
| Gain/(loss) in fair value of investments through surplus or deficit | 0 | 0 |
| At the end of the year | 0 | 0 |

e) Shareholding in other entities

For investments in equity share listed above, list down the equity investments under the following categories:

| Name of Entity where investment is held | No of shares | | | Nominal value of shares | Fair value of shares | Fair value of shares |
|---|---------------------|-----------------------|------------------------|-------------------------|----------------------|----------------------|
| | Direct shareholding | Indirect shareholding | Effective shareholding | | Current year | Prior year |
| | % | % | % | Kshs | Kshs | Kshs |
| Entity A | 0 | 0 | 0 | 0 | 0 | 0 |
| Entity B | 0 | 0 | 0 | 0 | 0 | 0 |
| Entity C | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes To The Financial Statements (Continued)

17. 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 (Previous FY) | 0 | 0 | 0 | 0 | 0 |
| Additions | 0 | 0 | 0 | - | 0 |
| Disposals | (0) | (0) | - | - | (0) |
| Transfers/Adjustments | 0 | (0) | 0 | (0) | (0) |
| At 30th June (Previous FY) | 0 | 0 | 0 | 0 | 0 |
| At 1st July (Current FY) | | | | | |
| Additions | 0 | 0 | 0 | - | 0 |
| Disposals | (0) | - | - | - | (0) |
| Transfer/Adjustments | (0) | 0 | 0 | (0) | (0) |
| At 30th June (Current FY) | 0 | 0 | 0 | 0 | 0 |
| Depreciation And Impairment | | | | | |
| At 1 st July (Previous FY) | (0) | (0) | (0) | (0) | (0) |
| Depreciation | (0) | (0) | (0) | (0) | (0) |
| Impairment | (0) | - | - | - | (0) |
| At 30th June (Previous FY) | 0 | 0 | 0 | 0 | 0 |
| At 1st July (Current FY) | | | | | |
| Depreciation | (0) | (0) | (0) | - | (0) |
| Disposals | 0 | - | - | - | 0 |
| Impairment | (0) | (0) | - | - | (0) |
| Transfer/Adjustment | 0 | (0) | (0) | 0 | 0 |
| At 30th June (Current FY) | 0 | 0 | 0 | 0 | 0 |
| Net Book Values | | | | | |
| At 30th June (Previous FY) | 0 | 0 | 0 | 0 | 0 |
| At 30th June (Current FY) | 0 | 0 | 0 | 0 | 0 |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes To The Financial Statements (Continued)

18. Intangible assets

| Description | FY 2022/23 | FY 2021/22 |
|------------------------------------|------------|------------|
| | Kshs | Kshs |
| Cost | | |
| At Beginning of The Year | 0 | 0 |
| Additions | 0 | 0 |
| At End of The Year | 0 | 0 |
| Amortization And Impairment | | |
| At Beginning of The Year | 0 | 0 |
| Amortization | 0 | 0 |
| At End of The Year | 0 | 0 |
| Impairment Loss | 0 | 0 |
| At End of The Year | 0 | 0 |
| NBV | 0 | 0 |

19. Investment Property

| Description | FY 2022/23 | FY 2021/22 |
|--|------------|------------|
| | Kshs | Kshs |
| At beginning of the year | 0 | 0 |
| Additions | 0 | 0 |
| Disposal during the year | (0) | (0) |
| Depreciation | (0) | (0) |
| Impairment | (0) | (0) |
| Gain/(loss) in fair value (if fair value is elected) | 0 | 0 |
| At end of the year | 0 | 0 |

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes To The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

| Description | FY 2022/23 | | FY 2021/22 | |
|---|-------------------|-----------------------|-----------------------|-----------------------|
| | Kshs | | Kshs | |
| Trade Payables | 0 | | 0 | |
| Refundable Deposits | 0 | | 0 | |
| Accrued Insurance Expenses | 1,734,480 | | 0 | |
| Other Payables | 0 | | 0 | |
| Total Trade and Other Payables | 1,734,480 | | 0 | |
| Ageing analysis (Trade and other payables) | Current FY | % of the Total | Comparative FY | % of the Total |
| Under one year | 0 | % | 0 | % |
| 1-2 years | 0 | % | 0 | % |
| 2-3 years | 0 | % | 0 | % |
| Over 3 years | 0 | % | 0 | % |
| Total (tie to above total) | 0 | | 0 | |

(NB: Amount under deposits and retentions should tie to cash held in deposit account)

21. Provisions

| Description | Leave provision | Bonus provision | Other provision | Total |
|---|-----------------|-----------------|-----------------|----------|
| | Kshs | Kshs | Kshs | Kshs |
| Balance At the Beginning Of The Year | 0 | 0 | 0 | 0 |
| Additional Provisions | 0 | 0 | 0 | 0 |
| Provision Utilised | (0) | (0) | (0) | (0) |
| Change Due To Discount And Time Value For Money | (0) | (0) | (0) | (0) |
| Transfers From Non -Current Provisions | 0 | 0 | 0 | 0 |
| Balance At The End of The Year | 0 | 0 | 0 | 0 |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes To The Financial Statements (Continued)

22. Borrowings

| Description | FY 2022/23 | FY 2021/22 |
|---|------------|------------|
| | Kshs | Kshs |
| Balance At Beginning of The Period | 0 | 0 |
| External Borrowings During the Year | 0 | 0 |
| Domestic Borrowings During the Year | 0 | 0 |
| Repayments Of External Borrowings During the Period | (0) | (0) |
| Repayments Of Domestic Borrowings During the Period | (0) | (0) |
| Balance At End of The Period | 0 | 0 |

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

| Description | FY 2022/23 | FY 2021/22 |
|---|------------|------------|
| | Kshs | Kshs |
| External Borrowings | | |
| Dollar Denominated Loan From 'X Organization' | 0 | 0 |
| Sterling Pound Denominated Loan From 'Y Organization' | 0 | 0 |
| Euro Denominated Loan from Z Organization' | 0 | 0 |
| Domestic Borrowings | | |
| Kenya Shilling Loan From KCB | 0 | 0 |
| Kenya Shilling Loan from Barclays Bank | 0 | 0 |
| Kenya Shilling Loan from Consolidated Bank | 0 | 0 |
| Borrowings From Other Government Institutions | 0 | 0 |
| Total Balance at End of The Year | 0 | 0 |

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

| Description | FY 2022/23 | FY 2021/22 |
|---|------------|------------|
| | Kshs | Kshs |
| Short Term Borrowings (Current Portion) | 0 | 0 |
| Long Term Borrowings | 0 | 0 |
| Total | 0 | 0 |

(NB: the total of this statement should tie to note 22 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed). Borrowings should be measured at amortised cost as per IPSAS 41)

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes To The Financial Statements (Continued)

23. Employee benefit obligations

| Description | Defined benefit plan | Post employment medical benefits | Other Provisions | Insert Current FY | Insert Comparative FY |
|--------------------------------|-----------------------------|---|-------------------------|--------------------------|------------------------------|
| | Kshs | Kshs | Kshs | Kshs | Kshs |
| Current Benefit Obligation | 0 | 0 | 0 | 0 | 0 |
| Non-Current Benefit Obligation | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

24. Prior Year Adjustment

A prior period adjustment really applies to the correction of an error in the financial statements of a prior period.

| | Balance b/f from Previous FY as per audited financial statements | Adjustments during the year relating to prior periods | Adjusted ** Balance b/f For previous FY |
|---|---|--|--|
| Description Of the Error | Kshs | Kshs | Kshs |
| Current portion of long term receivables from exchange transactions | 22,780,999 | -6,968,155 | 15,812,844 |
| Long term receivables from exchange transactions | 238,280,133 | 7,287,705 | 245,567,837 |
| Outstanding Imprests and Advances | | | |
| Third party deposits and Retention | | | |
| Others (<i>Specify</i>) | | | |
| Total | 261,061,132 | 319,549 | 261,380,681 |

* The figure that goes to the statement of assets and liabilities.

** (The adjusted balances are not carried down on the face of the financial statement.

County Executive to provide disclosure on the adjusted amounts) (Explain whether the prior year relates to errors noted in prior year, changes in estimates or accounting policy. Provide explanations for the prior year adjustments made their nature and effect on the fund balance of the County Executive).

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes To The Financial Statements (Continued)

25. Cash generated from operations

| Description | FY 2022/23 | FY 2021/22 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Surplus/ (Deficit) For the Year Before Tax | 0 | 0 |
| Adjusted For: | | |
| Depreciation | 0 | 0 |
| Amortisation | 0 | 0 |
| Gains/ Losses On Disposal Of Assets | (0) | (0) |
| Interest Income | (0) | (0) |
| Finance Cost | 0 | 0 |
| Working Capital Adjustments | | |
| Increase In Inventory | (0) | (0) |
| Decrease In Receivables (County Government) | 1,549,153 | -130,640 |
| Increase In Payables (Insurance Payables) | 1,734,480 | 0 |
| Net Cash Flow From Operating Activities | 3,283,633 | -130,640 |

(The total of this statement should tie to the cash flow section on net cash flows from operating activities)

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended 30th June 2023**

Notes To The Financial Statements (Continued)

26. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

| Description | FY 2022/23 | FY 2021/22 |
|---------------------------------|------------|------------|
| | Kshs | Kshs |
| Transfers From Related Parties' | 0 | 0 |
| Transfers To Related Parties | 0 | 0 |

c) Key management remuneration

| Description | FY 2022/23 | FY 2021/22 |
|-----------------------------|------------|------------|
| | Kshs | Kshs |
| Board Of Trustees | 0 | 0 |
| Key Management Compensation | 0 | 0 |
| Total | 0 | 0 |

d) Due from related parties

| Description | FY 2022/23 | FY 2021/22 |
|----------------------------|------------|------------|
| | Kshs | Kshs |
| Due From Parent Ministry | 0 | 0 |
| Due From County Government | 0 | 0 |
| Total | 0 | 0 |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended 30th June 2023**

Other Disclosures Continued

e) Due to related parties

| Description | FY 2022/23 | FY 2021/22 |
|---------------------------------|-------------------|-------------------|
| | Kshs | Kshs |
| Due To Parent Ministry | 0 | 0 |
| Due To County Government | 0 | 0 |
| Due To Key Management Personnel | 0 | 0 |
| Total | 0 | 0 |

27. Contingent assets and contingent liabilities

| Contingent Liabilities | FY 2022/23 | FY 2021/22 |
|-------------------------------|-------------------|-------------------|
| | Kshs | Kshs |
| Court Case 0 Against the Fund | 0 | 0 |
| Bank Guarantees | 0 | 0 |
| Total | 0 | 0 |

(Give details)

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended 30th June 2023**

Notes To The Financial Statements (Continued)

28. Financial risk management

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

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

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

| Description | Total amount Kshs | Fully performing Kshs | Past due Kshs | Impaired Kshs |
|--|------------------------------|----------------------------------|--------------------------|--------------------------|
| At 30 June 2023 | | | | |
| Receivables From Exchange Transactions | 0 | 0 | 0 | 0 |
| Receivables From Non-Exchange Transactions | 0 | 0 | 0 | 0 |
| Bank Balances | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |
| At 30 June 2022 | | | | |
| Receivables From Exchange Transactions | 0 | 0 | 0 | 0 |
| Receivables From Non-Exchange Transactions | 0 | 0 | 0 | 0 |
| Bank Balances | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended 30th June 2023**

Notes To The Financial Statements (Continued)

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

The entity has significant concentration of credit risk on amounts due from 0x

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

b) Liquidity risk management

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

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

| Description | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|------------------------------------|-------------------|--------------------|---------------|----------|
| | Kshs | Kshs | Kshs | Kshs |
| At 30 June (Current FY) | | | | |
| Trade Payables | 0 | 0 | 0 | 0 |
| Current Portion Of Borrowings | 0 | 0 | 0 | 0 |
| Provisions | 0 | 0 | 0 | 0 |
| Employee Benefit Obligation | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |
| At 30 June (Comparative FY) | | | | |
| Trade Payables | 0 | 0 | 0 | 0 |
| Current Portion Of Borrowings | 0 | 0 | 0 | 0 |
| Provisions | 0 | 0 | 0 | 0 |
| Employee Benefit Obligation | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |

Notes To The Financial Statements (Continued)

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

| Description | | Other currencies | Total |
|---|----------|------------------|----------|
| | Kshs | Kshs | Kshs |
| At 30 June (Current FY) | | | |
| Financial Assets | 0 | 0 | 0 |
| Investments | 0 | 0 | 0 |
| Cash | 0 | 0 | 0 |
| Debtors/ Receivables | | | |
| Liabilities | | | |
| Trade And Other Payables | 0 | 0 | 0 |
| Borrowings | 0 | 0 | 0 |
| Net Foreign Currency Asset/(Liability) | 0 | 0 | 0 |

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

Notes To The Financial Statements (Continued)

Foreign currency sensitivity analysis

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

| Description | Change in currency rate | Effect on surplus/ deficit | Effect on equity |
|-------------------------|----------------------------|-------------------------------|---------------------|
| | Kshs | Kshs | Kshs |
| (Current FY) | | | |
| Euro | 10% | 0 | 0 |
| USD | 10% | 0 | 0 |
| (Comparative FY) | | | |
| Euro | 10% | 0 | 0 |
| USD | 10% | 0 | 0 |

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 0 (2022: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (2021 – Kshs 0).

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
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Notes To The Financial Statements (Continued)

d) Capital risk management.

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

| Description | Current FY | Comparative FY |
|---|-------------------|-----------------------|
| | Kshs | Kshs |
| Revaluation reserve | 0 | 0 |
| Revolving fund | 0 | 0 |
| Accumulated surplus | 0 | 0 |
| Total funds | 0 | 0 |
| | | |
| Total borrowings | 0 | 0 |
| Less: cash and bank balances | (0) | (0) |
| Net debt/(excess cash and cash equivalents) | 0 | 0 |
| Gearing | xx% | xx% |

29. Events after the reporting period

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

30. Ultimate and Holding Entity

The entity is a County Public Fund established by Samburu County Executive Staff Mortgage Scheme Fund Regulations, 2016 under The County Treasury. Its ultimate parent is the County Government of Samburu.

31. Currency

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

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
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20. Annexes

Annex I: Progress on Follow Up of Prior Year Auditor’s Recommendations

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|--|---|--|---|
| 1 | <p>Doubtful Long-term Receivables from exchange transactions As previously reported, Note 12 to the financial statements reflects long term receivables from exchange transaction balance of Kshs. 238,280,133 as at 30 June 2022 and which includes loans amounting to of Kshs. 45,000,000 disbursed to county executive members, chief officers, chief of staff, former Governor, political advisor and members of the county public service board. Review of the loans revealed that the outstanding loans comprises of an amount of Kshs. 13,323,922 due and relating to the aforementioned members who had not deposited any collateral and their employment terms had already been terminated. Further, although the recoverability of the loans is doubtful, Management had not a provision for doubtful debts in the financial statements. In addition, the loans were amortized for a period of twenty (20) years instead of the number of months to the end of the term of employment or</p> | <p>Management has resolved to institute a subcommittee that comprises of representatives from various departments whose main task will be to make follow ups on individual beneficiaries to ensure the gaps identified in their respective mortgage files are bridged. All beneficiaries will provide collaterals for their respective loans in due time.</p> <p>The County Government in its formative years, disbursed loans to staff based on the SRC’s policy (Ref no. SRC/ADM/CIR/1/13/ Vol.III(128), Dated 17th December 2014) in existence that was also applicable to the County Governments amongst other national government entities. In section</p> | | |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Publish date when you expect the issue to be resolved) |
|--|---|--|-----------------------------------|--|
| | <p>lapse of employment contract of the respective borrowers as required by Regulation 13 of the Public Finance Management (Samburu County Executive Staff Mortgage Scheme Fund) Regulations 2016, which provides that a loan granted under these regulations shall be fully repaid at the end of the maximum period a member is eligible for</p> <p>In the circumstance, the accuracy, recoverability and regularity of loans balance of Kshs.45,000,000 as at 30 June 2022 could not be confirmed.</p> | <p>7 of this policy, entities had express authority to advance mortgage loans and car loans and apply recoverability period as 20 Yrs and 5Yrs respectively. Further, the same section stated that the terms of the loan remains in force and does not change for the life of the loan unless in cases of default which reverts to commercial terms.</p> <p>It was not until 5th March 2016 when Samburu County Executive had its own Staff Mortgage Scheme Fund regulations in place. Though section 13 of these regulations provides that ‘‘ a loan granted under these regulations shall be fully repaid at the end of maximum period a member is eligible for.’’ Section 12(1) of the same regulations states ‘‘the maximum loan to be granted under these regulations to a member of this scheme shall be the amount the member is eligible to as provided by the Salaries and Remuneration Commission payable for a period not exceeding twenty (20) years.</p> <p>In the circumstances provided by the above regulations, members repayment period was based on term limit of not more than 20 years or retirement period whichever comes earlier. As such, the</p> | | |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|-----------------------------------|--|
| | | <p>Act has not expressly stated that repayment period be pegged on one's contractual employment term. However, having noted the default rates by staff that ceased being in employment at the county and to curb the risks that come with this, the Fund's Management has since adopted the repayment to cover loanees' employment contractual period. Attached as annex 1 are the Salaries and Remuneration Commission's circular and Samburu County Executive Staff Mortgage Scheme Fund Regulations 2016.</p> | | |
| 2 | <p>Unsupported Loan Disbursement Note 12 to the financial statements reflects receivables from long term exchange transaction balance of Kshs. 238,280,133 which further includes Kshs104,000,000 in respect to loan disbursed to various members. However, the respective loan application files were not provided for audit review. In the circumstances, the accuracy, completeness and validity of the Kshs. 104,000,000 loan disbursed to members as at 30 June 2022 could not be confirmed.</p> | <p>The management has already identified the missing files of some of the beneficiaries and through the subcommittee already mentioned will undertake the task of ensuring the said files are in place in due time.</p> | | |
| 3 | Lack of Trial Balance | Trial balance is hereby provided as per annex 2 | | |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Period date when you expect the issue to be resolved) |
|--|---|--|-----------------------------------|---|
| | <p>The financial statements provided for audit review had not been supported by a trial balance. Consequently, it has not been possible to ascertain the accuracy of some of the balances in the financial statements.</p> | | | |
| | Other Matter | | | |
| 1 | <p>Budget Controls and Performance-Unbalanced Budget The statement of comparison of budget and actual amounts reflects Kshs. 27,001,065 and a nil balance in respect to approved expenditure and receipts, respectively, resulting to Kshs. 27,001,065 budgeted expenditure without corresponding budgeted receipts contrary to Section 31(c) of the Public Finance Management (County Government) Regulations, 2016 which states that budget revenue and expenditure appropriation shall be balanced. Consequently, the Fund Management is in breach of the law.</p> | <p>In FY 2021/22, Samburu County Executive Staff Mortgage (Members) Scheme Fund only had three cost centers namely;</p> <ul style="list-style-type: none"> • Mortgage Disbursement of KSH 26,900,000 • Staff Costs of KSH 100,000 • Bank Charges of KSH 1,065 <p>While preparing the County's overall budget the above costs had not been budgeted since the costs in question had not been envisaged to be draw their respective funding outside Samburu County Executive Staff Mortgage (Members) Scheme Fund. The Fund was created to operate as a revolving fund, thus receipts realized within the fund could be utilized to cater for the Fund's expenditure as approved by the Loans Disbursement Committee.</p> <p>Nonetheless, within the Fund's books, the Funds Management made the necessary disclosure of matching the costs incurred with an equivalent budget from the Fund's total resources available as shown in the statement of</p> | | |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|-----------------------------------|--|
| | | comparison of budget and actual amounts as per annex 3 | | |
| 2 | <p>Prior Year Matters</p> <p>In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Although the Management has indicated that the issues have been responded to, the matters have remained unresolved as the Senate has not met to deliberate on the same</p> | <p>The management of the fund has registered quite an improvement in the overall operations of the Fund over the years.</p> <p>Senate's summons notwithstanding, Samburu County Executive will continue to provide the Fund's Committee with the necessary support to ensure optimum efficiency of the Fund through constant implementation of audit recommendations.</p> | | |
| | Basis for Conclusion | | | |
| 1 | <p>Disbursement of Loans Without Collaterals as Security</p> <p>The statement of financial position and as disclosed in Note 12 to the financial statements reflects long term receivables from exchange transactions balance of Kshs. 206,670,996 and a current portion of Kshs 22,826,513 being loans to staff of the County Executive. However, the loans were disbursed without any collateral.</p> <p>Further, the loans and mortgages granted to members did not have a mortgage protection policy and fire policy with an approved insurance</p> | <p>Management has resolved to institute a subcommittee that comprises of representatives from various departments whose main task will be to make follow ups on individual beneficiaries to ensure the gaps identified in their respective mortgage files are bridged. All beneficiaries will provide collaterals for their respective loans in due time.</p> | | |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Provide date when you expect the issue to be resolved) |
|--|--|---|-----------------------------------|--|
| | <p>firm contrary to Regulation 16(1) of the Public Finance Management (Samburu County Executive Staff Mortgage Scheme Fund) Regulations, 2016 which require that a borrower shall take out and maintain a mortgage protection policy and a fire policy with an insurance firm approved by the Committee the cost of which shall be borne by the borrower.</p> <p>In the circumstance, the Management was in breach of the law.</p> | | | |
| 2 | <p>Incorrect Name of the Fund in the Financial Statements</p> <p>As previously reported, the financial statements provided for audit review states the name of the fund as “Samburu County Executive Mortgage Scheme Fund. However, Regulation 3 of Public Finance Management (Samburu County Staff Mortgage Scheme Fund) Regulations, 2016 has defined the Fund as Samburu County Executive Staff Mortgage (Members) Scheme Fund.</p> <p>In the circumstance, the name of the Fund in the financial statements is not consistent with the enabling law.</p> | <p>As previously queried in the Fund’s Management Letter, the Fund’s name was in the report was rectified to “ Samburu County Executive Staff Mortgage (Members) Scheme Fund”</p> <p>The same report is hereby re-submitted as annex 3.</p> | | |
| 3 | <p>Unsupported Borrowings by the County Executive</p> | <p>These withdrawals relate to amounts drawn as imprest for implementation of projects in prior periods. The said amounts had been recovered from</p> | | |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended 30th June 2023**

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|-----------------------------------|--|
| | <p>As previously reported, the statement of financial position as at 30 June, 2022 reflects borrowings of Kshs. 16,300,000 and as disclosed in Note13 to the financial statements being outstanding loan balance lent out to the Samburu County Executive. However, review of the loans revealed that the amount represents cash withdrawals from the Fund Account whose supporting documentation on how the funds were applied were not provided for audit review.</p> | <p>payroll and erroneously deposited to the County's revenue account instead of the Fund's commercial bank account.</p> <p>As such, the former Committee had resolved to ensure that the amounts will first be provided for in the following supplementary budget to enable subsequent transfers to the Fund's account accordingly.</p> <p>In the last supplementary budget done, the management ensured that the amounts mentioned having been recognized as pending bills, had also been for in the current year's budget. The settlement of the said amounts will be implemented in due time.</p> <p>Attached as annex 4 are extracts of FY 2021/22 pending bills clearly showing owings to the Mortgage Fund by the executive, supplementary budget showing appropriate allocations had been made and a vote book extract confirming the same amounts had been provided for.</p> | | |
| | Basis for Conclusion | | | |
| 1 | <p>Lack of Risk Management Policy As previously reported, the Samburu County Executive Staff Mortgage (Members) Scheme Fund did not have a risk management policy contrary to Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments)</p> | <p>Samburu County Executive has come up with a draft risk management policy that will be presented to the cabinet for approvals. Attached as annex 5 is the draft risk management policy.</p> | | |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended 30th June 2023**

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Provide date when you expect the issue to be resolved) |
|---|---|----------------------------|--|---|
| | <p>Regulations 2016 which requires the Accounting Officer to develop risk management strategies which include fraud prevention mechanism and internal control that builds robust business operations ensure that the county government entity develops risk management strategies, which include fraud prevention mechanism; and the county government entity develops a system of risk management and internal control that builds robust business operations</p> <p>In the circumstance, it was not possible to confirm whether the internal controls in the financial and operational environment were effective and management was also in breach of the law.</p> | | | |

Guidance Notes:

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

Solomon Letirok

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended 30th June 2023**

Date.....

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

THE COUNTY GOVERNMENT OF SAMBURU

When replying please quote

Our Ref: SAMC/MORT/ACC/VOL.(1)

Your Ref:



P.O. Box 3 - 20600

MARALAL

30th June 2023

COUNTY TREASURY

Samburu County Executive Staff Mortgage (Members) Scheme Fund

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

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30th June 2023

| Reference Number | Date Disbursed | Amounts Disbursed by Samburu County Government (Kshs) as at 30 th June 2023 | | | | Amount Received by [beneficiary Fund] (KShs) as at 30 th June 2023 (E) | Differences (KShs) (F)=(D-E) |
|------------------|----------------|--|-----------------|-----------------------|-------------------|---|------------------------------|
| | | Recurrent (A) | Development (B) | Inter-Ministerial (C) | Total (D)=(A+B+C) | | |
| N/A | N/A | NIL | NIL | NIL | NIL | NIL | NIL |
| Total | | NIL | NIL | NIL | NIL | NIL | NIL |

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

Head of Accountants department of beneficiary Fund:

Name: Annelisa Sajina

Sign  **Date**

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Annex III: Reporting of Climate Relevant Expenditures

| Project Name | Project Description | Project Objectives | Project Activities | | | | | Source Of Funds | Implementing Partners |
|-----------------------------------|--|---|--|----|----|----|----|-------------------|-----------------------|
| | | | | Q1 | Q2 | Q3 | Q4 | | |
| Fencing of waste management sites | Construction of Perimeter wall for Kisima and Suguta, Waste Management site (Dumping site) | To improve solid waste management in major towns | Construction of Perimeter wall at the dumpsites | | | | | County Government | |
| | Improvement of Maralal Waste Management Site (Dumping site) | To improve solid waste management within Maralal town | Repair of Maralal dumpsite fence | | | | | County Government | |
| Control of soil erosion | Construction of soil conservation structures in Opiroi, Arsim and Nchock | To control soil erosion for enhanced rangeland management | Construction of soil conservation structures in degraded areas | | | | | County Government | |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

| | | | | | | | | | |
|------------------------|---------------|--|---|--|--|--|--|-----------------------------------|---------------------|
| Tree planting | Tree planting | To increase forest cover within the county | Tree planting activities during commemoration of world Environment Day School greening programme | | | | | County Government, Caritas | KFS, NEMA, Caritas, |
| Environment frameworks | Legal | Formulation of Climate Change Policy and Act, Forestry and Tree growing Policy, Rangelands Management and Grazing Policy | To enhance Environmental planning and management | Policy formulation Policy approvals Sensitization of the House Committee on the legal frameworks | | | | County Government, UN/FAO, UN/WFP | FCDC/ LISTEN |
| Climate change | | Establishment of Ward Climate Change committees | To build community resilience on climate change issues | Community sensitizations on climate change Act, committee elections | | | | LISTEN Project | FCDC |
| Climate Change | | Participatory Climate Risk Assessment | To assess community vulnerability to climate | Community consultation meetings at the ward level | | | | FLOCCA | LISTEN/FCDC |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

| | | | | | | | | |
|---|-----------------------------------|---|---|--|--|--|--|---|
| | | related risks and hazards | | | | | | |
| Drafting of the County Climate Change Action Plan | County Climate Change Action Plan | To propose intervention measures to increase resilience of the county to climate change impacts | Ward level climate actions development Workshop on drafting of the CCAP and integration of the ward proposals | | | | FLOCCA | LISTEN/FCDC |
| Green Energy | Solarization of boreholes | To enhance adoption of renewable energy (solar) | Installation of solar powered water systems in boreholes | | | | County Government | ACTED, REDCROSS, UNICEF, NDMA, Food for Hungry, Caritas, World Vision, USAID-Nawiri, Fin Church Aid |
| Natural Resource Management Institutions | Training of WRUAs, CFAs, WUAs | To enhance protection and management of fragile ecosystems | Establishment and training of NRM institutions | | | | County Government, USAID-Nawiri, LISTEN/SNV, FAO | SNV-LISTEN, NEMA, KFS, IMPACT Trust, and WRA |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Annex IV: Reporting on Disaster Management Expenditure

| Column I | Column II | Column III | Column IV | Column V | Column VI | Column VII |
|--------------------------------|---|---|--|---|----------------|------------|
| Programme | Sub-programme | Disaster Type | Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness) | Expenditure item | Amount (Kshs.) | Comments |
| Disaster Risk Reduction | Training of DRM committees | Flash floods | To mitigate the effects of flash floods in both live and livelihoods | Sensitization of the public | 2,000,000 | Not funded |
| | Establishment and training of DRM committees | Conflicts | To prepare and mitigate the effects of conflicts in lives and livelihoods | Training of DRM committees from village to County level | 15,000,000 | Not funded |
| | Operationalisation and equipping of Emergency operation | Early warning and early response | To respond effectively on current and emerging disasters and mitigate | Equipping of emergency operation centre | 5,000,000 | Not funded |
| | Reviewing and repealing of DRM Policy and DRM Act. | To have legal documents to operationalize DRM intervention. | To legally respond and mitigate disasters perfectly | Reviewing and repealing of DRM Policy and DRM Act. | 10,000,000 | Not funded |
| | Contingency planning | Mitigation | | | | |

**Samburu County Executive Staff Mortgage (Members) Scheme Fund
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| | | | | | | |
|---|---|------------|---|--|------------|----------------------|
| | | | | | | |
| Emergency Relief food | Distribution of emergency relief food | Drought | Cushion the vulnerable households from hunger | Issuance of emergency relief food | 30,000,000 | Insufficient funding |
| | Identification and targeting of vulnerable households | Mitigation | Cushion vulnerable households from effects of hunger | Targeting of vulnerable households | 5,000,000 | Not funded |
| | | | | | | |
| Peace and cohesion | Peace policy and Act operationalization | Conflicts | To save lives and livelihoods that are caused by the conflicts. | Sensitization And operationalization of peace policy and Act | 5,000,000 | Not funded |
| | | | | | | |
| Partner relations and coordination | Coordination | Mitigation | To link partners to County department | Resource mobilization and building of synergies | 2,000,000 | Insufficient funding |

