

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PAPERS LAID	
OF	DATE 7/3/24
TABLED BY	S M
COMMITTEE	
CLERK AT THE TABLE	Chungu

THE AUDITOR-GENERAL

ON

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

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



**KWALE COUNTY ASSEMBLY MEMBERS AND STAFF LOAN 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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1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
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**Kwale County Assembly Members and Staff Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

2. Key Entity Information and Management

a) Background information

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

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

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

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

b) Principal Activities

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

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

1. Mortgage loan
2. Car Loan

c) Fund Administration Committee

Ref	Name	Position
1	Sawa Hamisi Ngala	Chair person
2	Fatuma Hassan Mwalupa	Fund Administrator
3	Hon.Yusuf Sengeza	Member
4	Hon.Teresia Bahati Muoki	Member
5	Fatuma Mwinyi kingi	Member

d) Key Management Steam

Ref	Name	Position
1	Fatuma Hassan Mwalupa	Fund Administrator
2	CPA Philip Wanje Ziro	Fund Accountant

**Kwale County Assembly Members and Staff Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Internal Auditor	CPA Dickson Nyundo Mangale

f) Registered Offices

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

g) Fund Contacts

Telephone: (254)714912610
E-mail: info@kwaleassembly.go.ke
Website: www.kwaleassembly.go.ke

h) Fund Bankers

1. Kenya Commercial Bank
P.O. Box 43-80403
Kwale, Kenya
2. Family Bank of Kenya
Nkruma Road Branch
Mombasa

Key Entity and Management (Continued)

i) Independent Auditors

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

j) Principal Legal Adviser






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

k) County Attorney

Office of County Attorney
P.O. Box 4-80403
Kwale County Government Head Quarters
Kwale/Kinango Highway
KWALE, KENYA



**Kwale County Assembly Members and Staff Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

3. Loan Management Committee

Name	Details of qualifications and experience
 <p>1. Sawa Hamisi Ngalaa</p>	<p>Mr. Sawa was born on 01st July, 1967. He is the Chairman of the Fund Committee and a senior clerk to the County Assembly of Kwale. Mr. Sawa holds a bachelor's degree in business from Methodist University. He boasts a wealth of experience in parliamentary procedures and has been the Chairman for Kwale Civic Workers Sacco for over 10 years.</p>
 <p>2. Fatuma Hassan Mwalupa</p>	<p>Ms. Fatuma Hassan Mwalupa is the Clerk of the County Assembly of Kwale and also the Fund Administrator. She was born on 15th February 1983. She is a lawyer by profession and holds a law degree from the university of Dar-es-Salam.</p>
 <p>3. Hon. Yusuf Sengeza</p>	<p>Hon. Sengeza was born on 08th June 1974. He is a Member of the Fund and a re-owned law maker of the County Assembly of Kwale representing the people of Mkongani Ward. An IT professional with a wealthy of Information Systems experience.</p>
 <p>4. Hon. Teresia B. Muoki</p>	<p>Hon. Teresia was born on 28th February 1979. She is a Member of the Fund and a re-owned law maker of the County Assembly of Kwale representing special interest group. Previously worked with NGO world in managerial capacity.</p>
 <p>5. Fatuma Kingi</p>	<p>Ms. Fatuma Kingi was born on 19th September 1986. She is a Member of the Fund and a legal drafter of the County Assembly of Kwale. Holds a bachelor's degree in law from Kampala University and a Diploma from the Kenya School of Law.</p>

**Kwale County Assembly Members and Staff Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

4. Management Team

Name	Details of qualifications and experience
 <p>1. Fatuma Mwalupa</p>	<p>Fatuma Hassan Mwalupa is the Clerk of the County Assembly of Kwale and also the Fund Administrator. She is a lawyer by profession and holds a law degree from the university of Dar-es-salaam.</p>
 <p>2. CPA Philip Wanje Ziro</p>	<p>Philip Ziro is the Director Finance & Accounts to the County Assembly of Kwale.</p> <p>He has a wide experience in public sector finance having worked for various municipalities and County Councils for over 20 years before devolution.</p> <p>He holds a Bachelors and a Master's degree in Business Administration from the Kenya Methodist University specialising in finance.</p> <p>He is a Certified Public Accountant CPA (K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK).</p>

Kwale County Assembly Members and Staff Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023

5. Fund Chairperson's Report

The year 2022/2023 was a transitioning period from the general elections hence our focus was building a smooth environment for the Members to settle and apply for the loans.

During the year 2022/2023, we managed to secure and receive funding of Ksh 78,000,000 for the Scheme fund which increased our Fund Capital.

The year under review had some challenges where recoveries had to be made fully before the previous exits which to some point it was difficult but all went on well and all recoveries from the exiting members done successfully.

We are expecting an upward trajectory in FY 2023/2024 in terms of loan requisition due to the introduction of the new members after the electioneering period has ended.

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

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

I look forward to your support in the year 2023/2024 as we endeavour to put a roof and power mobility to you, our esteemed clients. God bless you all

Sawa Hamisi Ngalaa

Chairperson of the Fund

Signature.....



Date.....

8/11/2023

**Kwale County Assembly Members and Staff Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

6. Report of The Fund Administrator

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

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

During the year under review, the Fund secured funding from the County Treasury of Ksh 78,000,000 hence increasing the Revolving Fund to Kshs. 275,430,000 from Kshs. 197,430,000.

The County Assembly of Kwale Fund had an income budget of Kshs. 9,500,000 and an expenditure budget of Kshs. 8,885,000. The actual income realized was Kshs. 7,892,109 translating to 83% on actual comparable basis while the actual expenditure was Kshs. 8,044,657 translating to 91% on comparable basis.

One of the strengths of the fund has been its ability to maximise on monthly loan recoveries. In this regard the fund managed to recover a total of Kshs 13,963,191 of which Kshs 6,593,078 was recovered from car loan division and Kshs 7,370,113 was recovered from the mortgage division. As a revolving fund, the recoveries were further applied to disburse a total principal loan of Kshs 83,300,000 of which Kshs 48,650,000 was disbursed under the Car loan facility and Kshs 34,650,000 under the Mortgage facility.

The main source of revenue of the fund is interest income. During the year total of Kshs 7,892,109 was realized as interest income. The major contributor, was the mortgage unit which realised a total of Kshs. 6,789,659 followed by car loan unit with a performance of Kshs 1,102,450.

The total expenses of the fund during the year amounted to Kshs. 8,044,657 and realised a net deficit for the year of kshs.152, 547.

Three beneficiaries of the fund ceased to be employees of the County Assembly; Hon. Juma Maone, Mr. Denis Mutui, Mr. William Mjape and Mr. Ali Massemo who have loans which are slowly or not serviced amounting to Ksh 3,914,868 for Car Loan & Ksh. 18,806,299.76 for Mortgage Loan. The management is in the process of instituting legal procedures towards recovery.

Fatuma Hassan Mwalupa

Fund Administrator

Signature..........Date.....

**Kwale County Assembly Members and Staff Loan 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

Introduction

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

The Kwale County Assembly is operating a loan scheme fund as anchored in the Kwale County Assembly Members & Staff Loan Scheme Fund Act 2016. The Fund has two main objectives:

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

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

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

8. Corporate Governance Statement

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

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

The Loan Management Committee is responsible for the general administration and management of the affairs of the Fund and specifically, the Committee is responsible for;

- a) Making recommendations with respect to the conditions under which a loan and or a mortgage shall be granted or repaid under this Act;
- b) receiving applications for the granting of Car loans and mortgages to Members and staff of the County Assembly subject to the provisions of any agreement relating to the provision of the loan and or mortgage;
- c) Supervising the day-to-day running of the Fund;
- d) consider and review quarterly reports on the progress of the Fund as forwarded to the committee by the fund manager;
- e) through the Fund Manager, Liaise with the financial institutions;
- f) Generally doing all that is expedient or necessary for the proper exercise of other duties and functions with respect to the fund;
- g) Advise on the general performance of the fund;
- h) undertake all acts towards the attainment of the objects of this Fund and Act

During the year under review, the Committee held forty three meetings to deliberate on the conduct of the Fund as well as Loan approvals by the members. The committee members including the secretariat who attended the meetings were;

- i. Mr. Sawa Ngalaa – Chairman
- ii. Ms. Fatuma Kingi- Member
- iii. Hon. Teresia Muoki- Member
- iv. Hon. Yusuf Sengeza-Member
- v. Mdm. Fatuma Mwalupa- Fund Manager
- vi. Mr. Pilani Mngumi- Secretariat
- vii. Ms. Salya Mboti-Secretariat

Although the Fund has not yet established a well elaborated succession plan, the Act guides on how new members will be appointed and incorporated in the Fund Committee. Under whatever circumstance, the Fund will remain a going concern as regards to its operations.

The Fund Committee members does not receive direct salaries from the Fund but rather receives committee sitting allowances as stipulated by the SRC Circular.

Corporate Governance Statement Continued....

Through the PFM Act and Kwale County Assembly Members and staff Car Loan & Mortgage Act guides the undertaking and running of the Fund hence limiting any kind of conflict of interest.

Since the core mandate is to issue car loan & Mortgage to members and staff, the committee has tried to control the spending through the fund. The committee has limited the expenditure on induction and trainings to members during the year under review, but they have allocated much budget for the coming new MCA's so as to conduct induction and trainings.

The conduct and governance of the Fund has been stipulated in the Act and the regulations of the Fund. The members are guided by the code of ethics which they signed during their employment period. Through the guidance, the committee normally submits its quarterly and yearly reports to the National Treasury as well as Office of Auditor General so as to abide by the rule of law.

Kwale County Assembly Members and Staff Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023

9. Management Discussion and Analysis

The Fund has a total Capital of Kshs. 284,436,264 comprising of a revolving Fund of Kshs. 275,430,000, Prior year adjustment for the accrued expenses of Kshs. 1,968,000 and an Accumulated surplus of Kshs. 7,038,264.

The demand for new loans is more likely to increase due the introduction of new members of the County Assembly the Fund might not currently support. The Management is considering seeking for more funds through the county Assembly budget to replenish the reduced fund.

The fund is in strict compliance with the PFM Act and the County Assembly Members and Staff loan scheme Act 2016 which guides the operation of the Fund.

The Fund is facing risk of loan defaulters especially for those beneficiaries who ceased to be employees of the County Assembly of Kwale. However, the Management and the Committee has taken legal steps towards recovery of the defaulted amounts.

10. Environmental and Sustainability Reporting

Kwale County Assembly exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on three pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar;

1. Sustainability strategy and profile -

The management wishes to state that, for the Fund to remain a going concern and sustainable, they have embarked on various strategies including but not limited to cutting the unnecessary operational costs, do timely recoveries, engage legal means to deal with defaulters, manage the political temperatures within the organisation etc.

2. Environmental performance

The Management through the Members of the County Assembly will push for laws to strengthen the Environmental department to enforce the stipulated policies.

3. Employee welfare

Our ambition of high performance calls for us to create an enabling environment that spurs engagement through high performing teams, continuous learning and inclusive culture. Our key priority is to futureproof our people by equipping them with the necessary skills and tools so that they can stay ahead of the curve in this rapidly disruptive era of digital adoption and transformation. People are at the heart of our operations. We provide an enabling workplace environment to attract, retain and grow young and fresh minds, as well as develop a highly skilled workforce that leads to creation of value.

4. Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Kwale County Assembly strictly adhere to the laid down regulations and law regarding procurement processes that include, the Public Procurement Regulatory Authority, The Public Procurement and Disposal Act, the PFM Act etc.

b) Responsible Supply chain and supplier relations-The Assembly normally does timely payment of suppliers to avoid accumulation of debts

c) Product stewardship- Through the committee mandates, the County Assembly of Kwale ensures the Loans are disbursed to the loanees on time without bias or favour.

5. Corporate Social Responsibility / Community Engagements

We are glad to be involved in the social responsibility. The staff of the Assembly are involved in cleaning of Kwale town on a monthly basis to make sure that our environment is clean. Further the staff of the Assembly visited Kwale Hospital and made donations in forms of drugs and distributed sanitary towels in female wards.

**Kwale County Assembly Members and Staff Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

11. Report of The Fund Administration Committee

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

Principal activities

The principal activities of the Fund are issuance of car loan and mortgage loan.

Results

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

Fund Administration Committee

The members of the Fund Administration Committee who served during the year are shown on page iv.

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 Fund Administration Committee

Date:

8/11/2023

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 the County Assembly of Kwale Members and Staff Loan Scheme Act 2016, shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 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 Kwale Members and Staff Loan Scheme Act 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.

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.

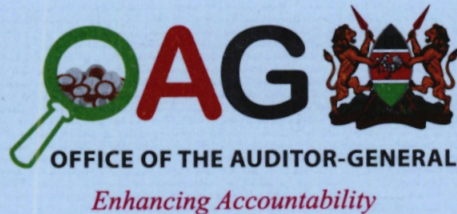
Approval of the financial statements

The Fund’s financial statements were approved by the Board on 8/11/2023 and signed on its behalf by:

.....


Administrator of the County Public Fund

REPUBLIC OF KENYA



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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

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

REPORT OF THE AUDITOR-GENERAL ON KWALE COUNTY ASSEMBLY MEMBERS AND STAFF LOAN SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 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 Kwale County Assembly Members and Staff Loan Scheme Fund set out on pages 1 to 53, which comprise the statement of financial assets and liabilities as at 30 June, 2023, and the statement of

Report of the Auditor-General on Kwale County Assembly Members and Staff Loan Scheme Fund for the year ended 30 June, 2023

receipts and payments, 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 Kwale County Assembly Members and Staff Loan 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 County Governments Act, 2012 and Public Finance Management Act, 2012 of the Laws of Kenya.

Basis for Qualified Opinion

1. Unsupported Daily Subsistence Allowances

The statement of financial performance and Note 7 to the financial statements reflects Kshs.6,157,652 on use of goods and services, out of which Kshs.5,719,000 was in respect of daily subsistence allowances. However, Kshs.751,000 incurred on the allowances was not supported with formal requisition from user department, evidence of attendance and reports on the meeting deliberations.

In that circumstances, the completeness, and accuracy of the daily subsistence allowances of Kshs.751,000 could not be confirmed.

2. Long Outstanding Receivables from Exchange Transactions

The statement of financial position and Note 13 to the financial statements reflects receivables from exchange transactions of Kshs.220,513,951, comprising of the current portion of long-term receivables of Kshs.43,989,860 and long-term receivables of Kshs.176,524,091. Included in these amounts, are short-term receivables from exchange transactions relating to car loans and mortgages amounting to Kshs.15,986,277 and Kshs.17,043,855 respectively, all totalling to Kshs.33,801,164. However, the short-term mortgage receivables balance of Kshs.17,043,855 included principal receivable amounts from former employees amounting to Kshs.2,622,968. Management did not explain as to why the receivables were classified as current instead of long term yet there was no certainty of recovering them within the next twelve (12) months.

Further, the receivables from exchange transactions amount of Kshs.220,513,951 included outstanding receivables of Kshs.32,505,276 from three borrowers who were no longer in the service of the County Assembly. There was no evidence that Management has made any efforts to recover the money.

In the circumstances, the accuracy and completeness of the short-term mortgage receivables balance of Kshs.17,043,855 could not be confirmed and the recoverability of the receivables of Kshs.32,505,276 is doubtful.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual amounts on comparable basis of Kshs.9,500,000 and Kshs.7,892,109 respectively, resulting in under-funding of Kshs.1,607,891 or 17% of the budget. Similarly, the Fund expended Kshs.8,044,657 against an approved budget of Kshs.8,885,000, resulting in an under-expenditure of Kshs.840,343 or 9% of the budget.

The under-funding/under-collection and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is however not modified in respect of the above matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2023. Management did not provide reasons for the delay in resolving the audit issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unreturned Deposit

The statement of financial position and Note 20 to the financial statements reflects trade and other payables from exchange transaction of Kshs.2,814,634 which include Kshs.125,563 attributed to other payables - unallocated deposit from Ministry of Foreign Affairs. However, Management has not offered satisfactory explanations as to why the money has not been returned to the Ministry for more than 12 months.

In that circumstances, the validity of other payables balance of Kshs.125,563 could not be confirmed.

2. Unsecured Loans

The statement of financial position and Note 13 to the financial statements reflects Kshs.220,513,951 as the total receivables from exchange transactions. Examination of the supporting documents provided revealed a sum of Kshs.100,117,647 as the value of properties securing the receivables out of which Kshs.40,195,000 and Kshs.59,922,647 was for motor vehicles and mortgaged properties respectively. However, the motor vehicles were not jointly registered under the County Assembly Service Board and the borrower, and the entitlement of properties was not appropriately charged with the Lands Department. This is contrary to the provisions of Section 18(2) of the Kwale County Assembly Members and Staff Loan Scheme Fund Act, 2016 which provides that the ownership documents of the property subject to a loan from the Fund shall be registered jointly between the County Assembly Service Board and the member and shall be in the custody of the Fund manager until the loan is repaid in full by the member.

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

3. Over Commitment of Salaries

Examination of staff records revealed that two members of staff who were beneficiaries of the Fund earned zero net pay, contrary to Section 19(4) of the Kwale County Assembly Members and Staff Loan Scheme Fund Act, 2016 which provides that, no member shall receive a loan of which the repayment shall exceed one third of the basic salary.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

08 January, 2024

**Kwale County Assembly Members and Staff Loan 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	2022-2023	2021-2022
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	-	-
Fines, Penalties and Other Levies	3	-	-
		-	-
Revenue From Exchange Transactions			
Interest Income	4	7,892,109	6,560,317
Other Income	5	-	-
		7,892,109	6,560,317
Total Revenue		7,892,109	6,560,317
Expenses			
Employee Costs	6	1,887,005	5,969,881
Use of goods and services	7	6,157,652	8,123,810
Depreciation and Amortization Expense	8	-	-
Finance Costs	9	-	-
Total Expenses		8,044,657	14,093,691
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
Surplus/(Deficit) for the Period		(152,547)	(7,533,374)

The notes set out on pages 19 to 38 form an integral part of these Financial Statements

.....
Fatuma Hassan Mwalupa
 Administrator of the Fund

.....
CPA Philip Wanje Ziro
 Fund Accountant
 ICPAK Member Number: 20407

Kwale County Assembly Members and Staff Loan 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	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	66,736,948	63,625,204
Current Portion of Long- Term Receivables From Exchange Transactions	13	43,989,860	25,619,847
Prepayments	14	-	-
Inventories	15	-	-
Investments in financial assets	16	-	-
Total current assets		110,726,808	89,245,051
Non-Current Assets			
Property, Plant and Equipment	17	-	-
Intangible Assets	18	-	-
Long Term Receivables from Exchange Transactions	13	176,524,091	122,047,070
Investment Property	19	-	-
Total non- current assets		176,524,091	122,047,070
Total Assets		287,250,899	211,292,121
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	2,814,634	6,671,309
Current Portion of Borrowings	22	-	-
Employee Benefit Obligations	23	-	-
Social benefit liabilities	24	-	-
Total current liabilities		2,814,634	6,671,309
Non-Current Liabilities			
Long Term Portion of Borrowings	22	-	-
Non-Current Employee Benefit Obligation	23	-	-
Social benefit liabilities	24	-	-
Total Liabilities		2,814,634	6,671,309

Kwale County Assembly Members and Staff Loan Scheme Fund
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Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Net Assets		284,436,264	204,620,812
Revolving Fund		275,430,000	197,430,000
Prior Year Adjustments	26	1,968,000	
Reserves		-	
Accumulated Surplus		7,038,264	7,190,812
Total Net Assets and Liabilities		284,436,264	204,620,812

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 8/11/2023 and signed by:

.....
Fatuma Hassan Mwalupa
Administrator of the Fund

.....
CPA Philip Wanje Ziro
Fund Accountant
ICPAK Member Number: 20407

**Kwale County Assembly Members and Staff Loan 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 Kshs	Revaluati on Reserve Kshs	Accumulated surplus Kshs	Total Kshs
Balance As At 1 July 2021	197,430,000	-	14,724,186	212,154,186
Surplus/(Deficit) For the Period	-	-	(7,533,374)	(7,533,374)
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2022	197,430,000	-	7,190,812	204,620,812
Balance As At 1 July 2022	197,430,000	-	7,190,812	204,620,812
Surplus/(Deficit) For the Period	-	-	(152,547)	(152,547)
Funds Received During the Year	78,000,000	-	-	78,000,000
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance	275,430,000	-	7,038,265	282,468,265
Prior year adjustment (Accrued Expenses)			1,968,000	1,968,000
Balance As At 30 June 2023	275,430,000	0	9,006,265	284,436,265

**Kwale County Assembly Members and Staff Loan Scheme Fund
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17. Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government			30,000,000
Interest received		4,415,290	3,872,056
Receipts from other operating activities			125,563
Total receipts		4,415,290	33,997,619
Payments			
Fund administration expenses		(1,887,005)	(5,969,881)
General expenses		(6,157,652)	(8,123,810)
Finance cost		-	-
Other payments		-	-
Net cash flows from operating activities	25	(3,629,367)	19,903,928
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		-	-
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		13,963,191	30,013,229
Loan disbursements paid out		(83,300,000)	(23,200,000)
Net cash flows used in investing activities		(69,336,809)	6,813,229
Cash flows from financing activities			
Proceeds from revolving fund receipts		78,000,000	-
Additional borrowings			434,412
Repayment of borrowings		(1,922,080)	(2,899,279)
Net cash flows used in financing activities		76,077,920	(2,464,867)
Net increase/(decrease) in cash & cash Equivalents		3,111,744	24,252,290
Cash and cash equivalents at 1 July		63,625,204	39,372,914
Cash and cash equivalents at 30 June		66,736,948	63,625,204

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

Kwale County Assembly Members and Staff Loan Scheme Fund
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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%
Transfers From County Govt.	-	-	-	-	-	0%
Interest Income	9,500,000	-	9,500,000	7,892,109	1,607,891	83%
Other Income	-	-	-	-	-	0%
Total Income	9,500,000	-	9,500,000	7,892,109	1,607,891	83%
Expenses						
Fund Administration Expenses	2,400,000	-	2,400,000	1,887,005	512,995	79%
General Expenses	6,485,000	-	6,485,000	6,157,652	327,348	95%
Finance Cost	-	-	-	-	-	0%
Total Expenditure	8,885,000	-	8,885,000	8,044,657	840,343	91%
Surplus For the Period	615,000	-	615,000	(152,547)	767,547	
Capital expenditure	-	-	-	-	-	0%

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.

19. Notes to the Financial Statements

1. General Information

The Kwale County Assembly Members and Staff Loan Scheme Fund is established by and derives its authority and accountability from Kwale County Assembly Members and Staff Loan Scheme Act 2016 and provision of Section 116 of the PFM Act 2012. The entity is wholly owned by the Kwale County Government and is domiciled in Kenya. The entity's principal activity is to disburse and manage Car & Mortgage 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	<p>Applicable: 1st January 2023</p> <p>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.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>

**Kwale County Assembly Members and Staff Loan 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>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from 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.

**Kwale County Assembly Members and Staff Loan 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>
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>

(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> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>

**Kwale County Assembly Members and Staff Loan Scheme Fund
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Standard	Effective date and impact:
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<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>

(iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year 2023.

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 2022-2023 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.

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.

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. 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. 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 cashflows 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.

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.

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.

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.

**Kwale County Assembly Members and Staff Loan 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	2022-2023	2021-2022
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

(Provide brief explanation for this revenue)

2. Transfers from County Government

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers From County Govt. –Operations	-	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	-	-

3. Fines, penalties and other levies

Description	2022-2023	2021-2022
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

(Provide brief explanation for this revenue)

4. Interest income

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest Income from Mortgage Loans	6,789,659	5,960,131
Interest Income From Car Loans	1,102,450	600,186
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-
Total Interest Income	7,892,109	6,560,317

The revenue consist of interest earned from both Car & Mortgage Loans

**Kwale County Assembly Members and Staff Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes to the Financial Statements Continued

5. Other income

Description	2022-2023	2021-2022
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

(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	2022-2023	2021-2022
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	1,887,005	5,969,881
Social Security Contribution	-	-
Other (Specify)	-	-
Total	1,887,005	5,969,881

7. Use of Goods and Services

Description	2022-2023	2021-2022
	Kshs.	Kshs.
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	-	210,000
Hospitality services	396,000	-
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	1,464,519
Postage And Courier	-	-

Kwale County Assembly Members and Staff Loan Scheme Fund
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Description	2022-2023	2021-2022
	Kshs.	Kshs.
Printing And Stationery	-	-
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	42,652	30,291
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (Daily Subsistence Allowances)	5,719,000	6,419,000
Social benefit expenses*		
Total	6,157,652	8,123,810

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

8. Depreciation and Amortization Expense

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

9. Finance costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

10. Gain/(loss) on disposal of assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

Kwale County Assembly Members and Staff Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023

11. Gain/ (loss) on Fair Value Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

12. Cash and cash equivalents

Description	2022-2023	2021-2022
	Kshs	Kshs
Car Loan Account	-	-
County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current account-KCB	66,546,947	63,435,203
Current account-Family bank	190,001	190,001
Total Cash And Cash Equivalents	66,736,948	63,625,204

Kwale County Assembly Members and Staff Loan 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	2022-2023	2021-2022
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
Sub- Total		-	-
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
c) Current Account			
Kenya Commercial bank	1182792197	66,546,947	63,435,203
Family Bank	095000038226	190,001	190,001
Sub- Total		66,736,948	63,625,204
d) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		66,736,948	63,625,204

13. Receivables from exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Receivables		
Interest Receivable	9,978,093	6,501,273
Current Loan Repayments Due	33,801,164	18,907,970
Other Exchange Debtors	210,603	210,603
Less: Impairment Allowance	-	-
Total Current Receivables	43,989,860	25,619,847
Non-Current Receivables		
Long Term Loan Repayments Due	176,524,091	122,047,070
Total Non- Current Receivables	176,524,091	122,047,070
Total Receivables From Exchange Transactions	220,513,951	147,666,917

**Kwale County Assembly Members and Staff Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

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

14. Prepayments

Description	2022-2023	2021-2022
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

15. Inventories

Description	2022-2023	2021-2022
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (<i>Specify</i>)	-	-
Total Inventories at The Lower of Cost and Net Realizable Value	-	-

**Kwale County Assembly Members and Staff Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes to the Financial Statements Continued

16. Investments in financial assets

Description	2022-2023	2021-2022
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks	-	-
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c. Equity investments (specify)	-	-
Equity/ shares in Entity xxx	-	-
Sub- total	-	-
Grand total	-	-

(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	2022-2023	2021-2022
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

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		2022-2023	2021-2022
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

Kwale County Assembly Members and Staff Loan 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 2022	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30th June 2022	-	-	-	-	-
At 1st July 2022	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
At 30th June 2023	-	-	-	-	-
Depreciation And Impairment	-	-	-	-	-
At 1 st July 2022	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th June 2022	-	-	-	-	-
At 1st July 2022	-	-	-	-	-
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
At 30th June 2023	-	-	-	-	-
Net Book Values	-	-	-	-	-
At 30th June 2022	-	-	-	-	-
At 30th June 2023	-	-	-	-	-

**Kwale County Assembly Members and Staff Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes To The Financial Statements (Continued)

18. Intangible assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Cost		
At Beginning of The Year	-	-
Additions	-	-
At End of The Year	-	-
Amortization And Impairment		
At Beginning of The Year	-	-
Amortization	-	-
At End of The Year	-	-
Impairment Loss	-	-
At End of The Year	-	-
NBV	-	-

19. Investment Property

Description	2022-2023	2021-2022
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
At end of the year	-	-

(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.

Kwale County Assembly Members and Staff Loan 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	2022-2023		2021-2022	
	Kshs		Kshs	
Trade payables-Over deducted car loan	34,390		9,711	
Trade payables-Over deducted Mortgage	771,032		762,306	
Refundable Deposits	1,883,650		3,805,730	
Accrued Expenses	-		1,968,000	
Other Payables-Unallocated deposit from Min of foreign	125,563		125,563	
Total Trade and Other Payables	2,814,634		6,671,309	
Ageing analysis (Trade and other payables)	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	33,406	1%	897,579	13%
1-2 years	897,579	32%	3,805,730	57%
2-3 years	1,883,650	67%	0	0%
Over 3 years	-	0%	1,968,000	29%
Total (tie to above total)	2,814,634		6,671,309	

(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	-	-	-	-
Additional Provisions	-	-	-	-
Provision Utilised	-	-	-	-
Change Due To Discount And Time Value For Money	-	-	-	-
Transfers From Non -Current Provisions	-	-	-	-
Balance At The End of The Year	-	-	-	-

**Kwale County Assembly Members and Staff Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes To The Financial Statements (Continued)

22. Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
Balance At Beginning of The Period	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments Of External Borrowings During the Period	-	-
Repayments Of Domestic Borrowings During the Period	-	-
Balance At End of The Period	-	-

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

Description	2022-2023	2021-2022
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
Domestic Borrowings	-	-
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
Total Balance at End of The Year	-	-

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

(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)

**Kwale County Assembly Members and Staff Loan 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	2022-2023	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

24. Social Benefit Liabilities

Description	2022-2023	2021-2022
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.

Kwale County Assembly Members and Staff Loan 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	2022-2023	2021-2022
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	(152,547)	(7,533,374)
Adjusted For:		-
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Funds received	73,226,889	
Finance Cost	-	(4,348,361)
Working Capital Adjustments	(72,619,726)	(11,881,735)
Increase In Inventory	-	-
(Increase)/Decrease In Receivables	(72,847,034)	33,620,764
Increase/(Decrease) In Payables	(3,856,675)	(1,835,100)
Net Cash Flow From Operating Activities	(3,629,367)	19,903,928

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

26. Prior Year Adjustments

Description Of The Error	Balance b/f from FY 2021/2022 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted Balance b/f For FY 2021/2022
	Kshs	Kshs	Kshs
Accumulated Surplus	7,190,812	-	7,190,812
Cash In Hand	-	-	-
Doubtful accrued expenses	-	1,968,000	1,968,000
Others (Specify)	-	-	-
	7,190,811.86	1,968,000	9,158,812

(Prior period adjustment applies to the correction of an error in the financial statements of a prior period)

Notes To The Financial Statements (Continued)

27. 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	2022-2023	2021-2022
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	2022-2023	2021-2022
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	2022-2023	2021-2022
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

Kwale County Assembly Members and Staff Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Other Disclosures Continued

e) Due to related parties

Description	2022-2023	2021-2022
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

28. Contingent assets and contingent liabilities

Contingent Liabilities	2022-2023	2021-2022
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

(Give details)

Notes To The Financial Statements (Continued)

29. 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 2022				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2021	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

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

Kwale County Assembly Members and Staff Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 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 xxxx

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

b) Liquidity risk management

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

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 2023				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2022	-	-	-	-
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

**Kwale County Assembly Members and Staff Loan Scheme Fund
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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 2023			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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
2023			
Euro	-	-	-
USD	-	-	-
2022	-	-	-
Euro	-	-	-
USD	-	-	-

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.

Kwale County Assembly Members and Staff Loan 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	2022-2023	2021-2022
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	275,430,000	197,430,000
Accumulated surplus	7,038,264	7,190,812
Total funds	282,468,264	204,620,812
Total borrowings	-	-
Less: cash and bank balances	(66,736,948)	(63,625,204)
Net debt/(excess cash and cash equivalents)	(66,736,948)	(63,625,204)
Gearing	-	-

30. Events after the reporting period

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

31. Ultimate and Holding Entity

The entity is a County Public Fund established by Kwale County Assembly Members & Staff Loan Scheme Fund Act 2016 under the County Assembly of Kwale. Its ultimate parent is the County Government of Kwale.

32. Currency

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

**Kwale County Assembly Members and Staff Loan 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	Unsupported Accrued Management Responsibility Allowance	The Management sought advice, guidance and opinion from Regulatory bodies such as SRC with regards to the same and arrived at a conclusion to stop the accrual of Fund Managers Responsibility Allowances in subsequent Financial years. The management states clear that the Accrued responsibly allowances is not payable.	Not Resolved	
2	Expenditure on Irregular Training			
3	Unproved Budget and Budget Deficit			
4	Retention Funds	The management has since stopped deduction and withholding of retention monies and thus did not withhold any retention monies for the financial year under audit. Further to this, the management disbursed withheld retention up to 70% during the financial year under Audit resulting to greatly reduced retention balances. The		

**Kwale County Assembly Members and Staff Loan 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)
		management commits to fully releasing the retention monies to the Owners while ensuring that all properties are charged		
5	Irregular Expenditure on Travel and Subsistence Allowances.	The Management wishes to confirm that, the additional documentation are hereby provided.		
6	Unconfirmed Bank Balances			
7	Defaulted Loans- Receivables from Exchange Transactions			
REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES				
1	Unsupported Procurement of Insurance Services			
2	Failure to Jointly Register Assets Acquired through Loan Scheme Proceeds			
3	Property and Motor Vehicles not Insured by the Borrowers			
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE				
	Governance and Control Weaknesses in Loans Management			

Fund Manager

Date.....

8/11/2023

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Annex II: Inter-Fund Confirmation Letter
[Insert your Letterhead]

[Insert name of beneficiary Fund]

[Insert Address]

The [insert SC/SAGA/Fund name here] 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 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (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)		
Total							

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

Head of Accountants department of beneficiary Fund:

Name Philip Zind Sign [Signature] Date 8/11/2023

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Annex III: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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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

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Annex V: Car Loan Receivables Analysis

COUNTY ASSEMBLY OF KWALE							
CAR LOAN LOANS PRINCIPAL RECEIVABLES ANALYSIS - July 2022 TO June 2023							
Beneficiary Name	Loan Amount	Outstanding Principal B/f	Additions in the year	Recoveries in the year	Outstanding Principal c/d		
					Bal c/d	Short-Term	Long-Term
ALFRED RUWA BAVU	2,250,000.00	-		-	-	-	-
ALI MABAVU	1,200,000.00	153,651		153,639	12	12	-
ANDREW MULEI	2,000,000.00	-		-	-	-	-
ANDREW MULEI		-	5,000,000.00	591,924	4,408,076	1,175,487	3,232,589
ANTHONY YAMA	2,000,000.00	-		-	-	-	-
ANTONY ODINDO	2,000,000.00	-		-	-	-	-
BINTIALI HAMADI KIBAMBA	1,250,000.00	- 27		-	- 27	- 27	-
CHAKA JULIUS NYONDO	450,000.00	- 6,825		-	- 6,825	- 6,825	-
DENIS MUTUI	3,500,000.00	2,642,700		-	2,642,700	2,642,700	-
ELIZABETH MWANGOLO RUWA	2,000,000.00	-		-	-	-	-
FATUMA KINGI	1,380,000.00	246,882		246,875	7	7	-
FATUMA MASITO	2,350,000.00	0		-	0	0	-
FATUMA MWALUPA	2,200,000.00	- 1,763		-	- 1,763	- 1,763	-
FELISTUS KALUNGU	1,200,000.00	-		-	-	-	-
GUZO MWATERO	1,500,000.00	716,715		741,394	- 24,680	- 24,680	-
HANIFA BADI MWAJIRANI	1,500,000.00	134		-	134	134	-

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HASSAN YUSSUF MWASIPHO	2,000,000.00	-		-	-	-	-
HON HAMISI MKAHA KOMBO		-	5,000,000	471,728	4,528,272	1,156,155	3,372,118
JAMES DAWA	4,000,000.00	130,095		129,769	325	325	-
JAMES DAWA		-	2,500,000.00	320,578	2,179,422	568,545	1,610,877
JANET MWANIA	1,000,000.00	731,719		196,350	535,369	207,240	328,129
JOHN GENYA KALU	1,500,000.00	26,888		26,888	0	0	-
JOHN MWATELA SHEDE		-	2,000,000.00	270,207	1,729,793	441,649	1,288,144
JOSEPH KITUMBO NDEME	2,000,000.00	-		-	-	-	-
JOSEPHAT CHIREMA KOMBO	2,000,000.00	-		-	-	-	-
JOSEPHINE WAIRIMU KINYANJUI		-	2,200,000.00	207,560	1,992,440	519,767	1,472,673
JUMA ALI MWACHIMVYOMO		-	3,800,000.00	143,577	3,656,423	933,555	2,722,868
JUMA MAONE	1,345,000.00	1,272,169		-	1,272,169	331,870	940,299
JUMA MASUDI	2,000,000.00	-		-	-	-	-
KENETH KITANA	900,000.00	0		-	0	0	-
KHAMISI MOHAMMED	1,350,000.00	283		-	283	283	-
LILY UMAZI MKALLA	1,030,000.00	-	28	-	-	28	-
MANZA BEJA BENY	2,000,000.00	-		-	-	-	-
MANZA BEJA BENY		-	2,600,000.00	307,801	2,292,199	625,145	1,667,054
MARY KALINGA	2,000,000.00	-		-	-	-	-
MELDA NYAKITI	1,320,000.00	-		-	-	-	-
MELDA NYAKITI		-	2,400,000.00	272,048	2,127,952	580,351	1,547,601
MERCY NDIRANGU	1,080,000.00	-	810	-	-	810	-
MWAGAWARY MWASOKO MWANYAE		-	2,500,000.00	320,595	2,179,405	556,444	1,622,961

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MWANAKOMBO B. RASHID	1,150,000.00	849		-	849	849	-
MWANASITI SAID MWADZOGOLO	1,470,000.00	-		-	-	-	-
MWANDOTO BIJUMA SAPHATI	1,150,000.00	-		-	-	-	-
MWAPHATSA MWANAUBA OMARI	2,000,000.00	-		-	-	-	-
MWERUPHE NDORO	2,000,000.00	-		-	-	-	-
MWINYI BURDAI	2,000,000.00	-		-	-	-	-
MWINYI KHALFANI MWASERA	2,350,000.00	-		-	-	-	-
NASSORO B. MGUTTA	2,000,000.00	-		-	-	-	-
OMAR BAKARI MWADUGA		-	2,250,000.00	259,692	1,990,308	508,164	1,482,144
OMAR KITENGELE		-	2,000,000.00	75,567	1,924,433	471,290	1,453,143
PATRICK MANGALE	2,000,000.00	-		-	-	-	-
PAUL MWALONYA	1,393,000.00	-	258	-	-	258	-
PHILIP ZIRO	1,800,000.00	32,050		32,050	-	0	-
POKEA BAKARI SIKUKUU	2,000,000.00	-		-	-	-	-
RAIA MKUNGU	2,000,000.00	180		-	180	180	-
SAID HAMISI MWAFUJO		-	2,100,000.00	275,518	1,824,482	465,825	1,358,657
SAIDI SAIDI MAGANGA	1,600,000.00	373,469		55,602	317,867	317,867	-
SALYA MBOTO	800,000.00	726		-	726	726	-
SETH KAMANZA MWATELA		-	6,000,000.00	226,701	5,773,299	1,413,869	4,359,430
SULEIMAN NZALA	2,000,000.00	-		-	-	-	-
SWALEH B. SIMBA	1,345,000.00	-		-	-	-	-
TERESIA B MUOKI	1,600,000.00	138		-	138	138	-
TERESIA B MUOKI		-	3,300,000.00	390,670	2,909,330	793,454	2,115,876

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TSUMA CHITI	1,500,000.00	1,430,217		284,420	1,145,797	305,546	840,251
TUMAINI KASSIM MWACHAUNGA		-	2,000,000.00	236,770	1,763,230	450,186	1,313,044
VICTOR SAFARI NYANJE		-	3,000,000.00	355,154	2,644,846	675,280	1,969,566
JERUMANI MAKRAA		421,618		-	421,618	421,618	-
SWALEH B. SIMBA		421,618		-	421,618	421,618	-
	84,463,000	8,592,389	48,650,000	6,593,078	50,649,311	15,951,887	34,697,424

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Kwale County Assembly Members and Staff Loan Scheme Fund

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Annex VI: Mortgage Loan Receivables Analysis

COUNTY ASSEMBLY OF KWALE							
MORTGAGE LOANS PRINCIPAL RECEIVABLES ANALYSIS - July 2022 TO June 2023							
Beneficiary Name	Loan Amount	Outstanding Principal B/f	Additions in the year	Recoveries in the year	Outstanding Principal c/d		
					Bal c/d	Short-Term	Long-Term
ALFRED RUWA BAVU	2,100,000	- 2,364		-	- 2,364	- 2,364	-
ALI MASEMO	7,000,000	6,779,605		-	6,779,605	439,758	6,339,847
ALI MNGUMI PILANI	4,100,000	4,019,585		154,386	3,865,200	221,925	3,643,274
ANDREW MULEI	3,000,000	- 1,098		-	- 1,098	- 1,098	-
ANTHONY YAMA	3,000,000	- 3,425		-	- 3,425	- 3,425	-
ANTONY ODINDO	2,500,000	- 3,018		-	- 3,018	- 3,018	-
BINTIALI HAMADI KIBAMBA	3,400,000	- 125,433		-	- 125,433	- 125,433	-
CELLINE LUSWETI	5,000,000	302,795		306,549	- 3,754	- 3,754	-
CHAKA JULIUS NYONDO	4,000,000	3,875,184		255,313	3,619,870	314,771	3,305,099
DANIEL MBINDA	6,889,853	6,442,575		270,015	6,172,560	375,993	5,796,566
DICKSON MANGALE	5,500,000	5,204,284		199,398	5,004,886	297,320	4,707,566
DOUGLAS CHIMAKO TSUMA		-	5,000,000	188,918	4,811,082	1,154,660	3,656,423
EDWARD CHAGA CHIBU		-	5,000,000	188,918	4,811,082	1,202,771	3,608,312
ELIAS MATANGA	5,093,095	4,775,675		196,619	4,579,057	270,683	4,308,373
ELIZABETH MWANGOLO RUWA	3,000,000	- 3,229		-	- 3,229	- 3,229	-
FATUMA MASITO	2,650,000	- 23,499		-	- 23,499	- 23,499	-
FELISTUS KALUNGU	5,340,350	4,874,849		301,883	4,572,966	442,545	4,130,421
GUZO MWATERO	5,500,000	4,661,802		506,349	4,155,453	358,744	3,796,709
HAMIS MOHAMED OMAR	3,500,000	- 213,896		-	- 213,896	- 213,896	-
HANIFA BADI MWAJIRANI	3,000,000	- 3,996		-	- 3,996	- 3,996	-
HAPPY SAMINI	4,200,000	3,400,344		322,399	3,077,945	181,947	2,895,998

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HASSAN YUSSUF MWASIPHO	3,000,000	- 2,869	-	-	2,869	- 2,869	-
JOHN NANGINYI	5,700,000	5,190,637		233,347	4,957,290	297,437	4,659,852
JOSEPH KITUMBO NDEME	3,000,000	- 3,047		-	- 3,047	- 3,047	-
JOSEPH R. ZECHA	4,000,000	3,404,742		160,300	3,244,442	216,296	3,028,145
JOSEPH TSUMA DANDA	5,000,000	1		-	1	1	-
JOSEPHAT CHIREMA KOMBO	2,073,224	- 207,917		-	- 207,917	- 207,917	-
JUMA MAONE	3,000,000	3,000,000		-	3,000,000	782,609	2,217,391
JUMA MASUDI	3,000,000	- 2,532		-	- 2,532	- 2,532	-
JUMA ZANI	7,500,000	7,367,691		270,639	7,097,052	383,624	6,713,428
LUCY WAWERU	6,500,000	5,364,625		270,033	5,094,591	345,396	4,749,195
MARIAM MARUMU	5,500,000	5,143,841		218,270	4,925,571	289,739	4,635,831
MARY KALINGA	3,000,000	- 2,751		-	- 2,751	- 2,751	-
MISHI MAYUMBE	3,000,000	- 2,587		-	- 2,587	- 2,587	-
MWAKARIBU H. MWAKARIBU	5,000,000	434,630		439,602	- 4,972	- 4,972	-
MWANASITI SAID MWADZOGOLO	3,000,000	- 2,761		-	- 2,761	- 2,761	-
MWANDOTO BIJUMA SAPHATI	3,000,000	- 2,814		-	- 2,814	- 2,814	-
MWAPHATSA MWANAUBA OMARI	3,000,000	- 2,814		-	- 2,814	- 2,814	-
MWAZANI MKULU	11,879,880	5,620,971		309,026	5,311,945	442,662	4,869,283
MWERUPHE NDORO	3,000,000	- 3,101		-	- 3,101	- 3,101	-
MWINYI KHALFANI MWASERA	2,650,000	- 2,557		-	- 2,557	- 2,557	-
NASSORO B. MGUTTA	1,500,000	- 1,749		-	- 1,749	- 1,749	-
OMAR BAKARI MWADUGA		-	2,750,000	53,926	2,696,074	703,324	1,992,750
OMAR KITENGELE	2,000,000	- 2,325		-	- 2,325	- 2,325	-
OMARI GAMBERE	3,600,000	3,474,009		137,243	3,336,766	202,228	3,134,538
PHILIP CHAKA	4,000,000	3,917,571		144,702	3,772,870	204,862	3,568,008
PHILIP ZIRO	2,400,000	1,639,399		221,106	1,418,293	257,871	1,160,421
POKEA BAKARI SIKUKUU	3,000,000	- 75,861		-	- 75,861	- 75,861	-

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RAIA MKUNGU	3,000,000	- 3,526	-	-	3,526	- 3,526	-
SAID HAMISI MWAFUJO		-	2,900,000	109,276	2,790,724	712,525	2,078,199
SAID K MWATSAVWA	6,200,000	6,143,203		231,490	5,911,713	315,291	5,596,421
SAID M. NZAO	8,239,699	7,666,316		314,309	7,352,007	434,601	6,917,405
SAIDI SAIDI MAGANGA	13,700,000	13,427,442		46,332	13,381,110	1,372,422	12,008,688
SAWA HAMISI NGALAA	5,500,000	4,175,625		727,841	3,447,784	266,925	3,180,859
SETH KAMANZA MWATELA			14,000,000	-	14,000,000	3,294,118	10,705,882
SULEIMAN NZALA	3,000,000	- 2,547		-	- 2,547	- 2,547	-
SWALEH B. SIMBA	3,000,000	- 60,590		-	- 60,590	- 60,590	-
TERESIA B MUOKI	3,400,000	- 3		-	- 3	- 3	-
WILLIAM MJAPE	12,500,000	12,026,695		-	12,026,695	810,788	11,215,906
YUSSUF HASSAN MBWANA	5,000,000	18,845		-	18,845	18,845	-
YUSSUF HASSAN MBWANA		-	5,000,000	591,924	4,408,076	1,202,203	3,205,873
	244,616,101	131,590,635	34,650,000	7,370,113	158,870,522	17,043,855	141,826,667

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Annex VII: Over deducted Car Loan Principals Analysis

COUNTY ASSEMBLY OF KWALE		
Over deducted Car loan principal amounts Jul 22-Jun 23		
	Beneficiary Name	Amount
1	GUZO MWATERO	- 24,680
2	CHAKA JULIUS NYONDO	- 6,825
3	FATUMA MWALUPA	- 1,763
4	MERCY NDIRANGU	- 810
5	PAUL MWALONYA	- 258
6	LILY UMAZI MKALLA	- 28
7	BINTIALI HAMADI KIBAMBA	- 27
		- 34,390

Annex VIII: Over deducted Mortgage Loan Principals Analysis

COUNTY ASSEMBLY OF KWALE		
OVER DEDUCTED MORTGAGE LOANS PRINCIPAL AMOUNTS July 2022 TO June 2023		
	Beneficiary Name	Amount
1	HAMIS MOHAMED OMAR	- 213,896
2	JOSEPHAT CHIREMA KOMBO	- 207,917
3	BINTIALI HAMADI KIBAMBA	- 125,433
4	POKEA BAKARI SIKUKUU	- 75,861
5	SWALEH B. SIMBA	- 60,590
6	FATUMA MASITO	- 23,499
7	MWAKARIBU H. MWAKARIBU	- 4,972

Kwale County

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8	HANIFA BADI MWAJIRANI	-	3,996
9	CELLINE LUSWETI	-	3,754
10	RAIA MKUNGU	-	3,526
11	ANTHONY YAMA	-	3,425
12	ELIZABETH MWANGOLO RUWA	-	3,229
13	MWERUPHE NDORO	-	3,101
14	JOSEPH KITUMBO NDEME	-	3,047
15	ANTONY ODINDO	-	3,018
16	HASSAN YUSSUF MWASIPHO	-	2,869
17	MWAPHATSA MWANAUBA OMARI	-	2,814
18	MWANDOTO BIJUMA SAPHATI	-	2,814
19	MWANASITI SAID MWADZOGOLO	-	2,761
20	MARY KALINGA	-	2,751
21	MISHI MAYUMBE	-	2,587
22	MWINYI KHALFANI MWASERA	-	2,557
23	SULEIMAN NZALA	-	2,547
24	JUMA MASUDI	-	2,532
25	ALFRED RUWA BAVU	-	2,364
26	OMAR KITENGELE	-	2,325
27	NASSORO B. MGUTTA	-	1,749
28	ANDREW MULEI	-	1,098
29	TERESIA B MUOKI	-	3
		-	771,032

Kwale County**Kwale County Assembly Members and Staff Loan Scheme Fund****Annual Report and Financial Statements for the year ended June 30, 2023****Annex IX: Retention Analysis**

KWALE COUNTY ASSEMBLY MEMBERS AND STAFF LOAN SCHEME FUND					
SCHEDULE OF RETENTION MONIES - 2022 - 2023					
Name of Beneficiary	Retention B/F (01.07.2022)	Addition in the year	Total	Retention Paid in the year	Retention C/F(30.06.2023)
Joseph Danda	(40)		(40)		(40)
Juma Maone	200,000		200,000	200,000	-
Andrew Mulei	200,000		200,000	200,000	-
Teresia Muoki	74,370		74,370		74,370
Joseph Kitumbe	200,000		200,000	200,000	-
Philip Ziro	113,800		113,800		113,800
Joseph Zecha	400,000		400,000	172,080	227,920
Nassoro Mguta	100,000		100,000	100,000	-
Elizabeth Mwangolo	200,000		200,000	200,000	-
Alfred Bavu	200,000		200,000	200,000	-
Mwazani Mkulu	(150,000)		(150,000)		(150,000)
Saidi Maganga	280,000		280,000		280,000
Chirema Kombo	200,000		200,000	200,000	-
Happy Samini	200,000		200,000		200,000
Daniel Mbinda	200,000		200,000		200,000
Dickson Nyundo	200,000		200,000		200,000
Sawa Ngalaa	450,000		450,000	450,000	-
John Nanginyi	171,000		171,000		171,000
Felistus Kalungu	200,000		200,000		200,000
Mariam Marumu	200,000		200,000		200,000
Juma Zani	86,240		86,240		86,240
Said Mwatsavwa	80,360		80,360		80,360
	3,805,730	-	3,805,730	1,922,080	1,883,650

