

REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

**MAKUENI COUNTY
STATE AND PUBLIC OFFICERS
CAR LOAN AND MORTGAGE FUND**

**FOR THE YEAR ENDED
30 JUNE, 2025**

COUNTY GOVERNMENT OF MAKUENI

DATE	02/12/25
TABLED BY	S.M.L
COMMITTEE	-
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OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
MACHAKOS HUB.

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**MAKUENI COUNTY STATE AND PUBLIC OFFICERS CAR LOAN AND
MORTGAGE FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2025**

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

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

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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) Definition of Key Terms

Fiduciary Management	The key management personnel who had financial responsibility.
Portfolio	The total investment held the fund.
Comparative Year-	Means the prior period.

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

2. Key Entity Information and Management

a) Background information

Makueni County State and Public Officers Car Loan and Mortgage Fund is established by and derives its authority and accountability from Makueni County State and Public Officers Car Loan and Mortgage Fund Regulations, 2017 Act on 30th January, 2018. The Fund is wholly owned by the County Government of Makueni and is domiciled in Kenya.

The fund's objective is to provide a loan scheme for the purpose of advancement to state officers and public officers.

The Fund's principal activity is to finance Makueni County officers to purchase car, residential house or plot, renovate or develop residential property.

b) Principal Activities

The objective and mandate for which the Fund was established was to provide a car loan facility and Mortgage to State Officers and Public Officers of the Makueni County Government to purchase a motor vehicle and own a residential property. These loans will allow staff to purchase a new or used car below eight years. The fund vision is to ensure that all members of the scheme own an asset in form of car or residential property.

c) Fund Administration Committee

Ref	Name	Position
1	John Nguni	Chairperson
2	Nicholis Mutua	Secretary
3	Sylvia Mbevi	Fund Administrator
4	Patrick Kyenza	Member
5	James Muli	Member
6	Patrick Kilonzo	Member
7	Daniel Musau	Fund Accountant

d) Key Management Team

Ref	Name	Position
1	CPA. John Nguni	Chairman
2	CPA. Sylvia Mbevi	Fund Administrator
3	CPA. Daniel Musau	Fund Accountant

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Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Daniel Sunza
2	Staff car Mortgage and car Loan Advisory Committee	John Nguni Nicholis Mutua Sylvia Mbevi Patrick Kyenza James Muli Patrick Kilonzo Daniel Musau

f) Registered Offices

P.O. Box 78 -90300
Treasury Building
County Headquarters
Old Prison Road
Makueni, Kenya

g) Fund Contacts

County Headquarters
Treasury Building
P.O. Box 78 -90300
Makueni, Kenya
Tel No. 020-2034944
Email: finance@makueni.go.ke
Website: www.makueni.go.ke

h) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Family Bank Ltd
Wote Branch
P.O Box 74145-00200
Nairobi, Kenya.

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

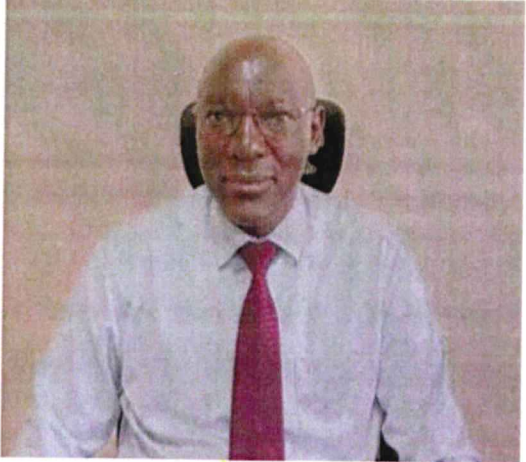
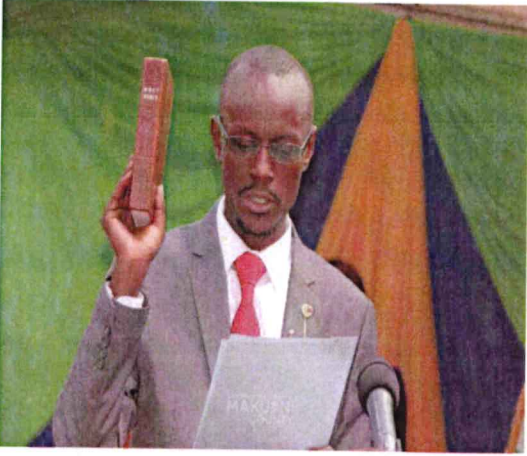
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

k) County Attorney

Office of the Governor
P.O. Box 78 -90300
Makueni, Kenya
Tel No. 020-2034944
Email: county.attorney@makueni.go.ke
Website: www.makueni.go.ke

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3. Fund Administration Committee

Name	Details of qualifications and experience
<p>John Nguni - Chairman</p> 	<p>Chief Officer- Financial Accounting Services Year of Birth: 19th Jan, 1967 Masters of Business Administration (MBA)- Finance – 2007 University of Nairobi, Bachelor of Commerce (B. Com) - 1990 University of Nairobi, Certified Public Accountant (CPAK). December 2021 - Nov 2022 – Petro Kenya Oil Limited, Position: Finance Manager March 2017 to April 2021 – National Oil Corporation of Kenya, Position: Head of Finance Jan 2015 to Feb 2017- Hagggar Holding Company Ltd South Sudan, Position: Group Finance Manager</p>
<p>Nicholis Mutisya Mutua- Secretary</p> 	<p>Chief officer- Gender, Children, Youth, Sports and Social Services Nicholis joined Makueni County Government in December 2022 as the Chief Officer, Department of ICT and Education. He later transitioned to the Department of Gender, Children, Youth, Sports and Social Services. He holds a Bachelor Technology Education, Majoring in Electronic Engineering and a Master of Science in Engineering, Computer Systems. He is also CICT (K). Before joining the county government, Nicholis was a Lecturer at Kiambu National Polytechnic, JKUAT, Kenyatta University and UMA. He has a wealth of over 18 years in the education sector.</p>

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025



<p>Sylvia Mbevi – Fund Administrator</p> 	<p>Ag. Director- Financial Services. Masters of Business administration (Finance option) Southern Eastern Kenya university (SEKU) 2017- to date Course work completed (finalizing thesis) Bachelor is Degree in Education (Mathematics & Economics); Moi University;2005 to 2008- Second class upper division Kenya Certificate of Secondary Education- Makueni Girls Secondary School; 1999 to 2002. B+(PLUS), Certified Public Accounts [CPA-K]; 2005 to 2009 Job Experience Accountant I & Senior Accountant County Government of Makueni: February 2015 to Date Senior county cashier County Government of Makueni: 2014-2015</p>
<p>Jeniffer Nzilani Kaleli - Member</p> 	<p>Director – Human Resource Date of Birth: 6th July, 1978. Mount Kenya University Master of Public Administration and Management Kenya Methodist University Bachelor of Business Administration (Human Resource Option). Over 17 years of experience in public sector.</p>
<p>Martin Kitavi- Member</p> 	<p>Chief Officer- Infrastructure, Transport and Public Works Date of Birth: 17th July, 1983 Degree (B.Sc. Civil Engineering, Second Class Honours) - University of Nairobi Over 19 years of experience in both private and public sector.</p>

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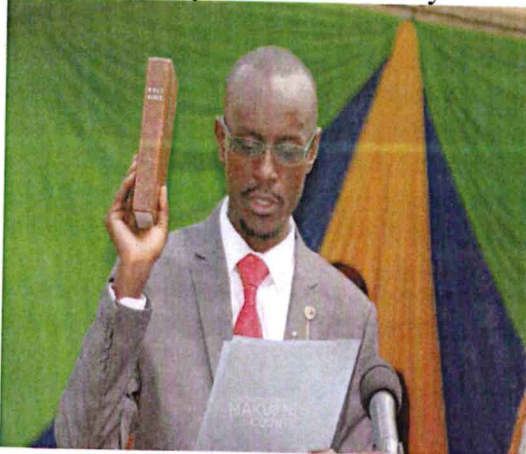
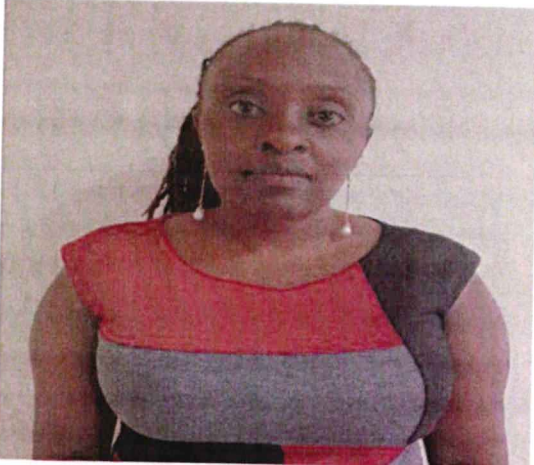

<p>Patrick Kilonzo - Member</p>  A portrait of Patrick Kilonzo, a man with a beard and glasses, wearing a white shirt and a dark tie.	<p>Date of Birth 28th Sept,1994 Moi University 2012-2016 - LLB degree. Kenya School of Law 2017-2018 - Dip. Law Work experience 2015-2016 - Legal intern at Iseme Kamau & Maema Advocates 2018-2019 - Associate at Muumbi & company advocates 2019-todate - Legal counsel government of Makueni county</p>
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Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

4. Management Team

Name	Details of qualifications and experience
<p>CPA. Damaris Kavoi</p> 	<p>CEC-Finance, Planning, Budget and Revenue CPA Damaris Mumu Kavoi holds a Bachelor in Business, Administration (BBA) (Accounting and Finance) from Kenya, Methodist University (KEMU) and a Masters of Business Administration (MBA) from the University of Nairobi. She started her career as an Accounts Clerk in 1994 at the University of Nairobi. She diligently rose through the ranks to position of Director in Charge of Finance in the same institution, a position she served from February 2020 to November 2022 Nov 2022 to date County Executive Committee Member for Finance, Planning, Budget and Revenue. Institute of Certified Accountants of Kenya (ICPAK) member.</p>
<p>John Nguni- Chairman</p> 	<p>Chief Officer- Financial Accounting Services Masters of Business Administration (MBA)- Finance – 2007 University of Nairobi Bachelor of Commerce (B. Com) - 1990 University of Nairobi Certified Public Accountant (CPAK) and a member of the Institute of Certified Accountants of Kenya. Nairobi School KACE 3 Principals 1 Subsidiary– 1985 December 2021 to date – Petro Kenya Oil Limited Finance Manager March 2017 to April 2021 – National Oil Corporation of Kenya Finance & Administration Manager June 1997- to Dec 2004 Manson Hart (Kenya) Ltd- MCKL GROUP Management Accountant</p>

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

<p>Nicholis Mutisya Mutua- Secretary</p> 	<p>Chief officer- Gender, Children, Youth, Sports and Social Services</p> <p>Nicholis joined Makueni County Government in December 2022 as the Chief Officer, Department of ICT and Education. He later transitioned to the Department of Gender, Children, Youth, Sports and Social Services. He holds a Bachelor Technology Education, Majoring in Electronic Engineering and a Master of Science in Engineering, Computer Systems. He is also CICT (K).</p> <p>Before joining the county government, Nicholis was a Lecturer at Kiambu National Polytechnic, JKUAT, Kenyatta Unoversity and UMA. He has a wealth of over 18 years in the education sector.</p>
<p>Sylvia Mbevi – Fund Administrator</p> 	<p>Ag. Director – Financial Services</p> <p>Masters of Business administration (Finance option)-SEKU 2017- to date Course work completed (finalizing thesis).</p> <p>Bachelor is Degree in Education (Mathematics & Economics); Moi University;2005 to 2008- Second class upper division.</p> <p>Certified Public Accounts [CPA-K]; 2005 to 2009.</p> <p>Accountant 1& Senior Accountant-County Government of Makueni: February 2015 to Date</p> <p>Senior county Cashier-County Government of Makueni: 2014-2015.</p>
<p>Jeniffer Nzilani Kaleli - Member</p> 	<p>Director – Human Resource</p> <p>Date of Birth: 6th July,1978.</p> <p>Mount Kenya University Master of Public Administration and Management</p> <p>Kenya Methodist University Bachelor of Business Administration (Human Resource Option).</p> <p>Over 17 years of experience in public sector.</p>

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

Martin Kitavi- Member



Chief Officer- Infrastructure, Transport and Public Works

Date of Birth: 17th July, 1983

Degree (B.Sc. Civil Engineering, Second Class Honours) - University of Nairobi

Over 19 years of experience in both private and public sector.



Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

5. Fund Chairperson's Report

The Government of Makueni County developed and approved the Makueni State and Public Officers Car loan and Mortgage Fund. This was meant to promote the social and economic welfare of the staff by ensuring that they are facilitated to own residential houses and have cars. Management and operations of the fund is guided by Makueni county mortgage and car loan regulations 2017. The County Treasury established the necessary structures to manage the Fund and these include:

- i. The Loans Management Committee
- ii. The Fund Administrator
- iii. The Fund Manager

During the financial year, the County Government managed to disburse Car Loan and Mortgages to members of the scheme as outlined in this report. During the financial year Nicholis Mutua was appointed the secretary to the fund replacing Catherine Katuti.

The revolving fund amounts to Kshs. 350,250,000 in the FY 2024/2025. The fund managed to generate a surplus of Kshs 2,224,324 for the year ended 30th June, 2025.

The fund envisages to get adequate funding to cater for almost all Makueni County staff in a few years' time. The government has been allocating funds to the scheme to enable it to be self-sustaining.

The fund net worthy has been growing over years. This will enable bring more members on board to take advantage of the loans.

Name: **John Nguni** Signature..........Date.....**29.09.25**

Chairperson of the Fund



Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

6. Report of The Fund Administrator

The Makueni County Mortgage and Car Loan Regulations 2017 provides the legal framework necessary for the state and public officers of the Makueni County Government to access cheaper and affordable loans for housing and cars. The regulations set out the forms and structures of the types of schemes that the county can institute to ensure County Staff access these facilities as enshrined in the SRC circular Ref SRC/ADM/CIR/1/3 Vol. III (128) dated 17th December 2014 on access to affordable housing and Car Loan and Mortgage Schemes for State Officers and other Public Officers of Government of Kenya.

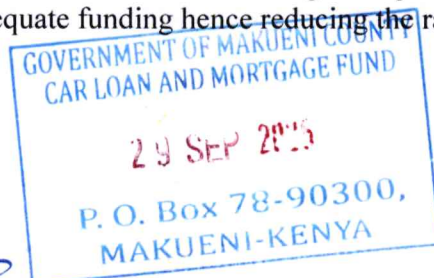
The fund projected to raise income interest amounting to Kshs 10,873,719. This income is through charging interest of 3% on all loans issued. However, during the financial year 2024/2025 the funds managed to earn income amounting Kshs. 10,560,446. The development and recurrent expenditure utilization stood at 77% and 74% respectively of the respective amount budgeted.

The loan portfolio has grown tremendously over the years since commencement of the fund. Currently the portfolio stands at Kshs. 364,680,492. The total amount so far received by the fund since its commencement in financial year 2017/2018 up to financial year 2024/2025 is Kshs. 350,250,000. The fund aims at bringing on board several members of staff to benefit from the car loans and mortgage. This will be achieved through adequate financing of the fund. The fund has been experiencing inadequate funding hence reducing the rate of disbursing the loans.



Fund Administrator

Date.....29.09.2025.....



Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

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 key development objectives of the Makueni County State and Public Officers Car Loan and Mortgage Fund are to financing Makueni County officers:

- To facilitate staff members to own a car
- To facilitate staff members to own residential house

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Car Loans	To support staff to own personal cars for convenience	Number of Car loans successfully applied	% of staff who were advanced car loans	In FY 2024/2025 2 members of the scheme were advanced car loans
Mortgage	Ensure staff have residential homes	Number mortgages successfully applied	% of staff who have residential homes	In FY 2024/2025 12 members of the scheme were advanced mortgage

8. Corporate Governance Statement

The Makueni County State and Public Officers Car Loan and Mortgage Fund Regulations 2017, has established scheme management structures. The scheme management structures are the Officer Administering the fund and who has the overall supervision and control responsibilities, the Loans Management Committees which consider and approve all applications and the appointed financial institution which disburses monies from the fund for all successful and approved applications.

Makueni County Mortgage and Car Loan Committee is duly constituted as per Makueni County Mortgage and Car Loan Regulations 2017. Section 7 of Makueni County Mortgage and Car Loan Regulations 2017 stipulates the succession of the members of the committee. The loans management committee shall consist the chief officer in charge of finance and planning who shall be the chairperson, the chairperson of the County Welfare Committee, the chief officer in charge of transport and infrastructure, the chief officer in charge of social services who shall be the secretary then legal officer. All are appointed by Executive Committee Member- Finance and Socio-Economic Planning & Head of County Treasury. In case a member leaves office due to any reason, the next person who holds that office automatically becomes a member. The members of the committee have sufficiently diverse expertise, skills and experience.

The committee has responsibility for day-to-day management and administration of the fund and monitoring performance and maintaining an effective framework of controls to mitigate risks that might face the fund.

The committee members are rewarded in form of sitting allowances.

During the financial year 2024/2025 the committee had some changes of the committee members. Jeniffer Kaleli replaced Patrick Kyenza and Martin Kitavi replaced James Muli. The committee members are not remunerated.

The Directorate of Internal Audit is tasked to ensure compliance with set internal controls and assessing risk of the fund.

The committee members are the fiduciaries who steer the fund towards a sustainable future by adopting sound, ethical, and legal governance and financial management policies, as well as by making sure the Fund has adequate resources to advance its mission.

The committee's meeting quorum is at least three members. The meetings are convened by the chairperson or in the absence of the chairperson, by a member designated by the committee members. The meetings are convened at such times as may be necessary for the discharge of the committee's functions. During the year the committee had only three meetings to appraise car loan and mortgage applications.

Makueni County State and Public Officers Car Loan and Mortgage Fund applies the County Service Charter for its service delivery. This enhances productivity and fast track service delivery consistent with service standards that respond to the needs and aspirations of customers. The charter sets out the commitments, roles and responsibilities of the Board on one hand and obligations of customers on the other hand. The Charter recognizes that customers are at the center

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

of service delivery while the Board renders services commensurate with commitments and undertakings as outlined by the law.

Induction was conducted when the committee members were appointed. The same induction is also done to newly appointed members. The members have also undergone relevant training to enhance seamless delivery of services.

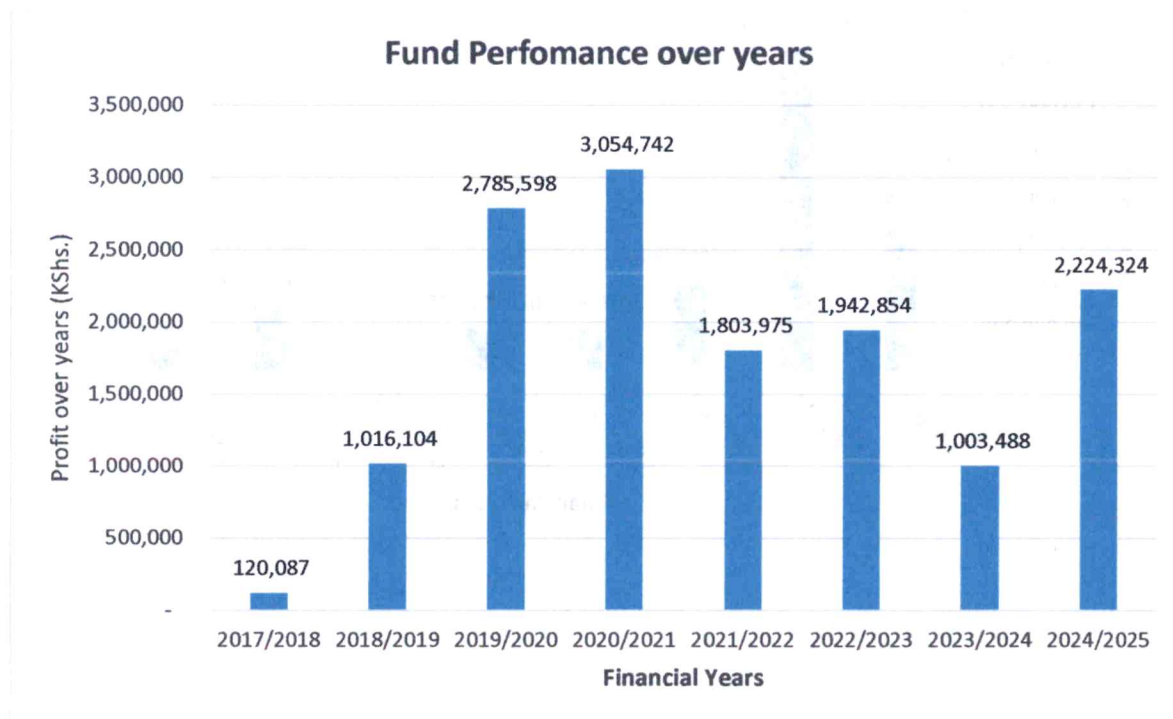
The Memorandum of Understanding between Government of Makueni County and the Family Bank Limited defines the procedures to be followed in case of conflict of interest.

The Government of Makueni County developed Public and State Officers Code of Conduct for Makueni County Public Service, October, 2018 which outlines the standard of behaviour expected of Government of Makueni County employees. It is designed to assist employees in understanding their responsibilities and obligations, and provides guidance whenever they are faced with an ethical dilemma or conflict of interest.

By virtue of their employment, employees are in a unique position of trust. They are therefore required to uphold standards of ethical behaviour that reflect stakeholders' expectations.

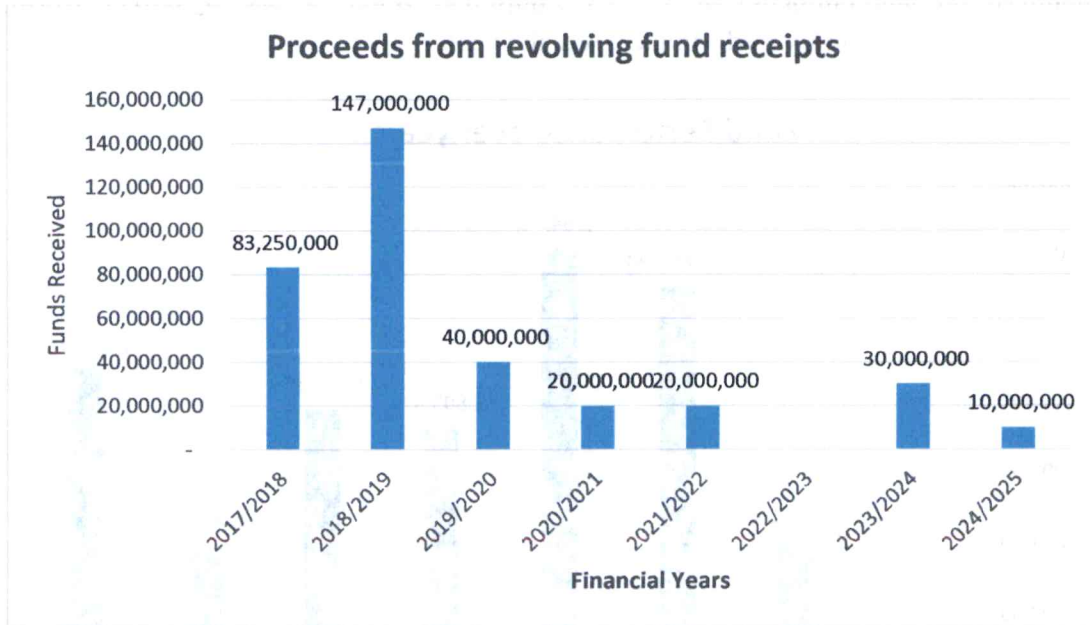
9. Management Discussion and Analysis

Makueni County Executive and Public Officers Car Loan and Mortgage Fund has performed well by achieving surplus amounting to Kshs 2,224,324 during the financial year 2024/2025. The graph below indicates the profitability performance over the years.



The book value of the fund as at 30th June, 2025 stands at Kshs 364,680,492. The loan portfolio has grown tremendously over the years since commencement of the fund. Currently it stands at Kshs. 364,680,492. During the financial year 2024/2025, the fund advanced Kshs. 63,635,743 to members of the scheme. The total amount so far received by the fund since its commencement in financial year 2017/2018 up to financial year 2024/2025 is Kshs. 350,250,000. The chart below indicates proceeds from revolving fund receipts.

Revolving fund



10. Environmental and Sustainability Reporting

Makueni County exists to transform the livelihoods of the citizens guided by an overarching vision, which is *a prosperous, value-based County with a high quality of life*. The delivery of the transformation agenda is guided by five key principles and values, which are: Integrity and Accountability; Inclusiveness; Equity and Fairness; Patriotism and Responsiveness.

The development agenda is founded on three key pillars: Economic Pillar, Social Pillar, and Political Pillar. The pillars have thematic interventions along six thematic areas namely: Community economic empowerment, water resource management, lands and urban development, social development, universal health care, and institutional strengthening and capacity development.

To continue offering services to the citizens of Makueni County over the long term, the County is focused on;

1. Sustainability strategy and profile

The County promotes sustainable development through Environmental and Social Governance reforms that are founded on integrity, transparency and accountability. The County has focused on provision of overall policy development, institutional development and strengthening. This is guided by issue-based leadership, transparency and accountability in the management of public resources.

The County is committed to achieve sustainability by supporting ecological, human and economic health vitality. The County has invested in sustainable practices, including Natural Resource conservation and value addition, adoption of green and circular economy, digitization of government services, technical capacity building and enhancement of skills, building partnerships and community engagement for locally led actions. The County is fully committed in ensuring sustainability is achieved in all aspects.

2. Environmental performance

Makueni County Environmental Performance Index is 47% according to the Makueni Environmental Performance Index (EPI) Report 2018 (NEMA). The EPI was below average compared to the National Environmental Index Performance, which is at 55.6 %. The EPI analyses three main objectives: Environmental Health, Ecosystem Vitality and Socio-Economic Sustainability. The County performed fairly in tree cover loss, Climate Change Mainstreaming and Expenditure in Environment and Natural Resources and the need to focus its attention to wastewater treatment, exposure to indoor pollution, capacity building on Environment and Natural Resource Management expertise, access to solid waste management and water scarcity.

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

In regard to the above, Makueni County Government is committed to continually improve the Environmental Performance of the County by implementing and monitoring the objectives and policy directions in the Makueni County Environment and Climate Change Policy 2021, available in CGM website through the link; **Makueni County Environment and Climate Change Policy 2021 - Government of Makueni County**. The policy provides direction for mainstreaming of Environment and Climate Change in the County Planning and Development.

In enhancing Environmental performance for the Financial Year 2024/2025, the County has enhanced environmental performance by;

a. Environmental Health

In forest resource Management, the County has undertaken a program of greening County projects by planting 20 tree seedlings for every commissioned project and planting assorted tree seedlings in 12 FLLoCA projects, as well as capacity building groups on tree nursery establishments and management. In a bid to achieve the National 15 billion tree initiative and subsequent County target of 344 million trees by 2032, the County has partnered with stakeholders in the forestry sector to grow 527,620 seedlings across the county with a survival rate of 64.5%. In enhancing air quality, the County is working to reduce indoor air pollution by promoting solar energy for lighting and cooking. The County undertook routine environmental inspections and monitoring in an effort to avert land, water and soil pollution. To ensure mainstreaming of environmental safeguards in County Projects, the Department supported Agencies and other Departments in ensuring their projects comply with environmental policies and legal frameworks.

b. Enhancing Ecosystem Vitality

For Climate Change mainstreaming the County allocated 1.7 % (Ksh 66,000,000) of its Development Budget for implementation of the County Climate Change Action Plan 2023-2027 with an addition of Ksh142, from the FLLoCA Program. The Fund has facilitated the implementation of 17 Climate Change investments across 17 wards. In enhancing climate finance, the County has done a Green Finance Assessment to determine the capacity of the County to access green finances, including green bonds. Furthermore, the County has carried out several stakeholder engagements.

c. Enhancing Socio-Economic Sustainability

The County carried out Geological Mineral mapping in Tulimani Ward to establish the available minerals within the ward and advice on their economic viability for building community economic resilience. In ensuring enhancement of capacity in Environmental and Natural Resource Management the County has;

- Trained 2 officers on Project Planning and Implementation
- Trained twos officers on a Senior Management Course

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

- Capacity building of 2 Community Forest Associations for the management of Mbooni forests and Mwambwani and Kalumbi Community Forest
- Capacity building of communities and CSOs on governance, financial management, social accountability to enhance natural resource management
- Capacity building of farmer groups on tree nursery management and adoption of climate-smart agriculture
- Commemorated Environmental Days; International day of Forests (IDF), 21st March 2025 at SEKU, World Meteorological Day on 23rd March in Makindu, and World Environment Day on 5th June 2025 at Wote KMTC, where awareness was created to the community on sustainable management of environmental resources and strengthening of partners in the environment sector
- Reviewed Makueni County Climate Change Management Bill 2025 and developed Draft Makueni County Climate Change Regulations 2025
- Development of Makueni County Environment Action Plan 2025-2029
- Launched Makueni County Forest and Landscape Restoration Implementation Plan 2024-2033
- The Department has also purchased a Noise Meter that will be used in creating awareness and enforcing Noise Pollution control across the County.

Employee welfare

a) Safeguards against unethical conduct and corruption.

The County Government is keen on safeguarding unethical conduct and corruption in the County. The County has employed adherence to various National laws including the **Public Procurement and Asset Disposal Act 2015**, which includes provisions for declaring non-engagement in corruption. The County is governed by the **Makueni County Office of the County Attorney Act 2018** setting out clear ethical standards for County Legal Counsel, requiring transparency, high moral values, adherence to the law, avoidance of conflicts of interest, and a commitment. **Open Government Partnership (OGP) principles** employed by the County advocate for civic participation, access to information, public accountability, and technology.

Staff Sensitization on corruption prevention and unethical practices during meetings and forums is done to create awareness on corruption prevention. Further, the government has been implementing the EACC recommendations on corruption Risk assessment. The EACC recommended key risk factors that were impacting on the County, upon which a county anti-corruption action plan was developed and is under implementation.

Among the key action areas under the plans being implemented includes:

- i. The development of necessary governance instruments that demonstrate clarity of government processes and expectations for all her stakeholders and officers
- ii. Structured mechanism for reporting and receiving both internal and external complaints;
- iii. Establishment of designated registries in the departments
- iv. Use of official emails;

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

- v. Non-use of imprest facility to implement projects and activities involving amounts above the recommended value which contravenes section 107 of the PPAD Act, 2015.
- vi. Adoption of Cashless mode of payment for most of the County services
- vii. Increased automation of services
- viii. Adopting of merit-based systems for the recruitment and promotion of civil servants and interns
- ix. Wealth declaration – staff are required to declare their wealth every two years
- x. Performance contracting and management – all Staff are required to sign annual performance contracts on which they are assessed on how well they performed and used
- xi. Promotion of stakeholder participation
- xii. Implementation of Open Government Partnership Programme in collaboration with other stakeholders
- xiii. Signing of codes of conduct and ethics for Public Officials

Further, at the service delivery level the government established the project management committees that oversee project implementation, report community complaints, host project stakeholders and enhance project ownership and sustainability. This model of stakeholder approach to service delivery ensures safeguarding against unethical conducts and corruption.

3. Employee Welfare

Makueni County has various regulations and policies which guide management of human resource which is a key asset in the organization. These include the Kenyan Constitution, County Government Act 2012, Employment Act 2017 and other labour regulations. The recruitment and selection process which is a function of County Public Service Board is guided by the various policy provision which ensures inclusivity, diversity and gender parity.

The county had made various strides in human resource management. Key to highlight is succession management across various cadres in the department, implementation of performance management system and incorporation of the lessons learnt in the next cycles. This has ensured continuous improvement and peer to peer learning across the departments which enhances one government approach in implementations of programs and projects. The integration of Human resource records on the HRIS Kenya and ensuring all staff are paid through the system has enhanced accountability and transparency in the payroll management.

The County Government has also formulated and documented a safety and health policy in compliance with Occupational Safety and Health Act of 2007, (OSHA). This is part of County Service Delivery manual which addresses pertinent safety and health concerns such as safety and health regulations, fire safety provisions and insurance cover. The development of career progression guidelines for the unique cadres in the county has been a key milestone in ensuring a clear career path is shared to the workforce working in the county.

Market place practices

In FY 2024/2025, the County Government prioritized responsible procurement and supply chain practices anchored on integrity, transparency, and sustainability. These practices ensured that supplier relationships were managed responsibly, ethical standards were upheld, and all operations were free from corruption, thereby safeguarding public resources and strengthening stakeholder confidence.

a) Responsible Supply Chain and Supplier Relations

The County strengthened its supplier management practices to promote fairness, reliability, and accountability in procurement:

- i. **Contractual Integrity**-All supplier agreements were honored, with strict adherence to timelines, quality standards, and obligations.
- ii. **Respect for Payment Terms**-The County ensured prompt settlement of supplier payments, minimizing delays and fostering trust.
- iii. **Transparent Communication**- Open communication channels with suppliers were maintained to address concerns swiftly and strengthen business relations.

The County also advanced **ethical sourcing and sustainability** by requiring suppliers to:

- i. Comply with ethical labor practices, including fair wages, safe working conditions, and non-discrimination.
- ii. Embrace environmental stewardship, such as reducing waste and adopting eco-friendly practices.
- iii. Participate in joint sustainability initiatives aimed at minimizing the environmental footprint of County operations.

b) Responsible Ethical Practices

To entrench accountability, the County enhanced its ethical governance framework through;

- i. **Code of Conduct**-A revised code of conduct was enforced across all departments, clearly defining acceptable practices.
- ii. **Training and Awareness**-Continuous training sessions were held to promote ethical decision-making and reinforce compliance.
- iii. **Whistleblowing Mechanisms**-The ethics hotline remained active, providing a safe, confidential channel for reporting misconduct.

c) Corruption-Free Environment

Maintaining a corruption-free environment remained a central priority in FY 2024/25

- i. **Anti-Corruption Policy Enforcement**-The County strictly prohibited bribery, kickbacks, and irregular payments in all transactions.
- ii. **Monitoring and Compliance**- Regular audits and reviews were conducted to detect and mitigate corruption risks.
- iii. **Transparency in Procurement**- Competitive, open processes were upheld, supported by digital platforms to enhance fairness and traceability.

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

d) Stewardship of Goods and Services

The County continued to manage its goods and services responsibly by:

- I. **Ensuring Quality Assurance-** Implementing rigorous checks to confirm that goods and services delivered met required standards.
- II. **Efficient Resource Utilization-**Streamlining processes to reduce waste and optimize use of public resources.
- III. **Customer Satisfaction-**Seeking citizen feedback to improve service delivery and address concerns promptly.

e) Safeguarding Rights and Interests

In FY 2024/25, the County reaffirmed its commitment to protecting citizen rights and promoting social responsibility through:

- i. **Regulatory Compliance-**Adhering to procurement, consumer protection, and financial management laws.
- ii. **Data and Privacy Protection-**Strengthening systems to secure personal and institutional data.
- iii. **Community Engagement-** Conducting public participation forums to incorporate citizen priorities in decision-making.
- iv. **Corporate Social Responsibility (CSR)-**Supporting social development initiatives in education, health, and youth empowerment.

The County's marketplace practices in FY 2024/2025 emphasized integrity, fairness, and sustainability. Through responsible supply chain management, ethical practices, corruption-free operations, and stewardship of resources, the County strengthened public trust and ensured value for money. These principles continue to anchor its procurement processes, reinforcing accountability and contributing to long-term institutional credibility and community welfare

Community Engagements

During FY 2024/25, the County continued to enhance its public participation model with a deliberate focus on inclusivity, accountability, and data-driven decision making. Building on the lessons, challenges, and innovations from previous years, the new approach emphasized deeper citizen engagement, stronger alignment with planning instruments, and the use of technology to broaden participation. The model was anchored on the following principles:

5.1.1 Guiding Principles for the Enhanced Public Participation Model

a) **Equity and Social Justice-** Resource allocation and project identification were guided by equity, ensuring no ward or area was left behind. Special consideration was given to marginalized areas and vulnerable populations to reduce socio-economic disparities.

b) **High Impact and Sustainable Projects-** Communities were encouraged to prioritize transformational projects with wider community benefits, long-term socio-economic value, and multiplier effects instead of fragmented, small-scale interventions.

c) **Technical Support and Evidence Based Decision Making-** Sectoral officers and professionals provided technical backstopping at all stages of prioritization. Emphasis was placed on data, statistics, and feasibility studies to ensure well-conceptualized and sustainable project proposals.

d) **Alignment with County and National Priorities-** Public participation discussions were framed around government priority areas, including: expanding access to water, food security and climate-smart agriculture, healthcare access, youth empowerment, and environmental conservation.

e) **Digital Participation Platforms-** Leveraging online forums, mobile platforms, and community radio programs expanded reach, especially for youth, diaspora, and citizens unable to attend physical forums.

5.1.2 Challenges, Lessons, and Improvements for FY 2024/25

Community engagements in the reporting year highlighted emerging challenges and created new opportunities for strengthening devolved governance. The evolution of the model is summarized below:

Challenge / Lesson Learnt	New Paradigm / Improvement
Weak follow-through on community priorities	Introduction of structured feedback loops (community scorecards, quarterly updates, participatory monitoring)
Overlap between planning instruments (ADP, CFSP, Budget)	Streamlined alignment of CIDP III, ADP, CFSP and Budgets for coherence and policy fidelity.
Limited uptake of evidence-based planning	Mainstreaming of statistics, GIS mapping, and departmental technical reviews in project prioritization.

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

Continued demand for small projects	Reinforcement of the high-impact project model with emphasis on scalability and sustainability
Weak citizen understanding of fiscal constraints	Enhanced civic education on resource ceilings, funding sources, and fiscal responsibility.

5.2 Community Engagement Results

5.2.1 Public Participation for County Planning and Budgeting

Public participation in FY 2024/25 demonstrated stronger coherence between community priorities, county development plans, and budgetary ceilings. The process was explicitly guided by **CIDP III, ADP 2024/25, CFSP 2024, and MTEF frameworks**, ensuring alignment between long-term vision and annual implementation.

Key priority outcomes from the engagements included:

1. **Water Security and Climate Resilience**-Scale-up of last-mile water connectivity, expansion of irrigation schemes, and catchment conservation for climate adaptation.
2. **Agriculture and Value Chains**- Support for agro-processing, input subsidy programs, and market linkages to improve farmer incomes and food security.
3. **Universal and Primary Healthcare**-Continued upgrading of rural health facilities, digital health systems, and expansion of preventive and promotive healthcare programs.
4. **Youth Empowerment**-Enhanced investment in skills development, enterprise incubation, and access to innovation hubs.
5. **Strengthening Revenue Mobilization**- Expansion of Appropriation-in-Aid (AiA) sources through automation, compliance enforcement, partnerships with SAGAs, and health insurance uptake.
6. **Environmental Sustainability**- Scaling afforestation, renewable energy promotion, and community-led conservation programs.

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

11. Report of The Trustees

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the Fund affairs.

Report of The Fund Administration Committee

Fund Administration Committee

The Fund Administration Committee submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are to advance Car Loan and Mortgage to the members of the fund.

Results

The results of the Fund for the year ended June 30, 2025 are set out on page 1 to 5.

Trustees

The members of the Board of Trustees who served during the year are shown on page iii to V.

Fund Administration Committee

The members of the administration committee who served during the year are shown on page Vi to Viii.

Auditors

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

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

CPA John Nguni.....
Chair of the Board

Date: 29.09.2028



Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

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 Makueni County Mortgage and Car Loan Regulations 2017 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. 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.

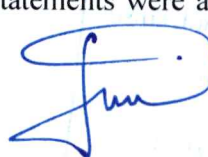
The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Makueni County Mortgage and Car Loan Regulations 2017. 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, 2025 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 29.09 2025 and signed on its behalf by:



.....
Administrator of the County Public Fund



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 MAKUENI COUNTY STATE AND PUBLIC OFFICERS CAR LOAN AND MORTGAGE FUND FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF MAKUENI

PREAMBLE

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

- A. Report on 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 the 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; and,
- C. Report on 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 is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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

Opinion

I have audited the accompanying financial statements of Makueni County State and Public officers Car Loan and Mortgage Fund – County Government of Makueni set out on pages 1 to 22 which comprise of the statement of financial position as at

Report of the Auditor-General on Makueni County State Officers Car Loan and Mortgage Fund for the year ended 30 June, 2025 – County Government of Makueni

30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I 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, the financial statements present fairly, in all material respects, the financial position of Makueni County State and Public officers Car Loan and Mortgage Fund – County Government of Makueni as at 30 June, 2025 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 Makueni County State and Public officers Car Loan and Mortgage Fund Regulations, 2017 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.106,811,545 and Ksh.70,885,470 respectively resulting to underfunding of Ksh.35,926,075 or approximately 34% of the budget. Similarly, the Fund expended Kshs.8,338,192 against actual receipts of Kshs.70,885,470 resulting to under absorption of Kshs.62,547,278 or approximately 88% of the actual receipts.

The underfunding and under absorption affected the implementation of planned activities and programs and may impact negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on pages iii to xxviii which comprise of Key Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of the Fund Administrator, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, Statement of Directors Responsibilities, Statement of Performance Against Predetermined Objectives). The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with 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 controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial

statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 November, 2025

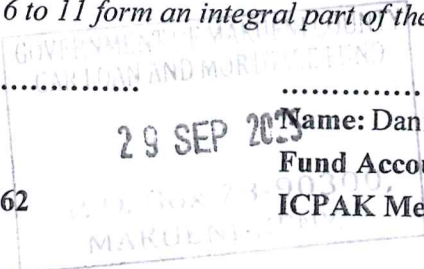
Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

14. Statement of Financial Performance for the Year Ended 30th June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Revenue From Exchange Transactions			
Interest Income	2 (a)	10,560,446	9,700,244
Total Revenue		10,560,446	9,700,244
Expenses			
Employee Costs	3	2,173,792	2,424,400
Use of goods and services	4 (a)	6,162,330	5,793,036
Finance Costs	5		
Total Expenses		8,336,122	8,217,436
Surplus/(Deficit) for the Period		2,224,324	1,482,808

The notes set out on pages 6 to 11 form an integral part of these Financial Statements

.....
 Name: Sylvia Mbevi
 Fund Administrator
 ICPAK Member No:16462



.....
 Name: Daniel Musau
 Fund Accountant
 ICPAK Member Number: 11026

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

15. Statement of Financial Position as at 30 June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	6	6,196,267	16,742,965
Current Portion of Long- Term Receivables From Exchange Transactions	7	4,573,108	3,910,953
Total current assets		10,769,375	20,653,918
Non-Current Assets			
Long Term Receivables from Exchange Transactions	7	356,018,705	333,340,800
Total non- current assets		356,018,705	333,340,800
Total Assets (A)		366,788,080	353,994,718
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	9	2,107,588	1,538,550
Total current liabilities		2,107,588	1,538,550
Non-Current Liabilities			
Total Liabilities (B)		2,107,588	1,538,550
Net Assets (A-B)		364,680,492	352,456,168
Represented By:			
Revolving Fund		350,250,000	340,250,000
Accumulated Surplus		14,430,492	12,206,168
Net Assets		364,680,492	352,456,168

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 29/09 2025 and signed by:

.....
 Name: Sylvia Mbevi
 Fund Administrator
 ICPAK Member No:16462

GOVERNMENT OF MAKUENI COUNTY
 CAR LOAN AND MORTGAGE FUND
 29 SEP 2025
 P. O. Box 78-90300,
 MAKUENI-KENYA

.....
 Name: Daniel Musau
 Fund Accountant
 ICPAK Member Number: 11026

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

16. Statement of Changes in Net Assets for the year ended 30th June 2025

Description	Revolving Fund	Revaluati on Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July (FY 2023/2024)	310,250,000	-	10,723,359	320,973,359
Surplus/(Deficit) For the Period	-	-	1,482,808	1,482,808
Funds Received During the Year	30,000,000	-	-	30,000,000
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June (FY 2023/2024)	340,250,000		12,206,168	352,456,168
Balance As At 1 July (FY 2024/2025)	340,250,000		12,206,168	352,456,168
Surplus/(Deficit) For the Period	-	-	2,224,324	2,224,324
Funds Received During the Year	10,000,000	-	.	10,000,000
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June (FY 2024/2025)	350,250,000		14,430,492	364,680,492

The entity financial statements were approved on 29.09 2025 and signed by:

.....
 Name: Sylvia Mbevi
 Fund Administrator
 ICPAK Member No:16462



.....
 Name: Daniel Musau
 Fund Accountant
 ICPAK Member Number: 11026

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

17. Statement of Cash Flows for The Year Ended 30 June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Interest received	2 (b)	10,469,282	9,613,700
Receipts from other operating activities			
Total receipts	10	10,469,282	9,613,700
Payments			
Employee Costs	3	2,173,792	2,424,400
Use of Goods and Services expenses paid	4 (b)	5,009,809	6,418,635
Finance cost	5	-	-
Total Payments		7,183,601	8,843,035
Net cash flows from operating activities		3,285,681	770,665
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		39,803,365	31,383,843
Loan disbursements paid out		(63,635,743)	(66,794,683)
Net cash flows used in investing activities		(23,832,378)	(35,410,840)
Cash flows from financing activities			
Proceeds from revolving fund receipts	1	10,000,000	30,000,000
Net cash flows used in financing activities		10,000,000	30,000,000
Net increase/(decrease) in cash & cash Equivalents		(10,546,698)	(4,640,175)
Cash and cash equivalents at 1 July 2024	6	16,742,965	21,383,140
Cash and cash equivalents at 30 June 2025	6	6,196,267	16,742,965

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



Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

18. Statement of Comparison of Budget and Actual Amounts for The Period 2024/2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilisation
	FY2024/2025	FY2024/2025	FY2024/2025	FY2024/2025	FY2024/2025	FY2024/2025
Revenue	KShs	KShs	KShs	KShs	KShs	
Loan Repayments	55,937,826		55,937,826	50,325,024	5,612,802	90%
Transfers from County Govt.	40,000,000		40,000,000	10,000,000	30,000,000	25%
Interest income	10,873,719		10,873,719	10,560,446	313,273	97%
Total income	106,811,545		106,811,545	70,885,470	35,926,075	66%
Development Expenses						
Mortgage	72,000,000		72,000,000	61,335,743	10,664,257	85%
Car Loans	11,000,000		11,000,000	2,300,000	8,700,000	21%
Total Development expenditure	83,000,000		83,000,000	63,635,743	19,364,257	77%
Recurrent Expenses						
Professional services costs	6,416,667		6,416,667	6,162,330	254,336	96%
Staff training expenses	2,600,000		2,600,000	2,173,792	426,208	84%
Other staff costs	2,100,000		2,100,000		2,100,000	0%
Printing And Stationery	60,000		60,000		60,000	0%
Hospitality and Catering	100,000		100,000		100,000	0%
Bank Charges	3,000		3,000	2,070	930	69%
Total Recurrent expenditure	11,279,667		11,279,667	8,338,192	2,941,474	74%
Surplus for the period	12,531,878		12,531,878	(1,088,465)	13,620,343	

Budget notes

During the financial year, there were no budget re-allocation for the fund or any changes on the budget.

The fund did not generate other incomes from any other sources.



19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Makueni County State and Public Officers Car Loan and Mortgage Fund entity is established by and derives its authority and accountability from Makueni County State and Public Officers Car Loan and Mortgage Fund Regulations, 2017 Act. The entity is wholly owned by the Makueni County Government and is domiciled in Kenya. The entity’s principal activity is to issue car loans and mortgage to members of the staff.

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 2025

There were no new and amended standards issued in the financial year.

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></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>

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

<p>IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i> The Standard requires, 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: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty</p>

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

	of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	Applicable 1st January 2026 The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

(i) Early adoption of standards

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

4. Summary of 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.

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2024/2025 was approved by the County Assembly on 27th June 2024. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. Nature and purpose of reserves

The Entity does not create and maintains any reserves.

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.

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.

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 Family Bank Limited, Wote Branch at the end of the financial year 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.

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.

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

6. Notes to The Financial Statements Continued

1. Transfers from County Government

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Transfers From County Govt. –Operations	10,000,000	30,000,000
Payments By County On Behalf Of The Entity		
Unconditional Development grants		
Total	10,000,000	30,000,000

2. (a) Interest income earned

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Interest Income from Mortgage Loans	10,131,136	9,299,963
Interest Income From Car Loans	429,311	400,281
Interest Income From Investments in financial assets		
Interest Income On Bank Deposits		
Total Interest Income	10,560,446	9,700,244

Interest income earned refers to interest charged on car loans and mortgage over the financial year 2024/2025.

2 (b) Interest income received

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Interest Income from Mortgage Loans	10,029,145	9,228,297
Interest Income From Car Loans	440,137	385,403
Interest Income From Investments in financial assets		
Interest Income On Bank Deposits		
Total Interest Income	10,469,282	9,613,700

Interest income received refers to actual interest received. During the financial year 2024/2025 the fund received interest accrued for the month of June 2024 and interest for the month of July 2024 up to May 2025.

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements Continued

3. Employee Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Salaries And Wages		
Staff Gratuity		
Staff Training Expenses	2,173,792	1,303,800
Social Security Contribution		
Other staff costs		1,120,600
Total	2,173,792	2,424,400

4. (a) Use of Goods and Services expenses incurred

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
General Office Expenses		
Loan Processing Costs		
Professional Services Costs	6,160,260	5,658,476
Administration Fees		
Committee Allowances		
Bank Charges	2,070	4,200
Printing And Stationery		68,220
Hospitality and Catering		62,140
Other (<i>Specify</i>)		
Total	6,162,330	5,793,036

4. (b) Use of Goods and Services expenses paid

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
General Office Expenses		
Professional Services Costs	5,007,739	6,284,420
Administration Fees		
Bank Charges	2,070	3,855
Hospitality and Catering		62,140
Telephone And Communication Expenses		
Printing And Stationery		68,220
Total	5,009,809	6,418,635

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

5. Finance costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

6. Cash and cash equivalents

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Car loan and Mortgage Fund Collection Account	1,405	1,419,368
Car loan and Mortgage Fund Disbursement Account		
Car loan and Mortgage Fund Interest Account	1,356,483	236,500
Car loan and Mortgage Fund Loan Repayment Account	4,838,380	15,087,097
Others (<i>Specify</i>)		
Total Cash and Cash Equivalents	6,196,267	16,742,965

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

Financial Institution	Account number	FY 2024/2025	FY 2023/2024
		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			
Family Bank	088000006101	1,405	1,419,368

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

Family Bank	088000006103	-	
Family Bank	088000006104	1,356,483	236,500
Family Bank	088000007620	4,838,380	15,087,097
Sub- Total		6,196,267	16,742,965
d) Others (Specify)			
Cash In Transit			
Cash In Hand			
Sub- Total			
Grand Total		6,196,267	16,742,965

7. Receivables from exchange transactions

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Current Receivables		
Interest Receivable	898,744	847,310
Current Loan Repayments Due	3,674,363	3,063,642
Total Current Receivables	4,573,108	3,910,953
Non-Current Receivables		
Long Term Loan Repayments Due	356,018,705	333,340,800
Total Non- Current Receivables	356,018,705	333,340,800
Total Receivables From Exchange Transactions	360,591,813	337,251,753

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	898,744	847,310
Accrued interest receivable from of long-term loans of previous years		

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

Interest receivable from current portion of long-term loans issued in the current year	898,744	847,310
Current loan repayments due		
Current portion of long-term loans from previous years	3,674,363	3,063,642
Accrued principal from long-terms loans from previous periods	356,018,705	333,340,800
Current portion of long-term loans issued in the current year	3,683,549	3,063,642

8. Prepayments

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Prepaid Rent		
Prepaid Insurance		
Prepaid Electricity Costs		
Other Prepayments (<i>Specify</i>)		
Total		

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

Notes to The Financial Statements (Continued)

9. Trade and other payables from exchange transactions

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
Trade Payables				
Refundable Deposits			50,641	
Accrued Expenses	2,107,588		1,487,564	
Other payables- Bank Charges			345	
Total Trade and Other Payables	2,107,588		1,538,550	
Ageing analysis (Trade and other payables)	FY 2024/2025	% of the Total	FY 2023/2024	% of the Total
Under one year	2,107,588	100%		
1-2 years				
2-3 years				
Over 3 years				
Total (tie to above total)				

10. Cash generated from operations.

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Cash flows from operating activities				
Receipts				
Interest received	10,469,282		9,613,700	
Total Receipts	10,469,282		9,613,700	
Payments				
Use of goods and services	5,009,809		6,418,635	
Employee Costs	2,173,792		2,424,400	
Total Payments	7,183,601		8,843,035	
Net cash flows from operating activities	3,285,681		770,665	

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

Notes To The Financial Statements (Continued)

11. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Transfers From Related Parties'		
Transfers To Related Parties		

c) Key management remuneration

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Board Of Trustees		
Key Management Compensation		
Total		

d) Due from related parties

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Due From Parent Ministry		
Due From Key Management Personnel	28,032,153	14,074,685
Total	28,032,153	14,074,685

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

Other Disclosures Continued

e) Due to related parties

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Due To Parent Ministry		
Due To County Government		
Due To Key Management Personnel		
Total		

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

Notes to The Financial Statements (Continued)

12. 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 2025				
Receivables From Exchange Transactions	360,591,813	360,591,813		
Receivables From Non-Exchange Transactions				
Bank Balances	6,196,267	6,196,267		
Total	366,788,080	366,788,080		
At 30 June 2024				
Receivables From Exchange Transactions	336,772,432	336,772,432		
Receivables From Non-Exchange Transactions				
Bank Balances	16,742,965	16,742,965		
Total	353,515,397	353,515,397		

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

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 there is no allowance for uncollectible amounts that the entity has recognised in the financial statements.

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 (FY 2024/2025)				
Trade Payables	524,268	1,583,320		2,107,588
Current Portion Of Borrowings				
Provisions				
Employee Benefit Obligation				
Total	524,268	1,583,320		2,107,588
At 30 June (FY 2023/2024)				
Trade Payables	494,264	985,449		1,479,713
Current Portion Of Borrowings				
Provisions				
Employee Benefit Obligation				
Total	494,264	985,449		1,479,713

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

Notes to The Financial Statements (Continued)

c) Capital risk management.

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

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Revaluation reserve		
Revolving fund	350,250,000	340,250,000
Accumulated surplus	14,430,492	11,726,847
Total funds	364,680,492	351,976,847
Total borrowings		
Less: cash and bank balances	6,196,267	16,742,965
Net debt/(excess cash and cash equivalents)		
Gearing	358,484,225	335,233,882

13. Events after the reporting period

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

14. Ultimate and Holding Entity

The entity is a County Public Fund established by Makueni County State and Public Officers Car Loan and Mortgage Fund Regulations, 2017 Act under the Department of Finance. Its ultimate parent is the County Government of Makueni.

15. Currency

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


Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025

20. Annexes

20.1. 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	Irregular Payment of Administration Fee	The professional cost was incurred in line with the provisions of the Fund Agreement between Family Bank Ltd and the County Government of Makueni. According to Section 5 (5.2) of this agreement, a Fund Management Fee of 1.75% per annum of the interest earned from loans disbursed from the fund is payable monthly by the County Government to the financial institution.	Resolved	


Fund Administrator

Date.....29.09.25

GOVERNMENT OF MAKUENI COUNTY
CAR LOAN AND MORTGAGE FUND
29 SEP 2025
P. O. Box 78-90300,
MAKUENI-KENYA

Makueni County State and Public Officers Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2024

20.2. Annex II: Inter-Fund Confirmation Letter



**GOVERNMENT OF MAKUENI COUNTY
MAKUENI COUNTY STATE AND PUBLIC OFFICERS CAR LOAN AND MORTGAGE FUND
P.O BOX 78 – 90300, MAKUENI**

The Makueni County Executive wishes to confirm the amounts disbursed to you as at 30th June 2025 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 Makueni County State and Public Officers Car Loan and Mortgage Fund as at 30th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by Makueni County Executive (Kshs) as at 30 th June 2025				Amount Received by the Fund (KShs) as at 30 th June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial(C)	Total (D)=(A+B+C)		
FT24318JFTTF	13-Nov-24		5,000,000.00		5,000,000.00	5,000,000.00	0
FT243184WMD0	13-Nov-24		5,000,000.00		5,000,000.00	5,000,000.00	0
Total			10,000,000.00		10,000,000.00	10,000,000.00	0

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

Head of Accountants department of beneficiary Fund:

Name Stuvia Mbooi Sign [Signature] Date 29/09/25

GOVERNMENT OF MAKUENI COUNTY
CAR LOAN AND MORTGAGE FUND
 29 SEP 2025
 P. O. Box 78 90300.
 MAKUENI-KENYA