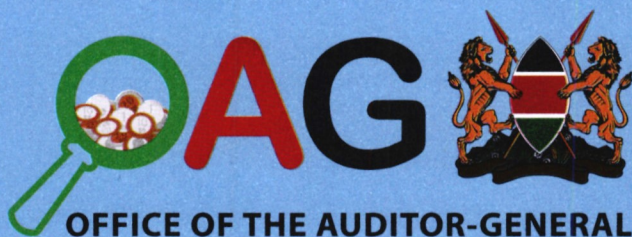


REPUBLIC OF KENYA



Enhancing Accountability



REPORT

OF

THE AUDITOR-GENERAL

ON

**KAJIADO COUNTY ASSEMBLY CAR
LOAN AND MORTGAGE FUND**

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

PAPERS LAID	
DATE	21/2/2024
TABLED BY	Majority Whip
COMMITTEE	
CLERK AT THE TABLE	Abdirahman



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
MACHAKOS HUB.

13 DEC 2023

RECEIVED



**KAJIADO COUNTY ASSEMBLY
CAR LOAN AND MORTGAGE FUND**

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

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



Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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1. Acronyms and Glossary of Terms

a) Acronyms

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
SRC	Salaries and Remuneration Commission

b) Glossary of Terms

Fiduciary Management -The key management personnel who had financial responsibility

Kajiado County Assembly Car Loan and Mortgage Fund
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2. Key Entity Information and Management

a) Background information

Kajiado County Assembly Car Loan and Mortgage Fund is established under Public Finance Management Act, 2012 where it derives its authority and accountability from Section 116, that empowers the County Executive Committee Member for Finance to establish County Public Funds with the approval of the County Executive Committee and the County Assembly, and the Salaries and Remuneration Commission (SRC) circular ref SRC/TC/CGOVT/3/16 dated 27 November, 2013. The fund is operationalized by The Public Finance Management (Kajiado County Assembly Car Loan and Mortgage Fund) Regulations, 2021. The Fund is wholly owned by the Kajiado County Assembly and is domiciled in Kenya.

The Fund's principal activity is to enable Car Loans and Mortgages to be advanced to Members and staff of the Kajiado County Assembly as may be prescribed by the Salaries and Remunerations Commission.

b) Principal Activities

The principal activity the Kajiado County Assembly Car Loan and Mortgage Fund as stipulated in the Salaries and Remuneration Circular no SRC/023/12/2014 of 17 December, 2014 is to Facilitate State Officers and Public Officers with Government Funded Loans to purchase cars and access mortgage facilities.

c) Fund Administration Committee

Ref	Position	Name
1	Chairman of the Board	Hon. Paul Matuyia
2	Clerk (Kajiado County Assembly)	Leboo Saisa Yiaro (Ex-officio Member)
3	Management Committee Members	1. Hon. James Kuya Nina 2. Hon. Judy Nkabaata Komite 3. Immaculate Salaon 4. Jemimah Kilesi 5. Grace Naruai 6. Kangeri Simel
4	Fund Manager	CPA Koitumet William

Kajiado County Assembly Car Loan and Mortgage Fund
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d) Key Management Team

Ref	Position	Name
1	Fund Administrator	Leboo Saisa
2	Fund Manager	CPA Koitumet William
3	Fund Accountant	Margaret Methu

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	CPA Joseph Kilonka Rakua

f) Registered Offices

Kajiado County Assembly Headquarters
P.O. Box 94 - 01100
Kajiado
Kenya

g) Fund Contacts

Telephone: (254 769 102977)
E-mail: info@kajiadoassembly.or.ke
Website: www.kajiadoassembly.or.ke

h) Fund Bankers

Kenya Commercial Bank (KCB)
P. O Box 74145, Nairobi
Kajiado Branch

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




Kajiado County Government
Headquarter,
P.O. Box 11-01100,
Kajiado, Kenya.

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023




3. Fund Administration Committee

Name	Details of Qualifications and Experience
 <p>1. Hon. Paul Kipamet Matuyia Chairperson</p>	<p>Hon. Member representing Kitengela Ward. Member of Kajiado County Assembly Service Board.</p> <p>Chair of the Loans Management Committee.</p> <p>Bachelor's Degree in Business Management</p>
 <p>2. Immaculate Salaon Vice Chairperson</p>	<p>Member of the County Assembly Service Board appointed as a non-elected member.</p> <p>Bachelor's degree in Education (Early Childhood Education. Over 20 years' Experience in Project management, program planning, resource mobilization and management, report writing, documentation, monitoring and evaluation, reviewing, designing and developing Early Childhood Development training materials and policy documents.</p> <p>Work Experience cuts across several NGOs such as UNICEF, WHO, Catholic Relief Services, Aga Khan Foundation, among many others, as well runs across several African countries including Kenya, Mozambique, South Africa, Malawi, Ethiopia, Zanzibar and Uganda.</p> <p>Founder and executive director of Community initiative Agenda.</p>

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023



 <p>3. Hon James Kuya Nina Member</p>	<p>He is a Member of the County Assembly, seconded to the Management Committee as a member representing the Honourable members and the male gender.</p> <p>Serving in the Kajiado County Assembly as elected member for Kimana Ward.</p>
 <p>4. Hon. Judy Nkabaata Komite Member</p>	<p>She is a Member of the County Assembly, seconded to the Management Committee as a member representing the Honourable members and the female gender.</p> <p>Serves in the County Assembly as a Nominated member of the County Assembly.</p>
 <p>5. Jemimah Kilesi Member</p>	<p>She is the Director for Finance and Administration. Serves as a member of the Management Committee.</p> <p>Bachelor of Commerce – Accounting Option</p> <p>Masters of Commerce – Business Economics</p> <p>Masters in Project Planning and Management.</p> <p>Diploma in Human Resource Management (IHRM).</p> <p>CPA Part 1</p>

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

 <p>6. Grace Naruai Kanchori Member</p>	<p>She's a member of staff elected to represent staff. She is the Deputy Director for Committees.</p>
 <p>7. CPA Kangeri Simel Member</p>	<p>He is a member of staff elected to represent staff. He serves as the Assistant Deputy Director for Finance. ICPAK Member Bachelor of Economics and Finance CIFA</p>
 <p>8. CPA Koitumet William Secretary to the Management Committee and Fund Manager. Signatory to the fund.</p>	<p>Deputy director Finance Kajiado County Assembly. ICPAK Member Bachelor of Business Management – Accounting. Master of Business Management – Finance</p>

**Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

4. Management Team

Name	Details of Qualifications and Experience
 <p>1. Leboo Saisa Kajiado County Assembly Clerk Fund Administrator. Signatory to the fund</p>	<p>Ongoing: Masters in Public Policy and Management.</p> <p>Postgraduate Diploma in Law</p> <p>Bachelor of Laws (LLB)</p> <p>2002-2014 – Military Officer (Kenya Air Force)</p> <p>2011-2014 – Law Practice – Mwaniki Gitau & Co Advocates</p> <p>Apr 2014 - April 2015 – Legal Counsel, Kajiado County Assembly.</p> <p>May 2015 – August 2016 – Principal Legal Counsel, Kajiado County Assembly.</p> <p>Sept 2016 – March 2018 – Deputy Clerk, Legislation and Legal Affairs, Kajiado County Assembly.</p> <p>March 2018 – March 2019 – Acting Clerk, Kajiado County Assembly.</p> <p>March 2019 – to date Clerk, Kajiado County Assembly.</p>
 <p>2. CPA Koitumet William Manager of the Fund. Signatory to the fund.</p>	<p>Deputy director Finance Kajiado County Assembly.</p> <p>ICPAK Member</p> <p>Bachelor of Business Management – Accounting.</p> <p>Master of Business Management – Finance</p>

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023



3. Margaret N. Methu
Fund Accountant

Principal Accountant – Head of Budget

Currently running the day to day operations of the fund.

Bachelor’s Degree in Commerce – Finance.

Member of staff of Kajiado County Assembly from 2016.

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

5. Fund Chairperson's Report

The Car & Mortgage Loan Scheme Fund was established pursuant to the Salaries and Remuneration Circular no SRC/TS/WB/3/14 of 14th February, 2014. Section 167 of the Public Finance Management Act 2012 mandates the Administrator of Public Funds with preparation of Annual Financial Statements.

For proper management of the Fund and as advised by the Salaries and Remuneration Commission in the Circular under reference, the Kajiado County Assembly adopted Kajiado County Assembly Car Loan & Mortgage Fund Regulations 2014 to guide operationalization of the Fund. These have since been revised in 2016, and further in 2021 to fine tune the operations of the Fund.

The fund was established in the financial year 2014/2015. The first disbursement of the loan was made in October 2014 to the Members of the First County Assembly; since then the fund has grown to a capital base of Kshs. 268,500,000 and serves both Honourable Members and the staff. Important to note however, is that in the FY 20/21, the fund was affected by the presidential directive converting the Car Loans for all members of the County Assembly into Car Grants thus reducing the fund by Kshs.86, 000,000.

In this Financial Year, the Management Committee was fully constituted in accordance with the revised regulations, 2021. The Chairperson and the Vice chairperson being appointed from the Kajiado County Assembly Board. Further, two Honourable Members representing both genders were nominated by the Third Assembly to represent them in the Management Committee. Towards, the end of the last Financial Year, the Staff held an election to vote in their two representatives to the Management Committee.

The fund continues to be fully managed internally by the County Assembly and will effectively run the fund with the professionalism required. Together we remain committed to execute the responsibilities bestowed upon us by law in management of public fund.

Signature.......... Date: 13th December 2023.

Hon. Paul Kipamet Matuyia

Chairperson of the Fund Administration Committee

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

6. Report of The Fund Administrator

The Kajiado County Assembly Car Loan and Mortgage Fund is operationalized by its revised regulations; The Public Finance Management (Kajiado County Assembly Car Loan and Mortgage Fund) Regulations, 2021. This Financial Year saw the full operationalization of the revised regulations by finalizing the constitution of the Management Committee.

Towards the end of the last Financial Year, an allocation was made in the budget, towards the Fund, of Ksh. 130 million for this Financial Year. Further, there was a balance brought forward from the prior year, FY 2021/2022 of Ksh. 110 million that the fund expected to receive within this Financial Year. As at the close of this Financial Year 2022/2023, the Fund had received Ksh. 145 million from Exchequer, as part of its budgeted allocation. There still remains a balance of Ksh. 95 million yet to be received.

Despite the challenges faced in funding, the Car Loan and Mortgage Fund has continued to facilitate the Members and Staff of the county Assembly with Car Loans and Mortgages. At the close of this Financial year, a total of 35 Honourable Members and including the Speaker, had received their Mortgages in full, further, two members of staff were able to access the facility as well.

The Fund, through the County Assembly Service Board made a request for Ksh. 30 million allocations in the next year, FY 2023/2024 budget, in order to continue growing the Fund and to enable more members of staff be access the facility. This will be combined together with the balance that has been carried forward from this financial year. The focus is to have a well sustained revolving Fund, that can support both the Members of the County Assembly, as well as the staff. As is the case right now, members of staff are limited to enjoy the facility for a maximum of 15 years, instead of 20 years as allowed for in the regulations and SRC. This is to allow for faster repayments to allow more staff to benefit.

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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

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 objective of the Kajiado County Assembly Car Loan and Mortgage Fund as stipulated in the Salaries and Remuneration Circular no SRC/023/12/2014 of 17th December 2014, is to Facilitate State Officers and Public officers with Government Funded Loans to purchase cars and access mortgage facilities. Given the unique and specific nature of the fund, the objective remains the same over the years.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Disbursement of Car Loan and Mortgages	To Facilitate State Officers and Public officers with Government Funded Loans to purchase cars and access mortgage facilities.	Loan applications approved and disbursed	Number of loans disbursed	In the financial year we issued 35 Mortgages to MCAs and 2 partial Mortgages to Members of Staff.

8. Corporate Governance Statement

In the financial year 2022/2023, the Management Committee held Fifteen meetings in the financial year. Twelve of these meetings were remunerated within the financial year and the other three meetings are yet to be remunerated. The total amount remunerated was Kshs. 111,300.

This Financial Year saw the election and swearing in of the Third Assembly and thereafter, the full constitution of the Fund's Management Committee and the appointment of a new Chairperson and Vice Chairperson. The composition of the committee is guided by regulation 6(1) which states that the Car Loans and Mortgages Management Committee shall consist of the following members:

- (a) A Member of the County Assembly Service Board appointed in accordance to Section 12(3) of the County Government Act (No. 17 of 2012) who shall be the Chairperson elected by other Board Members;
- (b) The Members of the Committee shall appoint amongst the members of the County Assembly Service Board a Vice Chairperson who shall be of the opposite gender from the Chairperson;
- (c) Two members of the County Assembly, one from each gender, nominated by the members of the County Assembly;
- (d) Two members of staff, one from each gender elected by the members of staff of the County Assembly and approved by the Kajiado County Assembly Service Board;
- (e) The Director in charge of finance in the County Assembly;
- (f) The Clerk of the County Assembly who is an ex-officio member with no vote;
- (g) The Fund Manager appointed as per regulation 9(1) who will be the secretary of the Committee with no voting rights;

The Management Committee is responsible for general oversight of the administration and management of the affairs of the Fund and more specifically to:

- (a) Make recommendations, in consultation with the Relevant Assembly Committee, with respect to the conditions under which a Car Loan and or a Mortgage shall be granted or repaid under these Regulations;

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

- (b) Process application for the granting of Car Loans and mortgages to beneficiaries of the of the Fund subject to the provisions of any agreement relating to the provision of the Car Loan and or mortgage;
- (c) Receive, administer and invest the resources of the Fund:
- (d) Supervise the day-to-day running of the Fund.
- (e) Liaise with financial institutions (if any) to set up a revolving fund for the disbursement of the Car Loan and Mortgage
- (f) Generally doing all that is expedient or necessary for the proper exercise of its duties and functions with respect to the fund.

The Management organized for sensitization of the Fund and benefits open to the Members of the County Assembly, during the induction training. They further held an induction meeting for the Management Committee where the regulations were discussed and their roles elaborated. They also finalized on the guidelines that were still pending and submitted them onwards to County Assembly Service Board for approval.

The Management Committee reviewed and approved a total of 39 loans for the Members of the County Assembly, one mortgage loan for the Speaker, two Mortgages with respect to the Board Members and several Mortgage applications for the Members of Staff. Out of those approved, a total of 35 Mortgage loans had been fully disbursed at the close of the Financial Year. The others had been partially disbursed or awaited disbursement upon availability of funds.

The Management Committee has been able to adequately secure the loans by having the security titles charged to the County Assembly and safely kept by the Assembly.

The Management Committee was trained on its roles and mandate towards the close of the Financial Year.

9. Management Discussion and Analysis

The Fund has continued to grow as a revolving Fund with an accumulated interest of Ksh. 19,540,699 at the beginning of this Financial Year. In the current Financial Year, the interest accrued was a gross of Ksh. 5,388,209. The interest is charged on a reducing balance. The recoveries for the Honourable Members began taking effect in January of 2023. It is expected that the next Financial Year may record slightly higher interest before it begins to reduce in the following years.

It is important to mention that the interest is charged mainly for the administration of the fund. In this Financial Year, the Management Committee training facilitation as well as the training fee was paid from the interest accrued.

The Management Committee ensures all loans are insured against permanent disability and/or death. The premiums of the same are borne by the loan holders.

On several occasions, the Fund Management Committee has held discussions on investment options for the Fund during low periods, where there are more repayments coming in vis a vis disbursement. The discussion is still ongoing and will most likely take place towards the fourth and fifth Financial Years of the third Assembly.

10. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

The County Assembly has endeavoured to undertake activities, some considered voluntary, and demonstrate the inclusion of social and environmental concerns in labour operations and interactions with stakeholders. In order to further its sustainability, the top management is geared towards ensuring that Corporate Social Responsibility strategy is developed. This will go a long way in enabling the County Assembly exert impact on its surroundings among the constituent's environment and social terms.

2. Environmental performance

Kajiado County Assembly has approved the Security Regulations in line with Safety and Compliance with Occupational Safety and Health Act, 2007. The waste management and the sanitation fall under the department of Administration. Line employees encourage the following:

- 1.Reduce, reuse and recycle where staff are sensitized to cut down on what they throw away
- 2.Volunteer for clean ups in our community the less run off and waste water
- 3.Use long lasting light bulbs: energy efficient light bulbs reduce greenhouse gas emissions. Also flip the light switch when leaving the office.
- 4.Conserve water: the less water we utilize

3. Employee welfare

Kajiado County Assembly Service Board has provided a conducive work environment as well as several employee benefits: the car loan and mortgage scheme that seeks to improve the living standards of Members of County Assembly and employees, Comprehensive medical cover for all Members of County Assembly and staff to ensure a

healthy workforce, Group Personal Life Cover that offers to pay compensation to the MCAs and employees in the event of death and Group Personal Accident Cover that offers to pay compensation to the MCAs and employees who suffer bodily injuries due to accidents, facilitating sporting events that build a cohesive team. The County Assembly has also adopted a reward and recognition system that seeks to motivate Members of County Assembly as well as staff who have shown exemplary performance.

At internal level measures and programs targeting employees on health and safety are continuously factored, this impact on productivity and performance. Hiring of employees is undertaken competitively as outlined in the Kajiado County Assembly Human Resource Manual. Labour relations are at the apex. Workers are not only motivated but also involved in team building. On capacity building the County Assembly, keep offering professional trainings to its workers across the departments. The Assembly is already implementing a welfare policy where all the County Assembly employees contribute for supporting themselves in case of any unforeseen eventualities and several of the members of staff have already benefited from the welfare fund.

4. Market place practices-

The organisation outlines its efforts to:

- i. Responsible competition practice. -the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors
- ii. Responsible Supply chain and supplier relations- the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.
- iii. Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices
- iv. Product stewardship- outline efforts to safeguard consumer rights and interests

Kajiado County Assembly is in the forefront fighting corruption at all levels. All the staff and Honourable members are encouraged to adhere to the Chapter six of the constitution – Leadership and integrity. On political matters unlike many other County Assemblies that have engaged in wrangles, Kajiado County Assembly remain one of the Assemblies that consider reconciliations and mature engagements on politics. The Assembly has a functional procurement

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

department with excellent Supply Chain and best Supplier Relations. All procurement transactions are undertaken through e-procurement that ensures fairness, transparency, accountability and competitiveness. Suppliers' payments are done within the given timelines of 90days. To ensure ethical marketing practices and effective public participations processes the Assembly informs the public on its activities, events, tenders among others seven days before the said date as required by law. Advertisements are done in Newspapers or broadcasts, with larger circulation, nationally or within the county.

5. Corporate Social Responsibility / Community Engagements

There were no corporate social responsibility or community engagements within the year.

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

11. Report of The Fund Management Committee

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

Principal activities

The principal activities of the Fund are to facilitate acquisition of residential property for Members and staff by providing a loan scheme for the purchase and/or development, renovation or repairs of the property by members of the scheme, for Mortgage. For Car Loan, it's to facilitate acquisition of motor vehicles for Members and staff by providing a loan scheme for the purchase, insurance and overhaul of vehicles by members of the scheme.

Results

The results of the Fund for the year ended June 30, 2023 are set out on page 1 - 66

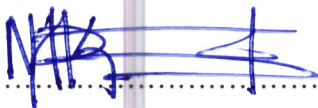
Management Committee

The members of the Management Committee who served during the year are shown on page vii - ix. The changes in the Management Committee during the financial year are as shown in page iv:

Auditors

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

By Order of the Management Committee



Hon. Paul Kipamet Matuyia

Chair of the Fund Management Committee

Date: 13th December 2023

12. Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by The Public Finance Management (Kajiado County Assembly Car Loan and Mortgage Fund) Regulations, 2021 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the fund; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the fund; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and The Public Finance Management (Kajiado County Assembly Car Loan and Mortgage Fund) Regulations, 2021. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2023, and of the Fund’s financial position as at that date.

The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

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

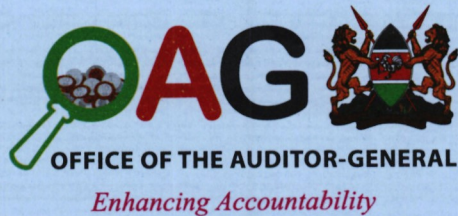
Approval of the financial statements

The Fund’s financial statements were approved by the Board on 13th December 2023 and signed on its behalf by:


.....
Administrator of the Kajiado County Assembly Car Loan and Mortgage Fund

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KAJIADO COUNTY ASSEMBLY CAR LOAN AND MORTGAGE FUND FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kajiado County Assembly Car Loan and Mortgage Fund for the year ended 30 June, 2023 set out on pages 1 to 39, which comprise the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and

Report of the Auditor-General on Kajiado County Assembly Car Loan and Mortgage Fund for the year ended 30 June, 2023

statement of comparison of budget and actual amounts for the year the ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kajiado County Assembly Car Loan and Mortgage Fund as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kajiado County Assembly Car Loan and Mortgage Fund Regulations, 2021 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unapproved and Unsupported Loan Disbursements

The statement of financial position reflects long-term receivables from exchange transactions balance of Kshs.274,175,967 as disclosed in Note 13 to the financial statements. Review of loan disbursements records revealed that loans amounting to Kshs.48,500,000 were issued to Members of the County Assembly (MCAs) and staff without the requisite approvals, letters of offer, evidence of property ownership and other supporting documentation.

In the circumstances, the accuracy, completeness and propriety of the loans advanced of Kshs.48,500,000 could not be ascertained.

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

Key Audit Matters

Key audit matters are those matters that, in my professional 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and

Effectiveness in Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Irregular Advancements

During the year under review, Management advanced on various dates Kshs.13,157,854 to Kajiado County Assembly for recurrent expenditure purposes. However, advancing cash to the County Assembly is not an objective of the Fund and as at 30 June, 2023, Kshs.7,320,000 had not been refunded. This was contrary Regulation 4(1) of the Kajiado County Assembly Car Loan and Mortgage Fund Regulations, 2021 which states that the object and the purpose of the fund is to enable Car Loans and Mortgages to be advanced to Members of the Kajiado County Assembly as may be prescribed by the Salaries and Remunerations Commission.

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

Basis for Conclusion

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, 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 the ISSAI (ISSAIs) 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

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

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

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in

compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

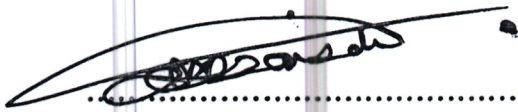
Nairobi


22 December, 2023

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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

Description	Note	Current FY 2022/2023	Comparative FY 2021/2022
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	145,000,000	-
Fines, Penalties and Other Levies	3	-	-
Revenue From Exchange Transactions			
Interest Income	4	5,388,029	2,997,179
Other Income	5	-	-
Total Revenue		5,388,029	2,997,179
Expenses			
Employee Costs	6	2,985,990	
Use of goods and services	7	380,319	146,064
Depreciation and Amortization Expense	8	-	
Finance Costs	9	-	-
Total Expenses		3,366,219	146,064
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	
Gain /Loss on fair value of investments	11	-	-
Surplus/(Deficit) for the Period		2,021,810	2,851,115


 Name: Leboo Saisa
 Administrator of the Fund


 Name: CPA William Koitumet
 Fund Manager
 ICPAK Member Number: 23489

Kajiado County Assembly Car Loan and Mortgage Fund
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15. Statement of Financial Position as at 30 June 2023

Description	Note	Current FY 2022/2023	Comparative FY 2021/2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	7,157,702	40,080,343
Current Portion of Long- Term Receivables From Exchange Transactions	13	14,646,870	5,046,467
Prepayments	14	-	-
Inventories	15	-	-
Investments in financial assets	16	-	-
Total current assets		21,804,572	45,126,810
Non-Current Assets			
Property, Plant and Equipment	17	-	-
Intangible Assets	18	-	-
Long Term Receivables from Exchange Transactions	13	274,175,967	101,716,242
Investment Property	19	-	-
Total non- current assets		274,175,967	101,716,242
Total Assets		295,980,539	146,843,052
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	2,859,823	744,145
Current Portion of Borrowings	22	-	-
Employee Benefit Obligations	23	-	-
Social benefit liabilities	24	-	-
Total current liabilities		2,859,823	744,145
Non-Current Liabilities			
Provisions	21	3,058,209	3,058,209
Long Term Portion of Borrowings	22	-	-
Non-Current Employee Benefit Obligation	23	-	-

Kajiado County Assembly Car Loan and Mortgage Fund
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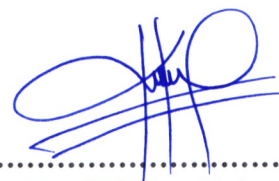
Total Liabilities		5,918,032	3,802,354
Net Assets		290,062,508	143,040,699
Revolving Fund		268,500,000	123,500,000
Reserves		-	-
Accumulated Surplus		21,562,508	19,540,699
Total Net Assets and Liabilities		290,062,508	143,040,699

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 13th December 2023 and signed by:



.....

Name: Leboo Saisa
Administrator of the Fund



.....

Name: CPA William Koitumet
Fund Manager
ICPAK Member Number: 23489

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2021	123,500,000	-	16,689,584	140,189,584
Surplus/(Deficit) For the Period		-	2,851,115	2,851,115
Funds Received During the Year		-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2022	123,500,000	-	19,540,699	143,040,699
Balance As At 1 July 2022	123,500,000	-	19,540,699	143,040,699
Surplus/(Deficit) For the Period		-	2,021,810	2,021,810
Funds Received During the Year	145,000,000	-	-	145,000,000
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2023	268,500,000	-	21,562,509	290,062,509

Kajiado County Assembly Car Loan and Mortgage Fund
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17. Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		-	-
Interest received		5,388,029	2,997,197
Receipts from other operating activities		-	-
Total receipts		5,388,029	2,997,197
Payments			
Fund administration expenses		3,280,980	136,500
General expenses		85,239	9,564
Finance cost		-	-
Other payments		-	-
Net cash flows from operating activities	25	2,021,810	2,851,115
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		34,206,970	52,955,373
Loan disbursements paid out		(214,151,420)	(32,080,380)
Net cash flows used in investing activities		(179,944,450)	20,874,993
Cash flows from financing activities			
Proceeds from revolving fund receipts		145,000,000	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		145,000,000	-
Net increase/(decrease) in cash & cash Equivalents		(32,922,640)	23,726,108
Cash and cash equivalents at 1 July		40,080,343	16,354,235
Cash and cash equivalents at 30 June		7,157,702	40,080,343

Kajiado County Assembly Car Loan and Mortgage Fund
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18. Statement Of Comparison Of Budget And Actual Amounts For The Period

Description	Original budget Kshs	Adjustments Kshs	Final budget Kshs	Actual on comparable basis Kshs	Performance difference Kshs	% Utilization
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations	-	-	-	-	-	-
Transfers From County Govt.	130,000,000	110,000,000	240,000,000	145,000,000	95,000,000	60%
Interest Income	5,388,029	-	5,388,029	5,388,029	-	100%
Other Income	-	-	-	-	-	-
Total Income	135,388,029	110,000,000	245,388,029	150,388,029	95,000,000	61%
Expenses						
Fund Administration Expenses	5,362,000	-	5,362,000	3,366,219	1,995,781	63%
General Expenses	-	-	-	-	-	0%
Finance Cost	-	-	-	-	-	0%
Total Expenditure	5,362,000	-	5,362,000	3,366,219	1,995,781	63%
Surplus For the Period	130,026,029	110,000,000	240,026,029	147,021,810	93,004,219	61%
Capital expenditure	-	-	-	-	-	-
Budget notes						

1. Ksh. 95 Million out of the Ksh. 240 Million was not received due to unavailability of funds caused by unrealized revenue in the county. The funds are budgeted on an 'availability of funds' basis.
2. The adjustment to the original budget of Ksh. 110 Million was a balance brought forward from the last financial year, which had been budgeted for but was never realized.

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

19. Notes to the Financial Statements

1. General Information

Kajiado County Assembly Car Loan and Mortgage Fund is established under Public Finance Management Act, 2012, the Salaries and Remuneration Commission (SRC) circular ref SRC/TC/CGOVT/3/16 dated 27 November, 2013 and the Kajiado County Assembly Car Loan and Mortgage Fund Regulations, 2021. The Fund is wholly owned by the Kajiado County Assembly and is domiciled in Kenya. The entity's principal activity is to enable affordable Car Loans and Mortgages be advanced to Members and staff of the Kajiado County Assembly.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

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

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

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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

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

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be</p>

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact:
Discontinued Operations	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.

(iii) Early adoption of standards

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

4. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2022-2023 was approved by the County Assembly on 30th June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Ksh. 110,000,000 balance brought forward on the FY 2022-2023 budget following the governing body's approval.

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

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

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

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

c) Property, plant and equipment

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

d) Intangible Assets

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

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

e) Investment property

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

Summary of Significant Accounting Policies (Continued)

f) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

g) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

h) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

i) Social Benefits

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

***Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023***

Summary of Significant Accounting Policies (Continued)

j) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

k) Nature and purpose of reserves

The Entity maintains no reserves

l) Changes in accounting policies and estimates

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

m) Employee benefits – Retirement benefit plans

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

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

Kajiado County Assembly Car Loan and Mortgage Fund
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Summary of Significant Accounting Policies (Continued)

n) Foreign currency transactions

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

o) Borrowing costs

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

p) Related parties

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

q) Cash and cash equivalents

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

r) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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

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

**Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

6. Notes To The Financial Statements

1. Public contributions and donations

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

2. Transfers from County Government

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Transfers From County Govt. –Operations	145,000,000	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	145,000,000	-

3. Fines, penalties and other levies

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Interest Income from Mortgage Loans	5,258,465	2,922,549
Interest Income From Car Loans	129,563	74,630
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-
Total Interest Income	5,388,029	2,997,179

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued

5. Other income

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

6. Employee Costs

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	2,985,990	-
Social Security Contribution	-	-
Other (<i>Specify</i>)	-	-
Total	2,985,990	-

7. Use of Goods and Services

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs.	Kshs.
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	259,700	136,500
Bank Charges	85,239	9,564
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-

Kajiado County Assembly Car Loan and Mortgage Fund
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Description	FY 2022/2023	Comparative FY 2021/22
	Kshs.	Kshs.
Printing And Stationery	35,380	-
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (<i>Specify</i>)	-	-
Social benefit expenses*	-	-
Total	380,319	146,064

8. Depreciation and Amortization Expense

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

9. Finance costs

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

10. Gain/(loss) on disposal of assets

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

**Kajiado County Assembly Car Loan and Mortgage Fund
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11. Gain/ (loss) on Fair Value Investments

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

12. Cash and cash equivalents

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Car Loan Account	-	-
County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	7,157,702	40,080,343
Others (<i>Specify</i>)	-	-
Total Cash And Cash Equivalents	7,157,702	40,080,343

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued

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

Financial Institution	Account number	FY 2022/2023	Comparative FY 2021/22
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
Sub- Total		-	-
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
c) Current Account			
Kenya Commercial Bank	1297917758	7,156,902	-
Family Bank Limited	067000002704	800	40,080,343
Sub- Total		7,157,702	40,080,343
d) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		7,157,702	40,080,343

13. Receivables from exchange transactions

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Current Loan Repayments Due	5,078,960	1,009,951
Other Exchange Debtors	9,567,910	4,036,516
Less: Impairment Allowance	-	-
Total Current Receivables	14,646,870	5,046,467
Non-Current Receivables		
Long Term Loan Repayments Due	274,175,967	101,716,242
Total Non- Current Receivables	274,175,967	101,716,242
Total Receivables From Exchange Transactions	288,822,838	106,762,709

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Interest Receivable	-	-
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due	-	-
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

14. Prepayments

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

15. Inventories

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (Specify)	-	-
Total Inventories at The Lower of Cost and Net Realizable Value	-	-

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued

16. Investments in financial assets

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c. Equity investments (specify)		
Equity/ shares in Entity xxx	-	-
Sub- total	-	-
Grand total	-	-

Movement of Equity Investments

Impairment allowance/ provision	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

e) Shareholding in other entities

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

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	FY 2022/2023 Kshs	Comparative FY 2021/22 Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

**Kajiado County Assembly Car Loan and Mortgage Fund
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Notes To The Financial Statements (Continued)

17. Property, plant and equipment

Cost	Land and Buildings Kshs	Motor vehicles Kshs	Furniture and Fittings Kshs	Computers and office equipment Kshs	Total Kshs
At 1 st July (Previous FY)	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30 th June (Previous FY)	-	-	-	-	-
At 1 st July (Current FY)	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
At 30 th June (Current FY)	-	-	-	-	-
Depreciation And Impairment	-	-	-	-	-
At 1 st July (Previous FY)	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30 th June (Previous FY)	-	-	-	-	-
At 1 st July (Current FY)	-	-	-	-	-
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
At 30 th June (Current FY)	-	-	-	-	-
Net Book Values	-	-	-	-	-
At 30 th June (Previous FY)	-	-	-	-	-
At 30 th June (Current FY)	-	-	-	-	-

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

18. Intangible assets

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Cost		
At Beginning of The Year	-	-
Additions	-	-
At End of The Year	-	-
Amortization And Impairment		
At Beginning of The Year	-	-
Amortization	-	-
At End of The Year	-	-
Impairment Loss	-	-
At End of The Year	-	-
NBV	-	-

19. Investment Property

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
At end of the year	-	-

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

Kajiado County Assembly Car Loan and Mortgage Fund
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Notes To The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description	FY 2022/2023		Comparative FY 2021/22	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	2,859,823		744,145	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	2,859,823		744,145	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	2,859,823	100%	744,145	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	2,859,823	100%	744,145	100%

21. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At the Beginning Of The Year	-	-	3,058,209	3,058,209
Additional Provisions	-	-	-	-
Provision Utilised	-	-	-	-
Change Due To Discount And Time Value For Money	-	-	-	-
Transfers From Non -Current Provisions	-	-	-	-
Balance At The End of The Year	-	-	3,058,209	3,058,209

Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

22. Borrowings

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Balance At Beginning of The Period	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments Of External Borrowings During the Period	-	-
Repayments Of Domestic Borrowings During the Period	-	-
Balance At End of The Period	-	-

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

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
Domestic Borrowings	-	-
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
Total Balance at End of The Year	-	-

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

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

Kajiado County Assembly Car Loan and Mortgage Fund
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Notes To The Financial Statements (Continued)

23. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

24. Social Benefit Liabilities

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
Current social benefits	-	-
Non-current social benefits	-	-
Total (tie to totals above)	-	-

Kajiado County Assembly Car Loan and Mortgage Fund
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Notes To The Financial Statements (Continued)

25. Cash generated from operations

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	5,388,029	2,997,179
Adjusted For:		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income		-
Finance Cost	(3,366,219)	(146,064)
Working Capital Adjustments	-	
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables		-
Net Cash Flow From Operating Activities	2,021,810	2,851,115

**Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes To The Financial Statements (Continued)

26. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Transfers From County Treasury	145,000,000	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

Kajiado County Assembly Car Loan and Mortgage Fund
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Other Disclosures Continued

e) Due to related parties

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

27. Contingent assets and contingent liabilities

Contingent Liabilities	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Court Case Xxx Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

(Give details)

**Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes To The Financial Statements (Continued)

28. Financial risk management

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

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

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables From Exchange Transactions	274,175,968	271,117,759	3,058,209	3,058,209
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	7,157,702	7,157,702	-	-
Total	281,333,669	7,157,702	3,058,209	3,058,209
At 30 June 2021				
Receivables From Exchange Transactions	101,716,242	98,658,033	3,058,209	3,058,209
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	40,080,343	40,080,343	-	-
Total	141,796,585	138,738,376	3,058,209	3,058,209

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Notes To The Financial Statements (Continued)

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

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

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

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables	-	-	2,859,823	2,859,823
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	3,058,209	3,058,209
Employee Benefit Obligation	-	-	-	-
Total	-	-	5,918,032	5,918,032
At 30 June 2022				
Trade Payables	-	-	744,145	744,145
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	3,058,209	3,058,209
Employee Benefit Obligation	-	-	-	-
Total	-	-	3,802,354	3,802,354

Kajiado County Assembly Car Loan and Mortgage Fund
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Notes To The Financial Statements (Continued)

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

Description		Other	Total
	Kshs	currencies Kshs	Kshs
At 30 June 2023			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Kajiado County Assembly Car Loan and Mortgage Fund
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Notes To The Financial Statements (Continued)

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
FY 2022/2023			
Euro	10%	-	-
USD	10%	-	-
FY 2021/2022			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 5,388,029 (2023: Kshs 53,880.29). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 2,997,179.00 (2022 – Kshs 149,858.95).

Kajiado County Assembly Car Loan and Mortgage Fund
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Notes To The Financial Statements (Continued)

d) Capital risk management.

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

Description	FY 2022/2023	Comparative FY 2021/22
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	268,500,000	123,500,000
Accumulated surplus	21,562,509	19,540,699
Total funds	290,062,509	143,040,699
Total borrowings	271,117,759	101,716,242
Less: cash and bank balances	(7,157,702)	(40,080,343)
Net debt/(excess cash and cash equivalents)	263,960,057	61,635,899
Gearing		

29. Events after the reporting period

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

30. Ultimate and Holding Entity

The entity is a County Public Fund established by The Public Finance Management (Kajiado County Assembly Car Loan and Mortgage Fund) Regulations, 2021) under the Kajiado County Assembly. Its ultimate parent is the County Government of Kajiado.

31. Currency

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

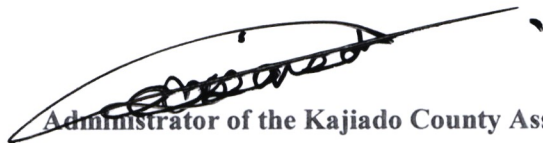
**Kajiado County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

20. Annexes

Annex I: Progress on Follow Up Of Prior Year Auditor's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Non-recovery of the Current Portion of Long Term Receivables from Exchange Transactions	We concur with the finding. All current portion of long-Term Receivables has been repaid.	Resolved.	Done.
2.	Inaccuracies in the Financial Statements	The discrepancies have since been corrected as per the final audited Financial Statements FY2021/2022.	Resolved	Done
3.	Budgetary Control and Performance	We concur with findings; however, the budget has been aligned to ensure that there is proper spending.	Resolved	Done.



Administrator of the Kajiado County Assembly Car Loan and Mortgage Fund

Date: 13th December 2023.

**Kajiado County Assembly
Car Loan and Mortgage Fund
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Annex II: Inter-Fund Confirmation Letter
[Insert your Letterhead]**

[Insert name of beneficiary Fund]
[Insert Address]

The [insert SC/SAGA/Fund name here] wishes to confirm the amounts disbursed to you as at 30th June 20xx as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 th June 20xx						
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 20xx			Amount Received by [beneficiary Fund] (KShs) as at 30 th June 20xx (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)		
Total						

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

Head of Accountants department of beneficiary Fund:

Name Sign Date : 13th December 2023

**Kajiado County Assembly
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Annex III: Reporting of Climate Relevant Expenditures**

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

Kajiado County Assembly

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Annex IV: Reporting on Disaster Management Expenditure

Column I Programme	Column II Sub-programme	Column III Disaster Type	Column IV Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Column V Expenditure item	Column VI Amount (Kshs.)	Column VII Comments

