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THE AUDITOR-GENERAL

ON

**MARSABIT COUNTY ASSEMBLY STAFF
CAR LOAN AND MORTGAGE
SCHEME FUND**

**FOR THE YEAR ENDED
30 JUNE, 2024**

OFFICE OF THE AUDITOR - GENERAL
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**MARSABIT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE SCHEME
FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2024**

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

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

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**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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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
CASB	County Assembly Service Board

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
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2. Key Entity Information and Management

a) Background information

Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund is established by and derives its authority and accountability from section 116 of the Public Finance Management Act No 18 of 2012 (The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund, 2019) on 13th January 2019. The Fund is wholly owned by the County Assembly of Marsabit and is domiciled in Kenya. The objective of the fund is: to provide a loan scheme for the purchase of vehicles by members of the scheme, and to provide a loan scheme for the purchase, development, renovation or repair of residential property by members of the scheme.

b) Principal Activities

The principal activity of the Fund is to lend to Staff of the County Assembly of Marsabit loans i.e. Mortgage and Car loan. This function includes receiving of applications, appraisal of applications, committee decision, disbursement of loans, recoveries of advanced monies, monitoring and evaluation of fund performance, enforce compliance, undertake loan clearance when due, and prepare reports as required.

The Funds are administered by the Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund Committee. The Committee is charged with the responsibility of processing loans from applicants in accordance with laid down approved regulations, setting up a revolving Fund for the disbursement of loans, and supervising the day-to-day operations of the Funds.

c) Vision

To be an excellent fund that prospers its members and spurs growth within its membership.

d) Mission

To provide our members with superior ownership experience through innovative, affordable, and competitive loan products that fulfils the dream of home and car ownership.

Core Objectives

The objectives of the Scheme is to provide loan scheme for staff of County Assembly for purchase of an existing residential property; purchase of land and construction, Renovation and improvement of an existing residential property, takeover of loans on existing mortgages or equity release and purchase of motor vehicle.

e) Fund Administration Committee

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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Ref	Name	Position
1	Mr. Elijah Chiwe	Chairperson
2	Mr.Chare Mato	Vice Chairperson
3	Mr. Salim Kato	Fund Administrator
4	Mr. Paul Chamo Aila	Fund Accountant
5	Mr. Francis Hargura	Member
6	Mrs.Qabale Hussein	Member
7	Mr. John Parkeri	Member

f) Key Management team

Ref	Name	Position
1	Chare Mato	Clerk/Secretary (CASB)
2	Salim Kato	Deputy Clerk
3	Jarso Roba	Director-Human Resources
4	Fredrick Injela	Assistant Director-Accounting Services
5	Bokayo Guyo	Senior Legal Officer

Key Entity and Management (Continued)

g) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	CPA Hawa Omar Abdi
2	Members car Mortgage and car Loan Advisory Committee	Hon. Leakono Bata
3	Members car Mortgage and car Loan Advisory Committee	Hon. Halkano Konso
4	Members car Mortgage and car Loan Advisory Committee	Hon. Buke Diba
5	Members car Mortgage and car Loan Advisory Committee	Hon. Siba Haila
6	Members car Mortgage and car Loan Advisory Committee	Hon. Daniel Burcha
7	Members car Mortgage and car Loan Advisory Committee	Hon. Daud Tamasot
8	Members car Mortgage and car Loan Advisory Committee	Hon. Jacob Elisha

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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9	Members car Mortgage and car Loan Advisory Committee	Hon. Lucy Kargiya
10	Members car Mortgage and car Loan Advisory Committee	Hon. Ebise Waqo
11	Members car Mortgage and car Loan Advisory Committee	Jarso Roba
12	Members car Mortgage and car Loan Advisory Committee	Fredrick Injela
13	Members car Mortgage and car Loan Advisory Committee	Arbe Gallgallo

h) Registered Offices

P.O. Box 29-60500
Marsabit County Assembly Headquarters Building
Marsabit, KENYA.

i) Fund Contacts

E-mail: info@countyassemblyofmarsabit.co.ke

Website: www.assembly.marsabit.go.ke

Facebook: Marsabit County Assembly

X: @mbtassembly

YouTube: Marsabit County Assembly

j) Fund Bankers

1. Kenya Commercial Bank
Marsabit Branch

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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Key Entity and Management (Continued)

k) Independent Auditors

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




l) Principal Legal Adviser

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




m) County Attorney

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

3. Fund Administration Committee

Name	Details, qualifications and experience
<p>1. Mr.Elijah Chiwe</p> 	<p>Chairperson of Marsabit Staff Car Loan and Mortgage Committee. He is a member of the County Assembly Service Board. He was born on March 1977.</p> <p>He has a lot of experience working in various organisations such as World Vision Kenya as a Regional Manager.</p>
<p>2. Mr.Chare Mato</p> 	<p>Vice Chairperson of the Marsabit Staff Car Loan and Mortgage Committee. He also serves as Clerk of the County Assembly and a Secretary to the County Assembly Service Board (CASB). Being the Chief Executive Officer, all matters of responsibility and accountability of the fund rests with his office. He was born on 2nd February 1978.</p> <p>Works in liaison with the Staff Mortgage and Car loan Committee to ensure effective management of scheme loans.</p> <p>Holds a Master Degree in Finance and a certified Accountant (CPA-K). Has served in this capacity since the year 2022 but nineteen years in the Accounting career. He has previously worked with the Teachers Service Commission as an Accountant.</p>
<p>3. Mr. Salim Kato</p> 	<p>Fund administrator of the staff car loan and mortgage. He is a career teacher. He boasts of Twenty years of experience and doubles up as the Deputy Clerk of the County Assembly. He has worked as an Education Officer</p> <p>He was born on 1st July 1971</p>

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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<p>4. Mr. Paul Chamo</p> 	<p>Fund Accountant of the staff car loan and mortgage. He is a professional Accountant with over nine years of experience such as Management Accountant with Nampak Limited Kenya, Financial Accountant with Ennsvalley Bakery Limited and Accountant with Polyblend Limited of Kenya.</p> <p>He also doubles up as the Chief Accountant of the County Assembly. He is a holder of Bachelor of Commerce degree BCOM (Accounting Option) and is a Certified Public Accountant of Kenya and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). He was born on 5th June 1988.</p>
<p>5.Mr. Francis Hargura</p> 	<p>Member of the Staff Car Loan and Mortgage Committee and has 8 years of experience in public sector. He holds a degree in Bachelor of Commerce (Finance Option) and also CPA part II. He also doubles up as the Senior Accountant for the County Assembly of Marsabit.</p> <p>He has previously worked with the Kenya Meat Commission as Assistant Accountant. He was born on 1st July 1989</p>
<p>6.Mrs.Qabale Hussein</p> 	<p>Member of Staff Mortgage and Car Loan Committee from the onset of Third County Assembly.</p> <p>She is a Committee Clerk for Lands and Liaison committee of the County Assembly of Marsabit. She holds a degree in Bachelor of Commerce (Accounting Option) and a Diploma in Business Management and Kenya Accounting Technician Certificate level 1.</p> <p>She was born on 22nd February 1986</p>
<p>7.Mr. John Parkeri</p>	<p>Member of Staff Mortgage and Car Loan Committee from the onset of Third County Assembly.</p>

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**





He is a Human Resource practitioner. He also doubles up as the Chief Human Resources Officer for the County Assembly of Marsabit.




He has previously worked with the County Government of Marsabit as a Human Resource Officer. He was born on 4th June 1994.

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

4. Management Team

Name	Details of qualifications and experience
<p>1.Hon.Chare Mato</p> 	<p>Vice Chairperson of the Marsabit Staff Car Loan and Mortgage Committee. He also serves as Clerk of the County Assembly and a Secretary to the County Assembly Service Board. Being the Chief Executive Officer, all matters of responsibility and accountability of the fund rests with his office. He was born on 2nd February 1978.</p> <p>Works in liaison with the Staff Mortgage and Car loan Committee to ensure effective management of scheme loans.</p> <p>Holds a Master Degree in Finance and a certified Accountant (CPA-K). Has served in this capacity since the year 2022 but nineteen years in the Accounting career. He has previously worked with the Teachers Service Commission as an Accountant</p>
<p>2.Mr. Salim Kato</p> 	<p>Fund administrator of the staff car loan and mortgage. He is a career teacher. He boasts of Twenty years of experience and doubles up as the Deputy Clerk of the County Assembly.</p> <p>He was born on 1st July 1971.</p>
<p>3.CHRP JARSO ROBA</p>	<p>Director of Human Resources & Administration at the County Assembly. Holds a Master Degree in Business Administration and also a certified HR practitioner. Has been in the career for the last seventeen years with nine years being at the County Assembly.</p> <p>Undertake fund administration by overseeing the general administration of Mortgage and Car loan</p>

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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	<p>funds in terms of application, appraisal, disbursement and monitoring of recoveries. He was born on 15th August 1980.</p>
<p>4.CPA FREDRICK INJELA</p>  <p><i>1.</i></p>	<p>Assistant Director - Accounting Services at the County Assembly also doubling up as the Fund Accountant for the Mortgage and Car loan scheme fund. He holds a Bachelor's Degree in Accounting and CPA (K). He has served in this career in the public service for the last thirty one years, nine of which is at the County Assembly. He was born on 18th November 1969. He has worked with National Treasury of Kenya</p>
<p>5..COUNSEL BOKAYO GUYO</p> 	<p>Senior Legal Officer in charge of the Legal, Legislative and Procedural Services within the County Assembly. A member of Mortgage and Car loan scheme management team. Served in this capacity for the last seven years. Holds a Bachelor's degree in Law and graduate of Kenya School of Law. Also an advocate of high court of Kenya. Has a role of offering technical and legal support to the committee so as to enforce compliance and mitigate risks. She was born on 25th August 1990.</p>

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

5. Fund Chairperson's Report

Matters of Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund are appropriated by the designated committee alone. In this regard, the loan management committee have held sittings 11 during the year under review to discuss and approve mortgage loans and assess various loan recoveries among other agendas. The scheme regulations approved by the County Assembly has provided elaborate ways of establishing a committee with defined membership consisting of the Chairperson-One of the two resident members of the Board, Vice-Chairperson (Clerk of the Assembly), Human Resources Manager, Two members of staff and Fund Administrator.

The fundamental role of the committee is to manage loans with respect to approvals. This mandate range from receiving applications, appraisal of applications and ultimate consideration of applications based on its merits. The uptake of the mortgage and car loan has been on the increase.

During the year under review the fund received additional Kshs 84,162,996 to the fund totaling to Kshs 124,162,996 for the revolving fund as at 30th June 2024. There was no changes to the key management team during the year.

The fund earned an interest income of Kshs 1,691,394 and incurred expenses of Kshs 8,500 for the year ended 30th June 2024.

The sitting is regulated by a quorum and usually payment is dictated by attendance of the members. At a point where a conflict of interest is suspected, for instance, where a committee member's application is being discussed, the committee by practice asks the member to excuse himself/herself from the meeting as the matter is discharged without any reference to the applicant.

I take this opportunity to thank the County Assembly for the continued support to adequately

Sustain the funds. Further, I thank the scheme loan committee for their commitment in

Appropriating the funds.



Elijah Chiwe

Chairperson of the Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

6. Report of the Fund Administrator

It is my modest duty to forward the yearly report for the Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund Report. The mortgage scheme particularly enables government's realisation of the housing agenda. The establishment and operationalisation of the scheme has resonated well with the government's endeavour to provide affordable housing.

This is the second year of the fund being operational. The scheme operates as a revolving fund thus doesn't have a budget. The fund received a total of Kshs 124,162,996 since inception. The Scheme has successfully admitted thirty (30) staff members to the Marsabit county assembly staff car loan and mortgage schemes, Two (2) for car and twenty eight (28) for mortgage facilities.

The most evident challenge has been the low uptake of the facility by staff. The most cited reasons by staff include age, one third rule threshold and most of the land in Marsabit does not have title deeds.

I am delighted to inform you that the Committee has managed the scheme loans in a way that earns public trust and ensured effective recovery of the advanced loans in a timely manner.

Thirty staff members have remained with a running loan at a gross balance of Kshs 99,762,883 and earned a total of Kshs 1,691,394 as interest income for the year under review.

In administering the fund, the Fund Administrator maintained adequate financial management controls to ensure compliance, transparency and accountability. The measures were aimed at making sure that the funds are utilized prudently and included maintenance of proper accounting records. Further, the financial statement have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and represents a true and fair view of the state of affairs of the fund for the period under review. As the fund administrator, I confirm the completeness of the accounting records maintained for the fund, which have been relied upon, in the preparation of the financial statements.

I urge the current committee to continue growing the staff mortgage fund so that it is sufficient and available for all staff whenever requests are made.

Salim Kato
Fund Administrator
Marsabit County Assembly Staff Car Loan and
Mortgage Scheme Fund
18/12/2024

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

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity 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 objective of the fund is:

- (i) To provide a loan scheme for the purchase of vehicles by staff of the scheme; and
- (ii) To provide a loan scheme for the purchase, development, renovation or repair of residential property by members of the scheme. In so doing, the fund intends to facilitate Staff of County Assembly to acquire a personal means of transport that enables them to move from their area of residence to the office and have a decent shelter.

The County Assembly of Marsabit Staff Car Loan & Mortgage Scheme Fund was established by and derives its authority and accountability from Section 116 of the Public Finance Management Act (2012), The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund, 2019. The Fund is wholly owned by the County Assembly of Marsabit and is domiciled in Kenya.

The initial budget for the Staff Car Loan and Mortgage Scheme Fund is Kenya Shillings Forty Million (40M). The fund received an additional funding of Kshs 84,162,996 during the year under review. The Fund has been established in a manner that it is revolving in nature so that every staff member can benefit from the Fund. The fund has been deposited at the Kenya Commercial Bank, Marsabit branch.

During the year under review a total of Thirty (30) employees have benefited from the scheme, the fund also has earned interest income of KES 1,691,394. This has enabled Two (2) members of the scheme to purchase motor vehicles and Twenty Eight (28) for purchase , development, renovation or repair of residential property.

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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Program	Objective	Outcome	Indicator	Performance
Provision of Car Loan and Mortgage facilities to all members of staff	To ensure all staff have access to car loan and Mortgage facilities	30 staff members applied for car loan and mortgages successfully during the year	26% of staff taking car loan and Mortgage facilities	During financial year 2023/2024 30 Members of staff accessed the facility and were able build their own houses

8. Corporate Governance Statement

(i) Roles and functions

The Marsabit county assembly staff car loan and mortgage Fund Administration Committee is at the centre of good governance practice, for protection of long-term interests of all the stakeholders of the Fund. The Fund Administration Committee provides leadership, oversight to management, integrity and good judgment in directing Fund operations in the best interest of the stakeholders for continued viability and sustainability. The Fund Administration Committee is vested with powers and authority by relevant laws of Kenya, to discharge its mandate, and to effectively fulfil its corporate governance responsibility towards stakeholders. The Fund Administration Committee ensures adoption of corporate governance best practices in support of the Marsabit county assembly staff car loan and mortgage Fund vision and to provide world-class services that delight customers, create value for money and meet stakeholders' expectations.

(ii) Appointment

The Fund Administration Committee served at the Marsabit county assembly staff car loan and mortgage during the year under review was appointed in accordance with the Public Finance Management (The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund, 2019).

(iii) Induction and capacity building for Fund Administration Committee members

Members of the Fund Administration Committee regularly attend trainings on corporate governance and other relevant fields, to equip them with the knowledge that is required to effectively discharge their responsibilities.

(iv) Succession planning of the Marsabit county assembly staff car loan and mortgage Fund Administration Committee

The staff car loan and mortgage Fund Administration Committee has reliable mechanisms for developing skills of the staff car loan and mortgage Fund Administration Committee members, to ensure seamless continuity of the staff car loan and mortgage Fund business in the event some members leave the Fund. All members are prepared to assume different roles, to make them effective in various positions. As part of succession planning, Fund Administration Committee

members are assigned more than one committee, to expose them to various operations of the staff car loan and mortgage Fund.

(v) Meetings of the Staff Car Loan and Mortgage Fund Administration Committee

Dates for staff car loan and mortgage Fund Administration Committee meetings in the ensuing year are decided in advance and scheduled in an annual work plan. The Fund Administration Committee holds its regular meetings on quarterly basis to transact planned business of the staff car loan and mortgage Fund. However, special meetings of the Fund Administration Committee may be called when there is significant business to transact.

(vi) Conflict of interest

At a point where a conflict of interest is suspected, for instance, where a committee member's application is being discussed, the committee by practice asks the member to excuse himself/herself from the meeting as the matter is discharged without any reference to the applicant.

(vii) Remuneration of Staff Car Loan and Mortgage Fund Administration Committee

Fund Administration Committee members are entitled to sitting allowance for every meeting attended.

(viii) Ethical standards

Marsabit Staff Car Loan and Mortgage Fund Administration Committee is committed to ensuring that members of the Fund Management and all employees, conduct themselves with integrity and professionalism in accordance with the approved Staff Code of Conduct, and holds them individually accountable for their conduct.

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

9. Management Discussion and Analysis

Out of the process of loaning the members and in accordance with the interest rates provided in the regulations the fund generated Interest income of Kshs. 1,691,394 which did not overrun the fund administration expenses during the year thereby generating an overall surplus of Kshs. 1,682,894

The members were sensitized on their key roles and mandate on their inaugural meeting of the committee. They ensured that on application of the loan there is compliance with statutory requirements such as a third rule is complied with.

During the year under review thirty (30) staff members benefited from the fund. It is observed that the funding challenges has caused many applicants to get the available amount rather than the requested amount which was within eligible limit. The longer the car loan fund takes to be fully replenished, the more financial pressure for the applicants who will be recovered at a duration that will be shortened by the contract end date.

During the year under review the cash flows position of the fund improved from Kshs 6,259,719 as at 30th June 2023 to Kshs 24,683,542 as at 30th June 2024. Also the revolving fund balance increased from Kshs 40,000,000 to Kshs 124,162,996 due to exchequer issue amounting to Kshs 84,162,996.

During the year under review the fund disbursed a total of Kshs 72,150,000.00 As compared to the last financial year to a total of Kshs 33,600,000.00 which translates to an increase of Kshs 38,550,000.

The fund wish in the near future to disburse loans to a bigger number of Marsabit county assembly staff in order to improve lives and live hoods of its workforce.

Key Challenges

The following are the main challenges faced by the University faced during the year under review:

- a) Intense competition from Small and Micro finance Enterprises which limit loan repayment ability and therefore the members fail to take full advantage of the Car Loan Facility.
- b) Changes in financial, social and technological environments which affect financial mobilization from the government and other sources.

10. Environmental and Sustainability Reporting

1. Sustainability Strategy and Profile

Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund has made various sustainable efforts that focus on service delivery to the members of staff. The strategic area of focus for service delivery includes but not limited to:

- (i) To provide a loan scheme for the purchase of vehicles by staff of the scheme; and
- (ii) To provide a loan scheme for the purchase, development, renovation or repair of residential property by members of the scheme. In so doing, the fund intends to facilitate Staff of County Assembly to acquire a personal means of transport that enables them to move from their area of residence to the office and have a decent shelter.

2. Environmental performance

Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund works towards the Health and Safety measures that aims at prevention and protection of employees against accidents and occupational hazards arising at the workplace as well as reduce the environmental impact of the institution activities and products.

The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund has put in place measures to prevent and mitigate against accidents, explosions, fire, floods, earthquakes, bomb threats and prepared procedures to be followed in such events. There is a Fire assembly point in case of Fire and the employees have been briefed on its importance

3. Employee welfare

Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund has committed to ensuring that employee welfare is taken into consideration to ensure maximum efficiency and effectiveness. Amongst the welfare opportunities present to Marsabit County Assembly Members and Staff includes: Prompt payment of Salaries, Annual incremental of Salaries, advance of salary, subsistence & foreign allowance, acting allowance and leave allowance.

The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund also provides Medical Cover to the Members and Staff. The medical covers entail impatient, outpatient, dental, Optical Maternity as well as last expense.

The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund has also taken into consideration occupational Safety and Health by providing Occupational Benefits; Group Life Insurance, Group Personal Accident and Work Injury Benefit Act (WIBA).

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund also enjoy various workshops and training programmes intended to improve the employee performance and productivity and increase their morale.

4. Market place practices

The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund as a corporate citizen has always been guided by various rules and regulations, Acts and other government directions to run its day to day activities.

All procurement related issues are published through supplier portals to give fair competitions to suppliers following guidelines from PPOA and PFM ACT 2012.

5. Community Engagements-

The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund continually engages the general public through public participations in delivering its mandate and responsibilities. All bills, plans and policies go through public participation before being enacted. This is done through various radio stations outlets.

11. Report of the Fund Administration Committee

The fund administration committee submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of the Fund affairs.

Principal activities

The principal activity of the Fund is to lend to members the scheme loans i.e. Mortgage and Car loan. This function includes receiving of applications, appraisal of applications, committee decision, disbursement of loans, recoveries of advanced monies, monitoring and evaluation of fund performance, enforce compliance, undertake loan clearance when due, and prepare reports as required.

Results

The results of the Fund for the year ended June 30, 2024 are set out on page 1-7

Fund Administration Committee

The members of the fund administration committee who served during the year are shown on page xxi

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya 2010.

By Order of the Board



Fund Administrator Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund

Date:18/12/2024.....

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

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 Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund, 2019) 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, 2024. 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 by (The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund, 2019). 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, 2024, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

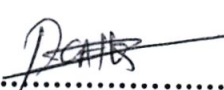
In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. OR

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

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Approval of the financial statements

Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund financial statements were approved by the Board on 18/12/ 2024 and signed on its behalf by:

~~f. ~~
.....

Salim Kate

Fund Administrator

Marsabit County Assembly Staff
Car Loan and Mortgage Scheme Fund

REPUBLIC OF KENYA

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



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

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON MARSABIT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

The three parts of the report 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

Opinion

I have audited the accompanying financial statements of Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund set out on pages 1 to 44, which comprise the

Report of the Auditor-General on Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund for the year ended 30 June, 2024

statement of financial position as at 30 June, 2024, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 section. There were no key audit matters to report in the year under review.

Other Information

The Management is responsible for the other information set out on page iii to xxiii which comprise of Key Entity Information and Management, Management team, Report of the Fund Administrator, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Fund Administration committee, Statement of Management Responsibilities and Statement of Performance Against Predetermined Objectives. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Register Charges on the Title Deeds

Statement of financial statements reflects Kshs.13,055,898 and Kshs.86,706,985 totalling Kshs.99,762,883 for current portion of long-term receivables from exchange transactions and long-term receivables from exchange transactions respectively. However, management did not register charges on properties financed from the Fund, contrary to Regulation to Regulation 27(1) of the Public Finance Management (Marsabit County Assembly Staff Car Loan and Mortgage Scheme) Regulations, 2019, which requires the board registers a charge on properties financed through loans granted under the scheme and ensures its name entered in all documents of title for such properties.

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

2. Failure to Obtain Written Authority for Pension Dues to Clear Outstanding Loans

The Statement of financial statements reflects Kshs.13,055,898 and Kshs.86,706,985 totaling Kshs.99,762,883 for current portion of long-term receivables from exchange transactions and long-term receivables from exchange transactions respectively representing all outstanding loan facilities. However, at the time of the audit, no loan applicants had provided the required written authority allowing pension dues or gratuity to be used to clear any outstanding debts in case they cease to be staff members of the County Assembly contrary to Regulation 25(3) of Public Finance Management (Marsabit County Assembly Staff Car Loan and Mortgage Scheme) Regulations, 2019, which states a member of the scheme shall be required to give prior authority in writing for pension dues or gratuity to be utilized to clear any outstanding debt in case the member of the scheme, before fully repaying the loan ceases to be a staff of the county assembly.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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


Report of the Auditor-General on Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund for the year ended 30 June, 2024

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

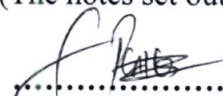
30 December, 2024

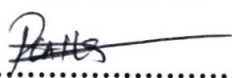
**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

14. Statement of Financial Performance for the Year Ended 30th June 2024

Description		2023/2024	2022/2023
		Ksh	Ksh
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	-	-
Fines, Penalties and Other Levies	3	-	-
Revenue From Exchange Transactions			
Interest Income	4	1,691,394	187,425
Other Income	5	-	-
		1,691,394	187,425
Total Revenue		1,691,394	187,425
Expenses			
Employee Costs	6	-	-
Use of goods and services	7	8,500	140,281
Depreciation and Amortization Expense	8	-	-
Finance Costs	9	-	-
Total Expenses		8,500	140,281
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
Surplus/(Deficit) for the Period		1,682,894	47,144

(The notes set out on pages 23 to 28 form an integral part of these Financial Statements)


 Name: Salim Nyaur Kato
 Administrator of the Fund


 Name: CPA Paul Chamo Aila
 Fund Accountant
 ICPAK Member Number: 23908

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

15. Statement of Financial Position as at 30 June 2024

Description	NO	2023/2024 Kshs	2022/2023 Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	24,683,542	6,259,719
Current Portion of Long- Term Receivables From Exchange Transactions	13	13,055,898	595,506
Accounts Receivables	14	1,446,609	187,425
Inventories	15	-	-
Investments in financial assets	16	-	-
Total current assets		39,186,049	7,042,650
Non-Current Assets			
Property, Plant and Equipment	17	-	-
Intangible Assets	18	-	-
Long Term Receivables from Exchange Transactions	13	86,706,985	33,004,494
Investment Property	19	-	-
Total non- current assets		86,706,985	40,047,144
Total Assets (A)		86,878,202	40,047,144
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	-	-
Current Provisions	21	-	-
Current Portion of Borrowings	22	-	-
Employee Benefit Obligations	23	-	-
Social benefit liabilities	24	-	-
Total current liabilities		-	-
Non-Current Liabilities			
Non-Current Provisions	21	-	-
Long Term Portion of Borrowings	22	-	-
Non-Current Employee Benefit Obligation	23	-	-


**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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		01/07/2024	30/06/2023
Social benefit liabilities	24	-	-
Total Liabilities (B)		-	-
Net Assets (A-B)		125,893,034	40,047,144
Represented By:			
Revolving Fund		124,162,996	40,000,000
Reserves		-	-
Accumulated Surplus		1,730,038	47,144
Net Assets		125,893,034	40,047,144

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 15th July 2024 and signed by:



.....
Name: Salim Nyaur Kato
Administrator of the Fund



.....
Name: CPA Paul Chamo Aila
Fund Accountant
ICPAK Member Number: 23908

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

16. Statement of Changes in Net Assets for the year ended 30th June 2024

Description	Remaining Fund	Revaluation	Accumulated	Total
		Reserve	Surplus	
	KSh	KSh	KSh	KSh
Balance As At 1 July 2022	40,000,000	-	-	40,000,000
Surplus/(Deficit) For the Period	-	-	47,144	47,144
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2023	40,000,000	-	47,144	40,047,144
Balance As At 1 July 2023	40,000,000	-	47,144	40,047,144
Surplus/(Deficit) For the Period	-	-	1,682,894	1,682,894
Funds Received During the Year	84,162,996	-	-	84,162,996
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	124,162,996	-	1,730,038	125,893,034

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

17. Statement of Cash Flows for The Year Ended 30 June 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		-	-
Interest received		-	-
Receipts from other operating activities		-	-
Total receipts		-	-
Payments			
Fund administration expenses		-	-
General expenses		8,500	140,281
Finance cost		-	-
Other payments		8,500	140,281
Net cash flows from operating activities	24	(8,500)	(140,281)
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		-	-
Loan disbursements paid out		(72,150,000)	(33,600,000)
Net cash flows used in investing activities		(72,150,000)	(33,600,000)
Cash flows from financing activities			
Proceeds from revolving fund receipts		90,582,323	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		90,582,323	-

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Net increase/(decrease) in cash & cash Equivalents		18,423,823	(33,740,281)
Cash and cash equivalents at 1 st July 2023		6,259,719	40,000,000
Cash and cash equivalents at 30 th June 2024		24,683,542	6,259,719

18. Statement Of Comparison Of Budget And Actual Amounts For The Period 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	A	b	C=(a+b)	D	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations	-	-	-	-	-	
Transfers From County Govt.	-	-	-	-	-	
Interest Income	-	-	-	-	-	
Other Income	-	-	-	-	-	
Total Income	-	-	-	-	-	
Expenses	-	-	-	-	-	
Fund Administration Expenses	-	-	-	-	-	
General Expenses	-	-	-	-	-	
Finance Cost	-	-	-	-	-	
Total Expenditure	-	-	-	-	-	
Surplus For the Period	-	-	-	-	-	
	-	-	-	-	-	
Capital expenditure	-	-	-	-	-	

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund is established by and derives its authority and accountability from section 116 of the Public Finance Management Act No 18 of 2012 (The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund, 2019) on 13th January 2019. The Fund is wholly owned by the County Assembly of Marsabit and is domiciled in Kenya.

The objective of the fund is: to provide a loan scheme for the purchase of vehicles by members of the scheme, and to provide a loan scheme for the purchase, development, renovation or repair of residential property by members of the scheme.

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 2024

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

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

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

IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply

	to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

(i) Early adoption of standards

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

Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund operates as a revolving fund therefore does not have a budget.

c) Property, plant and equipment

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

a) 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.

b) 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

Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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)

c) 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. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

Summary of 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.

d) 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.

e) 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.

f) 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

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is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

Summary of Significant Accounting Policies (Continued)

g) 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.

h) Nature and purpose of reserves

The Entity does not maintain reserves.

i) 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.

j) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

k) 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.

l) 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.

m) 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.

n) 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.

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

The management did not any 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 in the preparation of the Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund financial statements

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available.

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

6. Notes To The Financial Statements Continued

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1. Public contributions and donations

Description	2023/2024	2022/2023
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

2. Transfers from County Government

Description	2023/2024	2022/2023
	Kshs	Kshs
Transfers From County Govt. –Operations	-	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	-	-

3. Fines, penalties and other levies

Description	2023/2024	2022/2023
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	2023/2024	2022/2023
	Kshs	Kshs
Interest Income from Mortgage Loans	1,634,171	171,223
Interest Income From Car Loans	57,223	16,202
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-

Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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Total Interest Income	1,691,394	187,425
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This relates to interest income earned during the year under review from car loans and mortgage loans issued to the members of the staff.

Notes to the Financial Statements Continued

5. Other income

Description	2023/2024	2022/2023
	Kenya Sh	Kenya Sh
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

6. Employee Costs

Description	2023/2024	2022/2023
	Kenya Sh	Kenya Sh
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other (<i>Specify</i>)	-	-
Total	-	-

7. Use of Goods and Services

Description	2023/2024	2022/2023
	Kenya Sh	Kenya Sh
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	-	-

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Description	2023/2024	2022/2023
	KShs.	KShs.
Bank Charges	8,500	8,761
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	131,520
Postage And Courier	-	-
Printing And Stationery	-	-
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (<i>Specify</i>)	-	-
Social benefit expenses*		
Total	8,500	140,281

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

8. Depreciation and Amortization Expense

Description	2023/2024	2022/2023
	KShs.	KShs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

9. Finance costs

Description	2023/2024	2022/2023
	KShs.	KShs.
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

10. Gain/(loss) on disposal of assets

Description	2024/2024	2023/2023
	KSh	KSh
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

11. Gain/ (loss) on Fair Value Investments

Description	2024/2024	2023/2023
	KSh	KSh
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

12. Cash and cash equivalents

Description	2024/2024	2023/2023
	KSh	KSh
Marsabit County Assembly staff Car Loan and Mortgage Account	24,683,542	6,259,719
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	-	-
Others (<i>Specify</i>)	-	-
Total Cash And Cash Equivalents	24,683,542	6,259,719

Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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Notes to the Financial Statements Continued

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

Financial Instrument	Account number	2023/2024 KShs	2022/2023 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	1300046945	24,683,542	6,259,719
Sub- Total		24,683,542	6,259,719
d) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		24,683,542	6,259,719

13. Receivables from exchange transactions

Description	2023/2024 KShs	2022/2023 KShs
Current Receivables		
Interest Receivable	2,938,163	595,506
Current Loan Repayments Due	10,117,735	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	13,055,898	595,506
Non-Current Receivables		

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Long Term Loan Repayments Due	86,706,985	33,004,494
Total Non- Current Receivables	86,706,985	33,004,494
Total Receivables From Exchange Transactions	99,762,883	33,600,000

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	2023/2024 KSh	01/2023 KSh
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. Accounts Receivables

Description	2023/2024 KSh	2022/2023 KSh
Accounts Receivables	1,446,609	187,425
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Total	1,446,609	187,425

This amount relates to recoveries made for the months of April 2023, May 2023 and July 2024.

15. Inventories

Description	2023/2024 KSh	2022/2023 KSh

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	2023/24	2022/23
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (Specify)	-	-
Total Inventories at The Lower of Cost and Net Realizable Value	-	-

Notes to the Financial Statements Continued

16. Investments in financial assets

Description	2023/24	2022/23
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank	-	-
Bank	-	-
Sub- total	-	-
c. Equity investments (specify)		
Equity/ shares in Entity	-	-
Sub- total	-	-
Grand total	-	-

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

Movement of Equity Investments

Impairment allowance/ provision	2023/24	2022/23
At the beginning of the year	-	-

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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 the investment held	Shareholding in the year			Kshs	Kshs	Kshs
	%	%	%			
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

Notes To The Financial Statements (Continued)

17. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2022	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30th June 2023	-	-	-	-	-
At 1st July 2023					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
At 30th June 2024	-	-	-	-	-
Depreciation And Impairment					
At 1 st July 2023	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th June 2024	-	-	-	-	-
At 1st July 2023					
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-

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	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Ken	Kshs	Kshs	Kshs	Kshs	Kshs
At 30th June 2024	-	-	-	-	-
Net Book Values	-	-	-	-	-
At 30th June 2023	-	-	-	-	-
At 30th June 2024	-	-	-	-	-

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

18. Intangible assets

Description	2023/2024	
	KSh	KSh
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	2023/2024	
	KSh	KSh
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	-	-

Notes To The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

	2023/2024	2022/2023		
Trade Payables	-	-		
Refundable Deposits	-	-		
Accrued Expenses	-	-		
Other Payables	-	-		
Total Trade and Other Payables	-	-		
Ageing analysis (Trade and other payables)				
	2023/2024	% of the Total	2022/2023	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

21. Provisions

Description	2023/2024	2022/2023	Total
Balance b/f	-	-	-
Additional provisions	-	-	-
Provision utilised	-	-	-
Change due to discount and time value for money	-	-	-
Total provisions year end	-	-	-
Current Provisions	-	-	-
Non-Current Provisions	-	-	-

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Notes To The Financial Statements (Continued)

22. Borrowings

Description	2023/2024	2022/2023
	KSh	KSh
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	2023/2024	2022/2023
	KSh	KSh
External Borrowings		
Dollar Denominated Loan	-	-
Sterling Pound Denominated Loan	-	-
Euro Denominated Loan	-	-
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	2023/2024	2022/2023
	KSh	KSh
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

Notes To The Financial Statements (Continued)

23. Employee benefit obligations

Description	Defined benefit plan	Employee benefits	Other Provisions	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

24. Social Benefit Liabilities

Description	2023	2022
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)	-	-

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

25. Cash generated from operations.

Description	2023/2024	2022/2023
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	1,682,894	47,144
Adjusted For:		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	(1,691,394)	(187,425)
Finance Cost	-	-
Working Capital Adjustments		
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow From Operating Activities	(8,500)	(140,281)

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	2023/2024 KSh	2022/2023 KSh
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	2023/2024 KSh	2022/2023 KSh
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	2023/2024 KSh	2022/2023 KSh
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

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Other Disclosures Continued

e) Due to related parties

Description	2023/24	2022/23
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

27. Contingent assets and contingent liabilities

Contingent Liability	2023/24	2022/23
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

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:

	At 30 June 2023	At 30 June 2024	At 30 June 2023	At 30 June 2024
At 30 June 2023				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2024				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-

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Annual Report and Financial Statements for the year ended June 30, 2024*

Total	-	-	-	-
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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 fund has a fixed interest rate of 3% at reducing balance.

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.

Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund				
Financial Liabilities				
Contractual maturities				
At 30 June 2024				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2023				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

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Notes To The Financial Statements (Continued)

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

Description	Other currencies		Total (KSh)
	KSh	Other	
At 30 June 2024			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-

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Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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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	Effect on profit/loss		
	Change in exchange rate	Effect on profit/loss	Effect on equity
	KSh	KSh	KSh
2024			
Euro	10%	-	-
USD	10%	-	-
2023			
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 fund has a fixed interest rate of 3% at reducing balance.

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	2023/2024	2022/2023
Revaluation reserve	-	-
Revolving fund	124,162,996	40,000,000
Accumulated surplus	1,730,000	47,144
Total funds	125,893,034	40,047,144
Total borrowings	-	-
Less: cash and bank balances	24,683,542	-
Net debt/(excess cash and cash equivalents)	101,209,492	-
Gearing	80%	-

29. Events after the reporting period

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

30. Ultimate and Holding Entity

Marsabit County Assembly Staff Car Loan and Mortgage Fund is established by and derives its authority and accountability from section 116 of the Public Finance Management Act No 18 of 2012 (The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund, 2019) on 13th January 2019. The Fund is wholly owned by the County Assembly of Marsabit and is domiciled in Kenya. Its ultimate parent is the County Government of Marsabit.

31. Currency

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

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20. Annexes

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

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

Reference No. of the external audit Report	Issue	Management comment	Status: (Resolved/Not Resolved)	Timeframe: (If a date when you expect the issue to be resolved)
None	None	None	None	None

All the issues were addressed to the satisfaction of the Auditor General during the audit period, who issued unqualified audit opinion on the Financial Statements of the Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund.

Mr. Salim Nyaur Kato

Fund Administrator- Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund.

Date.....18/12/2024.....

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Annex II: Inter-Fund Confirmation Letter

The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund did not have any inter-entity transfer as at 30th June 2024

Annex III: Reporting of Climate Relevant Expenditures

The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund did not have any Reporting of Climate Relevant Expenditures as at 30th June 2024.

Annex IV: Reporting on Disaster Management Expenditure

The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund did not have any Reporting of Reporting on Disaster Management Expenditure as at 30th June 2024.