

REPUBLIC OF KENYA



Enhancing Accountability

| PAPERS LAID | |
|--------------------|--------------------------------------|
| DATE | 14/05/2024 |
| TABLED BY | Sen. Gloria Oduora, on behalf of SML |
| COMMITTEE | — |
| CLERK AT THE TABLE | Ms. Cherop |

REPORT

OF

THE AUDITOR-GENERAL

PARLIAMENT
OF KENYA
LIBRARY

ON

**WEST POKOT COUNTY ASSEMBLY STAFF CAR
LOAN AND MORTGAGE FUND**

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



WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND

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

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

WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND
Annual Report and Financial Statements for the year ended June 30, 2023

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1. Acronyms and Glossary of Terms

a) Acronyms

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

b) **Glossary of Terms**

| | |
|------|--|
| SRC | Salary and Remuneration Commission |
| CRA | Commission on Revenue Allocation |
| WPCA | West Pokot County Assembly |
| CASB | County Assembly Service Board |
| CIDP | County Integrated Development Plan |
| ADP | Annual Development plan |
| MTEF | Medium Term Expenditure Frame Work |
| CPA | Certified Public Accountant |
| IAC | Internal Audit Committee |
| PIC | Public Investment Committee |
| PAC | Public Accounts Committee |
| CBAC | County Budget and Appropriations Committee |

WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND
Annual Report and Financial Statements for the year ended June 30, 2023

2. Key Entity Information and Management

a) Background information

Mortgage and Car loan Fund is established by and derives its authority and accountability from West Pokot County Assembly staff car loan and mortgage fund Act of 20th, December, 2017. The Fund is wholly owned by the County Government of West Pokot and is domiciled in Kenya.

b) Fund Administration Committee (FAC)

| Ref | Name | Position |
|-----|-------------------|-----------------------|
| 1 | Daniel Dapamuke | Chairperson |
| 2 | Anthony Lochap | Fund administrator |
| 3 | Leonard Ptekwenyo | Member |
| 4 | Christine Chebor | Member |
| 5 | Daniel Matui | Member |
| 6 | John Takaramoi | Member |
| 7 | Francis Niwai | Member |
| 8 | Sampson Lokemer | Committee Secretariat |
| 9 | Lydia Barini | Committee Secretariat |

c) Key Management team

| Ref | Name | Position | Designation |
|-----|---------------------------------------|-------------------------|---------------------------------------|
| 1 | Fund Administrator | Anthony Ptoo Lochap | HOD Legislative & Procedural Services |
| 2 | Chairperson-Fund Management Committee | Daniel Kakosom Dapamuke | Deputy Clerk-Administrative Services |
| 3 | Fund Accountant | John Madaa Takaramoi | Principal Accounts Controller |
| 4 | Member | Christine Chebor | HOD- ICT Department |

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Key Entity and Management (Continued)

d) Fiduciary Oversight Arrangements

1.0 Internal Audit Committee (IAC)

| Ref | Position | Name |
|-----|-------------|------------------------|
| 1 | Chairperson | Dr. Grace Amurle |
| 2 | Secretary | Mr.Solomon Chemeltorit |
| 3 | Member | CPA Peter Kitur |
| 4 | Member | CPA Kepha Kebeno |
| 5 | Member | Ms. Rhoda Murpus |

1.1 Roles of Internal Audit Committee

- Review and report to the Board and the Accounting Officer financial issues and judgements made in relation to the County Assembly financial statements
- Review clarity and completeness of financial statements and disclosures in relation to applicable rules and regulations
- Monitor effectiveness of the Assemblies systems of internal controls
- Assess compliance with policies and procedures and sound business practice

2.0 Public Accounts and Investment Committee (PIC &PAC)

| SN | Position | Name |
|----|------------------|-----------------------|
| 1 | Chairperson | Hon. Patrick Lokomol |
| 2 | Vice Chairperson | Hon. Mary Joshua Mlee |
| 3 | Member | Hon. Bruno Lomweno |
| 4 | Member | Hon. David Alukulem |
| 5 | Member | Hon.Jane Mengich |

2.1 Functions of Public Accounts and Investment Committee

- Examination of the Accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think fit.
- Examination of the Reports, accounts and workings of the County public investments.

**WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND
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3.0 County Budget and Appropriations Committee (CBAC)

| SN | Position | Name |
|----|------------------|------------------------------|
| 1 | Chairperson | Hon. Wilson Chekeruk |
| 2 | Vice Chairperson | Hon. Francis Krop Losia |
| 3 | Member | Hon. Samuel Korinyang Timtim |
| 4 | Member | Hon. Martin Komongiro |
| 5 | Member | Hon. Esther Cheputon |
| 6 | Member | Hon. James Kapeli |
| 7 | Member | Hon. Mary Mariach |
| 8 | Member | Hon. Richard Todosia |
| 9 | Member | Hon. Marshana Cheruto |

3.1 Functions of County Budget and Appropriations Committee

- Investigate, inquire into and report on all matters related to coordination, control and monitoring of the county budget;
- Discuss and review the estimates and make recommendations to the County Assembly;

4.0 County Assembly Service Board (CASB)

| SN | Position | Name |
|----|------------------|---------------------------------|
| 1 | Chairperson | Hon. Fredrick Kaptui Limo |
| 2 | Vice Chairperson | Hon. Jacob Toungole |
| 3 | Member | Hon. David Moiben |
| 4 | Secretary | Ag. Clerk, Mr. Leonard Limareng |
| 5 | Member | Hon. Regina Nyeris |
| 6 | Member | Hon. Jackson Korikwangan |

4.1 Functions of County Assembly Service Board

The functions of County Assembly Board are provided in County Assembly Service Act, 2017

Registered Offices

West Pokot County Assembly
P.O. Box 6- 30600

County Assembly Building
Kapenguria, KENYA

e) Fund Contacts

Telephone: (254) 717686047
E-mail: Anthony.Lochap@westpokotassembly.go.ke
Website: www.westpokotassembly.go.ke

f) Fund Bankers

The Co-operative bank of Kenya
Kapenguria Branch
P.O. Box 341-30600
ACK St. Andrews Buildings
Makutano Trading Centre
Kapenguria, KENYA.

g) Independent Auditors






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

h) Principal Legal Adviser





The County Attorney
West Pokot County Assembly
P.O. Box 6-30600
County Assembly Buildings
Kapenguria, Kenya

**WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND
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3. Fund Administration Committee (Corporate Governance Body for the Fund)





| Name | Details of qualifications and experience |
|---|---|
| <p>1. ANTHONY PTOO LOCHAP</p>  | <ul style="list-style-type: none"> ❖ Date of Birth:02.04.1978 ❖ M. ED (CHILD STUDY & EARLY EDUCATION) ❖ .B ED (ARTS) ❖ PRINCIPAL CLERK ASSISTANT FOR 10 YEARS. ❖ EDUCATION OFFICER FOR 7 YEARS. ❖ TEACHER HIGH SCHOOL FOR 6 YEARS |
| <p>2. DANIEL KAKOSOM DAPAMUKE</p>  | <ul style="list-style-type: none"> ❖ Date of Birth:24.05.1977 ❖ MBA (STRATEGIC MANAGEMENT -ONGOING) ❖ B. ED (ARTS) ❖ Ag. CLERK-2YEARS ❖ DIRECTOR -ADMINISTRATION SERVICES-2YEARS ❖ DEPUTY CLERK ADMIN.3YEARS. ❖ PRINCIPAL CLERK ASSISTANT-3YEARS ❖ CO-OPERATIVE OFFICER - 7 YEARS. |
| <p>3. JOHN MADAA TAKARAMOI</p>  | <ul style="list-style-type: none"> ❖ Date of Birth :12th April.1978 ❖ BACHELOR DEGREE -B.COM (ACCOUNTS) ❖ DIPLOMA ACCOUNTS. ❖ CPA ADVANCED. ❖ DIPLOMA IN FINANCIAL MANAGEMENT ❖ SENIOR INTERNAL AUDITOR 1 Year. ❖ SENIOR ACCOUNTS CONTROLLER 4 YEARS. ❖ PRINCIPAL ACCOUNTS CONTROLLER. (5YRS) |
| <p>4. CHRISTINE CHEBOR</p>  | <ul style="list-style-type: none"> ❖ Date of Birth:07.01.1982 ❖ BACHELOR DEGREE- INFORMATION. ❖ ICT OFFICER ❖ TEACHER |
| <p>5. DANIEL MATUI</p>  | <ul style="list-style-type: none"> ❖ Date of Birth:10.10.1982 ❖ KENYA SCHOOL OF LAW –DIPLOMA ❖ 2.LL.B. MOI UNIVERSITY ❖ Principal Legal Counsel 3Years ❖ SENIOR LEGAL COUNSEL 6 YEARS |

**WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND
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| | |
|---|--|
| <p>6. FRANCIS LNIWAI</p>  | <ul style="list-style-type: none"> ❖ Date of Birth:01.01.1984 ❖ MBA HUMAN RESOURCE -2014 ❖ BACHELOR'S DEGREE-TOURISM MANAGEMENT-2009 ❖ DIPLOMA -HUMAN RESOURCE DEVELOPMENT-2005 ❖ PROFESSIONAL COURSE-CHRP-K. 2022 ❖ PAYROLL MANAGER-7YEARS ❖ HUMAN RESOURCE OFFICER-2YEARS. |
|  <p>7. LEONARD PTEKWENYO</p> | <ul style="list-style-type: none"> ❖ Date of Birth:25.01.1985 ❖ BACHELOR'S DEGREE-EDUCATION SCIENCE (MATHEMATICS AND CHEMESTRY) ❖ SENIOR CLERK ASSISTANT-4YEARS ❖ FIRST CLERK ASSISTANT-4YEARS ❖ SECOND CLERK ASSISTANT-2YEARS |
| <p>8. SAMPSON LOKEMER</p>  | <ul style="list-style-type: none"> ❖ Date of Birth: 23.05.1971 ❖ BAHELORS DEGREE-BBM (FINANCE & BANKING) ❖ DIPLOMA IN BUSINESS MANAGEMENT (DBM) ❖ INFORMATION TECHNOLOGY ❖ SENIOR FISCAL ANALYST-3YEARS ❖ INTERNAL AUDITOR-1YEAR ❖ FISCAL ANALYST-5YEARS |
| <p>9. LYDIA BARINI</p>  | <ul style="list-style-type: none"> ❖ Date of Birth:13.06.1975 ❖ DIPLOMA IN SECRETARIAL- ❖ OFFICE ADMINISTRATOR-1YEAR ❖ HANSARD REPORTER-4YEARS ❖ OFFICE ADMINISTRATOR-5YERAS |

**WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND
Annual Report and Financial Statements for the year ended June 30, 2023**

4. Board/ Management Team

| Name | Details of qualifications and experience |
|--|---|
| <p>1. ANTHONY PTOO LOCHAP</p>  | <ul style="list-style-type: none"> ❖ Date of Birth: 02.04.1978 ❖ M. ED (CHILD STUDY & EARLY EDUCATION) ❖ B ED (ARTS) ❖ PRINCIPAL CLERK ASSISTANT FOR 10 YEARS. ❖ EDUCATION OFFICER FOR 7 YEARS. ❖ TEACHER HIGH SCHOOL FOR 6 YEARS |
| <p>2. DANIEL KAKOSOM DAPAMUKE</p>  | <ul style="list-style-type: none"> ❖ Date of Birth: 24.05.1977 ❖ MBA (STRATEGIC MANAGEMENT -ONGOING) ❖ B. ED (ARTS) ❖ Ag. CLERK-2YEARS ❖ DIRECTOR -ADMINISTRATION SERVICES-2YEARS ❖ DEPUTY CLERK ADMIN.3YEARS. ❖ PRINCIPAL CLERK ASSISTANT-3YEARS ❖ CO-OPERATIVE OFFICER - 7 YEARS |
| <p>3. JOHN MADAA TAKARAMOI</p>  | <ul style="list-style-type: none"> ❖ Date of Birth: 12th April.1978 ❖ BACHELOR DEGREE -B.COM (ACCOUNTS) ❖ DIPLOMA ACCOUNTS. ❖ CPA ADVANCED. ❖ DIPLOMA IN FINANCIAL MANAGEMENT ❖ SENIOR INTERNAL AUDITOR 1 Year. ❖ SENIOR ACCOUNTS CONTROLLER 4 YEARS. ❖ PRINCIPAL ACCOUNTS CONTROLLER. (5YRS) |
| <p>5. CHRISTINE CHEBOR</p>  | <ul style="list-style-type: none"> ❖ Date of Birth: 07.01.1982 ❖ BACHELOR DEGREE- INFORMATION. ❖ ICT OFFICER ❖ TEACHER ❖ INFORMATION TECHNOLOGY |

WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND
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6. SAMPSON LOKEMER

- ❖ **Date of Birth:23.05.1971**
- ❖ **BAHELORS DEGREE-BBM (FINANCE & BANKING)**
- ❖ **DIPLOMA IN BUSINESS MANAGEMENT (DBM)**
- ❖ **SENIOR FISCAL ANALYST-4YEARS**
- ❖ **NTERNAL AUDITOR-1YEAR**
- ❖ **FISCAL ANALYST-5YEARS**

WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND
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7. Fund Chairperson's Report

Forward

The West Pokot County Assembly Staff Car loan and Mortgage fund was established in the year 2017 under an Act of County Assembly (West Pokot County Assembly Staff Car Loan and Mortgage Act.2017 in accordance with the SRC Circular; **Ref. NO.SRC/ADM/CIR/1/13 Vol.111 (128)** dated **17th December,2014**

The West Pokot County Assembly Officers shall continue benefiting from the Car Loan and Mortgage fund to purchase cars and access Mortgages facilities over the medium term.

The County Assembly Staff that are benefiting from this scheme are the officers who are employed under permanent and pensionable terms.

During the year under review, the fund did not experience any changes in regards to the management team.

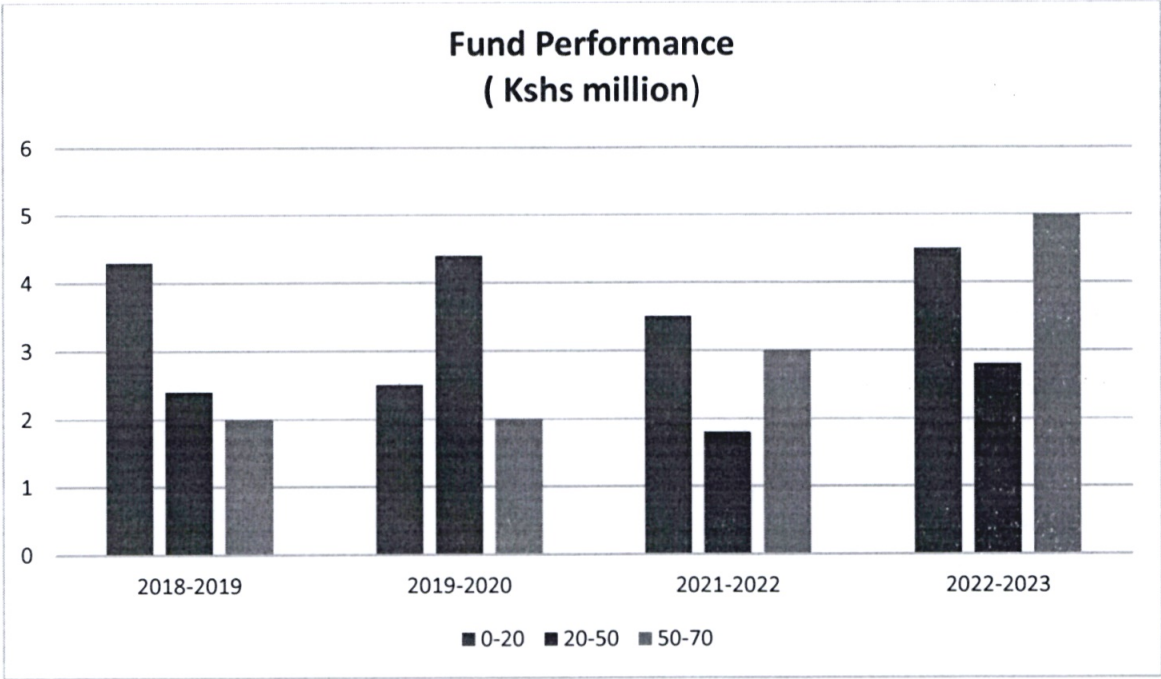
In reviewing the fund performance, the budget for the fund for FY2017-2023 is expected to have revolved to Kshs300 million as compared to the actual budget as at the closure of financial year of FY 2022-2023 that showed the revolving fund at Khs184,250.000.00.

Revolving Fund

FY2018-2023

| SR.NO | YEAR | Budget Kshs | Actual Kshs |
|--------------|--------------|------------------------|------------------------|
| 1 | 2017-2018 | 50,000,000 | 50,000,000 |
| 2 | 2018-2019 | 50,000,000 | 20,000,000 |
| 3 | 2019-2020 | 50,000,000 | 32,250,000 |
| 4 | 2020-2021 | 50,000,000 | - |
| 5 | 2021-2022 | 50,000,000 | 20,000,000 |
| 6 | 2022-2023 | 50,000,000 | 62,000,000 |
| | Total | 300,000,000 | 184,250,000 |

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The above chart and the table indicate that the Fund did not receive Kshs208, 950,000 as per the approved Budget because of insufficient funds in the budget over the medium term (MTEF) periods.

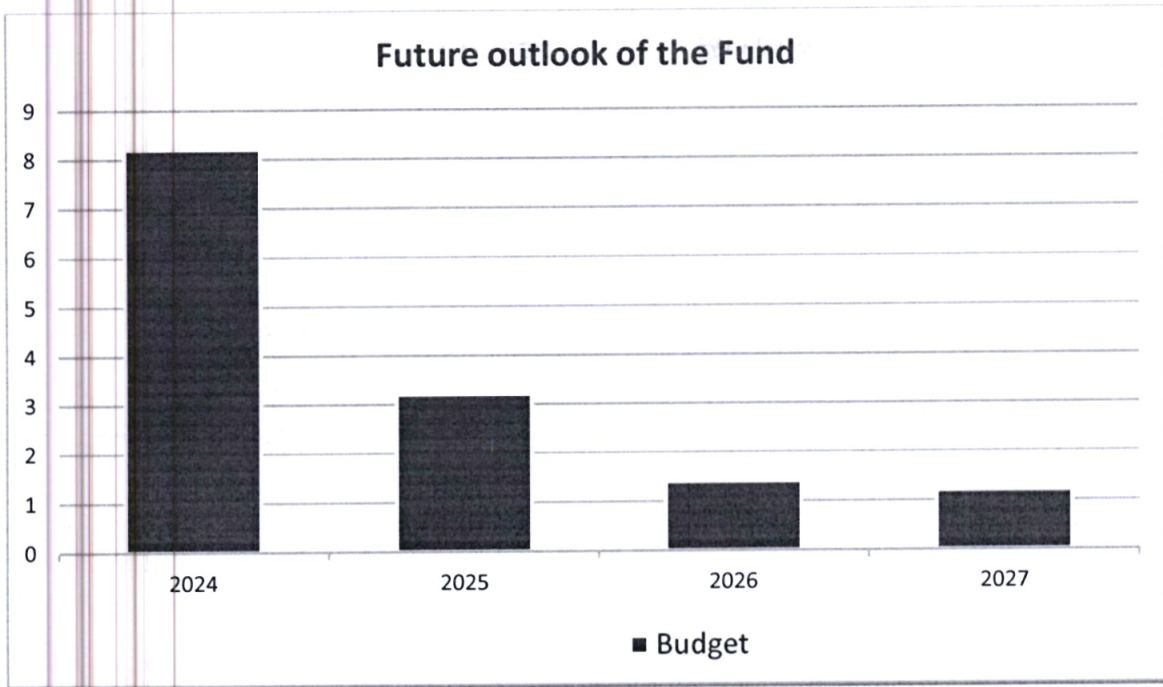
Future out Look of the Fund

| Financial Year | No. of Staff Beneficiaries | Budget |
|----------------|----------------------------|--------------------|
| 2023-2024 | 20 | 100,000,000 |
| 2024-2025 | 20 | 100,000,000 |
| 2025-2026 | 20 | 100,000,000 |
| 2026-2027 | 20 | 100,000,000 |
| Total | 80 | 400,000,000 |

The above table shows the projection of the fund Budget for the coming five years from FY 2023-2027 as per the West Pokot County Integrated Development Plan (CIDP) for FY 2023-2027

The plan provides that **20** staff will be benefiting from **Kshs100million** in each financial year. It is expected that based on the availability of budgetary allocation all members of staff will have benefited by the end of financial year 2027 as per the plan.

**WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND
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Conclusion

I wish to take this opportunity to thank the members of the Management Committee of West Pokot County Assembly Staff Car Loan and Mortgage Fund for their dedication in the public service and good governance to the Fund.

I wish also to register appreciation to the Office of the Speaker and the Clerk of County Assembly for their maximum support they gave to the Committee during the financial year under consideration. And finally, I wish to thank the County Executive Committee Member for Finance for allowing the creation of this fund that will immensely benefit the members of staff of West Pokot County Assembly.

Name DANIEL DARAMUCE Date 11-1-2024

Signature: [Handwritten Signature]



Chairperson of the Fund Administration Committee

8. Report of The Fund Administrator

The West Pokot Staff Car loan and Mortgage Fund was established by an *Act* of West Pokot County Assembly on the 20th December 2017. The Act was informed by a circular from the salaries and remuneration commission ref No. **SRC/ADM/CIR/1/13 VOL.III (128)** dated 14th December, 2014 which in its vision saw that public officers need/expect to benefit from government funded loans to purchase cars and access mortgage facilities at lower rates which will immensely contribute towards attraction and retention of requisite skills in the public service in line with the constitutional principles under Article 230(5) of the constitution.

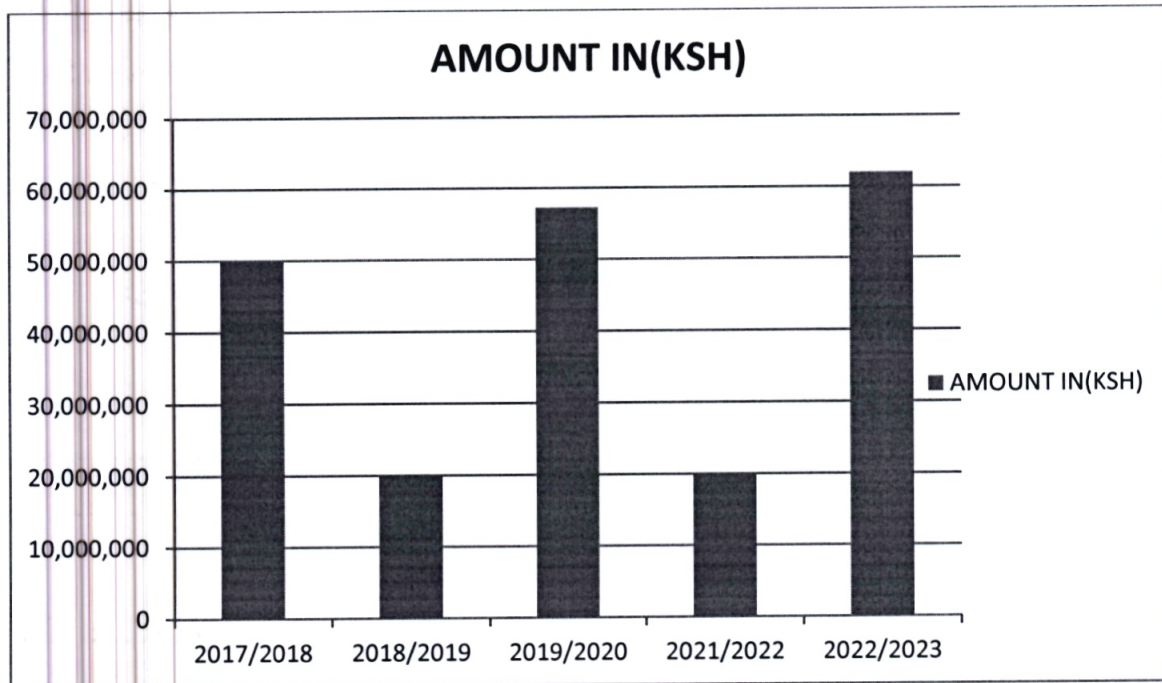
The fund was further informed of its operationalization by the appointment of the fund Administrator by the County Executive Committee Member (CECM) for Finance and Economic vide a letter ref: **WPC/ASSEM/VOL.1/(24)** as required by Public Finance Management (PFM) Act, 2012, Section 116.

The management committee has disbursed to date a total sum of Ksh.184, 250,000 to fifty-Seven (57) beneficiaries as shown below: -

1. 2017/2018 Financial year = 50,000,000/=
 2. 2018/2019 Financial year = 20,000,000/=
 3. 2019/2020 Financial year = 32,250,000/=
 4. 2021/2022 Financial year = 20,000,000/=
 5. 2022/2023 Financial year = 62,000,000/=
- TOTAL 184,250,000/**

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The graph below shows the disbursements of the fund.



WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND
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Budget Performance for the year ended 30 June,2023

| Details | Budget | Budget | Actual | Actual | Variance | % |
|---|----------------------------|--------------------|--------------------|--------------------|--------------------|------------|
| INCOME | FY 2022-2023 (Kshs) | FY2022-2023 | FY2022-2023 | FY2022-2023 | FY2022-2023 | |
| Interest Income | - | 3,500,000.00 | 5,381,035 | 3,062,797 | 2,318,238 | 57% |
| Transfers from the County Government | - | 100,000,000 | 62,000,000 | 62,000,000 | - | 100% |
| Proceeds from loan Principal Repayments | - | 10,000,000 | 10,015,107 | 10,015,107 | .(15,107) | 100% |
| TOTAL INCOME | | 113,500,000 | 77,396,142 | 75,077,904 | 318,238 | 99% |
| EXPENSES | | | | | | |
| Car Loan and Mortgage | 100,000,000 | | | 66,420,000 | 33,580,000 | 66% |
| Repayments on loan Borrowings-Trade Payables | 10,600,000 | | | 10,600,000 | - | 100% |
| Committee sittings | - | | | | | |
| Telephone, & Mobile Phones Air time | - | | | | | |
| Courier and Postal Services | 100,000 | - | - | - | 100,000.00 | - |
| Travel Costs (Airlines, Bus, Railway) | 200,000 | - | - | 189,000 | 11,000.00 | 95% |
| Travel Costs/accommodation - Domestic Travel | 2,850,000 | - | - | 2,752,000 | 98,000.00 | 97% |
| Printing costs | - | | | | | |
| Hire of Training Facilities and Equipment | 130,000 | - | - | 103,700 | 26,300.00 | 80% |
| Catering Services | - | | | | | |
| Supplies and Accessories for Computers & Printers | - | | | | | |
| Refined Fuels & Lubricants | - | | | | | |
| Bank Charges | 20,000 | | | 18,097 | 1,904 | 90% |
| Maintenance of Office Furniture and Equipment | 100,000 | | | | 100,000.00 | - |
| Maintenance of Computers, Software, and Networks | - | | | | | |
| Purchase of Office Furniture and Fittings | - | | | | | |
| TOTAL EXPENSES | 114,000,000 | | | 80,082,797 | 33,917,204 | 70% |

**WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND
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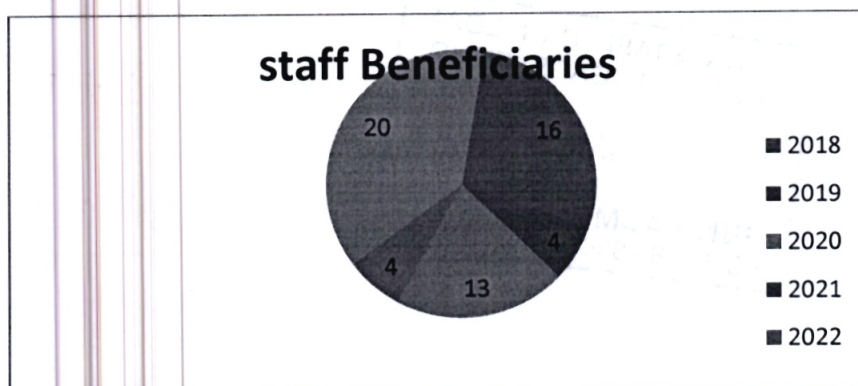
The Budget performance for the year ended 30 June,2023 indicates that the Fund received a total of Kshs77,396,142.27 comprising of Ksh62,000,000 from exchequer release and Kshs 15,396,142.27 from loan repayments against the budgeted amount from the income sources of Kshs113,500,000, translating to 68.19% of the receipts during the year under review.

The Actual expenditure for the year ended 30 June, 2023 was Kshs 80,082,796.61 translating to 70.25% absorption rate.

The Management Committee shall continue issuing Mortgage loans over the medium term until all the staff benefits, thereafter the next programme to be implemented is the Car loan scheme.

**Mortgage Disbursed FY 2017-2023
Out of 100 Staff**

| Year | No. Staff Beneficiaries | Amount | Percentage (%) |
|--------------|-------------------------|--------------------|----------------|
| 2018 | 16 | 50,000,000 | 16 |
| 2019 | 4 | 20,000,000 | 4 |
| 2020 | 13 | 32,250,000 | 13 |
| 2021 | 0 | 0 | 0 |
| 2022 | 4 | 20,000,000 | 4 |
| 2023 | 22 | 62,000,000 | 20 |
| Total | 57 | 184,250,000 | 57 |



The management committee encountered several challenges in its management of the fund over the medium term (MTEF), which include and not limited to: -

- a) Little budgetary allocation by the County Assembly service board (CASB)
- b) Delays of disbursement to the fund by the National Treasury.
- c) Difficulties in charging some of the properties due to lack of land adjudication in parts of West Pokot County.
- d) Alignment of the requirements of the fund Act with other statutory instruments

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To address some of the challenges mentioned above the committee is exploring several strategies which include: -

a). The management committee is in the process of amending the West Pokot County Assembly

Staff Car loan and Mortgage Act 2017, to suit the emerging needs and to address challenges arising from its implementation.

b). Engaging other financial institution to borrow and invest so as to grow the portfolio, as Envisaged by the Act.

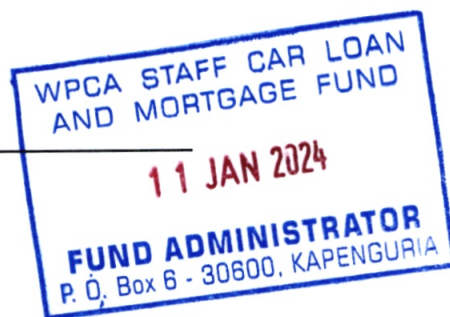
c). Inter borrowing from the sister fund (Members Fund)

For the purposes of smooth disbursement of the funds, the West Pokot County Assembly Staff Car loan and Mortgage Management committee competitively, through the procurement process sourced services from the co-operative bank of Kenya-Kapenguria branch to be the financial agent. Further the committee also through the expression of interest and the procurement process identified the service provider's i.e. valuer, insurer and legal experts. To be precise the providers' entity were as follows.

1. Valuer - PAVIDA VALUARS.
2. Legal Providers. -PHILLIP MAGAL & CO.ADVOCATES
3. ICEA lion's- Insurer.

Signed: _____

Anthony Ptoo Lochap.



**WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND
Annual Report and Financial Statements for the year ended June 30, 2023**

9. 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 management committee have planned to implement one programme of issuing Mortgage loans to the staff as per the CIDP 2023-2027.

The key development objectives of the West Pokot County Government for FY 2022-2023 Annual Development plan are to:

- a) Provide housing to staff and state officers.
- b) Provide Policies and legislations that will guide the County Government development priorities over the medium term.

10. Progress on attainment of Strategic development objectives from West Pokot County Assembly

| Programme 1 | Objective | Outcome | Indicator | Performance |
|---|--|--|---|---|
| Provision of Mortgage facilities to all members of staff | To ensure all staff have access to Mortgage facilities | 22 Number of mortgages successfully applied. | 22% of staff took Mortgage facilities of 100 staff. | During FY2022-2023 22 Members of staff accessed the facility and were able to buy and build their own houses |

11. Corporate Governance Statement

The number of Board/Trustee meetings held and the attendance to those meetings by members,

During the period under review the West Pokot County Assembly Staff Car Loan and Mortgage Management Committee held a total of ten (10) sittings to disburse a total of Kshs 66,332,156.70 (Sixty-Six Million three hundred thirty-two thousand one hundred fifty-six seventy cents only) to twenty-two (22) staff beneficiaries in the financial year ended June 30,2023.

The West Pokot County Assembly Staff Car Loan and Mortgage Act,2017 Section 8 (3)(4) provides that the quorum for meetings of the Committee shall be the chairperson and any other three members and the decisions of the committee shall be by a simple majority and in the case of a tie, the chairman shall have a casting vote.

The average attendance of the meetings was between **75% -87.5%** majority of the members were present in those meetings.

1. succession plan.

The succession plans are provided in the West Pokot County Assembly Staff Car Loan and Mortgage Act,2017

2. Existence of a board/trustee charter.

The Management Committee charter shall be provided when the staff Act. shall be amended and adopted by the County Assembly.

3. process of appointment and removal of Management Committee

Section 8 (1) of West Pokot County Assembly staff Car Loan and Mortgage Act,2017 provides the establishment of the loans Management Committee.

4. Roles and functions of the Management Committee

West Pokot County Assembly staff Car Loan and Mortgage Act, 2017 Section 8(5) provides the functions and the responsibility of the Management Committee.

5. induction and training,

The Management Committee have been so far trained twice since the establishment of the fund by The Kenya National Audit (KENAO) and Office of the Controller of Budget (OCOB). In the subsequent years, the Committee will continue having more inductions and trainings for the proper management of the Fund.

6. Management Committee and member performance,

The performance of the management Committee is remarkable based on the number of the staff beneficiaries that have benefited from the fund and the proper management of the fund as per the legal provision of the Act.

The Committee has issued loans to 58 Staff out of **100** that are under permanent and pensionable terms translating to **58%** which is more than half of the members. Each member of the staff that has benefited from the fund have now own lands and homes thus the objective of the fund as per the recommendations of the Salaries and Remuneration Commission (**SRC**) has been met.

7. conflict of interest,

The Management Committee has never had any conflict of interests since the composition of the membership consists of only staff that are under permanent and pensionable terms. The Members of County Assembly were not included as members because of their oversight role that they provide to the fund.

8. Management Committee remuneration

The Committee remunerations or administrations costs are obtained from the fund at the rate of 3% on the interest earned from the fund. Other sources are the funds appropriated by the West Pokot County Assembly in each financial year. The Committee sits and approve the Budget and activities to be undertaken in each financial year.

9. Ethics and conduct as well as governance Audit

The Management Committee upholds the five principles code of ethics which are (i) Integrity (ii) (iii) Objectivity, (iv) Professional Compliance and due care. (v) Confidentiality and professional behaviour.

The Committee is ethical in the sense that it complies to the provisions of Section 47 of the Public Audit Act, 2015 by termly submission of the Financial Statements to the Auditor-General in each Financial Year.

12. Management Discussion and Analysis

Operational and Financial Performance of the fund

(a) Operation

During the financial year ending June 30,2023 the Management Committee provided good guidelines to enhance efficiency and proper management of the Fund .by planning well and scheduling committee sittings on monthly and quarterly basis.

On the basis of first come, first served as provided in the WPCA Staff Car Loan and Mortgage Act, 2017, the applicants are well guided on how to apply for the fund. The applicants are controlled by the securities that are required for a beneficiary to provide e.g. the Tittle Deeds for the Mortgage and a log book for a motor vehicle.

Once the requisitions are made from the National Treasury by the County Assembly, the management sits immediately and disbursements of funds to the beneficiaries are done promptly.

The process of Valuations and charging of the Tittle deeds by the Valuer and legal service providers respectively are also executed promptly.

(b) Financial Performance of the Fund

During the year under review, the revolving fund stood at Kshs184,250,000 up from Kshs122,250,000 in the previous financial year for FY 2021-2022 resulting to an increase of Kshs62, million translating to 33.65%

The health growth of the fund is attributed to an additional allocation in the budget of Kshs42,000,000 for FY 2022-2023 and a rollover amount of Kshs20 Million that was not received in the FY 2021-2022

The Fund also receives a monthly repayment of Kshs1.3million per month totalling to approximately Kshs15.6million per annum that are disbursed to the beneficiaries.

During the year under review, the fund earned an interest of Kshs5, 381,035. as compared from the previous financial year (2021-2022) that had an interest of Kshs3,977,035. translating to an increase of 26.1%

(c) Funds Compliance with Statutory Requirements

The West Pokot County Assembly Staff Car Loan and Mortgage Fund has met the legal statutory requirement of creation of a fund since it was created by an Act of parliament-(West Pokot County Assembly Staff Car Loan and Mortgage Act,2017) that was passed by the County Assembly on December 2017 in line with Public Finance Management Act,2012 Section 116. It is also in line with Circular from the Salary and Remuneration Commission (SRC) that was issued on 17th December,2014.

(c) Major Risks Facing the Fund

The following are key risks facing the Fund;

- Lack of enough allocation of funds from the County Budget to be disbursed to the Staff beneficiaries at once. The commission on Revenue Allocation (CRA) should consider allocating additional funds in phases to County Assemblies for Car Loans and Mortgages for the staff since this is a non-Ceiling item.
- Delay in processing Car Loan and Mortgage funds during requisitions from the National Treasury since the vote book for each financial year is divided on Quarterly basis. It is not possible to request these funds at once.

(d) Financial Obligations for the Fund

During the year under review, the West Pokot County Assembly Staff Car Loan and Mortgage Fund did not have any pending bills as at June,30, 2023

The Management Committee ensured that the service providers like the Legal and valuer were paid on time after providing their services to the fund.

WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND
Annual Report and Financial Statements for the year ended June 30, 2023

13. Report of the Trustees/ Management team

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

Principal activities

The principal activities of the Fund shall continue;

- To provide housing loan facilities to staff for purpose of either purchasing or construction of residential houses.
- To develop housing units for sale and rentals for staff and
- To raise funds for implementation of the above objectives.

Results

The results of the Fund for the year ended June 30, 2023 are set out on page 17 to 40 in the financial statements

Management team

The members of the Board of Trustees/Management team who served during the year are shown on page (viii-xi)

Auditors

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

By Order of the Board/ Management Committee

SANIA DAPAM VICE

Name: *Danke*

Chair of the Fund Administration Committee

Date: *27.9.2023*



WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND
Annual Report and Financial Statements for the year ended June 30, 2023

14. 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 West Pokot County Assembly Staff Car Loan and Mortgage Act, 2017 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the West Pokot County Assembly staff Car Loan and Mortgage Act, 2017. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2023, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

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

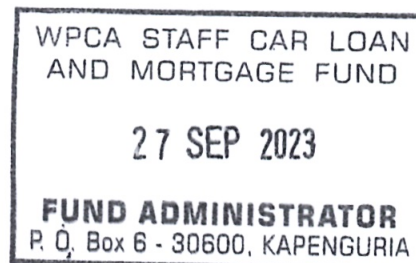
Approval of the financial statements

The Fund's financial statements were approved by the Board on **27th September, 2023** and

signed on its behalf by:

.....
[Signature]

Administrator of the County Public Fund



REPUBLIC OF KENYA

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



Enhancing Accountability

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of West Pokot County Assembly Staff Car Loan and Mortgage Fund set out on pages 1 to 36, which comprise the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement

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

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of West Pokot County Assembly Staff Car Loan and Mortgage Fund as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with West Pokot County Assembly Staff Car Loan and Mortgage Fund Act, 2017 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Misstatement of Long-Term Receivables from Exchange Transactions

The statement of financial position reflects long-term receivables from exchange transactions of Kshs.192,090,985. However, there was no disclosure of the receivables that shall become due or are due in the next 12 months (current portion of long-term receivables) after the reporting date. This is contrary to paragraph 76(c) of the International Public Sector Accounting Standards No. 1 that requires amounts expected to be received in the next twelve months after the reporting date to be classified as current assets

Under the circumstances, the accuracy and classification of the long-term receivables from exchange transactions balance of Kshs.192,090,985 could not be confirmed.

2. Unconfirmed Revolving Fund Receipts

The statement of cash flows reflects revolving fund receipts of Kshs.62,000,000 and comparative amount of Kshs.20,000,000. However, the county assembly records reflects current year transfers of Kshs.90,000,000 and comparative amount of Kshs.42,000,000 resulting to unreconciled variances of Kshs.28,000,000 and Kshs.22,000,000 respectively. No reconciliations between the Fund and the County Assembly records were provided for audit.

In the circumstances, it was not possible to confirm the accuracy and completeness of the revolving fund receipts of Kshs.62,000,000 and the comparative amount of Kshs.20,000,000.

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

Key Audit Matters

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

Other Information

The Management is responsible for the other information set out on page iv to xxxiii which comprise of Key Entity Information and Management, Fund Administration Committee, Management Team, Fund Chairperson's Report, Report of the Fund Administrator, Statement of Performance Against the Fund's Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Report of the Trustees and Statement of Management Responsibilities.

The other Information does not include the financial statements and my audit report thereon.

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 USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, 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 overall governance were not effective.

Basis for conclusion

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

Responsibilities of the Management and the Fund Administration Committee

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 April, 2024

**WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND
Annual Report and Financial Statements for the year ended June 30, 2023**

16. Statement of Financial Performance for the year ended 30 June, 2023

| Description | Note | 2022/2023 | 2021/2022 |
|---|------|------------------|------------------|
| | | Kshs | Kshs |
| Revenue From Non-Exchange Transactions | | | |
| Public Contributions and Donations | 1 | - | - |
| Fines, Penalties and Other Levies | 3 | - | - |
| Revenue From Exchange Transactions | | | |
| Interest Income | 4 | 5,381,035 | 3,977,035 |
| Other Income | 5 | | |
| Total Revenue | | 5,381,035 | 3,977,035 |
| Expenses | | | |
| Employee Costs | 6 | | |
| Use of goods and services | 7 | 3,062,797 | 3,672,330 |
| Depreciation and Amortization Expense | 8 | | |
| Finance Costs | 9 | | |
| Total Expenses | | 3,062,797 | 3,672,330 |
| Other Gains/Losses | | | |
| Gain/Loss on Disposal of Assets | 10 | | |
| Gain /Loss on fair value of investments | 11 | | |
| Surplus/(Deficit) for the Period | | 2,318,238 | 304,705 |

The notes set out on pages 17 to 40 form an integral part of these Financial Statements

.....
 Name: ANTHONY PTOO LOCHAP
 Administrator of the Fund

WPCA STAFF CAR LOAN
AND MORTGAGE FUND

11 JAN 2024

FUND ADMINISTRATOR
 P. O. Box 6 - 30600, KAPENGURIA

.....
 Name: KISANI AMOS
 Fund Accountant
 ICPAK Member Number: 29212

WPCA STAFF CAR LOAN
AND MORTGAGE FUND

11 JAN 2024

FUND ACCOUNTANT
 P. O. Box 6 - 30600, KAPENGURIA

WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND
Annual Report and Financial Statements for the year ended June 30, 2023

17. Statement of Financial Position as at 30th June 2023

| Description | Note | FY 2022/2023 | FY 2021/2022 | FY 2021/2022 |
|--|------|--------------------|---|--------------------|
| | | Kshs | Re-instated Opening Balance (Kshs) | K27/0sh |
| Assets | | | | |
| Current Assets | | | | |
| Cash and Cash Equivalents | 12 | 104,540 | 2,703,352 | 2,703,352 |
| Current Portion of Long- Term Receivables From Exchange Transactions | 13 | - | - | - |
| Prepayments | 14 | - | - | - |
| Inventories | 15 | - | - | - |
| Investments in financial assets | 16 | -- | - | - |
| Total current assets | | 104,540 | 2,703,352 | 2,703,352 |
| Non-Current Assets | | | | |
| Property, Plant and Equipment | 17 | - | - | - |
| Intangible Assets | 18 | - | - | - |
| Long Term Receivables from Exchange Transactions | 13 | 192,090,985 | 135,773,935 | 130,451,354 |
| Investment Property | 19 | - | - | - |
| Total non- current assets | | 192,090,985 | - | - |
| Total Assets | | 192,195,525 | 138,477,287 | 133,154,706 |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Trade and Other Payables from Exchange Transactions | 20 | - | 10,600,000 | 10,600,000 |
| Current Portion of Borrowings | 21 | - | - | - |
| Employee Benefit Obligations | 22 | - | - | - |
| Social benefit liabilities | 23 | - | - | - |
| Total current liabilities | | - | 10,600,000 | 10,600,000 |
| Non-Current Liabilities | | | | |
| Long Term Portion of Borrowings | 21 | - | - | - |
| Non-Current Employee Benefit Obligation | 22 | - | - | - |
| Social benefit liabilities | 23 | - | - | - |
| Total Liabilities | | - | 10,600,000 | 10,600,000 |
| Net Assets | | 192,195,525 | 127,877,287 | 122,554,706 |

WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND
Annual Report and Financial Statements for the year ended June 30, 2023

| Description | Note | FY 2022/2023 | FY 2021/2022 | FY 2021/2022 |
|---|------|--------------------|------------------------------------|--------------------|
| | | Kshs | Re-instated Opening Balance (Kshs) | K270sh. |
| Revolving Fund | | 184,250,000 | 122,250,000 | 122,250,000 |
| Reserves | | | - | |
| Accumulated Surplus | | 7,945,525 | 5,627,287 | 5,627,287 |
| Total Net Assets and Liabilities | | 192,195,525 | 127,877,287 | 122,554,706 |

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 **27th September, 2023** and

signed by:

Anthony Pto
 Name: **ANTHONY PTO LOHAP**
 Administrator of the Fund

Kusankh Amos
 Name: **29212**
 Fund Accountant **KUSANKH AMOS**
 ICPAK Member Number:

WPCA STAFF CAR LOAN
 AND MORTGAGE FUND
27 SEP 2023
FUND ADMINISTRATOR
 P. O. Box 6 - 30600, KAPENGURIA

WPCA STAFF CAR LOAN
 AND MORTGAGE FUND
27 SEP 2023
FUND ACCOUNTANT
 P. O. Box 6 - 30600, KAPENGURIA

WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND
Annual Report and Financial Statements for the year ended June 30, 2023

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

| Description | Revolving Fund | Revaluation Reserve | Accumulated surplus | Total |
|-----------------------------------|--------------------|---------------------|---------------------|-----------------------|
| | | Kshs | Kshs | Kshs |
| Balance As At 1 July 2021 | 102,250,000 | - | 5,322,582 | 107,572,581.70 |
| Surplus/(Deficit) For the Period | - | - | 304,705 | 304,705.48 |
| Funds Received During the Year | 20,000,000 | - | - | 20,000,000 |
| Transfers | - | - | - | - |
| Revaluation Gain | - | - | - | - |
| Balance As At 30 June 2022 | 122,250,000 | - | 5,627,287 | 127,877,287 |
| Balance As At 1 July 2022 | 122,250,000 | | 5,627,287 | 127,877,287 |
| Surplus/(Deficit) For the Period | | - | 2,318,238 | 2,318,238 |
| Funds Received During the Year | 62,000,000 | - | - | 62,000,000 |
| Transfers | | - | - | - |
| Revaluation Gain | - | - | - | - |
| Balance As At 30 June 2023 | 184,250,000 | - | 7,945,525 | 192,195,525 |

WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND
Annual Report and Financial Statements for the year ended June 30, 2023

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

| Description | Note | Current FY | Current FY |
|---|------|---------------------|---------------------|
| | | Kshs | Kshs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Public contributions and donations | | - | - |
| Transfers from the county government | | - | - |
| Interest received | | 5,381,035 | 3,977,035 |
| Receipts from other operating activities | | | - |
| Total receipts | | 5,381,035 | 3,977,035 |
| Payments | | | |
| Fund administration expenses | | 3,044,700 | 3,667,220 |
| General expenses | | 18,097 | 5,110 |
| Finance cost | | - | - |
| Other payments | | | - |
| Net cash flows from operating activities | | 2,318,238 | 304,705 |
| 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 | | 10,015,107 | 7,819,843 |
| Loan disbursements paid out | | (66,332,157) | (20,950,000) |
| Net cash flows used in investing activities | | (56,317,050) | (13,130,157) |
| Cash flows from financing activities | | | |
| Revolving fund receipts | | 62,000,000 | 20,000,000 |
| Additional borrowings | | - | - |
| Repayment of borrowings | | (10,600,000) | (5,400,000) |
| Net cash flows used in financing activities | | 51,400,000 | 14,600,000 |
| Net increase/(decrease) in cash & cash Equivalents | | (2,598,812) | 1,774,548 |
| Cash and cash equivalents at 1 July, | | 2,703,352 | 928,804 |
| Cash and cash equivalents at 30 June 2023 | | 104,540 | 2,703,352 |

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

WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND
Annual Report and Financial Statements for the year ended June 30, 2023

20. Statement Of Comparison of Budget and Actual Amounts for The Period Ended June 30,2023

| 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. | 62,000,000 | - | 62,000,000 | 62,000,000 | 0 | 100% |
| Interest Income | 5,500,000 | - | 5,500,000 | 5,381,035 | 118,965 | 98% |
| Other Income | | - | | | | |
| Total Income | 67,500,000 | | 67,500,000 | 67,381,035 | 118,965 | 99% |
| Expenses | | | | | | |
| Fund Administration Expenses | 3,400,000 | - | 3,400,000 | 3,044,700 | 355,300 | 90% |
| General Expenses | 20,000 | | 20,000 | 18,097 | 1,903 | 90% |
| Finance Cost | | | | | | |
| Total Expenditure | 3,420,000 | | 3,420,000 | 3,062,797 | 357,203 | 90% |
| Surplus For the Period | 64,080,000 | | 64,080,000 | 64,318,238 | (238,238) | 100% |
| Capital expenditure | 64,080,000 | - | 64,080,000 | 64,318,238 | (238,238) | 100% |

Budget notes

1. There was no significant underutilization below 90% and no overutilization (IPSAS 24.14)
2. There were no changes between original and final budget (IPSAS 24.29)
3. The total of actual on comparable basis ties to the statement of financial performance totals.

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

21. Notes to the Financial Statements

1. General Information

The West Pokot County Assembly Staff Car Loan and Mortgage Fund is established by and derives its authority and accountability from West Pokot County Assembly Staff Car Loan and Mortgage Act, 2017. The entity is wholly owned by the West Pokot County Government and is domiciled in Kenya. The entity's principal activity is to provide staff with Car loans and Mortgages.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

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

| Standard | Effective date and impact |
|---|--|
| <p>IPSAS 41: Financial Instruments</p> | <p>Applicable: 1st January 2023</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and |

**West Pokot County Assembly Staff Car Loan and Mortgage Fund
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| Standard | Effective date and impact |
|---|--|
| | <ul style="list-style-type: none"> Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. |
| <p>IPSAS 42: Social Benefits</p> | <p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows |
| <p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p> | <p>Applicable: 1st January 2023</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> |
| <p>Other improvements to IPSAS</p> | <p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> |

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

| Standard | Effective date and impact |
|----------|---|
| | <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> |

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

| Standard | Effective date and impact: |
|--|--|
| IPSAS 43 | <p><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 cash flows 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 | <p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> |

**West Pokot County Assembly Staff Car Loan and Mortgage Fund
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(iii) Early adoption of standards

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

Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for **FY 2022-2023** was approved by the County Assembly on 27th June, 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance,

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whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

Summary of Significant Accounting Policies (Continued)

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

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

Summary of Significant Accounting Policies (Continued)

d) Financial instruments

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

Financial assets

Classification of financial assets

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

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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.

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.

**West Pokot County Assembly Staff Car Loan and Mortgage Fund
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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.

e) 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.

f) 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.

g) 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.

h) 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.

i) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. 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 currency transactions

k) 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, CEO and senior managers.

n) Cash and cash equivalents

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

o) Comparative figures

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

Provisions are not material.

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to determine 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

The availability of funding to replace the asset

The prices in the market in relation to the asset

Other factors

Where the above factors were raised and management determined an estimate based on the information available

The carrying amounts of assets are measured at the management's best estimate of the expenditure required to settle the liability for the asset at the reporting date and are discounted to present value where the effect is material.

**West Pokot County Assembly Staff Car Loan and Mortgage Fund
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6. Notes to the Financial Statements

1. Public contributions and donations

| Description | FY 2022/2023 | FY 2021/2022 |
|------------------------------------|--------------|--------------|
| | Kshs | Kshs |
| Donation From Development Partners | - | - |
| Contributions From the Public | - | - |
| Total | - | - |

(Provide brief explanation for this revenue)

2. Transfers from County Government

| Description | FY 2022/2023 | Re-instated FY 2021/2022 | FY 2021/2022 |
|--|--------------|-----------------------------|-------------------|
| | Kshs | | Kshs |
| Transfers From County Govt. –Operations | - | - | 20,000,000 |
| Payments By County on Behalf of The Entity | - | - | - |
| Unconditional Development grants | - | - | - |
| Total | - | - | 20,000,000 |

3. Fines, penalties and other levies

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

(Provide brief explanation for this revenue)

4. Interest income

| Description | FY 2022/2023 | FY 2021/2022 |
|--|--------------|--------------|
| | Kshs | Kshs |
| Interest Income from Mortgage Loans | 5,381,035 | 3,977,035 |
| Interest Income from Car Loans | - | - |
| Interest Income from Investments in financial assets | - | - |
| Interest Income on Bank Deposits | | |

**West Pokot County Assembly Staff Car Loan and Mortgage Fund
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| | | |
|------------------------------|------------------|------------------|
| Total Interest Income | 5,381,035 | 3,977,035 |
|------------------------------|------------------|------------------|

Notes to the Financial Statements Continued

5. Other income

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

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

6. Employee Costs

| Description | FY 2022/2023 | FY 2021/2022 |
|------------------------------|--------------|--------------|
| | Kshs | Kshs |
| Salaries And Wages | - | - |
| Staff Gratuity | - | - |
| Staff Training Expenses | - | - |
| Social Security Contribution | - | - |
| Total | - | - |

of Goods and Services

| | FY 2022/2023 | FY 2021/2022 |
|-----------------|--------------|--------------|
| | Kshs | Kshs |
| Travel Expenses | - | - |
| Printing Costs | - | - |
| Services Costs | - | - |
| Salaries | 3044,700 | 3,667,220 |
| Gratuities | - | - |
| Other | 18,097 | 5,110 |
| Expenses | - | - |
| | - | - |
| | - | - |

West Pokot County Assembly Staff Car Loan and Mortgage Fund
Financial Statements for the year ended June 30, 2023

| Description | FY 2022/2023 | FY 2021/2022 |
|--------------------------------------|------------------|------------------|
| | Kshs. | Kshs. |
| Courier | - | -- |
| Post and Stationery | - | - |
| Postage | - | - |
| Printing Costs | - | - |
| Telephone And Communication Expenses | - | - |
| Bank Charges | - | - |
| Audit Fees | - | - |
| Provision For Doubtful Debts | - | - |
| Other (Specify) | - | - |
| Social benefit expenses* | - | - |
| Total | 3,062,797 | 3,672,330 |

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

8. Depreciation and Amortization Expense

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

9. Finance costs

| Description | FY 2022/2023 | FY 2021/2022 |
|------------------------------|--------------|--------------|
| | Kshs. | Kshs. |
| Interest On Bank Overdrafts | - | - |
| Interest On Loans from Banks | - | - |
| Total | - | - |

10. Gain/(loss) on disposal of assets

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

West Pokot County Assembly Staff Car Loan and Mortgage Fund
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11. Gain/ (loss) on Fair Value Investments

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

12. Cash and cash equivalents

| Description | FY 2022/2023 | FY 2021/2022 |
|--|----------------|------------------|
| | Kshs | Kshs |
| Car Loan Account | | |
| West Pokot County Assembly Staff Car Loan and Mortgage Account | 104,540 | 2,703,352 |
| Fixed Deposits Account | | |
| On – Call Deposits | | |
| Current Account | | |
| Others (<i>Specify</i>) | | |
| Total Cash and Cash Equivalents | 104,540 | 2,703,352 |

West Pokot County Assembly Staff Car Loan and Mortgage Fund
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Notes to the Financial Statements Continued

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

| Financial Institution | Account number | FY 2022/2023 | FY 2021/2022 |
|--|----------------|----------------|------------------|
| | | Kshs | Kshs |
| a) Fixed Deposits Account | | - | -- |
| Kenya Commercial Bank | | - | - |
| Equity Bank, Etc. | | - | - |
| Sub- Total | | - | - |
| b) On - Call Deposits | | - | - |
| Kenya Commercial Bank | | - | - |
| Equity Bank - Etc. | | - | - |
| Sub- Total | | - | - |
| c) Current Account | | - | - |
| CO-OPERATIVE BANK: Disbursement A/C No.:01141694710400 | | 88,352 | 620,689 |
| CO-OPERATIVE BANK: Repayment A/C No: 01141694710401 | | 16,188 | 2,082,667 |
| Sub- total | | 104,540 | 2,703,356 |
| d) Others (Specify) | | | |
| Cash In Transit | | | |
| Cash In Hand | | | |
| Sub- Total | | - | |
| Grand Total | | 104,540 | |

13. Receivables from exchange transactions

| Description | FY 2022/2023 | FY 2021/2022 |
|---|----------------|----------------|
| | Kshs | Kshs |
| Current Receivables | - | - |
| Interest Receivable | - | - |
| Current Loan Repayments Due | - | - |
| Other Exchange Debtors | - | - |
| Less: Impairment Allowance | - | - |
| Total Current Receivables | - | - |
| Non-Current Receivables | - | - |
| Long Term Loan Repayments Due | 192,090 | 192,090 |
| Total Non- Current Receivables | 192,090 | 192,090 |
| Total Receivables from Exchange Transactions | 192,090 | 192,090 |

Notes to the Financial Statements Continued

-The reinstated Total receivables opening balance and current transactions were as a result of the overstated interest on the outstanding loans schedules as at 30 June 2023 v

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

Additional disclosure on interest receivable

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

14. Prepayments

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

Inventories

| Description | FY 2022/2023 | FY 2021/2022 |
|---|--------------|--------------|
| | Kshs | Kshs |
| Inventoryable Stores | - | - |
| Parts and Meters | - | - |
| | - | - |
| Inventories (<i>Specify</i>) | - | - |
| Inventories at The Lower of Cost and Net Value | - | - |

West Pokot County Assembly Staff Car Loan and Mortgage Fund
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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. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imp rests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

o) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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

West Pokot County Assembly Staff Car Loan and Mortgage Fund
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6. Notes to the Financial Statements

1. Public contributions and donations

| Description | FY 2022/2023 | FY 2021/2022 |
|------------------------------------|--------------|--------------|
| | Kshs | Kshs |
| Donation From Development Partners | - | - |
| Contributions From the Public | - | - |
| Total | - | - |

(Provide brief explanation for this revenue)

2. Transfers from County Government

| Description | FY 2022/2023 | Re-instated FY 2021/2022 | FY 2021/2022 |
|--|--------------|-----------------------------|-------------------|
| | Kshs | | Kshs |
| Transfers From County Govt. –Operations | - | - | 20,000,000 |
| Payments By County on Behalf of The Entity | - | - | - |
| Unconditional Development grants | - | - | - |
| Total | - | - | 20,000,000 |

3. Fines, penalties and other levies

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

(Provide brief explanation for this revenue)

4. Interest income

| Description | FY 2022/2023 | FY 2021/2022 |
|--|--------------|--------------|
| | Kshs | Kshs |
| Interest Income from Mortgage Loans | 5,381,035 | 3,977,035 |
| Interest Income from Car Loans | - | - |
| Interest Income from Investments in financial assets | - | - |
| Interest Income on Bank Deposits | | |

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

| | | |
|------------------------------|------------------|------------------|
| Total Interest Income | 5,381,035 | 3,977,035 |
|------------------------------|------------------|------------------|

Notes to the Financial Statements Continued

5. Other income

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

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

6. Employee Costs

| Description | FY 2022/2023 | FY 2021/2022 |
|------------------------------|--------------|--------------|
| | Kshs | Kshs |
| Salaries And Wages | - | - |
| Staff Gratuity | - | - |
| Staff Training Expenses | - | - |
| Social Security Contribution | - | - |
| Total | - | - |

7. Use of Goods and Services

| Description | FY 2022/2023 | FY 2021/2022 |
|--------------------------------|--------------|--------------|
| | Kshs | Kshs |
| General Office Expenses | - | - |
| Loan Processing Costs | - | - |
| Professional Services Costs | - | - |
| Administration Fees | 3044,700 | 3,667,220 |
| Committee Allowances | - | - |
| Bank Charges | 18,097 | 5,110 |
| Electricity And Water Expenses | - | - |
| Fuel And Oil Costs | - | - |
| Insurance Costs | - | - |

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

| Description | FY 2022/2023 | FY 2021/2022 |
|--------------------------------------|------------------|------------------|
| | Kshs. | Kshs. |
| 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 | 3,062,797 | 3,672,330 |

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

8. Depreciation and Amortization Expense

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

9. Finance costs

| Description | FY 2022/2023 | FY 2021/2022 |
|------------------------------|--------------|--------------|
| | Kshs. | Kshs. |
| Interest On Bank Overdrafts | - | - |
| Interest On Loans from Banks | - | - |
| Total | - | - |

10. Gain/(loss) on disposal of assets

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

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

11. Gain/ (loss) on Fair Value Investments

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

12. Cash and cash equivalents

| Description | FY 2022/2023 | FY 2021/2022 |
|--|----------------|------------------|
| | Kshs | Kshs |
| Car Loan Account | | |
| West Pokot County Assembly Staff Car Loan and Mortgage Account | 104,540 | 2,703,352 |
| Fixed Deposits Account | | |
| On – Call Deposits | | |
| Current Account | | |
| Others (<i>Specify</i>) | | |
| Total Cash and Cash Equivalents | 104,540 | 2,703,352 |

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

Notes to the Financial Statements Continued

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

| Financial Institution | Account number | FY 2022/2023 | FY 2021/2022 |
|--|----------------|----------------|------------------|
| | | Kshs | Kshs |
| a) Fixed Deposits Account | | - | -- |
| Kenya Commercial Bank | | - | - |
| Equity Bank, Etc. | | - | - |
| Sub- Total | | - | - |
| b) On - Call Deposits | | - | - |
| Kenya Commercial Bank | | - | - |
| Equity Bank - Etc. | | - | - |
| Sub- Total | | - | - |
| c) Current Account | | - | - |
| CO-OPERATIVE BANK: Disbursement A/C No.:01141694710400 | | 88,352 | 620,689 |
| CO-OPERATIVE BANK: Repayment A/C No: 01141694710401 | | 16,188 | 2,082,663 |
| Sub- total | | 104,540 | 2,703,352 |
| d) Others (Specify) | | | |
| Cash In Transit | | | |
| Cash In Hand | | | |
| Sub- Total | | - | - |
| Grand Total | | 104,540 | 2,703,352 |

13. Receivables from exchange transactions

| Description | FY 2022/2023 | FY 2021/2022 |
|---|--------------------|--------------------|
| | Kshs | Kshs |
| Current Receivables | - | |
| Interest Receivable | - | - |
| Current Loan Repayments Due | - | - |
| Other Exchange Debtors | - | - |
| Less: Impairment Allowance | - | - |
| Total Current Receivables | - | - |
| Non-Current Receivables | - | - |
| Long Term Loan Repayments Due | 192,090,985 | 135,773,935 |
| Total Non- Current Receivables | 192,090,985 | 135,773,935 |
| Total Receivables from Exchange Transactions | 192,090,985 | 135,773,935 |

Notes to the Financial Statements Continued

-The reinstated Total receivables opening balance and closing balance from Exchange transactions were as a result of the overstated interest and the understated principal loans in the outstanding loans schedules as at 30 June 2023 which have now been corrected.

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

Additional disclosure on interest receivable

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

14. Prepayments

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

15. Inventories

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

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

Notes to the Financial Statements Continued

16. Investments in financial assets

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

Movement of Equity Investments

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

e) Shareholding in other entities

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

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

Notes To the Financial Statements (Continued)

17. Intangible assets

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

18. Investment Property

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

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

Notes To the Financial Statements (Continued)

19. Trade and other payables from exchange transactions

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

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

20. Provisions

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

Notes To the Financial Statements (Continued)

21. Borrowings

| Description | FY 2022/2023 | FY 2021/2022 |
|---|--------------|--------------|
| | Kshs | Kshs |
| Balance At Beginning of The Period | | |
| External Borrowings During the Year | | |
| Domestic Borrowings During the Year | | |

West Pokot County Assembly Staff Car Loan and Mortgage Fund
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| | | |
|---|--|--|
| Repayments Of External Borrowings During the Period | | |
| Repayments Of Domestic Borrowings During the Period | | |
| Balance At End of The Period | | |

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

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

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

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

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

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

Notes To the Financial Statements (Continued)

22. Employee benefit obligations

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

23. Social Benefit Liabilities

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

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

Notes To the Financial Statements (Continued)

24. Cash generated from operations

| Description | FY 2022/2023 | FY 2021/2022 |
|---|--------------|--------------|
| | Kshs | Kshs |
| Surplus/ (Deficit) For the Year Before Tax | | |
| Adjusted For: | | |
| Depreciation | | |
| Amortisation | | |
| Gains/ Losses On Disposal Of Assets | | |
| Interest Income | | |
| Finance Cost | | |
| Working Capital Adjustments | | |
| Increase In Inventory | | |
| Increase In Receivables | | |
| Increase In Payables | | |
| Net Cash Flow From Operating Activities | | |

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

Notes To the Financial Statements (Continued)

25. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

| Description | FY 2022/2023 | FY 2021/2022 |
|---------------------------------|--------------|--------------|
| | Kshs | Kshs |
| Transfers From Related Parties' | - | -- |
| -Transfers To Related Parties | | |

c) Key management remuneration

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

d) Due from related parties

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

Other Disclosures Continued

e) Due to related parties

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

26. Contingent assets and contingent liabilities

| Contingent Liabilities | FY 2022/2023 | FY 2021/2022 |
|------------------------------|--------------|--------------|
| | Kshs | Kshs |
| Court Case, Against the Fund | - | - |
| Bank Guarantees | - | - |
| Total | - | - |

Notes To the Financial Statements (Continued)

27. Financial risk management

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

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

a) Credit risk

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

| Description | Total amount Kshs | Fully performing Kshs | Past due Kshs | Impaired Kshs |
|--|----------------------|--------------------------|------------------|------------------|
| At 30 June 2022 | | | | |
| Receivables From Exchange Transactions | | | | |
| Receivables From Non-Exchange Transactions | | | | |
| Bank Balances | | | | |
| Total | | | | |
| At 30 June 2021 | | | | |
| Receivables From Exchange Transactions | | | | |
| Receivables From Non-Exchange Transactions | | | | |
| Bank Balances | | | | |
| Total | | | | |

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

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

b) Liquidity risk management

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

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

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

Notes To the Financial Statements (Continued)

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

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

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

Notes To the Financial Statements (Continued)

Foreign currency sensitivity analysis

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

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

Notes To the Financial Statements (Continued)

d) Capital risk management.

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

| Description | FY 2022/2023 | FY 2021/2022 |
|---|--------------------|--------------|
| | Kshs | Kshs |
| Revaluation reserve | - | - |
| Revolving fund | 184,250,000 | |
| Accumulated surplus | 7,945,525 | - |
| Total funds | 192,195,525 | - |
| Total borrowings | - | - |
| Less: cash and bank balances | | |
| Net debt/(excess cash and cash equivalents) | - | - |
| Gearing | | - |

28. Events after the reporting period

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

29. Ultimate and Holding Entity

The entity is a County Public Fund established by West Pokot County Assembly Staff Car Loan and Mortgage Act,2017 under West Pokot County Assembly. Its ultimate parent is the County Government of West Pokot.

30. Currency

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

22. Annexes

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

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|-----------------------------------|---------------------|-----------------------------------|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Guidance Notes:

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

Fund Administrator/Accounting Officer (West Pokot County Assembly Staff Car Loan and Mortgage Fund)

Name: ANTHONY PTOO LOCHAP

Sign: [Signature]

Date: 11-01-2024



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

Annex II: Inter-Fund Confirmation Letter



REPUBLIC OF KENYA
**WEST POKOT COUNTY ASSEMBLY
OFFICE OF THE CLERK**

P.O. Box 6-30600
KAPENGURIA
TEL: 0532015000
Email: info@westpokotasassembly.go.ke
www.westpokotasassembly.go.ke



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

| Confirmation of amounts received by West Pokot County Assembly Staff Car Loan and Mortgage Fund as at 30 th June 2023 | | | | | | | | |
|--|----------------|---|-----------------|-----------------------|------------|-------------------|---|------------------------------|
| Reference Number | Date Disbursed | Amounts Disbursed by West Pokot County Assembly (Kshs) as at 30 th June 2023 | | | | Total (D)=(A+B+C) | Amount Received by West Pokot County Assembly Staff Car Loan and Mortgage Fund (Kshs) as at 30 th June 2023 (E) | Differences (KShs) (F)=(D-E) |
| | | Recurrent (A) | Development (B) | Inter-Ministerial (C) | | | | |
| | July 2022 | 38,529,373 | - | - | 38,529,373 | 44,302,777 | (5,773,404) | |
| | August 2022 | 3,110,627 | | | 3,110,627 | 1,263,705 | 1,846,922 | |

**West Pokot County Assembly Staff Car Loan and Mortgage Fund
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| | | | | | |
|----------------|-------------------|--|-------------------|-------------------|-----------------------|
| September 2022 | 218,884 | | 218,884 | 1,263,705 | (1,044,821) |
| October,2022 | 0 | | 0 | 1,263,705 | (1,263,705) |
| November,2022 | 0 | | 0 | 1,263,705 | (1,263,705) |
| December,2022 | 500,000 | | 500,000 | 1,263,705 | (763,705) |
| January,2023 | 15,420,000 | | 15,420,000 | 16,263,705 | (843,705) |
| February,2023 | 0 | | 0 | 1,308,243 | (1,308,243) |
| March,2023 | 500,000 | | 500,000 | 1,308,243 | (808,243) |
| April,2023 | 0 | | 0 | 1,311,241 | (1,311,241) |
| May,2023 | 1,500,000.00 | | 1,500,000 | 1,311,241 | 188,759 |
| June,2023 | 6,553,273 | | 6,553,273 | 5,000,000 | 1,553,273 |
| Total | <u>66,332,157</u> | | <u>66,332,157</u> | <u>77,123,975</u> | <u>((10,791,818))</u> |

I confirm that the amounts shown above are correct as of the date indicated.
Fund Accountant (West Pokot County Assembly Staff Car Loan and Mortgage

WPCA STAFF CAR LOAN
AND MORTGAGE FUND

11 JAN 2024

FUND ACCOUNTANT
P. O. Box 6 - 30600, KAPENGURIA

Name Kesani Amos Sign [Signature] Date 11-1-2024

West Pokot County Assembly Staff Car Loan and Mortgage Fund
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Annex III: Reporting of Climate Relevant Expenditures

| Project Name | Project Description | Project Objectives | Project Activities | | | | | Source Of Funds | Implementing Partners |
|--------------|---------------------|--------------------|--------------------|----|----|----|----|-----------------|-----------------------|
| | | | | Q1 | Q2 | Q3 | Q4 | | |
| | | | | | | | | | |
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**West Pokot County Assembly Staff Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Annex IV: Reporting on Disaster Management Expenditure

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