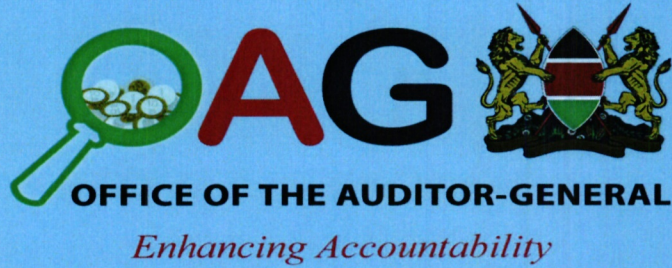


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OF

THE AUDITOR-GENERAL

ON

**NANDI COUNTY EXECUTIVE CAR LOAN
 AND MORTGAGE FUND**

**FOR THE YEAR ENDED
 30 JUNE, 2019**



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NANDI COUNTY CAR LOAN AND MORTGAGE FUND

REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2019

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



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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

The Nandi County Executive Car loan and Mortgage scheme is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/TS/WH/3/14 of 14th February 2014. Section 167 of the Public Finance Management (PFM) Act 2012 requires the Administrator of any public funds to prepare annual financial statements.

For proper management of the fund and as per SRC guidelines, Nandi County Executive adopted the PFM regulations 2014 to guide in the operationalization of the fund. As advised by the SRC and as provided for under regulation 16 of the said regulations, the County Public Service Board appointed a banking institution to manage the fund.

The SRC in its circular reference SRC/ADM/CIR/1/13 Vol.III (128) dated 17th December 2014 provided guidelines for access of car loan and mortgage benefits by state and public officers. In that respect, Nandi County Assembly approved and adopted the Staff Loans Policy Paper on 17th March 2015. The fund is wholly owned by the County Government of Nandi and is domiciled in Kenya.

b) Principal Activities

The principal activity of the fund is to provide car loans and mortgage to eligible staff of the County Government of Nandi.

Vision

A transformed and motivated staff for quality living.

Mission

To provide affordable, accessible and sustainable car loans and mortgage to staff.

Core Values

Accountability,

Transparency,

Excellence,

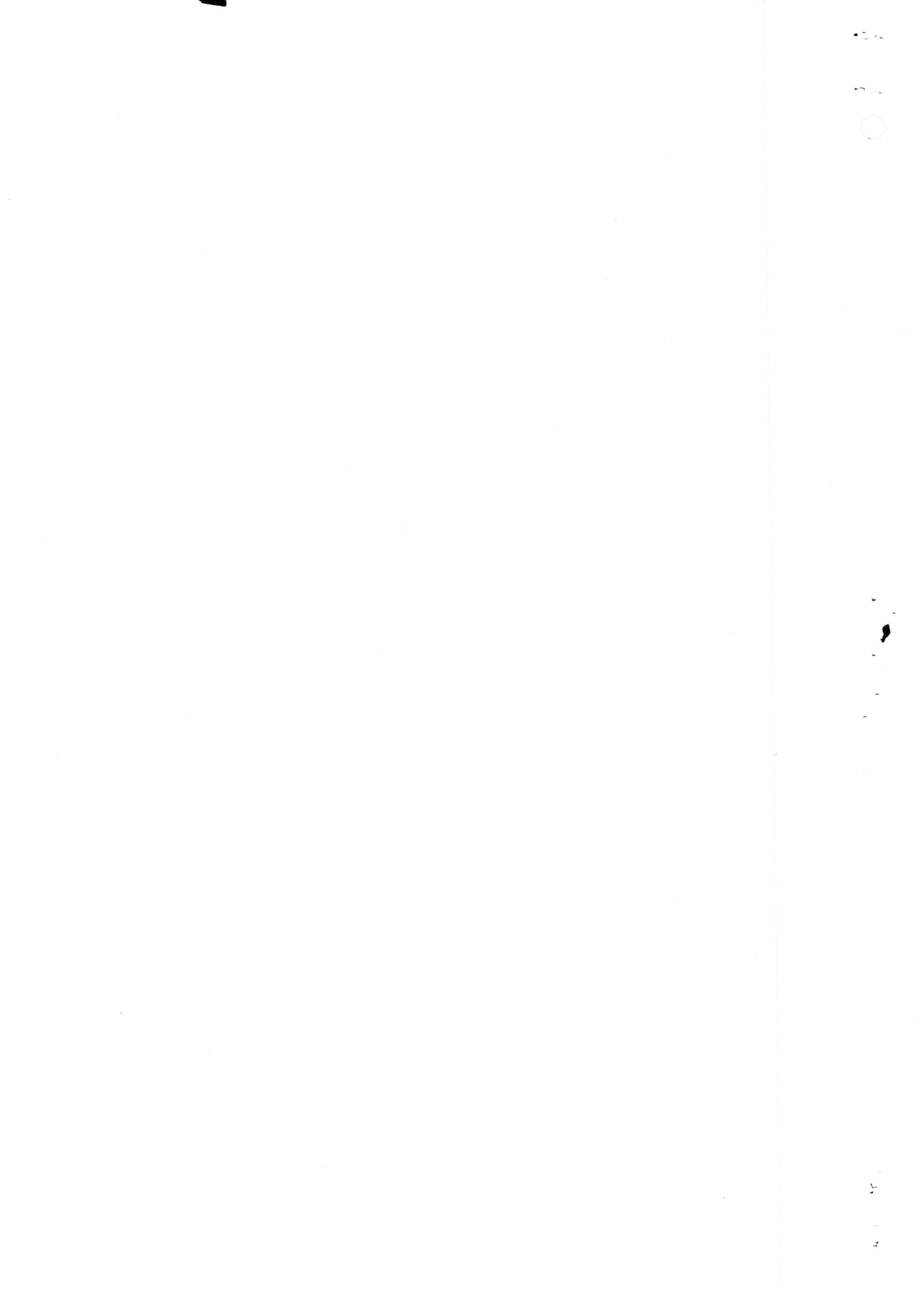
Accessibility,

Integrity,

Responsiveness,

Equity

Team Work.



c) Fund Administration Committee

Ref	Name	Position
1	Meshack Malakwen	Chairperson – Fund Committee
2	Hellen Kemboi	Fund Administrator/Secretary
3	Grace Sugut	Member
4	Solomon Mang'ira	Member
5	John Keter	Member

d) Key Management

Ref	Name	Position
1	Meshack Malakwen	Chairperson – Fund Committee
2	Hellen Kemboi	Fund Administrator/Secretary
3	Grace Sugut	Member

e) Entity Headquarters

Nandi County Government
P.O. Box 802 – 30300
Kapsabet, Kenya
Nandi County Headquarters Building
1st Floor, Left Wing

f) Entity Contacts

Telephone: (254) 053 525 2355
E-mail: infor@nandi.go.ke
Website: www.nandi.go.ke

g) Entity Bankers

Cooperative Bank of
Kenya
Kapsabet Branch
P.O. Box 869 - 30300
Kapsabet , Kenya.



h) Independent Auditors



Auditor General
Kenya National Audit Office
Anniversary Towers, University
Way
P.O. Box 30084 – GPO
00100 Nairobi, Kenya

i) Principal Legal Adviser

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

2. FUND MANAGEMENT TEAM

During the Reporting Period the Administration Committee consisted of members whose profiles are captured as follows:

	<p>Meshack Malakwen</p> <p>Meshack Malakwen was appointed as the second chair of the Car loan and Mortgage fund. Before his appointment, he served as a chief officer Agriculture and cooperative development. He has also held various top management positions in different institutions. During the reporting period he served as the Chief Officer, Finance. Meshack Malakwen holds a Master Degree in Business Administration, Strategic management from the Jomo Kenyatta University of Agriculture and Technology.</p> <p>Malakwen also holds a Bachelers Degree in Agricultural Education and Extension from EgertonUniversity and holds a Diplomer in Management</p> <p>He began his academic life at St. Joseph's High, Kitale and Koyo Primary School.</p>
	<p>Ms Hellen Kemboi</p> <p>Ms. Hellen Kemboi was appointed as the Fund Administrator on 5th April 2018. She has served in various management positions in Nandi County Government. She has served as Head of revenue and currently the Ag. Director of Finance. Ms. Kemboi holds a Masters Degree in Finance and Bachelor of Commerce (Accounting) degree. She is also a Certified Public Accountant of Kenya (CPAK).</p>



Grace Sugut

Grace Sugut was appointed as a Member of the Fund on 5th April 2017. Before her appointment; she served as a member of the Nandi County Public Service Board. She holds a Bachelor of Arts degree in Government & Linguistics from University Of Nairobi, and a Post Graduate Diploma In Education from Egerton University.

3. FUND COMMITTEE CHAIRPERSON'S REPORT

On behalf of the Fund Administration Committee, it is my pleasure to present the Nandi County car loan and Mortgage Fund financial statements for the year ended 30th June 2019. The financial statements reflect the financial performance of the Fund over the past one year.

Sustainability

In order to ensure sustainability, the Fund has conducted a basic assessment of available options for feasible financing tools that would assure the fund of its long term sustainability. The fund has reviewed its current resource mobilization strategies and proposed feasible sustainability financing options to ensure the Fund is a going concern.

Review of performance

Income

The fund earned revenues amounting to KShs.46,288,467 as Transfers from the County Government, interest from other exchange transactions and other interest income. The income from Transfers from the County Government was KShs. 40,000,000 while KShs. 1,938,502 was from interest income earned through interest from exchange transactions contributed and Kshs 4,349,965 as other income

Loan granted during the period were carried out as per the plan with the coordinated efforts by all stakeholders. The performance was also attributed to a favourable interest rates provided by SRC.

Expenditures

The total expenditures during the period amounted to KShs.1,965,870 out of which the fund administrative expenses amounted to KShs. 1,962,500 and finance expenses KShs. 3,370 representing 99 % and 1 % of total expenditures respectively.

Future outlook

The Fund focuses on building a robust and sustainable fund with a motivated workforce and operational structures that enhance efficiency and effectiveness in the service delivery. The fund looks forward to continued support from the County Government and development partners in the execution of its mandate.

Appreciation

I take this opportunity to express my sincere gratitude and appreciation to the County Government of Nandi, development partners, stakeholders, management, staff and fellow committee members for support and teamwork which made us achieve these results.

I look forward to a better year 2019/2020.



Meshack Malakwen
Chairperson, Fund Administration Committee

4. REPORT OF THE FUND ADMINISTRATOR

It is my pleasure to present the Nandi County Executive Car Loan and Mortgage Fund financial statements for the year ended 30th June 2019. The financial statements reflect the financial performance of the fund over the past year.

The fund was established on 1st May 2018 and started with an initial amount of KShs 61,000,000 and a further injection of Kshs 40,000,000 was transferred from County government Revenue Fund account . So far, a total of 20 loan beneficiaries have made borrowings amounting to KShs 117,500,000. Of this, KShs 17,996,515 had been recovered and KShs 95,540,689 was outstanding as at the reporting date.

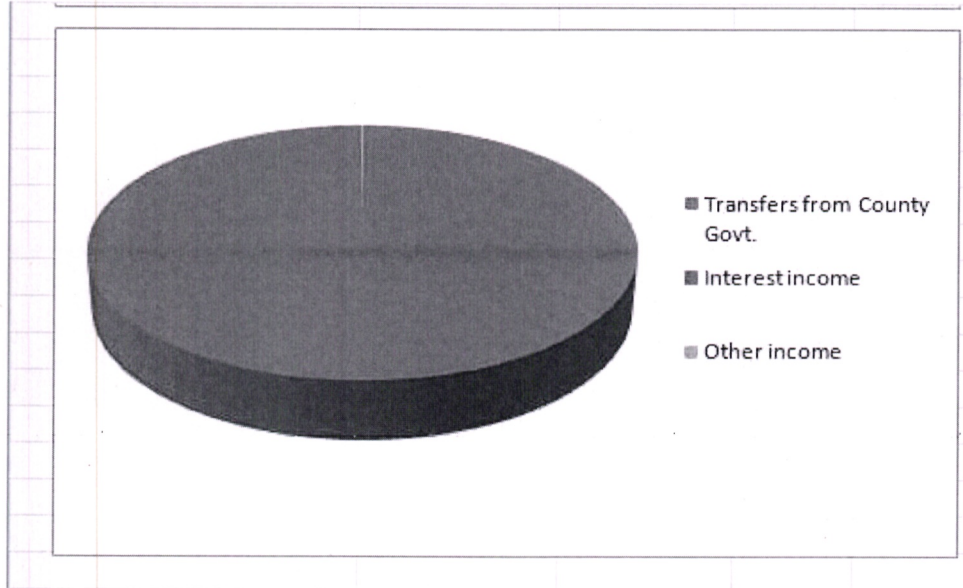
Financial Performance

a) Revenue

During the reporting period, the fund had projected revenues of KShs 46,288,467 Out of the projected revenue, the fund realised KShs 46,288,467 in actual revenues, representing 100% performance. In the table below, we present an analysis of revenue performance during the year.

Revenue classification	Revenue budget (KShs)	Actual (KShs)	Realisation (%)
Revenue	KShs	KShs	
Transfers from the County Govt	40,000,000	40,000,000	100%
Interest income	1,938,502	1,938,502	100%
Other income	4,349,965	4,349,965	100%
Total income	46,288,467	46,288,467	100%

A graphical representation of the revenue budget is as shown below:



b) Loans

During the financial year 2018/2019, the fund disbursed loans to 10 more beneficiaries bringing the total number of beneficiaries to 21 members. This represented 100% utilization of the budgeted funds during the year.

c) Cash flows

In the FY 2018/2019, we did not have many liquidity disruptions. This was as a result of proper planning and better loan collections. The cash and cash equivalents was Kshs 6,615,757 comprising of both recoveries and interest.

Conclusion

In FY 2018/2019 good progress was made and the momentum has been created to enable Nandi County Executive car loan and mortgage fund continue on a growth trajectory. We have identified funding gaps and areas to improve on in the subsequent years.

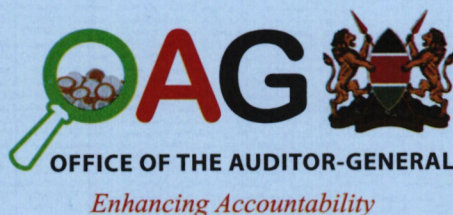
I take this opportunity to thank the Fund Administration Committee for their support. I also thank Fund staff for their dedication and teamwork that saw Nandi County Executive Car Loan and Mortgage Fund achieve its objectives for the year under review.

Signed: _____ 

Ms Hellen Kemboi
Fund Administrator

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NANDI COUNTY EXECUTIVE CAR LOAN AND MORTGAGE FUND FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Nandi County Executive Car Loan and Mortgage Fund set out on pages 1 to 19, which comprise the statement of financial position as at 30 June, 2019, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit

In my opinion, the financial statements present fairly, in all material respects, the financial position of Nandi County Executive Car Loan and Mortgage Fund as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Financial Management (Nandi County Executive Committee Car Loan and Scheme Fund) Regulations, 2018.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

Long Term Receivables from Exchange Transactions

As disclosed in Note 12 to the financial statements, the statement of financial position as at 30 June, 2019 reflects long term receivables from exchange transactions of Kshs.95,540,689 which increased by Kshs.35,781,044 or 60% from Kshs.59,759,645 as at 30 June, 2018. No reason has been provided for the increase.

Consequently, the recoverability of the Kshs.95,540,689 on long term receivables from exchange transactions as at 30 June, 2019 could not be confirmed.

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 has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Nandi County Executive Car Loan and Mortgage Fund's ability to continue as a going concern/ sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the County is aware of the intention to terminate the Nandi County Executive Car Loan and Mortgage Fund or to cease operations.

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

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

Those charged with governance are responsible for overseeing the Nandi County Executive Car and Mortgage Fund's financial reporting process, reviewing the effectiveness of how the entity 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 Nandi County Executive Car and Mortgage Fund's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern or 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 Nandi County Executive Car and Mortgage Fund to cease to continue as a going concern or 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 Nandi County Executive Car and Mortgage 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.



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

16 November, 2021

FINANCIAL STATEMENTS

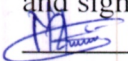
4.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2019

	Note	FY2018/2019	FY2017/2018
		KShs	KShs
Revenue from non-exchange transactions			
Public contributions and donations	1	-	-
Transfers from the County Government	2	40,000,000	48,100,000
Fines, penalties and other levies	3	-	-
Revenue from exchange transactions			
Interest income	4	1,938,502	187,500
Other income-loan charges income	5	4,349,965	108,000
Total revenue		46,288,467	48,395,500
Expenses			
Fund administration expenses	6	(1,962,500)	-
Staff Costs	7	-	-
General expenses-insurance cost	8	-	(108,000)
Finance costs	9	(3,370)	(5,750)
Total expenses		(1,965,870)	(113,750)
Other gains/losses			
Gain/loss on disposal of assets	10	-	-
Surplus/(deficit)for the period		44,322,597	48,281,750


4.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	FY2018/2019	FY2017/2018
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	11	6,615,757	1,601,792
Current portion of long term receivables from exchange transactions	12	-	-
Prepayments	13	-	-
Inventories	14	-	-
Total Current assets		6,615,757	1,601,792
Non-current assets			
Property, plant and equipment	15	-	-
Intangible assets	16	-	-
Long term receivables from exchange transactions	12	95,540,689	59,759,645
Total Non-current assets		95,540,689	59,759,645
Total assets		102,156,446	61,361,437
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions-recovery in advance	17	2,387,465	179,687
Provisions	18	-	-
Current portion of borrowings	19	-	-
Employee benefit obligations	20	-	-
Total Current liabilities		2,387,465	179,687
Non-current liabilities			
Non-current employee benefit obligation	20	-	-
Long term portion of borrowings	19	-	-
Total liabilities		2,387,465	179,687
Net assets			
Revolving Fund		-	-
Reserves		6,615,757	-
Accumulated surplus		93,153,224	61,181,750
Total net assets and liabilities		102,156,446	61,361,437

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 _____ 2019 and signed by:



 Fund Accountant,
 Name: Mathew Rop



 Fund Administrator
 Name: Hellen Kemboi
 ICPAK Member Number:11936

*Nandi County Car Loan and Mortgage Fund Report and Financial Statements for the Year
Ended June 30, 2019*

4.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2019

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2017	-	-	-	-
Surplus/(deficit) for the period	-	-	48,830,627	48,830,627
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2018	-	-	48,830,627	48,830,627
Balance as at 1 July 2018	-	-	48,830,627	48,830,627
Surplus/(deficit) for the period	-	-	44,322,597	44,322,597
Funds received during the year	-	-	-	-
Revaluation gain	-	6,615,757	-	6,615,757
Balance as at 30 June 2019	-	6,615,757	93,153,224	99,768,981

*Nandi County Car Loan and Mortgage Fund Report and Financial Statements for the Year
Ended June 30, 2019*

4.4. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	FY2018/2019	FY2017/2018
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the County Government	2	40,000,000	48,100,000
Interest received	4	1,938,502	187,500
Receipts from other operating activities	5	3,182,000	108,000
Other receipt-recoveries in advance	5	1,167,965	179,687
Total Receipts		46,288,467	48,575,187
Payments			
Fund administration expenses	6	1,962,500	-
General expenses	8	-	108,000
Finance cost	9	3,370	5,750
Total Payments		1,965,870	113,750
Net cash flows from operating activities	21	44,322,597	48,461,437
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments		17,996,515	1,240,355
Loan disbursements paid out		-	-
Net cash flows used in investing activities		17,996,515	1,240,355
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		(40,000,000)	(61,000,000)
Repayment of borrowings		(17,305,147)	-
Net cash flows used in financing activities		(39,308,632)	(59,759,645)
Net increase/(decrease)in cash and cash equivalents		5,013,965	(11,298,208)
Cash and cash equivalents at 1 JULY	11	1,601,792	12,900,000
Cash and cash equivalents at 30 JUNE	11	6,615,757	1,601,792

10

11

12

4.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30th JUNE 2019

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2019	2019	2019	2019	2019	2019
	KShs	KShs	KShs	KShs	KShs	
Revenue						
Public contributions and donations	-	-	-	-	-	0
Transfers from County Govt.	40,000,000	-	40,000,000	40,000,000	-	100
Interest income	1,938,502	-	1,938,502	1,938,502	-	100
Other income	4,349,965	-	4,349,965	4,349,965	-	100
Total income	46,288,467	-	46,288,467	46,288,467	-	100
Expenses						
Fund administration expenses	2,937,500.00	-	2,162,500	1,962,500	975,000	67
Staff costs	-	-	-	-	-	0
General expenses	244,500	-	178,500	-	244,500	0
Finance cost	3,370	-	3,370	3,370	-	100
Total expenditure	3,185,370	-	3,185,370	1,965,870	1,219,500	61
Surplus for the period	43,103,097	-	43,103,097	44,322,597	(1,219,500)	100

4.6. NOTES TO THE FINANCIAL STATEMENTS

1. Public contributions and donations

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Donation from development partners	-	-
Contributions from the public	-	-
Total	-	-

2. Transfers from County Government

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Transfers from County Govt. – operations	40,000,000	48,100,000
Payments by County on behalf of the entity	-	-
Total	40,000,000	48,100,000

3. Fines, penalties and other levies

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Late payment penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Interest income from loans(mortgage or car loans)	1,938,502	187,500
Total interest income	1,938,502	187,500

5. Other income

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Loan charges income	3,182,000	108,000
Income from sale of tender documents	-	-
Miscellaneous income	1,167,965	-

*Nandi County Car Loan and Mortgage Fund Report and Financial Statements for the
Year Ended June 30, 2019*

Total other income	4,349,965	108,000
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6. Fund administration expenses

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Loan processing costs	1,962,500	-
Professional services costs	-	-
Total	1,962,500	-

7. Staff costs

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Salaries and wages	-	-
Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs	-	-
Total	-	-

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*Nandi County Car Loan and Mortgage Fund Report and Financial Statements for the
Year Ended June 30, 2019*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. General expenses

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	108,000
Postage	-	-
Printing and stationery	-	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Hospitality	-	-
Depreciation and amortization costs	-	-
Loans granted		-
Total	-	108,000

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*Nandi County Car Loan and Mortgage Fund Report and Financial Statements for the
Year Ended June 30, 2019*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Finance costs

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Interest on Bank overdrafts	3,370	5,750
Interest on loans from banks	-	-
Total	3,370	5,750

10. Gain on disposal of assets

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

11. Cash and cash equivalent

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Fixed deposit account	-	-
On –call deposits	-	-
Current account	6,615,757	1,601,792
others		
Total	6,615,757	1,601,792

12. Receivables from exchange transactions

Description	FY2018/2019	FY2017/2018
	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	95,540,689	59,759,645
Total Non current receivables	95,540,689	59,759,645

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*Nandi County Car Loan and Mortgage Fund Report and Financial Statements for the
Year Ended June 30, 2019*

Total receivables from exchange transactions	95,540,689	59,759,645
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Prepayments

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Total	-	-

14. Inventories

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Total inventories at the lower of cost and net realizable value	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	KShs	KShs	KShs	KShs	KShs
At 1st July 2017	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
At 30th June 2018	-	-	-	-	-
At 1st July 2018					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
At 30th June 2019	-	-	-	-	-
Depreciation and impairment					
At 1 st July 2017	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th June 2018	-	-	-	-	-
At 1st July 2018					
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-
At 30th June 2019	-	-	-	-	-
Net book values					
At 30th June 2018	-	-	-	-	-
At 30th June 2019	-	-	-	-	-

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Nandi County Mortgage And Car Loan Fund
Reports and Financial Statements
For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Intangible assets-software

Description	FY2018/2019	FY2017/2018
	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	-	-

17. Trade and other payables from exchange transactions

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Trade payables	-	-
Refundable deposits	-	-
Accrued expenses	1,219,500	-
Other payables	1,167,965	179,687
Total trade and other payables	2,387,465	179,687

18. Provisions

Description	2018/2019	2017/2018	2016/2017	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	-	-	-	-
Total provisions	-	-	-	-

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Nandi County Mortgage And Car Loan Fund
Reports and Financial Statements
For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Borrowings

Description	FY2018/2019	FY2017/2018
	KSh	KSh
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the period	-	-
Repayments of domestics borrowings during the period	-	-
Balance at end of the period	-	-

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

	FY2018/2019	FY2017/2018
	KSh	KSh
External Borrowings		
Dollar denominated loan from 'xxx organisation'	-	-
Sterling Pound denominated loan from 'yyy organisation'	-	-
Euro denominated loan from zzz organisation'	-	-
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	FY2018/2019	FY2017/2018
	KSh	KSh
Short term borrowings(current portion)	-	-
Long term borrowings	-	-
Total	-	-

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Nandi County Mortgage And Car Loan Fund
Reports and Financial Statements
For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Total
	KShs	KShs	KShs	KShs
Current benefit obligation	-	-	-	-
Non-current benefit obligation	-	-	-	-
Totalemployee benefits obligation	-	-	-	-

21. Cash generated from operations

	11/30/2019	11/30/2018
	KShs	KShs
Surplus for the year before tax	44,322,596.52	48,281,750.00
Adjusted for:		
Depreciation	-	-
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	44,322,596.52	48,281,750.00

22. 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

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Nandi County Mortgage And Car Loan Fund
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

b) Related party transactions

	FY2018/2019	FY2017/2018
	KShs	KShs
Transfers from related parties'	-	-
Transfers to related parties	-	-

c) Key management remuneration

	FY2018/2019	FY2017/2018
	KShs	KShs
Board of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

	FY2017/2018	FY2018/2019
	KShs	KShs
Due from parent Ministry	-	-
Due from County Government	-	-
Total	-	-

e) Due to related parties

	FY2018/2019	FY2017/2018
	KShs	KShs
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Total	-	-

23. Contingent assets and contingent liabilities

Contingent liabilities	FY2018/2019	FY2017/2018
	KShs	KShs
Court case xxx against the Fund	-	-
Bank guarantees	-	-
Total	-	-

(Give details)

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Nandi County Mortgage And Car Loan Fund
Reports and Financial Statements
For the year ended June 30, 2019

ANNEX TO THE FINANCIAL STATEMENTS;(I) LOAN DISBURSEMENT AND RECOVERY

NAME OF BENEFICIARY	PRINCIPLE AMOUNT	INTEREST RATE 3%	PRINCIPLE PAID	OUTSTANDING PRINCIPLE JUNE 2019	INSURANCE 0.3%	ADMIN 2.5%
Stephen Sang	25,000,000	654,732.75	5,124,979.65	19,035,687.10	75,000.00	625,000.00
Yulita Mitey	17,500,000	398,917.82	3,408,780.70	13,530,903.36	52,500.00	437,500.00
Ruth Koech	5,000,000	96,409.41	981,711.99	3,853,395.25	15,000.00	125,000.00
Wilson Taiy	5,000,000	106,547.69	971,573.71	3,863,533.54	15,000.00	125,000.00
Hillary Koech	3,000,000	71,284.10	1,006,837.30	1,828,269.94	9,000.00	75,000.00
Benard Lagat	5,000,000	101,472.22	976,649.18	3,858,458.07	15,000.00	125,000.00
Valentine Chumo	5,000,000	86,321.63	991,799.77	3,843,307.47	15,000.00	125,000.00
Elly Kurgat	3,000,000	71,284.10	1,006,837.30	1,828,269.94	9,000.00	75,000.00
Stanley Baliach	3,000,000	71,284.10	1,006,837.30	1,828,269.94	9,000.00	75,000.00
Jacob Tanui	5,000,000	81,623.32	996498.0779	3823815.022	15,000.00	125,000.00
Teresa Morogo	5,000,000	111,697.55	966,423.85	4,033,576.15	15,000.00	125,000.00
John Keter	3,000,000	7,500.00	32,139.90	2,967,860.10	9,000.00	75,000.00
Japhet Tirop	5,000,000	12,500.00	22,029.10	4,977,970.90	15,000.00	125,000.00
Scholastic Tuwei	3,000,000	7,500.00	79,743.65	2,920,256.35	9,000.00	75,000.00
Priscilla rono	3,000,000	7,500.00	79,743.65	2,920,256.35	9,000.00	75,000.00
Meshack Malakwen	4,000,000	10,000.00	106,324.85	3,893,675.15	12,000.00	100,000.00
Paul Lagat	3,000,000	7,500.00	79,743.65	2,920,256.35	9,000.00	75,000.00
Prisca Jepchirchir	5,000,000	12,258.60	22,270.50	4,881,168.80	15,000.00	125,000.00
Grace Sugut	4,000,000	9,418.38	106,906.47	3,660,443.83	12,000.00	100,000.00
Hellen Kemboi	6,000,000	12,750.00	28,684.90	5,071,315.10	18,000.00	150,000.00
	117,500,000	1,938,501.67	17,996,515.50	95,540,688.69	352,500.00	2,937,500.00
RECOVERY IN ADVANCE						
Alfred Lagat		1,167,964.85				

(II) ACCOUNTS PAYABLE

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Nandi County Mortgage And Car Loan Fund
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For the year ended June 30, 2019

	Administrative	Insurance	Total
For The Period	352,500.00	2,937,500.00	3,290,000
Paid	(108,000)	(1,962,500)	(2,070,500)
Outstanding	244,500.00	975,000.00	1,219,500

(III) NEW LOAN DURING THE YEAR

NAME OF BENEFICIARY	NEW LOANS
Stephen Sang	0.00
Yulita Mitey	2,550,321.39
Ruth Koech	2,050,321.39
Wilson Taiy	2,050,321.39
Hillary Koech	0.00
Benard Lagat	2,050,321.39
Valentine Chumo	2,050,321.39
Elly Kurgat	0.00
Stanley Baliach	0.00
Jacob Tanui	5,050,321.39
Teresa Morogo	5,050,321.39
John Keter	3,050,321.39
Japhet Tirop	5,050,321.39
Scholastic Tuwei	3,050,321.39
Priscilla rono	3,050,321.39
Meshack Malakwen	4,050,321.39
Paul Lagat	3,050,321.39
Prisca Jepchirchir	5,050,321.39
Grace Sugut	4,050,321.39
Hellen Kemboi	6,050,321.39
	57,305,142.24

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**Nandi County Mortgage And Car Loan Fund
Reports and Financial Statements
For the year ended June 30, 2019**

(IV) PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Opening Cash and Cash Equivalents: nil opening cash and cash equivalent	Correction made in the amended financial statements and the opening balance of Kshs 12,900,000 is now included in the transfers of Kshs 61,000,000 for the period under audit review.	Fund Administrator	resolved	Nov 2019
1.0	Late Submission of Financial Statements	late provision of the reporting template	Fund Administrator	resolved	Nov 2019

Guidance Notes:

- a) Use the same reference numbers as contained in the external audit report;
- b) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- c) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- d) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to County Treasury.

